

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

**ELECTRONIC APPLICATION OF NORTH SHELBY )  
WATER COMPANY FOR A CERTIFICATE OF PUBLIC )  
CONVENIENCE AND NECESSITY TO CONSTRUCT ) NO. 2022-00152  
PURSUANT TO 807 KAR 5:001 AND KRS 278.020 )  
TO CONSTRUCT A REPLACEMENT WATER TOWER )**

**V E R I F I E D   A P P L I C A T I O N**

Pursuant to KRS 278.020(1) AND 807 KAR 5:001, Section 15, North Shelby Water Company (hereinafter “North Shelby”) applies to the Public Service Commission (hereinafter “the Commission”) for an Order granting North Shelby a Certificate of Public Convenience and Necessity (hereinafter “CPCN”) to construct a replacement water tower at an estimated cost of \$2,125,000.00. No debt will be incurred by North Shelby. North Shelby does not seek a rate increase to support this project.

In support of its application, North Shelby provides the following:

1. North Shelby is a non-profit water association incorporated in Kentucky on June 4, 1968 under Chapter 273 of the Kentucky Revised Statutes. A copy of the Articles of Incorporation is attached as Exhibit A. North Shelby is authorized to transact business in the Commonwealth of Kentucky and is currently in good standing with the Kentucky Secretary of State.

2. The mailing address of the Applicant is:

North Shelby Water Company  
P.O. Box 97  
Bagdad, Kentucky 40003

The electronic mail address of the Applicant is: [pete@northshelbywater.com](mailto:pete@northshelbywater.com)

3. North Shelby is engaged in the distribution and sale of water in Shelby, Franklin, and

Henry Counties. As of December, 2021 it serves approximately 5,370 customers.

4. The governing body of North Shelby is its Board of Directors. The present members of the Board of Directors, and their respective offices, are as follows: Bryan Franklin, President; Jim Smith, Vice President; Tom McGinnis, Secretary-Treasurer; Jimmy Anglin, Member; Kevin Armstrong, Member; Charles Doane, Member; Herb McCoun, Member; Leo Young, Member.
5. North Shelby has been assisted in preparing the Project by Lee Mudd, P.E., of Monarch Engineering, Inc. (hereinafter “the Engineers”). Mudd is an engineer registered in Kentucky.
6. Copies of all orders, pleadings, and other communications related to this proceeding should be directed to:

David Pete Hedges, Manager  
P.O. Box 97  
Bagdad, Kentucky 40003  
Phone: (502)747-8942  
Email: [Pete@northshelbywater.com](mailto:Pete@northshelbywater.com)

Bryan Franklin, President  
P.O. Box 97  
Bagdad, Kentucky 40003

Lee Mudd, P.E.  
Monarch Engineering, Inc.  
556 Carlton Drive  
Lawrenceburg, Kentucky 40342  
Email: [LeeMudd@monarchengineering.net](mailto:LeeMudd@monarchengineering.net)

Nathan T. Riggs  
Riggs Pippin & Bullock, P.S.C.  
500 Main Street, Ste. 5  
Shelbyville, Kentucky 40065  
Phone: (502)633-5220  
Fax: (502)633-0667  
Email: [natriggs76@gmail.com](mailto:natriggs76@gmail.com)

## PROJECT OVERVIEW

7. **NEED FOR PROJECT:** The proposed project will replace an existing aging 100,000-gallon standpipe storage tank. The existing storage tank is in poor condition and lacks the capacity needed to meet current and future customer demands. Furthermore, the existing tank style (standpipe) and piping arrangement present operation challenges relative to maintaining water quality in the eastern portion of the distribution system. Although the existing tank is 100,000 gallons, only approximately 30,000 gallons constitutes usable storage. If the tank is operated below 70% capacity, many customers in the service area experience pressure below the 30 psi minimum threshold required by the Kentucky Division of Water. Relative to the condition of the existing tank, the interior and exterior coating systems have reached the end of their useful life. Failures of the existing coating system are located sporadically throughout all surfaces. A few areas on the tank are beginning to show signs of severe pitting and metal loss; however, metal loss has been minimal up to this point. The piping arrangement is such that water enters and exits both from the tank floor. This results in poor tank turn-over and negatively impacts the system's overall water quality.
  
8. **PROJECT DESCRIPTION:** North Shelby proposes to construct a new 250,000-gallon elevated water storage tank to replace an existing inadequate 100,000-gallon standpipe structure in the community of Bryant in western Franklin County, Kentucky. The proposed water tank will be constructed in the multi-column style which consists of a wet steel riser along with multiple steel columns supporting a welded steel reservoir. The overall height of the structure will be approximately 110'. The piping and control valve arrangement at the proposed tank will be such that the tank water will enter at the top and

empty from the bottom of the bowl. This will greatly improve the turnover and reduce the production of disinfection byproducts as compared to the existing storage tank being replaced. Furthermore, the entire 250,000-gallon capacity will constitute usable volume.

9. North Shelby hopes to begin construction on the Project on July 1, 2022, or approximately thirty days following the Commission's issuance of the requested CPCN for the Project. The estimated construction time is twelve months.
10. SITE DESCRIPTION: The location of the site was purchased on April 18, 2022 for \$15,000.00 with the intention of placing the new tank on said location. The new water storage tank will be constructed directly adjacent to the existing structure which it will replace. Similar to the existing St. Johns water storage tank, the new tank will work in conjunction with the existing distribution system to serve the communities of Bryant, Benson, Flag Fork, Consolation, Jacksonville, Hatton, and other areas of northwestern Franklin County and northeastern Shelby County. In addition, the improvements will allow North Shelby to better serve its entire system from multiple individual suppliers in the event of a water shortage or other emergency.
11. Construction of the Project will not result in the wasteful duplication of utility facilities or inefficient investment.
12. The Project will not compete with the facilities of any other public utility.
13. The Project's estimated cost is \$2,125,000.00. This estimate incorporates the actual bids received. No debt will be incurred because North Shelby will pay the cost of the Project from its Operation & Maintenance account. No rate increase will be necessary.
14. North Shelby attaches a copy of the Preliminary and Final Engineering Reports signed, sealed and dated as Exhibit B.

15. The public convenience and necessity require the Project's construction.

**COMPLIANCE WITH 807 KAR 5:001, SECTION 15**

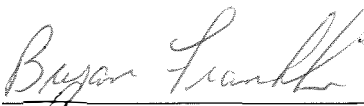
16. North Shelby repeats and reaffirms the statement contained in Paragraph 6 to show that the Project is required by public convenience or necessity.
17. All necessary approvals have been obtained from the proper public authorities, including approval from the Division of Water. A copy of the approval letter is attached as Exhibit C.
18. North Shelby repeats and reaffirms the statement contained in Paragraph 8 regarding the location of the Project. Furthermore, a description of the proposed location is shown on the maps filed herewith as Exhibit D.
19. North Shelby submits Exhibit D regarding the maps showing the location of proposed construction. North Shelby attaches Exhibit E which contains the Engineering plans for the Project. The Project specifications and contract documents are attached as Exhibit F.
20. The proposed plans and specifications for the Project have been designed to meet the minimum construction and operating requirements set out in 807 KAR 5:066, Section 4(3) and (4); Section 5(1); Sections 6 and 7; Section 8(1) through (3); Section 9(1) and Section 10.
21. North Shelby shall pay for the Project from its Operation & Maintenance account. The Project will not require North Shelby to take on any debt. The Project will not require North Shelby to pursue a rate increase. North Shelby attaches its 2020 audit as Exhibit G which demonstrates that it has ample cash reserves to pay for the Project without incurring any debt.
22. An estimated annual cost of operation after the Project is placed into service is attached

as Exhibit H.


WHEREFORE, the Applicant, North Shelby Water Company, asks that the Public Service Commission of the Commonwealth of Kentucky grant to the Applicant the following:

- a. A Certificate of Public Convenience and Necessity permitting the Applicant to construct a waterworks project consisting of improvements to the existing waterworks system of Applicant.
- b. Enter an Order granting the requested relief without holding an evidentiary hearing in this matter.
- c. Grant any and all such other relief to which North Shelby may be entitled.

NORTH SHELBY WATER COMPANY

  
 \_\_\_\_\_  
 Bryan Franklin, President

RIGGS PIPPIN & BULLOCK, PSC

By:   
 \_\_\_\_\_  
 Nathan T. Riggs  
 Counsel for Applicant  
 500 Main Street, Suite 5  
 Shelbyville, Kentucky 40065  
 Phone: (502) 633-5220

STATE OF KENTUCKY    )  
 COUNTY OF SHELBY    )

The undersigned, Bryan Franklin, being duly sworn, deposes and states that he is President of North Shelby Water Company, Applicant in the above proceedings; that he has read the foregoing Application and has noted the contents thereof; that the same is true of his own knowledge, except as to matters which are therein stated on information or belief, and as to those matters, he believes same to be true.

IN TESTIMONY WHEREOF, witness the signature of the undersigned on this 25<sup>th</sup> day of May, 2022.

Bryan Franklin  
Bryan Franklin

STATE OF KENTUCKY    )  
COUNTY OF SHELBY    )

Subscribed and sworn to before me by Bryan Franklin, President of North Shelby Water Company, on this the 25<sup>th</sup> day of May, 2022.

PAULA J. MCCLAIN  
NOTARY PUBLIC  
STATE AT LARGE - KENTUCKY  
ID # 620387  
MY COMMISSION EXPIRES APRIL 26, 2023

Paula J. McClain  
Notary Public  
Commission Expires: 04-26-2023

**CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY - CONSTRUCTION**

Filing Requirements

<u>Law/Regulation</u>	<u>Filing Requirement</u>	<u>Location</u>
Section 14(1)	Full name, mailing address and e-mail address of applicant and a reference to KRS 278.020(1).	Page 1, Paragraph 2
Section 7(1)	The application and 10 copies of the application	N/A pursuant to 07/21/2021 Order in Case No. 2020-00085
Section 4(3)	Paper signed by submitting party or attorney.	Page 6
Section 4(3)	Name, address, telephone number, fax number, and e-mail address of submitting party or attorney.	Page 2
Section 14(2)	If a corporation, the applicant shall identify in the application the state in which it is incorporated and the date of its incorporation, attest that it is currently in good standing in the state in which it is incorporated, and, if it is not a Kentucky corporation, state whether it is authorized to transact business in Kentucky.	Page 1, Paragraph 1
Section 14(3)	If a limited liability company, the applicant shall identify in the application the state in which it is organized and the date on which it was organized, attest that it is in good standing in the state in which it is organized, and, if it is not a Kentucky limited liability company, state whether it is authorized to transact business in Kentucky.	N/A
Section 14(4)	If the applicant is a limited partnership, a certified copy of its limited partnership agreement and all amendments, if any, shall be annexed to the application, or a written statement attesting that its partnership agreement and all amendments have been filed with the commission in a prior proceeding and referencing the case number of the prior proceeding.	N/A
Section 15(2)	(a) The facts relied upon to show that the proposed construction or extension is or will be required by public convenience or necessity.	Page 3



**Law/Regulation**

**Filing Requirement**

**Location**

(b) Copies of franchises or permits, if any, from the proper public authority for the proposed construction or extension, if not previously filed with the commission.

Page 5, Paragraph 18;  
Exhibit C

(c) A full description of the proposed location, route, or routes of the proposed construction or extension, including a description of the manner in which same will be constructed, and the names of all public utilities, corporations, or persons with whom the proposed construction or extension is likely to compete.

Pages 3-5, Paragraphs 8-15

(d)(1) Three (3) copies (one (1) in portable document format on electronic storage medium and two (2) in paper medium) of maps to suitable scale showing the location or route of the proposed construction or extension, as well as the location to scale of like facilities owned by others located anywhere within the map area with adequate identification as to the ownership of the other facilities.

Portable document format only pursuant to 07/21/2021 Order in Case No. 2020-00085

(d)(2) Plans and specifications and drawings of the proposed plant, equipment, and facilities.

Page 5, Paragraph 19,  
Exhibits D, E and F

(e) The manner in detail in which the applicant proposes to finance the proposed construction or extension.

Page 4, Paragraph 13, Page 5, Paragraph 21, Exhibit G

(f) An estimated annual cost of operation after the proposed facilities are placed into service.

Pages 5-6, Paragraph 22,  
Exhibit H

KRS 322.340

Engineering plans, specifications, drawings, plats and reports for the proposed construction or extension prepared by a registered engineer, must be signed, sealed, and dated by an engineer registered in Kentucky.

Page 4, Paragraph 14,  
Exhibit B

# EXHIBIT

A

North - 666

38371

# Commonwealth of Kentucky

## Department of State



### Office of Secretary of State

ELMER BEGLEY, SECRETARY  
DOMESTIC CORPORATION DEPARTMENT  
NON-STOCK CORPORATION

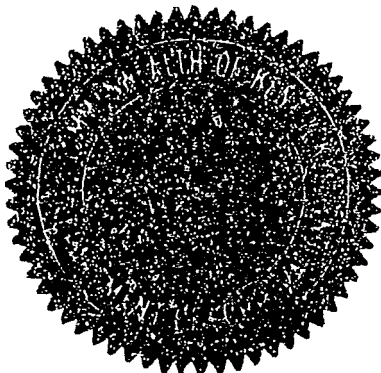
I, **ELMER BEGLEY**, Secretary of the State of Kentucky,  
hereby certify that Articles of Incorporation of the

NORTH SHELBY WATER COMPANY

(Shelbyville, Kentucky)

has this day been filed in my office.

It appearing from said Articles of Incorporation that the said Corporation has no capital stock, and no private pecuniary profit is to be derived therefrom, the said Corporation is not required by law to pay a tax on organization; and it further appearing that the aforesaid Corporation has complied with all the requirements of the law, this certificate is issued as evidence of the fact that the said Corporation is now authorized and empowered to do business in this State under its charter, subject to the restrictions imposed by the statutes of Kentucky.

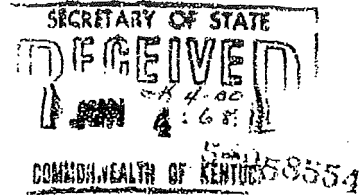


Given under my hand as Secretary of State,  
this 4th day of June 1968

By Elmer Begley  
Secretary of State

Assistant Secretary of State

SECRETARY OF STATE



ARTICLES OF INCORPORATION  
OF  
NORTH SHELBY WATER COMPANY  
Shelbyville, Kentucky

We, whose names are hereto subscribed, acting as incorporators for the purpose of forming a nonprofit corporation under the provisions of Chapter 273 of the KRS, assuming and claiming all powers, rights, privileges and immunities granted or permitted bodies corporate under said laws, and do hereby adopt the following Articles of Incorporation:

ARTICLE I.  
NAME

The name of this corporation shall be NORTH SHELBY WATER COMPANY.

ARTICLE II  
REGISTERED OFFICE AND AGENT

The registered office of the corporation shall be at Federal Land Bank Building, Shelbyville, County of Shelby, State of Kentucky; the registered agent at such address is Ralph Mitchell.

ARTICLE III  
PURPOSE

The purpose of the said corporation shall be to establish, develop and operate a complete water supply and distribution system by purchase, development, or otherwise to construct reservoirs or water towers, erect pumping machinery, lay water mains, pipes and hydrants; to furnish and sell water to members of the corporation, public bodies and local businesses, for fire protection, drinking and general farm and domestic use and collect payment for rental or sale of same and doing all things necessary, convenient and incidental thereto.

ARTICLE IV

SEAL

This corporation shall have a seal, which seal shall contain the corporate name, Kentucky, and the words "corporate seal".

ARTICLE V

POWERS

The corporation shall have all powers provided by law.

ARTICLE VI

MEMBERSHIP

Persons may become members of the corporation as provided in the By-Laws.

ARTICLE VII

DURATION

The corporation shall have perpetual duration.

ARTICLE VIII

BOARD OF DIRECTORS

1. The affairs of this corporation shall be managed by a Board of seven (7) Directors to be elected by and from the members thereof and shall serve for three years and until their successors are elected. The size of the Board may not be changed except by amendment to these articles. At the first annual election two (2) Directors shall be elected for a term of one year; two (2) Directors shall be elected for a term of two years; three (3) Directors shall be elected for a term of three years. Thereafter Directors shall be elected for terms of three years.

2. The Board of Directors shall fill vacancies occurring in its own membership by appointment of qualified members to hold office until the next annual meeting of the membership at which meeting a member shall be elected to fill the unexpired term.

3. A majority of the Directors must be present at a meeting to conduct the business of the corporation.

4. Until the first annual election, the following persons shall be Directors:

Dudley Scearce	Route #2, Shelbyville, Kentucky, 40065
William L. Tingle	Route #3, Shelbyville, Kentucky, 40065
Robert W. Tucker	Route #2, Shelbyville, Kentucky, 40065
W. A. Lutes	Route #1, Shelbyville, Kentucky, 40065
J. W. Miles	Route #1, Bagdad, Kentucky, 40003
John A. Young	Bagdad, Kentucky, 40003
M.H. Satterly	2409 Long Run Road, Route #2, Box 261, Anchorage, Kentucky, 40223

and the following persons shall be officers:

President	Robert W. Tucker, Route #2, Shelbyville, Ky., 40065
Vice-President	John A. Young, Bagdad, Kentucky, 40065
Secretary	William L. Tingle, Route #3, Shelbyville, Ky., 40065
Treasurer	William L. Tingle, Route #3, Shelbyville, Ky., 40065

5. The Board of Directors shall have their annual meeting after the annual meeting of members hereinafter provided for, at a time and place to be designated by the President, and will elect from their own number a President, Vice-President, Secretary and Treasurer. However, the offices of Secretary and Treasurer may be combined into one office .

6. The Board of Directors shall have other meetings as provided in the By-Laws.

#### ARTICLE IX MEETINGS

1. The annual meeting of the members of this corporation for the purpose of electing directors and transacting such other business as may properly come before it at such time, shall be held on the first Monday in March of each year at the time and place specified by the Board of Directors.

2. Special meetings of the members of this corporation may be called by the President at any time or place within the county upon giving

to each of the members a notice in writing mailed to his postal address as it appears in the corporation records at least ten (10) days prior to such meeting; and such meetings shall be called by him at any time upon written demand of the majority of the directors, or of any one hundred (100) members, and in case of his neglect or refusal to call such meetings, such directors or members shall unite in calling such meetings, which shall be the same as though called by the President. If the purpose of the meeting is to amend the articles, then the notice of meetings signed by the Secretary shall set forth the proposed amendment in substance. Articles may be amended by a two-thirds vote of the members present at such a meeting or voting by proxy.

ARTICLE X

INCORPORATORS

The names and addresses of the incorporators are:

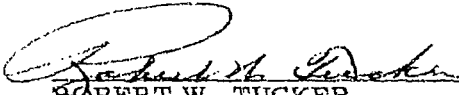
Robert W. Tucker	Route #2, Shelbyville, Kentucky, 40065
John A. Young	Bagdad, Kentucky, 40003
William L. Tingle	Route #3, Shelbyville, Kentucky, 40065

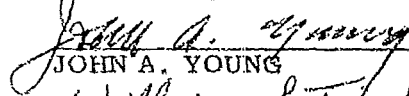
ARTICLE XI

BY-LAWS

The corporation may make and amend By-Laws at its pleasure through its Board of Directors.

IN WITNESS WHEREOF, we have hereunto subscribed our names this 3rd day of June, 1968.

  
ROBERT W. TUCKER

  
JOHN A. YOUNG

  
WILLIAM L. TINGLE





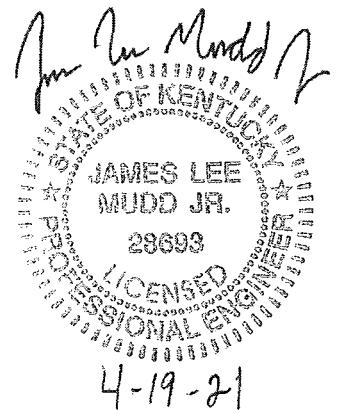
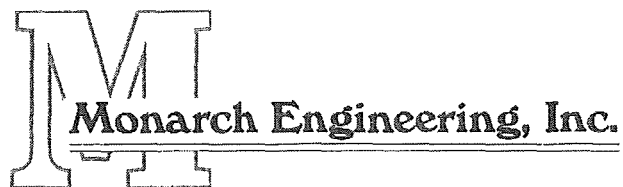
# **EXHIBIT**

**B**

PRELIMINARY ENGINEERING REPORT  
FOR THE  
NORTH SHELBY WATER COMPANY

ST. JOHNS WATER STORAGE TANK REPLACEMENT

APRIL 2021



**PRELIMINARY ENGINEERING REPORT  
ST. JOHNS WATER STORAGE TANK REPLACEMENT  
NORTH SHELBY WATER COMPANY  
FRANKLIN COUNTY, KENTUCKY**

I. GENERAL

This Preliminary Engineering Report is intended to analyze the proposed water system improvements which are being planned by the North Shelby Water Company. The improvements include construction of a new 250,000 gallon elevated water storage tank to replace an existing aging 100,000 gallon standpipe structure in the community of Bryant in western Franklin County, Kentucky.

II. PROJECT PLANNING AREA

The proposed location of the new water storage tank is directly adjacent to the existing structure which it will replace. Construction will occur on a site within the community of Bryant, in western Franklin County, Kentucky, being directly adjacent to Kentucky Highway 1570 (St. Johns Road). Bryant is a small unincorporated rural community. The area directly surrounding the site is comprised primarily of rural residential and agricultural land use. The topography of the project area consists of narrow ridges with steep slopes to narrow valleys.

Implementation of the project will have a direct impact on the Company's entire eastern service area. However, the impact will be more pronounced for portion of the system east of Bagdad including the entire northwestern portion of Franklin County. This section of the service area has experienced moderate demand growth since the water system was first installed over fifty (50) years ago. The growth is expected to continue as residents continue to shift in from Frankfort and other portions of Franklin County. While future sustained residential growth is expected, no new large commercial or industrial users are anticipated at this time.

Attached as a part of this report are location and topographic maps which depict the location of the existing water storage tank to be dismantled, the proposed water storage tank, ancillary connecting water mains and the proposed connection points to existing system mains.

III. EXISTING FACILITIES

The North Shelby Water Company owns and operates a water distribution system which serves the rural population of northern Shelby and northwestern Franklin Counties. Small areas of both Oldham and Henry Counties are also served by the system. The Company purchases all water for resale from the Louisville Water Company, the

Frankfort Plant Board, and the City of Shelbyville. The combination of which has sufficient water treatment capacity to serve the Company's approximately 5,300 existing residential, commercial and industrial customers.

The Company operates the water system through a Board of Directors, a General Manager, as well as office and field personnel. The water distribution system consists of a network of water supply and distribution mains along with a series of water tanks and booster pump stations. This includes various size water lines ranging from 2-inch to 12-inch, seven pump stations, and six water storage tanks rated at 2,600,000 gallons. The majority of the system has been in place for less than 50 years. Pipe material within the system consists of cast iron and asbestos cement for the older lines along with ductile iron and plastic for the newer ones.

Currently, the distribution system is divided into two separate supply zones. The western portion is supplied primarily by the Louisville Water Company and the Eastern portion is supplied primarily by the Frankfort Plant Board and the City of Shelbyville. The supply to western supply zone is supplemented with water from the City of Shelbyville on an as needed basis.

#### IV. NEED FOR THE PROJECT

The projects' primary objective is to replace the existing aging 100,000 gallon standpipe storage tank. The existing storage tank is in poor condition and lacks the capacity needed to meet current and future customer demands. Furthermore, the existing tank style (standpipe) and piping arrangement present operation challenges relative to maintaining water quality in the eastern portion of the distribution system.

Relative to the condition of the existing tank, the interior and exterior coating systems have reached the end of their useful life. Failures of the existing coating system are located sporadically throughout all surfaces. A few areas on the tank are beginning to show signs severe pitting and metal loss, however metal loss has been minimal up to this point. The piping arrangement is such that water enters and exits both from the tank floor. This results in poor tank turn-over and negatively impacts the systems overall water quality.

Aside from correcting the current deficiencies associated with the existing storage tank, the improvements will also improve the overall reliability of the entire system. Currently, the North Shelby lacks the ability to transport water from the Louisville supply to the eastern portion of their system and vice versa from the Frankfort supply. In the event of an emergency supply failure in either zone, the Company lacks capacity to supply all customers from a single supply source. Given the virtually unlimited supply that can be provided from Louisville, the proposed water storage tank will allow the majority of customers in the eastern portion to be served in the event of an emergency failure in the Frankfort supply. Given the limitations of the Frankfort supply, the project will not allow for the entire western portion be served from that source. However, it will greatly improve the current level of storage which would significantly reduce the effect of an emergency supply failure by Louisville.

## V. ALTERNATIVES CONSIDERED

For the majority of its customers, North Shelby is the only available supplier of potable water. Therefore all alternatives considered were relative to water supply, transport and storage within their system.

The primary alternative considered was the construction of a 500,000 gallon structure which would replace both the 100,000 gallon St. Johns storage tank and the 200,000 gallon Jacksonville storage tank. Presently, both of the existing tanks work in tandem to serve the eastern supply zone. Selection of this alternative would slightly increase the overall storage capacity of the eastern supply zone by means of single structure. While allowing for greater overall storage capacity, this alternative would strictly limit operational control within the eastern zone, requiring the entire area to be served from a single tank. In addition, it would eliminate redundancy and greatly compromise the stability within the system should the tank need to be taken out of service for maintenance.

Another alternative considered was the construction of two smaller (150,000 gallons) individual storage tanks in lieu of a single 250,000 gallon structure. One tank would replace the existing St. Johns storage tank and the other would be installed near the community of Peytona. Selection of this alternative would allow greater operation control within the eastern supply zone and better facilitate a potential future water supply to U.S. 60 Water District. However, the capital cost of such a project would be significantly more than the selected project. Future operational and maintenance cost would also be greatly increased.

The alternatives described above and others were evaluated based on several factors. They included: the needs of each service area; the total project costs; the location of the existing transmission main routes and tank sites; the availability of transmission main rights-of-way, tank sites, and pump station sites; the future cost of maintaining the improvements; and future supply availability from each of the various suppliers

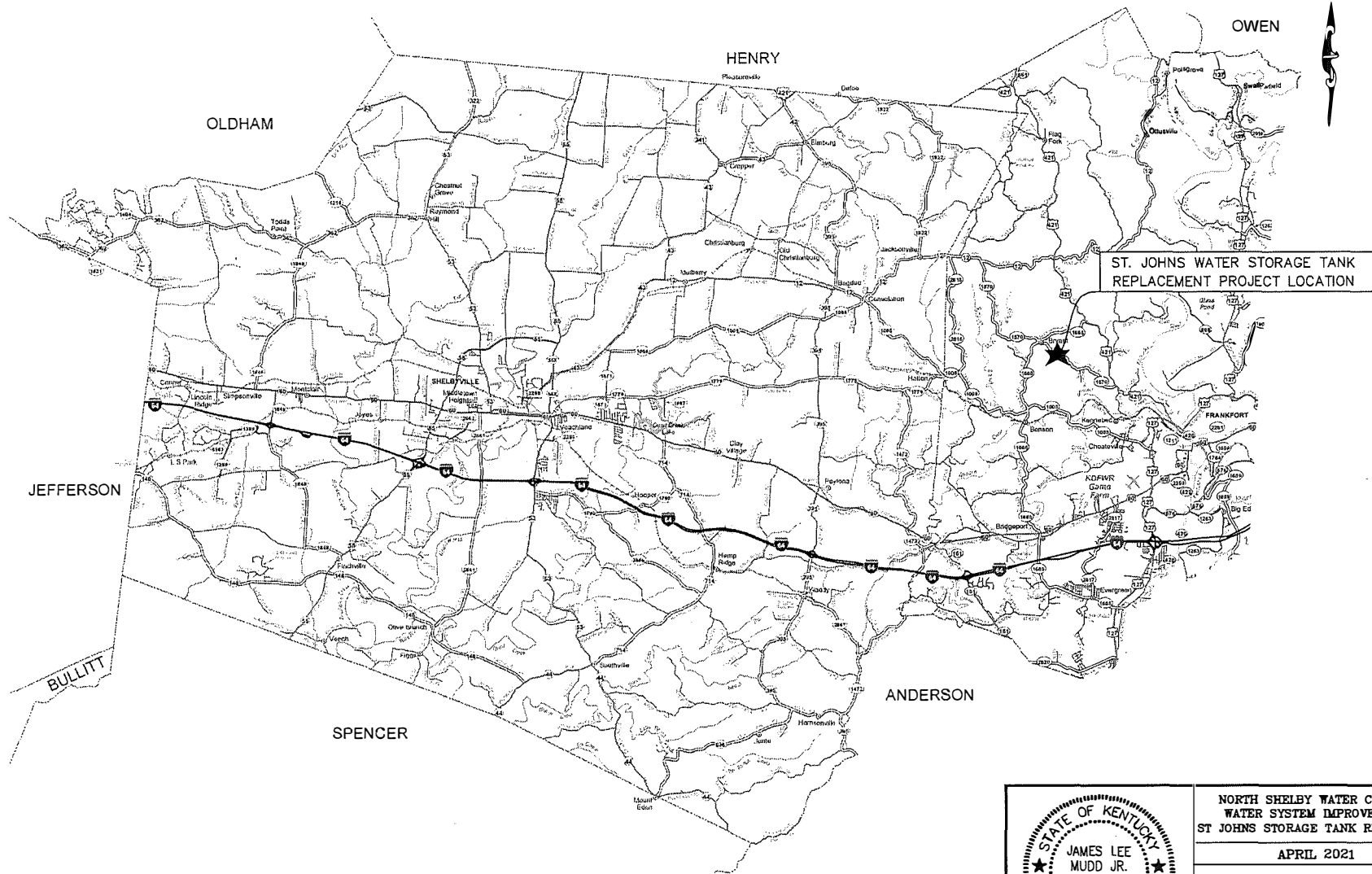
## VI. PROPOSED PROJECT

In order to correct the above-described deficiencies, the project proposes to construct a new 250,000 gallon elevated water storage tank to replace an existing undersized 100,000 gallon standpipe structure in the community of Bryant in western Franklin County, Kentucky. The proposed water tank will be constructed in the multi-column style which consists of a wet steel riser along with multiple steel columns supporting a welded steel reservoir. The overall height of the structure will be approximately 110'. The new water storage tank will be constructed directly adjacent to the existing structure which it will replace. Similarly to the existing St. Johns water storage tank, the new tank will work in conjunction with the existing distribution system to serve the communities of Bryant, Benson, Flag Fork, Consolation, Jacksonville, Hatton, and other areas of northwestern Franklin County and northeastern Shelby County. In addition, the improvements will allow the company to better serve its entire system from multiple individual suppliers in the event of a water shortage or other emergency.

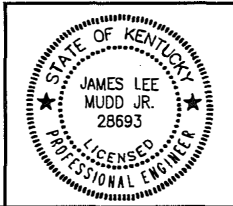
An itemized cost estimate is included in this report and outlines all of the individual construction items along with their estimated unit costs. A summary cost estimate is also included herein and recaps all of the project costs and outlines the funding scheme for the project. The total overall project cost is estimated to be \$1,685,000 with full funding being provided by North Shelby Water Company via depreciation reserve funds.

## VII. CONCLUSIONS AND RECOMMENDATIONS

Based on our evaluations of the Company's water system, including the condition of the existing St. Johns Water Storage Tank and its inability to effectively supply existing and future system demands, it is recommended that the Company pursue development of the proposed project as outlined herein. Given the estimated cost of the project and the current amount of depreciation reserve funds held by the Company, it anticipated that the project can be funded without outside financing.

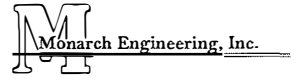


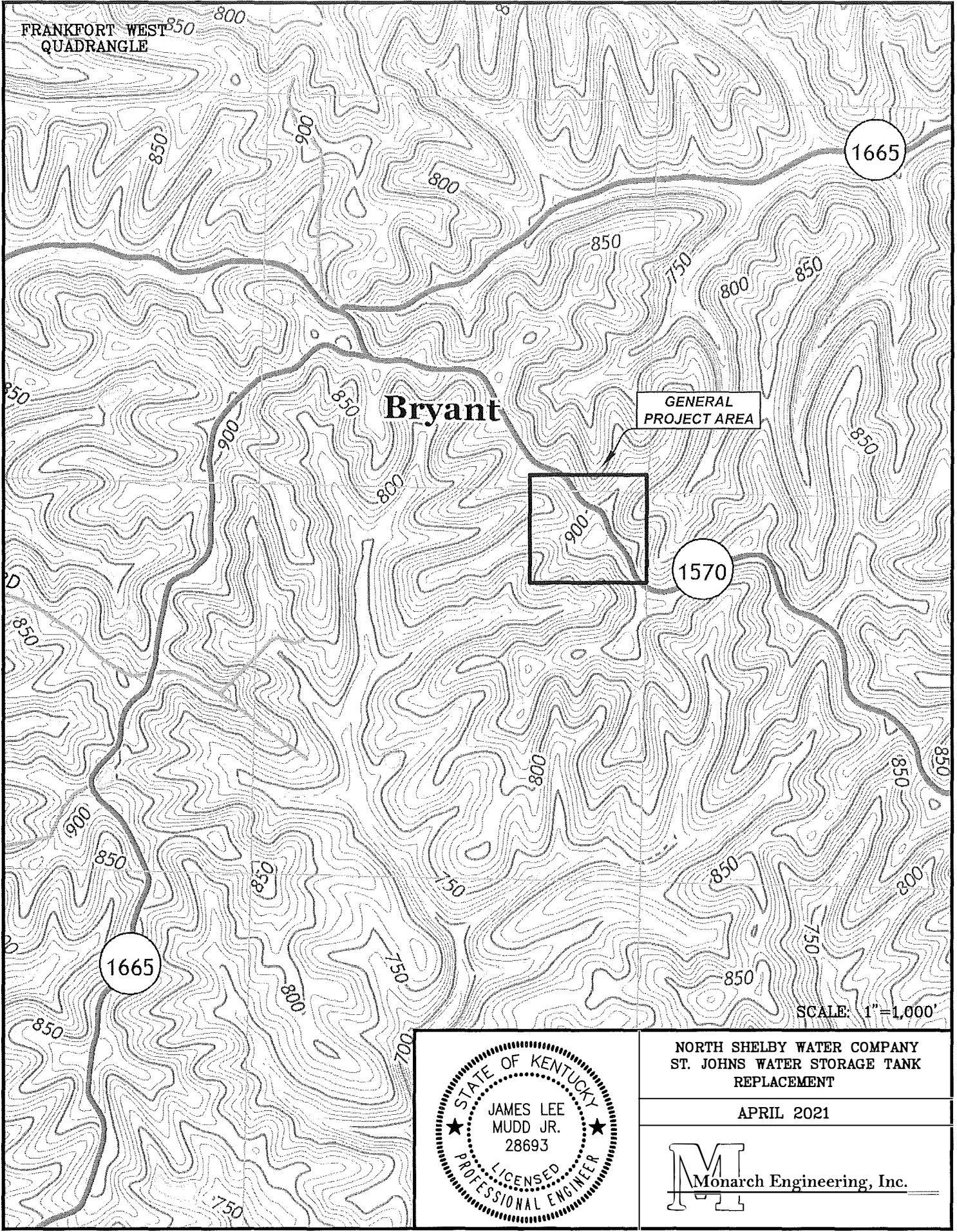
ST. JOHNS WATER STORAGE TANK  
REPLACEMENT PROJECT LOCATION



NORTH SHELBY WATER COMPANY  
WATER SYSTEM IMPROVEMENTS  
ST JOHNS STORAGE TANK REPLACEMENT

APRIL 2021





FRANKFORT WEST QUADRANGLE

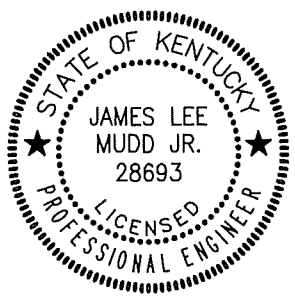
Bryant

GENERAL PROJECT AREA

1570

1665

SCALE: 1"=1,000'



NORTH SHELBY WATER COMPANY  
 ST. JOHNS WATER STORAGE TANK  
 REPLACEMENT

APRIL 2021

**M** Monarch Engineering, Inc.



FRANKFORT WEST  
QUADRANGLE

# Bryant

PROPOSED 250,000 GALLON  
MULTI-COLUMN ELEVATED  
WATER STORAGE TANK

EXISTING 100,000 GALLON  
WATER STORAGE TANK  
(TO BE DEMOLISHED)

PROPOSED CONNECTION  
TO EXISTING 8-INCH  
WATER LINE

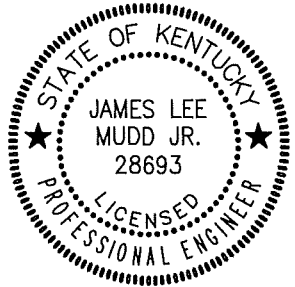
1570

SCALE: 1"=500'

SCALE: 1"=500'

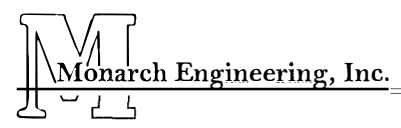
- PROPOSED WATER LINE
- — — — — EXISTING 2" WATER LINE
- — — — — EXISTING 3" WATER LINE
- — — — — EXISTING 4" WATER LINE
- — — — — EXISTING 6" WATER LINE
- — — — — EXISTING 8" WATER LINE
- — — — — EXISTING 10" WATER LINE
- — — — — EXISTING 12" WATER LINE
- — — — — EXISTING 14" WATER LINE
- — — — — EXISTING 16" WATER LINE

MAP LEGEND



NORTH SHELBY WATER COMPANY  
ST. JOHNS WATER STORAGE TANK  
REPLACEMENT

APRIL 2021



**PRELIMINARY COST ESTIMATE**  
**NORTH SHELBY WATER COMPANY**  
**ST. JOHNS WATER STORAGE TANK REPLACEMENT**  
**APRIL 2021**

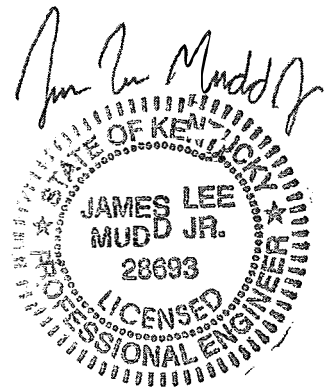
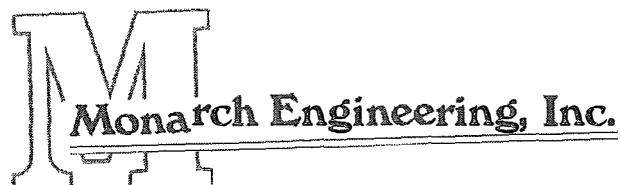
ITEM NO.	DESCRIPTION	QUANTITY	UNIT COST	TOTAL COST
1	Erosion & Sedimentation Controls	1 LS	\$15,000.00	\$15,000.00
2	Site Preparation, Grading & Excavation	1 LS	25,000.00	25,000.00
3	250,000 Gallon Steel Multi-Column Elevated Tank			
3A	Foundation	1 LS	175,000.00	175,000.00
3B	Welded Steel Reservoir & Support Structure (115' Tall)	1 LS	600,000.00	600,000.00
3C	Appurtenances & Accessories	1 LS	60,000.00	60,000.00
3D	Coatings & Disinfection	1 LS	175,000.00	175,000.00
4	Yard Piping & Appurtenances	1 LS	125,000.00	125,000.00
5	Miscellaneous Site Improvements (Entrance, Parking, Ditches)	1 LS	50,000.00	50,000.00
6	Demolition of Existing 100,000 Gallon Tank	1 LS	50,000.00	50,000.00
7	Final Site Restoration & Cleanup	1 LS	25,000.00	25,000.00
Subtotal				\$1,300,000.00
Contingencies (10%)				130,000.00
<b>TOTAL CONSTRUCTION</b>				<b>\$1,430,000.00</b>
Preliminary Engineering Report				\$10,000.00
Environmental Assessment				8,000.00
Geotechnical Investigation				8,000.00
Engineering Design				110,000.00
Construction Inspection				69,000.00
Land & Easement Acquisition				25,000.00
Legal & Administration				25,000.00
<b>TOTAL NON-CONSTRUCTION</b>				<b>\$255,000.00</b>
<b>TOTAL PROJECT COST</b>				<b>\$1,685,000.00</b>

# FINAL ENGINEERING REPORT

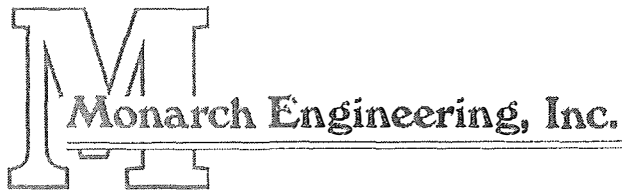
ST. JOHNS WATER STORAGE TANK REPLACEMENT

NORTH SHELBY WATER COMPANY  
FRANKLIN COUNTY, KENTUCKY

MAY 2022



5-12-21



May 12, 2022

Mr. Bryan Franklin, President  
North Shelby Water Company  
P.O. Box 97  
Bagdad, KY 40003

Re: St. Johns Water Storage Tank Replacement Project  
Bid Opening Results and Recommendations

Dear Mr. Franklin:

On May 11, 2022, bids were received by the North Shelby Water Company for the construction of the St. Johns Water Storage Tank Replacement project. Two (2) proposals were received, with the lowest being submitted by Caldwell Tanks, Inc. of Louisville, KY for \$1,674,000.00. A summarized tabulation of all bids received, and a Final Project Budget have been included for your reference.

As indicated in the Final Project Budget, the total "as-bid" project cost is \$2,125,000.00. North Shelby had previously allocated project funding in the amount \$1,685,000.00, accordingly the resulting budget shortfall is \$440,000.00. In our opinion, the current volatility and price inflation surrounding construction materials and labor are likely to remain for the foreseeable future. Therefore, considering the competitive nature of the bids received, and the necessity of the proposed improvements, we recommend that the Company commit, or otherwise pursue, the additional funding needed to proceed with the development of the project in full.

Regarding the additional funds needed, based upon conversations with Company management, it appears that North Shelby does have adequate reserve funds available to cover the shortfall. Should the Company be unwilling to commit the needed additional funds, it is recommended that the additional funds be acquired from a local traditional lending institution. Pursuing funds from any governmental loan or grant program would likely take many months and would ultimately result in the need to reject the current bids and repeat the bidding process well into the future.

Therefore, subject to approval by North Shelby's Board of Directors to proceed with additional capital expenditures as needed, we recommend a subsequent contract award to Caldwell Tanks, Inc for the full bid amount. This recommendation and all recommendation herein are contingent upon approval from the Kentucky Public Service Commission.

# M

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May 12, 2022  
Page Two

Please be advised that acquiring needed approvals from the Public Service Commission could be a lengthy process and should begin immediately. A delay in action on the part of the Company could result in an inability to award the contracts before the bids expire. Therefore, we recommend that you act now to minimize the delay and ensure the realization of this much needed project.

Should you have any questions or require any additional information, please advise.

Sincerely,



Lee Mudd, P.E.  
Project Engineer

/jlm

Attachments

MONARCH ENGINEERING, INC.  
 556 Carlton Drive  
 Lawrenceburg, KY 40342  
 Phone (502) 839-1310  
 Fax (502) 839-1373

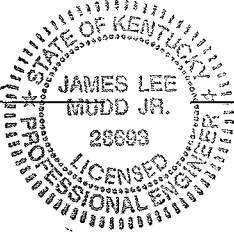
**BID TABULATIONS**  
**NORTH SHELBY WATER COMPANY**  
**ST. JOHNS WATER STORAGE TANK REPLACEMENT**  
**FRANKLIN COUNTY, KENTUCKY**  
**BID DATE: MAY 11, 2022 @ 11:00 A.M. LOCAL TIME**

<b>Caldwell Tanks, Inc.</b> 4000 Tower Road Louisville, KY 40219	<b>Phoenix Fabricators &amp; Erectors, LLC</b> 182 South County Road 900 E Avon, IN 46123
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ITEM NO.	DESCRIPTION	QUANTITY	UNIT PRICE	TOTAL COST	UNIT PRICE	TOTAL COST
<b>BASE BID CONTRACT</b>						
1	Site Protection (Temporary Site Fencing)	1 LS	\$4,000.00	\$4,000.00	\$4,350.00	\$4,350.00
2	Erosion & Sedimentation Controls	1 LS	5,500.00	5,500.00	6,800.00	6,800.00
3	Site Preparation, Grading & Excavation	1 LS	25,000.00	25,000.00	80,000.00	80,000.00
4	250,000 Gallon Multi-Column Elevated Water Storage Tank					
	4A) Foundation	1 LS	293,000.00	293,000.00	159,942.00	159,942.00
	4B) Welded Steel Reservoir	1 LS	824,000.00	824,000.00	1,152,925.90	1,152,925.90
	4C) Appurtenances & Accessories	1 LS	40,000.00	40,000.00	55,404.00	55,404.00
	4D) Coatings & Disinfection	1 LS	147,000.00	147,000.00	118,581.10	118,581.10
5	Yard Piping & Appurtenances	1 LS	177,000.00	177,000.00	206,208.00	206,208.00
6	Electrical & Grounding	1 LS	89,000.00	89,000.00	54,545.00	54,545.00
7	Miscellaneous Site Improvements (Access Road, Parking Area, Lined Ditches, etc.)	1 LS	26,000.00	26,000.00	80,837.00	80,837.00
8	100,000 Gallon Storage Tank Demolition	1 LS	35,000.00	35,000.00	18,305.00	18,305.00
9	Final Site Restoration & Cleanup	1 LS	8,500.00	8,500.00	38,000.00	38,000.00
<b>TOTAL BASE BID</b>				<b>\$1,674,000.00</b>		<b>\$1,975,898.00</b>

THE ABOVE IS A TRUE AND COMPLETE TABULATION OF BIDS RECEIVED AT 11:00 A.M. LOCAL TIME, WEDNESDAY, MAY 11, 2022 AT THE NORTH SHELBY WATER COMPANY.

BY: James Lee Mudd, Jr.      5-11-22  
 James Lee Mudd, Jr., P.E.      Date



**FINAL PROJECT BUDGET**  
**NORTH SHELBY WATER COMPANY**  
**ST. JOHNS WATER STORAGE TANK REPLACEMENT**  
**MAY 2022**

**PROJECT COSTS**

TOTAL CONSTRUCTION	\$1,674,000
CONTINGENCY	\$167,000
TELEMETRY EQUIPMENT	\$20,000
PRELIMINARY ENGINEERING REPORT	\$10,000
GEOTECHNICAL INVESTIGATION	\$8,000
ENGINEERING DESIGN	\$134,600
CONSTRUCTION INSPECTION	\$82,550
LAND & EASEMENT ACQUISITION	\$18,850
LEGAL & ADMINISTRATION	\$10,000
<b>TOTAL PROJECT COSTS</b>	<b><u><u>\$2,125,000</u></u></b>

**PROJECT FUNDING**

NORTH SHELBY WATER COMPANY	\$2,125,000
<b>TOTAL PROJECT FUNDING</b>	<b><u><u>\$2,125,000</u></u></b>

# EXHIBIT

C



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  
TELEPHONE: 502-564-2150  
TELEFAX: 502-564-4245

April 12, 2022

David Hedges  
North Shelby Water District  
PO Box 97  
Bagdad, KY 40003

RE: St Johns WST Replacement  
Shelby County, KY  
North Shelby Water District  
AI #: 34104, APE20220001  
PWSID #: 1060324-22-001

Dear Mr. Hedges:

We have reviewed the plans and specifications for the above referenced project. The plans include the construction of one (1) 250,000 Gallon Elevated Water Storage Tank and 200 LF 8-inch Ductile Iron waterline. This is to advise that plans and specifications for the above referenced project are APPROVED with respect to sanitary features of design, as of this date with the requirements contained in the attached construction permit.

If you have any questions concerning this project, please contact David Coe at (502)782-6296.

Sincerely,

A handwritten signature in black ink, appearing to read "T. Humphries", written over a horizontal line.

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

TH:DC  
Enclosures

c: Monarch Engineering Inc  
Shelby County Health Department  
Division of Plumbing

## Distribution-Major Construction

North Shelby Water District

Facility Requirements

Activity ID No.:APE20220001

Page 1 of 9

### PORT000000025 (St Johns WST Replacement) 200 LF 8-inch Ductile Iron WLE:

#### Narrative Requirements:

Condition No.	Condition
T-1	Construction of this project shall not result in the water system's inability to supply consistent water service in compliance with 401 KAR 8:010 through 8:600. [401 KAR 8:100 Section 5]
T-2	The public water system shall not implement a change to the approved plans without the prior written approval of the cabinet. [401 KAR 8:100 Section 4(3)]
T-3	A proposed change to the approved plans affecting sanitary features of design shall be submitted to the cabinet for approval in accordance with Section 2 of this administrative regulation. [401 KAR 8:100 Section 4(2)]
T-4	During construction, a set of approved plans and specifications shall be available at the job site. Construction shall be performed in accordance with the approved plans and specifications. [401 KAR 8:100 Section 3(1)]
T-5	Unless construction begins within two (2) years from the date of approval of the final plans and specifications, the approval shall expire. [401 KAR 8:100 Section 3(3)]
T-6	Upon completion of construction, a professional engineer shall certify in writing that the project has been completed in accordance with the approved plans and specifications. [401 KAR 8:100 Section 4(1)]
T-7	The system shall be designed to maintain a minimum pressure of 20 psi at ground level at all points in the distribution system under all conditions of flow. [Recommended Standards for Water Works 8.2.1, Drinking Water General Design Criteria IV.1.a]
T-8	Water lines should be hydraulically capable of a flow velocity of 2.5 ft/s while maintaining a pressure of at least 20 psi. [Drinking Water General Design Criteria IV.1.b]
T-9	The normal working pressure in the distribution system at the service connection shall not be less than 30 psi under peak demand flow conditions. Peak demand is defined as the maximum customer water usage rate, expressed in gallons per minute (gpm), in the pressure zone of interest during a 24 hour (diurnal) time period. [Drinking Water General Design Criteria IV.1.d]
T-10	When static pressure exceeds 150 psi, pressure reducing devices shall be provided on mains or as part of the meter setting on individual service lines in the distribution system. [Drinking Water General Design Criteria IV.1.c]
T-11	The minimum size of water main in the distribution system where fire protection is not to be provided should be a minimum of three (3) inch diameter. Any departure from minimum requirements shall be justified by hydraulic analysis and future water use, and can be considered only in special circumstances. [Recommended Standards for Water Works 8.2.2, Drinking Water General Design Criteria IV.2.b]

## Distribution-Major Construction

North Shelby Water District

Facility Requirements

Activity ID No.:APE20220001

Page 2 of 9

### PORT000000025 (St Johns WST Replacement) 200 LF 8-inch Ductile Iron WLE:

#### Narrative Requirements:

Condition No.	Condition
T-12	Water mains not designed to carry fire-flows shall not have fire hydrants connected to them. [Recommended Standards for Water Works 8.4.1.b]
T-13	Flushing devices should be sized to provide flows which will give a velocity of at least 2.5 feet per second in the water main being flushed. [Recommended Standards for Water Works 8.2.4.b, Recommended Standards for Water Works 8.4.1.b]
T-14	No flushing device shall be directly connected to any sewer. [Recommended Standards for Water Works 8.2.4.b, Recommended Standards for Water Works 8.4.1.b]
T-15	Pipe shall be constructed to a depth providing a minimum cover of 30 inches to top of pipe. [Drinking Water General Design Criteria IV.3.a]
T-16	Water mains shall be covered with sufficient earth or other insulation to prevent freezing. [Recommended Standards for Water Works 8.7]
T-17	A continuous and uniform bedding shall be provided in the trench for all buried pipe. Backfill material shall be tamped in layers around the pipe and to a sufficient height above the pipe to adequately support and protect the pipe. Stones found in the trench shall be removed for a depth of at least six inches below the bottom of the pipe. [Recommended Standards for Water Works 8.7]
T-18	Water line installation shall incorporate the provisions of the AWWA standards and/or manufacturer's recommended installation procedures. [Recommended Standards for Water Works 8.7]
T-19	All materials used for the rehabilitation of water mains shall meet ANSI/NSF standards. [Recommended Standards for Water Works 8.1]
T-20	Packing and jointing materials used in the joints of pipe shall meet the standards of AWWA and the reviewing authority. [Recommended Standards for Water Works 8.1]
T-21	All tees, bends, plugs and hydrants shall be provided with reaction blocking, tie rods or joints designed to prevent movement. [Recommended Standards for Water Works 8.7]
T-22	All materials including pipe, fittings, valves and fire hydrants shall conform to the latest standards issued by the ASTM, AWWA and ANSI/NSF, where such standards exist, and be acceptable to the Division of Water. [Recommended Standards for Water Works 8.1]
T-23	Water mains which have been used previously for conveying potable water may be reused provided they meet the above standards and have been restored practically to their original condition. [Recommended Standards for Water Works 8.1]

## Distribution-Major Construction

North Shelby Water District  
Facility Requirements

Activity ID No.:APE20220001

Page 3 of 9

### PORT000000025 (St Johns WST Replacement) 200 LF 8-inch Ductile Iron WLE:

#### Narrative Requirements:

Condition No.	Condition
T-24	Manufacturer approved transition joints shall be used between dissimilar piping materials. [Recommended Standards for Water Works 8.1]
T-25	The minimum size of water main which provides for fire protection and serving fire hydrants shall be six-inch diameter. [Recommended Standards for Water Works 8.2, Drinking Water General Design Criteria IV.2.a]
T-26	Pipes and pipe fittings containing more than 8% lead shall not be used. All products shall comply with ANSI/NSF standards. [Recommended Standards for Water Works 8.1]
T-27	Gaskets containing lead shall not be used. Repairs to lead joint pipe shall be made using alternative methods. [Recommended Standards for Water Works 8.1]
T-28	Pipe materials shall be selected to protect against both internal and external pipe corrosion. [Recommended Standards for Water Works 8.1]
T-29	Dead end mains shall be equipped with a means to provide adequate flushing. [Recommended Standards for Water Works 8.2]
T-30	The hydrant lead shall be a minimum of six inches in diameter. Auxiliary valves shall be installed on all hydrant leads. [Recommended Standards for Water Works 8.4.3]
T-31	A sufficient number of valves shall be provided on water mains to minimize inconvenience and sanitary hazards during repairs. [Recommended Standards for Water Works 8.3]
T-32	Wherever possible, chambers, pits or manholes containing valves, blowoffs, meters, or other such appurtenances to a distribution system, shall not be located in areas subject to flooding or in areas of high groundwater. Such chambers or pits should drain to the ground surface, or to absorption pits underground. The chambers, pits and manholes shall not connect directly to any storm drain or sanitary sewer. Blowoffs shall not connect directly to any storm drain or sanitary sewer. [Recommended Standards for Water Works 8.6]
T-33	At high points in water mains where air can accumulate provisions shall be made to remove the air by means of air relief valves. [Recommended Standards for Water Works 8.5.1]
T-34	Automatic air relief valves shall not be used in situations where flooding of the manhole or chamber may occur. [Recommended Standards for Water Works 8.5.1]
T-35	The open end of an air relief pipe from automatic valves shall be extended to at least one foot above grade and provided with a screened, downward facing elbow. [Recommended Standards for Water Works 8.5.2.c]

## Distribution-Major Construction

North Shelby Water District

Facility Requirements

Activity ID No.:APE20220001

Page 4 of 9

### PORT000000025 (St Johns WST Replacement) 200 LF 8-inch Ductile Iron WLE:

#### Narrative Requirements:

Condition No.	Condition
T-36	Discharge piping from air relief valves shall not connect directly to any storm drain, storm sewer, or sanitary sewer. [Recommended Standards for Water Works 8.5.2.d]
T-37	Water pipe shall be constructed with a lateral separation of 10 feet or more from any gravity sanitary or combined sewer measured edge to edge where practical. If not practical a variance may be requested to allow the water pipe to be installed closer to the gravity sanitary or combined sewer provided the water pipe is laid in a separate trench or undisturbed shelf located on one side of the sewer with the bottom of the pipe at least 18 inches above the top of the gravity sanitary or combined sewer pipe. [Drinking Water General Design Criteria IV.3.b]
T-38	Water lines crossing sanitary, combined or storm sewers shall be laid to provide a minimum vertical distance of 18 inches between the outside of the water main and the outside of the sanitary, combined or storm sewer with preference to the water main located above the sanitary, combined or storm sewer. [Drinking Water General Design Criteria IV.3.c]
T-39	At crossings, one full length of water pipe shall be located so both joints will be as far from the sewer as possible. [Recommended Standards for Water Works 8.8.3.b]
T-40	There shall be no connection between the distribution system and any pipes, pumps, hydrants, or tanks whereby unsafe water or other contaminating materials may be discharged or drawn into the system. [Recommended Standards for Water Works 8.10.1]
T-41	Water utilities shall have a cross connection program conforming to 401 KAR 8. [Recommended Standards for Water Works 8.10.1]
T-42	Installed pipe shall be pressure tested and leakage tested in accordance with the appropriate AWWA Standards. [Recommended Standards for Water Works 8.7.6]
T-43	New, cleaned and repaired water mains shall be disinfected in accordance with AWWA Standard C651. The specifications shall include detailed procedures for the adequate flushing, disinfection, and microbiological testing of all water mains. In an emergency or unusual situation, the disinfection procedure shall be discussed with the Division of Water. [Recommended Standards for Water Works 8.7.7]
T-44	A minimum cover of five feet shall be provided over pipe crossing underwater. [Recommended Standards for Water Works 8.9.2]
T-45	Valves shall be provided at both ends of water crossings so that the section can be isolated for testing or repair; the valves shall be easily accessible, and not subject to flooding for pipes crossing underwater. [Recommended Standards for Water Works 8.9.2.b]
T-46	Permanent taps or other provisions to allow insertion of a small meter to determine leakage and obtain water samples on each side of the valve closest to the supply source for pipes crossing. [Recommended Standards for Water Works 8.9.2.c]

**Distribution-Major Construction**

North Shelby Water District

Facility Requirements

Activity ID No.:APE20220001

**STOR000000003 (St Johns WST Replacement) 250,000 Gallon Elevated Water Storage Tank:**

**Narrative Requirements:**

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

## Distribution-Major Construction

North Shelby Water District

Facility Requirements

Activity ID No.:APE20220001

Page 6 of 9

### STOR000000003 (St Johns WST Replacement) 250,000 Gallon Elevated Water Storage Tank:

#### Narrative Requirements:

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

## Distribution-Major Construction

North Shelby Water District

Facility Requirements

Activity ID No.:APE20220001

Page 7 of 9

### STOR000000003 (St Johns WST Replacement) 250,000 Gallon Elevated Water Storage Tank:

#### Narrative Requirements:

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



**Distribution-Major Construction**

North Shelby Water District

Facility Requirements

Activity ID No.:APE20220001

**STOR000000003 (St Johns WST Replacement) 250,000 Gallon Elevated Water Storage Tank:**

**Narrative Requirements:**

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

**Distribution-Major Construction**

North Shelby Water District

Facility Requirements

Activity ID No.:APE20220001

**STOR0000000003 (St Johns WST Replacement) 250,000 Gallon Elevated Water Storage Tank:**

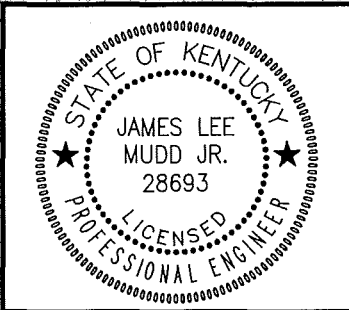
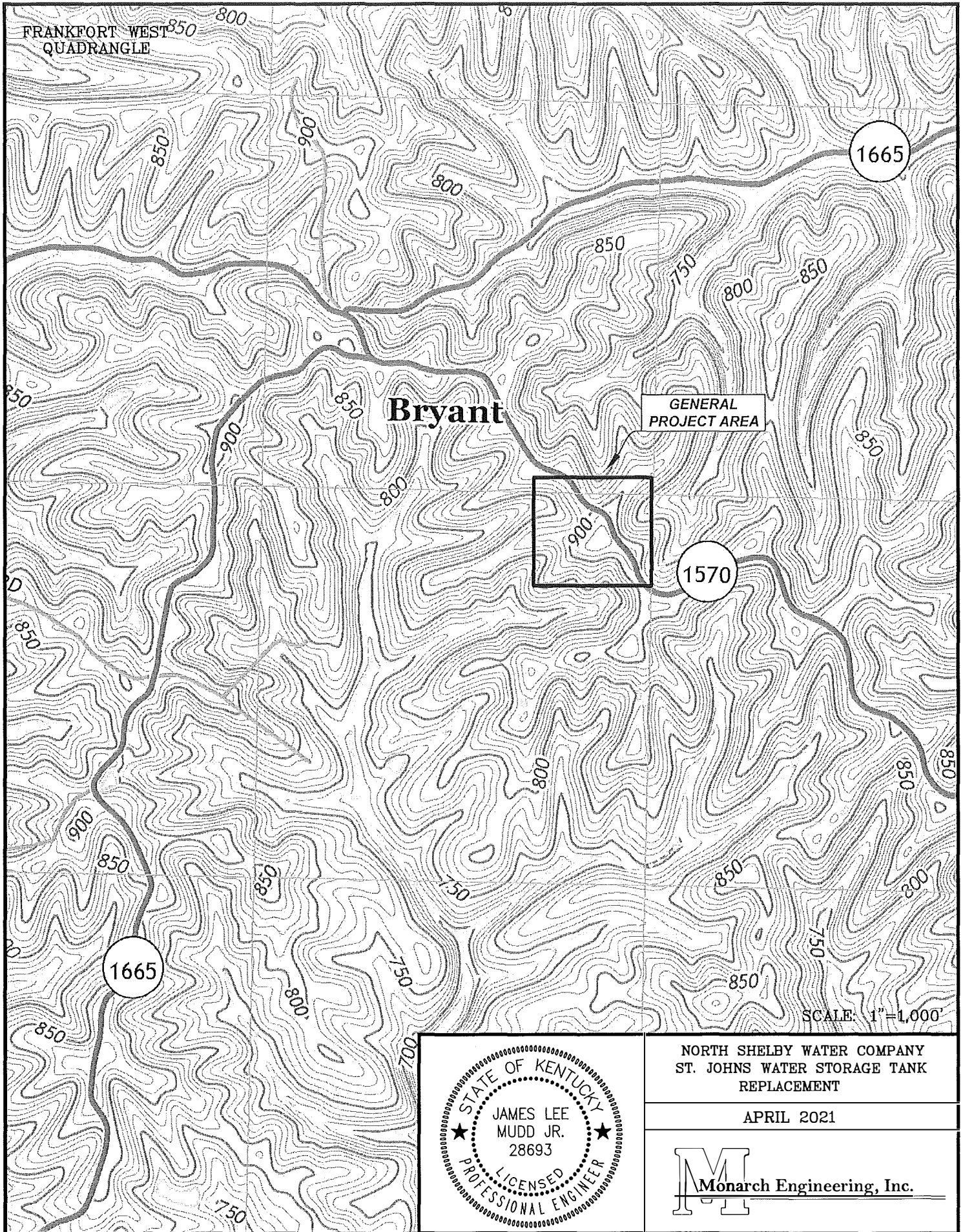
**Narrative Requirements:**

---

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

# **EXHIBIT**

**D**



NORTH SHELBY WATER COMPANY  
 ST. JOHNS WATER STORAGE TANK  
 REPLACEMENT

APRIL 2021

**M**  
 Monarch Engineering, Inc.

FRANKFORT WEST  
QUADRANGLE

# Bryant

PROPOSED 250,000 GALLON  
MULTI-COLUMN ELEVATED  
WATER STORAGE TANK

EXISTING 100,000 GALLON  
WATER STORAGE TANK  
(TO BE DEMOLISHED)

PROPOSED CONNECTION  
TO EXISTING 8-INCH  
WATER LINE

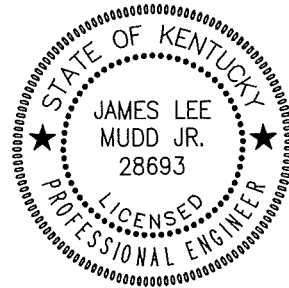
1570

SCALE: 1"=500'

SCALE: 1"=500'

- PROPOSED WATER LINE
- EXISTING 2" WATER LINE
- EXISTING 3" WATER LINE
- EXISTING 4" WATER LINE
- EXISTING 6" WATER LINE
- EXISTING 8" WATER LINE
- EXISTING 10" WATER LINE
- EXISTING 12" WATER LINE
- EXISTING 14" WATER LINE
- EXISTING 16" WATER LINE

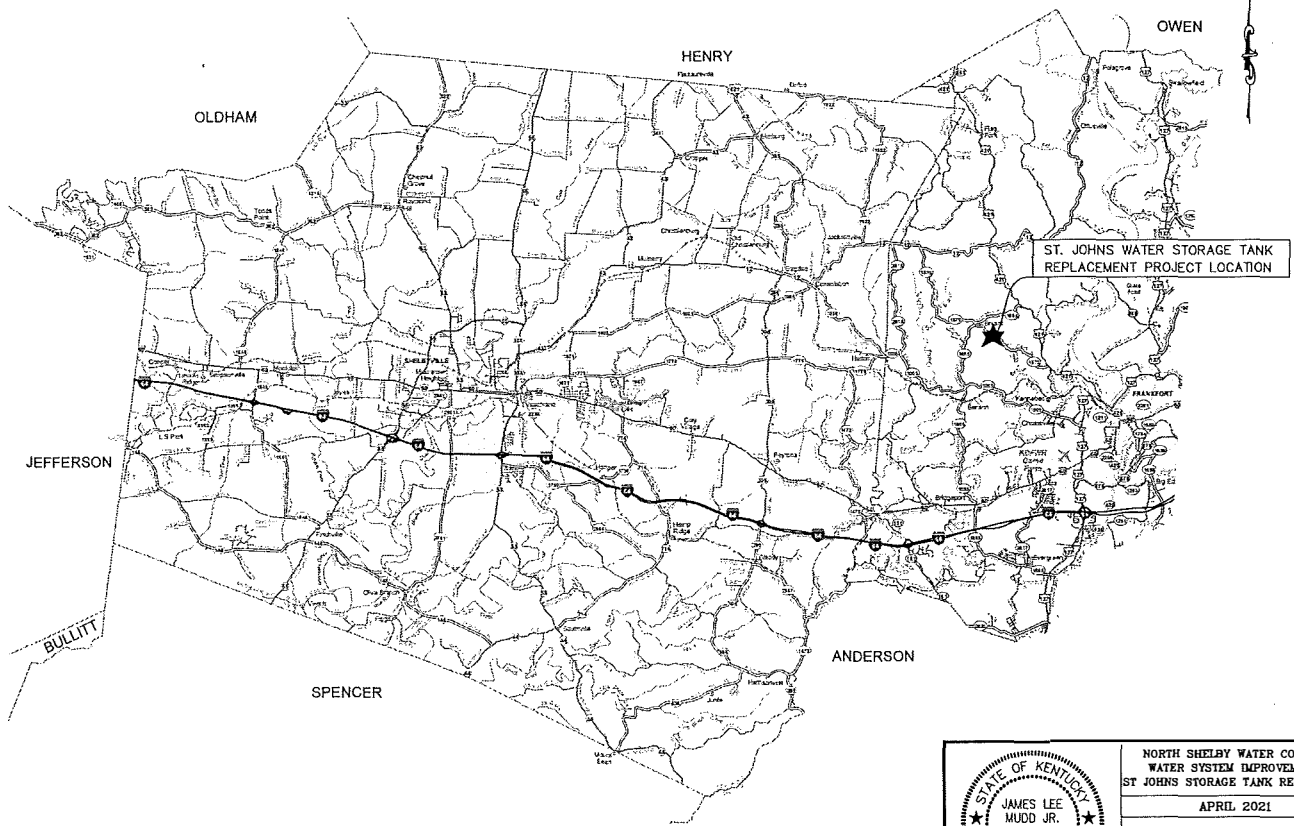
MAP LEGEND



NORTH SHELBY WATER COMPANY  
ST. JOHNS WATER STORAGE TANK  
REPLACEMENT

APRIL 2021

**M**  
Monarch Engineering, Inc.



NORTH SHELBY WATER COMPANY  
 WATER SYSTEM IMPROVEMENTS  
 ST JOHNS STORAGE TANK REPLACEMENT  
 APRIL 2021





# **EXHIBIT**

**E**



# NORTH SHELBY WATER COMPANY ST. JOHNS WATER STORAGE TANK REPLACEMENT FRANKLIN COUNTY, KENTUCKY

## TABLE OF CONTENTS

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PROJECT FUNDED BY:

NORTH SHELBY WATER COMPANY

## DIRECTORS

BRYAN FRANKLIN, PRESIDENT  
TOM MCGINNIS, TREASURER  
HERB MCCOUN  
JIM SMITH  
JIMMY ANGLIN  
KEVIN ARMSTRONG  
CHARLES DOANE  
LEO YOUNG

## MANAGER

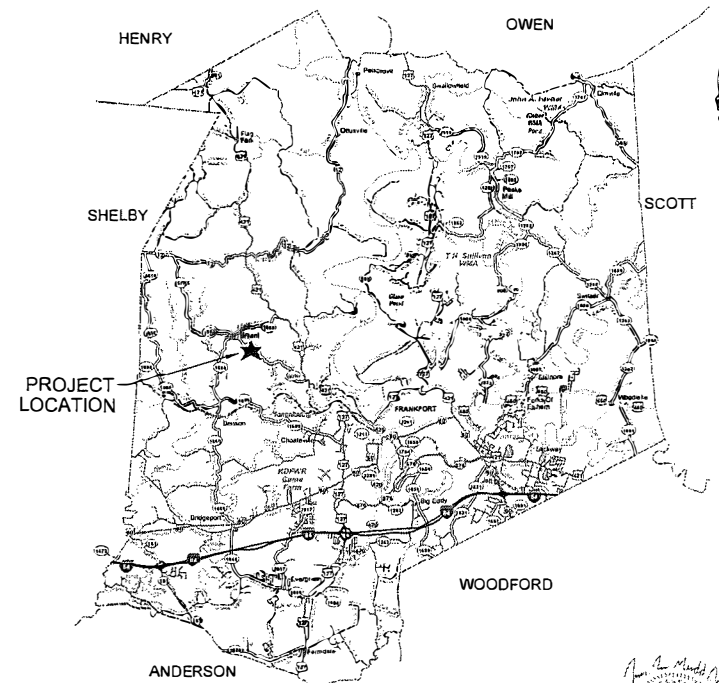
DAVID "PETE" HEDGES

## ASSISTANT MANAGER

JEREMY CARMACK

JANUARY 2022

## LOCATION MAP



**M**  
Monarch Engineering, Inc.

556 CARLTON DRIVE  
LAWRENCEBURG, KY 40342



**LOCATION AND SCOPE OF PROJECT**

THE PROJECT LOCATION IS GENERALLY SHOWN AS THE EXISTING & PROPOSED WATER STORAGE TANK SITES OWNED BY THE NORTH SHELBY WATER COMPANY, FRANKLIN COUNTY, KENTUCKY. THE PROJECT LOCATION IS WITHIN THE WESTERN FRANKLIN COUNTY, KENTUCKY. THE WORK TO BE DONE UNDER THIS CONTRACT INCLUDES FURNISHING ALL MATERIALS, EQUIPMENT AND LABOR NECESSARY TO CONSTRUCT THE PROPOSED 200,000 GALLON ST. JOHNS WATER STORAGE TANK AND THEREAFTER RECONSTRUCT AN EXISTING 100,000 GALLON STORAGE TANK IN ACCORDANCE WITH THE PLANS, SPECIFICATIONS AND CONTRACT DOCUMENTS.

**GENERAL NOTES**

- IT IS THE INTENTION OF THESE PLANS TO CONSTRUCT ALL WORK IN ACCORDANCE WITH ALL APPLICABLE REQUIREMENTS OF THE NORTH SHELBY WATER COMPANY, FRANKLIN COUNTY, THE KENTUCKY DEPARTMENT FOR ENVIRONMENTAL PROTECTION, AND THE U.S. ARMY CORPS OF ENGINEERS, WHERE THERE IS A CONFLICT BETWEEN THE CONTRACT DOCUMENTS, PLANS, AND SPECIFICATIONS AND THE PERMIT REQUIREMENTS OF THE AGENCY CONTROLLING THE UTILITY OR RESPECTIVE RIGHTS-OF-WAY THE MORE RESTRICTIVE SHALL GOVERN.
- THE CONTRACTOR AND ANY APPLICABLE SUBCONTRACTORS SHALL ATTEND A PRE-CONSTRUCTION MEETING AT A TIME AND PLACE ARRANGED BY THE ENGINEER IN WHICH ALL AFFECTED PARTIES WILL BE PRESENT. ALSO, A PRE-DISTURBANCE WALK THROUGH WILL NEED TO BE ATTENDED BY THE CONTRACTOR.
- FOLLOWING THE PRE-CONSTRUCTION MEETING, THE CONTRACTOR SHALL NOTIFY THE ENGINEER A MINIMUM OF THREE (3) WORKING DAYS PRIOR TO THE START OF CONSTRUCTION FOR INSPECTION COORDINATION. NO WORK SHALL COMMENCE UNTIL ALL PERMITS HAVE BEEN OBTAINED AND THE CONTRACTOR HAS BEEN GIVEN THE AUTHORITY TO PROCEED.
- THE CONTRACTOR SHALL NOTIFY KENTUCKY 811 AT LEAST 72 HOURS IN ADVANCE OF CONSTRUCTION FOR LOCATION AND MARKING OF ALL EXISTING UTILITIES.
- LOCATIONS AND ELEVATIONS OF EXISTING UNDERGROUND UTILITIES AS SHOWN ON THE PLANS ARE APPROXIMATE. NO GUARANTEE IS EITHER EXPRESSED OR IMPLIED AS TO THE COMPLETENESS OR ACCURACY THEREOF. THE CONTRACTOR SHALL BE RESPONSIBLE FOR DETERMINING AND VERIFYING THE LOCATION, DEPTH, AND ELEVATION OF THE EXISTING UTILITIES WITHIN THE CONSTRUCTION AREA PRIOR TO THE START OF CONSTRUCTION. THE CONTRACTOR SHALL NOTIFY THE ENGINEER IF ANY CONFLICTS ARE APPARENT OR IF LOCATIONS AND DEPTHS DIFFER FROM THE PLANS.
- ALL ELEVATIONS REFER TO THE CURRENT NORTH AMERICAN VERTICAL DATUM OF 1988 (NAVD '88).
- THE ENGINEER HAS NOT PERFORMED PROPERTY OR RIGHT-OF-WAY SURVEYS FOR ANY OF THE AREAS INCLUDED IN THIS PROJECT. RIGHT-OF-WAY OR PROPERTY LINES SHOWN ON THE PLANS ARE APPROXIMATE AND ARE SHOWN FOR GENERAL ORIENTATION ONLY. PROPERTY CORNERS OR OTHER SURVEY MARKERS HAVE NOT BEEN LOCATED, UNLESS SPECIFICALLY CALLED OUT ON THE PLANS.
- ALL PROPERTIES OR FACILITIES IN THE SURROUNDING AREAS, PUBLIC OR PRIVATE, DESTROYED OR OTHERWISE DAMAGED BY THE CONTRACTOR'S OPERATIONS SHALL BE REPLACED OR REPAIRED BY THE CONTRACTOR AT THEIR OWN EXPENSE TO THE SATISFACTION OF THE AUTHORITY HAVING JURISDICTION OVER THE DAMAGED PROPERTY OR FACILITY.
- IF, IN THE OPINION OF THE ENGINEER, WORK HAS NOT PROCEEDED IN A REASONABLE AND TIMELY MANNER, THE ENGINEER SHALL HAVE THE RIGHT, WITH THE APPROVAL OF THE OWNER, TO DIRECT THE CONTRACTOR TO PROCEED WITH THE WORK BY ANY PORTION THEREOF IMMEDIATELY IN THE EVENT THAT THE CONTRACTOR DOES NOT PROCEED WITH THE WORK IMMEDIATELY AS DIRECTED BY THE ENGINEER. THE ENGINEER UNDER THE DIRECTION OF THE OWNER MAY, IN CONNECTION WITH OTHER OPERATIONS OF THE CONTRACTOR UNDER THIS CONTRACT, TO CEASE UNTIL THE REQUESTED WORK IS PROCEEDED IN AN ACCEPTABLE MANNER. SHOULD THE CONTRACTOR FAIL TO COMPLY WITH ANY PROVISIONS THE OWNER MAY, WITH OR WITHOUT NOTICE, CAUSE THE REQUIRED WORK TO BE DONE BY THE OWNER OR OTHERS AND WILL SUBJECT THE COST OF SUCH WORK TO BE PAID FOR BY OR TO BECOME DUE TO THE CONTRACTOR UNDER THIS CONTRACT. THE PERFORMANCE OF SUCH WORK BY THE OWNER OR OTHERS SHALL SERVE IN NO WAY TO RELEASE THE CONTRACTOR FROM HIS GENERAL, PARTICULAR LIABILITY FOR THE SAFETY OF THE PUBLIC OR COMPLETION OF THE WORK.
- ACTIONS MUST BE TAKEN TO MINIMIZE THE TRACKING OF MUD AND SOIL FROM CONSTRUCTION AREAS ONTO PUBLIC ROADWAYS. ANY SOIL TRACKED ONTO A PUBLIC ROADWAY SHALL BE REMOVED DAILY.
- ALL WORK SHALL BE INCORPORATED IN TO THOSE UNIT PRICES LISTED IN THE CONTRACT DOCUMENTS. ANY ITEMS NOT SPECIFICALLY LISTED IN THE UNIT PRICES SHALL BE CONSIDERED INCIDENTAL TO THE WORK AND SHALL NOT BE ELIGIBLE FOR SEPARATE PAYMENT OR COMPENSATION.

**EROSION AND SEDIMENTATION CONTROL NOTES**

- THE CONTRACTOR SHALL COMPLY WITH ALL EROSION AND SEDIMENTATION CONTROL REQUIREMENTS OF THE BOTH THE STATE OF KENTUCKY AND THE U.S. ARMY CORPS OF ENGINEERS FOR ALL DISTURBED AREAS INCLUDED IN THE PROJECT.
- THE CONTRACTOR SHALL CONDUCT CONSTRUCTION OPERATIONS IN A MANNER THAT WILL REDUCE AGGRAVATED EROSION TO THE PRACTICAL MINIMUM AND PREVENT DAMAGING SILTATION TO EXISTING STREAMS AND WATER COURSES LEADING FROM THE PROJECT AREA.
- THE CONTRACTOR SHALL CONDUCT WORK IN SUCH A MANNER AS TO PREVENT THE ENTRY OF FUELS, OILS, BITUMINOUS MATERIALS, CHEMICALS, SEWAGE, OR OTHER HARMFUL MATERIALS INTO NEARBY LAKES AND STREAMS.
- WASTE DISPOSAL AREAS SHALL BE SELECTED BY THE CONTRACTOR WITH FULL CONSIDERATION OF EROSION AND SEDIMENT CONTROL, SELECTION OF DISPOSAL SITES, AND CONTROL OF OPERATIONS, AND THE RESTORATION OF SAID AREAS SHALL BE SUBJECT TO APPROVAL OF THE ENGINEER.
- EXCAVATIONS FROM THE PROJECT AREA INCLUDING THOSE IN CHANNELS AND WATERCOURSES SHALL NOT BE DEPOSITED IN OR NEAR RIVERS, STREAMS, OR PONDS WHERE THEY MAY ENTER THE WATERWAY.
- AT THE COMPLETION OF EACH DAYS CONSTRUCTION, CARE SHOULD BE TAKEN TO ENSURE THAT ANNUAL EROSION WILL OCCUR IN TRENCHES AND TO STOCKPILED MATERIALS UNTIL RESUMPTION OF WORK.
- THE CONTRACTOR SHALL CONFINE CONSTRUCTION OPERATIONS TO THE MINIMUM AMOUNT OF WORKING SPACE PRACTICAL TO AID IN THE MINIMIZATION OF SOIL EROSION.
- THE PROJECT WILL BE CONTINUALLY OBSERVED BY VARIOUS STATE & LOCAL REGULATORY AGENCIES FOR EROSION CONTROL COMPLIANCE. VIOLATIONS WILL BE CORRECTED BY THE CONTRACTOR IMMEDIATELY UPON NOTICE OF SUCH VIOLATIONS. FAILURE TO CORRECT THE VIOLATIONS MAY RESULT IN THE CESSATION OF A STOP WORK ORDER AND THERE WILL BE NO CONTRACT THE EXTENSION GRANTED FOR THIS TYPE OF STOPPAGE.
- TEMPORARY SOIL EROSION CONTROL MEASURES CONSISTING OF SILT FENCE, MULCHING AND TYPING SHALL BE IMPLEMENTED THROUGHOUT THE ENTIRE CONSTRUCTION AREA OF THE PROJECT, AND SHALL BE REMOVED BY THE CONTRACTOR AFTER THE PERMANENT SOIL EROSION MEASURES HAVE BEEN ESTABLISHED.
- PERMANENT SOIL EROSION MEASURES CONSISTING OF AN APPROVED SEED MIXTURE AND MULCH BLANKET SHALL BE COMPLETED WITHIN FIVE (5) CALENDAR DAYS OF FINAL DRAINAGE. IN THE EVENT IT IS NOT POSSIBLE TO PERMANENTLY STABILIZE DISTURBED AREAS DUE TO SEASONAL OR CLIMATIC LIMITATIONS, THE TEMPORARY MEASURES SHALL REMAIN IN FORCE AND SHALL BE MAINTAINED BY THE CONTRACTOR UNTIL SUCH TIME THAT IT IS PRACTICAL TO COMPLETE THE PERMANENT SOIL EROSION CONTROL MEASURES.
- THE ENGINEER SHALL HAVE FULL AUTHORITY TO TEMPORARILY SUSPEND WORK IN THE EVENT THAT ANY OF THE ABOVE REQUIREMENTS ARE NOT BEING MET BY THE CONTRACTOR. IF CONDITIONS INDICATE THAT ADDITIONAL TEMPORARY MEASURES ARE WARRANTED, IN THE OPINION OF THE ENGINEER OR REGULATORY AGENCIES.
- PRIOR TO THE START OF CONSTRUCTION, THE CONTRACTOR SHALL INSTALL INLET FILTERS AT ALL STORM SEWER INLETS WHICH MAY BE PRESENT IN THE CONSTRUCTION AREA.
- THE CONTRACTOR SHALL BE RESPONSIBLE FOR THE MAINTENANCE OF ANY REQUIRED ACCESS ROAD SURFACES AND SOIL EROSION CONTROL MEASURES WITHIN THE CONSTRUCTION AREA UNTIL THE FULL COMPLETION OF THE PROJECT.
- ALL NON-PAVED DISTURBED AREAS SHALL BE RESTORED AS INDICATED ON THE PLANS. IF NOT SPECIFICALLY STATED ON THE PLANS, RESTORATION SHALL CONSIST OF 4-INCHES OF TOPSOIL, FERTILIZER, SEED AND MULCH UNLESS OTHERWISE STATED. ALL DISTURBED AREAS SHALL BE SEED WITH A SEED MIX APPROVED BY THE ENGINEER.

**WORK LIMITS**

IF INDICATED ON THE PLANS, THE CONTRACTOR SHALL KEEP ALL OPERATIONS WITHIN THE WORK LIMITS SHOWN. OTHERWISE, THE CONTRACTOR SHALL ESTABLISH CONSTRUCTION LIMITS WITHIN THE EXISTING AND/OR PROPOSED PROPERTY OF THE CITY OF CANTON, KENTUCKY AND/OR PUBLIC RIGHTS-OF-WAY AS DIRECTED BY THE ENGINEER. THIS REQUIREMENT SHALL INCLUDE MATERIAL STOCKPILING AND EQUIPMENT STORAGE. THE CONTRACTOR MAY NOT EXCEED ESTABLISHED PROJECT WORK LIMITS WITHOUT EXPLICIT PERMISSION FROM THE OWNER AND THE ENGINEER.

**UTILITIES**

FOR PROTECTION OF UNDERGROUND UTILITIES AND IN CONFORMANCE WITH KENTUCKY LAW, THE CONTRACTOR SHALL SHALL CALL KENTUCKY 811 A MINIMUM OF THREE (3) FULL WORKING DAYS, EXCLUDING SATURDAYS, SUNDAYS, AND HOLIDAYS, PRIOR TO BEGINNING WORK IN EACH CONSTRUCTION AREA WHERE PUBLIC UTILITIES HAVE NOT BEEN PREVIOUSLY LOCATED. MEMBERS WILL THIS BE VIGILANTLY NOTIFIED. THIS DOES NOT RELIEVE THE CONTRACTOR OF THE RESPONSIBILITY OF NOTIFYING UTILITY OWNERS WHO MAY NOT BE PART OF THE "811" ALERT SYSTEM. UTILITY LOCATIONS SHOWN ON THE PLANS ARE ONLY APPROXIMATE AND SHOULD BE LOCATED IN THE FIELD PRIOR TO ANY EXCAVATION.

**BENCHMARKS**

- BENCHMARK NO. 1: 1" X 1/2" NAIL DRIVEN IN THE NORTHEASTERN SIDE OF THE EXISTING TANK FOUNDATION SLAB (LOCATION IS EXPICIT ON PLAN SHEET 1)
- BENCHMARK NO. 2: IRON PIN WITH RED CAP NEAR THE CENTER OF THE NORTHWESTERN TANK SITE BOUNDARY LINE (LOCATION IS EXPICIT ON PLAN SHEET 1)

NOTE: BENCHMARKS WILL BE ESTABLISHED BY THE ENGINEER PRIOR TO THE START OF CONSTRUCTION.

**DISRUPTION OF SERVICE**

THE CONTRACTOR SHALL COORDINATE ALL DISRUPTIONS OF SERVICE WITH THE OWNER AND ENGINEER PRIOR TO ANY EXCAVATION. THE CONTRACTOR SHALL NOTIFY ALL PARTIES OF THE NATURE, LOCATION AND PROJECTED DURATION OF DISTURBANCE AND RECEIVE THEIR APPROVAL PRIOR TO INITIATING THE SPECIFIC WORK.

**WORK WITHIN PUBLIC ROAD RIGHT-OF-WAYS**

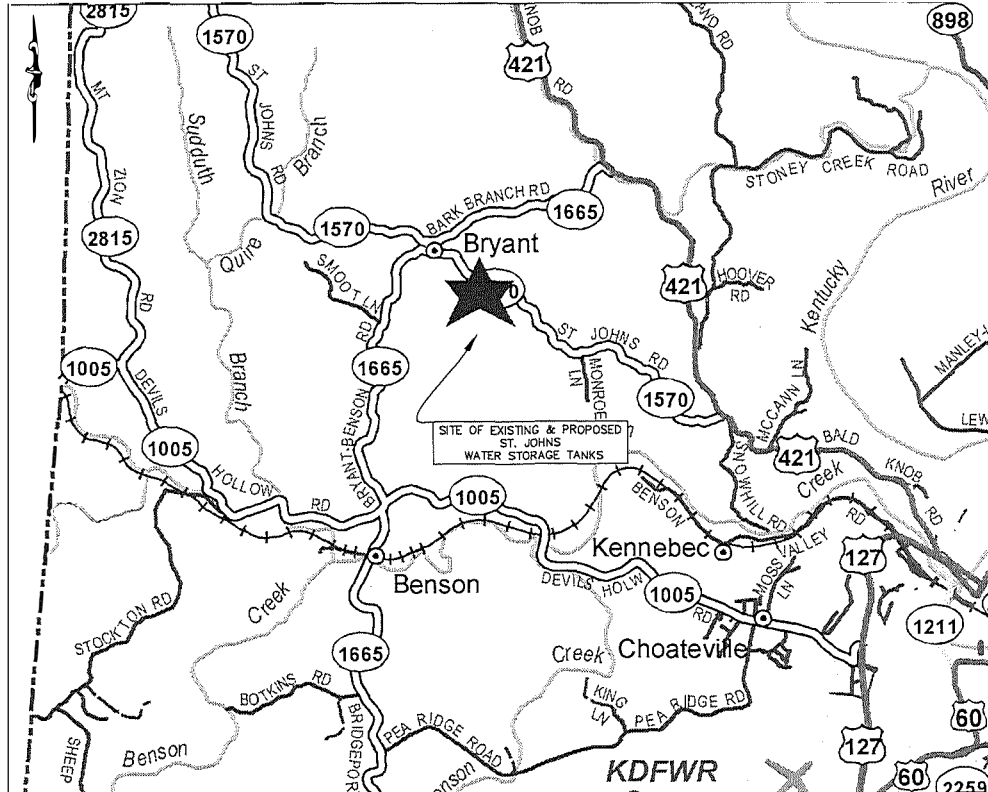
WHEN PERFORMING WORK ALONG OR ACROSS ANY PUBLIC ROADWAY, THE CONTRACTOR SHALL POST WARNING SIGNS PATTERNED ORANGE AND THEY SHALL BE FOUR FEET BY FOUR FEET MOUNTED ON POSTS IN ACCORDANCE WITH THE KENTUCKY TRANSPORTATION DEPARTMENT'S MANUAL ON UNIFORM TRAFFIC CONTROL DEVICES. THE SIGNS SHALL BE AS FOLLOWS:



- CAUTION PIPELINE CONSTRUCTION 1000 FEET
- CAUTION PIPELINE CONSTRUCTION 1000 FEET
- CAUTION PIPELINE CONSTRUCTION 500 FEET

ALL SIGNS, BARRICADES, LIGHTS, AND TRAFFIC CONTROL SHALL BE INSTALLED IN ACCORDANCE WITH THE KENTUCKY TRANSPORTATION DEPARTMENT'S MANUAL ON UNIFORM TRAFFIC CONTROL DEVICES. THE CONTRACTOR SHALL MAINTAIN TWO FEET MINIMUM AT ALL TIMES WHERE MAINTENANCE IS IN OPERATION WHERE THE FLOW OF TRAFFIC WILL BE OBSTRUCTED. THERE IS NO EXCEPTION TO THIS REQUIREMENT. THE USE OF ROADWAYS WILL BE RESTRICTED WHEN VISUAL CONTACT BETWEEN THE FLAGMAN DOES NOT EXIST.

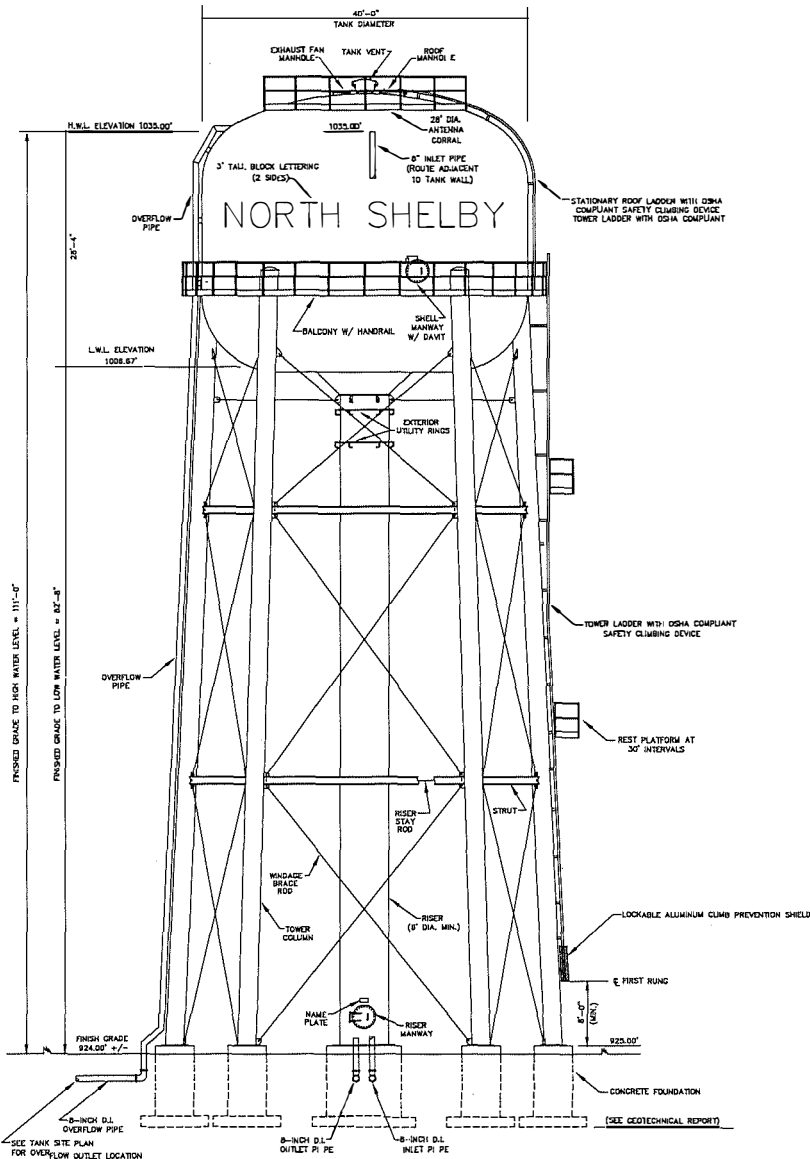
THE CONTRACTOR SHALL BE RESPONSIBLE FOR KEEPING ENTIRE ROADWAY FREE AND CLEAR AT THE END OF EACH WORKING DAY AND EQUIPMENT SHALL BE LEFT ON OR PARKED ALONG THE ROAD RIGHT OF WAY. AT THE COMPLETION OF EACH WORK DAY, THE CONTRACTOR SHALL REPAIR ALL OPEN TRENCHES AND INSTALL ALL TRAFFIC CONTROL SIGNS, BARRICADES, AND LIGHTS IN ACCORDANCE WITH THE KENTUCKY TRANSPORTATION DEPARTMENT'S MANUAL ON UNIFORM TRAFFIC CONTROL DEVICES.

**PROJECT LOCATION MAP**

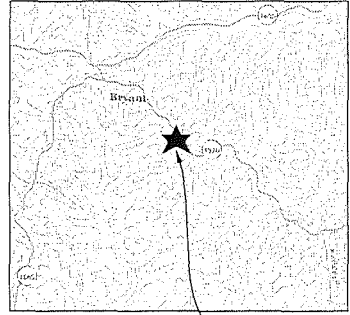
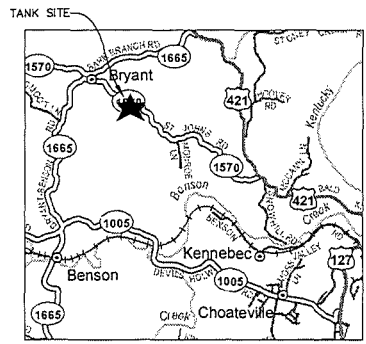


 <p><b>Mottarch Engineering, Inc.</b></p> <p>556 CARLTON DRIVE LAWRENCEBURG, KY 40342</p>	
<p>DESCRIPTION:</p> <p><b>GENERAL NOTES</b></p> <p><b>ST. JOHNS WATER STORAGE TANK</b></p>	<p>CUSTOMER:</p> <p><b>NORTH SHELBY WATER COMPANY</b></p> <p><b>FRANKLIN COUNTY, KENTUCKY</b></p>
<p>PROJECT NO. 2131</p> <p>DATE: JAN 2022</p> <p>DRAWN BY: JLM</p> <p>CHECKED BY: DSB</p> <p>CHECKED BY: DMB</p> <p>SCALE: AS NOTED</p> <p>SHEET:</p> <p style="text-align: center; font-size: 1.2em;"><b>GN-1</b></p>	
	





**ELEVATION DETAIL**



**LOCATION MAPS**

**NOTES:**

**DESIGN:**  
 THE TANK AND CONCRETE SUPPORT PEDESTAL SHALL BE DESIGNED AND CONSTRUCTED IN ACCORDANCE WITH AWWA D100-11, AND PROJECT SPECIFICATIONS.

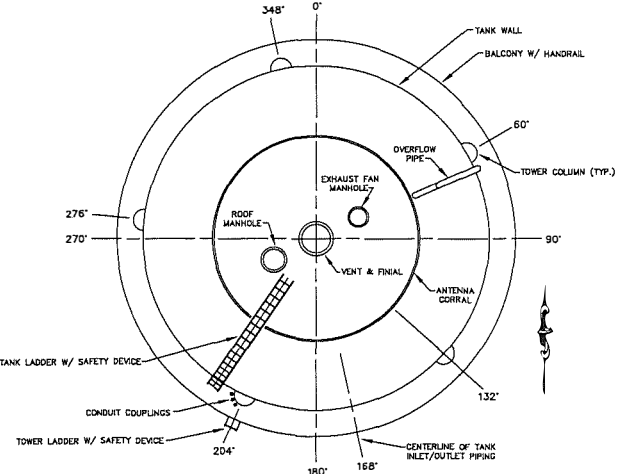
**LOADING CRITERIA:**  
 DESIGN WIND VELOCITY: 100 MPH  
 DESIGN WIND VELOCITY: 100 PSF  
 MSE SPECTRAL RESPONSE ACCELERATION - 0.2-SEC PERIOD (S<sub>a</sub>) PER AWWA D100-11  
 MSE SPECTRAL RESPONSE ACCELERATION - 1.0-SEC PERIOD (S<sub>1</sub>) PER AWWA D100-11

THE CONTRACTOR SHALL CROUT BENEATH BASE PLATES UPON COMPLETION OF ERECTION.

**MATERIAL:**  
 STEEL PLATE: ASTM A283 GR.C/A36  
 STRUCTURAL STEEL SHAPING: ASTM A36  
 BRACE & STAY RODS: ASTM A36  
 LADDER RUNGS: ASTM A706

**GENERAL:**

- ACCESSORIES SHOWN ON ELEVATION DRAWINGS ARE ROTATED FOR CLARITY.
- ALL HANDRAILS, PLATFORM LANDINGS, WALKWAYS, LADDERS AND SAFETY CLIMB DEVICES SHALL CONFORM WITH CURRENT OSHA STANDARDS.
- SEE PROJECT SPECIFICATIONS FOR SHOP AND FIELD PAINT REQUIREMENTS FOR THE STEEL TANK.
- STERILIZE TANK IN ACCORDANCE WITH AWWA C652-02 AND PROJECT SPECIFICATIONS.
- TOWER LADDER SHALL HAVE 3' X 3' REST PLATFORM AT 30' SPACING.



**ORIENTATION DETAIL**



556 CARLTON DRIVE  
 LAWRENCEBURG, KY 40342

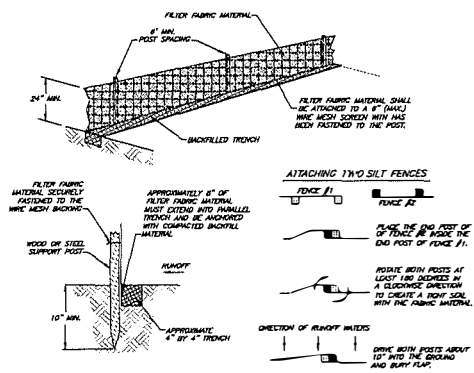
DESCRIPTION: CONSTRUCTION DETAILS  
 ST. JOHNS WATER STORAGE TANK  
 CUSTOMER: NORTH SHELBY WATER COMPANY  
 FRANKLIN COUNTY, KENTUCKY

PROJECT NO. 2131  
 DATE: JAN 2022  
 DRAWN BY: JLM  
 CHECKED BY: DSB  
 CHECKED BY: DMB  
 SCALE: N.T.S.

SHEET:  
 2

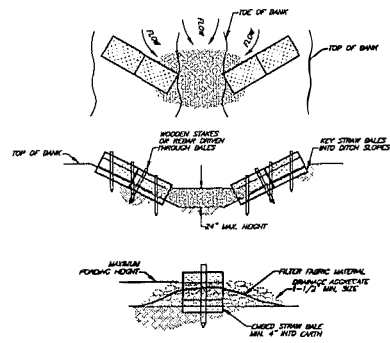






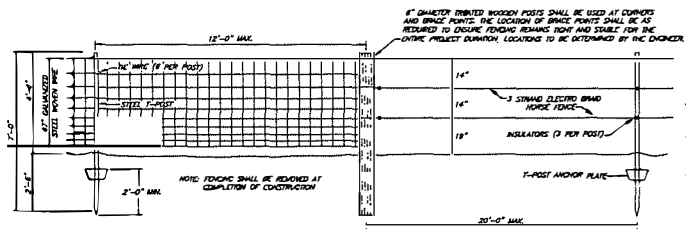
**FILTER FABRIC SILT FENCE**

SCALE: N.T.S.



**SEMI-PERVIOUS CHECK DAM**

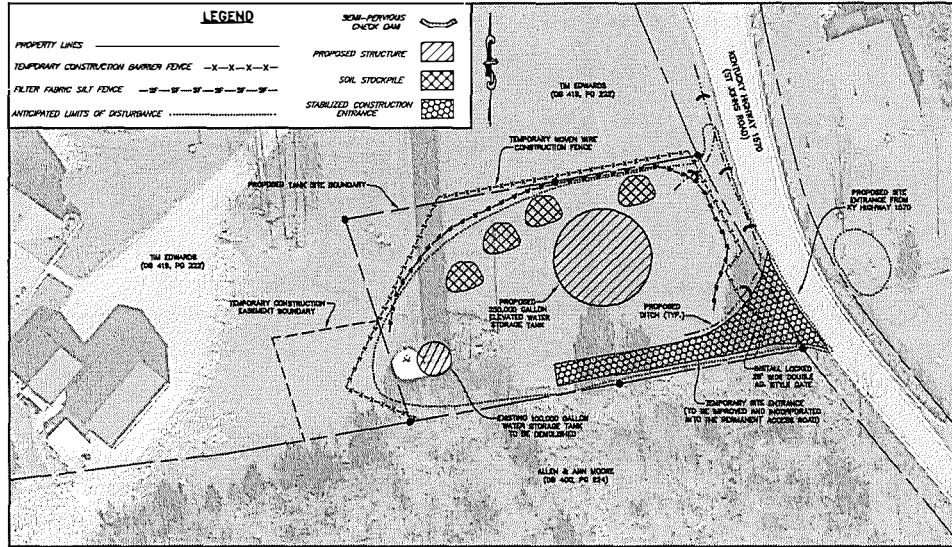
SCALE: N.T.S.



**TEMPORARY CONSTRUCTION BARRIER FENCE**

SCALE: N.T.S.

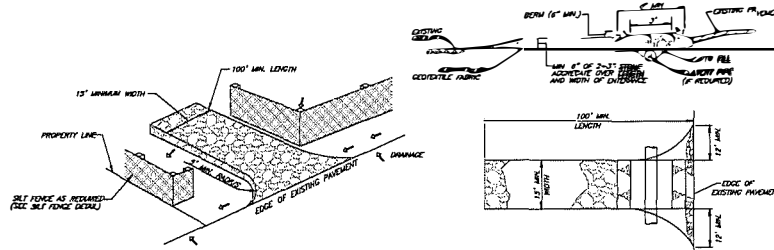
- NOTES:
- 1) ALL TEMPORARY FENCING SHALL BE IN PLACE AND FUNCTIONAL PRIOR TO START OF WORK.
  - 2) FENCING TYPE SHALL BE AS NOTED ON EROSION CONTROL AND SITE PROTECTION PLAN.
  - 3) ELECTRIC FENCE SHALL BE SUPPLIED WITH A 18 VOLT ULTRA LOW IMPEDANCE SOLAR FENCE ENERGIZER WITH A MAX. 0.15 JOULE OUTPUT.
  - 4) ALL TEMPORARY FENCING SHALL BE REMOVED AT PROJECT COMPLETION.



**EROSION CONTROL & SITE PROTECTION PLAN**

SCALE: 1"=30'

NOTE: THE CONTRACTOR SHALL DO ALL WORK AND TAKE ALL MEASURES NECESSARY TO CONTROL SOIL EROSION RESULTING FROM CONSTRUCTION OPERATIONS. THE FLOW OF SEDIMENT AND ALL OTHER CONSTRUCTION MATERIALS INCLUDING EXCAVATION AND BACKFILL SHALL BE CONTAINED TO THE CONSTRUCTION SITE SO TO PROTECT ADJACENT WATERCOURSE AND WETLANDS. CONTRACTOR SHALL USE ANY APPROVED METHOD REQUIRED TO ACHIEVE THIS, AND AT A MINIMUM THOSE MEASURES DEPICTED HEREIN. THIS REQUIREMENT APPLIES TO ANY AND ALL DISTURBED AREAS WITHIN PROJECT AREA. THE COST OF EROSION CONTROL MEASURES SHALL BE INCIDENTAL TO THE COST OF CONSTRUCTING OTHER PROJECT COMPONENTS.



**STABILIZED CONSTRUCTION ENTRANCE**

SCALE: N.T.S.

DESCRIPTION: **EROSION CONTROL & SITE PROTECTION DETAILS**

CUSTOMER: **NORTH SHELBY WATER COMPANY**  
FRANKLIN COUNTY, KENTUCKY

**Monarch Engineering, Inc.**  
556 CARLTON DRIVE  
LAWRENCEBURG, KY 40342

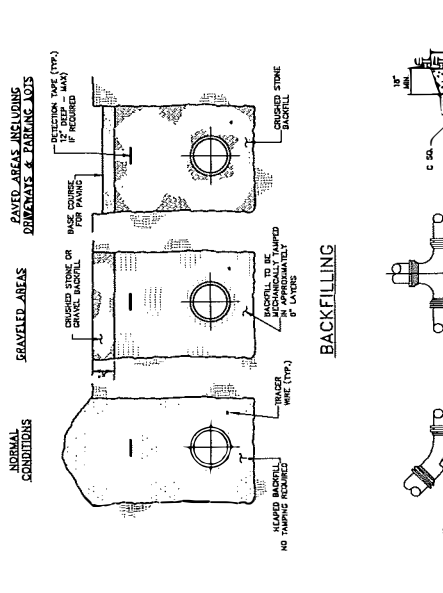
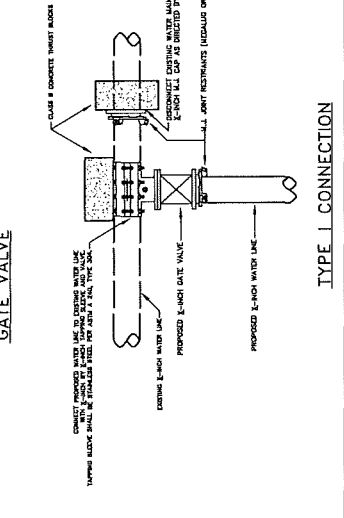
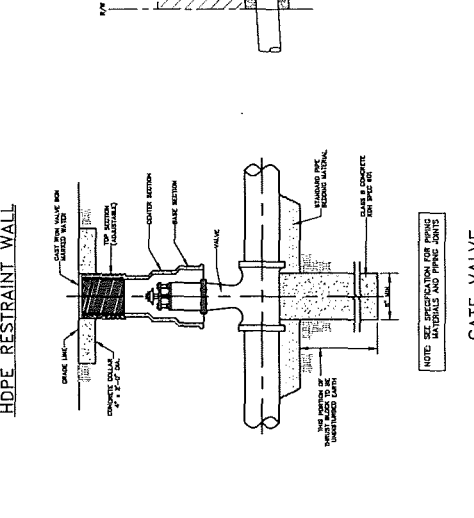
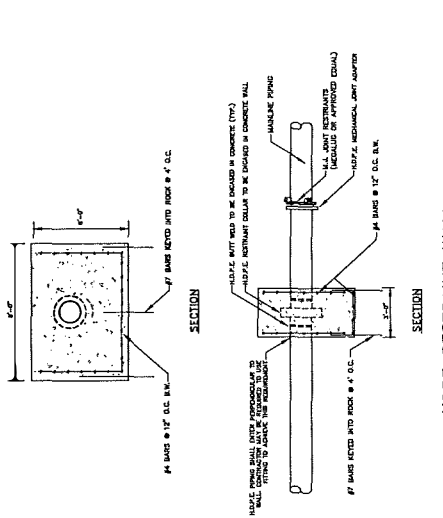
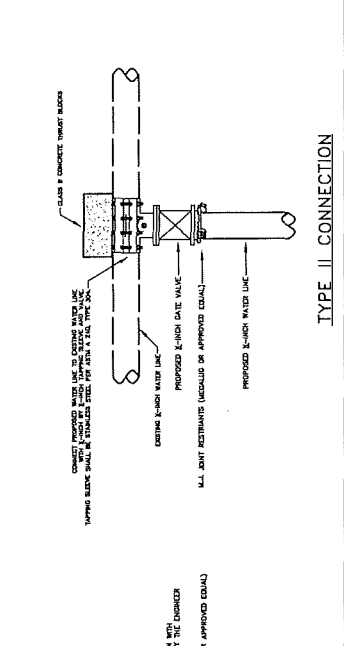
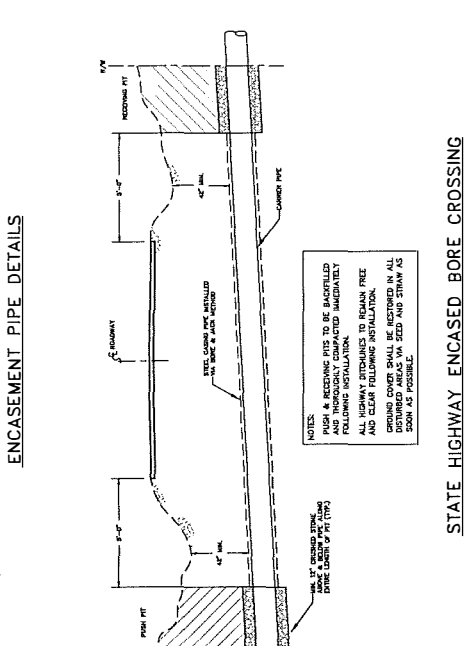
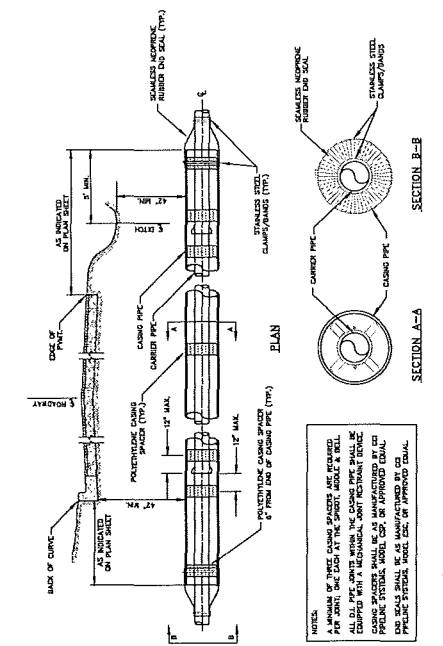
PROJECT NO. 2131  
DATE: JAN 2022  
DRAWN BY: JLM  
CHECKED BY: DSB  
CHECKED BY: DMB  
SCALE: AS NOTED  
SHEET: EC-1



**MONARCH Engineering, Inc.**  
 556 CARLTON DRIVE  
 LAWRENCEBURG, KY 40342

**STANDARD DETAIL DRAWINGS**  
 NORTH SHELBY WATER COMPANY  
 FRANKLIN COUNTY, KENTUCKY  
 CUSTOMER:

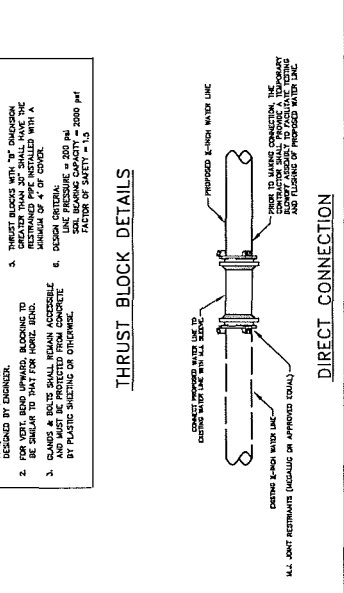
DESCRIPTION:  
 PROJECT NO. 2131  
 DATE: JAN 2022  
 DRAWN BY: JLM  
 CHECKED BY: DSB  
 CHECKED BY: DMB  
 SCALE: N.T.S.  
 SHEET:  
**SD-1**



**SECTION (HORIZONTAL BENDS & TEES)**

PIPE SIZE	45° BEND	90° BEND	135° BEND	180° BEND
1/2"	12"	12"	12"	12"
3/4"	12"	12"	12"	12"
1"	12"	12"	12"	12"
1 1/4"	12"	12"	12"	12"
1 1/2"	12"	12"	12"	12"
2"	12"	12"	12"	12"
2 1/2"	12"	12"	12"	12"
3"	12"	12"	12"	12"
3 1/2"	12"	12"	12"	12"
4"	12"	12"	12"	12"
4 1/2"	12"	12"	12"	12"
5"	12"	12"	12"	12"
5 1/2"	12"	12"	12"	12"
6"	12"	12"	12"	12"
6 1/2"	12"	12"	12"	12"
7"	12"	12"	12"	12"
7 1/2"	12"	12"	12"	12"
8"	12"	12"	12"	12"
8 1/2"	12"	12"	12"	12"
9"	12"	12"	12"	12"
9 1/2"	12"	12"	12"	12"
10"	12"	12"	12"	12"
10 1/2"	12"	12"	12"	12"
11"	12"	12"	12"	12"
11 1/2"	12"	12"	12"	12"
12"	12"	12"	12"	12"
12 1/2"	12"	12"	12"	12"
13"	12"	12"	12"	12"
13 1/2"	12"	12"	12"	12"
14"	12"	12"	12"	12"
14 1/2"	12"	12"	12"	12"
15"	12"	12"	12"	12"
15 1/2"	12"	12"	12"	12"
16"	12"	12"	12"	12"
16 1/2"	12"	12"	12"	12"
17"	12"	12"	12"	12"
17 1/2"	12"	12"	12"	12"
18"	12"	12"	12"	12"
18 1/2"	12"	12"	12"	12"
19"	12"	12"	12"	12"
19 1/2"	12"	12"	12"	12"
20"	12"	12"	12"	12"
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26 1/2"	12"	12"	12"	12"
27"	12"	12"	12"	12"
27 1/2"	12"	12"	12"	12"
28"	12"	12"	12"	12"
28 1/2"	12"	12"	12"	12"
29"	12"	12"	12"	12"
29 1/2"	12"	12"	12"	12"
30"	12"	12"	12"	12"

**SECTION (VERTICAL BENDS)**



**NOTES:**  
 1. FOR VERTICAL BENDS IN EXCESS OF 1 1/4" BEND, ANCHORAGE SHALL BE DESIGNED BY DESIGNER.  
 2. THE JOINT TO THE NEXT PIPE SHALL BE INSTALLED WITH THE NUMBER OF 4" OF COVER.  
 3. CLAMPS & BOLTS SHALL BE KEPT ACCESSIBLE AND MUST BE PROTECTED FROM CONCRETE BY PLASTIC SHEETING OR OTHER MEANS.  
 4. ALL THRUST BLOCK & SUPPORT CONCRETE SHALL BE 3000 PSI READY MIX.  
 5. THRUST BLOCKS WITH 18" CONCRETE SHALL BE INSTALLED WITH THE NUMBER OF 4" OF COVER.  
 6. DESIGN CRITERIA:  $f_c = 3000$  PSI,  $f_y = 60,000$  PSI, FACTOR OF SAFETY = 1.5.

**TYPE I CONNECTION:**  
 ALL JOINT RESTRAINTS (INCLUDE OR APPROVED EQUAL).  
 PROPOSED 8-INCH WATER LINE.  
 CONCRETE PROPOSED WATER LINE TO EXISTING WATER LINE SHALL BE INSTALLED WITH 12" MIN. TYPE SOIL.  
 DESTROY 8-INCH WATER LINE.  
 PROPOSED 8-INCH GATE VALVE.  
 CLAMP & CONCRETE SHIRT BLOCK.

**TYPE II CONNECTION:**  
 ALL JOINT RESTRAINTS (INCLUDE OR APPROVED EQUAL).  
 PROPOSED 8-INCH WATER LINE.  
 CONCRETE PROPOSED WATER LINE TO EXISTING WATER LINE SHALL BE INSTALLED WITH 12" MIN. TYPE SOIL.  
 DESTROY 8-INCH WATER LINE.  
 PROPOSED 8-INCH GATE VALVE.  
 CLAMP & CONCRETE SHIRT BLOCK.

**DIRECT CONNECTION:**  
 ALL JOINT RESTRAINTS (INCLUDE OR APPROVED EQUAL).  
 PROPOSED 8-INCH WATER LINE.  
 CONCRETE PROPOSED WATER LINE TO EXISTING WATER LINE SHALL BE INSTALLED WITH 12" MIN. TYPE SOIL.  
 PROPOSED 8-INCH WATER LINE.  
 CLAMP & CONCRETE SHIRT BLOCK.





# **EXHIBIT**

**F**

**SPECIFICATIONS AND CONTRACT DOCUMENTS  
FOR THE  
NORTH SHELBY WATER COMPANY  
FRANKLIN COUNTY, KENTUCKY**

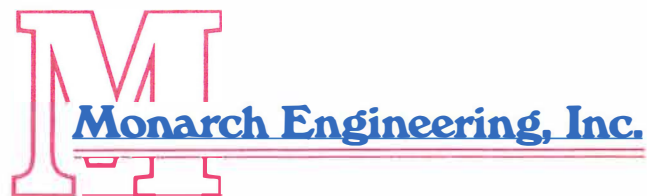
**ST. JOHNS WATER STORAGE TANK REPLACEMENT**

**This project funded by:**

**NORTH SHELBY WATER COMPANY**

**PROJECT NO. 2131**

**APRIL 2022**



**SPECIFICATIONS AND CONTRACT DOCUMENTS  
FOR THE  
NORTH SHELBY WATER COMPANY  
FRANKLIN COUNTY, KENTUCKY**

**ST. JOHNS WATER STORAGE TANK REPLACEMENT**

**This project funded by:**

**NORTH SHELBY WATER COMPANY**

**PROJECT NO. 2131**

**APRIL 2022**

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Bid Bond.....	Pages 1- 2
Notice of Award .....	NOA-1
Agreement between Owner & Contractor .....	Pages 1 - 8
Standard General Conditions of the Construction Contract.....	Pages 1 – 63
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Application for Payment .....	PPE-1 & PPE2
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Certificate of Owner’s Attorney .....	CS-7
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KPDES Notice of Intent .....	KPDES-1 thru KPDES-4
Geotechnical Engineering Study .....	GT-1 thru GT-22
Technical Specifications .....	Section 1 thru Section 6

**NORTH SHELBY WATER COMPANY  
FRANKLIN COUNTY, KENTUCKY  
ST. JOHNS WATER STORAGE TANK REPLACEMENT**

**ADVERTISEMENT FOR BIDS**

Sealed Bids for the construction of the ST. JOHNS WATER STORAGE TANK REPLACEMENT will be received by North Shelby Water Company, at the office of the water company, P.O. Box 97, 4596 Bagdad Road, Bagdad, KY 40003 until 11:00 a.m., local time on May 11, 2022, at which time the Bids received will be publicly opened and read aloud. The project consists of the construction of a 250,000 gallon Multi-Column Elevated Water Storage Tank, demolition of an existing 100,000 gallon Standpipe Water Storage Tank, and other associated appurtenances.

Bids will be received for a single prime Contract. Bids shall be on a lump sum and unit price basis, with additive alternate bid items as indicated in the Bid Form.

The Issuing Office for the Bidding Documents is Monarch Engineering, Inc., 556 Carlton Drive, Lawrenceburg, KY 40342, (502) 839-1310, James L. Mudd Jr., P.E., [lmudd@monarchengineering.net](mailto:lmudd@monarchengineering.net). Prospective Bidders may examine the Bidding Documents at the Issuing Office on Mondays through Fridays between the hours of 8 a.m. – 12 p.m. and 1:00 p.m. – 5:00 p.m., and may obtain copies of the Bidding Documents from the Issuing Office as described below.

Printed copies of the Bidding Documents may be obtained from the Issuing Office, during the hours indicated above, upon payment of a deposit of \$250.00, non-refundable, for each set. Checks for Bidding Documents shall be payable to “Monarch Engineering, Inc.”. Upon request and receipt of the document deposit indicated above, the Issuing Office will transmit the Bidding Documents via delivery service. The date that the Bidding Documents are transmitted by the Issuing Office will be considered the Bidder’s date of receipt of the Bidding Documents. Partial sets of Bidding Documents will not be available from the Issuing Office. Neither the Owner nor Engineer will be responsible for full or partial sets of Bidding Documents, including Addenda if any, obtained from sources other than the Issuing Office. Plans purchased by one party and bid by another party will not be accepted. Plans will be available for purchase until 4:00 p.m., (E.D.T.), May 5, 2022.

Bid security shall be furnished in accordance with the Instructions to Bidders.

Owner: **NORTH SHELBY WATER COMPANY**  
By: **BRYAN FRANKLIN**  
Title: **PRESIDENT**  
Date: **APRIL 22, 2022**

+ + END OF ADVERTISEMENT FOR BIDS + +

# INSTRUCTIONS TO BIDDERS

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## **ARTICLE 1 – DEFINED TERMS**

1.01 Terms used in these Instructions to Bidders have the meanings indicated in the General Conditions and Supplementary Conditions. Additional terms used in these Instructions to Bidders have the meanings indicated below:

A. *Issuing Office* – The office from which the Bidding Documents are to be issued.

## **ARTICLE 2 – COPIES OF BIDDING DOCUMENTS**

2.01 Complete sets of the Bidding Documents may be obtained from the Issuing Office in the number and format stated in the advertisement or invitation to bid.

2.02 Complete sets of Bidding Documents shall be used in preparing Bids; neither Owner nor Engineer assumes any responsibility for errors or misinterpretations resulting from the use of incomplete sets of Bidding Documents.

2.03 Owner and Engineer, in making copies of Bidding Documents available on the above terms, do so only for the purpose of obtaining Bids for the Work and do not authorize or confer a license for any other use.

## **ARTICLE 3 – QUALIFICATIONS OF BIDDERS**

3.01 To demonstrate Bidder's qualifications to perform the Work, after submitting its Bid and within [5] days of Owner's request, Bidder shall submit (a) written evidence establishing its qualifications such as financial data, previous experience, and present commitments, and (b) the following additional information:

A. [Evidence of Bidder's authority to do business in the state where the Project is located.]

B. [Bidder's state or other contractor license number, if applicable.]

C. [Subcontractor and Supplier qualification information; coordinate with provisions of Article 12 of these Instructions, "Subcontractors, Suppliers, and Others."]

D. [Other required information regarding qualifications]

3.02 A Bidder's failure to submit required qualification information within the times indicated may disqualify Bidder from receiving an award of the Contract.

3.03 No requirement in this Article 3 to submit information will prejudice the right of Owner to seek additional pertinent information regarding Bidder's qualifications.

3.04 Bidder is advised to carefully review those portions of the Bid Form requiring Bidder's representations and certifications.

## **ARTICLE 4 – SITE AND OTHER AREAS; EXISTING SITE CONDITIONS; EXAMINATION OF SITE; OWNER'S SAFETY PROGRAM; OTHER WORK AT THE SITE**

4.01 *Site and Other Areas*

A. The Site is identified in the Bidding Documents. By definition, the Site includes rights-of-way, easements, and other lands furnished by Owner for the use of the Contractor. Any additional lands required for temporary construction facilities, construction equipment, or storage of materials and equipment, and any access needed for such additional lands, are to be obtained and paid for by Contractor.

#### 4.02 Existing Site Conditions

##### A. Subsurface and Physical Conditions; Hazardous Environmental Conditions

1. The Supplementary Conditions identify:
  - a. those reports known to Owner of explorations and tests of subsurface conditions at or adjacent to the Site.
  - b. those drawings known to Owner of physical conditions relating to existing surface or subsurface structures at the Site (except Underground Facilities).
  - c. reports and drawings known to Owner relating to Hazardous Environmental Conditions that have been identified at or adjacent to the Site.
  - d. Technical Data contained in such reports and drawings.
2. Owner will make copies of reports and drawings referenced above available to any Bidder on request. These reports and drawings are not part of the Contract Documents, but the Technical Data contained therein upon whose accuracy Bidder is entitled to rely, as provided in the General Conditions, has been identified and established in the Supplementary Conditions. Bidder is responsible for any interpretation or conclusion Bidder draws from any Technical Data or any other data, interpretations, opinions, or information contained in such reports or shown or indicated in such drawings.
3. If the Supplementary Conditions do not identify Technical Data, the default definition of Technical Data set forth in Article 1 of the General Conditions will apply.
4. Geotechnical Baseline Report: The Bidding Documents contain a Geotechnical Baseline Report (GBR). The GBR describes certain select subsurface conditions that are anticipated to be encountered by Contractor during construction in specified locations ("Baseline Conditions"). The GBR is a Contract Document.

The Baseline Conditions in the GBR are intended to reduce uncertainty and the degree of contingency in submitted Bids. However, Bidders cannot rely solely on the Baseline Conditions. Bids should be based on a comprehensive approach that includes an independent review and analysis of the GBR, all other Contract Documents, Technical Data, other available information, and observable surface conditions. Not all potential subsurface conditions are baselined.

Nothing in the GBR is intended to relieve Bidders of the responsibility to make their own determinations regarding construction costs, bidding strategies, and Bid prices, nor of the responsibility to select and be responsible for the means, methods, techniques, sequences, and procedures of construction, and for safety precautions and programs incident thereto.

- B. Underground Facilities: Information and data shown or indicated in the Bidding Documents with respect to existing Underground Facilities at or contiguous to the Site are set forth in the Contract Documents and are based upon information and data furnished to Owner and Engineer by owners of such Underground Facilities, including Owner, or others.
- C. Adequacy of Data: Provisions concerning responsibilities for the adequacy of data furnished to prospective Bidders with respect to subsurface conditions, other physical conditions, and Underground Facilities, and possible changes in the Bidding Documents due to differing or unanticipated subsurface or physical conditions appear in Paragraphs 5.03, 5.04, and 5.05 of the General Conditions. Provisions concerning responsibilities for the adequacy of data furnished to prospective Bidders with respect to a Hazardous Environmental Condition at the



Site, if any, and possible changes in the Contract Documents due to any Hazardous Environmental Condition uncovered or revealed at the Site which was not shown or indicated in the Drawings or Specifications or identified in the Contract Documents to be within the scope of the Work, appear in Paragraph 5.06 of the General Conditions.

#### 4.03 *Site Visit and Testing by Bidders*

- A. ~~Bidder shall conduct the required Site visit during normal working hours, and shall not disturb any ongoing operations at the Site.~~
- B. Bidder is not required to conduct any subsurface testing, or exhaustive investigations of Site conditions.
- C. On request, and to the extent Owner has control over the Site, and schedule permitting, the Owner will provide Bidder access to the Site to conduct such additional examinations, investigations, explorations, tests, and studies as Bidder deems necessary for preparing and submitting a successful Bid. Owner will not have any obligation to grant such access if doing so is not practical because of existing operations, security or safety concerns, or restraints on Owner's authority regarding the Site.
- D. Bidder shall comply with all applicable Laws and Regulations regarding excavation and location of utilities, obtain all permits, and comply with all terms and conditions established by Owner or by property owners or other entities controlling the Site with respect to schedule, access, existing operations, security, liability insurance, and applicable safety programs.
- E. Bidder shall fill all holes and clean up and restore the Site to its former condition upon completion of such explorations, investigations, tests, and studies.

#### 4.04 *Owner's Safety Program*

- A. Site visits and work at the Site may be governed by an Owner safety program. As the General Conditions indicate, if an Owner safety program exists, it will be noted in the Supplementary Conditions.

#### 4.05 *Other Work at the Site*

- A. Reference is made to Article 8 of the Supplementary Conditions for the identification of the general nature of other work of which Owner is aware (if any) that is to be performed at the Site by Owner or others (such as utilities and other prime contractors) and relates to the Work contemplated by these Bidding Documents. If Owner is party to a written contract for such other work, then on request, Owner will provide to each Bidder access to examine such contracts (other than portions thereof related to price and other confidential matters), if any.

### **ARTICLE 5 – BIDDER'S REPRESENTATIONS**

5.01 It is the responsibility of each Bidder before submitting a Bid to:

- A. examine and carefully study the Bidding Documents, and any data and reference items identified in the Bidding Documents;
- B. visit the Site, conduct a thorough, alert visual examination of the Site and adjacent areas, and become familiar with and satisfy itself as to the general, local, and Site conditions that may affect cost, progress, and performance of the Work;
- C. become familiar with and satisfy itself as to all Laws and Regulations that may affect cost, progress, and performance of the Work;

- D. carefully study all: (1) reports of explorations and tests of subsurface conditions at or adjacent to the Site and all drawings of physical conditions relating to existing surface or subsurface structures at the Site that have been identified in the Supplementary Conditions, especially with respect to Technical Data in such reports and drawings, and (2) reports and drawings relating to Hazardous Environmental Conditions, if any, at or adjacent to the Site that have been identified in the Supplementary Conditions, especially with respect to Technical Data in such reports and drawings;
- E. consider the information known to Bidder itself; information commonly known to contractors doing business in the locality of the Site; information and observations obtained from visits to the Site; the Bidding Documents; and the Site-related reports and drawings identified in the Bidding Documents, with respect to the effect of such information, observations, and documents on (1) the cost, progress, and performance of the Work; (2) the means, methods, techniques, sequences, and procedures of construction to be employed by Bidder; and (3) Bidder's safety precautions and programs;
- F. agree, based on the information and observations referred to in the preceding paragraph, that at the time of submitting its Bid no further examinations, investigations, explorations, tests, studies, or data are necessary for the determination of its Bid for performance of the Work at the price bid and within the times required, and in accordance with the other terms and conditions of the Bidding Documents;
- G. become aware of the general nature of the work to be performed by Owner and others at the Site that relates to the Work as indicated in the Bidding Documents;
- H. promptly give Engineer written notice of all conflicts, errors, ambiguities, or discrepancies that Bidder discovers in the Bidding Documents and confirm that the written resolution thereof by Engineer is acceptable to Bidder;
- I. determine that the Bidding Documents are generally sufficient to indicate and convey understanding of all terms and conditions for the performance and furnishing of the Work; and
- J. agree that the submission of a Bid will constitute an incontrovertible representation by Bidder that Bidder has complied with every requirement of this Article, that without exception the Bid and all prices in the Bid are premised upon performing and furnishing the Work required by the Bidding Documents.

#### **ARTICLE 6 – PRE-BID CONFERENCE**

~~6.01 — A pre-Bid conference will be held at the time and location stated in the invitation or advertisement to bid. Representatives of Owner and Engineer will be present to discuss the Project. Bidders are encouraged to attend and participate in the conference. Engineer will transmit to all prospective Bidders of record such Addenda as Engineer considers necessary in response to questions arising at the conference. Oral statements may not be relied upon and will not be binding or legally effective.~~

#### **ARTICLE 7 – INTERPRETATIONS AND ADDENDA**

7.01 All questions about the meaning or intent of the Bidding Documents are to be submitted to Engineer in writing. Interpretations or clarifications considered necessary by Engineer in response to such questions will be issued by Addenda delivered to all parties recorded as having received the Bidding Documents. Questions received less than seven days prior to the date for opening of

Bids may not be answered. Only questions answered by Addenda will be binding. Oral and other interpretations or clarifications will be without legal effect.

7.02 Addenda may be issued to clarify, correct, supplement, or change the Bidding Documents.

#### **ARTICLE 8 – BID SECURITY**

8.01 A Bid must be accompanied by Bid security made payable to Owner in an amount of not less than five (5) percent of Bidder's maximum Bid price (determined by adding the base bid and all alternates) and in the form of a certified check, bank money order, or a Bid bond (on the form included in the Bidding Documents) issued by a surety meeting the requirements of Paragraphs 6.01 and 6.02 of the General Conditions.

8.02 The Bid security of the apparent Successful Bidder will be retained until Owner awards the contract to such Bidder, and such Bidder has executed the Contract Documents, furnished the required contract security, and met the other conditions of the Notice of Award, whereupon the Bid security will be released. If the Successful Bidder fails to execute and deliver the Contract Documents and furnish the required contract security within 15 days after the Notice of Award, Owner may consider Bidder to be in default, annul the Notice of Award, and the Bid security of that Bidder will be forfeited. Such forfeiture shall be Owner's exclusive remedy if Bidder defaults.

8.03 The Bid security of other Bidders that Owner believes to have a reasonable chance of receiving the award may be retained by Owner until the earlier of seven days after the Effective Date of the Contract or 91 days after the Bid opening, whereupon Bid security furnished by such Bidders will be released.

8.04 Bid security of other Bidders that Owner believes do not have a reasonable chance of receiving the award will be released within seven days after the Bid opening.

#### **ARTICLE 9 – CONTRACT TIMES**

9.01 The number of days within which, or the dates by which, the Work is to be substantially completed and ready for final payment are set forth in the Agreement.

#### **ARTICLE 10 – LIQUIDATED DAMAGES**

10.01 Provisions for liquidated damages, if any, for failure to timely attain a Milestone, Substantial Completion, or completion of the Work in readiness for final payment, are set forth in the Agreement.

#### **ARTICLE 11 – SUBSTITUTE AND "OR-EQUAL" ITEMS**

11.01 The Contract for the Work, if awarded, will be on the basis of materials and equipment specified or described in the Bidding Documents, and those "or-equal" or substitute materials and equipment subsequently approved by Engineer prior to the submittal of Bids and identified by Addendum. No item of material or equipment will be considered by Engineer as an "or-equal" or substitute unless written request for approval has been submitted by Bidder and has been received by Engineer at least 15 days prior to the date for receipt of Bids in the case of a proposed substitute and 5 days prior in the case of a proposed "or-equal". Each such request shall comply with the requirements of Paragraphs 7.04 and 7.05 of the General Conditions. The burden of proof of the merit of the proposed item is upon Bidder. Engineer's decision of approval or disapproval of a proposed item will be final. If Engineer approves any such proposed item, such approval will be set forth in an Addendum issued to all prospective Bidders. Bidders shall not rely

upon approvals made in any other manner. Substitutes and “or-equal” materials and equipment may be proposed by Contractor in accordance with Paragraphs 7.04 and 7.05 of the General Conditions after the Effective Date of the Contract.

- 11.02 All prices that Bidder sets forth in its Bid shall be based on the presumption that the Contractor will furnish the materials and equipment specified or described in the Bidding Documents, as supplemented by Addenda. Any assumptions regarding the possibility of post-Bid approvals of “or-equal” or substitution requests are made at Bidder’s sole risk.
- 11.03 If an award is made, Contractor shall be allowed to submit proposed substitutes and “or-equals” in accordance with the General Conditions.

## **ARTICLE 12 – SUBCONTRACTORS, SUPPLIERS, AND OTHERS**

~~12.01 A Bidder shall be prepared to retain specific Subcontractors, Suppliers, or other individuals or entities for the performance of the Work if required by the Bidding Documents (most commonly in the Specifications) to do so. If a prospective Bidder objects to retaining any such Subcontractor, Supplier, or other individual or entity, and the concern is not relieved by an Addendum, then the prospective Bidder should refrain from submitting a Bid.~~

~~12.02 Subsequent to the submittal of the Bid, Owner may not require the Successful Bidder or Contractor to retain any Subcontractor, Supplier, or other individual or entity against which Contractor has reasonable objection.~~

12.03 “If required by the bid documents.” The apparent Successful Bidder, and any other Bidder so requested, shall within five days after Bid opening, submit to Owner a list of the Subcontractors or Suppliers proposed for the following portions of the Work: that which is described within this Contract.

If requested by Owner, such list shall be accompanied by an experience statement with pertinent information regarding similar projects and other evidence of qualification for each such Subcontractor, Supplier, or other individual or entity. If Owner or Engineer, after due investigation, has reasonable objection to any proposed Subcontractor, Supplier, individual, or entity, Owner may, before the Notice of Award is given, request apparent Successful Bidder to submit an acceptable substitute, in which case apparent Successful Bidder shall submit a substitute, Bidder’s Bid price will be increased (or decreased) by the difference in cost occasioned by such substitution, and Owner may consider such price adjustment in evaluating Bids and making the Contract award.

12.04 If apparent Successful Bidder declines to make any such substitution, Owner may award the Contract to the next lowest Bidder that proposes to use acceptable Subcontractors, Suppliers, or other individuals or entities. Declining to make requested substitutions will constitute grounds for forfeiture of the Bid security of any Bidder. Any Subcontractor, Supplier, individual, or entity so listed and against which Owner or Engineer makes no written objection prior to the giving of the Notice of Award will be deemed acceptable to Owner and Engineer subject to subsequent revocation of such acceptance as provided in Paragraph 7.06 of the General Conditions.

12.05 Contractor shall not be required to employ any Subcontractor, Supplier, individual, or entity against whom Contractor has reasonable objection.

12.06 The Contractor shall not award work to Subcontractor(s) in excess of the limits stated in SC 7.06.

## **ARTICLE 13 – PREPARATION OF BID**

- 13.01 The Bid Form is included with the Bidding Documents.
- A. All blanks on the Bid Form shall be completed in ink and the Bid Form signed in ink. Erasures or alterations shall be initialed in ink by the person signing the Bid Form. A Bid price shall be indicated for each section, Bid item, alternate, adjustment unit price item, and unit price item listed therein.
  - B. If the Bid Form expressly indicates that submitting pricing on a specific alternate item is optional, and Bidder elects to not furnish pricing for such optional alternate item, then Bidder may enter the words “No Bid” or “Not Applicable.”
- 13.02 A Bid by a corporation shall be executed in the corporate name by a corporate officer (whose title must appear under the signature), accompanied by evidence of authority to sign. The corporate address and state of incorporation shall be shown.
- 13.03 A Bid by a limited liability company shall be executed in the name of the firm by a member or other authorized person and accompanied by evidence of authority to sign. The state of formation of the firm and the official address of the firm shall be shown.
- 13.04 A Bid by an individual shall show the Bidder’s name and official address.
- 13.05 A Bid by a joint venture shall be executed by an authorized representative of each joint venturer in the manner indicated on the Bid Form. The official address of the joint venture shall be shown.
- 13.06 All names shall be printed in ink below the signatures.
- 13.07 The Bid shall contain an acknowledgment of receipt of all Addenda, the numbers of which shall be filled in on the Bid Form.
- 13.08 Postal and e-mail addresses and telephone number for communications regarding the Bid shall be shown.
- 13.09 The Bid shall contain evidence of Bidder’s authority and qualification to do business in the state where the Project is located, or Bidder shall covenant in writing to obtain such authority and qualification prior to award of the Contract and attach such covenant to the Bid. Bidder’s state contractor license number, if any, shall also be shown on the Bid Form.

## **ARTICLE 14 – BASIS OF BID**

- 14.01 Base Bid with Alternates
- A. Bidders shall submit a Bid on a lump sum basis for the base Bid and include a separate price for each alternate described in the Bidding Documents and as provided for in the Bid Form. The price for each alternate will be the amount added to or deleted from the base Bid if Owner selects the alternate.
  - B. In the comparison of Bids, alternates will be applied in the same order of priority as listed in the Bid Form.
- 14.02 Unit Price
- A. Bidders shall submit a Bid on a unit price basis for each item of Work listed in the unit price section of the Bid Form.

- B. The "Bid Price" (sometimes referred to as the extended price) for each unit price Bid item will be the product of the "Estimated Quantity" (which Owner or its representative has set forth in the Bid Form) for the item and the corresponding "Bid Unit Price" offered by the Bidder. The total of all unit price Bid items will be the sum of these "Bid Prices"; such total will be used by Owner for Bid comparison purposes. The final quantities and Contract Price will be determined in accordance with Paragraph 13.03 of the General Conditions.
- C. Discrepancies between the multiplication of units of Work and unit prices will be resolved in favor of the unit prices. Discrepancies between the indicated sum of any column of figures and the correct sum thereof will be resolved in favor of the correct sum.

#### 14.03 Allowances

- A. For cash allowances the Bid price shall include such amounts as the Bidder deems proper for Contractor's overhead, costs, profit, and other expenses on account of cash allowances, if any, named in the Contract Documents, in accordance with Paragraph 13.02.B of the General Conditions.

#### ~~14.04 Price Plus Time Bids~~

- ~~A. The Owner will consider the time of Substantial Completion commitment made by the Bidder in the comparison of Bids.~~
- ~~B. Bidder shall designate the number of days required to achieve Substantial Completion of the Work and enter that number in the Bid Form as the total number of calendar days to substantially complete the Work.~~
- ~~C. The total number of calendar days for Substantial Completion designated by Bidder shall be less than or equal to a maximum of [\_\_\_\_], but not less than the minimum of [\_\_\_\_]. If Bidder purports to designate a time for Substantial Completion that is less than the allowed minimum, or greater than the allowed maximum, Owner will reject the Bid as nonresponsive.~~
- ~~D. The Agreement as executed will contain the Substantial Completion time designated in Successful Bidder's Bid, and the Contractor will be assessed liquidated damages at the rate stated in the Agreement for failure to attain Substantial Completion within that time.~~
- ~~E. [Bidder shall also designate the time in which it will achieve Milestones, and achieve readiness for final payment. Such time commitments shall be consistent with the "Time of Substantial Completion" to which Bidder commits. The Agreement as executed will contain, as binding Contract Times, Successful Bidder's time commitments regarding Milestones, as applicable, and readiness for final payment.]~~

### ARTICLE 15 – SUBMITTAL OF BID

- 15.01 With each copy of the Bidding Documents, a Bidder is furnished one separate unbound copy of the Bid Form, and, if required, the Bid Bond Form. The unbound copy of the Bid Form is to be completed and submitted with the Bid security and the other documents required to be submitted under the terms of Article 7 of the Bid Form.
- 15.02 A Bid shall be received no later than the date and time prescribed and at the place indicated in the advertisement or invitation to bid and shall be enclosed in a plainly marked package with the Project title (and, if applicable, the designated portion of the Project for which the Bid is submitted), the name and address of Bidder, and shall be accompanied by the Bid security and other required documents. If a Bid is sent by mail or other delivery system, the sealed envelope containing the Bid shall be enclosed in a separate package plainly marked on the outside with the

notation "BID ENCLOSED." A mailed Bid shall be addressed to the OWNER as described in the Advertisement for Bids.

- 15.03 Bids received after the date and time prescribed for the opening of bids, or not submitted at the correct location or in the designated manner, will not be accepted and will be returned to the Bidder unopened.

#### **ARTICLE 16 – MODIFICATION AND WITHDRAWAL OF BID**

- 16.01 A Bid may be withdrawn by an appropriate document duly executed in the same manner that a Bid must be executed and delivered to the place where Bids are to be submitted prior to the date and time for the opening of Bids. Upon receipt of such notice, the unopened Bid will be returned to the Bidder.
- 16.02 If a Bidder wishes to modify its Bid prior to Bid opening, Bidder must withdraw its initial Bid in the manner specified in Paragraph 16.01 and submit a new Bid prior to the date and time for the opening of Bids.
- 16.03 If within 24 hours after Bids are opened any Bidder files a duly signed written notice with Owner and promptly thereafter demonstrates to the reasonable satisfaction of Owner that there was a material and substantial mistake in the preparation of its Bid, that Bidder may withdraw its Bid, and the Bid security will be returned. Thereafter, if the Work is rebid, that Bidder will be disqualified from further bidding on the Work.

#### **ARTICLE 17 – OPENING OF BIDS**

- 17.01 Bids will be opened at the time and place indicated in the advertisement or invitation to bid and, unless obviously non-responsive, read aloud publicly. An abstract of the amounts of the base Bids and major alternates, if any, will be made available to Bidders after the opening of Bids.

#### **ARTICLE 18 – BIDS TO REMAIN SUBJECT TO ACCEPTANCE**

- 18.01 All Bids will remain subject to acceptance for the period of time stated in the Bid Form, but Owner may, in its sole discretion, release any Bid and return the Bid security prior to the end of this period.

#### **ARTICLE 19 – EVALUATION OF BIDS AND AWARD OF CONTRACT**

- 19.01 Owner reserves the right to reject any or all Bids, including without limitation, nonconforming, nonresponsive, unbalanced, or conditional Bids. Owner will reject the Bid of any Bidder that Owner finds, after reasonable inquiry and evaluation, to not be responsible. If Bidder purports to add terms or conditions to its Bid, takes exception to any provision of the Bidding Documents, or attempts to alter the contents of the Contract Documents for purposes of the Bid, then the Owner will reject the Bid as nonresponsive; provided that Owner also reserves the right to waive all minor informalities not involving price, time, or changes in the Work.
- 19.02 If Owner awards the contract for the Work, such award shall be to the responsible Bidder submitting the lowest responsive Bid.
- 19.03 Evaluation of Bids
- A. In evaluating Bids, Owner will consider whether or not the Bids comply with the prescribed requirements, and such alternates, unit prices, and other data, as may be requested in the Bid Form or prior to the Notice of Award.

- B. In the comparison of Bids, alternates will be applied in the same order of priority as listed in the Bid Form. To determine the Bid prices for purposes of comparison, Owner shall announce to all bidders a “Base Bid plus alternates” budget after receiving all Bids, but prior to opening them. For comparison purposes alternates will be accepted, following the order of priority established in the Bid Form, until doing so would cause the budget to be exceeded. After determination of the Successful Bidder based on this comparative process and on the responsiveness, responsibility, and other factors set forth in these Instructions, the award may be made to said Successful Bidder on its base Bid and any combination of its additive alternate Bids for which Owner determines funds will be available at the time of award.
- ~~C. Bid prices will be compared after adjusting for differences in time of Substantial Completion (total number of calendar days to substantially complete the Work) designated by Bidders. The adjusting amount will be determined at the rate set forth in the Agreement for liquidated damages for failing to achieve Substantial Completion, or such other amount that Owner has designated in the Bid Form.~~
- ~~1. The method for calculating the lowest bid for comparison will be the summation of the Bid price shown in the Bid Form plus the product of the Bidder specified time of Substantial Completion (in calendar days) times the rate for liquidated damages [or other Owner designated daily rate] (in dollars per day).~~
  - ~~2. This procedure is only used to determine the lowest bid for comparison and contractor selection purposes. The Contract Price for compensation and payment purposes remains the Bid price shown in the Bid Form.~~

- 19.04 In evaluating whether a Bidder is responsible, Owner will consider the qualifications of the Bidder and may consider the qualifications and experience of Subcontractors and Suppliers proposed for those portions of the Work for which the identity of Subcontractors and Suppliers must be submitted as provided in the Bidding Documents.
- 19.05 Owner may conduct such investigations as Owner deems necessary to establish the responsibility, qualifications, and financial ability of Bidders and any proposed Subcontractors or Suppliers.

## **ARTICLE 20 – BONDS AND INSURANCE**

- 20.01 Article 6 of the General Conditions, as may be modified by the Supplementary Conditions, sets forth Owner’s requirements as to performance and payment bonds and insurance. When the Successful Bidder delivers the Agreement (executed by Successful Bidder) to Owner, it shall be accompanied by required bonds and insurance documentation.

## **ARTICLE 21 – SIGNING OF AGREEMENT**

- 21.01 When Owner issues a Notice of Award to the Successful Bidder, it shall be accompanied by the unexecuted counterparts of the Agreement along with the other Contract Documents as identified in the Agreement. Within 15 days thereafter, Successful Bidder shall execute and deliver the required number of counterparts of the Agreement (and any bonds and insurance documentation required to be delivered by the Contract Documents) to Owner. Within ten days thereafter, Owner shall deliver one fully executed counterpart of the Agreement to Successful Bidder, together with printed and electronic copies of the Contract Documents as stated in Paragraph 2.02 of the General Conditions.



## **ARTICLE 22 – SALES AND USE TAXES**

~~22.01 Owner is exempt from [ ] state sales and use taxes on materials and equipment to be incorporated in the Work. (Exemption No. [ ]). Said taxes shall not be included in the Bid. Refer to Paragraph SC-7.09 of the Supplementary Conditions for additional information.~~

## **ARTICLE 23 – CONTRACTS TO BE ASSIGNED**

**NOT APPLICABLE**

## **ARTICLE 24 – WAGE RATE REQUIREMENTS**

~~24.01 If the contract price is in excess of \$100,000, provisions of the Contract Work Hours and Safety Standards Act at 29 CFR 5.5(b) apply. If applicable, Wage Rate Requirements are in Section WD.~~

## **SPECIAL NOTES FOR CONTRACTORS**

Each Bidder must accompany his bid with a list of at least three projects, similar in scope and cost to this project, with references in which his company has performed work. The company which performed the work as shown on the list of references must be the same company submitting the bid. The references shall include the name of the job, approximate date the job was completed, name of the utility company including contact person, and the name of the engineer including contact person.

The Contract Documents specify that the Contract shall be completed within 365 calendar days, but no work shall be performed on weekends and Federal holidays unless requested in writing at least seven days prior to any one weekend or holiday, and approved by the Engineer. This Contract is to be constructed during the weekdays of Monday through Friday and the period of 365 calendar days should allow the Contractor ample time to complete the project.

The Contractor shall not be allowed to maintain permanent residency for any employees on the construction site.

The Owner reserves the right to request and obtain information regarding the Contractor's financial status such as a financial statements or any other information relative to the financial capability of the Contractor to perform the work.

The Contractor shall coordinate all disruptions of service with the Owner and Engineer. Prior to any disruption, the Contractor shall inform both parties of his intentions, methods and projected duration of disturbance and receive their approval prior to initiating the specific work. The existing conditions as shown on the plan sheets have been formulated through old plans, discussions with the Owner personnel and data gathered by field surveys. The Contractor shall be responsible for locating and verifying all existing piping, conduits and any items that will be affected by implementation of the project.

The Contractor shall comply with all conditions and instructions included within the various regulatory permits required for construction of this project.

When performing work along or across any public roadway, the Contractor shall post warning signs painted orange and they shall be four feet by four feet mounted on posts in accordance with the Kentucky Transportation Cabinet's Uniform Traffic Control Devices. Furthermore, all signs, barricades, lights, and traffic control procedures shall be installed in accordance with the Kentucky Transportation Cabinet's Manual on Uniform Traffic Control Devices.

All necessary steps shall be taken to prevent erosion or siltation of the public right-of-way, adjoining property and waterways. The Contractor shall practice "Best Management Practices" (BMPs) that will minimize siltation and erosion in or near streams. Contractor shall provide adequate control of siltation and erosion by limiting unnecessary excavation, disturbing or uprooting trees and vegetation, dumping of soil or debris, or pumping silt-laden water into a nearby stream. In addition to these typical erosion control measures, a temporary construction boundary fence is required in some areas of the project. If applicable, Plan Sheet EC-1 outlines the specific site requirements and depicts recommended soil erosion control devices. All erosion control measures shall be incidental to the cost of installing other project components and no additional payment will be made.

The Contractor shall be responsible for complying with all requirements relating to the Kentucky Pollutant Discharge Elimination System (KPDES) General Permit for Storm Water Discharges Associated with Construction Activities (KYR10). This includes, but is not limited to, filing the Notice of Intent (NOI) with the Kentucky Division of Water and developing a Stormwater Pollution Prevention Plan (SWPPP) for the project. A copy of the Notice of Intent has been included in these documents for the Contractor's use. However, it is recommended that the Contractor utilize the Division of Water's e-permitting web site (<http://epdepfs01/eforms/depdefault.aspx>) as it greatly reduces the time required for acceptance of the Notice of Intent.

A complete bid package consist of the Bid Form, Bid Bond, Bid Submittal Reference List, and other forms as requested in Article 7 of the Bid Form.

The Owner reserves the right to increase, reduce, or eliminate any of the quantities of the Bid Items. The complete Bid Schedule including Unit Price and Total Cost items shall be the basis for payment.

The Contract shall be awarded on the basis of the Base Bid.

**BID SUBMITTAL REFERENCE LIST**  
**NORTH SHELBY WATER COMPANY**  
**ST. JOHNS WATER STORAGE TANK REPLACEMENT**  
**BID OPENING: MAY 11, 2022 @ 11:00 AM, LOCAL TIME**

JOB NAME	APPROXIMATE DATE OF COMPLETION	APPROXIMATE COST	NAME OF UTILITY & CONTACT PERSON	NAME OF ENGINEER & CONTACT PERSON
<b>JOB NO. 1</b>				
<b>JOB NO. 2</b>				
<b>JOB NO. 3</b>				

BS-1

**BID FORM**

**NORTH SHELBY WATER COMPANY  
ST. JOHNS WATER STORAGE TANK REPLACEMENT**

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**ARTICLE 1 – BID RECIPIENT**

1.01 This Bid is submitted to:

**North Shelby Water Company, P.O. Box 97, 4596 Bagdad Road, Bagdad, KY 40003**

1.02 The undersigned Bidder proposes and agrees, if this Bid is accepted, to enter into an Agreement with Owner in the form included in the Bidding Documents to perform all Work as specified or indicated in the Bidding Documents for the prices and within the times indicated in this Bid and in accordance with the other terms and conditions of the Bidding Documents.

**ARTICLE 2 – BIDDER’S ACKNOWLEDGEMENTS**

2.01 Bidder accepts all of the terms and conditions of the Instructions to Bidders, including without limitation those dealing with the disposition of Bid security. This Bid will remain subject to acceptance for 90 days after the Bid opening, or for such longer period of time that Bidder may agree to in writing upon request of Owner.

**ARTICLE 3 – BIDDER’S REPRESENTATIONS**

3.01 In submitting this Bid, Bidder represents that:

A. Bidder has examined and carefully studied the Bidding Documents, and any data and reference items identified in the Bidding Documents, and hereby acknowledges receipt of the following Addenda:

<u>Addendum No.</u>	<u>Addendum, Date</u>
_____	_____
_____	_____
_____	_____
_____	_____

B. Bidder has visited the Site, conducted a thorough, alert visual examination of the Site and adjacent areas, and become familiar with and satisfied itself as to the general, local, and Site conditions that may affect cost, progress, and performance of the Work.

C. Bidder is familiar with and has satisfied itself as to all Laws and Regulations that may affect cost, progress, and performance of the Work.

D. Bidder has carefully studied all: (1) reports of explorations and tests of subsurface conditions at or adjacent to the Site and all drawings of physical conditions relating to existing surface or subsurface structures at the Site that have been identified in the Supplementary Conditions, especially with respect to Technical Data in such reports and drawings, and (2) reports and drawings relating to Hazardous Environmental Conditions, if any, at or adjacent to the Site that have been identified in the Supplementary Conditions, especially with respect to Technical Data in such reports and drawings.

E. Bidder has considered the information known to Bidder itself; information commonly known to contractors doing business in the locality of the Site; information and observations obtained from visits to the Site; the Bidding Documents; and any Site-related reports and drawings identified in the Bidding Documents, with respect to the effect of such information, observations, and documents on (1) the cost, progress, and performance of the Work;

- (2) the means, methods, techniques, sequences, and procedures of construction to be employed by Bidder; and (3) Bidder's safety precautions and programs.
- F. Bidder agrees, based on the information and observations referred to in the preceding paragraph, that no further examinations, investigations, explorations, tests, studies, or data are necessary for the determination of this Bid for performance of the Work at the price bid and within the times required, and in accordance with the other terms and conditions of the Bidding Documents.
  - G. Bidder is aware of the general nature of work to be performed by Owner and others at the Site that relates to the Work as indicated in the Bidding Documents.
  - H. Bidder has given Engineer written notice of all conflicts, errors, ambiguities, or discrepancies that Bidder has discovered in the Bidding Documents, and confirms that the written resolution thereof by Engineer is acceptable to Bidder.
  - I. The Bidding Documents are generally sufficient to indicate and convey understanding of all terms and conditions for the performance and furnishing of the Work.
  - J. The submission of this Bid constitutes an incontrovertible representation by Bidder that Bidder has complied with every requirement of this Article, and that without exception the Bid and all prices in the Bid are premised upon performing and furnishing the Work required by the Bidding Documents.

#### **ARTICLE 4 – BIDDER'S CERTIFICATION**

##### **4.01 Bidder certifies that:**

- A. This Bid is genuine and not made in the interest of or on behalf of any undisclosed individual or entity and is not submitted in conformity with any collusive agreement or rules of any group, association, organization, or corporation;
- B. Bidder has not directly or indirectly induced or solicited any other Bidder to submit a false or sham Bid;
- C. Bidder has not solicited or induced any individual or entity to refrain from bidding; and
- D. Bidder has not engaged in corrupt, fraudulent, collusive, or coercive practices in competing for the Contract. For the purposes of this Paragraph 4.01.D:
  - 1. "corrupt practice" means the offering, giving, receiving, or soliciting of any thing of value likely to influence the action of a public official in the bidding process;
  - 2. "fraudulent practice" means an intentional misrepresentation of facts made (a) to influence the bidding process to the detriment of Owner, (b) to establish bid prices at artificial non-competitive levels, or (c) to deprive Owner of the benefits of free and open competition;
  - 3. "collusive practice" means a scheme or arrangement between two or more Bidders, with or without the knowledge of Owner, a purpose of which is to establish bid prices at artificial, non-competitive levels; and
  - 4. "coercive practice" means harming or threatening to harm, directly or indirectly, persons or their property to influence their participation in the bidding process or affect the execution of the Contract.

**ARTICLE 5 – BASIS OF BID**

5.01 Bidder will complete the Work in accordance with the Contract Documents for the following price(s):

**BID SCHEDULE**

Notes: BIDS shall include sales tax and all other applicable taxes and fees.  
The CONTRACT shall be awarded to the lowest, responsive, responsible BIDDER.

**BASE BID CONTRACT**

Item No.	Description	Quantity	Total Cost
1	Site Protection (Temporary Site Fencing)	1 LS	\$ _____
2	Erosion & Sedimentation Controls	1 LS	\$ _____
3	Site Preparation, Grading, & Excavation	1 LS	\$ _____
4	250,000 Gallon Multi-Column Elevated Water Storage Tank		
4A	<i>Foundation</i>	1 LS	\$ _____
4B	<i>Welded Steel Reservoir</i>	1 LS	\$ _____
4C	<i>Appurtenances &amp; Accessories</i>	1 LS	\$ _____
4D	<i>Coatings &amp; Disinfection</i>	1 LS	\$ _____
5	Yard Piping & Appurtenances	1 LS	\$ _____
6	Electrical & Grounding	1 LS	\$ _____
7	Miscellaneous Site Improvements (Access Road, Parking Area, Lined Ditches, etc.)	1 LS	\$ _____
8	100,000 Gallon Storage Tank Demolition	1 LS	\$ _____
9	Final Site Restoration & Cleanup	1 LS	\$ _____
<b>TOTAL BASE BID</b>			<b>\$ _____</b>



Bidder acknowledges that (1) each Bid Unit Price includes an amount considered by Bidder to be adequate to cover Contractor's overhead and profit for each separately identified item, and (2) estimated quantities are not guaranteed, and are solely for the purpose of comparison of Bids, and final payment for all unit price Bid items will be based on actual quantities, determined as provided in the Contract Documents.

#### **ARTICLE 6 – TIME OF COMPLETION**

- 6.01 Bidder agrees that the Work will be substantially complete and will be completed and ready for final payment in accordance with Paragraph 15.06 of the General Conditions on or before the dates or within the number of calendar days indicated in the Agreement.
- 6.02 Bidder accepts the provisions of the Agreement as to liquidated damages.

#### **ARTICLE 7 – ATTACHMENTS TO THIS BID**

- 7.01 The following documents are submitted with and made a condition of this Bid:
- A. Required Bid security;
  - ~~B. List of Proposed Subcontractors;~~
  - ~~C. List of Proposed Suppliers;~~
  - D. List of Project References;
  - ~~E. Evidence of authority to do business in the state of the Project; or a written covenant to obtain such license within the time for acceptance of Bids;~~
  - F. Contractor's License No.: \_\_\_\_\_ ~~[or] Evidence of Bidder's ability to obtain a State Contractor's License and a covenant by Bidder to obtain said license within the time for acceptance of Bids;~~
  - ~~G. Required Bidder Qualification Statement with supporting data; and~~
  - H. If Bid amount exceeds \$10,000, signed Compliance Statement (RD 400-6). Refer to specific equal opportunity requirements set forth in the Supplemental General Conditions;
  - I. If Bid amount exceeds \$25,000, signed Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion – Lower Tier Covered Transactions (AD-1048);
  - J. If Bid amount exceeds \$100,000, signed RD Instruction 1940-Q, Exhibit A-1, Certification for Contracts, Grants and Loans.

#### **ARTICLE 8 – DEFINED TERMS**

- 8.01 The terms used in this Bid with initial capital letters have the meanings stated in the Instructions to Bidders, the General Conditions, and the Supplementary Conditions.

**ARTICLE 9 – BID SUBMITTAL**

BIDDER: *[Indicate correct name of bidding entity]*

\_\_\_\_\_  
By:  
*[Signature]* \_\_\_\_\_

*[Printed name]* \_\_\_\_\_

*(If Bidder is a corporation, a limited liability company, a partnership, or a joint venture, attach evidence of authority to sign.)*

Attest:  
*[Signature]* \_\_\_\_\_

*[Printed name]* \_\_\_\_\_

Title: \_\_\_\_\_

Submittal Date: \_\_\_\_\_

Address for giving notices:  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Telephone Number: \_\_\_\_\_

Fax Number: \_\_\_\_\_

Contact Name and e-mail address: \_\_\_\_\_  
\_\_\_\_\_

Bidder's License No.: \_\_\_\_\_  
*(where applicable)*

*NOTE TO USER: Use in those states or other jurisdictions where applicable or required.*



1. Bidder and Surety, jointly and severally, bind themselves, their heirs, executors, administrators, successors, and assigns to pay to Owner upon default of Bidder the penal sum set forth on the face of this Bond. Payment of the penal sum is the extent of Bidder's and Surety's liability. Recovery of such penal sum under the terms of this Bond shall be Owner's sole and exclusive remedy upon default of Bidder.
2. Default of Bidder shall occur upon the failure of Bidder to deliver within the time required by the Bidding Documents (or any extension thereof agreed to in writing by Owner) the executed Agreement required by the Bidding Documents and any performance and payment bonds required by the Bidding Documents.
3. This obligation shall be null and void if:
  - 3.1 Owner accepts Bidder's Bid and Bidder delivers within the time required by the Bidding Documents (or any extension thereof agreed to in writing by Owner) the executed Agreement required by the Bidding Documents and any performance and payment bonds required by the Bidding Documents, or
  - 3.2 All Bids are rejected by Owner, or
  - 3.3 Owner fails to issue a Notice of Award to Bidder within the time specified in the Bidding Documents (or any extension thereof agreed to in writing by Bidder and, if applicable, consented to by Surety when required by Paragraph 5 hereof).
4. Payment under this Bond will be due and payable upon default of Bidder and within 30 calendar days after receipt by Bidder and Surety of written notice of default from Owner, which notice will be given with reasonable promptness, identifying this Bond and the Project and including a statement of the amount due.
5. Surety waives notice of any and all defenses based on or arising out of any time extension to issue Notice of Award agreed to in writing by Owner and Bidder, provided that the total time for issuing Notice of Award including extensions shall not in the aggregate exceed 120 days from the Bid due date without Surety's written consent.
6. No suit or action shall be commenced under this Bond prior to 30 calendar days after the notice of default required in Paragraph 4 above is received by Bidder and Surety and in no case later than one year after the Bid due date.
7. Any suit or action under this Bond shall be commenced only in a court of competent jurisdiction located in the state in which the Project is located.
8. Notices required hereunder shall be in writing and sent to Bidder and Surety at their respective addresses shown on the face of this Bond. Such notices may be sent by personal delivery, commercial courier, or by United States Registered or Certified Mail, return receipt requested, postage pre-paid, and shall be deemed to be effective upon receipt by the party concerned.
9. Surety shall cause to be attached to this Bond a current and effective Power of Attorney evidencing the authority of the officer, agent, or representative who executed this Bond on behalf of Surety to execute, seal, and deliver such Bond and bind the Surety thereby.
10. This Bond is intended to conform to all applicable statutory requirements. Any applicable requirement of any applicable statute that has been omitted from this Bond shall be deemed to be included herein as if set forth at length. If any provision of this Bond conflicts with any applicable statute, then the provision of said statute shall govern and the remainder of this Bond that is not in conflict therewith shall continue in full force and effect.
11. The term "Bid" as used herein includes a Bid, offer, or proposal as applicable.

**NOTICE OF AWARD**

TO: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

PROJECT Description: St. Johns Water Storage Tank Replacement

The OWNER has considered the BID submitted by you for the above described WORK in response to its Advertisement for Bids dated April 22, 2022, and Information for Bidders.

You are hereby notified that your BID has been accepted for items in the amount of \$\_\_\_\_\_.

You are required by the Information for Bidders to execute the Agreement and furnish the required CONTRACTOR'S Performance BOND, Payment BOND and certificates of insurance within fifteen (15) calendar days from the date of this Notice to you.

If you fail to execute said Agreement and to furnish said BONDS within fifteen (15) days from the date of this Notice, said OWNER will be entitled to consider all your rights arising out of the OWNER's acceptance of your BID as abandoned and as a forfeiture of your BID BOND. The OWNER will be entitled to such other rights as may be granted by law.

Within ten (10) days of your compliance of the above conditions, Owner will return to you one fully executed counterpart of the Agreement, together with any additional copies of the Contract Documents as indicated in Paragraph 2.02 of the General Conditions.

You are required to return an acknowledged copy of this NOTICE OF AWARD to the OWNER.

Dated this \_\_\_ day of \_\_\_\_\_, 2022.

\_\_\_\_\_  
North Shelby Water Company

By: Mr. Bryan Franklin

Title: President

**ACCEPTANCE OF NOTICE**

Receipt of the above NOTICE OF AWARD is hereby acknowledged

by \_\_\_\_\_, this \_\_\_ day of \_\_\_\_\_, 2022.  
(Contractor)

By: \_\_\_\_\_

Title: \_\_\_\_\_

**AGREEMENT  
BETWEEN OWNER AND CONTRACTOR  
FOR CONSTRUCTION CONTRACT (STIPULATED PRICE)**

THIS AGREEMENT is by and between North Shelby Water Company (“Owner”) and \_\_\_\_\_ (“Contractor”).

Owner and Contractor hereby agree as follows:

**ARTICLE 1 – WORK**

1.01 Contractor shall complete all Work as specified or indicated in the Contract Documents. The Work is generally described as follows: St. Johns Water Storage Tank Replacement.

**ARTICLE 2 – THE PROJECT**

2.01 The Project, of which the Work under the Contract Documents is a part, is generally described as follows: St. Johns Water Storage Tank Replacement.

**ARTICLE 3 – ENGINEER**

3.01 The Project has been designed by Monarch Engineering, Inc.

3.02 The Owner has retained Monarch Engineering, Inc. (“Engineer”) to act as Owner’s representative, assume all duties and responsibilities, and have the rights and authority assigned to Engineer in the Contract Documents in connection with the completion of the Work in accordance with the Contract Documents.

**ARTICLE 4 – CONTRACT TIMES**

4.01 Time of the Essence

A. All time limits for Milestones, if any, Substantial Completion, and completion and readiness for final payment as stated in the Contract Documents are of the essence of the Contract.

4.02 Contract Times: Days

A. The Work will be substantially completed within 365 days after the date when the Contract Times commence to run as provided in Paragraph 4.01 of the General Conditions, and completed and ready for final payment in accordance with Paragraph 15.06 of the General Conditions within 365 days after the date when the Contract Times commence to run.

~~B. Parts of the Work shall be substantially completed on or before the following Milestone(s):~~

~~1. Milestone 1 [event & date/days]~~

~~2. Milestone 2 [event & date/days]~~

~~3. Milestone 3 [event & date/days]~~

4.03 Liquidated Damages

A. Contractor and Owner recognize that time is of the essence as stated in Paragraph 4.01 above and that Owner will suffer financial and other losses if the Work is not completed and Milestones not achieved within the times specified in Paragraph 4.02 above, plus any

extensions thereof allowed in accordance with the Contract. The parties also recognize the delays, expense, and difficulties involved in proving in a legal or arbitration proceeding the actual loss suffered by Owner if the Work is not completed on time. Accordingly, instead of requiring any such proof, Owner and Contractor agree that as liquidated damages for delay (but not as a penalty):

1. Substantial Completion: Contractor shall pay Owner \$1,000.00 for each day that expires after the time (as duly adjusted pursuant to the Contract) specified in Paragraph 4.02.A above for Substantial Completion until the Work is substantially complete.
2. Completion of Remaining Work: After Substantial Completion, if Contractor shall neglect, refuse, or fail to complete the remaining Work within the Contract Time (as duly adjusted pursuant to the Contract) for completion and readiness for final payment, Contractor shall pay Owner \$1,000.00 for each day that expires after such time until the Work is completed and ready for final payment.
3. Liquidated damages for failing to timely attain Substantial Completion and final completion are not additive and will not be imposed concurrently.
4. ~~Milestones: Contractor shall pay Owner \$\_\_\_\_\_ for each day that expires after the time (as duly adjusted pursuant to the Contract) specified above for achievement of Milestone 1, until Milestone 1 is achieved.~~

~~B. Bonus: Contractor and Owner further recognize the Owner will realize financial and other benefits if the Work is completed prior to the time specified for Substantial Completion. Accordingly, Owner and Contractor agree that as a bonus for early completion, Owner shall pay Contractor \$\_\_\_\_\_ for each day prior to the time specified in Paragraph 4.02 for Substantial Completion (as duly adjusted pursuant to the Contract) that the Work is substantially complete. The maximum value of the bonus shall be limited to \$\_\_\_\_\_.~~

#### 4.04 ~~Special Damages [Deleted]~~

- ~~A. In addition to the amount provided for liquidated damages, Contractor shall reimburse Owner (1) for any fines or penalties imposed on Owner as a direct result of the Contractor's failure to attain Substantial Completion according to the Contract Times, and (2) for the actual costs reasonably incurred by Owner for engineering, construction observation, inspection, and administrative services needed after the time specified in Paragraph 4.02 for Substantial Completion (as duly adjusted pursuant to the Contract), until the Work is substantially complete.~~
- ~~B. After Contractor achieves Substantial Completion, if Contractor shall neglect, refuse, or fail to complete the remaining Work within the Contract Times, Contractor shall reimburse Owner for the actual costs reasonably incurred by Owner for engineering, construction observation, inspection, and administrative services needed after the time specified in Paragraph 4.02 for Work to be completed and ready for final payment (as duly adjusted pursuant to the Contract), until the Work is completed and ready for final payment.~~

## ARTICLE 5 – CONTRACT PRICE

5.01 *Owner shall pay Contractor for completion of the Work in accordance with the Contract Documents the amounts that follow, subject to adjustment under the Contract:*

- A. For all Work other than Unit Price Work, a lump sum of: \$0.00.

All specific cash allowances are included in the above price in accordance with Paragraph 13.02 of the General Conditions.

- B. For all Unit Price Work, an amount equal to the sum of the extended prices (established for each separately identified item of Unit Price Work by multiplying the unit price times the actual quantity of that item):

The extended prices for Unit Price Work set forth as of the Effective Date of the Contract are based on estimated quantities. As provided in Paragraph 13.03 of the General Conditions, estimated quantities are not guaranteed, and determinations of actual quantities and classifications are to be made by Engineer.

- C. Total of Lump Sum Amount and Unit Price Work (subject to final Unit Price adjustment) \$\_\_\_\_\_.
- D. For all Work, at the prices stated in Contractor's Bid, attached hereto as an exhibit.

## ARTICLE 6 – PAYMENT PROCEDURES

### 6.01 Submittal and Processing of Payments

- A. Contractor shall submit Applications for Payment in accordance with Article 15 of the General Conditions. Applications for Payment will be processed by Engineer as provided in the General Conditions.

### 6.02 Progress Payments; Retainage

- A. Owner shall make progress payments on account of the Contract Price on the basis of Contractor's Applications for Payment on or about the \_\_\_\_\_ day of each month during performance of the Work as provided in Paragraph 6.02.A.1 below, provided that such Applications for Payment have been submitted in a timely manner and otherwise meet the requirements of the Contract. All such payments will be measured by the Schedule of Values established as provided in the General Conditions (and in the case of Unit Price Work based on the number of units completed) or, in the event there is no Schedule of Values, as provided elsewhere in the Contract.
  - 1. Prior to Substantial Completion, progress payments will be made in an amount equal to the percentage indicated below but, in each case, less the aggregate of payments previously made and less such amounts as Owner may withhold, including but not limited to liquidated damages, in accordance with the Contract
    - a. 95 percent of Work completed (with the balance being retainage); ~~If the Work has been 50 percent completed as determined by Engineer, and if the character and progress of the Work have been satisfactory to Owner and Engineer, then as long as the character and progress of the Work remain satisfactory to Owner and Engineer, there will be no additional retainage; and~~
    - b. 95 percent of cost of materials and equipment not incorporated in the Work (with the balance being retainage).
- B. Upon Substantial Completion, of the entire construction to be provided under the Contract Documents, Owner shall pay an amount sufficient to increase total payments to Contractor to 100 percent of the Work completed, less such amounts set off by Owner pursuant to Paragraph 15.01.E of the General Conditions, and less 200 percent of Engineer's estimate of the value of Work to be completed or corrected as shown on the punch list of items to be completed or corrected prior to final payment.



6.03 Final Payment

- A. Upon final completion and acceptance of the Work in accordance with Paragraph 15.06 of the General Conditions, Owner shall pay the remainder of the Contract Price as recommended by Engineer as provided in said Paragraph 15.06.

**ARTICLE 7 – INTEREST**

7.01 *All amounts not paid when due shall bear interest at the rate of 10 percent per annum.*

**ARTICLE 8 – CONTRACTOR’S REPRESENTATIONS**

8.01 *In order to induce Owner to enter into this Contract, Contractor makes the following representations:*

- A. Contractor has examined and carefully studied the Contract Documents, and any data and reference items identified in the Contract Documents.
- B. Contractor has visited the Site, conducted a thorough, alert visual examination of the Site and adjacent areas, and become familiar with and is satisfied as to the general, local, and Site conditions that may affect cost, progress, and performance of the Work.
- C. Contractor is familiar with and is satisfied as to all Laws and Regulations that may affect cost, progress, and performance of the Work.
- D. Contractor has carefully studied all: (1) reports of explorations and tests of subsurface conditions at or adjacent to the Site and all drawings of physical conditions relating to existing surface or subsurface structures at the Site that have been identified in the Supplementary Conditions, especially with respect to Technical Data in such reports and drawings, and (2) reports and drawings relating to Hazardous Environmental Conditions, if any, at or adjacent to the Site that have been identified in the Supplementary Conditions, especially with respect to Technical Data in such reports and drawings.
- E. Contractor has considered the information known to Contractor itself; information commonly known to contractors doing business in the locality of the Site; information and observations obtained from visits to the Site; the Contract Documents; and the Site-related reports and drawings identified in the Contract Documents, with respect to the effect of such information, observations, and documents on (1) the cost, progress, and performance of the Work; (2) the means, methods, techniques, sequences, and procedures of construction to be employed by Contractor; and (3) Contractor’s safety precautions and programs.
- F. Based on the information and observations referred to in the preceding paragraph, Contractor agrees that no further examinations, investigations, explorations, tests, studies, or data are necessary for the performance of the Work at the Contract Price, within the Contract Times, and in accordance with the other terms and conditions of the Contract.
- G. Contractor is aware of the general nature of work to be performed by Owner and others at the Site that relates to the Work as indicated in the Contract Documents.
- H. Contractor has given Engineer written notice of all conflicts, errors, ambiguities, or discrepancies that Contractor has discovered in the Contract Documents, and the written resolution thereof by Engineer is acceptable to Contractor.
- I. The Contract Documents are generally sufficient to indicate and convey understanding of all terms and conditions for performance and furnishing of the Work.

- J. Contractor's entry into this Contract constitutes an incontrovertible representation by Contractor that without exception all prices in the Agreement are premised upon performing and furnishing the Work required by the Contract Documents.

## ARTICLE 9 – CONTRACT DOCUMENTS

### 9.01 Contents

- A. The Contract Documents consist of the following:
1. This Agreement (pages 1 to 7 inclusive).
  2. Performance bond (pages 1 to 3 inclusive).
  3. Payment bond (pages 1 to 3 inclusive).
  4. Other bonds.
    - a.      (pages      to     , inclusive).
  5. General Conditions (pages 1 to 63 inclusive).
  6. Supplementary Conditions (pages 1 to 18 inclusive).
  7. Specifications as listed in the table of contents of the Project Manual.
  8. Drawings (not attached but incorporated by reference) consisting of 8 sheets with each sheet bearing the following general title: St. Johns Water Storage Tank Replacement **[or]** ~~the Drawings listed on the attached sheet index.~~
  9. Addenda (numbers      to     , inclusive).
  10. Exhibits to this Agreement (enumerated as follows):
    - a. Contractor's Bid (pages 1 to 6, inclusive).
  11. The following which may be delivered or issued on or after the Effective Date of the Contract and are not attached hereto:
    - a. Notice to Proceed.
    - b. Work Change Directives.
    - c. Change Orders.
    - d. Field Orders.
- B. The documents listed in Paragraph 9.01.A are attached to this Agreement (except as expressly noted otherwise above).
- C. There are no Contract Documents other than those listed above in this Article 9.
- D. The Contract Documents may only be amended, modified, or supplemented as provided in the General Conditions.

## ARTICLE 10 – MISCELLANEOUS

### 10.01 Terms

- A. Terms used in this Agreement will have the meanings stated in the General Conditions and the Supplementary Conditions.

#### 10.02 Assignment of Contract

- A. Unless expressly agreed to elsewhere in the Contract, no assignment by a party hereto of any rights under or interests in the Contract will be binding on another party hereto without the written consent of the party sought to be bound; and, specifically but without limitation, money that may become due and money that is due may not be assigned without such consent (except to the extent that the effect of this restriction may be limited by law), and unless specifically stated to the contrary in any written consent to an assignment, no assignment will release or discharge the assignor from any duty or responsibility under the Contract Documents.

#### 10.03 Successors and Assigns

- A. Owner and Contractor each binds itself, its successors, assigns, and legal representatives to the other party hereto, its successors, assigns, and legal representatives in respect to all covenants, agreements, and obligations contained in the Contract Documents.

#### 10.04 Severability

- A. Any provision or part of the Contract Documents held to be void or unenforceable under any Law or Regulation shall be deemed stricken, and all remaining provisions shall continue to be valid and binding upon Owner and Contractor, who agree that the Contract Documents shall be reformed to replace such stricken provision or part thereof with a valid and enforceable provision that comes as close as possible to expressing the intention of the stricken provision.

#### 10.05 Contractor's Certifications

- A. Contractor certifies that it has not engaged in corrupt, fraudulent, collusive, or coercive practices in competing for or in executing the Contract. For the purposes of this Paragraph 10.05:
  1. "corrupt practice" means the offering, giving, receiving, or soliciting of any thing of value likely to influence the action of a public official in the bidding process or in the Contract execution;
  2. "fraudulent practice" means an intentional misrepresentation of facts made (a) to influence the bidding process or the execution of the Contract to the detriment of Owner, (b) to establish Bid or Contract prices at artificial non-competitive levels, or (c) to deprive Owner of the benefits of free and open competition;
  3. "collusive practice" means a scheme or arrangement between two or more Bidders, with or without the knowledge of Owner, a purpose of which is to establish Bid prices at artificial, non-competitive levels; and
  4. "coercive practice" means harming or threatening to harm, directly or indirectly, persons or their property to influence their participation in the bidding process or affect the execution of the Contract.

#### 10.06 Other Provisions

- A. Owner stipulates that if the General Conditions that are made a part of this Contract are based on EJCDC® C-700, Standard General Conditions for the Construction Contract, published by the Engineers Joint Contract Documents Committee®, and if Owner is the party that has furnished said General Conditions, then Owner has plainly shown all modifications to the standard wording of such published document to the Contractor, through a process such as highlighting or "track changes" (redline/strikeout), or in the Supplementary Conditions.

IN WITNESS WHEREOF, Owner and Contractor have signed this Agreement.

This Agreement will be effective on \_\_\_\_\_ (which is the Effective Date of the Contract).

OWNER: North Shelby Water Company

CONTRACTOR:

By:     **Bryan Franklin**    

By: \_\_\_\_\_

Title:     President    

Title: \_\_\_\_\_

*(If Contractor is a corporation, a partnership, or a joint venture, attach evidence of authority to sign.)*

Attest: \_\_\_\_\_

Attest: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

Address for giving notices:

Address for giving notices:

    North Shelby Water Company    

    P.O. Box 97    

    Bagdad, KY 40003    

License No.: \_\_\_\_\_

*(where applicable)*

*(If Owner is a corporation, attach evidence of authority to sign. If Owner is a public body, attach evidence of authority to sign and resolution or other documents authorizing execution of this Agreement.)*

*NOTE TO USER: Use in those states or other jurisdictions where applicable or required.*

This document has important legal consequences; consultation with an attorney is encouraged with respect to its use or modification. This document should be adapted to the particular circumstances of the contemplated Project and the controlling Laws and Regulations.

## STANDARD GENERAL CONDITIONS OF THE CONSTRUCTION CONTRACT

Prepared by



Issued and Published Jointly by



These General Conditions have been prepared for use with the Agreement Between Owner and Contractor for Construction Contract (EJCDC® C-520, Stipulated Sum, or C-525, Cost-Plus, 2013 Editions). Their provisions are interrelated and a change in one may necessitate a change in the other.

To prepare supplementary conditions that are coordinated with the General Conditions, use EJCDC's Guide to the Preparation of Supplementary Conditions (EJCDC® C-800, 2013 Edition). The full EJCDC Construction series of documents is discussed in the Commentary on the 2013 EJCDC Construction Documents (EJCDC® C-001, 2013 Edition).

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# STANDARD GENERAL CONDITIONS OF THE CONSTRUCTION CONTRACT

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## ARTICLE 1 – DEFINITIONS AND TERMINOLOGY

### 1.01 Defined Terms

- A. Wherever used in the Bidding Requirements or Contract Documents, a term printed with initial capital letters, including the term's singular and plural forms, will have the meaning indicated in the definitions below. In addition to terms specifically defined, terms with initial capital letters in the Contract Documents include references to identified articles and paragraphs, and the titles of other documents or forms.
1. *Addenda*—Written or graphic instruments issued prior to the opening of Bids which clarify, correct, or change the Bidding Requirements or the proposed Contract Documents.
  2. *Agreement*—The written instrument, executed by Owner and Contractor, that sets forth the Contract Price and Contract Times, identifies the parties and the Engineer, and designates the specific items that are Contract Documents.
  3. *Application for Payment*—The form acceptable to Engineer which is to be used by Contractor during the course of the Work in requesting progress or final payments and which is to be accompanied by such supporting documentation as is required by the Contract Documents.
  4. *Bid*—The offer of a Bidder submitted on the prescribed form setting forth the prices for the Work to be performed.
  5. *Bidder*—An individual or entity that submits a Bid to Owner.
  6. *Bidding Documents*—The Bidding Requirements, the proposed Contract Documents, and all Addenda.
  7. *Bidding Requirements*—The advertisement or invitation to bid, Instructions to Bidders, Bid Bond or other Bid security, if any, the Bid Form, and the Bid with any attachments.
  8. *Change Order*—A document which is signed by Contractor and Owner and authorizes an addition, deletion, or revision in the Work or an adjustment in the Contract Price or the Contract Times, or other revision to the Contract, issued on or after the Effective Date of the Contract.
  9. *Change Proposal*—A written request by Contractor, duly submitted in compliance with the procedural requirements set forth herein, seeking an adjustment in Contract Price or Contract Times, or both; contesting an initial decision by Engineer concerning the requirements of the Contract Documents or the acceptability of Work under the Contract Documents; challenging a set-off against payments due; or seeking other relief with respect to the terms of the Contract.
  10. *Claim*—(a) A demand or assertion by Owner directly to Contractor, duly submitted in compliance with the procedural requirements set forth herein: seeking an adjustment of Contract Price or Contract Times, or both; contesting an initial decision by Engineer concerning the requirements of the Contract Documents or the acceptability of Work under the Contract Documents; contesting Engineer's decision regarding a Change Proposal; seeking resolution of a contractual issue that Engineer has declined to address; or seeking other relief with respect to the terms of the Contract; or (b) a demand or assertion by Contractor directly to Owner, duly submitted in compliance with the procedural requirements set forth herein, contesting Engineer's decision regarding a

Change Proposal; or seeking resolution of a contractual issue that Engineer has declined to address. A demand for money or services by a third party is not a Claim.

11. *Constituent of Concern*—Asbestos, petroleum, radioactive materials, polychlorinated biphenyls (PCBs), hazardous waste, and any substance, product, waste, or other material of any nature whatsoever that is or becomes listed, regulated, or addressed pursuant to (a) the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. §§9601 et seq. (“CERCLA”); (b) the Hazardous Materials Transportation Act, 49 U.S.C. §§5501 et seq.; (c) the Resource Conservation and Recovery Act, 42 U.S.C. §§6901 et seq. (“RCRA”); (d) the Toxic Substances Control Act, 15 U.S.C. §§2601 et seq.; (e) the Clean Water Act, 33 U.S.C. §§1251 et seq.; (f) the Clean Air Act, 42 U.S.C. §§7401 et seq.; or (g) any other federal, state, or local statute, law, rule, regulation, ordinance, resolution, code, order, or decree regulating, relating to, or imposing liability or standards of conduct concerning, any hazardous, toxic, or dangerous waste, substance, or material.
12. *Contract*—The entire and integrated written contract between the Owner and Contractor concerning the Work.
13. *Contract Documents*—Those items so designated in the Agreement, and which together comprise the Contract.
14. *Contract Price*—The money that Owner has agreed to pay Contractor for completion of the Work in accordance with the Contract Documents. .
15. *Contract Times*—The number of days or the dates by which Contractor shall: (a) achieve Milestones, if any; (b) achieve Substantial Completion; and (c) complete the Work.
16. *Contractor*—The individual or entity with which Owner has contracted for performance of the Work.
17. *Cost of the Work*—See Paragraph 13.01 for definition.
18. *Drawings*—The part of the Contract that graphically shows the scope, extent, and character of the Work to be performed by Contractor.
19. *Effective Date of the Contract*—The date, indicated in the Agreement, on which the Contract becomes effective.
20. *Engineer*—The individual or entity named as such in the Agreement.
21. *Field Order*—A written order issued by Engineer which requires minor changes in the Work but does not change the Contract Price or the Contract Times.
22. *Hazardous Environmental Condition*—The presence at the Site of Constituents of Concern in such quantities or circumstances that may present a danger to persons or property exposed thereto. The presence at the Site of materials that are necessary for the execution of the Work, or that are to be incorporated in the Work, and that are controlled and contained pursuant to industry practices, Laws and Regulations, and the requirements of the Contract, does not establish a Hazardous Environmental Condition.
23. *Laws and Regulations; Laws or Regulations*—Any and all applicable laws, statutes, rules, regulations, ordinances, codes, and orders of any and all governmental bodies, agencies, authorities, and courts having jurisdiction.
24. *Liens*—Charges, security interests, or encumbrances upon Contract-related funds, real property, or personal property.

25. *Milestone*—A principal event in the performance of the Work that the Contract requires Contractor to achieve by an intermediate completion date or by a time prior to Substantial Completion of all the Work.
26. *Notice of Award*—The written notice by Owner to a Bidder of Owner’s acceptance of the Bid.
27. *Notice to Proceed*—A written notice by Owner to Contractor fixing the date on which the Contract Times will commence to run and on which Contractor shall start to perform the Work.
28. *Owner*—The individual or entity with which Contractor has contracted regarding the Work, and which has agreed to pay Contractor for the performance of the Work, pursuant to the terms of the Contract.
29. *Progress Schedule*—A schedule, prepared and maintained by Contractor, describing the sequence and duration of the activities comprising the Contractor’s plan to accomplish the Work within the Contract Times.
30. *Project*—The total undertaking to be accomplished for Owner by engineers, contractors, and others, including planning, study, design, construction, testing, commissioning, and start-up, and of which the Work to be performed under the Contract Documents is a part.
31. *Project Manual*—The written documents prepared for, or made available for, procuring and constructing the Work, including but not limited to the Bidding Documents or other construction procurement documents, geotechnical and existing conditions information, the Agreement, bond forms, General Conditions, Supplementary Conditions, and Specifications. The contents of the Project Manual may be bound in one or more volumes.
32. *Resident Project Representative*—The authorized representative of Engineer assigned to assist Engineer at the Site. As used herein, the term Resident Project Representative or “RPR” includes any assistants or field staff of Resident Project Representative.
33. *Samples*—Physical examples of materials, equipment, or workmanship that are representative of some portion of the Work and that establish the standards by which such portion of the Work will be judged.
34. *Schedule of Submittals*—A schedule, prepared and maintained by Contractor, of required submittals and the time requirements for Engineer’s review of the submittals and the performance of related construction activities.
35. *Schedule of Values*—A schedule, prepared and maintained by Contractor, allocating portions of the Contract Price to various portions of the Work and used as the basis for reviewing Contractor’s Applications for Payment.
36. *Shop Drawings*—All drawings, diagrams, illustrations, schedules, and other data or information that are specifically prepared or assembled by or for Contractor and submitted by Contractor to illustrate some portion of the Work. Shop Drawings, whether approved or not, are not Drawings and are not Contract Documents.
37. *Site*—Lands or areas indicated in the Contract Documents as being furnished by Owner upon which the Work is to be performed, including rights-of-way and easements, and such other lands furnished by Owner which are designated for the use of Contractor.
38. *Specifications*—The part of the Contract that consists of written requirements for materials, equipment, systems, standards, and workmanship as applied to the Work, and certain administrative requirements and procedural matters applicable to the Work.

39. *Subcontractor*—An individual or entity having a direct contract with Contractor or with any other Subcontractor for the performance of a part of the Work.
40. *Substantial Completion*—The time at which the Work (or a specified part thereof) has progressed to the point where, in the opinion of Engineer, the Work (or a specified part thereof) is sufficiently complete, in accordance with the Contract Documents, so that the Work (or a specified part thereof) can be utilized for the purposes for which it is intended. The terms “substantially complete” and “substantially completed” as applied to all or part of the Work refer to Substantial Completion thereof.
41. *Successful Bidder*—The Bidder whose Bid the Owner accepts, and to which the Owner makes an award of contract, subject to stated conditions.
42. *Supplementary Conditions*—The part of the Contract that amends or supplements these General Conditions.
43. *Supplier*—A manufacturer, fabricator, supplier, distributor, materialman, or vendor having a direct contract with Contractor or with any Subcontractor to furnish materials or equipment to be incorporated in the Work by Contractor or a Subcontractor.
44. *Technical Data*—Those items expressly identified as Technical Data in the Supplementary Conditions, with respect to either (a) subsurface conditions at the Site, or physical conditions relating to existing surface or subsurface structures at the Site (except Underground Facilities) or (b) Hazardous Environmental Conditions at the Site. If no such express identifications of Technical Data have been made with respect to conditions at the Site, then the data contained in boring logs, recorded measurements of subsurface water levels, laboratory test results, and other factual, objective information regarding conditions at the Site that are set forth in any geotechnical or environmental report prepared for the Project and made available to Contractor are hereby defined as Technical Data with respect to conditions at the Site under Paragraphs 5.03, 5.04, and 5.06.
45. *Underground Facilities*—All underground pipelines, conduits, ducts, cables, wires, manholes, vaults, tanks, tunnels, or other such facilities or attachments, and any encasements containing such facilities, including but not limited to those that convey electricity, gases, steam, liquid petroleum products, telephone or other communications, fiber optic transmissions, cable television, water, wastewater, storm water, other liquids or chemicals, or traffic or other control systems.
46. *Unit Price Work*—Work to be paid for on the basis of unit prices.
47. *Work*—The entire construction or the various separately identifiable parts thereof required to be provided under the Contract Documents. Work includes and is the result of performing or providing all labor, services, and documentation necessary to produce such construction; furnishing, installing, and incorporating all materials and equipment into such construction; and may include related services such as testing, start-up, and commissioning, all as required by the Contract Documents.
48. *Work Change Directive*—A written directive to Contractor issued on or after the Effective Date of the Contract, signed by Owner and recommended by Engineer, ordering an addition, deletion, or revision in the Work.

## 1.02 Terminology

- A. The words and terms discussed in the following paragraphs are not defined but, when used in the Bidding Requirements or Contract Documents, have the indicated meaning.

B. *Intent of Certain Terms or Adjectives:*

1. The Contract Documents include the terms “as allowed,” “as approved,” “as ordered,” “as directed” or terms of like effect or import to authorize an exercise of professional judgment by Engineer. In addition, the adjectives “reasonable,” “suitable,” “acceptable,” “proper,” “satisfactory,” or adjectives of like effect or import are used to describe an action or determination of Engineer as to the Work. It is intended that such exercise of professional judgment, action, or determination will be solely to evaluate, in general, the Work for compliance with the information in the Contract Documents and with the design concept of the Project as a functioning whole as shown or indicated in the Contract Documents (unless there is a specific statement indicating otherwise). The use of any such term or adjective is not intended to and shall not be effective to assign to Engineer any duty or authority to supervise or direct the performance of the Work, or any duty or authority to undertake responsibility contrary to the provisions of Article 10 or any other provision of the Contract Documents.

C. *Day:*

1. The word “day” means a calendar day of 24 hours measured from midnight to the next midnight.

D. *Defective:*

1. The word “defective,” when modifying the word “Work,” refers to Work that is unsatisfactory, faulty, or deficient in that it:
  - a. does not conform to the Contract Documents; or
  - b. does not meet the requirements of any applicable inspection, reference standard, test, or approval referred to in the Contract Documents; or
  - c. has been damaged prior to Engineer’s recommendation of final payment (unless responsibility for the protection thereof has been assumed by Owner at Substantial Completion in accordance with Paragraph 15.03 or 15.04).

E. *Furnish, Install, Perform, Provide:*

1. The word “furnish,” when used in connection with services, materials, or equipment, shall mean to supply and deliver said services, materials, or equipment to the Site (or some other specified location) ready for use or installation and in usable or operable condition.
2. The word “install,” when used in connection with services, materials, or equipment, shall mean to put into use or place in final position said services, materials, or equipment complete and ready for intended use.
3. The words “perform” or “provide,” when used in connection with services, materials, or equipment, shall mean to furnish and install said services, materials, or equipment complete and ready for intended use.
4. If the Contract Documents establish an obligation of Contractor with respect to specific services, materials, or equipment, but do not expressly use any of the four words “furnish,” “install,” “perform,” or “provide,” then Contractor shall furnish and install said services, materials, or equipment complete and ready for intended use.

- F. Unless stated otherwise in the Contract Documents, words or phrases that have a well-known technical or construction industry or trade meaning are used in the Contract Documents in accordance with such recognized meaning.



## ARTICLE 2 – PRELIMINARY MATTERS

### 2.01 Delivery of Bonds and Evidence of Insurance

- A. *Bonds*: When Contractor delivers the executed counterparts of the Agreement to Owner, Contractor shall also deliver to Owner such bonds as Contractor may be required to furnish.
- B. *Evidence of Contractor's Insurance*: When Contractor delivers the executed counterparts of the Agreement to Owner, Contractor shall also deliver to Owner, with copies to each named insured and additional insured (as identified in the Supplementary Conditions or elsewhere in the Contract), the certificates and other evidence of insurance required to be provided by Contractor in accordance with Article 6.
- C. *Evidence of Owner's Insurance*: After receipt of the executed counterparts of the Agreement and all required bonds and insurance documentation, Owner shall promptly deliver to Contractor, with copies to each named insured and additional insured (as identified in the Supplementary Conditions or otherwise), the certificates and other evidence of insurance required to be provided by Owner under Article 6.

### 2.02 Copies of Documents

- A. Owner shall furnish to Contractor four printed copies of the Contract (including one fully executed counterpart of the Agreement), and one copy in electronic portable document format (PDF). Additional printed copies will be furnished upon request at the cost of reproduction.
- B. Owner shall maintain and safeguard at least one original printed record version of the Contract, including Drawings and Specifications signed and sealed by Engineer and other design professionals. Owner shall make such original printed record version of the Contract available to Contractor for review. Owner may delegate the responsibilities under this provision to Engineer.

### 2.03 Before Starting Construction

- A. *Preliminary Schedules*: Within 10 days after the Effective Date of the Contract (or as otherwise specifically required by the Contract Documents), Contractor shall submit to Engineer for timely review:
  - 1. a preliminary Progress Schedule indicating the times (numbers of days or dates) for starting and completing the various stages of the Work, including any Milestones specified in the Contract;
  - 2. a preliminary Schedule of Submittals; and
  - 3. a preliminary Schedule of Values for all of the Work which includes quantities and prices of items which when added together equal the Contract Price and subdivides the Work into component parts in sufficient detail to serve as the basis for progress payments during performance of the Work. Such prices will include an appropriate amount of overhead and profit applicable to each item of Work.

### 2.04 Preconstruction Conference; Designation of Authorized Representatives

- A. Before any Work at the Site is started, a conference attended by Owner, Contractor, Engineer, and others as appropriate will be held to establish a working understanding among the parties as to the Work and to discuss the schedules referred to in Paragraph 2.03.A, procedures for handling Shop Drawings, Samples, and other submittals, processing Applications for Payment, electronic or digital transmittals, and maintaining required records.

- B. At this conference Owner and Contractor each shall designate, in writing, a specific individual to act as its authorized representative with respect to the services and responsibilities under the Contract. Such individuals shall have the authority to transmit and receive information, render decisions relative to the Contract, and otherwise act on behalf of each respective party.

#### 2.05 Initial Acceptance of Schedules

- A. At least 10 days before submission of the first Application for Payment a conference, attended by Contractor, Engineer, and others as appropriate, will be held to review for acceptability to Engineer as provided below the schedules submitted in accordance with Paragraph 2.03.A. Contractor shall have an additional 10 days to make corrections and adjustments and to complete and resubmit the schedules. No progress payment shall be made to Contractor until acceptable schedules are submitted to Engineer.
  - 1. The Progress Schedule will be acceptable to Engineer if it provides an orderly progression of the Work to completion within the Contract Times. Such acceptance will not impose on Engineer responsibility for the Progress Schedule, for sequencing, scheduling, or progress of the Work, nor interfere with or relieve Contractor from Contractor's full responsibility therefor.
  - 2. Contractor's Schedule of Submittals will be acceptable to Engineer if it provides a workable arrangement for reviewing and processing the required submittals.
  - 3. Contractor's Schedule of Values will be acceptable to Engineer as to form and substance if it provides a reasonable allocation of the Contract Price to the component parts of the Work.

#### 2.06 Electronic Transmittals

- A. Except as otherwise stated elsewhere in the Contract, the Owner, Engineer, and Contractor may transmit, and shall accept, Project-related correspondence, text, data, documents, drawings, information, and graphics, including but not limited to Shop Drawings and other submittals, in electronic media or digital format, either directly, or through access to a secure Project website.
- B. If the Contract does not establish protocols for electronic or digital transmittals, then Owner, Engineer, and Contractor shall jointly develop such protocols.
- C. When transmitting items in electronic media or digital format, the transmitting party makes no representations as to long term compatibility, usability, or readability of the items resulting from the recipient's use of software application packages, operating systems, or computer hardware differing from those used in the drafting or transmittal of the items, or from those established in applicable transmittal protocols.

### **ARTICLE 3 – DOCUMENTS: INTENT, REQUIREMENTS, REUSE**

#### 3.01 Intent

- A. The Contract Documents are complementary; what is required by one is as binding as if required by all.
- B. It is the intent of the Contract Documents to describe a functionally complete project (or part thereof) to be constructed in accordance with the Contract Documents.
- C. Unless otherwise stated in the Contract Documents, if there is a discrepancy between the electronic or digital versions of the Contract Documents (including any printed copies derived

from such electronic or digital versions) and the printed record version, the printed record version shall govern.

- D. The Contract supersedes prior negotiations, representations, and agreements, whether written or oral.
- E. Engineer will issue clarifications and interpretations of the Contract Documents as provided herein.

### 3.02 Reference Standards

#### A. Standards Specifications, Codes, Laws and Regulations

1. Reference in the Contract Documents to standard specifications, manuals, reference standards, or codes of any technical society, organization, or association, or to Laws or Regulations, whether such reference be specific or by implication, shall mean the standard specification, manual, reference standard, code, or Laws or Regulations in effect at the time of opening of Bids (or on the Effective Date of the Contract if there were no Bids), except as may be otherwise specifically stated in the Contract Documents.
2. No provision of any such standard specification, manual, reference standard, or code, or any instruction of a Supplier, shall be effective to change the duties or responsibilities of Owner, Contractor, or Engineer, or any of their subcontractors, consultants, agents, or employees, from those set forth in the part of the Contract Documents prepared by or for Engineer. No such provision or instruction shall be effective to assign to Owner, Engineer, or any of their officers, directors, members, partners, employees, agents, consultants, or subcontractors, any duty or authority to supervise or direct the performance of the Work or any duty or authority to undertake responsibility inconsistent with the provisions of the part of the Contract Documents prepared by or for Engineer.

### 3.03 Reporting and Resolving Discrepancies

#### A. *Reporting Discrepancies:*

1. *Contractor's Verification of Figures and Field Measurements:* Before undertaking each part of the Work, Contractor shall carefully study the Contract Documents, and check and verify pertinent figures and dimensions therein, particularly with respect to applicable field measurements. Contractor shall promptly report in writing to Engineer any conflict, error, ambiguity, or discrepancy that Contractor discovers, or has actual knowledge of, and shall not proceed with any Work affected thereby until the conflict, error, ambiguity, or discrepancy is resolved, by a clarification or interpretation by Engineer, or by an amendment or supplement to the Contract Documents issued pursuant to Paragraph 11.01.
2. *Contractor's Review of Contract Documents:* If, before or during the performance of the Work, Contractor discovers any conflict, error, ambiguity, or discrepancy within the Contract Documents, or between the Contract Documents and (a) any applicable Law or Regulation, (b) actual field conditions, (c) any standard specification, manual, reference standard, or code, or (d) any instruction of any Supplier, then Contractor shall promptly report it to Engineer in writing. Contractor shall not proceed with the Work affected thereby (except in an emergency as required by Paragraph 7.15) until the conflict, error, ambiguity, or discrepancy is resolved, by a clarification or interpretation by Engineer, or by an amendment or supplement to the Contract Documents issued pursuant to Paragraph 11.01.

3. Contractor shall not be liable to Owner or Engineer for failure to report any conflict, error, ambiguity, or discrepancy in the Contract Documents unless Contractor had actual knowledge thereof.

B. *Resolving Discrepancies:*

1. Except as may be otherwise specifically stated in the Contract Documents, the provisions of the part of the Contract Documents prepared by or for Engineer shall take precedence in resolving any conflict, error, ambiguity, or discrepancy between such provisions of the Contract Documents and:
  - a. the provisions of any standard specification, manual, reference standard, or code, or the instruction of any Supplier (whether or not specifically incorporated by reference as a Contract Document); or
  - b. the provisions of any Laws or Regulations applicable to the performance of the Work (unless such an interpretation of the provisions of the Contract Documents would result in violation of such Law or Regulation).

3.04 Requirements of the Contract Documents

- A. During the performance of the Work and until final payment, Contractor and Owner shall submit to the Engineer all matters in question concerning the requirements of the Contract Documents (sometimes referred to as requests for information or interpretation—RFIs), or relating to the acceptability of the Work under the Contract Documents, as soon as possible after such matters arise. Engineer will be the initial interpreter of the requirements of the Contract Documents, and judge of the acceptability of the Work thereunder.
- B. Engineer will, with reasonable promptness, render a written clarification, interpretation, or decision on the issue submitted, or initiate an amendment or supplement to the Contract Documents. Engineer's written clarification, interpretation, or decision will be final and binding on Contractor, unless it appeals by submitting a Change Proposal, and on Owner, unless it appeals by filing a Claim.
- C. If a submitted matter in question concerns terms and conditions of the Contract Documents that do not involve (1) the performance or acceptability of the Work under the Contract Documents, (2) the design (as set forth in the Drawings, Specifications, or otherwise), or (3) other engineering or technical matters, then Engineer will promptly give written notice to Owner and Contractor that Engineer is unable to provide a decision or interpretation. If Owner and Contractor are unable to agree on resolution of such a matter in question, either party may pursue resolution as provided in Article 12.

3.05 Reuse of Documents

- A. Contractor and its Subcontractors and Suppliers shall not:
  1. have or acquire any title to or ownership rights in any of the Drawings, Specifications, or other documents (or copies of any thereof) prepared by or bearing the seal of Engineer or its consultants, including electronic media editions, or reuse any such Drawings, Specifications, other documents, or copies thereof on extensions of the Project or any other project without written consent of Owner and Engineer and specific written verification or adaptation by Engineer; or
  2. have or acquire any title or ownership rights in any other Contract Documents, reuse any such Contract Documents for any purpose without Owner's express written consent, or violate any copyrights pertaining to such Contract Documents.

- B. The prohibitions of this Paragraph 3.05 will survive final payment, or termination of the Contract. Nothing herein shall preclude Contractor from retaining copies of the Contract Documents for record purposes.

#### **ARTICLE 4 – COMMENCEMENT AND PROGRESS OF THE WORK**

##### **4.01 Commencement of Contract Times; Notice to Proceed**

- A. The Contract Times will commence to run on the thirtieth day after the Effective Date of the Contract or, if a Notice to Proceed is given, on the day indicated in the Notice to Proceed. A Notice to Proceed may be given at any time within 30 days after the Effective Date of the Contract. In no event will the Contract Times commence to run later than the sixtieth day after the day of Bid opening or the thirtieth day after the Effective Date of the Contract, whichever date is earlier.

##### **4.02 Starting the Work**

- A. Contractor shall start to perform the Work on the date when the Contract Times commence to run. No Work shall be done at the Site prior to such date.

##### **4.03 Reference Points**

- A. Owner shall provide engineering surveys to establish reference points for construction which in Engineer's judgment are necessary to enable Contractor to proceed with the Work. Contractor shall be responsible for laying out the Work, shall protect and preserve the established reference points and property monuments, and shall make no changes or relocations without the prior written approval of Owner. Contractor shall report to Engineer whenever any reference point or property monument is lost or destroyed or requires relocation because of necessary changes in grades or locations, and shall be responsible for the accurate replacement or relocation of such reference points or property monuments by professionally qualified personnel.

##### **4.04 Progress Schedule**

- A. Contractor shall adhere to the Progress Schedule established in accordance with Paragraph 2.05 as it may be adjusted from time to time as provided below.
  - 1. Contractor shall submit to Engineer for acceptance (to the extent indicated in Paragraph 2.05) proposed adjustments in the Progress Schedule that will not result in changing the Contract Times.
  - 2. Proposed adjustments in the Progress Schedule that will change the Contract Times shall be submitted in accordance with the requirements of Article 11.
- B. Contractor shall carry on the Work and adhere to the Progress Schedule during all disputes or disagreements with Owner. No Work shall be delayed or postponed pending resolution of any disputes or disagreements, or during any appeal process, except as permitted by Paragraph 16.04, or as Owner and Contractor may otherwise agree in writing.

##### **4.05 Delays in Contractor's Progress**

- A. If Owner, Engineer, or anyone for whom Owner is responsible, delays, disrupts, or interferes with the performance or progress of the Work, then Contractor shall be entitled to an equitable adjustment in the Contract Times and Contract Price. Contractor's entitlement to an adjustment of the Contract Times is conditioned on such adjustment being essential to Contractor's ability to complete the Work within the Contract Times.

- B. Contractor shall not be entitled to an adjustment in Contract Price or Contract Times for delay, disruption, or interference caused by or within the control of Contractor. Delay, disruption, and interference attributable to and within the control of a Subcontractor or Supplier shall be deemed to be within the control of Contractor.
- C. If Contractor's performance or progress is delayed, disrupted, or interfered with by unanticipated causes not the fault of and beyond the control of Owner, Contractor, and those for which they are responsible, then Contractor shall be entitled to an equitable adjustment in Contract Times. Contractor's entitlement to an adjustment of the Contract Times is conditioned on such adjustment being essential to Contractor's ability to complete the Work within the Contract Times. Such an adjustment shall be Contractor's sole and exclusive remedy for the delays, disruption, and interference described in this paragraph. Causes of delay, disruption, or interference that may give rise to an adjustment in Contract Times under this paragraph include but are not limited to the following:
  - 1. severe and unavoidable natural catastrophes such as fires, floods, epidemics, and earthquakes;
  - 2. abnormal weather conditions;
  - 3. acts or failures to act of utility owners (other than those performing other work at or adjacent to the Site by arrangement with the Owner, as contemplated in Article 8); and
  - 4. acts of war or terrorism.
- D. Delays, disruption, and interference to the performance or progress of the Work resulting from the existence of a differing subsurface or physical condition, an Underground Facility that was not shown or indicated by the Contract Documents, or not shown or indicated with reasonable accuracy, and those resulting from Hazardous Environmental Conditions, are governed by Article 5.
- E. Paragraph 8.03 governs delays, disruption, and interference to the performance or progress of the Work resulting from the performance of certain other work at or adjacent to the Site.
- F. Contractor shall not be entitled to an adjustment in Contract Price or Contract Times for any delay, disruption, or interference if such delay is concurrent with a delay, disruption, or interference caused by or within the control of Contractor.
- G. Contractor must submit any Change Proposal seeking an adjustment in Contract Price or Contract Times under this paragraph within 30 days of the commencement of the delaying, disrupting, or interfering event.

**ARTICLE 5 – AVAILABILITY OF LANDS; SUBSURFACE AND PHYSICAL CONDITIONS; HAZARDOUS ENVIRONMENTAL CONDITIONS**

5.01 Availability of Lands

- A. Owner shall furnish the Site. Owner shall notify Contractor of any encumbrances or restrictions not of general application but specifically related to use of the Site with which Contractor must comply in performing the Work.
- B. Upon reasonable written request, Owner shall furnish Contractor with a current statement of record legal title and legal description of the lands upon which permanent improvements are to be made and Owner's interest therein as necessary for giving notice of or filing a mechanic's or construction lien against such lands in accordance with applicable Laws and Regulations.

- C. Contractor shall provide for all additional lands and access thereto that may be required for temporary construction facilities or storage of materials and equipment.

## 5.02 Use of Site and Other Areas

### A. *Limitation on Use of Site and Other Areas:*

1. Contractor shall confine construction equipment, temporary construction facilities, the storage of materials and equipment, and the operations of workers to the Site, adjacent areas that Contractor has arranged to use through construction easements or otherwise, and other adjacent areas permitted by Laws and Regulations, and shall not unreasonably encumber the Site and such other adjacent areas with construction equipment or other materials or equipment. Contractor shall assume full responsibility for (a) damage to the Site; (b) damage to any such other adjacent areas used for Contractor's operations; (c) damage to any other adjacent land or areas; and (d) for injuries and losses sustained by the owners or occupants of any such land or areas; provided that such damage or injuries result from the performance of the Work or from other actions or conduct of the Contractor or those for which Contractor is responsible.
2. If a damage or injury claim is made by the owner or occupant of any such land or area because of the performance of the Work, or because of other actions or conduct of the Contractor or those for which Contractor is responsible, Contractor shall (a) take immediate corrective or remedial action as required by Paragraph 7.12, or otherwise; (b) promptly attempt to settle the claim as to all parties through negotiations with such owner or occupant, or otherwise resolve the claim by arbitration or other dispute resolution proceeding, or at law; and (c) to the fullest extent permitted by Laws and Regulations, indemnify and hold harmless Owner and Engineer, and the officers, directors, members, partners, employees, agents, consultants and subcontractors of each and any of them from and against any such claim, and against all costs, losses, and damages (including but not limited to all fees and charges of engineers, architects, attorneys, and other professionals and all court or arbitration or other dispute resolution costs) arising out of or relating to any claim or action, legal or equitable, brought by any such owner or occupant against Owner, Engineer, or any other party indemnified hereunder to the extent caused directly or indirectly, in whole or in part by, or based upon, Contractor's performance of the Work, or because of other actions or conduct of the Contractor or those for which Contractor is responsible.

- B. *Removal of Debris During Performance of the Work:* During the progress of the Work the Contractor shall keep the Site and other adjacent areas free from accumulations of waste materials, rubbish, and other debris. Removal and disposal of such waste materials, rubbish, and other debris shall conform to applicable Laws and Regulations.

- C. *Cleaning:* Prior to Substantial Completion of the Work Contractor shall clean the Site and the Work and make it ready for utilization by Owner. At the completion of the Work Contractor shall remove from the Site and adjacent areas all tools, appliances, construction equipment and machinery, and surplus materials and shall restore to original condition all property not designated for alteration by the Contract Documents.

- D. *Loading of Structures:* Contractor shall not load nor permit any part of any structure to be loaded in any manner that will endanger the structure, nor shall Contractor subject any part of the Work or adjacent structures or land to stresses or pressures that will endanger them.

### 5.03 Subsurface and Physical Conditions

A. *Reports and Drawings:* The Supplementary Conditions identify:

1. those reports known to Owner of explorations and tests of subsurface conditions at or adjacent to the Site;
2. those drawings known to Owner of physical conditions relating to existing surface or subsurface structures at the Site (except Underground Facilities); and
3. Technical Data contained in such reports and drawings.

B. *Reliance by Contractor on Technical Data Authorized:* Contractor may rely upon the accuracy of the Technical Data expressly identified in the Supplementary Conditions with respect to such reports and drawings, but such reports and drawings are not Contract Documents. If no such express identification has been made, then Contractor may rely upon the accuracy of the Technical Data (as defined in Article 1) contained in any geotechnical or environmental report prepared for the Project and made available to Contractor. Except for such reliance on Technical Data, Contractor may not rely upon or make any claim against Owner or Engineer, or any of their officers, directors, members, partners, employees, agents, consultants, or subcontractors, with respect to:

1. the completeness of such reports and drawings for Contractor's purposes, including, but not limited to, any aspects of the means, methods, techniques, sequences, and procedures of construction to be employed by Contractor, and safety precautions and programs incident thereto; or
2. other data, interpretations, opinions, and information contained in such reports or shown or indicated in such drawings; or
3. any Contractor interpretation of or conclusion drawn from any Technical Data or any such other data, interpretations, opinions, or information.

### 5.04 Differing Subsurface or Physical Conditions

A. *Notice by Contractor:* If Contractor believes that any subsurface or physical condition that is uncovered or revealed at the Site either:

1. is of such a nature as to establish that any Technical Data on which Contractor is entitled to rely as provided in Paragraph 5.03 is materially inaccurate; or
2. is of such a nature as to require a change in the Drawings or Specifications; or
3. differs materially from that shown or indicated in the Contract Documents; or
4. is of an unusual nature, and differs materially from conditions ordinarily encountered and generally recognized as inherent in work of the character provided for in the Contract Documents;

then Contractor shall, promptly after becoming aware thereof and before further disturbing the subsurface or physical conditions or performing any Work in connection therewith (except in an emergency as required by Paragraph 7.15), notify Owner and Engineer in writing about such condition. Contractor shall not further disturb such condition or perform any Work in connection therewith (except with respect to an emergency) until receipt of a written statement permitting Contractor to do so.

B. *Engineer's Review:* After receipt of written notice as required by the preceding paragraph, Engineer will promptly review the subsurface or physical condition in question; determine the



necessity of Owner's obtaining additional exploration or tests with respect to the condition; conclude whether the condition falls within any one or more of the differing site condition categories in Paragraph 5.04.A above; obtain any pertinent cost or schedule information from Contractor; prepare recommendations to Owner regarding the Contractor's resumption of Work in connection with the subsurface or physical condition in question and the need for any change in the Drawings or Specifications; and advise Owner in writing of Engineer's findings, conclusions, and recommendations.

- C. *Owner's Statement to Contractor Regarding Site Condition:* After receipt of Engineer's written findings, conclusions, and recommendations, Owner shall issue a written statement to Contractor (with a copy to Engineer) regarding the subsurface or physical condition in question, addressing the resumption of Work in connection with such condition, indicating whether any change in the Drawings or Specifications will be made, and adopting or rejecting Engineer's written findings, conclusions, and recommendations, in whole or in part.
- D. *Possible Price and Times Adjustments:*
1. Contractor shall be entitled to an equitable adjustment in Contract Price or Contract Times, or both, to the extent that the existence of a differing subsurface or physical condition, or any related delay, disruption, or interference, causes an increase or decrease in Contractor's cost of, or time required for, performance of the Work; subject, however, to the following:
    - a. such condition must fall within any one or more of the categories described in Paragraph 5.04.A;
    - b. with respect to Work that is paid for on a unit price basis, any adjustment in Contract Price will be subject to the provisions of Paragraph 13.03; and,
    - c. Contractor's entitlement to an adjustment of the Contract Times is conditioned on such adjustment being essential to Contractor's ability to complete the Work within the Contract Times.
  2. Contractor shall not be entitled to any adjustment in the Contract Price or Contract Times with respect to a subsurface or physical condition if:
    - a. Contractor knew of the existence of such condition at the time Contractor made a commitment to Owner with respect to Contract Price and Contract Times by the submission of a Bid or becoming bound under a negotiated contract, or otherwise; or
    - b. the existence of such condition reasonably could have been discovered or revealed as a result of any examination, investigation, exploration, test, or study of the Site and contiguous areas expressly required by the Bidding Requirements or Contract Documents to be conducted by or for Contractor prior to Contractor's making such commitment; or
    - c. Contractor failed to give the written notice as required by Paragraph 5.04.A.
  3. If Owner and Contractor agree regarding Contractor's entitlement to and the amount or extent of any adjustment in the Contract Price or Contract Times, or both, then any such adjustment shall be set forth in a Change Order.
  4. Contractor may submit a Change Proposal regarding its entitlement to or the amount or extent of any adjustment in the Contract Price or Contract Times, or both, no later than

30 days after Owner's issuance of the Owner's written statement to Contractor regarding the subsurface or physical condition in question.

#### 5.05 Underground Facilities

- A. *Contractor's Responsibilities:* The information and data shown or indicated in the Contract Documents with respect to existing Underground Facilities at or adjacent to the Site is based on information and data furnished to Owner or Engineer by the owners of such Underground Facilities, including Owner, or by others. Unless it is otherwise expressly provided in the Supplementary Conditions:
1. Owner and Engineer do not warrant or guarantee the accuracy or completeness of any such information or data provided by others; and
  2. the cost of all of the following will be included in the Contract Price, and Contractor shall have full responsibility for:
    - a. reviewing and checking all information and data regarding existing Underground Facilities at the Site;
    - b. locating all Underground Facilities shown or indicated in the Contract Documents as being at the Site;
    - c. coordination of the Work with the owners (including Owner) of such Underground Facilities, during construction; and
    - d. the safety and protection of all existing Underground Facilities at the Site, and repairing any damage thereto resulting from the Work.
- B. *Notice by Contractor:* If Contractor believes that an Underground Facility that is uncovered or revealed at the Site was not shown or indicated in the Contract Documents, or was not shown or indicated with reasonable accuracy, then Contractor shall, promptly after becoming aware thereof and before further disturbing conditions affected thereby or performing any Work in connection therewith (except in an emergency as required by Paragraph 7.15), identify the owner of such Underground Facility and give written notice to that owner and to Owner and Engineer.
- C. *Engineer's Review:* Engineer will promptly review the Underground Facility and conclude whether such Underground Facility was not shown or indicated in the Contract Documents, or was not shown or indicated with reasonable accuracy; obtain any pertinent cost or schedule information from Contractor; prepare recommendations to Owner regarding the Contractor's resumption of Work in connection with the Underground Facility in question; determine the extent, if any, to which a change is required in the Drawings or Specifications to reflect and document the consequences of the existence or location of the Underground Facility; and advise Owner in writing of Engineer's findings, conclusions, and recommendations. During such time, Contractor shall be responsible for the safety and protection of such Underground Facility.
- D. *Owner's Statement to Contractor Regarding Underground Facility:* After receipt of Engineer's written findings, conclusions, and recommendations, Owner shall issue a written statement to Contractor (with a copy to Engineer) regarding the Underground Facility in question, addressing the resumption of Work in connection with such Underground Facility, indicating whether any change in the Drawings or Specifications will be made, and adopting or rejecting Engineer's written findings, conclusions, and recommendations in whole or in part.

E. *Possible Price and Times Adjustments:*

1. Contractor shall be entitled to an equitable adjustment in the Contract Price or Contract Times, or both, to the extent that any existing Underground Facility at the Site that was not shown or indicated in the Contract Documents, or was not shown or indicated with reasonable accuracy, or any related delay, disruption, or interference, causes an increase or decrease in Contractor's cost of, or time required for, performance of the Work; subject, however, to the following:
  - a. Contractor did not know of and could not reasonably have been expected to be aware of or to have anticipated the existence or actual location of the Underground Facility in question;
  - b. With respect to Work that is paid for on a unit price basis, any adjustment in Contract Price will be subject to the provisions of Paragraph 13.03;
  - c. Contractor's entitlement to an adjustment of the Contract Times is conditioned on such adjustment being essential to Contractor's ability to complete the Work within the Contract Times; and
  - d. Contractor gave the notice required in Paragraph 5.05.B.
2. If Owner and Contractor agree regarding Contractor's entitlement to and the amount or extent of any adjustment in the Contract Price or Contract Times, or both, then any such adjustment shall be set forth in a Change Order.
3. Contractor may submit a Change Proposal regarding its entitlement to or the amount or extent of any adjustment in the Contract Price or Contract Times, or both, no later than 30 days after Owner's issuance of the Owner's written statement to Contractor regarding the Underground Facility in question.

5.06 Hazardous Environmental Conditions at Site

A. *Reports and Drawings:* The Supplementary Conditions identify:

1. those reports and drawings known to Owner relating to Hazardous Environmental Conditions that have been identified at or adjacent to the Site; and
2. Technical Data contained in such reports and drawings.

B. *Reliance by Contractor on Technical Data Authorized:* Contractor may rely upon the accuracy of the Technical Data expressly identified in the Supplementary Conditions with respect to such reports and drawings, but such reports and drawings are not Contract Documents. If no such express identification has been made, then Contractor may rely on the accuracy of the Technical Data (as defined in Article 1) contained in any geotechnical or environmental report prepared for the Project and made available to Contractor. Except for such reliance on Technical Data, Contractor may not rely upon or make any claim against Owner or Engineer, or any of their officers, directors, members, partners, employees, agents, consultants, or subcontractors with respect to:

1. the completeness of such reports and drawings for Contractor's purposes, including, but not limited to, any aspects of the means, methods, techniques, sequences and procedures of construction to be employed by Contractor and safety precautions and programs incident thereto; or
2. other data, interpretations, opinions and information contained in such reports or shown or indicated in such drawings; or

3. any Contractor interpretation of or conclusion drawn from any Technical Data or any such other data, interpretations, opinions or information.
- C. Contractor shall not be responsible for removing or remediating any Hazardous Environmental Condition encountered, uncovered, or revealed at the Site unless such removal or remediation is expressly identified in the Contract Documents to be within the scope of the Work.
- D. Contractor shall be responsible for controlling, containing, and duly removing all Constituents of Concern brought to the Site by Contractor, Subcontractors, Suppliers, or anyone else for whom Contractor is responsible, and for any associated costs; and for the costs of removing and remediating any Hazardous Environmental Condition created by the presence of any such Constituents of Concern.
- E. If Contractor encounters, uncovers, or reveals a Hazardous Environmental Condition whose removal or remediation is not expressly identified in the Contract Documents as being within the scope of the Work, or if Contractor or anyone for whom Contractor is responsible creates a Hazardous Environmental Condition, then Contractor shall immediately: (1) secure or otherwise isolate such condition; (2) stop all Work in connection with such condition and in any area affected thereby (except in an emergency as required by Paragraph 7.15); and (3) notify Owner and Engineer (and promptly thereafter confirm such notice in writing). Owner shall promptly consult with Engineer concerning the necessity for Owner to retain a qualified expert to evaluate such condition or take corrective action, if any. Promptly after consulting with Engineer, Owner shall take such actions as are necessary to permit Owner to timely obtain required permits and provide Contractor the written notice required by Paragraph 5.06.F. If Contractor or anyone for whom Contractor is responsible created the Hazardous Environmental Condition in question, then Owner may remove and remediate the Hazardous Environmental Condition, and impose a set-off against payments to account for the associated costs.
- F. Contractor shall not resume Work in connection with such Hazardous Environmental Condition or in any affected area until after Owner has obtained any required permits related thereto, and delivered written notice to Contractor either (1) specifying that such condition and any affected area is or has been rendered safe for the resumption of Work, or (2) specifying any special conditions under which such Work may be resumed safely.
- G. If Owner and Contractor cannot agree as to entitlement to or on the amount or extent, if any, of any adjustment in Contract Price or Contract Times, or both, as a result of such Work stoppage or such special conditions under which Work is agreed to be resumed by Contractor, then within 30 days of Owner's written notice regarding the resumption of Work, Contractor may submit a Change Proposal, or Owner may impose a set-off.
- H. If after receipt of such written notice Contractor does not agree to resume such Work based on a reasonable belief it is unsafe, or does not agree to resume such Work under such special conditions, then Owner may order the portion of the Work that is in the area affected by such condition to be deleted from the Work, following the contractual change procedures in Article 11. Owner may have such deleted portion of the Work performed by Owner's own forces or others in accordance with Article 8.
- I. To the fullest extent permitted by Laws and Regulations, Owner shall indemnify and hold harmless Contractor, Subcontractors, and Engineer, and the officers, directors, members, partners, employees, agents, consultants, and subcontractors of each and any of them from and against all claims, costs, losses, and damages (including but not limited to all fees and charges of engineers, architects, attorneys, and other professionals and all court or arbitration

or other dispute resolution costs) arising out of or relating to a Hazardous Environmental Condition, provided that such Hazardous Environmental Condition (1) was not shown or indicated in the Drawings, Specifications, or other Contract Documents, identified as Technical Data entitled to limited reliance pursuant to Paragraph 5.06.B, or identified in the Contract Documents to be included within the scope of the Work, and (2) was not created by Contractor or by anyone for whom Contractor is responsible. Nothing in this Paragraph 5.06.H shall obligate Owner to indemnify any individual or entity from and against the consequences of that individual's or entity's own negligence.

- J. To the fullest extent permitted by Laws and Regulations, Contractor shall indemnify and hold harmless Owner and Engineer, and the officers, directors, members, partners, employees, agents, consultants, and subcontractors of each and any of them from and against all claims, costs, losses, and damages (including but not limited to all fees and charges of engineers, architects, attorneys, and other professionals and all court or arbitration or other dispute resolution costs) arising out of or relating to the failure to control, contain, or remove a Constituent of Concern brought to the Site by Contractor or by anyone for whom Contractor is responsible, or to a Hazardous Environmental Condition created by Contractor or by anyone for whom Contractor is responsible. Nothing in this Paragraph 5.06.J shall obligate Contractor to indemnify any individual or entity from and against the consequences of that individual's or entity's own negligence.
- K. The provisions of Paragraphs 5.03, 5.04, and 5.05 do not apply to the presence of Constituents of Concern or to a Hazardous Environmental Condition uncovered or revealed at the Site.

## **ARTICLE 6 – BONDS AND INSURANCE**

### **6.01 Performance, Payment, and Other Bonds**

- A. Contractor shall furnish a performance bond and a payment bond, each in an amount at least equal to the Contract Price, as security for the faithful performance and payment of all of Contractor's obligations under the Contract. These bonds shall remain in effect until one year after the date when final payment becomes due or until completion of the correction period specified in Paragraph 15.08, whichever is later, except as provided otherwise by Laws or Regulations, the Supplementary Conditions, or other specific provisions of the Contract. Contractor shall also furnish such other bonds as are required by the Supplementary Conditions or other specific provisions of the Contract.
- B. All bonds shall be in the form prescribed by the Contract except as provided otherwise by Laws or Regulations, and shall be executed by such sureties as are named in "Companies Holding Certificates of Authority as Acceptable Sureties on Federal Bonds and as Acceptable Reinsuring Companies" as published in Circular 570 (as amended and supplemented) by the Financial Management Service, Surety Bond Branch, U.S. Department of the Treasury. A bond signed by an agent or attorney-in-fact must be accompanied by a certified copy of that individual's authority to bind the surety. The evidence of authority shall show that it is effective on the date the agent or attorney-in-fact signed the accompanying bond.
- C. Contractor shall obtain the required bonds from surety companies that are duly licensed or authorized in the jurisdiction in which the Project is located to issue bonds in the required amounts.
- D. If the surety on a bond furnished by Contractor is declared bankrupt or becomes insolvent, or its right to do business is terminated in any state or jurisdiction where any part of the Project is located, or the surety ceases to meet the requirements above, then Contractor shall

promptly notify Owner and Engineer and shall, within 20 days after the event giving rise to such notification, provide another bond and surety, both of which shall comply with the bond and surety requirements above.

- E. If Contractor has failed to obtain a required bond, Owner may exclude the Contractor from the Site and exercise Owner's termination rights under Article 16.
- F. Upon request, Owner shall provide a copy of the payment bond to any Subcontractor, Supplier, or other person or entity claiming to have furnished labor or materials used in the performance of the Work.

#### 6.02 Insurance—General Provisions

- A. Owner and Contractor shall obtain and maintain insurance as required in this Article and in the Supplementary Conditions.
- B. All insurance required by the Contract to be purchased and maintained by Owner or Contractor shall be obtained from insurance companies that are duly licensed or authorized, in the state or jurisdiction in which the Project is located, to issue insurance policies for the required limits and coverages. Unless a different standard is indicated in the Supplementary Conditions, all companies that provide insurance policies required under this Contract shall have an A.M. Best rating of A-VII or better.
- C. Contractor shall deliver to Owner, with copies to each named insured and additional insured (as identified in this Article, in the Supplementary Conditions, or elsewhere in the Contract), certificates of insurance establishing that Contractor has obtained and is maintaining the policies, coverages, and endorsements required by the Contract. Upon request by Owner or any other insured, Contractor shall also furnish other evidence of such required insurance, including but not limited to copies of policies and endorsements, and documentation of applicable self-insured retentions and deductibles. Contractor may block out (redact) any confidential premium or pricing information contained in any policy or endorsement furnished under this provision.
- D. Owner shall deliver to Contractor, with copies to each named insured and additional insured (as identified in this Article, the Supplementary Conditions, or elsewhere in the Contract), certificates of insurance establishing that Owner has obtained and is maintaining the policies, coverages, and endorsements required of Owner by the Contract (if any). Upon request by Contractor or any other insured, Owner shall also provide other evidence of such required insurance (if any), including but not limited to copies of policies and endorsements, and documentation of applicable self-insured retentions and deductibles. Owner may block out (redact) any confidential premium or pricing information contained in any policy or endorsement furnished under this provision.
- E. Failure of Owner or Contractor to demand such certificates or other evidence of the other party's full compliance with these insurance requirements, or failure of Owner or Contractor to identify a deficiency in compliance from the evidence provided, shall not be construed as a waiver of the other party's obligation to obtain and maintain such insurance.
- F. If either party does not purchase or maintain all of the insurance required of such party by the Contract, such party shall notify the other party in writing of such failure to purchase prior to the start of the Work, or of such failure to maintain prior to any change in the required coverage.

- G. If Contractor has failed to obtain and maintain required insurance, Owner may exclude the Contractor from the Site, impose an appropriate set-off against payment, and exercise Owner's termination rights under Article 16.
- H. Without prejudice to any other right or remedy, if a party has failed to obtain required insurance, the other party may elect to obtain equivalent insurance to protect such other party's interests at the expense of the party who was required to provide such coverage, and the Contract Price shall be adjusted accordingly.
- I. Owner does not represent that insurance coverage and limits established in this Contract necessarily will be adequate to protect Contractor or Contractor's interests.
- J. The insurance and insurance limits required herein shall not be deemed as a limitation on Contractor's liability under the indemnities granted to Owner and other individuals and entities in the Contract.

#### 6.03 Contractor's Insurance

- A. *Workers' Compensation*: Contractor shall purchase and maintain workers' compensation and employer's liability insurance for:
  - 1. claims under workers' compensation, disability benefits, and other similar employee benefit acts.
  - 2. United States Longshoreman and Harbor Workers' Compensation Act and Jones Act coverage (if applicable).
  - 3. claims for damages because of bodily injury, occupational sickness or disease, or death of Contractor's employees (by stop-gap endorsement in monopolist worker's compensation states).
  - 4. Foreign voluntary worker compensation (if applicable).
- B. *Commercial General Liability—Claims Covered*: Contractor shall purchase and maintain commercial general liability insurance, covering all operations by or on behalf of Contractor, on an occurrence basis, against:
  - 1. claims for damages because of bodily injury, sickness or disease, or death of any person other than Contractor's employees.
  - 2. claims for damages insured by reasonably available personal injury liability coverage.
  - 3. claims for damages, other than to the Work itself, because of injury to or destruction of tangible property wherever located, including loss of use resulting therefrom.
- C. *Commercial General Liability—Form and Content*: Contractor's commercial liability policy shall be written on a 1996 (or later) ISO commercial general liability form (occurrence form) and include the following coverages and endorsements:
  - 1. Products and completed operations coverage:
    - a. Such insurance shall be maintained for three years after final payment.
    - b. Contractor shall furnish Owner and each other additional insured (as identified in the Supplementary Conditions or elsewhere in the Contract) evidence of continuation of such insurance at final payment and three years thereafter.
  - 2. Blanket contractual liability coverage, to the extent permitted by law, including but not limited to coverage of Contractor's contractual indemnity obligations in Paragraph 7.18.

3. Broad form property damage coverage.
  4. Severability of interest.
  5. Underground, explosion, and collapse coverage.
  6. Personal injury coverage.
  7. Additional insured endorsements that include both ongoing operations and products and completed operations coverage through ISO Endorsements CG 20 10 10 01 and CG 20 37 10 01 (together); or CG 20 10 07 04 and CG 20 37 07 04 (together); or their equivalent.
  8. For design professional additional insureds, ISO Endorsement CG 20 32 07 04, "Additional Insured—Engineers, Architects or Surveyors Not Engaged by the Named Insured" or its equivalent.
- D. *Automobile liability*: Contractor shall purchase and maintain automobile liability insurance against claims for damages because of bodily injury or death of any person or property damage arising out of the ownership, maintenance, or use of any motor vehicle. The automobile liability policy shall be written on an occurrence basis.
- E. *Umbrella or excess liability*: Contractor shall purchase and maintain umbrella or excess liability insurance written over the underlying employer's liability, commercial general liability, and automobile liability insurance described in the paragraphs above. Subject to industry-standard exclusions, the coverage afforded shall follow form as to each and every one of the underlying policies.
- F. *Contractor's pollution liability insurance*: Contractor shall purchase and maintain a policy covering third-party injury and property damage claims, including clean-up costs, as a result of pollution conditions arising from Contractor's operations and completed operations. This insurance shall be maintained for no less than three years after final completion.
- G. *Additional insureds*: The Contractor's commercial general liability, automobile liability, umbrella or excess, and pollution liability policies shall include and list as additional insureds Owner and Engineer, and any individuals or entities identified in the Supplementary Conditions; include coverage for the respective officers, directors, members, partners, employees, agents, consultants, and subcontractors of each and any of all such additional insureds; and the insurance afforded to these additional insureds shall provide primary coverage for all claims covered thereby (including as applicable those arising from both ongoing and completed operations) on a non-contributory basis. Contractor shall obtain all necessary endorsements to support these requirements.
- H. *Contractor's professional liability insurance*: If Contractor will provide or furnish professional services under this Contract, through a delegation of professional design services or otherwise, then Contractor shall be responsible for purchasing and maintaining applicable professional liability insurance. This insurance shall provide protection against claims arising out of performance of professional design or related services, and caused by a negligent error, omission, or act for which the insured party is legally liable. It shall be maintained throughout the duration of the Contract and for a minimum of two years after Substantial Completion. If such professional design services are performed by a Subcontractor, and not by Contractor itself, then the requirements of this paragraph may be satisfied through the purchasing and maintenance of such insurance by such Subcontractor.
- I. *General provisions*: The policies of insurance required by this Paragraph 6.03 shall:
1. include at least the specific coverages provided in this Article.



2. be written for not less than the limits of liability provided in this Article and in the Supplementary Conditions, or required by Laws or Regulations, whichever is greater.
  3. contain a provision or endorsement that the coverage afforded will not be canceled, materially changed, or renewal refused until at least 10 days prior written notice has been given to Contractor. Within three days of receipt of any such written notice, Contractor shall provide a copy of the notice to Owner, Engineer, and each other insured under the policy.
  4. remain in effect at least until final payment (and longer if expressly required in this Article) and at all times thereafter when Contractor may be correcting, removing, or replacing defective Work as a warranty or correction obligation, or otherwise, or returning to the Site to conduct other tasks arising from the Contract Documents.
  5. be appropriate for the Work being performed and provide protection from claims that may arise out of or result from Contractor's performance of the Work and Contractor's other obligations under the Contract Documents, whether it is to be performed by Contractor, any Subcontractor or Supplier, or by anyone directly or indirectly employed by any of them to perform any of the Work, or by anyone for whose acts any of them may be liable.
- J. The coverage requirements for specific policies of insurance must be met by such policies, and not by reference to excess or umbrella insurance provided in other policies.

#### 6.04 Owner's Liability Insurance

- A. In addition to the insurance required to be provided by Contractor under Paragraph 6.03, Owner, at Owner's option, may purchase and maintain at Owner's expense Owner's own liability insurance as will protect Owner against claims which may arise from operations under the Contract Documents.
- B. Owner's liability policies, if any, operate separately and independently from policies required to be provided by Contractor, and Contractor cannot rely upon Owner's liability policies for any of Contractor's obligations to the Owner, Engineer, or third parties.

#### 6.05 Property Insurance

- A. *Builder's Risk*: Unless otherwise provided in the Supplementary Conditions, Contractor shall purchase and maintain builder's risk insurance upon the Work on a completed value basis, in the amount of the full insurable replacement cost thereof (subject to such deductible amounts as may be provided in the Supplementary Conditions or required by Laws and Regulations). This insurance shall:
  1. include the Owner and Contractor as named insureds, and all Subcontractors, and any individuals or entities required by the Supplementary Conditions to be insured under such builder's risk policy, as insureds or named insureds. For purposes of the remainder of this Paragraph 6.05, Paragraphs 6.06 and 6.07, and any corresponding Supplementary Conditions, the parties required to be insured shall collectively be referred to as "insureds."
  2. be written on a builder's risk "all risk" policy form that shall at least include insurance for physical loss or damage to the Work, temporary buildings, falsework, and materials and equipment in transit, and shall insure against at least the following perils or causes of loss: fire; lightning; windstorm; riot; civil commotion; terrorism; vehicle impact; aircraft; smoke; theft; vandalism and malicious mischief; mechanical breakdown, boiler explosion, and artificially generated electric current; earthquake; volcanic activity, and other earth

movement; flood; collapse; explosion; debris removal; demolition occasioned by enforcement of Laws and Regulations; water damage (other than that caused by flood); and such other perils or causes of loss as may be specifically required by the Supplementary Conditions. If insurance against mechanical breakdown, boiler explosion, and artificially generated electric current; earthquake; volcanic activity, and other earth movement; or flood, are not commercially available under builder's risk policies, by endorsement or otherwise, such insurance may be provided through other insurance policies acceptable to Owner and Contractor.

3. cover, as insured property, at least the following: (a) the Work and all materials, supplies, machinery, apparatus, equipment, fixtures, and other property of a similar nature that are to be incorporated into or used in the preparation, fabrication, construction, erection, or completion of the Work, including Owner-furnished or assigned property; (b) spare parts inventory required within the scope of the Contract; and (c) temporary works which are not intended to form part of the permanent constructed Work but which are intended to provide working access to the Site, or to the Work under construction, or which are intended to provide temporary support for the Work under construction, including scaffolding, form work, fences, shoring, falsework, and temporary structures.
  4. cover expenses incurred in the repair or replacement of any insured property (including but not limited to fees and charges of engineers and architects).
  5. extend to cover damage or loss to insured property while in temporary storage at the Site or in a storage location outside the Site (but not including property stored at the premises of a manufacturer or Supplier).
  6. extend to cover damage or loss to insured property while in transit.
  7. allow for partial occupation or use of the Work by Owner, such that those portions of the Work that are not yet occupied or used by Owner shall remain covered by the builder's risk insurance.
  8. allow for the waiver of the insurer's subrogation rights, as set forth below.
  9. provide primary coverage for all losses and damages caused by the perils or causes of loss covered.
  10. not include a co-insurance clause.
  11. include an exception for ensuing losses from physical damage or loss with respect to any defective workmanship, design, or materials exclusions.
  12. include performance/hot testing and start-up.
  13. be maintained in effect, subject to the provisions herein regarding Substantial Completion and partial occupancy or use of the Work by Owner, until the Work is complete.
- B. *Notice of Cancellation or Change:* All the policies of insurance (and the certificates or other evidence thereof) required to be purchased and maintained in accordance with this Paragraph 6.05 will contain a provision or endorsement that the coverage afforded will not be canceled or materially changed or renewal refused until at least 10 days prior written notice has been given to the purchasing policyholder. Within three days of receipt of any such written notice, the purchasing policyholder shall provide a copy of the notice to each other insured.
- C. *Deductibles:* The purchaser of any required builder's risk or property insurance shall pay for costs not covered because of the application of a policy deductible.

- D. *Partial Occupancy or Use by Owner*: If Owner will occupy or use a portion or portions of the Work prior to Substantial Completion of all the Work as provided in Paragraph 15.04, then Owner (directly, if it is the purchaser of the builder's risk policy, or through Contractor) will provide notice of such occupancy or use to the builder's risk insurer. The builder's risk insurance shall not be canceled or permitted to lapse on account of any such partial use or occupancy; rather, those portions of the Work that are occupied or used by Owner may come off the builder's risk policy, while those portions of the Work not yet occupied or used by Owner shall remain covered by the builder's risk insurance.
- E. *Additional Insurance*: If Contractor elects to obtain other special insurance to be included in or supplement the builder's risk or property insurance policies provided under this Paragraph 6.05, it may do so at Contractor's expense.
- F. *Insurance of Other Property*: If the express insurance provisions of the Contract do not require or address the insurance of a property item or interest, such as tools, construction equipment, or other personal property owned by Contractor, a Subcontractor, or an employee of Contractor or a Subcontractor, then the entity or individual owning such property item will be responsible for deciding whether to insure it, and if so in what amount.

#### 6.06 Waiver of Rights

- A. All policies purchased in accordance with Paragraph 6.05, expressly including the builder's risk policy, shall contain provisions to the effect that in the event of payment of any loss or damage the insurers will have no rights of recovery against any insureds thereunder, or against Engineer or its consultants, or their officers, directors, members, partners, employees, agents, consultants, or subcontractors. Owner and Contractor waive all rights against each other and the respective officers, directors, members, partners, employees, agents, consultants, and subcontractors of each and any of them, for all losses and damages caused by, arising out of, or resulting from any of the perils or causes of loss covered by such policies and any other property insurance applicable to the Work; and, in addition, waive all such rights against Engineer, its consultants, all Subcontractors, all individuals or entities identified in the Supplementary Conditions as insureds, and the officers, directors, members, partners, employees, agents, consultants, and subcontractors of each and any of them, under such policies for losses and damages so caused. None of the above waivers shall extend to the rights that any party making such waiver may have to the proceeds of insurance held by Owner or Contractor as trustee or fiduciary, or otherwise payable under any policy so issued.
- B. Owner waives all rights against Contractor, Subcontractors, and Engineer, and the officers, directors, members, partners, employees, agents, consultants and subcontractors of each and any of them, for:
  - 1. loss due to business interruption, loss of use, or other consequential loss extending beyond direct physical loss or damage to Owner's property or the Work caused by, arising out of, or resulting from fire or other perils whether or not insured by Owner; and
  - 2. loss or damage to the completed Project or part thereof caused by, arising out of, or resulting from fire or other insured peril or cause of loss covered by any property insurance maintained on the completed Project or part thereof by Owner during partial occupancy or use pursuant to Paragraph 15.04, after Substantial Completion pursuant to Paragraph 15.03, or after final payment pursuant to Paragraph 15.06.
- C. Any insurance policy maintained by Owner covering any loss, damage or consequential loss referred to in Paragraph 6.06.B shall contain provisions to the effect that in the event of payment of any such loss, damage, or consequential loss, the insurers will have no rights of

recovery against Contractor, Subcontractors, or Engineer, or the officers, directors, members, partners, employees, agents, consultants, or subcontractors of each and any of them.

- D. Contractor shall be responsible for assuring that the agreement under which a Subcontractor performs a portion of the Work contains provisions whereby the Subcontractor waives all rights against Owner, Contractor, all individuals or entities identified in the Supplementary Conditions as insureds, the Engineer and its consultants, and the officers, directors, members, partners, employees, agents, consultants, and subcontractors of each and any of them, for all losses and damages caused by, arising out of, relating to, or resulting from any of the perils or causes of loss covered by builder's risk insurance and any other property insurance applicable to the Work.

#### 6.07 Receipt and Application of Property Insurance Proceeds

- A. Any insured loss under the builder's risk and other policies of insurance required by Paragraph 6.05 will be adjusted and settled with the named insured that purchased the policy. Such named insured shall act as fiduciary for the other insureds, and give notice to such other insureds that adjustment and settlement of a claim is in progress. Any other insured may state its position regarding a claim for insured loss in writing within 15 days after notice of such claim.
- B. Proceeds for such insured losses may be made payable by the insurer either jointly to multiple insureds, or to the named insured that purchased the policy in its own right and as fiduciary for other insureds, subject to the requirements of any applicable mortgage clause. A named insured receiving insurance proceeds under the builder's risk and other policies of insurance required by Paragraph 6.05 shall distribute such proceeds in accordance with such agreement as the parties in interest may reach, or as otherwise required under the dispute resolution provisions of this Contract or applicable Laws and Regulations.
- C. If no other special agreement is reached, the damaged Work shall be repaired or replaced, the money so received applied on account thereof, and the Work and the cost thereof covered by Change Order, if needed.

### ARTICLE 7 – CONTRACTOR'S RESPONSIBILITIES

#### 7.01 Supervision and Superintendence

- A. Contractor shall supervise, inspect, and direct the Work competently and efficiently, devoting such attention thereto and applying such skills and expertise as may be necessary to perform the Work in accordance with the Contract Documents. Contractor shall be solely responsible for the means, methods, techniques, sequences, and procedures of construction.
- B. At all times during the progress of the Work, Contractor shall assign a competent resident superintendent who shall not be replaced without written notice to Owner and Engineer except under extraordinary circumstances.

#### 7.02 Labor; Working Hours

- A. Contractor shall provide competent, suitably qualified personnel to survey and lay out the Work and perform construction as required by the Contract Documents. Contractor shall at all times maintain good discipline and order at the Site.
- B. Except as otherwise required for the safety or protection of persons or the Work or property at the Site or adjacent thereto, and except as otherwise stated in the Contract Documents, all Work at the Site shall be performed during regular working hours, Monday through Friday.

Contractor will not perform Work on a Saturday, Sunday, or any legal holiday. Contractor may perform Work outside regular working hours or on Saturdays, Sundays, or legal holidays only with Owner's written consent, which will not be unreasonably withheld.

#### 7.03 Services, Materials, and Equipment

- A. Unless otherwise specified in the Contract Documents, Contractor shall provide and assume full responsibility for all services, materials, equipment, labor, transportation, construction equipment and machinery, tools, appliances, fuel, power, light, heat, telephone, water, sanitary facilities, temporary facilities, and all other facilities and incidentals necessary for the performance, testing, start up, and completion of the Work, whether or not such items are specifically called for in the Contract Documents.
- B. All materials and equipment incorporated into the Work shall be of good quality and new, except as otherwise provided in the Contract Documents. All special warranties and guarantees required by the Specifications shall expressly run to the benefit of Owner. If required by Engineer, Contractor shall furnish satisfactory evidence (including reports of required tests) as to the source, kind, and quality of materials and equipment.
- C. All materials and equipment shall be stored, applied, installed, connected, erected, protected, used, cleaned, and conditioned in accordance with instructions of the applicable Supplier, except as otherwise may be provided in the Contract Documents.

#### 7.04 "Or Equals"

- A. Whenever an item of material or equipment is specified or described in the Contract Documents by using the name of a proprietary item or the name of a particular Supplier, the Contract Price has been based upon Contractor furnishing such item as specified. The specification or description of such an item is intended to establish the type, function, appearance, and quality required. Unless the specification or description contains or is followed by words reading that no like, equivalent, or "or equal" item is permitted, Contractor may request that Engineer authorize the use of other items of material or equipment, or items from other proposed suppliers under the circumstances described below.
  - 1. If Engineer in its sole discretion determines that an item of material or equipment proposed by Contractor is functionally equal to that named and sufficiently similar so that no change in related Work will be required, Engineer shall deem it an "or equal" item. For the purposes of this paragraph, a proposed item of material or equipment will be considered functionally equal to an item so named if:
    - a. in the exercise of reasonable judgment Engineer determines that:
      - 1) it is at least equal in materials of construction, quality, durability, appearance, strength, and design characteristics;
      - 2) it will reliably perform at least equally well the function and achieve the results imposed by the design concept of the completed Project as a functioning whole;
      - 3) it has a proven record of performance and availability of responsive service; and
      - 4) it is not objectionable to Owner.
    - b. Contractor certifies that, if approved and incorporated into the Work:
      - 1) there will be no increase in cost to the Owner or increase in Contract Times; and
      - 2) it will conform substantially to the detailed requirements of the item named in the Contract Documents.

- B. *Contractor's Expense*: Contractor shall provide all data in support of any proposed "or equal" item at Contractor's expense.
- C. *Engineer's Evaluation and Determination*: Engineer will be allowed a reasonable time to evaluate each "or-equal" request. Engineer may require Contractor to furnish additional data about the proposed "or-equal" item. Engineer will be the sole judge of acceptability. No "or-equal" item will be ordered, furnished, installed, or utilized until Engineer's review is complete and Engineer determines that the proposed item is an "or-equal", which will be evidenced by an approved Shop Drawing or other written communication. Engineer will advise Contractor in writing of any negative determination.
- D. *Effect of Engineer's Determination*: Neither approval nor denial of an "or-equal" request shall result in any change in Contract Price. The Engineer's denial of an "or-equal" request shall be final and binding, and may not be reversed through an appeal under any provision of the Contract Documents.
- E. *Treatment as a Substitution Request*: If Engineer determines that an item of material or equipment proposed by Contractor does not qualify as an "or-equal" item, Contractor may request that Engineer considered the proposed item as a substitute pursuant to Paragraph 7.05.

#### 7.05 Substitutes

- A. Unless the specification or description of an item of material or equipment required to be furnished under the Contract Documents contains or is followed by words reading that no substitution is permitted, Contractor may request that Engineer authorize the use of other items of material or equipment under the circumstances described below. To the extent possible such requests shall be made before commencement of related construction at the Site.
  - 1. Contractor shall submit sufficient information as provided below to allow Engineer to determine if the item of material or equipment proposed is functionally equivalent to that named and an acceptable substitute therefor. Engineer will not accept requests for review of proposed substitute items of material or equipment from anyone other than Contractor.
  - 2. The requirements for review by Engineer will be as set forth in Paragraph 7.05.B, as supplemented by the Specifications, and as Engineer may decide is appropriate under the circumstances.
  - 3. Contractor shall make written application to Engineer for review of a proposed substitute item of material or equipment that Contractor seeks to furnish or use. The application:
    - a. shall certify that the proposed substitute item will:
      - 1) perform adequately the functions and achieve the results called for by the general design,
      - 2) be similar in substance to that specified, and
      - 3) be suited to the same use as that specified.
    - b. will state:
      - 1) the extent, if any, to which the use of the proposed substitute item will necessitate a change in Contract Times,

- 2) whether use of the proposed substitute item in the Work will require a change in any of the Contract Documents (or in the provisions of any other direct contract with Owner for other work on the Project) to adapt the design to the proposed substitute item, and
  - 3) whether incorporation or use of the proposed substitute item in connection with the Work is subject to payment of any license fee or royalty.
- c. will identify:
- 1) all variations of the proposed substitute item from that specified, and
  - 2) available engineering, sales, maintenance, repair, and replacement services.
- d. shall contain an itemized estimate of all costs or credits that will result directly or indirectly from use of such substitute item, including but not limited to changes in Contract Price, shared savings, costs of redesign, and claims of other contractors affected by any resulting change.
- B. *Engineer's Evaluation and Determination:* Engineer will be allowed a reasonable time to evaluate each substitute request, and to obtain comments and direction from Owner. Engineer may require Contractor to furnish additional data about the proposed substitute item. Engineer will be the sole judge of acceptability. No substitute will be ordered, furnished, installed, or utilized until Engineer's review is complete and Engineer determines that the proposed item is an acceptable substitute. Engineer's determination will be evidenced by a Field Order or a proposed Change Order accounting for the substitution itself and all related impacts, including changes in Contract Price or Contract Times. Engineer will advise Contractor in writing of any negative determination.
- C. *Special Guarantee:* Owner may require Contractor to furnish at Contractor's expense a special performance guarantee or other surety with respect to any substitute.
- D. *Reimbursement of Engineer's Cost:* Engineer will record Engineer's costs in evaluating a substitute proposed or submitted by Contractor. Whether or not Engineer approves a substitute so proposed or submitted by Contractor, Contractor shall reimburse Owner for the reasonable charges of Engineer for evaluating each such proposed substitute. Contractor shall also reimburse Owner for the reasonable charges of Engineer for making changes in the Contract Documents (or in the provisions of any other direct contract with Owner) resulting from the acceptance of each proposed substitute.
- E. *Contractor's Expense:* Contractor shall provide all data in support of any proposed substitute at Contractor's expense.
- F. *Effect of Engineer's Determination:* If Engineer approves the substitution request, Contractor shall execute the proposed Change Order and proceed with the substitution. The Engineer's denial of a substitution request shall be final and binding, and may not be reversed through an appeal under any provision of the Contract Documents. Contractor may challenge the scope of reimbursement costs imposed under Paragraph 7.05.D, by timely submittal of a Change Proposal.

#### 7.06 Concerning Subcontractors, Suppliers, and Others

- A. Contractor may retain Subcontractors and Suppliers for the performance of parts of the Work. Such Subcontractors and Suppliers must be acceptable to Owner.
- B. Contractor shall retain specific Subcontractors, Suppliers, or other individuals or entities for the performance of designated parts of the Work if required by the Contract to do so.

- C. Subsequent to the submittal of Contractor's Bid or final negotiation of the terms of the Contract, Owner may not require Contractor to retain any Subcontractor, Supplier, or other individual or entity to furnish or perform any of the Work against which Contractor has reasonable objection.
- D. Prior to entry into any binding subcontract or purchase order, Contractor shall submit to Owner the identity of the proposed Subcontractor or Supplier (unless Owner has already deemed such proposed Subcontractor or Supplier acceptable, during the bidding process or otherwise). Such proposed Subcontractor or Supplier shall be deemed acceptable to Owner unless Owner raises a substantive, reasonable objection within five days.
- E. Owner may require the replacement of any Subcontractor, Supplier, or other individual or entity retained by Contractor to perform any part of the Work. Owner also may require Contractor to retain specific replacements; provided, however, that Owner may not require a replacement to which Contractor has a reasonable objection. If Contractor has submitted the identity of certain Subcontractors, Suppliers, or other individuals or entities for acceptance by Owner, and Owner has accepted it (either in writing or by failing to make written objection thereto), then Owner may subsequently revoke the acceptance of any such Subcontractor, Supplier, or other individual or entity so identified solely on the basis of substantive, reasonable objection after due investigation. Contractor shall submit an acceptable replacement for the rejected Subcontractor, Supplier, or other individual or entity.
- F. If Owner requires the replacement of any Subcontractor, Supplier, or other individual or entity retained by Contractor to perform any part of the Work, then Contractor shall be entitled to an adjustment in Contract Price or Contract Times, or both, with respect to the replacement; and Contractor shall initiate a Change Proposal for such adjustment within 30 days of Owner's requirement of replacement.
- G. No acceptance by Owner of any such Subcontractor, Supplier, or other individual or entity, whether initially or as a replacement, shall constitute a waiver of the right of Owner to the completion of the Work in accordance with the Contract Documents.
- H. On a monthly basis Contractor shall submit to Engineer a complete list of all Subcontractors and Suppliers having a direct contract with Contractor, and of all other Subcontractors and Suppliers known to Contractor at the time of submittal.
- I. Contractor shall be fully responsible to Owner and Engineer for all acts and omissions of the Subcontractors, Suppliers, and other individuals or entities performing or furnishing any of the Work just as Contractor is responsible for Contractor's own acts and omissions.
- J. Contractor shall be solely responsible for scheduling and coordinating the work of Subcontractors, Suppliers, and all other individuals or entities performing or furnishing any of the Work.
- K. Contractor shall restrict all Subcontractors, Suppliers, and such other individuals or entities performing or furnishing any of the Work from communicating with Engineer or Owner, except through Contractor or in case of an emergency, or as otherwise expressly allowed herein.
- L. The divisions and sections of the Specifications and the identifications of any Drawings shall not control Contractor in dividing the Work among Subcontractors or Suppliers or delineating the Work to be performed by any specific trade.
- M. All Work performed for Contractor by a Subcontractor or Supplier shall be pursuant to an appropriate contractual agreement that specifically binds the Subcontractor or Supplier to the



applicable terms and conditions of the Contract Documents for the benefit of Owner and Engineer.

- N. Owner may furnish to any Subcontractor or Supplier, to the extent practicable, information about amounts paid to Contractor on account of Work performed for Contractor by the particular Subcontractor or Supplier.
- O. Nothing in the Contract Documents:
  - 1. shall create for the benefit of any such Subcontractor, Supplier, or other individual or entity any contractual relationship between Owner or Engineer and any such Subcontractor, Supplier, or other individual or entity; nor
  - 2. shall create any obligation on the part of Owner or Engineer to pay or to see to the payment of any money due any such Subcontractor, Supplier, or other individual or entity except as may otherwise be required by Laws and Regulations.

#### 7.07 Patent Fees and Royalties

- A. Contractor shall pay all license fees and royalties and assume all costs incident to the use in the performance of the Work or the incorporation in the Work of any invention, design, process, product, or device which is the subject of patent rights or copyrights held by others. If a particular invention, design, process, product, or device is specified in the Contract Documents for use in the performance of the Work and if, to the actual knowledge of Owner or Engineer, its use is subject to patent rights or copyrights calling for the payment of any license fee or royalty to others, the existence of such rights shall be disclosed by Owner in the Contract Documents.
- B. To the fullest extent permitted by Laws and Regulations, Owner shall indemnify and hold harmless Contractor, and its officers, directors, members, partners, employees, agents, consultants, and subcontractors from and against all claims, costs, losses, and damages (including but not limited to all fees and charges of engineers, architects, attorneys, and other professionals, and all court or arbitration or other dispute resolution costs) arising out of or relating to any infringement of patent rights or copyrights incident to the use in the performance of the Work or resulting from the incorporation in the Work of any invention, design, process, product, or device specified in the Contract Documents, but not identified as being subject to payment of any license fee or royalty to others required by patent rights or copyrights.
- C. To the fullest extent permitted by Laws and Regulations, Contractor shall indemnify and hold harmless Owner and Engineer, and the officers, directors, members, partners, employees, agents, consultants and subcontractors of each and any of them from and against all claims, costs, losses, and damages (including but not limited to all fees and charges of engineers, architects, attorneys, and other professionals and all court or arbitration or other dispute resolution costs) arising out of or relating to any infringement of patent rights or copyrights incident to the use in the performance of the Work or resulting from the incorporation in the Work of any invention, design, process, product, or device not specified in the Contract Documents.

#### 7.08 Permits

- A. Unless otherwise provided in the Contract Documents, Contractor shall obtain and pay for all construction permits and licenses. Owner shall assist Contractor, when necessary, in obtaining such permits and licenses. Contractor shall pay all governmental charges and inspection fees necessary for the prosecution of the Work which are applicable at the time of the submission

of Contractor's Bid (or when Contractor became bound under a negotiated contract). Owner shall pay all charges of utility owners for connections for providing permanent service to the Work

#### 7.09 Taxes

- A. Contractor shall pay all sales, consumer, use, and other similar taxes required to be paid by Contractor in accordance with the Laws and Regulations of the place of the Project which are applicable during the performance of the Work.

#### 7.10 Laws and Regulations

- A. Contractor shall give all notices required by and shall comply with all Laws and Regulations applicable to the performance of the Work. Except where otherwise expressly required by applicable Laws and Regulations, neither Owner nor Engineer shall be responsible for monitoring Contractor's compliance with any Laws or Regulations.
- B. If Contractor performs any Work or takes any other action knowing or having reason to know that it is contrary to Laws or Regulations, Contractor shall bear all resulting costs and losses, and shall indemnify and hold harmless Owner and Engineer, and the officers, directors, members, partners, employees, agents, consultants, and subcontractors of each and any of them from and against all claims, costs, losses, and damages (including but not limited to all fees and charges of engineers, architects, attorneys, and other professionals and all court or arbitration or other dispute resolution costs) arising out of or relating to such Work or other action. It shall not be Contractor's responsibility to make certain that the Work described in the Contract Documents is in accordance with Laws and Regulations, but this shall not relieve Contractor of Contractor's obligations under Paragraph 3.03.
- C. Owner or Contractor may give notice to the other party of any changes after the submission of Contractor's Bid (or after the date when Contractor became bound under a negotiated contract) in Laws or Regulations having an effect on the cost or time of performance of the Work, including but not limited to changes in Laws or Regulations having an effect on procuring permits and on sales, use, value-added, consumption, and other similar taxes. If Owner and Contractor are unable to agree on entitlement to or on the amount or extent, if any, of any adjustment in Contract Price or Contract Times resulting from such changes, then within 30 days of such notice Contractor may submit a Change Proposal, or Owner may initiate a Claim.

#### 7.11 Record Documents

- A. Contractor shall maintain in a safe place at the Site one printed record copy of all Drawings, Specifications, Addenda, Change Orders, Work Change Directives, Field Orders, written interpretations and clarifications, and approved Shop Drawings. Contractor shall keep such record documents in good order and annotate them to show changes made during construction. These record documents, together with all approved Samples, will be available to Engineer for reference. Upon completion of the Work, Contractor shall deliver these record documents to Engineer.

#### 7.12 Safety and Protection

- A. Contractor shall be solely responsible for initiating, maintaining, and supervising all safety precautions and programs in connection with the Work. Such responsibility does not relieve Subcontractors of their responsibility for the safety of persons or property in the performance of their work, nor for compliance with applicable safety Laws and Regulations. Contractor shall take all necessary precautions for the safety of, and shall provide the necessary protection to prevent damage, injury, or loss to:

1. all persons on the Site or who may be affected by the Work;
  2. all the Work and materials and equipment to be incorporated therein, whether in storage on or off the Site; and
  3. other property at the Site or adjacent thereto, including trees, shrubs, lawns, walks, pavements, roadways, structures, other work in progress, utilities, and Underground Facilities not designated for removal, relocation, or replacement in the course of construction.
- B. Contractor shall comply with all applicable Laws and Regulations relating to the safety of persons or property, or to the protection of persons or property from damage, injury, or loss; and shall erect and maintain all necessary safeguards for such safety and protection. Contractor shall notify Owner; the owners of adjacent property, Underground Facilities, and other utilities; and other contractors and utility owners performing work at or adjacent to the Site, when prosecution of the Work may affect them, and shall cooperate with them in the protection, removal, relocation, and replacement of their property or work in progress.
- C. Contractor shall comply with the applicable requirements of Owner's safety programs, if any. The Supplementary Conditions identify any Owner's safety programs that are applicable to the Work.
- D. Contractor shall inform Owner and Engineer of the specific requirements of Contractor's safety program with which Owner's and Engineer's employees and representatives must comply while at the Site.
- E. All damage, injury, or loss to any property referred to in Paragraph 7.12.A.2 or 7.12.A.3 caused, directly or indirectly, in whole or in part, by Contractor, any Subcontractor, Supplier, or any other individual or entity directly or indirectly employed by any of them to perform any of the Work, or anyone for whose acts any of them may be liable, shall be remedied by Contractor at its expense (except damage or loss attributable to the fault of Drawings or Specifications or to the acts or omissions of Owner or Engineer or anyone employed by any of them, or anyone for whose acts any of them may be liable, and not attributable, directly or indirectly, in whole or in part, to the fault or negligence of Contractor or any Subcontractor, Supplier, or other individual or entity directly or indirectly employed by any of them).
- F. Contractor's duties and responsibilities for safety and protection shall continue until such time as all the Work is completed and Engineer has issued a notice to Owner and Contractor in accordance with Paragraph 15.06.B that the Work is acceptable (except as otherwise expressly provided in connection with Substantial Completion).
- G. Contractor's duties and responsibilities for safety and protection shall resume whenever Contractor or any Subcontractor or Supplier returns to the Site to fulfill warranty or correction obligations, or to conduct other tasks arising from the Contract Documents.

#### 7.13 Safety Representative

- A. Contractor shall designate a qualified and experienced safety representative at the Site whose duties and responsibilities shall be the prevention of accidents and the maintaining and supervising of safety precautions and programs.

#### 7.14 Hazard Communication Programs

- A. Contractor shall be responsible for coordinating any exchange of material safety data sheets or other hazard communication information required to be made available to or exchanged between or among employers at the Site in accordance with Laws or Regulations.

## 7.15 Emergencies

- A. In emergencies affecting the safety or protection of persons or the Work or property at the Site or adjacent thereto, Contractor is obligated to act to prevent threatened damage, injury, or loss. Contractor shall give Engineer prompt written notice if Contractor believes that any significant changes in the Work or variations from the Contract Documents have been caused thereby or are required as a result thereof. If Engineer determines that a change in the Contract Documents is required because of the action taken by Contractor in response to such an emergency, a Work Change Directive or Change Order will be issued.

## 7.16 Shop Drawings, Samples, and Other Submittals

### A. *Shop Drawing and Sample Submittal Requirements:*

1. Before submitting a Shop Drawing or Sample, Contractor shall have:
  - a. reviewed and coordinated the Shop Drawing or Sample with other Shop Drawings and Samples and with the requirements of the Work and the Contract Documents;
  - b. determined and verified all field measurements, quantities, dimensions, specified performance and design criteria, installation requirements, materials, catalog numbers, and similar information with respect thereto;
  - c. determined and verified the suitability of all materials and equipment offered with respect to the indicated application, fabrication, shipping, handling, storage, assembly, and installation pertaining to the performance of the Work; and
  - d. determined and verified all information relative to Contractor's responsibilities for means, methods, techniques, sequences, and procedures of construction, and safety precautions and programs incident thereto.
2. Each submittal shall bear a stamp or specific written certification that Contractor has satisfied Contractor's obligations under the Contract Documents with respect to Contractor's review of that submittal, and that Contractor approves the submittal.
3. With each submittal, Contractor shall give Engineer specific written notice of any variations that the Shop Drawing or Sample may have from the requirements of the Contract Documents. This notice shall be set forth in a written communication separate from the Shop Drawings or Sample submittal; and, in addition, in the case of Shop Drawings by a specific notation made on each Shop Drawing submitted to Engineer for review and approval of each such variation.

- B. *Submittal Procedures for Shop Drawings and Samples:* Contractor shall submit Shop Drawings and Samples to Engineer for review and approval in accordance with the accepted Schedule of Submittals. Each submittal will be identified as Engineer may require.

### 1. *Shop Drawings:*

- a. Contractor shall submit the number of copies required in the Specifications.
- b. Data shown on the Shop Drawings will be complete with respect to quantities, dimensions, specified performance and design criteria, materials, and similar data to show Engineer the services, materials, and equipment Contractor proposes to provide and to enable Engineer to review the information for the limited purposes required by Paragraph 7.16.D.

2. *Samples:*
  - a. Contractor shall submit the number of Samples required in the Specifications.
  - b. Contractor shall clearly identify each Sample as to material, Supplier, pertinent data such as catalog numbers, the use for which intended and other data as Engineer may require to enable Engineer to review the submittal for the limited purposes required by Paragraph 7.16.D.
3. Where a Shop Drawing or Sample is required by the Contract Documents or the Schedule of Submittals, any related Work performed prior to Engineer's review and approval of the pertinent submittal will be at the sole expense and responsibility of Contractor.
- C. *Other Submittals:* Contractor shall submit other submittals to Engineer in accordance with the accepted Schedule of Submittals, and pursuant to the applicable terms of the Specifications.
- D. *Engineer's Review:*
  1. Engineer will provide timely review of Shop Drawings and Samples in accordance with the Schedule of Submittals acceptable to Engineer. Engineer's review and approval will be only to determine if the items covered by the submittals will, after installation or incorporation in the Work, conform to the information given in the Contract Documents and be compatible with the design concept of the completed Project as a functioning whole as indicated by the Contract Documents.
  2. Engineer's review and approval will not extend to means, methods, techniques, sequences, or procedures of construction or to safety precautions or programs incident thereto.
  3. Engineer's review and approval of a separate item as such will not indicate approval of the assembly in which the item functions.
  4. Engineer's review and approval of a Shop Drawing or Sample shall not relieve Contractor from responsibility for any variation from the requirements of the Contract Documents unless Contractor has complied with the requirements of Paragraph 7.16.A.3 and Engineer has given written approval of each such variation by specific written notation thereof incorporated in or accompanying the Shop Drawing or Sample. Engineer will document any such approved variation from the requirements of the Contract Documents in a Field Order.
  5. Engineer's review and approval of a Shop Drawing or Sample shall not relieve Contractor from responsibility for complying with the requirements of Paragraph 7.16.A and B.
  6. Engineer's review and approval of a Shop Drawing or Sample, or of a variation from the requirements of the Contract Documents, shall not, under any circumstances, change the Contract Times or Contract Price, unless such changes are included in a Change Order.
  7. Neither Engineer's receipt, review, acceptance or approval of a Shop Drawing, Sample, or other submittal shall result in such item becoming a Contract Document.
  8. Contractor shall perform the Work in compliance with the requirements and commitments set forth in approved Shop Drawings and Samples, subject to the provisions of Paragraph 7.16.D.4.
- E. *Resubmittal Procedures:*
  1. Contractor shall make corrections required by Engineer and shall return the required number of corrected copies of Shop Drawings and submit, as required, new Samples for

review and approval. Contractor shall direct specific attention in writing to revisions other than the corrections called for by Engineer on previous submittals.

2. Contractor shall furnish required submittals with sufficient information and accuracy to obtain required approval of an item with no more than three submittals. Engineer will record Engineer's time for reviewing a fourth or subsequent submittal of a Shop Drawings, sample, or other item requiring approval, and Contractor shall be responsible for Engineer's charges to Owner for such time. Owner may impose a set-off against payments due to Contractor to secure reimbursement for such charges.
3. If Contractor requests a change of a previously approved submittal item, Contractor shall be responsible for Engineer's charges to Owner for its review time, and Owner may impose a set-off against payments due to Contractor to secure reimbursement for such charges, unless the need for such change is beyond the control of Contractor.

#### 7.17 Contractor's General Warranty and Guarantee

- A. Contractor warrants and guarantees to Owner that all Work will be in accordance with the Contract Documents and will not be defective. Engineer and its officers, directors, members, partners, employees, agents, consultants, and subcontractors shall be entitled to rely on Contractor's warranty and guarantee.
- B. Contractor's warranty and guarantee hereunder excludes defects or damage caused by:
  1. abuse, modification, or improper maintenance or operation by persons other than Contractor, Subcontractors, Suppliers, or any other individual or entity for whom Contractor is responsible; or
  2. normal wear and tear under normal usage.
- C. Contractor's obligation to perform and complete the Work in accordance with the Contract Documents shall be absolute. None of the following will constitute an acceptance of Work that is not in accordance with the Contract Documents or a release of Contractor's obligation to perform the Work in accordance with the Contract Documents:
  1. observations by Engineer;
  2. recommendation by Engineer or payment by Owner of any progress or final payment;
  3. the issuance of a certificate of Substantial Completion by Engineer or any payment related thereto by Owner;
  4. use or occupancy of the Work or any part thereof by Owner;
  5. any review and approval of a Shop Drawing or Sample submittal;
  6. the issuance of a notice of acceptability by Engineer;
  7. any inspection, test, or approval by others; or
  8. any correction of defective Work by Owner.
- D. If the Contract requires the Contractor to accept the assignment of a contract entered into by Owner, then the specific warranties, guarantees, and correction obligations contained in the assigned contract shall govern with respect to Contractor's performance obligations to Owner for the Work described in the assigned contract.

## 7.18 Indemnification

- A. To the fullest extent permitted by Laws and Regulations, and in addition to any other obligations of Contractor under the Contract or otherwise, Contractor shall indemnify and hold harmless Owner and Engineer, and the officers, directors, members, partners, employees, agents, consultants and subcontractors of each and any of them from and against all claims, costs, losses, and damages (including but not limited to all fees and charges of engineers, architects, attorneys, and other professionals and all court or arbitration or other dispute resolution costs) arising out of or relating to the performance of the Work, provided that any such claim, cost, loss, or damage is attributable to bodily injury, sickness, disease, or death, or to injury to or destruction of tangible property (other than the Work itself), including the loss of use resulting therefrom but only to the extent caused by any negligent act or omission of Contractor, any Subcontractor, any Supplier, or any individual or entity directly or indirectly employed by any of them to perform any of the Work or anyone for whose acts any of them may be liable.
- B. In any and all claims against Owner or Engineer or any of their officers, directors, members, partners, employees, agents, consultants, or subcontractors by any employee (or the survivor or personal representative of such employee) of Contractor, any Subcontractor, any Supplier, or any individual or entity directly or indirectly employed by any of them to perform any of the Work, or anyone for whose acts any of them may be liable, the indemnification obligation under Paragraph 7.18.A shall not be limited in any way by any limitation on the amount or type of damages, compensation, or benefits payable by or for Contractor or any such Subcontractor, Supplier, or other individual or entity under workers' compensation acts, disability benefit acts, or other employee benefit acts.
- C. The indemnification obligations of Contractor under Paragraph 7.18.A shall not extend to the liability of Engineer and Engineer's officers, directors, members, partners, employees, agents, consultants and subcontractors arising out of:
  - 1. the preparation or approval of, or the failure to prepare or approve maps, Drawings, opinions, reports, surveys, Change Orders, designs, or Specifications; or
  - 2. giving directions or instructions, or failing to give them, if that is the primary cause of the injury or damage.

## 7.19 Delegation of Professional Design Services

- A. Contractor will not be required to provide professional design services unless such services are specifically required by the Contract Documents for a portion of the Work or unless such services are required to carry out Contractor's responsibilities for construction means, methods, techniques, sequences and procedures. Contractor shall not be required to provide professional services in violation of applicable Laws and Regulations.
- B. If professional design services or certifications by a design professional related to systems, materials, or equipment are specifically required of Contractor by the Contract Documents, Owner and Engineer will specify all performance and design criteria that such services must satisfy. Contractor shall cause such services or certifications to be provided by a properly licensed professional, whose signature and seal shall appear on all drawings, calculations, specifications, certifications, and other submittals prepared by such professional. Shop Drawings and other submittals related to the Work designed or certified by such professional, if prepared by others, shall bear such professional's written approval when submitted to Engineer.

- C. Owner and Engineer shall be entitled to rely upon the adequacy, accuracy, and completeness of the services, certifications, or approvals performed by such design professionals, provided Owner and Engineer have specified to Contractor all performance and design criteria that such services must satisfy.
- D. Pursuant to this paragraph, Engineer's review and approval of design calculations and design drawings will be only for the limited purpose of checking for conformance with performance and design criteria given and the design concept expressed in the Contract Documents. Engineer's review and approval of Shop Drawings and other submittals (except design calculations and design drawings) will be only for the purpose stated in Paragraph 7.16.D.1.
- E. Contractor shall not be responsible for the adequacy of the performance or design criteria specified by Owner or Engineer.

## **ARTICLE 8 – OTHER WORK AT THE SITE**

### **8.01 Other Work**

- A. In addition to and apart from the Work under the Contract Documents, the Owner may perform other work at or adjacent to the Site. Such other work may be performed by Owner's employees, or through contracts between the Owner and third parties. Owner may also arrange to have third-party utility owners perform work on their utilities and facilities at or adjacent to the Site.
- B. If Owner performs other work at or adjacent to the Site with Owner's employees, or through contracts for such other work, then Owner shall give Contractor written notice thereof prior to starting any such other work. If Owner has advance information regarding the start of any utility work at or adjacent to the Site, Owner shall provide such information to Contractor.
- C. Contractor shall afford each other contractor that performs such other work, each utility owner performing other work, and Owner, if Owner is performing other work with Owner's employees, proper and safe access to the Site, and provide a reasonable opportunity for the introduction and storage of materials and equipment and the execution of such other work. Contractor shall do all cutting, fitting, and patching of the Work that may be required to properly connect or otherwise make its several parts come together and properly integrate with such other work. Contractor shall not endanger any work of others by cutting, excavating, or otherwise altering such work; provided, however, that Contractor may cut or alter others' work with the written consent of Engineer and the others whose work will be affected.
- D. If the proper execution or results of any part of Contractor's Work depends upon work performed by others under this Article 8, Contractor shall inspect such other work and promptly report to Engineer in writing any delays, defects, or deficiencies in such other work that render it unavailable or unsuitable for the proper execution and results of Contractor's Work. Contractor's failure to so report will constitute an acceptance of such other work as fit and proper for integration with Contractor's Work except for latent defects and deficiencies in such other work.

### **8.02 Coordination**

- A. If Owner intends to contract with others for the performance of other work at or adjacent to the Site, to perform other work at or adjacent to the Site with Owner's employees, or to arrange to have utility owners perform work at or adjacent to the Site, the following will be set forth in the Supplementary Conditions or provided to Contractor prior to the start of any such other work:



1. the identity of the individual or entity that will have authority and responsibility for coordination of the activities among the various contractors;
  2. an itemization of the specific matters to be covered by such authority and responsibility; and
  3. the extent of such authority and responsibilities.
- B. Unless otherwise provided in the Supplementary Conditions, Owner shall have sole authority and responsibility for such coordination.

### 8.03 Legal Relationships

- A. If, in the course of performing other work at or adjacent to the Site for Owner, the Owner's employees, any other contractor working for Owner, or any utility owner causes damage to the Work or to the property of Contractor or its Subcontractors, or delays, disrupts, interferes with, or increases the scope or cost of the performance of the Work, through actions or inaction, then Contractor shall be entitled to an equitable adjustment in the Contract Price or the Contract Times, or both. Contractor must submit any Change Proposal seeking an equitable adjustment in the Contract Price or the Contract Times under this paragraph within 30 days of the damaging, delaying, disrupting, or interfering event. The entitlement to, and extent of, any such equitable adjustment shall take into account information (if any) regarding such other work that was provided to Contractor in the Contract Documents prior to the submittal of the Bid or the final negotiation of the terms of the Contract. When applicable, any such equitable adjustment in Contract Price shall be conditioned on Contractor assigning to Owner all Contractor's rights against such other contractor or utility owner with respect to the damage, delay, disruption, or interference that is the subject of the adjustment. Contractor's entitlement to an adjustment of the Contract Times is conditioned on such adjustment being essential to Contractor's ability to complete the Work within the Contract Times.
- B. Contractor shall take reasonable and customary measures to avoid damaging, delaying, disrupting, or interfering with the work of Owner, any other contractor, or any utility owner performing other work at or adjacent to the Site. If Contractor fails to take such measures and as a result damages, delays, disrupts, or interferes with the work of any such other contractor or utility owner, then Owner may impose a set-off against payments due to Contractor, and assign to such other contractor or utility owner the Owner's contractual rights against Contractor with respect to the breach of the obligations set forth in this paragraph.
- C. When Owner is performing other work at or adjacent to the Site with Owner's employees, Contractor shall be liable to Owner for damage to such other work, and for the reasonable direct delay, disruption, and interference costs incurred by Owner as a result of Contractor's failure to take reasonable and customary measures with respect to Owner's other work. In response to such damage, delay, disruption, or interference, Owner may impose a set-off against payments due to Contractor.
- D. If Contractor damages, delays, disrupts, or interferes with the work of any other contractor, or any utility owner performing other work at or adjacent to the Site, through Contractor's failure to take reasonable and customary measures to avoid such impacts, or if any claim arising out of Contractor's actions, inactions, or negligence in performance of the Work at or adjacent to the Site is made by any such other contractor or utility owner against Contractor, Owner, or Engineer, then Contractor shall (1) promptly attempt to settle the claim as to all parties through negotiations with such other contractor or utility owner, or otherwise resolve the claim by arbitration or other dispute resolution proceeding or at law, and (2) indemnify and hold harmless Owner and Engineer, and the officers, directors, members, partners, employees,

agents, consultants and subcontractors of each and any of them from and against any such claims, and against all costs, losses, and damages (including but not limited to all fees and charges of engineers, architects, attorneys, and other professionals and all court or arbitration or other dispute resolution costs) arising out of or relating to such damage, delay, disruption, or interference.

## **ARTICLE 9 – OWNER’S RESPONSIBILITIES**

### **9.01 Communications to Contractor**

- A. Except as otherwise provided in these General Conditions, Owner shall issue all communications to Contractor through Engineer.

### **9.02 Replacement of Engineer**

- A. Owner may at its discretion appoint an engineer to replace Engineer, provided Contractor makes no reasonable objection to the replacement engineer. The replacement engineer’s status under the Contract Documents shall be that of the former Engineer.

### **9.03 Furnish Data**

- A. Owner shall promptly furnish the data required of Owner under the Contract Documents.

### **9.04 Pay When Due**

- A. Owner shall make payments to Contractor when they are due as provided in the Agreement.

### **9.05 Lands and Easements; Reports, Tests, and Drawings**

- A. Owner’s duties with respect to providing lands and easements are set forth in Paragraph 5.01.
- B. Owner’s duties with respect to providing engineering surveys to establish reference points are set forth in Paragraph 4.03.
- C. Article 5 refers to Owner’s identifying and making available to Contractor copies of reports of explorations and tests of conditions at the Site, and drawings of physical conditions relating to existing surface or subsurface structures at the Site.

### **9.06 Insurance**

- A. Owner’s responsibilities, if any, with respect to purchasing and maintaining liability and property insurance are set forth in Article 6.

### **9.07 Change Orders**

- A. Owner’s responsibilities with respect to Change Orders are set forth in Article 11.

### **9.08 Inspections, Tests, and Approvals**

- A. Owner’s responsibility with respect to certain inspections, tests, and approvals is set forth in Paragraph 14.02.B.

### **9.09 Limitations on Owner’s Responsibilities**

- A. The Owner shall not supervise, direct, or have control or authority over, nor be responsible for, Contractor’s means, methods, techniques, sequences, or procedures of construction, or the safety precautions and programs incident thereto, or for any failure of Contractor to comply with Laws and Regulations applicable to the performance of the Work. Owner will not be responsible for Contractor’s failure to perform the Work in accordance with the Contract Documents.

- 9.10 Undisclosed Hazardous Environmental Condition
- A. Owner's responsibility in respect to an undisclosed Hazardous Environmental Condition is set forth in Paragraph 5.06.
- 9.11 Evidence of Financial Arrangements
- A. Upon request of Contractor, Owner shall furnish Contractor reasonable evidence that financial arrangements have been made to satisfy Owner's obligations under the Contract Documents (including obligations under proposed changes in the Work).
- 9.12 Safety Programs
- A. While at the Site, Owner's employees and representatives shall comply with the specific applicable requirements of Contractor's safety programs of which Owner has been informed.
- B. Owner shall furnish copies of any applicable Owner safety programs to Contractor.

## **ARTICLE 10 – ENGINEER'S STATUS DURING CONSTRUCTION**

- 10.01 Owner's Representative
- A. Engineer will be Owner's representative during the construction period. The duties and responsibilities and the limitations of authority of Engineer as Owner's representative during construction are set forth in the Contract.
- 10.02 Visits to Site
- A. Engineer will make visits to the Site at intervals appropriate to the various stages of construction as Engineer deems necessary in order to observe as an experienced and qualified design professional the progress that has been made and the quality of the various aspects of Contractor's executed Work. Based on information obtained during such visits and observations, Engineer, for the benefit of Owner, will determine, in general, if the Work is proceeding in accordance with the Contract Documents. Engineer will not be required to make exhaustive or continuous inspections on the Site to check the quality or quantity of the Work. Engineer's efforts will be directed toward providing for Owner a greater degree of confidence that the completed Work will conform generally to the Contract Documents. On the basis of such visits and observations, Engineer will keep Owner informed of the progress of the Work and will endeavor to guard Owner against defective Work.
- B. Engineer's visits and observations are subject to all the limitations on Engineer's authority and responsibility set forth in Paragraph 10.08. Particularly, but without limitation, during or as a result of Engineer's visits or observations of Contractor's Work, Engineer will not supervise, direct, control, or have authority over or be responsible for Contractor's means, methods, techniques, sequences, or procedures of construction, or the safety precautions and programs incident thereto, or for any failure of Contractor to comply with Laws and Regulations applicable to the performance of the Work.
- 10.03 Project Representative
- A. If Owner and Engineer have agreed that Engineer will furnish a Resident Project Representative to represent Engineer at the Site and assist Engineer in observing the progress and quality of the Work, then the authority and responsibilities of any such Resident Project Representative will be as provided in the Supplementary Conditions, and limitations on the responsibilities thereof will be as provided in Paragraph 10.08. If Owner designates another representative or agent to represent Owner at the Site who is not Engineer's consultant, agent,

or employee, the responsibilities and authority and limitations thereon of such other individual or entity will be as provided in the Supplementary Conditions.

10.04 Rejecting Defective Work

- A. Engineer has the authority to reject Work in accordance with Article 14.

10.05 Shop Drawings, Change Orders and Payments

- A. Engineer's authority, and limitations thereof, as to Shop Drawings and Samples, are set forth in Paragraph 7.16.
- B. Engineer's authority, and limitations thereof, as to design calculations and design drawings submitted in response to a delegation of professional design services, if any, are set forth in Paragraph 7.19.
- C. Engineer's authority as to Change Orders is set forth in Article 11.
- D. Engineer's authority as to Applications for Payment is set forth in Article 15.

10.06 Determinations for Unit Price Work

- A. Engineer will determine the actual quantities and classifications of Unit Price Work performed by Contractor as set forth in Paragraph 13.03.

10.07 Decisions on Requirements of Contract Documents and Acceptability of Work

- A. Engineer will render decisions regarding the requirements of the Contract Documents, and judge the acceptability of the Work, pursuant to the specific procedures set forth herein for initial interpretations, Change Proposals, and acceptance of the Work. In rendering such decisions and judgments, Engineer will not show partiality to Owner or Contractor, and will not be liable to Owner, Contractor, or others in connection with any proceedings, interpretations, decisions, or judgments conducted or rendered in good faith.

10.08 Limitations on Engineer's Authority and Responsibilities

- A. Neither Engineer's authority or responsibility under this Article 10 or under any other provision of the Contract, nor any decision made by Engineer in good faith either to exercise or not exercise such authority or responsibility or the undertaking, exercise, or performance of any authority or responsibility by Engineer, shall create, impose, or give rise to any duty in contract, tort, or otherwise owed by Engineer to Contractor, any Subcontractor, any Supplier, any other individual or entity, or to any surety for or employee or agent of any of them.
- B. Engineer will not supervise, direct, control, or have authority over or be responsible for Contractor's means, methods, techniques, sequences, or procedures of construction, or the safety precautions and programs incident thereto, or for any failure of Contractor to comply with Laws and Regulations applicable to the performance of the Work. Engineer will not be responsible for Contractor's failure to perform the Work in accordance with the Contract Documents.
- C. Engineer will not be responsible for the acts or omissions of Contractor or of any Subcontractor, any Supplier, or of any other individual or entity performing any of the Work.
- D. Engineer's review of the final Application for Payment and accompanying documentation and all maintenance and operating instructions, schedules, guarantees, bonds, certificates of inspection, tests and approvals, and other documentation required to be delivered by Paragraph 15.06.A will only be to determine generally that their content complies with the

requirements of, and in the case of certificates of inspections, tests, and approvals, that the results certified indicate compliance with the Contract Documents.

- E. The limitations upon authority and responsibility set forth in this Paragraph 10.08 shall also apply to the Resident Project Representative, if any.

#### 10.09 Compliance with Safety Program

- A. While at the Site, Engineer's employees and representatives will comply with the specific applicable requirements of Owner's and Contractor's safety programs (if any) of which Engineer has been informed.

### **ARTICLE 11 – AMENDING THE CONTRACT DOCUMENTS; CHANGES IN THE WORK**

#### 11.01 Amending and Supplementing Contract Documents

- A. The Contract Documents may be amended or supplemented by a Change Order, a Work Change Directive, or a Field Order.

- 1. *Change Orders:*

- a. If an amendment or supplement to the Contract Documents includes a change in the Contract Price or the Contract Times, such amendment or supplement must be set forth in a Change Order. A Change Order also may be used to establish amendments and supplements of the Contract Documents that do not affect the Contract Price or Contract Times.
- b. Owner and Contractor may amend those terms and conditions of the Contract Documents that do not involve (1) the performance or acceptability of the Work, (2) the design (as set forth in the Drawings, Specifications, or otherwise), or (3) other engineering or technical matters, without the recommendation of the Engineer. Such an amendment shall be set forth in a Change Order.

- 2. *Work Change Directives:* A Work Change Directive will not change the Contract Price or the Contract Times but is evidence that the parties expect that the modification ordered or documented by a Work Change Directive will be incorporated in a subsequently issued Change Order, following negotiations by the parties as to the Work Change Directive's effect, if any, on the Contract Price and Contract Times; or, if negotiations are unsuccessful, by a determination under the terms of the Contract Documents governing adjustments, expressly including Paragraph 11.04 regarding change of Contract Price. Contractor must submit any Change Proposal seeking an adjustment of the Contract Price or the Contract Times, or both, no later than 30 days after the completion of the Work set out in the Work Change Directive. Owner must submit any Claim seeking an adjustment of the Contract Price or the Contract Times, or both, no later than 60 days after issuance of the Work Change Directive.

- 3. *Field Orders:* Engineer may authorize minor changes in the Work if the changes do not involve an adjustment in the Contract Price or the Contract Times and are compatible with the design concept of the completed Project as a functioning whole as indicated by the Contract Documents. Such changes will be accomplished by a Field Order and will be binding on Owner and also on Contractor, which shall perform the Work involved promptly. If Contractor believes that a Field Order justifies an adjustment in the Contract Price or Contract Times, or both, then before proceeding with the Work at issue, Contractor shall submit a Change Proposal as provided herein.

## 11.02 Owner-Authorized Changes in the Work

- A. Without invalidating the Contract and without notice to any surety, Owner may, at any time or from time to time, order additions, deletions, or revisions in the Work. Such changes shall be supported by Engineer's recommendation, to the extent the change involves the design (as set forth in the Drawings, Specifications, or otherwise), or other engineering or technical matters. Such changes may be accomplished by a Change Order, if Owner and Contractor have agreed as to the effect, if any, of the changes on Contract Times or Contract Price; or by a Work Change Directive. Upon receipt of any such document, Contractor shall promptly proceed with the Work involved; or, in the case of a deletion in the Work, promptly cease construction activities with respect to such deleted Work. Added or revised Work shall be performed under the applicable conditions of the Contract Documents. Nothing in this paragraph shall obligate Contractor to undertake work that Contractor reasonably concludes cannot be performed in a manner consistent with Contractor's safety obligations under the Contract Documents or Laws and Regulations.

## 11.03 Unauthorized Changes in the Work

- A. Contractor shall not be entitled to an increase in the Contract Price or an extension of the Contract Times with respect to any work performed that is not required by the Contract Documents, as amended, modified, or supplemented, except in the case of an emergency as provided in Paragraph 7.15 or in the case of uncovering Work as provided in Paragraph 14.05.

## 11.04 Change of Contract Price

- A. The Contract Price may only be changed by a Change Order. Any Change Proposal for an adjustment in the Contract Price shall comply with the provisions of Paragraph 11.06. Any Claim for an adjustment of Contract Price shall comply with the provisions of Article 12.
- B. An adjustment in the Contract Price will be determined as follows:
  1. where the Work involved is covered by unit prices contained in the Contract Documents, then by application of such unit prices to the quantities of the items involved (subject to the provisions of Paragraph 13.03); or
  2. where the Work involved is not covered by unit prices contained in the Contract Documents, then by a mutually agreed lump sum (which may include an allowance for overhead and profit not necessarily in accordance with Paragraph 11.04.C.2); or
  3. where the Work involved is not covered by unit prices contained in the Contract Documents and the parties do not reach mutual agreement to a lump sum, then on the basis of the Cost of the Work (determined as provided in Paragraph 13.01) plus a Contractor's fee for overhead and profit (determined as provided in Paragraph 11.04.C).
- C. *Contractor's Fee*: When applicable, the Contractor's fee for overhead and profit shall be determined as follows:
  1. a mutually acceptable fixed fee; or
  2. if a fixed fee is not agreed upon, then a fee based on the following percentages of the various portions of the Cost of the Work:
    - a. for costs incurred under Paragraphs 13.01.B.1 and 13.01.B.2, the Contractor's fee shall be 15 percent;
    - b. for costs incurred under Paragraph 13.01.B.3, the Contractor's fee shall be five percent;

- c. where one or more tiers of subcontracts are on the basis of Cost of the Work plus a fee and no fixed fee is agreed upon, the intent of Paragraphs 11.01.C.2.a and 11.01.C.2.b is that the Contractor's fee shall be based on: (1) a fee of 15 percent of the costs incurred under Paragraphs 13.01.A.1 and 13.01.A.2 by the Subcontractor that actually performs the Work, at whatever tier, and (2) with respect to Contractor itself and to any Subcontractors of a tier higher than that of the Subcontractor that actually performs the Work, a fee of five percent of the amount (fee plus underlying costs incurred) attributable to the next lower tier Subcontractor; provided, however, that for any such subcontracted work the maximum total fee to be paid by Owner shall be no greater than 27 percent of the costs incurred by the Subcontractor that actually performs the work;
- d. no fee shall be payable on the basis of costs itemized under Paragraphs 13.01.B.4, 13.01.B.5, and 13.01.C;
- e. the amount of credit to be allowed by Contractor to Owner for any change which results in a net decrease in cost will be the amount of the actual net decrease in cost plus a deduction in Contractor's fee by an amount equal to five percent of such net decrease; and
- f. when both additions and credits are involved in any one change, the adjustment in Contractor's fee shall be computed on the basis of the net change in accordance with Paragraphs 11.04.C.2.a through 11.04.C.2.e, inclusive.

#### 11.05 Change of Contract Times

- A. The Contract Times may only be changed by a Change Order. Any Change Proposal for an adjustment in the Contract Times shall comply with the provisions of Paragraph 11.06. Any Claim for an adjustment in the Contract Times shall comply with the provisions of Article 12.
- B. An adjustment of the Contract Times shall be subject to the limitations set forth in Paragraph 4.05, concerning delays in Contractor's progress.

#### 11.06 Change Proposals

- A. Contractor shall submit a Change Proposal to Engineer to request an adjustment in the Contract Times or Contract Price; appeal an initial decision by Engineer concerning the requirements of the Contract Documents or relating to the acceptability of the Work under the Contract Documents; contest a set-off against payment due; or seek other relief under the Contract. The Change Proposal shall specify any proposed change in Contract Times or Contract Price, or both, or other proposed relief, and explain the reason for the proposed change, with citations to any governing or applicable provisions of the Contract Documents.
  - 1. *Procedures:* Contractor shall submit each Change Proposal to Engineer promptly (but in no event later than 30 days) after the start of the event giving rise thereto, or after such initial decision. The Contractor shall submit supporting data, including the proposed change in Contract Price or Contract Time (if any), to the Engineer and Owner within 15 days after the submittal of the Change Proposal. The supporting data shall be accompanied by a written statement that the supporting data are accurate and complete, and that any requested time or price adjustment is the entire adjustment to which Contractor believes it is entitled as a result of said event. Engineer will advise Owner regarding the Change Proposal, and consider any comments or response from Owner regarding the Change Proposal.

2. *Engineer's Action*: Engineer will review each Change Proposal and, within 30 days after receipt of the Contractor's supporting data, either deny the Change Proposal in whole, approve it in whole, or deny it in part and approve it in part. Such actions shall be in writing, with a copy provided to Owner and Contractor. If Engineer does not take action on the Change Proposal within 30 days, then either Owner or Contractor may at any time thereafter submit a letter to the other party indicating that as a result of Engineer's inaction the Change Proposal is deemed denied, thereby commencing the time for appeal of the denial under Article 12.
  3. *Binding Decision*: Engineer's decision will be final and binding upon Owner and Contractor, unless Owner or Contractor appeals the decision by filing a Claim under Article 12.
- B. *Resolution of Certain Change Proposals*: If the Change Proposal does not involve the design (as set forth in the Drawings, Specifications, or otherwise), the acceptability of the Work, or other engineering or technical matters, then Engineer will notify the parties that the Engineer is unable to resolve the Change Proposal. For purposes of further resolution of such a Change Proposal, such notice shall be deemed a denial, and Contractor may choose to seek resolution under the terms of Article 12.

#### 11.07 Execution of Change Orders

- A. Owner and Contractor shall execute appropriate Change Orders covering:
1. changes in the Contract Price or Contract Times which are agreed to by the parties, including any undisputed sum or amount of time for Work actually performed in accordance with a Work Change Directive;
  2. changes in Contract Price resulting from an Owner set-off, unless Contractor has duly contested such set-off;
  3. changes in the Work which are: (a) ordered by Owner pursuant to Paragraph 11.02, (b) required because of Owner's acceptance of defective Work under Paragraph 14.04 or Owner's correction of defective Work under Paragraph 14.07, or (c) agreed to by the parties, subject to the need for Engineer's recommendation if the change in the Work involves the design (as set forth in the Drawings, Specifications, or otherwise), or other engineering or technical matters; and
  4. changes in the Contract Price or Contract Times, or other changes, which embody the substance of any final and binding results under Paragraph 11.06, or Article 12.
- B. If Owner or Contractor refuses to execute a Change Order that is required to be executed under the terms of this Paragraph 11.07, it shall be deemed to be of full force and effect, as if fully executed.

#### 11.08 Notification to Surety

- A. If the provisions of any bond require notice to be given to a surety of any change affecting the general scope of the Work or the provisions of the Contract Documents (including, but not limited to, Contract Price or Contract Times), the giving of any such notice will be Contractor's responsibility. The amount of each applicable bond will be adjusted to reflect the effect of any such change.



## ARTICLE 12 – CLAIMS

### 12.01 Claims

- A. *Claims Process:* The following disputes between Owner and Contractor shall be submitted to the Claims process set forth in this Article:
1. Appeals by Owner or Contractor of Engineer's decisions regarding Change Proposals;
  2. Owner demands for adjustments in the Contract Price or Contract Times, or other relief under the Contract Documents; and
  3. Disputes that Engineer has been unable to address because they do not involve the design (as set forth in the Drawings, Specifications, or otherwise), the acceptability of the Work, or other engineering or technical matters.
- B. *Submittal of Claim:* The party submitting a Claim shall deliver it directly to the other party to the Contract promptly (but in no event later than 30 days) after the start of the event giving rise thereto; in the case of appeals regarding Change Proposals within 30 days of the decision under appeal. The party submitting the Claim shall also furnish a copy to the Engineer, for its information only. The responsibility to substantiate a Claim shall rest with the party making the Claim. In the case of a Claim by Contractor seeking an increase in the Contract Times or Contract Price, or both, Contractor shall certify that the Claim is made in good faith, that the supporting data are accurate and complete, and that to the best of Contractor's knowledge and belief the amount of time or money requested accurately reflects the full amount to which Contractor is entitled.
- C. *Review and Resolution:* The party receiving a Claim shall review it thoroughly, giving full consideration to its merits. The two parties shall seek to resolve the Claim through the exchange of information and direct negotiations. The parties may extend the time for resolving the Claim by mutual agreement. All actions taken on a Claim shall be stated in writing and submitted to the other party, with a copy to Engineer.
- D. *Mediation:*
1. At any time after initiation of a Claim, Owner and Contractor may mutually agree to mediation of the underlying dispute. The agreement to mediate shall stay the Claim submittal and response process.
  2. If Owner and Contractor agree to mediation, then after 60 days from such agreement, either Owner or Contractor may unilaterally terminate the mediation process, and the Claim submittal and decision process shall resume as of the date of the termination. If the mediation proceeds but is unsuccessful in resolving the dispute, the Claim submittal and decision process shall resume as of the date of the conclusion of the mediation, as determined by the mediator.
  3. Owner and Contractor shall each pay one-half of the mediator's fees and costs.
- E. *Partial Approval:* If the party receiving a Claim approves the Claim in part and denies it in part, such action shall be final and binding unless within 30 days of such action the other party invokes the procedure set forth in Article 17 for final resolution of disputes.
- F. *Denial of Claim:* If efforts to resolve a Claim are not successful, the party receiving the Claim may deny it by giving written notice of denial to the other party. If the receiving party does not take action on the Claim within 90 days, then either Owner or Contractor may at any time thereafter submit a letter to the other party indicating that as a result of the inaction, the Claim

is deemed denied, thereby commencing the time for appeal of the denial. A denial of the Claim shall be final and binding unless within 30 days of the denial the other party invokes the procedure set forth in Article 17 for the final resolution of disputes.

- G. *Final and Binding Results:* If the parties reach a mutual agreement regarding a Claim, whether through approval of the Claim, direct negotiations, mediation, or otherwise; or if a Claim is approved in part and denied in part, or denied in full, and such actions become final and binding; then the results of the agreement or action on the Claim shall be incorporated in a Change Order to the extent they affect the Contract, including the Work, the Contract Times, or the Contract Price.

## **ARTICLE 13 – COST OF THE WORK; ALLOWANCES; UNIT PRICE WORK**

### **13.01 Cost of the Work**

- A. *Purposes for Determination of Cost of the Work:* The term Cost of the Work means the sum of all costs necessary for the proper performance of the Work at issue, as further defined below. The provisions of this Paragraph 13.01 are used for two distinct purposes:
1. To determine Cost of the Work when Cost of the Work is a component of the Contract Price, under cost-plus-fee, time-and-materials, or other cost-based terms; or
  2. To determine the value of a Change Order, Change Proposal, Claim, set-off, or other adjustment in Contract Price. When the value of any such adjustment is determined on the basis of Cost of the Work, Contractor is entitled only to those additional or incremental costs required because of the change in the Work or because of the event giving rise to the adjustment.
- B. *Costs Included:* Except as otherwise may be agreed to in writing by Owner, costs included in the Cost of the Work shall be in amounts no higher than those prevailing in the locality of the Project, shall not include any of the costs itemized in Paragraph 13.01.C, and shall include only the following items:
1. Payroll costs for employees in the direct employ of Contractor in the performance of the Work under schedules of job classifications agreed upon by Owner and Contractor. Such employees shall include, without limitation, superintendents, foremen, and other personnel employed full time on the Work. Payroll costs for employees not employed full time on the Work shall be apportioned on the basis of their time spent on the Work. Payroll costs shall include, but not be limited to, salaries and wages plus the cost of fringe benefits, which shall include social security contributions, unemployment, excise, and payroll taxes, workers' compensation, health and retirement benefits, bonuses, sick leave, and vacation and holiday pay applicable thereto. The expenses of performing Work outside of regular working hours, on Saturday, Sunday, or legal holidays, shall be included in the above to the extent authorized by Owner.
  2. Cost of all materials and equipment furnished and incorporated in the Work, including costs of transportation and storage thereof, and Suppliers' field services required in connection therewith. All cash discounts shall accrue to Contractor unless Owner deposits funds with Contractor with which to make payments, in which case the cash discounts shall accrue to Owner. All trade discounts, rebates, and refunds and returns from sale of surplus materials and equipment shall accrue to Owner, and Contractor shall make provisions so that they may be obtained.

3. Payments made by Contractor to Subcontractors for Work performed by Subcontractors. If required by Owner, Contractor shall obtain competitive bids from subcontractors acceptable to Owner and Contractor and shall deliver such bids to Owner, who will then determine, with the advice of Engineer, which bids, if any, will be acceptable. If any subcontract provides that the Subcontractor is to be paid on the basis of Cost of the Work plus a fee, the Subcontractor's Cost of the Work and fee shall be determined in the same manner as Contractor's Cost of the Work and fee as provided in this Paragraph 13.01.
4. Costs of special consultants (including but not limited to engineers, architects, testing laboratories, surveyors, attorneys, and accountants) employed for services specifically related to the Work.
5. Supplemental costs including the following:
  - a. The proportion of necessary transportation, travel, and subsistence expenses of Contractor's employees incurred in discharge of duties connected with the Work.
  - b. Cost, including transportation and maintenance, of all materials, supplies, equipment, machinery, appliances, office, and temporary facilities at the Site, and hand tools not owned by the workers, which are consumed in the performance of the Work, and cost, less market value, of such items used but not consumed which remain the property of Contractor.
  - c. Rentals of all construction equipment and machinery, and the parts thereof, whether rented from Contractor or others in accordance with rental agreements approved by Owner with the advice of Engineer, and the costs of transportation, loading, unloading, assembly, dismantling, and removal thereof. All such costs shall be in accordance with the terms of said rental agreements. The rental of any such equipment, machinery, or parts shall cease when the use thereof is no longer necessary for the Work.
  - d. Sales, consumer, use, and other similar taxes related to the Work, and for which Contractor is liable, as imposed by Laws and Regulations.
  - e. Deposits lost for causes other than negligence of Contractor, any Subcontractor, or anyone directly or indirectly employed by any of them or for whose acts any of them may be liable, and royalty payments and fees for permits and licenses.
  - f. Losses and damages (and related expenses) caused by damage to the Work, not compensated by insurance or otherwise, sustained by Contractor in connection with the performance of the Work (except losses and damages within the deductible amounts of property insurance established in accordance with Paragraph 6.05), provided such losses and damages have resulted from causes other than the negligence of Contractor, any Subcontractor, or anyone directly or indirectly employed by any of them or for whose acts any of them may be liable. Such losses shall include settlements made with the written consent and approval of Owner. No such losses, damages, and expenses shall be included in the Cost of the Work for the purpose of determining Contractor's fee.
  - g. The cost of utilities, fuel, and sanitary facilities at the Site.
  - h. Minor expenses such as communication service at the Site, express and courier services, and similar petty cash items in connection with the Work.
  - i. The costs of premiums for all bonds and insurance that Contractor is required by the Contract Documents to purchase and maintain.

- C. *Costs Excluded*: The term Cost of the Work shall not include any of the following items:
1. Payroll costs and other compensation of Contractor's officers, executives, principals (of partnerships and sole proprietorships), general managers, safety managers, engineers, architects, estimators, attorneys, auditors, accountants, purchasing and contracting agents, expeditors, timekeepers, clerks, and other personnel employed by Contractor, whether at the Site or in Contractor's principal or branch office for general administration of the Work and not specifically included in the agreed upon schedule of job classifications referred to in Paragraph 13.01.B.1 or specifically covered by Paragraph 13.01.B.4. The payroll costs and other compensation excluded here are to be considered administrative costs covered by the Contractor's fee.
  2. Expenses of Contractor's principal and branch offices other than Contractor's office at the Site.
  3. Any part of Contractor's capital expenses, including interest on Contractor's capital employed for the Work and charges against Contractor for delinquent payments.
  4. Costs due to the negligence of Contractor, any Subcontractor, or anyone directly or indirectly employed by any of them or for whose acts any of them may be liable, including but not limited to, the correction of defective Work, disposal of materials or equipment wrongly supplied, and making good any damage to property.
  5. Other overhead or general expense costs of any kind and the costs of any item not specifically and expressly included in Paragraph 13.01.B.
- D. *Contractor's Fee*: When the Work as a whole is performed on the basis of cost-plus, Contractor's fee shall be determined as set forth in the Agreement. When the value of any Work covered by a Change Order, Change Proposal, Claim, set-off, or other adjustment in Contract Price is determined on the basis of Cost of the Work, Contractor's fee shall be determined as set forth in Paragraph 11.04.C.
- E. *Documentation*: Whenever the Cost of the Work for any purpose is to be determined pursuant to this Article 13, Contractor will establish and maintain records thereof in accordance with generally accepted accounting practices and submit in a form acceptable to Engineer an itemized cost breakdown together with supporting data.

#### 13.02 Allowances

- A. It is understood that Contractor has included in the Contract Price all allowances so named in the Contract Documents and shall cause the Work so covered to be performed for such sums and by such persons or entities as may be acceptable to Owner and Engineer.
- B. *Cash Allowances*: Contractor agrees that:
1. the cash allowances include the cost to Contractor (less any applicable trade discounts) of materials and equipment required by the allowances to be delivered at the Site, and all applicable taxes; and
  2. Contractor's costs for unloading and handling on the Site, labor, installation, overhead, profit, and other expenses contemplated for the cash allowances have been included in the Contract Price and not in the allowances, and no demand for additional payment on account of any of the foregoing will be valid.
- C. *Contingency Allowance*: Contractor agrees that a contingency allowance, if any, is for the sole use of Owner to cover unanticipated costs.

- D. Prior to final payment, an appropriate Change Order will be issued as recommended by Engineer to reflect actual amounts due Contractor on account of Work covered by allowances, and the Contract Price shall be correspondingly adjusted.

#### 13.03 Unit Price Work

- A. Where the Contract Documents provide that all or part of the Work is to be Unit Price Work, initially the Contract Price will be deemed to include for all Unit Price Work an amount equal to the sum of the unit price for each separately identified item of Unit Price Work times the estimated quantity of each item as indicated in the Agreement.
- B. The estimated quantities of items of Unit Price Work are not guaranteed and are solely for the purpose of comparison of Bids and determining an initial Contract Price. Payments to Contractor for Unit Price Work will be based on actual quantities.
- C. Each unit price will be deemed to include an amount considered by Contractor to be adequate to cover Contractor's overhead and profit for each separately identified item.
- D. Engineer will determine the actual quantities and classifications of Unit Price Work performed by Contractor. Engineer will review with Contractor the Engineer's preliminary determinations on such matters before rendering a written decision thereon (by recommendation of an Application for Payment or otherwise). Engineer's written decision thereon will be final and binding (except as modified by Engineer to reflect changed factual conditions or more accurate data) upon Owner and Contractor, subject to the provisions of the following paragraph.
- E. Within 30 days of Engineer's written decision under the preceding paragraph, Contractor may submit a Change Proposal, or Owner may file a Claim, seeking an adjustment in the Contract Price if:
  - 1. the quantity of any item of Unit Price Work performed by Contractor differs materially and significantly from the estimated quantity of such item indicated in the Agreement;
  - 2. there is no corresponding adjustment with respect to any other item of Work; and
  - 3. Contractor believes that it is entitled to an increase in Contract Price as a result of having incurred additional expense or Owner believes that Owner is entitled to a decrease in Contract Price, and the parties are unable to agree as to the amount of any such increase or decrease.

### **ARTICLE 14 – TESTS AND INSPECTIONS; CORRECTION, REMOVAL OR ACCEPTANCE OF DEFECTIVE WORK**

#### 14.01 Access to Work

- A. Owner, Engineer, their consultants and other representatives and personnel of Owner, independent testing laboratories, and authorities having jurisdiction will have access to the Site and the Work at reasonable times for their observation, inspection, and testing. Contractor shall provide them proper and safe conditions for such access and advise them of Contractor's safety procedures and programs so that they may comply therewith as applicable.

#### 14.02 Tests, Inspections, and Approvals

- A. Contractor shall give Engineer timely notice of readiness of the Work (or specific parts thereof) for all required inspections and tests, and shall cooperate with inspection and testing personnel to facilitate required inspections and tests.
- B. Owner shall retain and pay for the services of an independent inspector, testing laboratory, or other qualified individual or entity to perform all inspections and tests expressly required by

the Contract Documents to be furnished and paid for by Owner, except that costs incurred in connection with tests or inspections of covered Work shall be governed by the provisions of Paragraph 14.05.

- C. If Laws or Regulations of any public body having jurisdiction require any Work (or part thereof) specifically to be inspected, tested, or approved by an employee or other representative of such public body, Contractor shall assume full responsibility for arranging and obtaining such inspections, tests, or approvals, pay all costs in connection therewith, and furnish Engineer the required certificates of inspection or approval.
- D. Contractor shall be responsible for arranging, obtaining, and paying for all inspections and tests required:
  - 1. by the Contract Documents, unless the Contract Documents expressly allocate responsibility for a specific inspection or test to Owner;
  - 2. to attain Owner's and Engineer's acceptance of materials or equipment to be incorporated in the Work;
  - 3. by manufacturers of equipment furnished under the Contract Documents;
  - 4. for testing, adjusting, and balancing of mechanical, electrical, and other equipment to be incorporated into the Work; and
  - 5. for acceptance of materials, mix designs, or equipment submitted for approval prior to Contractor's purchase thereof for incorporation in the Work.

Such inspections and tests shall be performed by independent inspectors, testing laboratories, or other qualified individuals or entities acceptable to Owner and Engineer.

- E. If the Contract Documents require the Work (or part thereof) to be approved by Owner, Engineer, or another designated individual or entity, then Contractor shall assume full responsibility for arranging and obtaining such approvals.
- F. If any Work (or the work of others) that is to be inspected, tested, or approved is covered by Contractor without written concurrence of Engineer, Contractor shall, if requested by Engineer, uncover such Work for observation. Such uncovering shall be at Contractor's expense unless Contractor had given Engineer timely notice of Contractor's intention to cover the same and Engineer had not acted with reasonable promptness in response to such notice.

#### 14.03 Defective Work

- A. *Contractor's Obligation:* It is Contractor's obligation to assure that the Work is not defective.
- B. *Engineer's Authority:* Engineer has the authority to determine whether Work is defective, and to reject defective Work.
- C. *Notice of Defects:* Prompt notice of all defective Work of which Owner or Engineer has actual knowledge will be given to Contractor.
- D. *Correction, or Removal and Replacement:* Promptly after receipt of written notice of defective Work, Contractor shall correct all such defective Work, whether or not fabricated, installed, or completed, or, if Engineer has rejected the defective Work, remove it from the Project and replace it with Work that is not defective.
- E. *Preservation of Warranties:* When correcting defective Work, Contractor shall take no action that would void or otherwise impair Owner's special warranty and guarantee, if any, on said Work.

- F. *Costs and Damages*: In addition to its correction, removal, and replacement obligations with respect to defective Work, Contractor shall pay all claims, costs, losses, and damages arising out of or relating to defective Work, including but not limited to the cost of the inspection, testing, correction, removal, replacement, or reconstruction of such defective Work, fines levied against Owner by governmental authorities because the Work is defective, and the costs of repair or replacement of work of others resulting from defective Work. Prior to final payment, if Owner and Contractor are unable to agree as to the measure of such claims, costs, losses, and damages resulting from defective Work, then Owner may impose a reasonable set-off against payments due under Article 15.

#### 14.04 Acceptance of Defective Work

- A. If, instead of requiring correction or removal and replacement of defective Work, Owner prefers to accept it, Owner may do so (subject, if such acceptance occurs prior to final payment, to Engineer's confirmation that such acceptance is in general accord with the design intent and applicable engineering principles, and will not endanger public safety). Contractor shall pay all claims, costs, losses, and damages attributable to Owner's evaluation of and determination to accept such defective Work (such costs to be approved by Engineer as to reasonableness), and for the diminished value of the Work to the extent not otherwise paid by Contractor. If any such acceptance occurs prior to final payment, the necessary revisions in the Contract Documents with respect to the Work shall be incorporated in a Change Order. If the parties are unable to agree as to the decrease in the Contract Price, reflecting the diminished value of Work so accepted, then Owner may impose a reasonable set-off against payments due under Article 15. If the acceptance of defective Work occurs after final payment, Contractor shall pay an appropriate amount to Owner.

#### 14.05 Uncovering Work

- A. Engineer has the authority to require special inspection or testing of the Work, whether or not the Work is fabricated, installed, or completed.
- B. If any Work is covered contrary to the written request of Engineer, then Contractor shall, if requested by Engineer, uncover such Work for Engineer's observation, and then replace the covering, all at Contractor's expense.
- C. If Engineer considers it necessary or advisable that covered Work be observed by Engineer or inspected or tested by others, then Contractor, at Engineer's request, shall uncover, expose, or otherwise make available for observation, inspection, or testing as Engineer may require, that portion of the Work in question, and provide all necessary labor, material, and equipment.
  - 1. If it is found that the uncovered Work is defective, Contractor shall be responsible for all claims, costs, losses, and damages arising out of or relating to such uncovering, exposure, observation, inspection, and testing, and of satisfactory replacement or reconstruction (including but not limited to all costs of repair or replacement of work of others); and pending Contractor's full discharge of this responsibility the Owner shall be entitled to impose a reasonable set-off against payments due under Article 15.
  - 2. If the uncovered Work is not found to be defective, Contractor shall be allowed an increase in the Contract Price or an extension of the Contract Times, or both, directly attributable to such uncovering, exposure, observation, inspection, testing, replacement, and reconstruction. If the parties are unable to agree as to the amount or extent thereof, then Contractor may submit a Change Proposal within 30 days of the determination that the Work is not defective.

#### 14.06 Owner May Stop the Work

- A. If the Work is defective, or Contractor fails to supply sufficient skilled workers or suitable materials or equipment, or fails to perform the Work in such a way that the completed Work will conform to the Contract Documents, then Owner may order Contractor to stop the Work, or any portion thereof, until the cause for such order has been eliminated; however, this right of Owner to stop the Work shall not give rise to any duty on the part of Owner to exercise this right for the benefit of Contractor, any Subcontractor, any Supplier, any other individual or entity, or any surety for, or employee or agent of any of them.

#### 14.07 Owner May Correct Defective Work

- A. If Contractor fails within a reasonable time after written notice from Engineer to correct defective Work, or to remove and replace rejected Work as required by Engineer, or if Contractor fails to perform the Work in accordance with the Contract Documents, or if Contractor fails to comply with any other provision of the Contract Documents, then Owner may, after seven days written notice to Contractor, correct or remedy any such deficiency.
- B. In exercising the rights and remedies under this Paragraph 14.07, Owner shall proceed expeditiously. In connection with such corrective or remedial action, Owner may exclude Contractor from all or part of the Site, take possession of all or part of the Work and suspend Contractor's services related thereto, and incorporate in the Work all materials and equipment stored at the Site or for which Owner has paid Contractor but which are stored elsewhere. Contractor shall allow Owner, Owner's representatives, agents and employees, Owner's other contractors, and Engineer and Engineer's consultants access to the Site to enable Owner to exercise the rights and remedies under this paragraph.
- C. All claims, costs, losses, and damages incurred or sustained by Owner in exercising the rights and remedies under this Paragraph 14.07 will be charged against Contractor as set-offs against payments due under Article 15. Such claims, costs, losses and damages will include but not be limited to all costs of repair, or replacement of work of others destroyed or damaged by correction, removal, or replacement of Contractor's defective Work.
- D. Contractor shall not be allowed an extension of the Contract Times because of any delay in the performance of the Work attributable to the exercise by Owner of Owner's rights and remedies under this Paragraph 14.07.

### **ARTICLE 15 – PAYMENTS TO CONTRACTOR; SET-OFFS; COMPLETION; CORRECTION PERIOD**

#### 15.01 Progress Payments

- A. *Basis for Progress Payments:* The Schedule of Values established as provided in Article 2 will serve as the basis for progress payments and will be incorporated into a form of Application for Payment acceptable to Engineer. Progress payments on account of Unit Price Work will be based on the number of units completed during the pay period, as determined under the provisions of Paragraph 13.03. Progress payments for cost-based Work will be based on Cost of the Work completed by Contractor during the pay period.
- B. *Applications for Payments:*
  - 1. At least 20 days before the date established in the Agreement for each progress payment (but not more often than once a month), Contractor shall submit to Engineer for review an Application for Payment filled out and signed by Contractor covering the Work completed as of the date of the Application and accompanied by such supporting documentation as is required by the Contract Documents. If payment is requested on the



basis of materials and equipment not incorporated in the Work but delivered and suitably stored at the Site or at another location agreed to in writing, the Application for Payment shall also be accompanied by a bill of sale, invoice, or other documentation warranting that Owner has received the materials and equipment free and clear of all Liens, and evidence that the materials and equipment are covered by appropriate property insurance, a warehouse bond, or other arrangements to protect Owner's interest therein, all of which must be satisfactory to Owner.

2. Beginning with the second Application for Payment, each Application shall include an affidavit of Contractor stating that all previous progress payments received on account of the Work have been applied on account to discharge Contractor's legitimate obligations associated with prior Applications for Payment.
3. The amount of retainage with respect to progress payments will be as stipulated in the Agreement.

C. *Review of Applications:*

1. Engineer will, within 10 days after receipt of each Application for Payment, including each resubmittal, either indicate in writing a recommendation of payment and present the Application to Owner, or return the Application to Contractor indicating in writing Engineer's reasons for refusing to recommend payment. In the latter case, Contractor may make the necessary corrections and resubmit the Application.
2. Engineer's recommendation of any payment requested in an Application for Payment will constitute a representation by Engineer to Owner, based on Engineer's observations of the executed Work as an experienced and qualified design professional, and on Engineer's review of the Application for Payment and the accompanying data and schedules, that to the best of Engineer's knowledge, information and belief:
  - a. the Work has progressed to the point indicated;
  - b. the quality of the Work is generally in accordance with the Contract Documents (subject to an evaluation of the Work as a functioning whole prior to or upon Substantial Completion, the results of any subsequent tests called for in the Contract Documents, a final determination of quantities and classifications for Unit Price Work under Paragraph 13.03, and any other qualifications stated in the recommendation); and
  - c. the conditions precedent to Contractor's being entitled to such payment appear to have been fulfilled in so far as it is Engineer's responsibility to observe the Work.
3. By recommending any such payment Engineer will not thereby be deemed to have represented that:
  - a. inspections made to check the quality or the quantity of the Work as it has been performed have been exhaustive, extended to every aspect of the Work in progress, or involved detailed inspections of the Work beyond the responsibilities specifically assigned to Engineer in the Contract; or
  - b. there may not be other matters or issues between the parties that might entitle Contractor to be paid additionally by Owner or entitle Owner to withhold payment to Contractor.

4. Neither Engineer's review of Contractor's Work for the purposes of recommending payments nor Engineer's recommendation of any payment, including final payment, will impose responsibility on Engineer:
    - a. to supervise, direct, or control the Work, or
    - b. for the means, methods, techniques, sequences, or procedures of construction, or the safety precautions and programs incident thereto, or
    - c. for Contractor's failure to comply with Laws and Regulations applicable to Contractor's performance of the Work, or
    - d. to make any examination to ascertain how or for what purposes Contractor has used the money paid on account of the Contract Price, or
    - e. to determine that title to any of the Work, materials, or equipment has passed to Owner free and clear of any Liens.
  5. Engineer may refuse to recommend the whole or any part of any payment if, in Engineer's opinion, it would be incorrect to make the representations to Owner stated in Paragraph 15.01.C.2.
  6. Engineer will recommend reductions in payment (set-offs) necessary in Engineer's opinion to protect Owner from loss because:
    - a. the Work is defective, requiring correction or replacement;
    - b. the Contract Price has been reduced by Change Orders;
    - c. Owner has been required to correct defective Work in accordance with Paragraph 14.07, or has accepted defective Work pursuant to Paragraph 14.04;
    - d. Owner has been required to remove or remediate a Hazardous Environmental Condition for which Contractor is responsible; or
    - e. Engineer has actual knowledge of the occurrence of any of the events that would constitute a default by Contractor and therefore justify termination for cause under the Contract Documents.
- D. *Payment Becomes Due:*
1. Ten days after presentation of the Application for Payment to Owner with Engineer's recommendation, the amount recommended (subject to any Owner set-offs) will become due, and when due will be paid by Owner to Contractor.
- E. *Reductions in Payment by Owner:*
1. In addition to any reductions in payment (set-offs) recommended by Engineer, Owner is entitled to impose a set-off against payment based on any of the following:
    - a. claims have been made against Owner on account of Contractor's conduct in the performance or furnishing of the Work, or Owner has incurred costs, losses, or damages on account of Contractor's conduct in the performance or furnishing of the Work, including but not limited to claims, costs, losses, or damages from workplace injuries, adjacent property damage, non-compliance with Laws and Regulations, and patent infringement;
    - b. Contractor has failed to take reasonable and customary measures to avoid damage, delay, disruption, and interference with other work at or adjacent to the Site;

- c. Contractor has failed to provide and maintain required bonds or insurance;
  - d. Owner has been required to remove or remediate a Hazardous Environmental Condition for which Contractor is responsible;
  - e. Owner has incurred extra charges or engineering costs related to submittal reviews, evaluations of proposed substitutes, tests and inspections, or return visits to manufacturing or assembly facilities;
  - f. the Work is defective, requiring correction or replacement;
  - g. Owner has been required to correct defective Work in accordance with Paragraph 14.07, or has accepted defective Work pursuant to Paragraph 14.04;
  - h. the Contract Price has been reduced by Change Orders;
  - i. an event that would constitute a default by Contractor and therefore justify a termination for cause has occurred;
  - j. liquidated damages have accrued as a result of Contractor's failure to achieve Milestones, Substantial Completion, or final completion of the Work;
  - k. Liens have been filed in connection with the Work, except where Contractor has delivered a specific bond satisfactory to Owner to secure the satisfaction and discharge of such Liens;
  - l. there are other items entitling Owner to a set off against the amount recommended.
2. If Owner imposes any set-off against payment, whether based on its own knowledge or on the written recommendations of Engineer, Owner will give Contractor immediate written notice (with a copy to Engineer) stating the reasons for such action and the specific amount of the reduction, and promptly pay Contractor any amount remaining after deduction of the amount so withheld. Owner shall promptly pay Contractor the amount so withheld, or any adjustment thereto agreed to by Owner and Contractor, if Contractor remedies the reasons for such action. The reduction imposed shall be binding on Contractor unless it duly submits a Change Proposal contesting the reduction.
  3. Upon a subsequent determination that Owner's refusal of payment was not justified, the amount wrongfully withheld shall be treated as an amount due as determined by Paragraph 15.01.C.1 and subject to interest as provided in the Agreement.

#### 15.02 Contractor's Warranty of Title

- A. Contractor warrants and guarantees that title to all Work, materials, and equipment furnished under the Contract will pass to Owner free and clear of (1) all Liens and other title defects, and (2) all patent, licensing, copyright, or royalty obligations, no later than seven days after the time of payment by Owner.

#### 15.03 Substantial Completion

- A. When Contractor considers the entire Work ready for its intended use Contractor shall notify Owner and Engineer in writing that the entire Work is substantially complete and request that Engineer issue a certificate of Substantial Completion. Contractor shall at the same time submit to Owner and Engineer an initial draft of punch list items to be completed or corrected before final payment.
- B. Promptly after Contractor's notification, Owner, Contractor, and Engineer shall make an inspection of the Work to determine the status of completion. If Engineer does not consider

the Work substantially complete, Engineer will notify Contractor in writing giving the reasons therefor.

- C. If Engineer considers the Work substantially complete, Engineer will deliver to Owner a preliminary certificate of Substantial Completion which shall fix the date of Substantial Completion. Engineer shall attach to the certificate a punch list of items to be completed or corrected before final payment. Owner shall have seven days after receipt of the preliminary certificate during which to make written objection to Engineer as to any provisions of the certificate or attached punch list. If, after considering the objections to the provisions of the preliminary certificate, Engineer concludes that the Work is not substantially complete, Engineer will, within 14 days after submission of the preliminary certificate to Owner, notify Contractor in writing that the Work is not substantially complete, stating the reasons therefor. If Owner does not object to the provisions of the certificate, or if despite consideration of Owner's objections Engineer concludes that the Work is substantially complete, then Engineer will, within said 14 days, execute and deliver to Owner and Contractor a final certificate of Substantial Completion (with a revised punch list of items to be completed or corrected) reflecting such changes from the preliminary certificate as Engineer believes justified after consideration of any objections from Owner.
- D. At the time of receipt of the preliminary certificate of Substantial Completion, Owner and Contractor will confer regarding Owner's use or occupancy of the Work following Substantial Completion, review the builder's risk insurance policy with respect to the end of the builder's risk coverage, and confirm the transition to coverage of the Work under a permanent property insurance policy held by Owner. Unless Owner and Contractor agree otherwise in writing, Owner shall bear responsibility for security, operation, protection of the Work, property insurance, maintenance, heat, and utilities upon Owner's use or occupancy of the Work.
- E. After Substantial Completion the Contractor shall promptly begin work on the punch list of items to be completed or corrected prior to final payment. In appropriate cases Contractor may submit monthly Applications for Payment for completed punch list items, following the progress payment procedures set forth above.
- F. Owner shall have the right to exclude Contractor from the Site after the date of Substantial Completion subject to allowing Contractor reasonable access to remove its property and complete or correct items on the punch list.

#### 15.04 Partial Use or Occupancy

- A. Prior to Substantial Completion of all the Work, Owner may use or occupy any substantially completed part of the Work which has specifically been identified in the Contract Documents, or which Owner, Engineer, and Contractor agree constitutes a separately functioning and usable part of the Work that can be used by Owner for its intended purpose without significant interference with Contractor's performance of the remainder of the Work, subject to the following conditions:
  - 1. At any time Owner may request in writing that Contractor permit Owner to use or occupy any such part of the Work that Owner believes to be substantially complete. If and when Contractor agrees that such part of the Work is substantially complete, Contractor, Owner, and Engineer will follow the procedures of Paragraph 15.03.A through E for that part of the Work.
  - 2. At any time Contractor may notify Owner and Engineer in writing that Contractor considers any such part of the Work substantially complete and request Engineer to issue a certificate of Substantial Completion for that part of the Work.

3. Within a reasonable time after either such request, Owner, Contractor, and Engineer shall make an inspection of that part of the Work to determine its status of completion. If Engineer does not consider that part of the Work to be substantially complete, Engineer will notify Owner and Contractor in writing giving the reasons therefor. If Engineer considers that part of the Work to be substantially complete, the provisions of Paragraph 15.03 will apply with respect to certification of Substantial Completion of that part of the Work and the division of responsibility in respect thereof and access thereto.
4. No use or occupancy or separate operation of part of the Work may occur prior to compliance with the requirements of Paragraph 6.05 regarding builder's risk or other property insurance.

#### 15.05 Final Inspection

- A. Upon written notice from Contractor that the entire Work or an agreed portion thereof is complete, Engineer will promptly make a final inspection with Owner and Contractor and will notify Contractor in writing of all particulars in which this inspection reveals that the Work, or agreed portion thereof, is incomplete or defective. Contractor shall immediately take such measures as are necessary to complete such Work or remedy such deficiencies.

#### 15.06 Final Payment

##### A. *Application for Payment:*

1. After Contractor has, in the opinion of Engineer, satisfactorily completed all corrections identified during the final inspection and has delivered, in accordance with the Contract Documents, all maintenance and operating instructions, schedules, guarantees, bonds, certificates or other evidence of insurance, certificates of inspection, annotated record documents (as provided in Paragraph 7.11), and other documents, Contractor may make application for final payment.
2. The final Application for Payment shall be accompanied (except as previously delivered) by:
  - a. all documentation called for in the Contract Documents;
  - b. consent of the surety, if any, to final payment;
  - c. satisfactory evidence that all title issues have been resolved such that title to all Work, materials, and equipment has passed to Owner free and clear of any Liens or other title defects, or will so pass upon final payment.
  - d. a list of all disputes that Contractor believes are unsettled; and
  - e. complete and legally effective releases or waivers (satisfactory to Owner) of all Lien rights arising out of the Work, and of Liens filed in connection with the Work.
3. In lieu of the releases or waivers of Liens specified in Paragraph 15.06.A.2 and as approved by Owner, Contractor may furnish receipts or releases in full and an affidavit of Contractor that: (a) the releases and receipts include all labor, services, material, and equipment for which a Lien could be filed; and (b) all payrolls, material and equipment bills, and other indebtedness connected with the Work for which Owner might in any way be responsible, or which might in any way result in liens or other burdens on Owner's property, have been paid or otherwise satisfied. If any Subcontractor or Supplier fails to furnish such a release or receipt in full, Contractor may furnish a bond or other collateral satisfactory to Owner to indemnify Owner against any Lien, or Owner at its option may issue joint checks payable to Contractor and specified Subcontractors and Suppliers.

B. *Engineer's Review of Application and Acceptance:*

1. If, on the basis of Engineer's observation of the Work during construction and final inspection, and Engineer's review of the final Application for Payment and accompanying documentation as required by the Contract Documents, Engineer is satisfied that the Work has been completed and Contractor's other obligations under the Contract have been fulfilled, Engineer will, within ten days after receipt of the final Application for Payment, indicate in writing Engineer's recommendation of final payment and present the Application for Payment to Owner for payment. Such recommendation shall account for any set-offs against payment that are necessary in Engineer's opinion to protect Owner from loss for the reasons stated above with respect to progress payments. At the same time Engineer will also give written notice to Owner and Contractor that the Work is acceptable, subject to the provisions of Paragraph 15.07. Otherwise, Engineer will return the Application for Payment to Contractor, indicating in writing the reasons for refusing to recommend final payment, in which case Contractor shall make the necessary corrections and resubmit the Application for Payment.

C. *Completion of Work:* The Work is complete (subject to surviving obligations) when it is ready for final payment as established by the Engineer's written recommendation of final payment.

D. *Payment Becomes Due:* Thirty days after the presentation to Owner of the final Application for Payment and accompanying documentation, the amount recommended by Engineer (less any further sum Owner is entitled to set off against Engineer's recommendation, including but not limited to set-offs for liquidated damages and set-offs allowed under the provisions above with respect to progress payments) will become due and shall be paid by Owner to Contractor.

15.07 Waiver of Claims

A. The making of final payment will not constitute a waiver by Owner of claims or rights against Contractor. Owner expressly reserves claims and rights arising from unsettled Liens, from defective Work appearing after final inspection pursuant to Paragraph 15.05, from Contractor's failure to comply with the Contract Documents or the terms of any special guarantees specified therein, from outstanding Claims by Owner, or from Contractor's continuing obligations under the Contract Documents.

B. The acceptance of final payment by Contractor will constitute a waiver by Contractor of all claims and rights against Owner other than those pending matters that have been duly submitted or appealed under the provisions of Article 17.

15.08 Correction Period

A. If within one year after the date of Substantial Completion (or such longer period of time as may be prescribed by the terms of any applicable special guarantee required by the Contract Documents, or by any specific provision of the Contract Documents), any Work is found to be defective, or if the repair of any damages to the Site, adjacent areas that Contractor has arranged to use through construction easements or otherwise, and other adjacent areas used by Contractor as permitted by Laws and Regulations, is found to be defective, then Contractor shall promptly, without cost to Owner and in accordance with Owner's written instructions:

1. correct the defective repairs to the Site or such other adjacent areas;
2. correct such defective Work;
3. if the defective Work has been rejected by Owner, remove it from the Project and replace it with Work that is not defective, and

4. satisfactorily correct or repair or remove and replace any damage to other Work, to the work of others, or to other land or areas resulting therefrom.
- B. If Contractor does not promptly comply with the terms of Owner's written instructions, or in an emergency where delay would cause serious risk of loss or damage, Owner may have the defective Work corrected or repaired or may have the rejected Work removed and replaced. Contractor shall pay all claims, costs, losses, and damages (including but not limited to all fees and charges of engineers, architects, attorneys, and other professionals and all court or arbitration or other dispute resolution costs) arising out of or relating to such correction or repair or such removal and replacement (including but not limited to all costs of repair or replacement of work of others).
- C. In special circumstances where a particular item of equipment is placed in continuous service before Substantial Completion of all the Work, the correction period for that item may start to run from an earlier date if so provided in the Specifications.
- D. Where defective Work (and damage to other Work resulting therefrom) has been corrected or removed and replaced under this paragraph, the correction period hereunder with respect to such Work will be extended for an additional period of one year after such correction or removal and replacement has been satisfactorily completed.
- E. Contractor's obligations under this paragraph are in addition to all other obligations and warranties. The provisions of this paragraph shall not be construed as a substitute for, or a waiver of, the provisions of any applicable statute of limitation or repose.

## **ARTICLE 16 – SUSPENSION OF WORK AND TERMINATION**

### **16.01 Owner May Suspend Work**

- A. At any time and without cause, Owner may suspend the Work or any portion thereof for a period of not more than 90 consecutive days by written notice to Contractor and Engineer. Such notice will fix the date on which Work will be resumed. Contractor shall resume the Work on the date so fixed. Contractor shall be entitled to an adjustment in the Contract Price or an extension of the Contract Times, or both, directly attributable to any such suspension. Any Change Proposal seeking such adjustments shall be submitted no later than 30 days after the date fixed for resumption of Work.

### **16.02 Owner May Terminate for Cause**

- A. The occurrence of any one or more of the following events will constitute a default by Contractor and justify termination for cause:
  1. Contractor's persistent failure to perform the Work in accordance with the Contract Documents (including, but not limited to, failure to supply sufficient skilled workers or suitable materials or equipment or failure to adhere to the Progress Schedule);
  2. Failure of Contractor to perform or otherwise to comply with a material term of the Contract Documents;
  3. Contractor's disregard of Laws or Regulations of any public body having jurisdiction; or
  4. Contractor's repeated disregard of the authority of Owner or Engineer.

- B. If one or more of the events identified in Paragraph 16.02.A occurs, then after giving Contractor (and any surety) ten days written notice that Owner is considering a declaration that Contractor is in default and termination of the contract, Owner may proceed to:
  - 1. declare Contractor to be in default, and give Contractor (and any surety) notice that the Contract is terminated; and
  - 2. enforce the rights available to Owner under any applicable performance bond.
- C. Subject to the terms and operation of any applicable performance bond, if Owner has terminated the Contract for cause, Owner may exclude Contractor from the Site, take possession of the Work, incorporate in the Work all materials and equipment stored at the Site or for which Owner has paid Contractor but which are stored elsewhere, and complete the Work as Owner may deem expedient.
- D. Owner may not proceed with termination of the Contract under Paragraph 16.02.B if Contractor within seven days of receipt of notice of intent to terminate begins to correct its failure to perform and proceeds diligently to cure such failure.
- E. If Owner proceeds as provided in Paragraph 16.02.B, Contractor shall not be entitled to receive any further payment until the Work is completed. If the unpaid balance of the Contract Price exceeds the cost to complete the Work, including all related claims, costs, losses, and damages (including but not limited to all fees and charges of engineers, architects, attorneys, and other professionals) sustained by Owner, such excess will be paid to Contractor. If the cost to complete the Work including such related claims, costs, losses, and damages exceeds such unpaid balance, Contractor shall pay the difference to Owner. Such claims, costs, losses, and damages incurred by Owner will be reviewed by Engineer as to their reasonableness and, when so approved by Engineer, incorporated in a Change Order. When exercising any rights or remedies under this paragraph, Owner shall not be required to obtain the lowest price for the Work performed.
- F. Where Contractor's services have been so terminated by Owner, the termination will not affect any rights or remedies of Owner against Contractor then existing or which may thereafter accrue, or any rights or remedies of Owner against Contractor or any surety under any payment bond or performance bond. Any retention or payment of money due Contractor by Owner will not release Contractor from liability.
- G. If and to the extent that Contractor has provided a performance bond under the provisions of Paragraph 6.01.A, the provisions of that bond shall govern over any inconsistent provisions of Paragraphs 16.02.B and 16.02.D.

#### 16.03 Owner May Terminate For Convenience

- A. Upon seven days written notice to Contractor and Engineer, Owner may, without cause and without prejudice to any other right or remedy of Owner, terminate the Contract. In such case, Contractor shall be paid for (without duplication of any items):
  - 1. completed and acceptable Work executed in accordance with the Contract Documents prior to the effective date of termination, including fair and reasonable sums for overhead and profit on such Work;
  - 2. expenses sustained prior to the effective date of termination in performing services and furnishing labor, materials, or equipment as required by the Contract Documents in connection with uncompleted Work, plus fair and reasonable sums for overhead and profit on such expenses; and



3. other reasonable expenses directly attributable to termination, including costs incurred to prepare a termination for convenience cost proposal.
- B. Contractor shall not be paid on account of loss of anticipated overhead, profits, or revenue, or other economic loss arising out of or resulting from such termination.

#### 16.04 Contractor May Stop Work or Terminate

- A. If, through no act or fault of Contractor, (1) the Work is suspended for more than 90 consecutive days by Owner or under an order of court or other public authority, or (2) Engineer fails to act on any Application for Payment within 30 days after it is submitted, or (3) Owner fails for 30 days to pay Contractor any sum finally determined to be due, then Contractor may, upon seven days written notice to Owner and Engineer, and provided Owner or Engineer do not remedy such suspension or failure within that time, terminate the contract and recover from Owner payment on the same terms as provided in Paragraph 16.03.
- B. In lieu of terminating the Contract and without prejudice to any other right or remedy, if Engineer has failed to act on an Application for Payment within 30 days after it is submitted, or Owner has failed for 30 days to pay Contractor any sum finally determined to be due, Contractor may, seven days after written notice to Owner and Engineer, stop the Work until payment is made of all such amounts due Contractor, including interest thereon. The provisions of this paragraph are not intended to preclude Contractor from submitting a Change Proposal for an adjustment in Contract Price or Contract Times or otherwise for expenses or damage directly attributable to Contractor's stopping the Work as permitted by this paragraph.

### ARTICLE 17 – FINAL RESOLUTION OF DISPUTES

#### 17.01 Methods and Procedures

- A. *Disputes Subject to Final Resolution:* The following disputed matters are subject to final resolution under the provisions of this Article:
1. A timely appeal of an approval in part and denial in part of a Claim, or of a denial in full; and
  2. Disputes between Owner and Contractor concerning the Work or obligations under the Contract Documents, and arising after final payment has been made.
- B. *Final Resolution of Disputes:* For any dispute subject to resolution under this Article, Owner or Contractor may:
1. elect in writing to invoke the dispute resolution process provided for in the Supplementary Conditions; or
  2. agree with the other party to submit the dispute to another dispute resolution process; or
  3. if no dispute resolution process is provided for in the Supplementary Conditions or mutually agreed to, give written notice to the other party of the intent to submit the dispute to a court of competent jurisdiction.

## ARTICLE 18 – MISCELLANEOUS

### 18.01 Giving Notice

- A. Whenever any provision of the Contract Documents requires the giving of written notice, it will be deemed to have been validly given if:
  - 1. delivered in person, by a commercial courier service or otherwise, to the individual or to a member of the firm or to an officer of the corporation for which it is intended; or
  - 2. delivered at or sent by registered or certified mail, postage prepaid, to the last business address known to the sender of the notice.

### 18.02 Computation of Times

- A. When any period of time is referred to in the Contract by days, it will be computed to exclude the first and include the last day of such period. If the last day of any such period falls on a Saturday or Sunday or on a day made a legal holiday by the law of the applicable jurisdiction, such day will be omitted from the computation.

### 18.03 Cumulative Remedies

- A. The duties and obligations imposed by these General Conditions and the rights and remedies available hereunder to the parties hereto are in addition to, and are not to be construed in any way as a limitation of, any rights and remedies available to any or all of them which are otherwise imposed or available by Laws or Regulations, by special warranty or guarantee, or by other provisions of the Contract. The provisions of this paragraph will be as effective as if repeated specifically in the Contract Documents in connection with each particular duty, obligation, right, and remedy to which they apply.

### 18.04 Limitation of Damages

- A. With respect to any and all Change Proposals, Claims, disputes subject to final resolution, and other matters at issue, neither Owner nor Engineer, nor any of their officers, directors, members, partners, employees, agents, consultants, or subcontractors, shall be liable to Contractor for any claims, costs, losses, or damages sustained by Contractor on or in connection with any other project or anticipated project.

### 18.05 No Waiver

- A. A party's non-enforcement of any provision shall not constitute a waiver of that provision, nor shall it affect the enforceability of that provision or of the remainder of this Contract.

### 18.06 Survival of Obligations

- A. All representations, indemnifications, warranties, and guarantees made in, required by, or given in accordance with the Contract, as well as all continuing obligations indicated in the Contract, will survive final payment, completion, and acceptance of the Work or termination or completion of the Contract or termination of the services of Contractor.

### 18.07 Controlling Law

- A. This Contract is to be governed by the law of the state in which the Project is located.

### 18.08 Headings

- A. Article and paragraph headings are inserted for convenience only and do not constitute parts of these General Conditions.

# Supplementary Conditions

These Supplementary Conditions amend or supplement the Standard General Conditions of the Construction Contract, EJCDC® C-700 (2013 Edition). All provisions that are not so amended or supplemented remain in full force and effect.

The terms used in these Supplementary Conditions have the meanings stated in the General Conditions. Additional terms used in these Supplementary Conditions have the meanings stated below, which are applicable to both the singular and plural thereof.

The address system used in these Supplementary Conditions is the same as the address system used in the General Conditions, with the prefix "SC" added thereto.

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## ARTICLE 1 – 1 – DEFINITIONS AND TERMINOLOGY

### 1.01 1.01 Defined Terms

- A. If the Contract will include a Geotechnical Baseline Report (see Article 5 below), include the following definitions:

**SC 1.01.** Add to the list of definitions in Paragraph 1.01.A by inserting the following as numbered items in their proper alphabetical positions:

**Geotechnical Baseline Report (GBR)** — The interpretive report prepared by or for Owner regarding subsurface conditions at the Site, and containing specific baseline geotechnical conditions that may be anticipated or relied upon for bidding and contract administration purposes, subject to the controlling provisions of the Contract, including the GBR's own terms. The GBR is a Contract Document.

**Geotechnical Data Report (GDR)** — The factual report that collects and presents data regarding actual subsurface conditions at or adjacent to the Site, including Technical Data and other geotechnical data, prepared by or for Owner in support of the Geotechnical Baseline Report. The GDR's content may include logs of borings, trenches, and other site investigations, recorded measurements of subsurface water levels, the results of field and laboratory testing, and descriptions of the investigative and testing programs. The GDR does not include an interpretation of the data. If opinions, or interpretive or speculative non-factual comments or statements appear in a document that is labeled a GDR, such opinions, comments, or statements are not operative parts of the GDR and do not have contractual standing. Subject to that exception, the GDR is a Contract Document.

**SC 1.01.A.3** Add the following at the end of the last sentence of Paragraph 1.01.A.3:

The Application for Payment form to be used on this project is EJCDC C-620 (2013), or RD Form 1927-7.

**SC 1.01.A.8** Add the following language at the end of the last sentence of Paragraph 1.01.A.8:

The Change Order form to be used on this Project is EJCDC C-941 or RD Form 1927-7. Agency approval is required before Change Orders are effective or eligible for payment.

**SC 1.01.A.48** Add the following language at the end of the last sentence of Paragraph 1.01.A.48:

A Work Change Directive cannot change Contract Price or Contract Times without a subsequent Change Order.

**SC 1.01.A.49 Add the following new Paragraph after Paragraph 1.01.A.48:**

Abnormal Weather Conditions – Conditions of extreme or unusual weather for a given region, elevation, or season as determined by Engineer. Extreme or unusual weather that is typical for a given region, elevation, or season should not be considered Abnormal Weather Conditions.

~~**SC 1.01.A.50 Add the following new Paragraph after Paragraph 1.01.A.49:**~~

~~Agency—The Project is financed in whole or in part by USDA Rural Utilities Service pursuant to the Consolidated Farm and the Rural Development Act (7 USC Section 1921 et seq.) The Rural Utilities Service programs are administered through the USDA Rural Development offices; therefore, the Agency for these documents is USDA Rural Development.~~

**ARTICLE 2 – 2 – PRELIMINARY MATTERS**

2.01            *2.01 Delivery of Bonds and Evidence of Insurance*

- A. Paragraph 2.01.B of the General Conditions requires that Contractor furnish certificates of insurance. Paragraph 6.02.C states that upon request by Owner or other named or additional insureds, Contractor must provide evidence of insurance such as copies of required policies and endorsements, and documentation of applicable self-insured retentions and deductibles. Parallel provisions apply to Owner and the insurance that Owner is required to provide. Rather than relying on this two-step process (delivery of certificates of insurance at the outset; subsequent requests for additional evidence of insurance), some contract drafters may elect to require from the outset that copies of the insurance policies, rather than certificates of insurance, be delivered to the other party. If exchange of copies of insurance policies is required, the following should be used:

**SC 2.01        Delete Paragraphs 2.01 B. and C. in their entirety and insert the following in their place:**

- B. Evidence of Contractor’s Insurance: When Contractor delivers the executed counterparts of the Agreement to Owner, Contractor shall also deliver to Owner copies of the policies of insurance (including all endorsements, and identification of applicable self-insured retentions and deductibles) required to be provided by Contractor in Article 6. Contractor may block out (redact) any confidential premium or pricing information contained in any policy or endorsement furnished under this provision.**
- C. Evidence of Owner’s Insurance: After receipt from Contractor of the executed counterparts of the Agreement and all required bonds and insurance documentation, Owner shall promptly deliver to Contractor copies of the policies of insurance to be provided by Owner under Article 6 (if any). Owner may block out (redact) any confidential premium or pricing information contained in any policy or endorsement furnished under this provision.**

2.02            *2.02 Copies of Documents*

**SC 2.02.A. Amend the first sentence of Paragraph 2.02.A. to read as follows:**

Owner shall furnish to Contractor five (5) copies of the Contract Documents (including one fully executed counterpart of the Agreement), and one copy in electronic portable document format (PDF).

*SC-2.06 Electronic Transmittals*

**SC 2.06.B Delete Paragraph 2.06.B and replace it with the term [Deleted].**

**ARTICLE 4 – COMMENCEMENT AND PROGRESS OF THE WORK**

*SC-4.01 Commencement of Contract Times; Notice to Proceed*

**SC 4.01.A Amend the last sentence of Paragraph 4.01.A by striking out the following words:**

In no event will the Contract Times commence to run later than the ninetieth day after the day of Bid opening or the thirtieth day of the Effective Date of the Contract, whichever date is earlier.

*SC-4.05 Delays in Contractor's Progress*

**SC 4.05.C.2 Amend Paragraph 4.05.C.2 by striking out the following text: "abnormal weather conditions;" and inserting the following text:**

Abnormal Weather Conditions;

**ARTICLE 3 – 5 – AVAILABILITY OF LANDS; SUBSURFACE AND PHYSICAL CONDITIONS; HAZARDOUS ENVIRONMENTAL CONDITIONS**

*3.01 5.03 Subsurface and Physical Conditions*

**SC/GBR-5.03 and 5.04. Delete Paragraphs 5.03 and 5.04 of the General Conditions in their entireties and replace with the following provisions:**

**SC/GBR-5.03 Subsurface and Physical Conditions**

**A. Reports and Drawings: The Supplementary Conditions hereby identify:**

- 1. those reports known to Owner of explorations and tests of subsurface conditions at or adjacent to the Site (other than any Geotechnical Data Report or Geotechnical Baseline Report), and Technical Data contained in such reports. Such reports are as follows:**
  - a. Report dated [NOT APPLICABLE] The Technical Data contained in such report upon whose accuracy Contractor may rely are [those indicated in the definition of Technical Data in the General Conditions.]**
- 2. those drawings known to Owner of physical conditions relating to existing surface or subsurface structures at the Site (except Underground Facilities), and Technical Data contained in such drawings. Such drawings are as follows: (Not Applicable)**
- 3. Contractor may examine copies of reports and drawings identified immediately above that were not included with the Bidding Documents at Monarch Engineering, Inc. 556 Carlton Drive, Lawrenceburg, KY 40342 during regular business hours, or may request copies from Engineer, at the cost of reproduction.**

**B. Reliance by Contractor on Technical Data Authorized:**

Contractor may rely upon the accuracy of the Technical Data contained in such reports and drawings, but such reports and drawings are not Contract Documents. Except for such reliance on Technical Data, Contractor may not rely upon or make any claim against Owner or Engineer, or any of their officers, directors, members, partners, employees, agents, consultants, or subcontractors, with respect to:

1. the completeness of such reports and drawings for Contractor's purposes, including, but not limited to, any aspects of the means, methods, techniques, sequences, and procedures of construction to be employed by Contractor, and safety precautions and programs incident thereto; or
2. other data, interpretations, opinions, and information contained in such reports or shown or indicated in such drawings; or
3. any Contractor interpretation of or conclusion drawn from any Technical Data or any such other data, interpretations, opinions, or information.

**C. Geotechnical Baseline Report:**

1. This Contract contains a Geotechnical Baseline Report ("GBR"), identified as follows: *[NOT APPLICABLE]*. This Contract also contains a Geotechnical Data Report (GDR), identified as follows: (Not Applicable)
2. The GBR and GDR are incorporated as Contract Documents. The GBR and GDR are to be used in conjunction with other Contract Documents, including the Drawings and Specifications. If there is a conflict between the terms of the GBR and the GDR, the GBR's terms shall prevail.
3. The GBR describes certain select subsurface conditions that are anticipated to be encountered by Contractor during construction in specified locations (referred to here in the Supplementary Conditions as "Baseline Conditions"). These may include ground, geological, groundwater, and other subsurface geotechnical conditions, and baselines of anticipated Underground Facilities or subsurface structures.
4. The Baseline Conditions shall be used to assist in the administration of the Contract's differing site conditions clause at locations where subsurface conditions have been baselined. If a condition is baselined in the GBR, then only the pertinent Baseline Conditions shall be used to determine whether there is a differing site condition; and no other indication of that condition in the Contract Documents or Technical Data, or of a condition that describes, quantifies, or measures a similar characteristic of the subsurface, shall be used for the differing site condition determination.
5. The Baseline Conditions shall not be used to make differing site conditions determinations at locations that have not been baselined in the GBR, or at any location with respect to subsurface conditions that the Baseline Conditions do not address. If Underground Facilities or Hazardous Environmental Conditions are expressly addressed in the Baseline Conditions, then comparison to such Baseline Conditions shall be the primary means of determining (a) whether an Underground Facility was shown or indicated with reasonable accuracy, as provided in Paragraph 5.05 of the General Conditions, or (b) whether a Hazardous Environmental Condition was shown or indicated in the Contract

Documents as indicated in Paragraph 5.06.H of the General Conditions. As indicated in Paragraph SC-5.04 below, the GDR shall be the primary resource for differing site conditions determinations in cases in which the GBR is inapplicable.

6. The descriptions of subsurface conditions provided in the GBR are based on geotechnical investigations, laboratory tests, interpretation, interpolation, extrapolation, and analyses. Neither Owner, Engineer, nor any geotechnical or other consultant warrants or guarantees that actual subsurface conditions will be as described in the GBR, nor is the GBR intended to warrant or guarantee the use of specific means or methods of construction.
7. The behavior of the ground during construction depends substantially upon the Contractor's selected means, methods, techniques, sequences, and procedures of construction. If ground behavior conditions are baselined in the GBR, they are based on stated assumptions regarding construction means and methods.
8. The GBR shall not reduce or relieve Contractor of its responsibility for the planning, selection, and implementation of safety precautions and programs incident to Contractor's means, methods, techniques, sequences, and procedures of construction, or to the Work.

#### **SC/GBR-5.04 Differing Subsurface or Physical Conditions**

- A. **Notice:** If Contractor believes that any subsurface condition that is uncovered or revealed at the Site:
  1. differs materially from conditions shown or indicated in the GBR; or
  2. differs materially from conditions shown or indicated in the GDR, to the extent the GBR is inapplicable; or
  3. differs materially from conditions shown or indicated in Contract Documents other than the GBR or GDR, to the extent the GBR and GDR are inapplicable; or
  4. to the extent the GBR and GDR are inapplicable, is of such a nature as to establish that any Technical Data on which Contractor is entitled to rely as provided in Paragraph 5.03 is materially inaccurate; or
  5. to the extent the GBR and GDR are inapplicable, is of such a nature as to require a change in the Drawings or Specifications; or
  6. to the extent the GBR and GDR are inapplicable, is of an unusual nature, and differs materially from conditions ordinarily encountered and generally recognized as inherent in work of the character provided for in the Contract Documents;

then Contractor shall, promptly after becoming aware thereof and before further disturbing the subsurface conditions or performing any Work in connection therewith (except in an emergency as required by Paragraph 7.15), notify Owner and Engineer in writing about such condition. Contractor shall not further disturb such condition or perform any Work in connection therewith (except with respect to an emergency) until receipt of a written statement permitting Contractor to do so.

**B. Engineer's Review:** After receipt of written notice as required by the preceding paragraph, Engineer will promptly review the subsurface or physical condition in question; determine the necessity of Owner's obtaining additional exploration or tests with respect to the condition; conclude whether the condition falls within any one or more of the differing site condition categories in Paragraph SC/GBR 5.04.A above; obtain any pertinent cost or schedule information from Contractor; prepare recommendations to Owner regarding the Contractor's resumption or continuation of Work in connection with the subsurface or physical condition in question and the need for any change in the Drawings or Specifications; and advise Owner in writing of Engineer's findings, conclusions, and recommendations.

**C. Owner's Statement to Contractor Regarding Site Condition:**

After receipt of Engineer's written findings, conclusions, and recommendations, Owner shall issue a written statement to Contractor (with a copy to Engineer) regarding the subsurface or physical condition in question, addressing the resumption or continuation of Work in connection with such condition, indicating whether any change in the Drawings or Specifications will be made, and adopting or rejecting Engineer's written findings, conclusions, and recommendations, in whole or in part.

**D. Possible Price and Times Adjustments:**

- 1. Contractor shall be entitled to an equitable adjustment in Contract Price or Contract Times, or both, to the extent that the existence of a differing subsurface or physical condition, or any related delay, disruption, or interference, causes an increase or decrease in Contractor's cost of, or time required for, performance of the Work; subject, however, to the following:**
  - a. such condition must fall within any one or more of the categories described in Paragraph SC/GBR 5.04.A;**
  - b. with respect to Work that is paid for on a unit price basis, any adjustment in Contract Price will be subject to the provisions of Paragraph 13.03 of the General Conditions; and,**
  - c. Contractor's entitlement to an adjustment of the Contract Times is conditioned on such adjustment being essential to Contractor's ability to complete the Work within the Contract Times.**
- 2. Contractor shall not be entitled to any adjustment in the Contract Price or Contract Times with respect to a subsurface or physical condition if:**
  - a. Contractor knew of the existence of such condition at the time Contractor made a commitment to Owner with respect to Contract Price and Contract Times by the submission of a Bid or becoming bound under a negotiated contract, or otherwise; or**
  - b. the existence of such condition reasonably could have been discovered or revealed as a result of any examination, investigation, exploration, test, or study of the Site and contiguous areas expressly required by the Bidding Requirements or Contract Documents to be conducted by or for Contractor prior to Contractor's making such commitment; or**



- c. Contractor failed to give the written notice as required by Paragraph SC/GBR 5.04.A.
- 3. If Owner and Contractor agree regarding Contractor’s entitlement to and the amount or extent of any adjustment in the Contract Price or Contract Times, or both, then any such adjustment shall be set forth in a Change Order.
- 4. Contractor may submit a Change Proposal regarding its entitlement to or the amount or extent of any adjustment in the Contract Price or Contract Times, or both, no later than 30 days after Owner’s issuance of the Owner’s written statement to Contractor regarding the subsurface or physical condition in question.

3.02      *5.06 Hazardous Environmental Conditions at Site*

**SC 5.06**      Delete Paragraphs 5.06.A and 5.06.B in their entirety and insert the following:

- A. No reports or drawings related to Hazardous Environmental Conditions at the Site are known to Owner.
- B. Not Used.

**ARTICLE 4 – 6 – BONDS AND INSURANCE**

4.01      *6.02 Insurance—General Provisions*

**SC-6.02**      Add the following paragraph immediately after Paragraph 6.02.B:

- 1. Contractor may obtain worker’s compensation insurance from an insurance company that has not been rated by A.M. Best, provided that such company (a) is domiciled in the state in which the project is located, (b) is certified or authorized as a worker’s compensation insurance provider by the appropriate state agency, and (c) has been accepted to provide worker’s compensation insurance for similar projects by the state within the last 12 months.

4.02      *6.03 Contractor’s Liability Insurance*

**SC 6.03**      Add the following new paragraph immediately after Paragraph 6.03.J:

- K. The limits of liability for the insurance required by Paragraph 6.03 of the General Conditions shall provide coverage for not less than the following amounts or greater where required by Laws and Regulations:
  - 1. Workers’ Compensation, and related coverages under Paragraphs 6.03.A.1 and A.2 of the General Conditions:

State:	<u>Statutory</u>
Federal, if applicable (e.g., Longshoreman’s):	<u>Statutory</u>
Jones Act coverage, if applicable:	
Bodily injury by accident, each accident	\$ _____
Bodily injury by disease, aggregate	\$ _____

**Employer's Liability:**

Bodily injury, each accident	\$ <u>1,000,000</u>
Bodily injury by disease, each employee	\$ <u>1,000,000</u>
Bodily injury/disease aggregate	\$ <u>1,000,000</u>

For work performed in monopolistic states, stop-gap liability coverage shall be endorsed to either the worker's compensation or commercial general liability policy with a minimum limit of: \$ 1,000,000

Foreign voluntary worker compensation Statutory

**2. Contractor's Commercial General Liability under Paragraphs 6.03.B and 6.03.C of the General Conditions:**

General Aggregate	\$ <u>2,000,000</u>
Products - Completed Operations Aggregate	\$ <u>2,000,000</u>
Personal and Advertising Injury	\$ <u>1,000,000</u>
Each Occurrence (Bodily Injury and Property Damage)	\$ <u>1,000,000</u>

**3. Automobile Liability under Paragraph 6.03.D. of the General Conditions:**

**Bodily Injury:**

Each person	\$ <u>Statutory</u>
Each accident	\$ <u>Statutory</u>

**Property Damage:**

Each accident	\$ _____
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*[or]*

Combined Single Limit of	\$ <u>1,000,000</u>
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**4. Excess or Umbrella Liability:**

Per Occurrence	\$ <u>5,000,000</u>
General Aggregate	\$ <u>5,000,000</u>

5. Contractor's Pollution Liability:

Each Occurrence	\$ <u>Not Applicable</u>
General Aggregate	\$ <u>Not Applicable</u>



If box is checked, Contractor is not required to provide Contractor's Pollution Liability insurance under this Contract

6. Additional Insureds: In addition to Owner and Engineer, include as additional insureds the following: (Not Applicable)

7. Contractor's Professional Liability:

Each Claim	\$ <u>2,000,000</u>
Annual Aggregate	\$ <u>2,000,000</u>

ARTICLE 5 – 7 – CONTRACTOR'S RESPONSIBILITIES

5.01 7.02 Labor; Working Hours

SC-7.02.B. Add the following new subparagraphs immediately after Paragraph 7.02.B:

1. Regular working hours will be determined at the preconstruction conference.
2. Owner's legal holidays are determined at the preconstruction conference.

5.02 7.04 "Or Equals"

SC 7.04.A Amend the third sentence of Paragraph 7.04.A by striking out the following words:

Unless the specification or description contains or is followed by words reading that no like, equivalent, or "or-equal" item is permitted.

SC 7.04.A.1 Amend the last sentence of Paragraph 7.04.A.1.a.3 by striking out "and"; and adding a period at the end of the Paragraph 7.04.A.1.a.3.

SC 7.04.A.1 Delete Paragraph 7.04.A.1.a.4 in its entirety and insert the following in its place:

[Deleted]

SC-7.06 Concerning Subcontractors, Suppliers and Others

SC 7.06.A Amend Paragraph 7.06.A by adding the following text to the end of the Paragraph:

The Contractor shall not award work valued at more than fifty percent of the Contract Price to Subcontractor(s).

SC 7.06.B Delete Paragraph 7.06.B in its entirety and insert the following in its place:

[Deleted]

SC 7.06.E Amend the second sentence of Paragraph 7.06.E by striking out "Owner may also require Contractor to retain specific replacements; provided, however, that".

## ARTICLE 6 – 10 – ENGINEER’S STATUS DURING CONSTRUCTION

6.01        10.03        *Project Representative*

**SC-10.03**    Add the following new paragraphs immediately after Paragraph 10.03.A:

- B.**    The Resident Project Representative (RPR) will be Engineer's representative at the Site, will act as directed by and under the supervision of Engineer, and will confer with Engineer regarding RPR's actions.
- 1.**    **General:** RPR's dealings in matters pertaining to the Work in general shall be with Engineer and Contractor. RPR's dealings with Subcontractors shall only be through or with the full knowledge and approval of Contractor. RPR shall generally communicate with Owner only with the knowledge of and under the direction of Engineer.
  - 2.**    **Schedules:** Review the progress schedule, schedule of Shop Drawing and Sample submittals, and Schedule of Values prepared by Contractor and consult with Engineer concerning acceptability.
  - 3.**    **Conferences and Meetings:** Attend meetings with Contractor, such as preconstruction conferences, progress meetings, job conferences, and other Project-related meetings, and prepare and circulate copies of minutes thereof.
  - 4.**    **Liaison:**
    - a.**    Serve as Engineer’s liaison with Contractor. Working principally through Contractor’s authorized representative or designee, assist in providing information regarding the provisions and intent of the Contract Documents.
    - b.**    Assist Engineer in serving as Owner’s liaison with Contractor when Contractor’s operations affect Owner’s on-Site operations.
    - c.**    Assist in obtaining from Owner additional details or information, when required for proper execution of the Work.
  - 5.**    **Interpretation of Contract Documents:** Report to Engineer when clarifications and interpretations of the Contract Documents are needed and transmit to Contractor clarifications and interpretations as issued by Engineer.
  - 6.**    **Shop Drawings and Samples:**
    - a.**    Record date of receipt of Samples and Contractor-approved Shop Drawings.
    - b.**    Receive Samples which are furnished at the Site by Contractor, and notify Engineer of availability of Samples for examination.
    - c.**    Advise Engineer and Contractor of the commencement of any portion of the Work requiring a Shop Drawing or Sample submittal for which RPR believes that the submittal has not been approved by Engineer.
  - 7.**    **Modifications:** Consider and evaluate Contractor’s suggestions for modifications in Drawings or Specifications and report such suggestions, together with RPR’s recommendations, if any, to Engineer. Transmit to Contractor in writing decisions as issued by Engineer.

8. **Review of Work and Rejection of Defective Work:**
  - a. **Conduct on-Site observations of Contractor's work in progress to assist Engineer in determining if the Work is in general proceeding in accordance with the Contract Documents.**
  - b. **Report to Engineer whenever RPR believes that any part of Contractor's work in progress is defective, will not produce a completed Project that conforms generally to the Contract Documents, or will imperil the integrity of the design concept of the completed Project as a functioning whole as indicated in the Contract Documents, or has been damaged, or does not meet the requirements of any inspection, test or approval required to be made; and advise Engineer of that part of work in progress that RPR believes should be corrected or rejected or should be uncovered for observation, or requires special testing, inspection or approval.**
9. **Inspections, Tests, and System Start-ups:**
  - a. **Verify that tests, equipment, and systems start-ups and operating and maintenance training are conducted in the presence of appropriate Owner's personnel, and that Contractor maintains adequate records thereof.**
  - b. **Observe, record, and report to Engineer appropriate details relative to the test procedures and systems start-ups.**
10. **Records:**
  - a. **Prepare a daily report or keep a diary or log book, recording Contractor's hours on the Site, Subcontractors present at the Site, weather conditions, data relative to questions of Change Orders, Field Orders, Work Change Directives, or changed conditions, Site visitors, deliveries of equipment or materials, daily activities, decisions, observations in general, and specific observations in more detail as in the case of observing test procedures; and send copies to Engineer.**
  - b. **Record names, addresses, fax numbers, e-mail addresses, web site locations, and telephone numbers of all Contractors, Subcontractors, and major Suppliers of materials and equipment.**
  - c. **Maintain records for use in preparing Project documentation.**
11. **Reports:**
  - a. **Furnish to Engineer periodic reports as required of progress of the Work and of Contractor's compliance with the Progress Schedule and schedule of Shop Drawing and Sample submittals.**
  - b. **Draft and recommend to Engineer proposed Change Orders, Work Change Directives, and Field Orders. Obtain backup material from Contractor.**
  - c. **Immediately notify Engineer of the occurrence of any Site accidents, emergencies, acts of God endangering the Work, force majeure or delay events, damage to property by fire or other causes, or the discovery of any Constituent of Concern or Hazardous Environmental Condition.**

12. **Payment Requests:** Review applications for payment with Contractor for compliance with the established procedure for their submission and forward with recommendations to Engineer, noting particularly the relationship of the payment requested to the Schedule of Values, Work completed, and materials and equipment delivered at the Site but not incorporated in the Work.
  13. **Certificates, Operation and Maintenance Manuals:** During the course of the Work, verify that materials and equipment certificates, operation and maintenance manuals and other data required by the Contract Documents to be assembled and furnished by Contractor are applicable to the items actually installed and in accordance with the Contract Documents, and have these documents delivered to Engineer for review and forwarding to Owner prior to payment for that part of the Work.
  14. **Completion:**
    - a. Participate in Engineer's visits to the Site to determine Substantial Completion, assist in the determination of Substantial Completion and the preparation of a punch list of items to be completed or corrected.
    - b. Participate in Engineer's final visit to the Site to determine completion of the Work, in the company of Owner and Contractor, and prepare a final punch list of items to be completed and deficiencies to be remedied.
    - c. Observe whether all items on the final list have been completed or corrected and make recommendations to Engineer concerning acceptance and issuance of the notice of acceptability of the work.
- C. The RPR shall not:
1. Authorize any deviation from the Contract Documents or substitution of materials or equipment (including "or-equal" items).
  2. Exceed limitations of Engineer's authority as set forth in the Contract Documents.
  3. Undertake any of the responsibilities of Contractor, Subcontractors, or Suppliers.
  4. Advise on, issue directions relative to, or assume control over any aspect of the means, methods, techniques, sequences or procedures of Contractor's work.
  5. Advise on, issue directions regarding, or assume control over security or safety practices, precautions, and programs in connection with the activities or operations of Owner or Contractor.
  6. Participate in specialized field or laboratory tests or inspections conducted off-site by others except as specifically authorized by Engineer.
  7. Accept Shop Drawing or Sample submittals from anyone other than Contractor.
  8. Authorize Owner to occupy the Project in whole or in part.
-

**ARTICLE 11 – AMENDING THE CONTRACT DOCUMENTS; CHANGES IN THE WORK**

*SC 11.07 Execution of Change Orders*

**SC 11.07.C Add the following new Paragraph after Paragraph 11.07.B:**

All Contract Change Orders must be concurred by Agency before they are effective or can be eligible for reimbursement.

**ARTICLE 13 – 13 – COST OF THE WORK; ALLOWANCES; UNIT PRICE WORK**

*SC-13.02 Allowances*

**SC 13.02.C Delete Paragraph 13.02.C in its entirety and insert the following in its place:**

[Deleted]

6.02      13.03      *Unit Price Work*

**SC 13.03.E Delete Paragraph 13.03.E in its entirety and insert the following in its place:**

- E. The unit price of an item of Unit Price Work shall be subject to reevaluation and adjustment under the following conditions:**
- 1. if the extended price of a particular item of Unit Price Work amounts to 25 percent or more of the Contract Price (based on estimated quantities at the time of Contract formation) and the variation in the quantity of that particular item of Unit Price Work actually furnished or performed by Contractor differs by more than 25 percent from the estimated quantity of such item indicated in the Agreement; and**
  - 2. if there is no corresponding adjustment with respect to any other item of Work; and**
  - 3. if Contractor believes that Contractor has incurred additional expense as a result thereof, Contractor may submit a Change Proposal, or if Owner believes that the quantity variation entitles Owner to an adjustment in the unit price, Owner may make a Claim, seeking an adjustment in the Contract Price.**

**ARTICLE 15 – 15 – PAYMENTS TO CONTRACTOR; SET-OFFS; COMPLETION; CORRECTION PERIOD**

6.03      15.01 *Progress Payments*

**SC 15.01.B Amend the second sentence of Paragraph 15.01.B.1 by striking out the following text: “a bill of sale, invoice or other”.**

**SC 15.01.B.3 Add the following language at the end of the Paragraph 15.01.B.3:**

No payments will be made that would deplete the retainage, place in escrow any funds that are required for retainage, or invest the retainage for the benefit of the Contractor.

**SC 15.01.B.4 Add the following new Paragraph after Paragraph 15.01.B.3:**

The Application for Payment form to be used on this Project is EJCDC C-620 unless another form is agreed upon by the Engineer, Owner and Agency. The Agency must approve all Applications for Payment before payment is made.

**SC 15.01.D.1 Delete Paragraph 15.01.D.1 in its entirety and insert the following in its place:**

The Application for Payment with Engineer's recommendations will be presented to the Owner and Agency for consideration. If both the Owner and Agency find the Application for Payment acceptable, the recommended amount less any reduction under the provisions of Paragraph 15.01.E will become due and payable twenty (20) days after the Application for Payment is presented to the Owner, and the Owner will make payment to the Contractor.

*SC-15.02 Contractor's Warranty of Title*

**SC 15.02.A Amend Paragraph 15.02.A by striking out the following text: "no later than seven days after the time of payment by Owner" and insert:**

"no later than the time of payment by Owner."

**ARTICLE 17 – 17 – FINAL RESOLUTION OF DISPUTES**

**SC-17.02 Add the following new paragraph immediately after Paragraph 17.01.**

**SC-17.02 Arbitration**

- A. All matters subject to final resolution under this Article will be decided by arbitration in accordance with the rules of the selected arbitration agency, subject to the conditions and limitations of this paragraph. This agreement to arbitrate and any other agreement or consent to arbitrate entered into will be specifically enforceable under the prevailing law of any court having jurisdiction.
- B. The demand for arbitration will be filed in writing with the other party to the Contract and with the selected arbitrator or arbitration provider, and a copy will be sent to Engineer for information. The demand for arbitration will be made within the specific time required in this Article, or if no specified time is applicable within a reasonable time after the matter in question has arisen, and in no event shall any such demand be made after the date when institution of legal or equitable proceedings based on such matter in question would be barred by the applicable statute of limitations. The demand for arbitration should include specific reference to Paragraph SC-17.02.D below.
- C. No arbitration arising out of or relating to the Contract shall include by consolidation, joinder, or in any other manner any other individual or entity (including Engineer, and Engineer's consultants and the officers, directors, partners, agents, employees or consultants of any of them) who is not a party to this Contract unless:
  - 1. the inclusion of such other individual or entity is necessary if complete relief is to be afforded among those who are already parties to the arbitration; and
  - 2. such other individual or entity is substantially involved in a question of law or fact which is common to those who are already parties to the arbitration and which will arise in such proceedings.
- D. The award rendered by the arbitrator(s) shall be consistent with the agreement of the parties, in writing, and include a concise breakdown of the award, and a written explanation of the award specifically citing the Contract provisions deemed applicable and relied on in making the award.



- E. **The award will be final. Judgment may be entered upon it in any court having jurisdiction thereof, and it will not be subject to modification or appeal, subject to provisions of the Laws and Regulations relating to vacating or modifying an arbitral award.**
- F. **The fees and expenses of the arbitrators and any arbitration service shall be shared equally by Owner and Contractor.**

## **ARTICLE 18 – MISCELLANEOUS**

### *SC-18.09 Tribal Sovereignty*

#### **SC 18.09 Add the following new paragraph after Paragraph 18.08:**

Tribal Sovereignty. No provisions of this Agreement will be controlled by any of the signatories as abridging or debilitating any sovereign powers of the {insert name of Tribe} Tribe; affecting the trust-beneficiary relationship between the Secretary of the Interior, Tribe, and Indian landowner(s); or interfering with the government-to-government relationship between the United States and the Tribe.

## **ARTICLE 19 – FEDERAL REQUIREMENTS**

#### **SC 19.01 Add the following language as Paragraph 19.01 with the title “Agency Not a Party”:**

- A. This Contract is expected to be funded in part with funds provided by Agency. Neither Agency, nor any of its departments, entities, or employees is a party to this Contract.

#### **SC 19.02 Add the following sections after Article 19.01 with the title “Contract Approval”:**

- A. Owner and Contractor will furnish Owner’s attorney such evidence as required so that Owner’s attorney can complete and execute the following “Certificate of Owner’s Attorney” (Attachment GC-A) before Owner submits the executed Contract Documents to Agency for approval.
- B. Guidance Note: Amend Paragraph 10.03 using one of the two alternatives presented in C-800’s section 10.03 (Either the Engineer will provide RPR services on the Project, with specific authority and responsibilities, or Engineer will not provide RPR services).

#### **SC 19.03 Add the following language after Article 19.02.B with the title “Conflict of Interest”:**

- A. Contractor may not knowingly contract with a supplier or manufacturer if the individual or entity who prepared the plans and specifications has a corporate or financial affiliation with the supplier or manufacturer. Owner’s officers, employees, or agents shall not engage in the award or administration of this Contract if a conflict of interest, real or apparent, would be involved. Such a conflict would arise when: (i) the employee, officer or agent; (ii) any member of their immediate family; (iii) their partner or (iv) an organization that employs, or is about to employ, any of the above, has a financial interest in Contractor. Owner’s officers, employees, or agents shall neither solicit nor accept gratuities, favors or anything of monetary value from Contractor or subcontractors.

#### **SC 19.04 Add the following language after Article 19.03.A with the title “Gratuities”:**

- A. If Owner finds after a notice and hearing that Contractor, or any of the Contractor’s agents or representatives, offered or gave gratuities (in the form of entertainment, gifts, or otherwise) to any official, employee, or agent of Owner or Agency in an attempt to secure this Contract or favorable treatment in awarding, amending, or making any determinations related to the performance of this Contract, Owner may, by written notice to Contractor, terminate this Contract. Owner may also pursue other rights and remedies that the law or this Contract

provides. However, the existence of the facts on which Owner bases such findings shall be an issue and may be reviewed in proceedings under the dispute resolution provisions of this Contract.

- B. In the event this Contract is terminated as provided in Paragraph 19.04.A, Owner may pursue that same remedies against Contractor as it could pursue in the event of a breach of this Contract by Contractor. As a penalty, in addition to any other damages to which it may be entitled by law, Owner may pursue exemplary damages in an amount (as determined by Owner) which shall not be less than three nor more than ten times the costs Contractor incurs in providing any such gratuities to any such officer or employee.

**SC 19.05 Add the following language after Article 19.04.B with the title “Audit and Access to Records”:**

- A. Owner, Agency, the Comptroller General of the United States, or any of their duly authorized representatives, shall have access to any books, documents, papers, and records of the Contractor which are pertinent to the Agreement, for the purpose of making audits, examinations, excerpts, and transcriptions. Engineer shall maintain all required records for three years after final payment is made and all other pending matters are closed.

**SC 19.06 Add, the following language after Article 19.05.A with the title “Small, Minority and Women’s Businesses”:**

- A. If Contractor intends to let any subcontracts for a portion of the work, Contractor shall take affirmative steps to assure that small, minority and women’s businesses are used when possible as sources of supplies, equipment, construction, and services. Affirmative steps shall consist of: (1) including qualified small, minority and women’s businesses on solicitation lists; (2) assuring that small, minority and women’s businesses are solicited whenever they are potential sources; (3) dividing total requirements when economically feasible, into small tasks or quantities to permit maximum participation of small, minority, and women’s businesses; (4) establishing delivery schedules, where the requirements of the work permit, which will encourage participation by small, minority and women’s businesses; (5) using the services and assistance of the Small Business Administration and the Minority Business Development Agency of the U.S. Department of Commerce; (6) requiring each party to a subcontract to take the affirmative steps of this section; and (7) Contractor is encouraged to procure goods and services from labor surplus area firms.

**SC 19.07 Add the following after Article 19.06.A with the title “Anti-Kickback”:**

- A. Contractor shall comply with the Copeland Anti-Kickback Act (18 USC 874 and 40 USC 276c) as supplemented by Department of Labor regulations (29 CFR Part 3, “Contractors and Subcontractors on Public Buildings or Public Works Financed in Whole or in Part by Loans or Grants of the United States”). The Act provides that Contractor or subcontractor shall be prohibited from inducing, by any means, any person employed in the construction, completion, or repair of public facilities, to give up any part of the compensation to which they are otherwise entitled. Owner shall report all suspected or reported violations to Agency.

**SC 19.08 Add the following after Article 19.07.A with the title “Clean Air and Pollution Control Acts”:**

- A. If this Contract exceeds \$100,000, compliance with all applicable standards, orders, or requirements issued under section 306 of the Clean Air Act (42 U.S.C. 1857(h) and 42 USC 7401 *et seq.*) section 508 of the Clean Water Act (33 U.S.C. 1368) and Federal Water Pollution Control Act (33 USC 1251 *et seq.*) Executive Order 11738, and Environmental Protection Agency

regulations is required. Contractor will report violations to the Agency and the Regional Office of the EPA.

**SC 19.09 Add the following after Article 19.08 with the title “State Energy Policy”:**

- A. Contractor shall comply with the Energy Policy and Conservation Act (P.L. 94-163). Mandatory standards and policies relating to energy efficiency, contained in any applicable State Energy Conservation Plan, shall be utilized.

**SC 19.10 Add the following after Article 19.09 with the title “Equal Opportunity Requirements”:**

- A. If this Contract exceeds \$10,000, Contractor shall comply with Executive Order 11246, “Equal Employment Opportunity,” as amended by Executive Order 11375, “Amending Executive Order 11246 Relating to Equal Employment Opportunity,” and as supplemented by regulations at 41 CFR part 60, “Office of Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor.”
- B. Contractor’s compliance with Executive Order 11246 shall be based on its implementation of the Equal Opportunity Clause, specific affirmative active obligations required by the Standard Federal Equal Employment Opportunity Construction Contract Specifications, as set forth in 41 CFR Part 60-4 and its efforts to meet the goals established for the geographical area where the Contract is to be performed. The hours of minority and female employment and training must be substantially uniform throughout the length of the Contract, and in each trade, and Contractor shall make a good faith effort to employ minorities and women evenly on each of its projects. The transfer of minority or female employees or trainees from Contractor to Contractor or from project to project for the sole purpose of meeting Contractor’s goals shall be a violation of the Contract, the Executive Order, and the regulations in 41 CFR Part 60-4. Compliance with the goals will be measured against the total work hours performed.
- C. Contractor shall provide written notification to the Director of the Office of Federal Contract Compliance Programs within 10 working days of award of any construction subcontract in excess of \$10,000 at any tier for construction work under the Contract resulting from this solicitation. The notification shall list the name, address, and telephone number of the subcontractor; employer identification number; estimated dollar amount of subcontract; estimated starting and completion dates of the subcontract; and the geographical area in which the Contract is to be performed.

**SC 19.11 Add the following after Article 19.10.C with the title “Restrictions on Lobbying”:**

- A. Contractor and each subcontractor shall comply with Restrictions on Lobbying (Public Law 101-121, Section 319) as supplemented by applicable Agency regulations. This Law applies to the recipients of contracts and subcontracts that exceed \$100,000 at any tier under a Federal loan that exceeds \$150,000 or a Federal grant that exceeds \$100,000. If applicable, Contractor must complete a certification form on lobbying activities related to a specific Federal loan or grant that is a funding source for this Contract. Each tier certifies to the tier above that it will not and has not used Federal appropriated funds to pay any person or organization for influencing or attempting to influence an officer or employee of any agency, a member of Congress, or an employee of a member of Congress in connection with obtaining any Federal contract, grant, or any other award covered by 31 USC 1352. Each tier shall disclose any lobbying with non-Federal funds that takes place in connection with obtaining any Federal award. Certifications and

disclosures are forwarded from tier to tier up to the Owner. Necessary certification and disclosure forms shall be provided by Owner.

**SC 19.12 Add the following after Article 19.11.A with the title “Environmental Requirements”:**

- A. When constructing a project involving trenching and/or other related earth excavations, Contractor shall comply with the following environmental conditions:
- 1) Wetlands – When disposing of excess, spoil, or other construction materials on public or private property, Contractor shall not fill in or otherwise convert wetlands.
  - 2) Floodplains – When disposing of excess, spoil, or other construction materials on public or private property, Contractor shall not fill in or otherwise convert 100 year floodplain areas delineated on the latest Federal Emergency Management Agency Floodplain Maps, or other appropriate maps, e.g., alluvial soils on NRCS Soil Survey Maps.
  - 3) Historic Preservation – Any excavation by Contractor that uncovers an historical or archaeological artifact shall be immediately reported to Owner and a representative of Agency. Construction shall be temporarily halted pending the notification process and further directions issued by Agency after consultation with the State Historic Preservation Officer (SHPO).
  - 4) Endangered Species – Contractor shall comply with the Endangered Species Act, which provides for the protection of endangered and/or threatened species and critical habitat. Should any evidence of the presence of endangered and/or threatened species or their critical habitat be brought to the attention of Contractor, Contractor will immediately report this evidence to Owner and a representative of Agency. Construction shall be temporarily halted pending the notification process and further directions issued by Agency after consultation with the U.S. Fish and Wildlife Service.
  - 5) Mitigation Measures – The following environmental mitigation measures are required on this Project: The list of environmental mitigation measures will be delivered to the Contractor at the preconstruction conference.

## PERFORMANCE BOND

CONTRACTOR *(name and address):*

SURETY *(name and address of principal place of business):*

OWNER *(name and address):*

### CONSTRUCTION CONTRACT

Effective Date of the Agreement:

Amount:

Description *(name and location):*

### BOND

Bond Number:

Date *(not earlier than the Effective Date of the Agreement of the Construction Contract):*

Amount:

Modifications to this Bond Form:  None  See Paragraph 16

Surety and Contractor, intending to be legally bound hereby, subject to the terms set forth below, do each cause this Performance Bond to be duly executed by an authorized officer, agent, or representative.

### CONTRACTOR AS PRINCIPAL

### SURETY

\_\_\_\_\_  
Contractor's Name and Corporate Seal *(seal)*

\_\_\_\_\_  
Surety's Name and Corporate Seal *(seal)*

By: \_\_\_\_\_  
Signature

By: \_\_\_\_\_  
Signature *(attach power of attorney)*

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Title

\_\_\_\_\_  
Title

Attest: \_\_\_\_\_  
Signature

Attest: \_\_\_\_\_  
Signature

\_\_\_\_\_  
Title

\_\_\_\_\_  
Title

**Notes: (1) Provide supplemental execution by any additional parties, such as joint venturers. (2) Any singular reference to Contractor, Surety, Owner, or other party shall be considered plural where applicable.**

1. The Contractor and Surety, jointly and severally, bind themselves, their heirs, executors, administrators, successors, and assigns to the Owner for the performance of the Construction Contract, which is incorporated herein by reference.
2. If the Contractor performs the Construction Contract, the Surety and the Contractor shall have no obligation under this Bond, except when applicable to participate in a conference as provided in Paragraph 3.
3. If there is no Owner Default under the Construction Contract, the Surety's obligation under this Bond shall arise after:
  - 3.1 The Owner first provides notice to the Contractor and the Surety that the Owner is considering declaring a Contractor Default. Such notice shall indicate whether the Owner is requesting a conference among the Owner, Contractor, and Surety to discuss the Contractor's performance. If the Owner does not request a conference, the Surety may, within five (5) business days after receipt of the Owner's notice, request such a conference. If the Surety timely requests a conference, the Owner shall attend. Unless the Owner agrees otherwise, any conference requested under this Paragraph 3.1 shall be held within ten (10) business days of the Surety's receipt of the Owner's notice. If the Owner, the Contractor, and the Surety agree, the Contractor shall be allowed a reasonable time to perform the Construction Contract, but such an agreement shall not waive the Owner's right, if any, subsequently to declare a Contractor Default;
  - 3.2 The Owner declares a Contractor Default, terminates the Construction Contract and notifies the Surety; and
  - 3.3 The Owner has agreed to pay the Balance of the Contract Price in accordance with the terms of the Construction Contract to the Surety or to a contractor selected to perform the Construction Contract.
4. Failure on the part of the Owner to comply with the notice requirement in Paragraph 3.1 shall not constitute a failure to comply with a condition precedent to the Surety's obligations, or release the Surety from its obligations, except to the extent the Surety demonstrates actual prejudice.
5. When the Owner has satisfied the conditions of Paragraph 3, the Surety shall promptly and at the Surety's expense take one of the following actions:
  - 5.1 Arrange for the Contractor, with the consent of the Owner, to perform and complete the Construction Contract;
  - 5.2 Undertake to perform and complete the Construction Contract itself, through its agents or independent contractors;
  - 5.3 Obtain bids or negotiated proposals from qualified contractors acceptable to the Owner for a contract for performance and completion of the Construction Contract, arrange for a contract to be prepared for execution by the Owner and a contractor selected with the Owners concurrence, to be secured with performance and payment bonds executed by a qualified surety equivalent to the bonds issued on the Construction Contract, and pay to the Owner the amount of damages as described in Paragraph 7 in excess of the Balance of the Contract Price incurred by the Owner as a result of the Contractor Default; or
  - 5.4 Waive its right to perform and complete, arrange for completion, or obtain a new contractor, and with reasonable promptness under the circumstances:
    - 5.4.1 After investigation, determine the amount for which it may be liable to the Owner and, as soon as practicable after the amount is determined, make payment to the Owner; or
    - 5.4.2 Deny liability in whole or in part and notify the Owner, citing the reasons for denial.
6. If the Surety does not proceed as provided in Paragraph 5 with reasonable promptness, the Surety shall be deemed to be in default on this Bond seven days after receipt of an additional written notice from the Owner to the Surety demanding that the Surety perform its obligations under this Bond, and the Owner shall be entitled to enforce any remedy available to the Owner. If the Surety proceeds as provided in Paragraph 5.4, and the Owner refuses the payment or the Surety has denied liability, in whole or in part, without further notice the Owner shall be entitled to enforce any remedy available to the Owner.
7. If the Surety elects to act under Paragraph 5.1, 5.2, or 5.3, then the responsibilities of the Surety to the Owner shall not be greater than those of the Contractor under the Construction Contract, and the responsibilities of the Owner to the Surety shall not be greater than those of the Owner under the Construction Contract. Subject to the commitment by the Owner to pay the Balance of the Contract Price, the Surety is obligated, without duplication for:
  - 7.1 the responsibilities of the Contractor for correction of defective work and completion of the Construction Contract;
  - 7.2 additional legal, design professional, and delay costs resulting from the Contractor's Default, and resulting from the actions or failure to act of the Surety under Paragraph 5; and
  - 7.3 liquidated damages, or if no liquidated damages are specified in the Construction Contract, actual damages caused by delayed performance or non-performance of the Contractor.
8. If the Surety elects to act under Paragraph 5.1, 5.3, or 5.4, the Surety's liability is limited to the amount of this Bond.
9. The Surety shall not be liable to the Owner or others for obligations of the Contractor that are unrelated to the Construction Contract, and the Balance of the Contract Price shall not be reduced or set off on account of any such unrelated obligations. No right of action shall accrue on this Bond to any person or entity other than the Owner or its heirs, executors, administrators, successors, and assigns.

10. The Surety hereby waives notice of any change, including changes of time, to the Construction Contract or to related subcontracts, purchase orders, and other obligations.

11. Any proceeding, legal or equitable, under this Bond may be instituted in any court of competent jurisdiction in the location in which the work or part of the work is located and shall be instituted within two years after a declaration of Contractor Default or within two years after the Contractor ceased working or within two years after the Surety refuses or fails to perform its obligations under this Bond, whichever occurs first. If the provisions of this paragraph are void or prohibited by law, the minimum periods of limitations available to sureties as a defense in the jurisdiction of the suit shall be applicable.

12. Notice to the Surety, the Owner, or the Contractor shall be mailed or delivered to the address shown on the page on which their signature appears.

13. When this Bond has been furnished to comply with a statutory or other legal requirement in the location where the construction was to be performed, any provision in this Bond conflicting with said statutory or legal requirement shall be deemed deleted herefrom and provisions conforming to such statutory or other legal requirement shall be deemed incorporated herein. When so furnished, the intent is that this Bond shall be construed as a statutory bond and not as a common law bond.

#### 14. Definitions

14.1 Balance of the Contract Price: The total amount payable by the Owner to the Contractor under the Construction Contract after all proper adjustments have been made including allowance for the Contractor for any amounts received or to be received by the Owner in settlement of insurance or other claims for damages

to which the Contractor is entitled, reduced by all valid and proper payments made to or on behalf of the Contractor under the Construction Contract.

14.2 Construction Contract: The agreement between the Owner and Contractor identified on the cover page, including all Contract Documents and changes made to the agreement and the Contract Documents.

14.3 Contractor Default: Failure of the Contractor, which has not been remedied or waived, to perform or otherwise to comply with a material term of the Construction Contract.

14.4 Owner Default: Failure of the Owner, which has not been remedied or waived, to pay the Contractor as required under the Construction Contract or to perform and complete or comply with the other material terms of the Construction Contract.

14.5 Contract Documents: All the documents that comprise the agreement between the Owner and Contractor.

15. If this Bond is issued for an agreement between a contractor and subcontractor, the term Contractor in this Bond shall be deemed to be Subcontractor and the term Owner shall be deemed to be Contractor.

16. Modifications to this Bond are as follows:

## PAYMENT BOND

CONTRACTOR *(name and address)*:

SURETY *(name and address of principal place of business)*:

OWNER *(name and address)*:

### CONSTRUCTION CONTRACT

Effective Date of the Agreement:

Amount:

Description *(name and location)*:

### BOND

Bond Number:

Date *(not earlier than the Effective Date of the Agreement of the Construction Contract)*:

Amount:

Modifications to this Bond Form:  None  See Paragraph 18

Surety and Contractor, intending to be legally bound hereby, subject to the terms set forth below, do each cause this Payment Bond to be duly executed by an authorized officer, agent, or representative.

### CONTRACTOR AS PRINCIPAL

### SURETY

\_\_\_\_\_  
Contractor's Name and Corporate Seal *(seal)*

\_\_\_\_\_  
Surety's Name and Corporate Seal *(seal)*

By: \_\_\_\_\_  
Signature

By: \_\_\_\_\_  
Signature *(attach power of attorney)*

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Title

\_\_\_\_\_  
Title

Attest: \_\_\_\_\_  
Signature

Attest: \_\_\_\_\_  
Signature

\_\_\_\_\_  
Title

\_\_\_\_\_  
Title

**Notes: (1) Provide supplemental execution by any additional parties, such as joint venturers. (2) Any singular reference to Contractor, Surety, Owner, or other party shall be considered plural where applicable.**



1. The Contractor and Surety, jointly and severally, bind themselves, their heirs, executors, administrators, successors, and assigns to the Owner to pay for labor, materials, and equipment furnished for use in the performance of the Construction Contract, which is incorporated herein by reference, subject to the following terms.
2. If the Contractor promptly makes payment of all sums due to Claimants, and defends, indemnifies, and holds harmless the Owner from claims, demands, liens, or suits by any person or entity seeking payment for labor, materials, or equipment furnished for use in the performance of the Construction Contract, then the Surety and the Contractor shall have no obligation under this Bond.
3. If there is no Owner Default under the Construction Contract, the Surety's obligation to the Owner under this Bond shall arise after the Owner has promptly notified the Contractor and the Surety (at the address described in Paragraph 13) of claims, demands, liens, or suits against the Owner or the Owner's property by any person or entity seeking payment for labor, materials, or equipment furnished for use in the performance of the Construction Contract, and tendered defense of such claims, demands, liens, or suits to the Contractor and the Surety.
4. When the Owner has satisfied the conditions in Paragraph 3, the Surety shall promptly and at the Surety's expense defend, indemnify, and hold harmless the Owner against a duly tendered claim, demand, lien, or suit.
5. The Surety's obligations to a Claimant under this Bond shall arise after the following:
  - 5.1 Claimants who do not have a direct contract with the Contractor,
    - 5.1.1 have furnished a written notice of non-payment to the Contractor, stating with substantial accuracy the amount claimed and the name of the party to whom the materials were, or equipment was, furnished or supplied or for whom the labor was done or performed, within ninety (90) days after having last performed labor or last furnished materials or equipment included in the Claim; and
    - 5.1.2 have sent a Claim to the Surety (at the address described in Paragraph 13).
  - 5.2 Claimants who are employed by or have a direct contract with the Contractor have sent a Claim to the Surety (at the address described in Paragraph 13).
6. If a notice of non-payment required by Paragraph 5.1.1 is given by the Owner to the Contractor, that is sufficient to satisfy a Claimant's obligation to furnish a written notice of non-payment under Paragraph 5.1.1.
7. When a Claimant has satisfied the conditions of Paragraph 5.1 or 5.2, whichever is applicable, the Surety shall promptly and at the Surety's expense take the following actions:
  - 7.1 Send an answer to the Claimant, with a copy to the Owner, within sixty (60) days after receipt of the Claim, stating the amounts that are undisputed and the basis for challenging any amounts that are disputed; and
  - 7.2 Pay or arrange for payment of any undisputed amounts.
  - 7.3 The Surety's failure to discharge its obligations under Paragraph 7.1 or 7.2 shall not be deemed to constitute a waiver of defenses the Surety or Contractor may have or acquire as to a Claim, except as to undisputed amounts for which the Surety and Claimant have reached agreement. If, however, the Surety fails to discharge its obligations under Paragraph 7.1 or 7.2, the Surety shall indemnify the Claimant for the reasonable attorney's fees the Claimant incurs thereafter to recover any sums found to be due and owing to the Claimant.
8. The Surety's total obligation shall not exceed the amount of this Bond, plus the amount of reasonable attorney's fees provided under Paragraph 7.3, and the amount of this Bond shall be credited for any payments made in good faith by the Surety.
9. Amounts owed by the Owner to the Contractor under the Construction Contract shall be used for the performance of the Construction Contract and to satisfy claims, if any, under any construction performance bond. By the Contractor furnishing and the Owner accepting this Bond, they agree that all funds earned by the Contractor in the performance of the Construction Contract are dedicated to satisfy obligations of the Contractor and Surety under this Bond, subject to the Owner's priority to use the funds for the completion of the work.
10. The Surety shall not be liable to the Owner, Claimants, or others for obligations of the Contractor that are unrelated to the Construction Contract. The Owner shall not be liable for the payment of any costs or expenses of any Claimant under this Bond, and shall have under this Bond no obligation to make payments to or give notice on behalf of Claimants, or otherwise have any obligations to Claimants under this Bond.
11. The Surety hereby waives notice of any change, including changes of time, to the Construction Contract or to related subcontracts, purchase orders, and other obligations.
12. No suit or action shall be commenced by a Claimant under this Bond other than in a court of competent jurisdiction in

the state in which the project that is the subject of the Construction Contract is located or after the expiration of one year from the date (1) on which the Claimant sent a Claim to the Surety pursuant to Paragraph 5.1.2 or 5.2, or (2) on which the last labor or service was performed by anyone or the last materials or equipment were furnished by anyone under the Construction Contract, whichever of (1) or (2) first occurs. If the provisions of this paragraph are void or prohibited by law, the minimum period of limitation available to sureties as a defense in the jurisdiction of the suit shall be applicable.

13. Notice and Claims to the Surety, the Owner, or the Contractor shall be mailed or delivered to the address shown on the page on which their signature appears. Actual receipt of notice or Claims, however accomplished, shall be sufficient compliance as of the date received.
14. When this Bond has been furnished to comply with a statutory or other legal requirement in the location where the construction was to be performed, any provision in this Bond conflicting with said statutory or legal requirement shall be deemed deleted herefrom and provisions conforming to such statutory or other legal requirement shall be deemed incorporated herein. When so furnished, the intent is that this Bond shall be construed as a statutory bond and not as a common law bond.
15. Upon requests by any person or entity appearing to be a potential beneficiary of this Bond, the Contractor and Owner shall promptly furnish a copy of this Bond or shall permit a copy to be made.

## 16. Definitions

16.1 **Claim:** A written statement by the Claimant including at a minimum:

1. The name of the Claimant;
2. The name of the person for whom the labor was done, or materials or equipment furnished;
3. A copy of the agreement or purchase order pursuant to which labor, materials, or equipment was furnished for use in the performance of the Construction Contract;
4. A brief description of the labor, materials, or equipment furnished;
5. The date on which the Claimant last performed labor or last furnished materials or equipment for use in the performance of the Construction Contract;
6. The total amount earned by the Claimant for labor, materials, or equipment furnished as of the date of the Claim;
7. The total amount of previous payments received by the Claimant; and
8. The total amount due and unpaid to the Claimant for labor, materials, or equipment furnished as of the date of the Claim.

16.2 **Claimant:** An individual or entity having a direct contract with the Contractor or with a subcontractor of the Contractor to furnish labor, materials, or equipment for use in the performance of the Construction Contract. The term Claimant also includes any individual or entity that has rightfully asserted a claim under an applicable mechanic's lien or similar statute against the real property upon which the Project is located. The intent of this Bond shall be to include without limitation in the terms of "labor, materials, or equipment" that part of the water, gas, power, light, heat, oil, gasoline, telephone service, or rental equipment used in the Construction Contract, architectural and engineering services required for performance of the work of the Contractor and the Contractor's subcontractors, and all other items for which a mechanic's lien may be asserted in the jurisdiction where the labor, materials, or equipment were furnished.

16.3 **Construction Contract:** The agreement between the Owner and Contractor identified on the cover page, including all Contract Documents and all changes made to the agreement and the Contract Documents.

16.4 **Owner Default:** Failure of the Owner, which has not been remedied or waived, to pay the Contractor as required under the Construction Contract or to perform and complete or comply with the other material terms of the Construction Contract.

16.5 **Contract Documents:** All the documents that comprise the agreement between the Owner and Contractor.

17. If this Bond is issued for an agreement between a contractor and subcontractor, the term Contractor in this Bond shall be deemed to be Subcontractor and the term Owner shall be deemed to be Contractor.

18. Modifications to this Bond are as follows:

Form RD 1924-18 (Rev. 6-97)		UNITED STATES DEPARTMENT OF AGRICULTURE RURAL DEVELOPMENT FARM SERVICE AGENCY  <b>PARTIAL PAYMENT ESTIMATE</b>		CONTRACT NO. _____  PARTIAL PAYMENT ESTIMATE NO. _____  PAGE _____	
OWNER: _____		CONTRACTOR: _____		PERIOD OF ESTIMATE FROM _____ TO _____	
CONTRACT CHANGE ORDER SUMMARY				ESTIMATE	
No.	Agency Approval Date	Amount			
		Additions	Deductions		
				1. Original Contract .....	
				2. Change Orders .....	\$0.00
				3. Revised Contract (1 + 2) .....	\$0.00
				4. Work Completed* .....	
				5. Stored Materials* .....	
				6. Subtotal (4 + 5) .....	\$0.00
				7. Retainage* .....	
				8. Previous Payments .....	
				9. Amount Due (6-7-8) .....	\$0.00
TOTALS		\$0.00	\$0.00	* Detailed breakdown attached	
NET CHANGE		\$0.00	\$0.00		
CONTRACT TIME					
Original (days) _____ Revised _____ Remaining _____		On Schedule <input type="checkbox"/> Yes <input type="checkbox"/> No		Starting Date _____ Projected Completion _____	
<b>CONTRACTOR'S CERTIFICATION:</b> The undersigned Contractor certifies that to the best of their knowledge, information and belief the work covered by this payment estimate has been completed in accordance with the contract documents, that all amounts have been paid by the contractor for work for which previous payment estimates was issued and payments received from the owner, and that current payment shown herein is now due.			<b>ARCHITECT OR ENGINEER'S CERTIFICATION:</b> The undersigned certifies that the work has been carefully inspected and to the best of their knowledge and belief, the quantities shown in this estimate are correct and the work has been performed in accordance with the contract documents.		
Contractor _____  By _____  Date _____			Architect or Engineer _____  By _____  Date _____		
<b>APPROVED BY OWNER:</b>  Owner _____  By _____  Date _____			<b>ACCEPTED BY AGENCY:</b> The review and acceptance of this estimate does not attest to the correctness of the quantities shown or that the work has been performed in accordance with the contract documents.  By _____  Title _____  Date _____		

According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0575-0042. The time required to complete this information collection is estimated to average 30 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed and completing and reviewing the collection of information.



UNITED STATES DEPARTMENT OF AGRICULTURE  
RURAL DEVELOPMENT AND  
FARM SERVICE AGENCY

ORDER NO.	1
DATE	
STATE	KY
COUNTY	FRANKLIN

**CONTRACT CHANGE ORDER**

CONTRACT FOR: ST. JOHNS WATER STORAGE TANK REPLACEMENT

OWNER: NORTH SHELBY WATER COMPANY

TO: \_\_\_\_\_  
(Contractor)

You are hereby requested to comply with the following changes in the contract plans and specifications:

Description of Changes (Supplemental Plans and Specifications Attached)	DECREASE in Contract Price	INCREASE in Contract Price
TOTALS		
NET CHANGE IN CONTRACT PRICE		

**JUSTIFICATION:**

The amount of the Contract will be (Decreased) (Increased) By the Sum of: \_\_\_\_\_  
Dollars \_\_\_\_\_

The Contract Total Including this and previous Change Orders will be: \_\_\_\_\_  
Dollars \_\_\_\_\_

The Contract Period Provided for Completion will be (Increased) (Decreased) (Unchanged): \_\_\_\_\_ Days

This document will become a supplement to the contract and all provisions will apply hereto.

Requested \_\_\_\_\_ (North Shelby Water Company) \_\_\_\_\_ (Date)

Recommended \_\_\_\_\_ (Monarch Engineering, Inc.) \_\_\_\_\_ (Date)

Accepted \_\_\_\_\_ (Contractor) \_\_\_\_\_ (Date)

This information will be used as a record of any changes to the original construction contract.

**NOTICE TO PROCEED**

TO: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

DATE: \_\_\_\_\_  
Project: St. Johns Water Storage Tank Replacement

You are hereby notified to commence WORK in accordance with the Agreement dated \_\_\_\_\_, 2022, on or before \_\_\_\_\_, 2022. In accordance with the Agreement, the date of substantial completion is \_\_\_\_\_, and the date of readiness for final payment is \_\_\_\_\_, 2022, or, and the number of days needed to achieve readiness for final payment is \_\_\_\_\_.

Before starting work at the site, Contractor must comply with the following:  
(Note any access limitations, security procedures, or other restrictions)

\_\_\_\_\_

\_\_\_\_\_  
North Shelby Water Company

By: Mr. Bryan Franklin

Title: President

ACCEPTANCE OF NOTICE

Receipt of the above NOTICE TO PROCEED is hereby acknowledged

by \_\_\_\_\_, this \_\_\_ day of \_\_\_\_\_, 2012.  
(Contractor)

By: \_\_\_\_\_

Title: \_\_\_\_\_

Employer Identification Number \_\_\_\_\_

**CERTIFICATE OF SUBSTANTIAL COMPLETION**

Owner:	Owner's Contract No.:
Contractor:	Contractor's Project No.:
Engineer:	Engineer's Project No.:
Project:	Contract Name:

**This [preliminary] [final] Certificate of Substantial Completion applies to:**

- All Work  The following specified portions of the Work:

**Date of Substantial Completion**

The Work to which this Certificate applies has been inspected by authorized representatives of Owner, Contractor, and Engineer, and found to be substantially complete. The Date of Substantial Completion of the Work or portion thereof designated above is hereby established, subject to the provisions of the Contract pertaining to Substantial Completion. The date of Substantial Completion in the final Certificate of Substantial Completion marks the commencement of the contractual correction period and applicable warranties required by the Contract.

A punch list of items to be completed or corrected is attached to this Certificate. This list may not be all-inclusive, and the failure to include any items on such list does not alter the responsibility of the Contractor to complete all Work in accordance with the Contract.

The responsibilities between Owner and Contractor for security, operation, safety, maintenance, heat, utilities, insurance, and warranties upon Owner's use or occupancy of the Work shall be as provided in the Contract, except as amended as follows: *[Note: Amendments of contractual responsibilities recorded in this Certificate should be the product of mutual agreement of Owner and Contractor; see Paragraph 15.03.D of the General Conditions.]*

Amendments to Owner's responsibilities:  None  
 As follows

Amendments to Contractor's responsibilities:  None  
 As follows:

The following documents are attached to and made a part of this Certificate: *[punch list; others]*

This Certificate does not constitute an acceptance of Work not in accordance with the Contract Documents, nor is it a release of Contractor's obligation to complete the Work in accordance with the Contract.

<b>EXECUTED BY ENGINEER:</b>		<b>RECEIVED:</b>		<b>RECEIVED:</b>	
By: _____	By: _____	By: _____	By: _____	By: _____	By: _____
(Authorized signature)	Owner (Authorized Signature)	Owner (Authorized Signature)	Owner (Authorized Signature)	Contractor (Authorized Signature)	Contractor (Authorized Signature)
Title: _____	Title: _____	Title: _____	Title: _____	Title: _____	Title: _____
Date: _____	Date: _____	Date: _____	Date: _____	Date: _____	Date: _____

COMPLIANCE STATEMENT

This statement relates to a proposed contract with \_\_\_\_\_

\_\_\_\_\_  
*(Name of borrower or grantee)*

who expects to finance the contract with assistance from either the Rural Housing Service (RHS), Rural Business-Cooperative Service (RBS), or the Rural Utilities Service (RUS) or their successor agencies, United States Department of Agriculture (whether by a loan, grant, loan insurance, guarantee, or other form of financial assistance). I am the undersigned bidder or prospective contractor, I represent that:

1. I  have,  have not, participated in a previous contract or subcontract subject to Executive Order 11246 (regarding equal employment opportunity) or a preceding similar Executive Order.
2. If I have participated in such a contract or subcontract, I  have,  have not, filed all compliance reports that have been required to file in connection with the contract or subcontract.  
 If the proposed contract is for \$50,000 or more: or  If the proposed nonconstruction contract is for \$50,000 or more and I have 50 or more employees, I also represent that:
3. I  have,  have not previously had contracts subject to the written affirmative action programs requirements of the Secretary of Labor.
4. If I have participated in such a contract or subcontract,  I have,  have not developed and placed on file at each establishment affirmative action programs as required by the rules and regulations of the Secretary of Labor.

I understand that if I have failed to file any compliance reports that have been required of me, I am not eligible and will not be eligible to have my bid considered or to enter into the proposed contract unless and until I make an arrangement regarding such reports that is satisfactory to either the RHS, RBS or RUS, or to the office where the reports are required to be filed.

I also certify that I do not maintain or provide for my employees any segregated facilities at any of my establishments, and that I do not permit my employees to perform their services at any location, under my control, where segregated facilities are maintained. I certify further that I will not maintain or provide for my employees any segregated facilities at any of my establishments, and that I will not permit my employees to perform their services at any location, under my control, where segregated facilities are maintained. I agree that a breach of this certification is a violation of the Equal Opportunity clause in my contract. As used in this certification, the term "segregated facilities" means any waiting rooms, work areas, restrooms and wash rooms, restaurants and other eating areas time clocks, locker rooms and other storage or dressing areas, parking lots, drinking fountains, recreation or entertainment areas, transportation, and housing facilities provided for employees which are segregated by explicit directive or are in fact segregated on the basis of race, creed, color, or national origin, because of habit, local custom, or otherwise. I further agree that (except where I have obtained identical certifications for proposed subcontractors for specific time periods) I will obtain identical certifications from proposed subcontractors prior to the award of subcontracts exceeding \$10,000 which are not exempt from the provisions of the Equal Opportunity clause; that I will retain such certifications in my files; and that I will forward the following notice to such proposed subcontractors (except where the proposed subcontractors have submitted identical certifications for specific time periods):

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According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a person is not required to respond to a collection of information unless it displays the valid OMB control number. The valid OMB control number for this information collection is 0575-0018. The time required to complete this information collection is estimated to average 10 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

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**NOTICE TO PROSPECTIVE SUBCONTRACTORS OF REQUIREMENTS FOR  
CERTIFICATIONS OF NON-SEGREGATED FACILITIES**

A certification of Nonsegregated Facilities, as required by the May 9, 1967, order (32F.R. 7439, May 19, 1967) on Elimination of Segregated Facilities, by the Secretary of Labor, must be submitted prior to the award of a subcontract exceeding \$ 10,000 which is not exempt from the provisions of the Equal Opportunity clause. The certification may be submitted either for each subcontract or for all subcontracts during a period (i.e., quarterly, semiannually, or annually).

NOTE: The penalty for making false statements in offers is prescribed in 18 U.S.C. 1001.

DATE \_\_\_\_\_

\_\_\_\_\_  
*(Signature of Bidder or Prospective Contractor)*

\_\_\_\_\_  
*Address (including Zip Code)*

**U.S. DEPARTMENT OF AGRICULTURE**

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**Certification Regarding Debarment, Suspension, Ineligibility  
and Voluntary Exclusion - Lower Tier Covered Transactions**

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This certification is required by the regulations implementing Executive Order 12549, Debarment and Suspension, 7 CFR part 3017, Section 3017.510, Participants' responsibilities. The regulations were published as Part IV of the January 30, 1989, Federal Register (pages 4722-4733). Copies of the regulations may be obtained by contacting the Department of Agriculture agency with which this transaction originated.

**(BEFORE COMPLETING CERTIFICATION, READ INSTRUCTIONS ON REVERSE)**

- (1) The prospective lower tier participant certifies, by submission of this proposal, that neither it nor its principals is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any Federal department or agency.
  
- (2) Where the prospective lower tier participant is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this proposal.

---

Organization Name

PR/Award Number or Project Name

---

Name(s) and Title(s) of Authorized Representative(s)

---

Signature(s)

Date

Form AD-1048 (1/92)

Instructions for Certification

1. By signing and submitting this form, the prospective lower tier participant is providing the certification set out on the reverse side in accordance with these instructions.
2. The certification in this clause is a material representation of fact upon which reliance was placed when this transaction was entered into. If it is later determined that the prospective lower tier participant knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government, the department or agency with which this transaction originated may pursue available remedies, including suspension and/or debarment.
3. The prospective lower tier participant shall provide immediate written notice to the person to which this proposal is submitted if at any time the prospective lower tier participant learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.
4. The terms "covered transaction," "debarred," "suspended," "ineligible," "lower tier covered transaction," "participant," "person," "primary covered transaction," "principal," "proposal," and "voluntarily excluded," as used in this clause, have the meanings set out in the Definitions and Coverage sections of rules implementing Executive Order 12549. You may contact the person to which this proposal is submitted for assistance in obtaining a copy of those regulations.
5. The prospective lower tier participant agrees by submitting this form that, should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by the department or agency with which this transaction originated.
6. The prospective lower tier participant further agrees by submitting this form that it will include this clause titled "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion - Lower Tier Covered Transaction," without modification, in all lower tier covered transaction and in all solicitations for lower tier covered transactions.
7. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that is not debarred, suspended, ineligible, or voluntarily excluded from the covered transaction, unless it knows that the certification is erroneous. A participant may decide the method and frequency by which it determines the eligibility of its principals. Each participant may, but is not required to, check the Nonprocurement List.
8. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and information of a participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.
9. Except for transactions authorized under paragraph 5 of these instructions, if a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, in addition to other remedies available to the Federal Government, the department or agency with which this transaction originated may pursue available remedies, including suspension and/or debarment.

CERTIFICATION FOR CONTRACTS, GRANTS AND LOANS

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

1. No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant or Federal loan, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant or loan.

2. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant or loan, the undersigned shall complete and submit Standard Form - LLL, "Disclosure of Lobbying Activities," in accordance with its instructions.

3. The undersigned shall require that the language of this certification be included in the award documents for all subawards at all tiers (including contracts, subcontracts, and subgrants under grants and loans) and that all subrecipients shall certify and disclose accordingly.

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

\_\_\_\_\_  
(name)

\_\_\_\_\_  
(date)

\_\_\_\_\_  
(title)

oOo

***NO PROJECT SIGN IS REQUIRED***

**CERTIFICATE OF OWNER'S ATTORNEY AND AGENCY CONCURRENCE**

CERTIFICATE OF OWNER'S ATTORNEY

PROJECT NAME: \_\_\_\_\_

CONTRACTOR NAME: \_\_\_\_\_

I, the undersigned, \_\_\_\_\_, the duly authorized and acting legal representative of \_\_\_\_\_, do hereby certify as follows: I have examined the attached Contract(s) and performance and payment bond(s) and the manner of execution thereof, and I am of the opinion that each of the aforesaid agreements is adequate and has been duly executed by the proper parties thereto acting through their duly authorized representatives; that said representatives have full power and authority to execute said agreements on behalf of the respective parties named thereon; and that the foregoing agreements constitute valid and legally binding obligations upon the parties executing the same in accordance with the terms, conditions, and provisions thereof.

\_\_\_\_\_  
Name Date

**ENGINEER'S CERTIFICATION OF FINAL PLANS AND SPECIFICATIONS**

PROJECT NAME: \_\_\_\_\_

The final Drawings and Specifications, other assembled Construction Contract Documents, bidding-related documents (or requests for proposals or other construction procurement documents), and any other Final Design Phase deliverables, comply with all requirements of the U.S. Department of Agriculture, Rural Utilities Service, to the best of my knowledge and professional judgment.

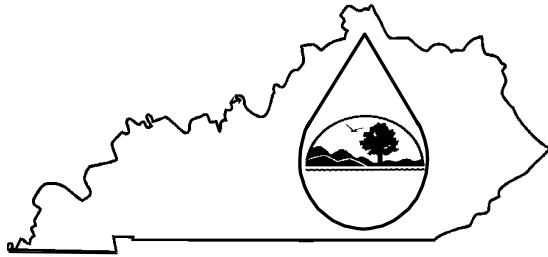
If the Engineers Joint Contract Documents Committee (EJCDC) documents have been used, all modifications required by RUS Bulletin 1780-26 have been made in accordance the terms of the license agreement, which states in part that the Engineer "must plainly show all changes to the Standard EJCDC Text, using 'Track Changes' (redline/strikeout), highlighting, or other means of clearly indicating additions and deletions." Such other means may include attachments indicating changes (e.g. Supplementary Conditions modifying the General Conditions).

\_\_\_\_\_  
Engineer

\_\_\_\_\_  
Date

\_\_\_\_\_  
Name and Title

# FORM NOI-SWCA



## KENTUCKY POLLUTION DISCHARGE ELIMINATION SYSTEM (KPDES)

### Notice of Intent (NOI) for coverage of Storm Water Discharges Associated with Construction Activities Under the KPDES Storm Water General Permit KYR100000

This is an application for:

- New construction activity.  
 Modification of coverage for additional area in same watershed.  
 Modification of coverage for additional area in different watershed.

If Modification is checked, state reason for Modification:

For Agency Use	Permit No. (Leave Blank)	<b>K</b>	<b>Y</b>	<b>R</b>	<b>1</b>	<b>0</b>						
For Agency Use	AI ID (Leave Blank)											

#### SECTION I – FACILITY OPERATOR INFORMATION

Operator Name(s)*:		Phone*:	
Mailing Address*:		Status of Owner/Operator: <input type="checkbox"/> Private <input type="checkbox"/> State <input type="checkbox"/> Federal <input type="checkbox"/> Public (other than state or federal)	
City*:	State*:	Zip Code*:	

#### SECTION II – FACILITY/SITE LOCATION INFORMATION

Name of Project*:	Physical Address*:	City*:
State*:	Zip Code*:	County*:
Latitude (decimal degrees)*:	Longitude (decimal degrees)*:	SIC Code*:

#### SECTION III – SITE ACTIVITY INFORMATION

For single projects provide the following information

Total Number of acres in project*:	Total Number of acres to be disturbed*:	Start date:	Completion date:
------------------------------------	---	-------------	------------------

For common plans of development projects provide the following information

Total Number of acres in project*:	Number of individual lots in development:	Number of lots to be developed:
Total acreage intended to be disturbed*:	Number of acres intended to be disturbed at any one time:	
Start date:	Completion date:	List Contractors:

#### SECTION IV – DISCHARGE TO A WATER BODY

Name of Receiving Water*:	Anticipated number of discharge points:
Location of anticipated discharge points: Latitude (decimal degrees)*	Longitude (decimal degrees)*
Receiving Water Body Stream Use Designation	<input type="checkbox"/> Cold Water Aquatic Habitat <input type="checkbox"/> Domestic Water Supply <input type="checkbox"/> Outstanding State Resource Water <input type="checkbox"/> Secondary Contact Recreation <input type="checkbox"/> Primary Contact Recreation <input type="checkbox"/> Warm Water Aquatic Habitat
Antidegradation Categorization	<input type="checkbox"/> Outstanding National Resource Water <input type="checkbox"/> Exceptional Water <input type="checkbox"/> High Quality Water <input type="checkbox"/> Impaired Water
Name of Receiving Water*:	Anticipated number of discharge points:
Location of anticipated discharge points: Latitude (decimal degrees)*	Longitude (decimal degrees)*
Receiving Water Body Stream Use Designation	<input type="checkbox"/> Cold Water Aquatic Habitat <input type="checkbox"/> Domestic Water Supply <input type="checkbox"/> Outstanding State Resource Water <input type="checkbox"/> Secondary Contact Recreation <input type="checkbox"/> Primary Contact Recreation <input type="checkbox"/> Warm Water Aquatic Habitat
Antidegradation Categorization	<input type="checkbox"/> Outstanding National Resource Water <input type="checkbox"/> Exceptional Water <input type="checkbox"/> High Quality Water <input type="checkbox"/> Impaired Water



# FORM NOI-SWCA

<b>SECTION V – DISCHARGE TO AN MS4</b>			
Name of MS4:		Date of application /notification to the MS4 for construction site coverage:	
Number of discharge points:	Location of each discharge point: Latitude (decimal degrees):*		Longitude (decimal degrees):*
<b>SECTION VI – CONSTRUCTION ACTIVITIES IN OR ALONG A WATER BODY</b>			
Will the project require construction activities in a water body or the riparian zone: <input type="checkbox"/> Yes <input type="checkbox"/> No			
If yes, describe scope of activity:			
Is a Clean Water Act 404 permit required: <input type="checkbox"/> Yes <input type="checkbox"/> No		Is a Clean Water Act 401 Water Quality Certification required: <input type="checkbox"/> Yes <input type="checkbox"/> No	
<b>SECTION VII – NOI PREPARER INFORMATION</b>			
First Name:*	Last Name:*	Phone :*	eMail Address:*
Mailing Address:*	City:*	State:*	Zip Code:*
<b>SECTION VIII – ATTACHMENTS</b>			
Attach a full size color USGS 7½-minute quadrangle map with the facility site clearly marked. USGS maps may be obtained from the University of Kentucky, Mines and Minerals Bldg. Room 106, Lexington, Kentucky 40506. Phone number (859) 257-3896.			
<b>SECTION IX – CERTIFICATION</b>			
<b>I certify under penalty of law that this document and all attachments were prepared under my direction or supervision in accordance with a system designed to assure that qualified personnel properly gather and evaluate the information submitted. Based on my inquiry of the person or persons who manage the system, or those persons directly responsible for gathering the information submitted is, to the best of my knowledge and belief, true, accurate, and complete. I am aware that there are significant penalties for submitting false information, including the possibility of fine and imprisonment for knowing violations.</b>			
Signature:*		First Name:*	Last Name:*
Phone:*	eMail Address:		Date:*

This completed application form and attachments should be sent to: SWP Branch, Division of Water, 200 Fair Oaks, Frankfort, Kentucky 40601. Questions should be directed to: SWP Branch, Operational Permits Section at (502) 564-3410.

# KENTUCKY POLLUTANT DISCHARGE ELIMINATION SYSTEM FORM NOI-SWCA – INSTRUCTIONS

## WHO MUST FILE A NOTICE OF INTENT (NOI) FORM

Federal law at 40 CFR Part 122 prohibits point source discharges of stormwater associated with industrial activity to a water body of the Commonwealth of Kentucky without a Kentucky Pollutant Discharge Elimination System (KPDES) permit. The operator of an industrial activity that has such a storm water discharge must submit a NOI to obtain coverage under the KPDES Storm Water General Permit. If you have questions about whether you need a permit under the KPDES Storm Water program, or if you need information as to whether a particular program is administered by the state agency, call the **Storm Water Contact, Operational Permits Section, Kentucky Division of Water at (502) 564-3410.**

## WHERE TO FILE NOI FORM

NOIs must be sent to the following address or submitted in on-line at <https://dep.gateway.ky.gov/eForms/Default.aspx?FormID=3>:

Operational Permits Section  
SWP Branch, Division of Water  
200 Fair Oaks Lane  
Frankfort, KY 40601

**Electronic NOI-SWCAs are to be submitted a minimum of seven (7) working days prior to commencement of construction related activities. Paper NOI-SWCAs are to be submitted a minimum of thirty (30) working days prior to commencement of construction related activities.**

## COMPLETING THE FORM

Enter information in the appropriate areas only. (\*) denotes a required field. Enter N/A (Not Applicable) for fields that are required but do not apply to your submission. If you have any questions regarding the completion of this form call the **Storm Water Contact, Operational Permits Section, at (502) 564-3410.**

### SECTION I – FACILITY OPERATOR INFORMATION

**Operator Name(s):** Enter the name or names of all operators applying for coverage under KYR10 using this NOI.  
**Mailing Address, City, State, and Zip Code:** Provide the mailing address of the primary operator  
**Phone No.:** Provide the telephone numbers of the person who is responsible for the operation.  
**Status of Owner/Operator:** Select the appropriate legal status of the operator of the facility from the dropdown list.

Federal  
Public (other than federal or state)  
State  
Private

### SECTION II – FACILITY/SITE LOCATION INFORMATION

**Name of Project:** Provide the name of the project.  
**Physical Address, City, State, Zip Code and County:** Provide the physical address of the project.  
**Latitude/Longitude:** Provide the general site latitude and longitude of the operation.  
**SIC Code:** Enter the Standard Industrial Code for the project

### SECTION III – SITE ACTIVITY INFORMATION

#### For single projects provide the following information:

**Total number of acres in project:** Indicate the total acreage of the project including both disturbed and undisturbed areas.  
**Total number of acres to be disturbed:** Indicate the total number of acres of the project to be disturbed.  
**Anticipated start date:** Indicate the approximate date of when construction activities will begin.  
**Anticipated completion date:** Indicated the approximate date of when final stabilization will be achieved.

#### For common plans of development provide the following information:

**Total number of acres in project:** Indicate the total acreage of the project including both disturbed and undisturbed areas.  
**Number of individual lots in development, if applicable:** Indicate the number of individual lots or unit in the common plan of development  
**Number of lots to be developed:** Indicate the number of lots that you intend to develop.  
**Total acreage of lots intended to develop:** Indicate the total acreage of the lots you intend to develop  
**Total acreage intended to disturb:** Indicate the total acreage of the lots you intend to disturb  
**Number of acres intended to disturb at any one time:** Indicate the maximum number of acres to be disturbed at any one time.  
**Anticipated start date:** Indicate the approximate date of when construction activities will begin.  
**Anticipated completion date:** Indicated the approximate date of when final stabilization will be achieved.  
**List of contractors:** Provide the names of all known contractors that will be working on site.

# KENTUCKY POLLUTANT DISCHARGE ELIMINATION SYSTEM FORM NOI-SWCA – INSTRUCTIONS

## SECTION IV – IF THE PERMITTED SITE DISCHARGES TO A WATER BODY THE FOLLOWING INFORMATION IS REQUIRED

**Name of Receiving Water:** Provide the names of the each water body receiving discharges from the site. Provide only official USGS names do not provide local names

**Anticipated number of discharge points:** Indicate the number of discharge points to each receiving water body.

**Location of anticipated discharge points:** Provide the latitude and longitude of each discharge point. Add points as necessary.

**Receiving Water Body Stream Use Designation:** Check all appropriate boxes

**Antidegradation Categorization:** Select from the drop down box one of the following:

Outstanding National Resource Water

Exceptional Water

High Quality Water

Impaired Water

## SECTION V – IF THE PERMITTED SITE DISCHARGES TO A MS4 THE FOLLOWING INFORMATION IS REQUIRED

**Name of MS4:** Provide the name of the MS4 to which the activity will discharge

**Number of discharge points to the MS4:** Indicate the number of discharge points

**Location of each discharge point:** Provide the latitude and longitude of each discharge point. Add points as necessary

**Date of application/notification to the MS4 for construction site permit coverage:** Indicate the date the MS4 has or will be notified.

## SECTION VI – CONSTRUCTION ACTIVITIES IN OR ALONG A WATER BODY

**Will the project require construction activities in a water body or the riparian zone:** Select Yes or No from the drop down box.

**If Yes, describe scope of activity:** Provide a brief description of the activity (ies) that will take place in the water body or the riparian zone.

**Is a Clean Water Act 404 permit required:** Select Yes or No from the drop down box.

**Is a Clean Water Act 401 Water Quality Certification required:** Select Yes or No from the drop down box.

## SECTION VII – NOI PREPARER INFORMATION

Provide the name, mailing address, telephone number and eMail address of the person preparing the NOI.

## SECTION VIII –Attachments

**Attach a USGS topographic map indicating the location of the activity and the proposed discharge points.**

## SECTION IX – CERTIFICATION

Provide the name, mailing address, telephone number and eMail address of the person who is responsible for the activity

**Signature:** Provide full name of the responsibility party. This will constitute a signature.

The NOI must be signed as follows:

**Corporation:** by a principal executive officer of at least the level of vice president

**Partnership or sole proprietorship:** by a general partner or the proprietor respectively

**GEOTECHNICAL ENGINEERING STUDY**

**ST. JOHNS WATER STORAGE  
TANK REPLACEMENT  
Franklin County, Kentucky**

**AG & E FILE NUMBER: 2022-007**

Prepared By  
American Geotechnical & Environmental, Inc.  
P. O. Box 681237  
Franklin, Tennessee 37068  
(615) 791-9768

Prepared for  
**Monarch Engineering, Inc.**  
556 Carlton Drive  
Lawrenceburg, Kentucky 40342

March 21, 2022



**American  
Geotechnical and  
Environmental, Inc.**

March 21, 2022

**Mr. Lee Mudd, P.E.**  
**Monarch Engineering, Inc.**  
556 Carlton Drive  
Lawrenceburg, Kentucky 40342

**RE: Geotechnical Engineering Study**  
St. Johns Water Storage Tank Replacement  
Franklin County, Kentucky  
AG & E File Number: 2022-007

Dear Mr. Mudd:

In compliance with your recent request, we have completed a geotechnical engineering study for the above referenced project. It is our pleasure to transmit our written report of the results of this study.

This report represents the results of our findings, an engineering interpretation of these findings with respect to the available project characteristics, and recommendations to aid design and construction of the water tank foundations and other earth related phases of the project.

If you should have any questions concerning this or any other matter, please feel free to contact us at your convenience. It has been a pleasure working with you on this project.

Respectfully Submitted,

AMERICAN GEOTECHNICAL & ENVIRONMENTAL, INC.

Robert T. Stickney, P.E.  
President

Enclosure



P. O. Box 681237 • Franklin, TN 37068-1237

(615) 791-9768 • Email: [agande@comcast.net](mailto:agande@comcast.net)

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**GEOTECHNICAL ENGINEERING STUDY**  
**ST. JOHNS WATER STORAGE TANK REPLACEMENT**  
**Franklin County, Kentucky**

**AG & E FILE NUMBER: 2022-007**

**1.0 INTRODUCTION**

This report presents the results of a geotechnical engineering study for the proposed St. Johns Water Tank Replacement for the North Shelby Water Company in Franklin County, Kentucky. The new 250,000 gallon water tank will replace the existing 100,000 Standpipe Water Tank that is about 90 feet to the southwest of the new water tank. The design engineer, Monarch Engineering, Inc., verbally authorized this study.

The scope of geotechnical services provided for this project includes the following:

- Performing a field study of the subsurface soil by the drilling of three (3) exploratory test borings and,
- The review of available geologic and soil survey maps of the general region, and
- Performing appropriate laboratory tests of selected samples obtained from this site.

The purpose of this study was to determine the types of subsoils present at the proposed site and to evaluate their suitability for support of the proposed water tank. Included with these services are comments and recommendations relative to design and construction of the tank foundations for this project.

## 2.0 SITE AND PROJECT CHARACTERISTICS

The proposed water tank is planned for construction on about 90 feet to the southwest of the existing 100,000 Gallon Standpipe Water Tank on the western side of St. Johns Road. The new water tank will be located at 38° 14' 06.26" N, 84° 56' 41.26" W and as shown in Figure 1. The attached photographs show the proposed water tank site is a grass covered hillside that slopes to the northeast. The ground surface has a 5 to 10 percent gradient within the area of the new water tank.

Preliminary design plans indicate the new elevated water tank will be an elevated tank with a storage capacity of 250,000 gallons. The new tank will be supported by five (5) columns and a center riser with a total height of 110 feet. The proposed top of foundation is Elevation 925.00 with an overflow elevation at 1035.00.

The estimated loads per leg are as follows;

Water Load	450 kips
Concrete and Steel	35 kips
Snow Load	12 kips
Wind Shear	15 kips
Seismic Shear	15 kips
Seismic Moment	1,700 kips



### 3.0 GENERAL SUBSURFACE CONDITIONS

Using standard rotary drill equipment, AG & E drilled three (3) exploratory test borings for this study. The test borings were performed at the locations shown on Figure 1. After completion of our field study, the soil samples were returned to our soil mechanics laboratory for analysis and testing.

The elevations noted on the Figure 2, the Subsurface Fence Diagram, were interpolated from the topographic survey provided to us. The subsurface soil profile and groundwater conditions are described in detail on the boring logs in the Appendix to this report, but in general terms consist of the following.

#### 3.1 Subsurface Profile

The surface of the proposed construction site is covered with a layer of topsoil that 0.2 feet thick. Each test boring then encountered mottled brown and yellowish brown silty clay that contains trace amounts of limestone rock fragments. These soils extend to auger refusal depths of 7.0 to 8.0 feet and exhibit a medium stiff to stiff consistency with Standard Penetration Test Values (N-Values) ranging from 8 to 19 blows per foot.

The depths of auger refusal are illustrated in Table 1.

**Table No. 1**

#### **AUGER REFUSAL DEPTH**

<b>Boring No.</b>	<b>Approx. Surface Elevation*</b>	<b>Approx. Refusal Elevation</b>	<b>Depth to Refusal (ft)</b>
B- 1	925.0	917.0	8.0
B- 2	923.0	916.0	7.0
B- 3	923.5	916.0	7.5

\* - Surface elevations are interpolated from topographic survey.

The auger refusal materials at Boring No. 1 were then sampled with standard NX - sized diamond bit rock coring equipment in general accordance with ASTM procedure D-2113. The initial auger refusal material was a 4 inch thick layer of limestone that is underlain by a slightly cemented yellowish brown and brown silty clay. This clayey soil is the highly weathered remains of the parent shale rock. Contained within the yellowish brown and brown silty clay are several thin layers of limestone to a depth of 13.4 feet. The limestone comprises 36 percent of the rock core sample from 8.0 to 13.4 feet. Below 13.4 feet the yellowish brown and brown silty clay changes to a gray shale that extends beyond the 18.0 feet depth of exploration. The limestone from 13.4 to 18.0 feet comprises 20 percent of the rock core sample.

The sample recovery and Rock Quality Designation (RQD) in part, evaluate the characteristics of the bedrock. The sample recovery is an indicator of the degree of weathering in the shale and/or clay portions of the rock core sample. The sample recovery at this boring ranges from 80 percent in the upper 5 feet to 100 percent from 13 to 18 feet. The 80 percent recovery in the rock core sample from 8 to 13 feet indicates the highly weathered condition of the shale where it has the yellowish brown and brown color.

Published geologic information indicates the site is underlain by the Clays Ferry Formation of the Upper Ordovician Period. This formation is described as interbedded limestone and shale St. Louis Limestone Formation. This formation is typically a medium to dark gray limestone that is fine grained and medium to thick-bedded.

### **3.2 Groundwater Conditions**

Observations concerning groundwater were made during and at completion of the test boring operations. No groundwater was noted on the drilling tools with all open boreholes being dry at completion of the drilling operations. In fine-grained soils such as those present at this site, the true static groundwater level can only be determined by observations of cased holes or monitoring wells. While the true groundwater level is subject to normal seasonal variations in precipitation and surface runoff amounts, based on the above observations and soil coloration, we believe it to exist well below the depth of any anticipated excavations.

Any water encountered during the construction of this project will be the result of water bearing pervious seams, and/or a perched water table condition either on top of the bedrock or within permeable layers of the sandstone. Conventional dewatering methods such as pumping from sumps should prove to be adequate for any excavation for this site.

## 4.0 CONCLUSIONS AND RECOMMENDATIONS

Based upon our analysis of the subsurface conditions, the preliminary design details, and the design assumptions previously outlined, the following conclusions and recommendations were developed. If the project characteristics are changed from those assumed herein, our recommendations should be reviewed to see if any modifications are needed.

### 4.1 Tank Foundation Recommendations

The anticipated foundation depth for this water tank is 6 to 8 feet below the ground surface to Elevation 918+/- . The soils at this elevation will include stiff to very stiff mottled brown and yellowish brown silty clays with some thin beds of limestone. Due to the weathered condition of the shale below a depth of about 8 feet, we recommend the water tank foundations be designed for a 4,000 psf allowable bearing pressure. Up to a 30 percent increase in the allowable bearing pressure is permissible when considering very short term transient loads, such as high velocity wind gusts and earthquakes. Allowable bearing pressures for standard loading conditions are based on a minimum safety factor of 3.0 for the allowable bearing pressures under transient loading conditions.

We recommend the following coefficients for lateral earth pressure;

<b>Active Coefficient</b>	0.42
<b>Passive Coefficient</b>	2.37
<b>Friction Coefficient</b>	0.45
<b>Unit Weight</b>	120 pcf

### 4.2 Seismic Recommendations

The Site Class Definition from Table 25 of the AWWA D100-11 is Site Class C.

## 5.0 RECOMMENDED EARTHWORK PROCEDURES

### 5.1 Excavation

All final grade excavations and fills should be limited to a 3 horizontal to 1 vertical slope. Also, all excavations should be properly braced or laid back to meet applicable Occupational Safety and Health Administration (OSHA) requirements. Specifically, OSHA classifies the soil as Type A soil. OSHA regulations require the sideslopes of any excavation to be properly braced or laid back on a sideslope of 3/4 horizontal to 1 vertical (3/4:1).

Some difficulty can be expected for excavations that are deeper than 7 to 8 feet below the existing ground surface. We anticipate a large track hoe should be able to excavate through any limestone beds encountered. Provisions to mobilize a hoe ram or to mount a ripping tooth onto the track hoe may be needed.

We recommend the geotechnical engineer or his representative observe the footing excavations to be sure that any excessively loose, soft or otherwise unsuitable materials are removed to the necessary depths and that the subgrade soils are satisfactory for foundation support. At the time of testing, it may be necessary to make hand auger borings or to conduct pocket penetrometer or other tests in the base of the foundation excavation. The necessary depth of testing will be established during testing. If unsuitable materials are encountered in the excavation, the geotechnical engineer should determine the appropriate remedial alternatives.

## **5.2 Fill and Compaction**

Our understanding of the project plans indicates no fill materials will be placed to support any foundation loads. If these plans should be changed, this office should be consulted for fill placement recommendations and any necessary changes to the foundation design recommendations.

Any structural fill placed on this site to support any pavements should be placed in lifts of uniform thickness. The lift thickness should not exceed that which can be properly compacted throughout its entire depth with the equipment available, usually no more than 6 inches for cohesive soils. We recommend those structural fills supporting footings and/or pavements are compacted to 95 percent of the Standard Proctor maximum dry density (ASTM D-698).

## 6.0 LIMITATIONS OF STUDY

Our recommendations for this report were developed utilizing subsurface information obtained from the test borings that were made at the proposed site. At this time, we would like to point out that soil test borings only depict the soil conditions at the specific location and time at which they were made. The soil conditions at other locations on the site may differ from those occurring at the boring locations; however, only minor variations that can readily be evaluated and adjusted for during construction are expected at this particular site.

The conclusions and recommendations herein have been based upon the available subsurface information and the assumptions previously stated and the preliminary design details furnished by the engineer for the proposed project. Any revision in the plans for the proposed structure from those anticipated in this report should be brought to the attention of the soils engineer so that he may determine whether any changes in the foundation recommendations are necessary. If deviations from the noted foundation conditions are encountered during the construction, they should also be brought to the attention of the soils engineer.

The scope of our services does not include any environmental assessment or investigation for the presence of absence of hazardous or toxic materials in the soil, groundwater or surface water within or beyond the site studied. Any statements in this report or on the test boring logs regarding odors, staining of soils or other unusual conditions observed are strictly for the information of our client.

Our professional services have been performed, our findings obtained, and our recommendations prepared in accordance with generally accepted geotechnical engineering principles and practice. This company is not responsible for the conclusions, opinions, or recommendations made by others based upon the data included herein.

## **APPENDIX**

### Photographs

Figure 1 - Boring Location Plan

Figure 2 - Subsurface Fence Diagram

### Logs of Test Boring

Field Classification System for Soil Exploration

Important Information About This Geotechnical  
Engineering Report





View of the Project Site from St. Johns Road



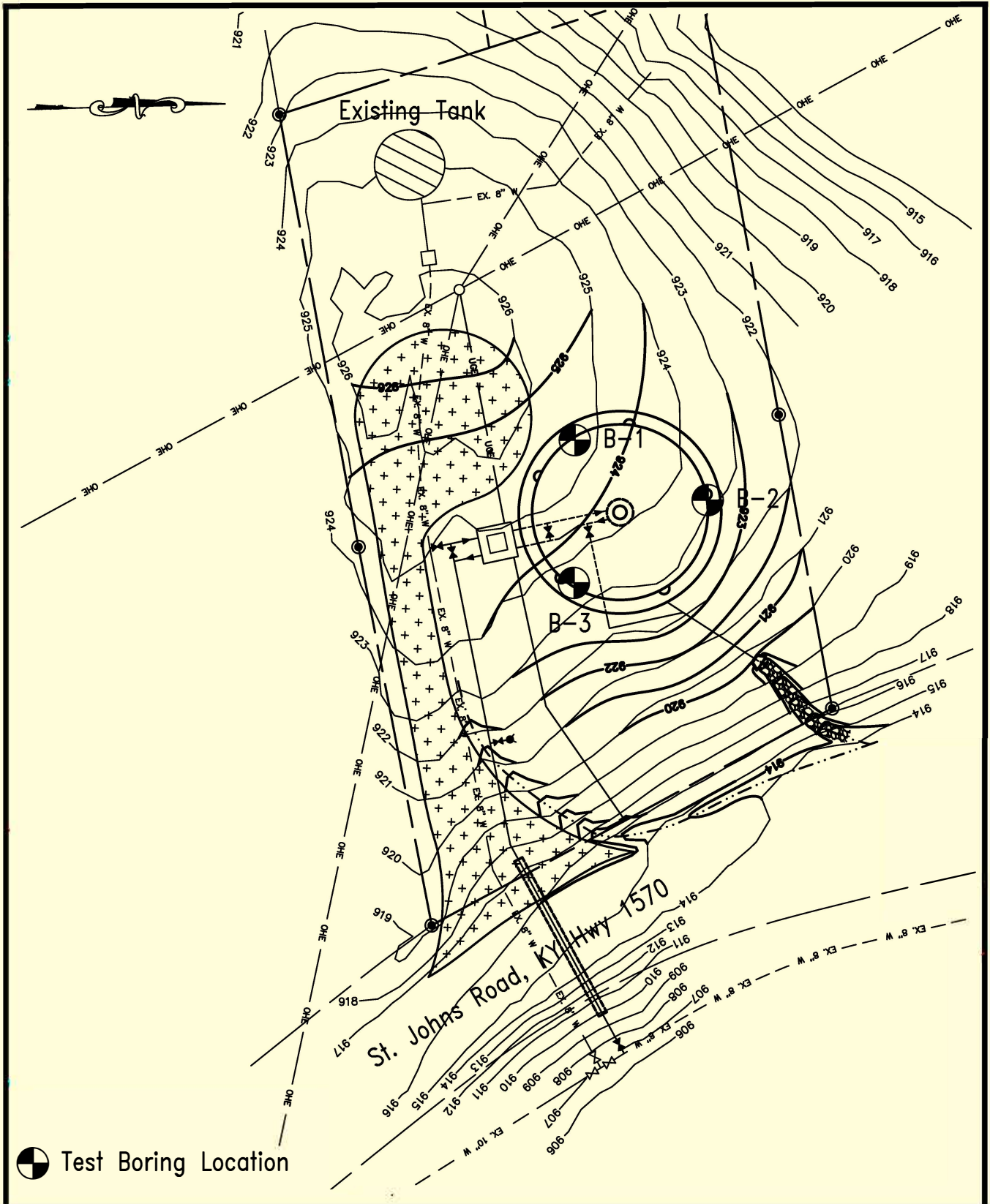
View of the Project Site from the north

## PHOTOGRAPHS

St Johns Water Tank Replacement  
Franklin County, Kentucky

PROJECT NO.: 2022-007

**AG  
& E**



# BORING LOCATION PLAN

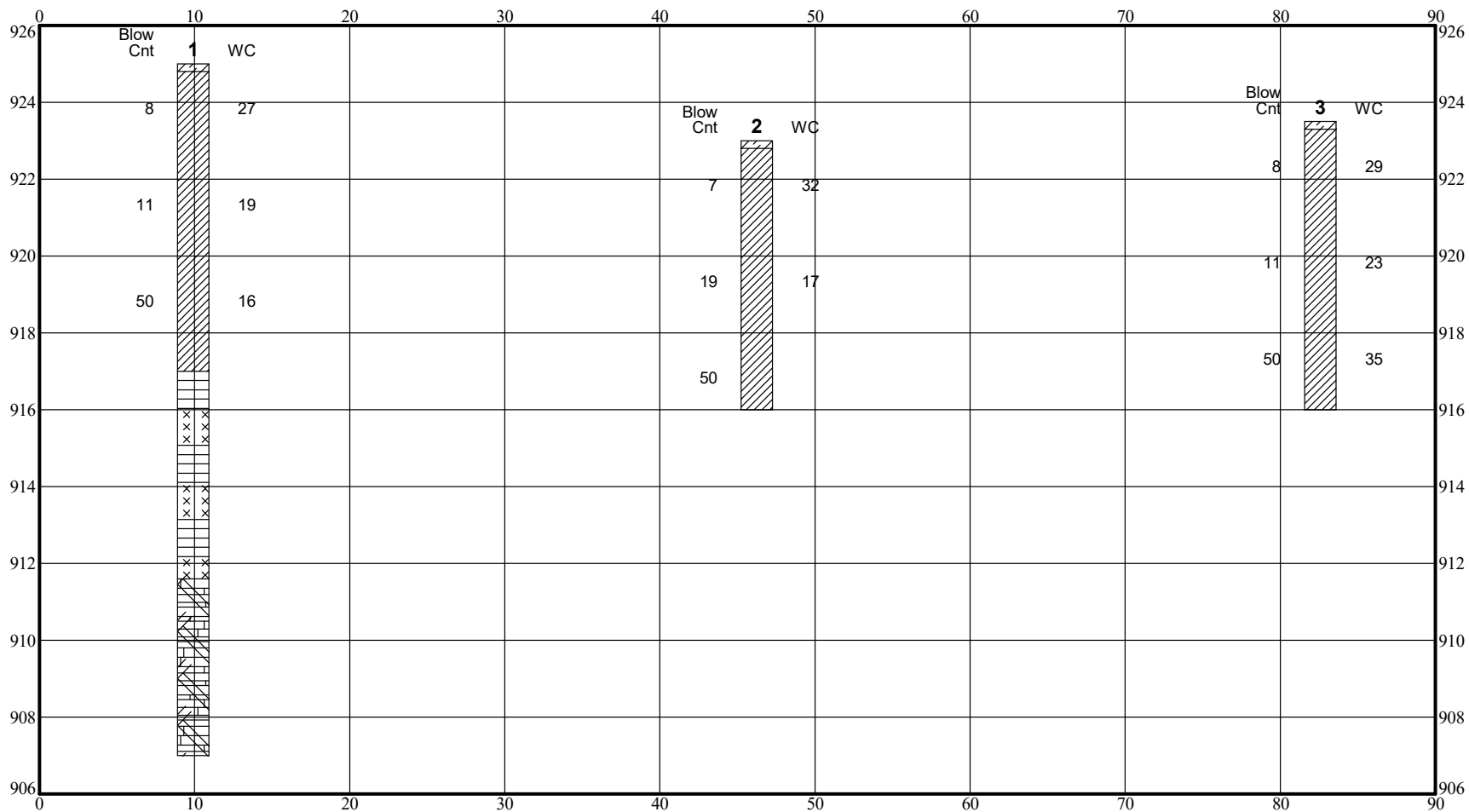
St. Johns Water Tank Replacement  
Franklin County, KY

PROJECT NO.  
2022-007

SCALE  
1" = 30'

FIGURE NO.  
1





Boring	North	East	Elev.	Depth
1	125.0	100.0	925.0	18.0
2	160.0	110.0	923.0	7.0
3	130.0	130.0	923.5	7.5

NOTE - Fence diagram graphics match the graphics shown on the boring logs.

DISTANCES:  
 Beginning 0.0  
 Ending 90.0  
 VIEWING ANGLES (degrees):  
 Horizontal 0.0  
 Vertical 0.0

Position	North	East
Left, Front	116.01	95.71
Right, Front	123.77	134.03
Left, Back	116.01	95.71
Right, Back	123.77	134.03

SUBSURFACE FENCE DIAGRAM		
<b>St. Johns Water Storage Tank Replacement</b>		
<b>Franklin County, Kentucky</b>		
PROJECT #	DATE	FIGURE
<b>2022-007</b>	<b>Mar 22</b>	<b>2</b>



Client Monarch Engineering, Inc. Boring # 1  
 Architect/Engineer \_\_\_\_\_ Job # 2022-007  
 Project Name St. Johns Water Storage Tank Replacement Drawn By RTS  
 Project Location Franklin County, Kentucky Approved By RTS

TEST DATA

DRILLING AND SAMPLING INFORMATION

Date Started 3/14/22 Hammer Wt. 140 lbs.  
 Date Completed 3/14/22 Hammer Drop 30 in.  
 Drill Foreman SOUTH BROS Spoon Sampler O.D. 2 in.  
 Inspector \_\_\_\_\_ Rock Core Dia. 2 in.  
 Boring Method HSA Shelby Tube O.D. \_\_\_\_\_ in.

SOIL CLASSIFICATION	STRATUM DEPTH	DEPTH SCALE	LITH- OLOGY	SAMPLE NO.	SAMPLE TYPE	Standard Penetration Test N. Blows/Ft.	Unconfined Compressive Strength Tons/Ft. <sup>2</sup>	Pocket Penetrometer Tons/Ft. <sup>2</sup>	Natural Dry Density lbs/cu. ft.	Water Content %	Atterberg Limits LL - Liquid Limit PL - Plastic Limit
Topsoil	0.2										
Mottled brown and yellowish brown silty clay, with trace limestone rock fragments, moist, medium stiff to stiff.	924.8			1	SS	8		3.5		27.4	
		5		2	SS	11		4.5+		18.7	
				3	SS	50/0.5'				16.2	
	8.0										
Yellowish brown and brown slightly cemented silty clay interbedded with thin layers of gray shaly limestone. 36% Limestone, 64% Shale	917.0	10		4	RC			Rec=80%			RQD=0%
Gray shale interbedded with thin layers of limestone. 20% Limestone, 80% Shale	13.4	15		5	RC			Rec=100%			RQD=0%
Test boring discontinued at 18.0 feet.	18.0	20									
	907.0										

**SAMPLER TYPE**  
 SS - DRIVEN SPLIT SPOON  
 ST - PRESSED SHELBY TUBE  
 CA - CONTINUOUS FLIGHT AUGER  
 RC - ROCK CORE

**GROUND WATER DEPTH**  
 ∇ AT COMPLETION Dry FT.  
 ∇ AFTER \_\_\_\_\_ FT.  
 WATER ON RODS \_\_\_\_\_ FT.

**BORING METHOD**  
 HSA - HOLLOW STEM AUGERS  
 CFA - CONTINUOUS FLIGHT AUGERS  
 DC - DRIVING CASING  
 RW - ROTARY WASH



Client Monarch Engineering, Inc. Boring # 2  
 Architect/Engineer \_\_\_\_\_ Job # 2022-007  
 Project Name St. Johns Water Storage Tank Replacement Drawn By RTS  
 Project Location Franklin County, Kentucky Approved By RTS

TEST DATA

DRILLING AND SAMPLING INFORMATION

Date Started 3/14/22 Hammer Wt. 140 lbs.  
 Date Completed 3/14/22 Hammer Drop 30 in.  
 Drill Foreman SOUTH BROS Spoon Sampler O.D. 2 in.  
 Inspector \_\_\_\_\_ Rock Core Dia. \_\_\_\_\_ in.  
 Boring Method HSA Shelby Tube O.D. \_\_\_\_\_ in.

SOIL CLASSIFICATION	STRATUM DEPTH	DEPTH SCALE	LITH- OLOGY	SAMPLE NO.	SAMPLE TYPE	Standard Penetration Test N. Blows/Ft.	Unconfined Compressive Strength Tons/Ft. <sup>2</sup>	Pocket Penetrometer Tons/Ft. <sup>2</sup>	Natural Dry Density lbs/cu. ft.	Water Content %	Atterberg Limits LL - Liquid Limit PL - Plastic Limit
Topsoil	0.2										
Mottled brown and yellowish brown silty clay, with trace limestone rock fragments, moist, medium stiff to stiff.	922.8			1	SS	7		2.5		31.6	
		5		2	SS	19		4.5+		17.3	
	7.0			3	SS	50/0.5'					
Test boring discontinued at 7.0 feet at auger refusal on limestone rock.	916.0										

**SAMPLER TYPE**  
 SS - DRIVEN SPLIT SPOON  
 ST - PRESSED SHELBY TUBE  
 CA - CONTINUOUS FLIGHT AUGER  
 RC - ROCK CORE

**GROUND WATER DEPTH**  
 ▽ AT COMPLETION Dry FT.  
 ▼ AFTER \_\_\_\_\_ FT.  
 WATER ON RODS \_\_\_\_\_ FT.

**BORING METHOD**  
 HSA - HOLLOW STEM AUGERS  
 CFA - CONTINUOUS FLIGHT AUGERS  
 DC - DRIVING CASING  
 RW - ROTARY WASH



Client Monarch Engineering, Inc. Boring # 3  
 Architect/Engineer \_\_\_\_\_ Job # 2022-007  
 Project Name St. Johns Water Storage Tank Replacement Drawn By RTS  
 Project Location Franklin County, Kentucky Approved By RTS

TEST DATA

DRILLING AND SAMPLING INFORMATION

Date Started 3/14/22 Hammer Wt. 140 lbs.  
 Date Completed 3/14/22 Hammer Drop 30 in.  
 Drill Foreman SOUTH BROS Spoon Sampler O.D. 2 in.  
 Inspector \_\_\_\_\_ Rock Core Dia. \_\_\_\_\_ in.  
 Boring Method HSA Shelby Tube O.D. \_\_\_\_\_ in.

SOIL CLASSIFICATION	STRATUM DEPTH	DEPTH SCALE	LITH- OLOGY	SAMPLE NO.	SAMPLE TYPE	Standard Penetration Test N. Blows/Ft.	Unconfined Compressive Strength Tons/Ft. <sup>2</sup>	Pocket Penetrometer Tons/Ft. <sup>2</sup>	Natural Dry Density lbs/cu. ft.	Water Content %	Atterberg Limits LL - Liquid Limit PL - Plastic Limit
Topsoil	0.2										
Mottled brown and yellowish brown silty clay, with trace limestone rock fragments, moist, medium stiff to stiff.	923.3			1	SS	8				29.0	
		5		2	SS	11		4.5+		23.3	
				3	SS	50/0.4'				34.6	
Test boring discontinued at 7.5 feet at auger refusal on limestone rock.	7.5										
	916.0										
		10									
		15									
		20									

**SAMPLER TYPE**  
 SS - DRIVEN SPLIT SPOON  
 ST - PRESSED SHELBY TUBE  
 CA - CONTINUOUS FLIGHT AUGER  
 RC - ROCK CORE

**GROUND WATER DEPTH**  
 ▽ AT COMPLETION Dry FT.  
 ▽ AFTER \_\_\_\_\_ FT.  
 WATER ON RODS \_\_\_\_\_ FT.

**BORING METHOD**  
 HSA - HOLLOW STEM AUGERS  
 CFA - CONTINUOUS FLIGHT AUGERS  
 DC - DRIVING CASING  
 RW - ROTARY WASH

**NON COHESIVE SOILS**  
(Silt, Sand, Gravel and Combinations)

**DENSITY**

Very Loose	- 5 blows/ft. or less
Loose	- 6 to 10 blows/ft.
Medium Dense	-11 to 30 blows/ft.
Dense	-31 to 50 blows/ft.
Very Dense	-51 blows/ft. or more

**PARTICLE SIZE IDENTIFICATION**

Boulders	-8 inch diameter or more
Cobbles	-3 to 8 inch diameter
Gravel	-Coarse - 1 to 3 inch Medium - 1/2 to 1 inch Fine - 1/4 to 1/2 inch
Sand	-Coarse - 0.6 mm to 1/4 inch (dia. of pencil lead) Medium - 0.2 mm to 0.6 mm (dia. of broom straw) Fine - 0.05mm to 0.2 mm (dia. of human hair)
Silt	-0.06 mm to 0.002 mm (cannot see particles)

**RELATIVE PROPORTIONS**

Descriptive Term	Percent
Trace	1 - 10
Little	11 - 20
Some	21 - 35
And	36 - 50

**COHESIVE SOILS**  
(Clay, Silt and Combinations)

**CONSISTENCY**

Very Soft	- 3 blows/ft. or less
Soft	- 4 to 5 blows/ft.
Medium Stiff	- 6 to 10 blows/ft.
Stiff	-11 to 15 blows/ft.
Very Stiff	-16 to 30 blows/ft.
Hard	-31 blows/ft. or more

**PLASTICITY**

Degree of Plasticity	Plasticity Index
Low	0 - 7
Medium	8 - 22
High	over 22

**Classification** on logs are made by visual inspection in general accordance with the Unified Classification System.

**Standard Penetration Test** - Driving a 2.0 " O. D., 1 3/8" I. D., sampler a distance of 1.0 foot into undisturbed soil with a 140 pound hammer free falling a distance of 30.0 inches. It is customary to drive the spoon 6.0 inches to seat the sampler into undisturbed soil, then perform the test. The number of hammer blows for seating the spoon and making the tests are recorded for each 6.0 inches of penetration on the field drill log (Example 6/4/6). On the report log, the Standard Penetration Test result (N value) is normally presented and consists of the sum of the last penetration counts (i.e.  $N = 4 + 6 = 10$  blows/ft.).

**Strata Changes** - in the column "Soil Descriptions" on the drill log the horizontal lines represent strata changes. A solid line ( ----- ) represents an actually observed strata change, a dashed line ( - - - ) represents an estimated strata change.

**Groundwater** observations were made at the time indicated. Porosity of soil strata, weather conditions, site topography, etc., may cause changes in the water level readings indicated on the logs.

# Important Information about This

# Geotechnical-Engineering Report

Subsurface problems are a principal cause of construction delays, cost overruns, claims, and disputes.

While you cannot eliminate all such risks, you can manage them. The following information is provided to help.

**The Geoprofessional Business Association (GBA) has prepared this advisory to help you – assumedly a client representative – interpret and apply this geotechnical-engineering report as effectively as possible. In that way, you can benefit from a lowered exposure to problems associated with subsurface conditions at project sites and development of them that, for decades, have been a principal cause of construction delays, cost overruns, claims, and disputes. If you have questions or want more information about any of the issues discussed herein, contact your GBA-member geotechnical engineer. Active engagement in GBA exposes geotechnical engineers to a wide array of risk-confrontation techniques that can be of genuine benefit for everyone involved with a construction project.**

## **Understand the Geotechnical-Engineering Services Provided for this Report**

Geotechnical-engineering services typically include the planning, collection, interpretation, and analysis of exploratory data from widely spaced borings and/or test pits. Field data are combined with results from laboratory tests of soil and rock samples obtained from field exploration (if applicable), observations made during site reconnaissance, and historical information to form one or more models of the expected subsurface conditions beneath the site. Local geology and alterations of the site surface and subsurface by previous and proposed construction are also important considerations. Geotechnical engineers apply their engineering training, experience, and judgment to adapt the requirements of the prospective project to the subsurface model(s). Estimates are made of the subsurface conditions that will likely be exposed during construction as well as the expected performance of foundations and other structures being planned and/or affected by construction activities.

The culmination of these geotechnical-engineering services is typically a geotechnical-engineering report providing the data obtained, a discussion of the subsurface model(s), the engineering and geologic engineering assessments and analyses made, and the recommendations developed to satisfy the given requirements of the project. These reports may be titled investigations, explorations, studies, assessments, or evaluations. Regardless of the title used, the geotechnical-engineering report is an engineering interpretation of the subsurface conditions within the context of the project and does not represent a close examination, systematic inquiry, or thorough investigation of all site and subsurface conditions.

## **Geotechnical-Engineering Services are Performed for Specific Purposes, Persons, and Projects, and At Specific Times**

Geotechnical engineers structure their services to meet the specific needs, goals, and risk management preferences of their clients. A geotechnical-engineering study conducted for a given civil engineer

will not likely meet the needs of a civil-works constructor or even a different civil engineer. Because each geotechnical-engineering study is unique, each geotechnical-engineering report is unique, prepared *solely* for the client.

Likewise, geotechnical-engineering services are performed for a specific project and purpose. For example, it is unlikely that a geotechnical-engineering study for a refrigerated warehouse will be the same as one prepared for a parking garage; and a few borings drilled during a preliminary study to evaluate site feasibility will not be adequate to develop geotechnical design recommendations for the project.

*Do not rely on this report if your geotechnical engineer prepared it:*

- for a different client;
- for a different project or purpose;
- for a different site (that may or may not include all or a portion of the original site); or
- before important events occurred at the site or adjacent to it; e.g., man-made events like construction or environmental remediation, or natural events like floods, droughts, earthquakes, or groundwater fluctuations.

Note, too, the reliability of a geotechnical-engineering report can be affected by the passage of time, because of factors like changed subsurface conditions; new or modified codes, standards, or regulations; or new techniques or tools. *If you are the least bit uncertain about the continued reliability of this report, contact your geotechnical engineer before applying the recommendations in it. A minor amount of additional testing or analysis after the passage of time – if any is required at all – could prevent major problems.*

## **Read this Report in Full**

Costly problems have occurred because those relying on a geotechnical-engineering report did not read the report in its entirety. Do not rely on an executive summary. Do not read selective elements only. *Read and refer to the report in full.*

## **You Need to Inform Your Geotechnical Engineer About Change**

Your geotechnical engineer considered unique, project-specific factors when developing the scope of study behind this report and developing the confirmation-dependent recommendations the report conveys. Typical changes that could erode the reliability of this report include those that affect:

- the site's size or shape;
- the elevation, configuration, location, orientation, function or weight of the proposed structure and the desired performance criteria;
- the composition of the design team; or
- project ownership.

As a general rule, *always* inform your geotechnical engineer of project or site changes – even minor ones – and request an assessment of their impact. *The geotechnical engineer who prepared this report cannot accept*



responsibility or liability for problems that arise because the geotechnical engineer was not informed about developments the engineer otherwise would have considered.

### Most of the “Findings” Related in This Report Are Professional Opinions

Before construction begins, geotechnical engineers explore a site’s subsurface using various sampling and testing procedures. *Geotechnical engineers can observe actual subsurface conditions only at those specific locations where sampling and testing is performed.* The data derived from that sampling and testing were reviewed by your geotechnical engineer, who then applied professional judgement to form opinions about subsurface conditions throughout the site. Actual sitewide-subsurface conditions may differ – maybe significantly – from those indicated in this report. Confront that risk by retaining your geotechnical engineer to serve on the design team through project completion to obtain informed guidance quickly, whenever needed.

### This Report’s Recommendations Are Confirmation-Dependent

The recommendations included in this report – including any options or alternatives – are confirmation-dependent. In other words, they are not final, because the geotechnical engineer who developed them relied heavily on judgement and opinion to do so. Your geotechnical engineer can finalize the recommendations *only after observing actual subsurface conditions* exposed during construction. If through observation your geotechnical engineer confirms that the conditions assumed to exist actually do exist, the recommendations can be relied upon, assuming no other changes have occurred. *The geotechnical engineer who prepared this report cannot assume responsibility or liability for confirmation-dependent recommendations if you fail to retain that engineer to perform construction observation.*

### This Report Could Be Misinterpreted

Other design professionals’ misinterpretation of geotechnical-engineering reports has resulted in costly problems. Confront that risk by having your geotechnical engineer serve as a continuing member of the design team, to:

- confer with other design-team members;
- help develop specifications;
- review pertinent elements of other design professionals’ plans and specifications; and
- be available whenever geotechnical-engineering guidance is needed.

You should also confront the risk of constructors misinterpreting this report. Do so by retaining your geotechnical engineer to participate in prebid and preconstruction conferences and to perform construction-phase observations.

### Give Constructors a Complete Report and Guidance

Some owners and design professionals mistakenly believe they can shift unanticipated-subsurface-conditions liability to constructors by limiting the information they provide for bid preparation. To help prevent the costly, contentious problems this practice has caused, include the complete geotechnical-engineering report, along with any attachments or appendices, with your contract documents, *but be certain to note*

*conspicuously that you’ve included the material for information purposes only.* To avoid misunderstanding, you may also want to note that “informational purposes” means constructors have no right to rely on the interpretations, opinions, conclusions, or recommendations in the report. Be certain that constructors know they may learn about specific project requirements, including options selected from the report, *only* from the design drawings and specifications. Remind constructors that they may perform their own studies if they want to, and *be sure to allow enough time* to permit them to do so. Only then might you be in a position to give constructors the information available to you, while requiring them to at least share some of the financial responsibilities stemming from unanticipated conditions. Conducting prebid and preconstruction conferences can also be valuable in this respect.

### Read Responsibility Provisions Closely

Some client representatives, design professionals, and constructors do not realize that geotechnical engineering is far less exact than other engineering disciplines. This happens in part because soil and rock on project sites are typically heterogeneous and not manufactured materials with well-defined engineering properties like steel and concrete. That lack of understanding has nurtured unrealistic expectations that have resulted in disappointments, delays, cost overruns, claims, and disputes. To confront that risk, geotechnical engineers commonly include explanatory provisions in their reports. Sometimes labeled “limitations,” many of these provisions indicate where geotechnical engineers’ responsibilities begin and end, to help others recognize their own responsibilities and risks. *Read these provisions closely.* Ask questions. Your geotechnical engineer should respond fully and frankly.

### Geoenvironmental Concerns Are Not Covered

The personnel, equipment, and techniques used to perform an environmental study – e.g., a “phase-one” or “phase-two” environmental site assessment – differ significantly from those used to perform a geotechnical-engineering study. For that reason, a geotechnical-engineering report does not usually provide environmental findings, conclusions, or recommendations; e.g., about the likelihood of encountering underground storage tanks or regulated contaminants. *Unanticipated subsurface environmental problems have led to project failures.* If you have not obtained your own environmental information about the project site, ask your geotechnical consultant for a recommendation on how to find environmental risk-management guidance.

### Obtain Professional Assistance to Deal with Moisture Infiltration and Mold

While your geotechnical engineer may have addressed groundwater, water infiltration, or similar issues in this report, the engineer’s services were not designed, conducted, or intended to prevent migration of moisture – including water vapor – from the soil through building slabs and walls and into the building interior, where it can cause mold growth and material-performance deficiencies. Accordingly, *proper implementation of the geotechnical engineer’s recommendations will not of itself be sufficient to prevent moisture infiltration.* Confront the risk of moisture infiltration by including building-envelope or mold specialists on the design team. *Geotechnical engineers are not building-envelope or mold specialists.*



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**TECHNICAL SPECIFICATIONS**

**NORTH SHELBY WATER COMPANY  
FRANKLIN COUNTY, KENTUCKY**

**ST. JOHNS WATER STORAGE TANK REPLACEMENT**

**PROJECT No. 2131**

**JANUARY 2022**



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## **SECTION 1 - MULTI-COLUMN ELEVATED WATER STORAGE TANK**

1.0 Work Included & General Requirements. The CONTRACTOR shall be responsible for all labor, materials and equipment necessary for the design, fabrication, delivery, construction, painting, disinfection and testing of an elevated, welded carbon steel water storage tank supported by a series of supporting columns and cross bracing. This style of tank is commonly referred to as a “Multi-Column” Tank. Design and construction of the Elevated Tank shall conform to all requirements of AWWA D100 Standard for Welded Carbon Steel Tanks for Water Storage, except as modified by the requirements of these contract documents.

The structure is to be complete with all accessories specified herein, and is to be erected on foundations to be designed and constructed by the CONTRACTOR. The CONTRACTOR shall be responsible for the influent/effluent piping, overflow piping, tank drain line, valve vault and all other appurtenances as shown on the Drawings. Additionally, the CONTRACTOR will be responsible for all site work related to the construction of the storage tank, including the construction of an entrance and access road to the site, clearing and grubbing, removal of excess fill material, and final cleanup including the establishment of an acceptable ground cover on the entire tank site. The final location of the all piping and appurtenances shall be determined in the field and will require final approval of the ENGINEER.

The design and construction of the water storage tank shall only be undertaken by a Contractor with a minimum of ten years experience with elevated tank construction. The CONTRACTOR must be able to demonstrate experience of the completed the design, construction, and commissioning of at least ten (10) multi-column elevated tanks with an equal or greater capacity of that required for this project.

The CONTRACTOR shall own and operate their fabrication facilities. Divided responsibilities between erection and fabrication is not permitted. A qualified supervisor employed by the CONTRACTOR shall be on site at all times during construction of the steel support structure and water tank. The CONTRACTOR shall not subcontract the design or erection of the steel tank and support assembly.

1.1 Related Documents. The Project Drawings and the general provisions of this document, including General Conditions, Supplemental General Conditions, Special Provisions and other Sections apply to work in this Section. Should there be any discrepancies between this section and other sections of the Contract Documents, this section shall take precedence.

1.2 Standard Specifications & References. As applicable, all work on the water storage tank shall fully conform to the requirements of the latest published editions of the following Specifications, Codes and Standards. The following apply and may be referenced in this Section.

1.2.1 American Concrete Institute (ACI).

117-10	Standard Tolerances for Concrete Construction and Materials
228.1R-03	In-Place Methods to Estimate Concrete Strength
301-05	Specification for Structural Concrete for Buildings
304-00	Guide for Measuring, Mixing, Transporting and Placing Concrete
305-10	Hot Weather Concreting
306-10	Cold Weather Concreting
318-08	Building Code Requirements for Structural Concrete
347-04	Guide to Formwork for Concrete
371R-08	Guide for the Analysis, Design and Construction of Elevated Concrete and Composite Steel-Concrete Water Storage Tanks

1.2.2 American Institute of Steel Construction (AISC).

S335	Specification for Structural Steel Buildings
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1.2.3 American National Standards Institute (ANSI).

B16.5	Pipe Flanges and Flanged Fittings
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1.2.4 American Society of Civil Engineers (ASCE).

ASCE 7	Minimum Design Loads for Buildings and Other Structures
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1.2.5 American Society for Testing Materials (ASTM).

A 123	Zinc Coatings on Iron and Steel Products
A 240	Stainless Steel Plate, Sheet and Strip for Pressure Vessels
A 285	Pressure Vessel Plates, Carbon Steel
A 774	Welded Stainless Steel Fittings
A 778	Welded Stainless Steel Tubular Products

1.2.6 American Water Works Association (AWWA).

D107-10	Composite Elevated Tanks for Water Storage
D100-11	Welded Steel Tanks for Water Storage
D102-11	Coating Steel Water Storage Tanks
C652-02	Disinfection of Water-Storage Facilities

1.2.7 American Welding Society (AWS).

D1.1	Structural Steel Certification
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1.2.8 Federal Aviation Administration (FAA).

70/7460-1H	Obstruction Marking and Lighting
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1.2.9 National Association of Corrosion Engineers (NACE).

RP0178 Recommended Practice - Fabrication Details, Surface Finish Requirements and Proper Design Considerations for Tanks and Vessels to be Lined for Immersion Service

1.2.10 National Fire Protection Association (NFPA) / National Electric Code (NEC).

780 Standard for the Installation of Lightning Protection Systems  
NEC National Electric Code

1.2.11 National Sanitation Foundation (NSF).

61 Standard for Drinking Water System Components

1.2.12 Occupational Safety and Health Administration (OSHA).

29 CFR Safety and Health Regulations for Construction

1.2.13 Steel Structures Painting Council (SSPC).

VIS-89 Visual Standard for Abrasive Blast Cleaned Steel  
Volume 1 Good Painting Practice  
Volume 2 Systems & Specifications

1.3 System Description - Elevated Storage Tank. The proposed water storage tank shall be an elevated welded carbon steel water storage tank supported by a series of supporting columns and cross bracing. The tank shall be a Toro Ellipsoidal (Torus Bottom) style Multi Column structure. The storage tank shall be in accordance with the shape, dimensions and details required by these Specifications and Drawings. The elevated tank shall be all-welded construction of the most economical design. All members of structural steel or of reinforced concrete shall be designed to safely withstand the maximum stresses to which they may be subjected during erection and operation.

1.3.1 Operating Parameters.

- The minimum operating capacity of the storage tank will be 250,000 US gallons.
- The capacity of the tank, low to high water level, shall be contained within a maximum operating range of 28'-4" (+/- 1').
- The storage tank overflow/ top capacity level elevation shall be 1035.00'.
- The height of the tank, top of foundation to overflow shall be 110.00'.
- Top of foundation elevation shall be 925.00 +/-.
- The existing ground elevation varies from 922.50' to 925.50'.
- The finished ground elevation shall be 924.00' +/-.

### 1.3.2 General Design.

1.3.2.1 Design Standards. The structural design of the elevated water storage tank shall conform to the following design standards except as modified or clarified by this Section. In case of conflict between the Standards and the criteria listed below, the more stringent requirement shall apply.

- Reinforced Concrete Foundations: AWWA D100 & ACI 318
- Welded Steel Water Tank: AWWA D100
- Steel Water Storage Tank Coatings: AWWA D102
- Environmental Loading: AWWA D100 & ASCE 7

### 1.3.3 Environmental Loads.

1.3.3.1 Wind Load. Wind pressure shall be determined in accordance with AWWA D100, Section 3.1.4. Basic wind speed used in the Wind Pressure formula shall be determined using the mapped site location and Figure 1 of AWWA D100. At a minimum the tank shall be designed for a minimum wind velocity of 100 MPH.

1.3.3.2 Seismic Load. All structure designs shall be performed in accordance with criteria set forth in AWWA D100, Section 13

- Region Dependent Transition Period (TL) = \_\_\_\_\_ \*
- Site Class   B
- MCE Spectral Response Acceleration at 0.2sec (SS) and 1sec (S1)
  - SS = \_\_\_\_\_ \*      ▪ S1 = \_\_\_\_\_ \* *\* In accordance with AWWA D100*
- Importance Factor (I) = \_\_\_\_\_ \* (Sec. 4.2.7.7)
- Latitude and Longitude of tank center:   38°14'06.26" N  84°56'41.26" W

1.3.3.3 Snow Load. Snow load shall be determined in accordance with AWWA D100, Section 3.1.3.1 (20 psf minimum loading).

1.3.4 Foundation Loads. A Geotechnical investigation has been carried out at the site and a copy of the report is included within the Contract Documents. Allowable bearing capacities are defined in this report.

The concrete foundation shall be designed and constructed by the CONTRACTOR based upon the recommendations in the geotechnical report. The foundation shall be designed by the CONTRACTOR to safely support the structure based on the foundation recommendations within the geotechnical consultant's soil report. Foundations shall be sized in accordance with AWWA D-100 subject to the following modifications:

- Allowable permanent soil pressure shall not be exceeded under D+F.
- Allowable short term soil pressure shall not be exceeded under D+F+E or D+F+W.

- No uplift under  $D+W$  or  $D+F+.75E$  unless anchorage is provided.
- No overturning under  $D+1.5W$  or  $D+F+1.5E$ .

D = Effect of dead load including net weight of the foundation.

F = Effect of water load.

E = Effect of seismic load.

W = Effect of wind load.

#### 1.4 Submittals.

##### 1.4.1 Proposal. The bidder shall submit the following with the proposal.

1.4.1.1 Experience List. A completed contracts summary shall demonstrate a minimum of ten (10) years experience in the design and construction of elevated water storage tanks. CONTRACTOR shall provide a list of a minimum of ten (10) multi-column elevated tanks with an equal or greater capacity of that required for this project. Provide the location, capacity, Owner's name and contact information, Engineer's name and contact information and year completed. Failure to provide this information shall be cause for rejection of the bid

1.4.1.2 Tank Drawing. A preliminary drawing of the elevated water storage tank proposed for this project. The drawing shall include sufficient detail to illustrate tank geometry, materials of construction, primary dimensions, the sizes of all principal and secondary structural members, thickness of all plates, arrangement of members, the high and low water elevation levels, and other information required to show compliance with this Specification. If the proposed design does not comply with this Specification, the bid shall be rejected.

1.4.1.2 Foundation Drawing. A drawing of the preliminary design of the foundation proposed for this project. The drawing shall include sufficient detail to illustrate foundation geometry, materials of construction, preliminary dimensions and approximate quantities of concrete and reinforcing steel. Failure to provide this information shall be cause for rejection of the bid.

1.4.2 Construction Drawings. After contract award and prior to construction, the CONTRACTOR shall provide engineering drawings for the elevated steel tank and the foundation. Drawings shall show all proposed work to include the tank foundation, concrete mix design, tank structure showing plate thicknesses, members, details of all connections, special details and member loads, the specified strength and grade of all materials, piping, valves, painting and other pertinent information as required per the project plans and specifications.

Reinforced concrete details shall include construction joints, openings and inserts. Reinforcement shall be clearly indicated on the structural drawings and identified by mark numbers that are used on the fabrication schedule. Location, spacing and splice dimensions shall also be shown. Placement and fabrication details shall conform to ACI 318.



Steel tank details shall include weld joints and a layout showing all primary and secondary shop and field welds. The CONTRACTOR shall provide shop and field weld procedures for all structural joints on the steel tank.

The submission shall be sealed by a professional engineer registered in the State of Kentucky.

1.4.4 Design Data and Calculations. The CONTRACTOR shall provide a table showing capacity of the tank in gallons at all levels in one ft. increments.

The CONTRACTOR shall provide a summary of the design for the foundation, concrete support structure, welded steel water tank and other components. The design coefficients and resultant loads for snow, wind and seismic forces, and the methods of analysis shall be documented.

The submission shall be sealed by a professional engineer registered in the State of Kentucky.

1.4.5 Product Data. The contractor shall provide separate concrete mix designs for each specified concrete compressive strength indicated on the drawings.

The CONTRACTOR shall provide technical data and manufacturer's standard color chart of all coating products to be used.

Provide manufacturer's descriptive information for appurtenant equipment and accessories that are not detailed on the construction drawings.

1.4.6 Reports/Certification. The CONTRACTOR shall provide documentation of all tests, inspections and certifications required by this Section.

The CONTRACTOR shall provide general qualifications of all welders.

1.4.7 Operation/Maintenance. Following completion of construction, the contractor shall provide operating instructions and maintenance procedures for the elevated water storage tank and applicable appurtenant equipment, mechanical components and miscellaneous accessories.

## 1.5 Quality Assurance.

1.5.1 Qualification of Manufacturer. A turnkey elevated tank contractor shall perform the work described in this Section. No part of the design or construction of the support structure or welded steel water tank shall be subcontracted. The CONTRACTOR shall have designed, constructed and placed in service a minimum of ten (10) multi-column elevated tanks with an equal or greater capacity of that required for this project.

The CONTRACTOR shall directly employ a full-time Professional Engineer with a minimum ten (10) years cumulative experience in the design and construction of multi-column elevated tanks. The CONTRACTOR'S engineer shall be registered in accordance with these specifications and shall be in responsible charge of the work.

1.5.1 Regulatory Requirements. The Specifications, Codes and Standards referenced in Section 1.2 shall govern the work with regard to materials, design, construction, inspection and testing to the extent specified.

The elevated water storage tank shall be designed and constructed in compliance with applicable federal, state and local regulations.

Personnel safety equipment shall be provided in accordance with OSHA requirements and the manufacturers' documentation.

## 1.6 Delivery, Storage & Handling.

1.6.1 Handling and Shipping. The CONTRACTOR shall handle materials and fabricated components in a manner that will protect them from damage. Allow painted materials adequate cure time prior to stacking or shipping.

1.6.2 Storage and Protection. Protect delivered materials and equipment from damage. Store in well drained areas and provide blocking to minimize contact with the ground.

## 1.7 Project Conditions.

1.7.1 Permits and Easements. Permits, licenses and easements required for permanent structures, changes in existing facilities or necessary advancement of the specified construction shall be secured and paid for by the OWNER prior to the start of construction. These include building permits, airspace authority approval, site access easements, highway crossing permits, etc.

Licenses or permits of a temporary nature required by specific trades shall be the responsibility of the CONTRACTOR.

1.7.2 Existing Conditions. A geotechnical investigation has been carried out at the site and a copy of the report is included within the Contract Documents. The net allowable bearing pressure of the shallow foundation and/or the allowable capacity of deep foundation elements have been defined in this report. The CONTRACTOR shall be responsible for securing any further geotechnical information required beyond that provided in this report. The CONTRACTOR shall retain the services of the original Geotechnical consultant to verify the adequacy of the bearing stratum after the CONTRACTOR has carried out the excavation and before any concrete or reinforcement is placed.

1.7.2a Access. The CONTRACTOR shall provide an access road extending from the nearest public roadway to the tank site. Unless otherwise specified on the Plans, the properties of the access road shall be the minimum necessary to meet the needs of the CONTRACTOR during construction.

### 1.7.3 Working Conditions.

1.7.3.1 Safety and Health. The CONTRACTOR shall comply with safe working practices and all health and safety regulations of OSHA, state and local health regulatory agencies and Material Safety Data Sheets (MSDS). Provide protective and lifesaving equipment for persons working at the site.

1.7.3.2 Times for Work. Working times shall comply with local, state and federal regulations and laws. No work shall be performed on weekends or holidays unless approved by the ENGINEER. Any request to perform work during these periods shall be made at least seven days prior to the expected date of the work.

### 1.8 Sequencing and Scheduling.

1.8.1 Schedule. The CONTRACTOR shall provide an anticipated schedule for design, submittals, site work and the major components of construction including foundation, concrete support structure and welded steel water tank, tank painting, electrical installation and other significant activities. The schedule shall be updated as required.

1.8.2 Notification. The CONTRACTOR shall provide notification of the intent to start work at least seven days prior to commencing each major phase of work.

1.8.3 Certifications. Provide certification from the Engineer of Record that the elevated water storage tank has been completely designed in accordance with the requirements of these specifications.

Provide certification that field testing and inspection requirements related to field quality control have been performed and that the results comply with the requirements of these specifications.

1.9 Guarantees. The CONTRACTOR shall guarantee the structure, appurtenant equipment and accessories provided under this Section against defective design, workmanship, or materials for a period of one year from the date of substantial completion. If notified within this period, the CONTRACTOR shall repair any defects caused by faulty design, workmanship, or material furnished under these specifications at no cost to the OWNER. Defects caused by damaging service conditions, such as electrolytic, chemical, or abrasive, are not covered by this guarantee.

All guarantees from any manufacturer or installer of paint, materials, equipment and accessories not manufactured by the CONTRACTOR and that are provided under this Section, shall be obtained by the CONTRACTOR and submitted to the OWNER.

### 1.10 Materials.

1.10.1 Reinforced Concrete. Concrete materials and reinforcement shall comply with ACI 318, except as modified in this Section.

1.10.2 Steel Tank. Welded steel water tank components, including steel plates, sheets, structural shapes and filler metals shall be in accordance with AWWA D100.

1.11 Concrete Foundation. The foundation shall be designed and constructed to safely and permanently support the structure. The basis of the foundation construction shall be consistent with the soils investigation data included herein at the end of these specifications. The concrete foundation shall be constructed in accordance with ACI 301. Minimum specified compressive strength shall be 4000 psi at 28 days. Reinforcing steel shall be ASTM A615 Grade 60.

1.12 Welded Steel Tank.

1.12.1 General. The steel tank shall be all welded construction and shall be designed, fabricated and erected in accordance with applicable sections of AWWA D100. The required capacity and dimensions of the tank are noted on the drawings and in this Section of the specifications. All exposed lap joints shall be continuously seal welded on both sides. This shall include penetrations of roof accessories.

1.12.2 Plate Thickness. All members shall be designed to safely withstand the maximum stress to which they may be subjected during erection and normal operation. The minimum thickness of any steel plate in contact with water shall be 1/4 in. The minimum thickness of any steel plate not in contact with water shall be 3/16 in.

1.13 Appurtenances and Accessories.

1.13.1 General. Accessories shall comply with the minimum requirements of the Specifications, Codes and Standards listed in Section 1.2, current applicable OSHA safety regulations and the operating requirements of the structure.

1.13.2 Ladder Access. Access ladders shall be provided as follows:

- An exterior ladder shall be provided on one column of the tower, extending from approximately 8 feet above the foundation up through the balcony floor and terminating at the balcony railing.
- An exterior ladder shall be provided from the balcony to the roof manway and other pertinent roof accessories.
- An interior ladder shall be provided, extending from the roof manway to the bottom of the tank.
- An interior ladder shall be provided, extending from the shell manway to the bottom of the tank.
- An interior ladder shall be provided within the riser, starting 36" above the base of the riser and extending to the top of the riser into the bottom of the tank.

Ladder side rails shall be a minimum 3/8 in. by 2 in. with a 16 in. clear spacing. Rungs shall be minimum 3/4 in. diameter, spaced at 12 in. centers and plug welded into holes

drilled in the side rails. Tank interior ladders shall be provided with 1 in. diameter rungs and 1/2 in. x 2 in. side rails and shall be fully seal welded. The surface of the rungs shall be knurled, dimpled, or otherwise treated to minimize slipping.

Ladders shall be secured to the adjacent structure by brackets located at intervals not exceeding 10 ft. Brackets shall be of sufficient length to provide a minimum distance of 7 in. from the center of the rung to the nearest permanent object behind the ladder. Ladders shall not, in any place, have a backward slope.

1.13.3 Safe Climbing Device / Safety Equipment. OSHA compliant safe climbing system shall be provided on all ladders. The safe climbing system shall be rigid rail safe and be composed of high strength aluminum. Rails shall be center mounted and extend from 3 ft. above the ladder bottom to the top of the ladder section. Mounting brackets, fasteners and splice bars shall be provided as required for a rigid installation.

Three trolleys with snap hooks shall be provided that are designed to be operated with the aluminum rail. A complete safety body harnesses with front and side rings equipped with shock resistant lanyards shall be supplied for each trolley.

The base of the exterior tower ladder shall include a lockable climb prevention shield constructed of heavy gauge, rust-proof aluminum. The climb prevention shield shall be the Ladder Gate as manufactured by Emper Enterprises, LCC or approved equal.

1.13.4 Rest Platforms. Rest platforms shall be provided at maximum 35 ft. intervals along the exterior tower ladder. The platforms shall be nominal 3 ft. x 3 ft. minimum and be complete with handrails, mid rails and toe plates in accordance with OSHA requirements. Grating shall be used for the walking surface and shall be suitably hinged at the ladder penetration. Openings shall be provided in the landings to accommodate the ladder that shall have a straight-run its full height and be operable without removing fall prevention equipment.

#### 1.13.5 Tank Openings.

1.13.5.1 Riser Manway. Provide a hinged riser manway not less than 30” inches in diameter. The manway shall be located approximately 36 inches above the riser baseplate.

1.13.5.2 Riser Handrail. Provide a complete handrail assembly in the bottom of the storage tank around the top of the riser opening. The assembly shall be complete with handrails, mid rails and slotted toe plates in accordance with OSHA requirements.

1.13.5.3 Shell Manway. Provide a tank shell shall have a manway not less than 30 inches in diameter. The manway lid shall be supported with a hinged davit arm that is welded to the tank shell. The manway shall be located approximately 30 inches above the balcony floor.

1.13.5.4 Roof Hatches. Provide two access hatches on the roof of the tank.

- One hatch shall be 30 inch diameter and allow access from the roof to the interior tank ladder. The hatch opening shall have a minimum 4 in. curb. The hatch cover to be constructed of aluminum and shall have a 2 in. downward edge, stainless steel hardware, hold open arm, and locking mechanism.
- The second hatch will be 24 inch diameter and flanged with a removable cover so constructed that an exhaust fan may be connected for ventilation during painting operations. The opening shall have a minimum 4 inch curb.

1.13.6 Balcony. The tank shall be provided with a balcony at least 30 inches in width complete with handrails, mid rails and slotted toe plates in accordance with OSHA requirements. The floor plate shall be at least 1/4 inch steel, perforated for drainage.

1.13.7 Rigging/Utility Rails. Provide permanently installed exterior utility rings suitable for the attachment of rigging at the top of the riser.

1.13.8 Piping.

1.13.8.1 General. Provide standard weight carbon steel pipe painted with the tank interior paint system shall be used where pipe is exposed to stored water inside the tank. Piping below the grade slab shall be flanged cement lined ductile iron suitably restrained to prevent movement. All piping shall be designed to support related static and dynamic loads.

1.13.8.2 Inlet Piping. Provide an 8-inch diameter vertical inlet pipe extending from the base elbow located within the riser pier up through the riser and storage tank and terminating at the same elevation as the overflow weir. A suitable transition from the carbon steel pipe to the base elbow shall be provided. Appropriate brackets, guides and hangers shall be provided within the riser and storage tank structure at intervals not exceeding 20 ft. Once inside of the tank bowl, the inlet pipe shall be routed adjacent to the tank wall.

1.13.8.3 Outlet Piping. Provide a 8-inch diameter vertical outlet pipe extending from the base elbow located within the riser pier up through the bottom of the riser and terminating 12 to 18 inches above the base of the riser. A suitable transition from the carbon steel pipe to the base elbow shall be provided. The outlet pipe shall be equipped with a protective cap to prevent entry of foreign materials dropping from above.

1.13.8.4 Overflow Piping. Provide a 8-inch diameter overflow pipe designed for a minimum flow rate of 800 GPM. A suitable weir shall be provided at the entrance to the overflow pipe with the crest located at the specified high water level. The weir shall be equipped with vortex prevention device. The overflow design shall be based on the water level cresting no more than 6 inches above the overflow elevation. The overflow pipe shall be routed from the weir through the tank shell, then closely matching the roof contour before being extended down the one of the support columns to ground level.

A suitable transition from the carbon steel pipe to ductile iron piping shall be provided just above ground level. The piping shall then extend to approximately 30 inches below grade to the discharge point as indicated on the site plan. The point of discharge shall have a reinforced concrete headwall, and a flap valve equipped with stainless steel mesh screening as shown on the drawings.

1.13.8.5 Drain Siphon. A tank drain siphon assembly shall be provided to completely drain the tank contents if the riser pipe does not intersect the low point of the tank.

### 1.13.9 Ventilation.

1.13.9.1 Tank Ventilation. A tank vent shall be provided, located near the center of the tank roof above the maximum weir crest elevation. It shall consist of a stainless steel or aluminum components, including a support frame, screened area and cap. The support shall be fastened to a flanged opening in the tank roof. The vent cap shall be provided with sufficient overhang to prevent the entrance of wind driven debris and precipitation. A minimum of 4 in. shall be provided between the roof surface and the vent cap.

The tank vent shall have an intake and relief capacity sized to prevent excessive pressure differential during the maximum flow rate of water, either entering or leaving the tank. The overflow pipe will not be considered as a vent. The maximum flow rate of water exiting the tank shall be calculated assuming a break in the inlet/outlet at grade when the tank is full. The vent shall be provided with an insect screen so as to prevent the ingress of wind driven debris, insects, birds and animals. Vent capacity shall be determined based on open area provided by the screen. The vent shall be designed to operate when frosted over or otherwise clogged. The screens or relief material shall not be damaged by the occurrence and shall return automatically to operating position after the blockage is cleared.

1.13.10 Level Monitoring / Sample Tap. Provide two (2) 3/4-inch taps within the valve vault. The taps shall be located on the outlet line, on the tank side of the check valve. Each tap shall be equipped with brass nipple, an isolation ball valve, a pressure gauge, and a brass spigot via threaded connections. The pressure gauge shall have shall be 4-1/2 in. diameter dial with black markings on white background and have a pressure range of 0 to 100 psi.

1.13.11 Identification Plate. A bronze tank identification plate shall be mounted just above the riser manway. The identification plate shall contain the following information:

- Tank Contractor
- Date Erected
- Tank Capacity in U.S. gallons
- Tank Height to High Water Level
- Tank Head Range
- Contractor's project or file number

1.13.12 Electrical. A below grade 200-amp electrical service shall be established on the tank site in accordance with all applicable codes. The meter base and electrical distribution panel shall be installed adjacent to the valve vault. The panel assembly shall be weather-proof and be mounted on an aluminum uni-stud base. At a minimum, one four-plug ground fault exterior convenience outlet shall be installed near the panel assembly. Dedicated circuits shall be made available for the convenience outlet and SCADA panel. In addition, two (2) spare 15A circuits shall be provided.

1.13.13 Cable Rack. A cable rack shall be installed on the tank support column adjacent to the tower ladder. The rack shall extend from ground level through the bottom of the balcony. Three (3) 3-inch diameter pipe penetrations (with threaded caps) shall be provided where the cable rack terminates at the balcony. Once above the balcony, the rack shall continue up the tank wall and roof cone adjacent to the roof ladder. The rack shall be two feet wide and be capable of handling 3-inch conduit or cable.

1.13.14 Antenna Corral. Provide a 28 feet diameter antenna corral on the roof exterior of the storage tank. The corral shall be complete with handrails, mid rails and slotted toe plates in accordance with OSHA requirements. A 30 inch wide hinged gate opening shall be provided at the location of the roof ladder. The overall height of the corral shall be 42 inches.

1.13.15 Lightning Protection. Provide a lightning protection system for the water storage tank structure and any roof mounted equipment that may be damaged by lightning. Install the system in accordance with NFPA 780 with materials that meet UL96 and UL96a. Minimum requirements include a 28 strand by 14-gauge copper conductor bonded each tank leg. Each conductor shall terminate with buried 5/8 in. diameter by 8 ft. long copper clad ground rod.

## 1.14 Execution.

### 1.14.1 Examination.

1.14.1.1 Foundation Excavation. The foundation bearing surface and excavation shall be inspected and verified by a geotechnical engineer retained by the OWNER prior to construction of the foundation.

1.14.1.2 Environmental Conditions. Prior to performing any work, verify the expected temperature, humidity and weather conditions are within the specified limitations for executing the work.

1.14.1.3 Elevated Tank Components. At completion of each major component and prior to proceeding with the next stage of construction, verify that tolerance inspections and material quality control tests conform to this specification.



#### 1.14.2 Foundation.

1.14.2.1 Excavation. The foundation bearing surface and excavation shall be inspected by a representative of the geotechnical engineer prior to foundation construction. Verification of the applicable design and construction recommendations is required. After verification of the foundation bearing surface, provide a 2 in. thick concrete working slab within the lower excavation limits. Grade the site to prevent runoff from entering the excavation.

1.14.2.2 Concrete Construction. For shallow foundations, reinforcement placed adjacent to a concrete working slab shall have a 2 in. minimum cover, and shall be supported by precast concrete block, metal or plastic bar supports.

The sides of foundations shall be formed using any suitable system conforming to ACI 318. Earth cuts shall not be used as forms for vertical surfaces. Forms shall be provided on top sloping surfaces steeper than 2.5 horizontal to 1 vertical. Straight form panels may be used to form circular foundation shapes. The minimum design radius shall be maintained at all sections.

1.14.2.3 Finish. Formed surfaces shall have a smooth form finish when exposed and a rough form finish when not exposed. Unformed surfaces shall have a troweled finish when exposed and floated finish when not exposed.

#### 1.14.3 Reinforced Concrete Construction.

1.14.3.1 Reinforcement. Fabrication, placement, development and splicing of reinforcement shall be in accordance with ACI 318 and ACI 117. Reinforcement shall be clearly indicated on the construction drawings. Locations, spacing, as well as lap splice lengths of reinforcement and concrete cover shall be shown.

The CONTRACTOR shall supply a reinforcing bar schedule showing the number of each bar type, its dimension and shape, the bar size, and the mark number of identification. The construction drawings shall show all slabs, elevations of walls, and have sufficient sections to facilitate confirmation of reinforcement placement.

Concrete support structure reinforcement shall be installed with plastic supports. Maximum spacing of supports for welded wire fabric shall be 5 ft. centers, horizontal and vertically.

The minimum clear distance between the reinforcing steel and the surface of the concrete shall be as follows:

- Concrete foundations permanently exposed to earth:
  - Cast against earth 3 inches
  - Cast against forms or mud slabs
    - No. 6 bar and larger 2 inches
    - No. 5 bar and smaller 1.5 inches



1.14.3.3 Weather. Concrete shall not be placed during precipitation or extreme temperatures unless protection is provided. During hot or cold weather the recommendations of ACI 305 and ACI 306 shall be followed.

#### 1.14.4 Welded Steel Tank Construction.

1.14.4.1 General. All parts forming the structure shall be built in accordance with approved drawings. The erection of the steel tank shall comply with the requirements of AWWA D100 except as modified by these documents.

1.14.4.2 Welding. Welding procedures and general welding requirements shall be in accordance with AWWA D100, Sections 8 and 10. Welding shall only be performed by ASME qualified welders. Records of these qualification tests shall be available to the ENGINEER. The work at all times shall be open to the ENGINEER or their representative.

To minimize corrosion and rust staining on the underside of the roof, the roof plate laps and rafter-to-roof plate seams shall be continuously seal welded. The minimum thickness for seal welded roof plates shall be 1/4 inch.

The edges or surfaces of the pieces to be joined by welding shall be prepared by flame cutting, plasma arc cutting, arc gouging, machining, shearing, grinding or chipping and shall be cleaned of detrimental oil, grease, scale and rust. The edges of the pieces may have a protective coating applied to them which need not be removed before they are welded unless specifically prohibited by the welding procedures.

Field and shop welding may be done by the shielded metal arc welding process, the gas metal arc welding process, the flux core arc welding process and the submerged arc welding process.

No structural welding is permitted to any steel embedded in hardened concrete, unless the weld is at least 2 ft. from the embedment interface.

In order to assist in the maximization of the paint's lifecycle, all welds on the tank exterior shall be ground smooth and blended to a NACE-D profile. All welds on the tank interior shall be ground smooth and blended to a NACE-D profile. Welds on the interior dry support column can remain in an as-welded condition but must have a profile adequate for the specified paint system. The ENGINEER/OWNER reserves the right to provide third-party inspection to ensure compliance to this requirement.

1.14.4.3 Fabrication. Layout, cutting, forming, edge preparation and workmanship for steel tank components and fabrications shall be in accordance with AWWA D100.

1.14.4.4 Tank Erection. Steel tank erection procedures and general requirements shall be in accordance with AWWA D100.

Plates subjected to stress by the weight or pressure of the contained liquid shall be assembled and welded in such a manner that the proper curvature of the plates in both directions is maintained. Plates shall be assembled and welded together by a procedure that will result in a minimum of distortion from weld shrinkage. Surfaces

to be welded shall be free from loose scale, slag, heavy rust, grease, paint and other foreign material.

#### 1.14.5 Field Quality Control.

1.14.5.1 Concrete Testing and Inspection. The evaluation and acceptance of concrete shall be in accordance with Section 5.6 of ACI 318 and ACI 117, except as modified in this Section.

Five cylinders shall be cast from each pour. Cylinders shall be tested at 3 days, 7 days, and two at 28 days. One cylinder shall be held as a spare and tested at a later date, if necessary. Slump, air, temperature and compressive cylinder testing shall be performed by an independent laboratory. The CONTRACTOR shall retain the independent laboratory and provide the ENGINEER with copies of all test results.

1.14.5.2 Welded Steel Tank Testing & Inspection. Inspection procedures for the welded steel tank shall be as required by AWWA D100, Section 11, "Inspection and Testing". Radiographic inspection shall be performed by an independent testing agency with all costs included in the CONTRACTOR'S bid and paid by the CONTRACTOR. The radiographic film test results will become the property of the OWNER. All inspection shall be performed prior to interior and exterior field painting.

1.15 Safety. The CONTRACTOR shall strictly comply with all applicable statutes, regulations, orders, rules, requirements and standards of all governmental authorities having jurisdiction with respect to the project, including without limitation, federal, state, and local OSHA and health regulations as well as the latest professional practices.

The CONTRACTOR shall, at its own expense, protect its employees and other persons from risk of injury, bodily harm, or death arising out of or in any way connected with work performed. Prior to commencing work, all personnel on the jobsite will have a minimum ten (10) hours of OSHA safety training or equivalent training within the previous year.

1.16 Payment. Payment shall be included in the payment for the work to which it is subsidiary in the Bid Schedule.

## SECTION 2 – TANK COATING SYSTEM

2.0 General. The items covered by this Section include cleaning, abrasive blast cleaning and painting of all interior and exterior surfaces on welded steel storage tanks. This section also includes acceptable disinfection and testing procedures for water storage tank

2.1 Standard Specifications & References. All work on the water storage tank shall fully conform to the requirements of the latest published editions of the following Specifications, Codes and Standards. The following apply and may be referenced in this Section.

2.1.1 American National Standards Institute (ANSI) / National Sanitation Foundation (NSF).

61 Drinking Water System Components - Health Effects

2.1.2 American Society for Testing Materials (ASTM).

D 16 Terminology Relating to Paint, Varnish, Lacquer, and Related Products

2.1.3 American Water Works Association (AWWA).

C 652 Disinfection of Water-Storage Facilities  
D102-06 Coating Steel Water Storage Tanks

2.1.4 Code of Federal Regulations (CFR).

40 CFR, Part 63, Subpart M National Emission Standards for Hazardous Air Pollutants (NESHAPs) for Surface Coating of Miscellaneous Metal Parts and Products

2.1.5 National Association of Corrosion Engineers (NACE).

2 Near-White Metal Blast Cleaning  
3 Commercial Blast Cleaning  
SP0188-06 Discontinuity (Holiday) Testing of New Protective Coatings on Conductive Substrates.

2.1.5 The Society for Protective Coatings (SSPC).

PA 2 Measurement of Dry Coating Thickness with Magnetic Gages.  
SP 6 Commercial Blast Cleaning.  
SP 10 Near-White Metal Blast Cleaning.  
SP 11 Power Tool Cleaning to Bare Metal  
SP 15 Commercial Grade Power Tool Cleaning

## 2.2 Definitions.

2.2.1 Definitions of Painting Terms. All painting related terms shall be defined by ASTM D 16, unless otherwise specified.

2.2.2 Dry Film Thickness (DFT). Thickness of a coat of cured paint measured in mils (1/1000 inch).

2.3 Submittals. Before beginning the work the CONTRACTOR shall provide the ENGINEER with the following information:

- Information regarding the protective coating supplier and manufacturer's data for the paint system being used.
- A listing of the specific products proposed for use including but not limited to: abrasive materials, paint, solvents, thinners, etc.
- Product data sheets for each of the proposed materials.
- Samples of the color specified for OWNER approval.

2.4 Quality Assurance. The CONTRACTOR shall supply only paint and painting materials as specified herein. All manufacturers' instructions shall be carefully followed in the preparation, application, curing or drying and handling of the paint. Applicators shall be experienced in application of specified coatings for a minimum of 5 years on projects of similar size and complexity to this work.

All prime, intermediate and finish coating materials shall be applied in different color shades. Paint shall be stored in a location that is protected from the elements, well ventilated and free from excessive heat or open flame sources.

The CONTRACTOR shall obtain the Inspector's written approval of the steel surface preparation and of each coat of paint, before applying succeeding coats. Such approval will not relieve the CONTRACTOR of his obligations under the contract. Inspections may be waived by written notice to the CONTRACTOR.

The CONTRACTOR shall record environmental conditions, at the beginning of each daily operation, thirty minutes before painting begins and every hour during painting operations.

2.5 Health and Safety. The CONTRACTOR shall comply with all regulations as established by the Occupational Safety and Health Act and other government authorities. Up to date Material Safety Data Sheets shall be available on site for all products used. Workers shall wear the applicable and proper protection devices. Where ventilation is used, all equipment shall be explosion proof. Temporary ladders and scaffolding systems shall conform to applicable safety requirements. It shall be the responsibility of the CONTRACTOR to adequately protect, shield or cover all structure, machinery, equipment and openings as required to prevent damage or contamination from the work procedures. The work area shall be kept clean at all times, consistent with the type of work being performed.

## 2.6 Delivery, Storage, and Handling.

2.6.1 Delivery. Paint and other materials shall be delivered in unbroken containers bearing the designated name, manufacturer, specification number, color name and number, batch or lot number, date of manufacture, and directions for use.

2.6.2 Storage. Materials shall be stored in a clean, dry area, and within temperature range in accordance with Coating Manufacturer's instructions. All containers shall remain sealed until ready for use. Materials shall not be used beyond Coating Manufacturer's shelf life limits.

2.6.2 Handling. Protect materials during handling and application to prevent damage or contamination.

## 2.7 Environmental Requirements.

### 2.7.1 Weather.

2.7.1.1 Air and Surface Temperatures. Prepare surfaces and apply and cure coatings within air and surface temperature range in accordance with Coating Manufacturer's instructions.

2.7.1.2 Surface Temperature. Maintain surfaces temperatures a minimum of 5 degrees F (3 degrees C) above dew point at the time of final surface preparation, material mixing, and application.

2.7.1.3 Relative Humidity. Prepare surfaces and apply and cure coatings within relative humidity range in accordance with Coating Manufacturer's instructions.

2.7.1.4 Precipitation. Do not prepare surfaces or apply coatings in rain, snow, fog, or mist.

2.7.1.5 Wind. Do not spray coatings if wind velocity is above Coating Manufacturer's limit.

2.7.2 Ventilation. Provide ventilation during coating evaporation stage in confined or enclosed areas in accordance with AWWA D102-06, Section A.7.5. Forced air ventilation shall be maintained for a minimum of four (4) days following interior coating application to assist in the curing process.

2.7.3 Dust and Contaminants. Schedule coating works in an effort avoid excessive dust and airborne contaminants. Protect work areas from excessive dust and airborne contaminants during coating application and curing.

2.8 Coating Materials. All coatings shall be manufactured by TNEMEC COMPANY, INC., THE SHERWIN-WILLIAMS COMPANY, or approved equal. Products for each specified function and system shall be of a single manufacturer.

2.8.1 Interior Coating System.

- System Type: *Zinc / Epoxy / Epoxy.*
- AWWA D102 Paint System: *ICS-5.*
- Surface Preparation: *SSPC-SP 10 / NACE 2 (surface profile of 1.5-2.0 mils)*
- Primer: *Tnemec Series 94-H2O Hydro-Zinc or Sherwin-Williams Corothane I Galvapac Zinc Primer, DFT 2.5 to 4.0 mils.*
- Weld Seams (Stripe Coat): *Tnemec Series N140 Pota-Pox Plus (Tnemec Series N140F Pota-Pox Plus when temperature is between 35°F and 60°F) or Sherwin-Williams Macropoxy 646 PW, DFT 4.0 to 6.0 mils. Color to contrast with primer and intermediate coats.*
- Intermediate Coat: *Tnemec Series N140 Pota-Pox Plus (Tnemec Series N140F Pota-Pox Plus when temperature is between 35°F and 60°F) or Sherwin-Williams Macropoxy 646 PW, DFT 4.0 to 6.0 mils. Color to contrast with primer and finish coats.*
- Finish Coat: *Tnemec Series N140 Pota-Pox Plus (Tnemec Series N140F Pota-Pox Plus when temperature is between 35°F and 60°F) or Sherwin-Williams Macropoxy 646 PW, DFT 4.0 to 6.0 mils. Finish coat color shall be Tank White or similar*
- Total DFT: *Minimum 12.0 mils.*

2.8.2 Exterior Coating System.

- System Type: *Zinc / Polyurethane / Fluoropolymer*
- AWWA D102 Paint System: *OCS-5.*
- Surface Preparation: *SSPC-SP 10 / NACE 2 (surface profile of 1.5-2.0 mils)*
- Primer: *Tnemec Series 94-H2O Hydro-Zinc or Sherwin-Williams Corothane I Galvapac Zinc Primer, DFT 2.5 to 4.0 mils.*
- Weld Seams (Stripe Coat): *Tnemec Series 73 Endura-Shield or Sherwin-Williams Acrolon 218 HS Acrylic Polyurethane, DFT 2.0 to 4.0 mils. Color to contrast with primer and finish coat*
- Intermediate Coat: *Tnemec Series 73 Endura-Shield or Sherwin-Williams Acrolon 218 HS Acrylic Polyurethane, DFT 2.0 to 4.0 mils. Color to contrast with primer and finish coats.*
- Finish Coat and Logo: *Tnemec Series 700 Hydroflon or Sherwin-Williams Fluorokem HS Fluoropolymer Urethane, DFT 2.0 to 4.0 mils. Color to be selected by the OWNER.*
- Total DFT: *Minimum 10.0 mils.*



2.8.3 Caulk. Where underwater caulking is required, it shall be TNEMEC Series 215 Surfacing Epoxy, or equal. Seam caulking, if applicable, may be performed using SIKA Flex-1A, Thiokol 2235M, or equivalent.

2.8.4 Alternate Manufactures. Equivalent products by other manufacturers are acceptable, providing they meet or exceed all performance criteria of the specified materials. No products shall be considered that would decrease film thickness or offer a change in generic type of coating specified.

In the event the CONTRACTOR submits a different paint, the CONTRACTOR shall submit complete data with bid including performance data as determined by an independent testing laboratory and mark bid as alternate to base bid. The CONTRACTOR shall submit a price for base bid also in order for the OWNER to review cost savings for using an alternate paint.

Products for each specified function and system shall be of a single manufacturer.

## 2.9 Execution.

2.9.1 Examination. Examine areas and conditions under which coating systems are to be applied. Notify General CONTRACTOR and ENGINEER of areas or conditions not acceptable. Do not begin surface preparation or application until unacceptable areas or conditions have been corrected.

2.9.2 Protection of Surfaces Not Scheduled to be Coated. Protect surrounding areas and surfaces not scheduled to be coated from damage during surface preparation and application of coatings. Immediately remove coatings that fall on surrounding areas and surfaces not scheduled to be coated.

2.9.3 Surface Preparation. All steel surfaces are to be prepared in accordance with Coating Manufacturer's instructions. Prior to the application of any coatings ensure surfaces are dry.

When working on the interior substrate the CONTRACTOR shall remove visible oil, grease, dirt, dust, mill scale, rust, paint, oxides, corrosion products, and other foreign matter in accordance with SSPC-SP 10/NACE 2. A blast profile shall be created that is in accordance with the Coating Manufacturer's recommendations.

When working on the exterior substrate the CONTRACTOR shall remove visible oil, grease, dirt, dust, mill scale, rust, paint, oxides, corrosion products, and other foreign matter in accordance with SSPC-SP 6/NACE 3. A blast profile shall be created that is in accordance with the Coating Manufacturer's recommendations.

Prior to field touch up of shop primed steel, all surfaces shall be cleaned to remove all surface contamination including oil, grease, dust, dirt and foreign matter.

All rusted, abraded, and unpainted areas on the interior wet area shall be abrasive blast cleaned to a near white finish in accordance with SSPC-SP 10/NACE 2. All other rusted, abraded and unpainted areas shall be either abrasive blast cleaned in accordance with SSPC-SP 6/NACE 3. SSPC- SP11 or SP15 may be used for areas less than one square foot. All shop primed steel shall receive a field sweep blast prior to the application of subsequent coats.

The CONTRACTOR shall coat all abrasive blast-cleaned surfaces with primer immediately following the blast cleaning activities before visible rust forms on surface. If rust or any other visible contamination appears as a result of delay in primer application, the surface shall be re-cleaned to specified surface preparation.

2.9.4 Coating Application. Coatings shall be applied in accordance with Coating Manufacturer's instructions. Coatings, including multi-component materials, shall be mixed and thinned in accordance with Coating Manufacturer's instructions. Mixed coatings shall not be used beyond pot life limits. Care should be taken to keep containers closed when not in use to avoid contamination.

Coating application equipment, tools, pressure settings, and techniques shall be in accordance with manufacturer's instructions.

After sufficient cure of the field primer, brush apply a stripe coat to critical locations on steel such as welds, corners, and edges using specified intermediate coat. The stripe coat shall be applied using a brush or a roller, no exceptions.

Coatings shall be uniformly applied at the spreading rate required to achieve specified DFT. Coatings shall be applied free of film characteristics or defects that would adversely affect performance of the coating system. Furthermore, exterior coatings shall be applied free of film characteristics or defects that adversely affect appearance.

All interior unwelded roof seams, connections, and crevices shall be caulked to prevent corrosion and staining.

2.9.5 Field Quality Control. The CONTRACTOR shall provide inspections and documentation which verify the following:

- Coatings and other materials are provided as specified.
- Environmental conditions are as specified.
- Surface preparation and application are completed as specified.
- The DFT of each coat and total DFT of each coating system are as specified using wet film and dry film gauges. DFT's shall be measured in accordance with SSPC-PA2.
- Coatings are inspected for film characteristics or defects that would adversely affect performance of coating systems.
- Exterior coatings are inspected for film characteristics or defects that adversely affect appearance.
- Steel immersion surfaces are tested for holidays on using a holiday detector in accordance with NACE SP0188-06.

The CONTRACTOR shall prepare inspection reports daily. The reports should contain information describing inspections made and actions taken to correct nonconforming work. Copies of all reports shall be forwarded to the ENGINEER.

The Coating Manufacturer's representative shall be readily available to provide technical assistance and guidance for surface preparation, application, and repair of coating systems.

2.9.6 Repair. The CONTRACTOR shall repair or replace damaged materials and surfaces not scheduled to be coated. Damage coatings shall be touched-up or repaired as needed. Touch-up of minor damage shall be acceptable where result is not visibly different from adjacent surfaces.

Coatings that exhibit film characteristics or defects that would adversely affect performance or appearance of coating systems shall be repaired in accordance with Coating Manufacturer's instructions coatings.

2.10 Tank Lettering/Logo. The tank bowl shall be lettered on one side with the wording "NORTH SHELBY WATER COMPANY" The location, font and size of the lettering shall be as selected by the OWNER. A detailed illustration of the lettering scheme, depicting all applicable dimensions, etc. shall be prepared by the CONTRACTOR and submitted to the ENGINEER for approval.

2.11 Disinfection. Allow the number of days required in accordance with manufacturer's instructions and as directed by ENGINEER for full cure of coating systems on water contact surfaces before flushing, disinfecting, or filling with water. Furthermore, the water contact surfaces shall not be disinfected or filled until the field quality control inspection is complete.

Disinfection shall be accomplished in accordance with AWWA C 652 Method 2 or 3.

Water used by the CONTRACTOR shall be paid for by the CONTRACTOR at the rate of \$3.00 per 1,000 gallons.

2.12 Bacteriological Testing. Upon completion of the disinfection process the OWNER or his representative shall arrange for bacteriological testing of water samples. The tank shall not be put into service until safe test results are obtained.

2.13 Cleanup. After completion of painting, remove all traces of splashed materials, paint droppings, and spots from finished and adjacent surfaces. Remove temporary coverings and protection of surrounding areas and surfaces.

2.14 Warranty. The CONTRACTOR shall guarantee its work for a period of one year from the completion date defined in the contract documents to the extent that it will repair any defects caused by faulty application, workmanship or material furnished under the specifications.

The OWNER will set a date for one-year inspection of coating systems at or near the warranty expiration date. The OWNER shall be responsible for draining the tank prior to the inspection as well as maintaining system operation and pressure during the inspection and repair, if any. The inspection shall be attended by OWNER, ENGINEER, CONTRACTOR, and a representative of the Coating Manufacturer. Any deficiencies in coating systems as will be repaired as determined by ENGINEER in accordance with the Coating Manufacturer's instructions.

2.15 Payment. Payment shall be included in the payment for the work to which it is subsidiary in the Bid Schedule.

## SECTION 3 - PIPE WORK

3.0 Work Included. Under these items, the CONTRACTOR shall provide all labor, tools, equipment and materials required to furnish and install the process piping, valves and appurtenances and as shown on PLANS and as directed by the ENGINEER.

3.1 Piping. All pipe materials listed below shall conform to manufacturer's standard lengths and diameters. Testing as required by the OWNER shall be done in accordance with the ASTM standards applicable to the material specified.

3.1.1 Polyvinyl Chloride (PVC) Piping (SDR 17) or (SDR 21) All PVC pipe shall comply with ASTM D1784 and shall be Class 250 (SDR 17) or Class 200 (SDR 21) as shown on the PLANS or otherwise indicated in the bid proposal form. All PVC pipe shall conform to the latest revisions of the following specifications:

ASTM D2241 (PVC Plastic Pipe SDR-PR and Class T)  
National Sanitation Foundation Testing Laboratories (NSF)

The manufacturer of the pipe must be found on the current listing of Plastic Materials for Potable Water Application, published by the NSF (National Sanitation Foundation), Ann Arbor, Michigan, and must meet the requirements of the Standard Specification for Polyvinyl Chloride (PVC) Plastic Pipe, D1784, 12454-B (PVC 1120) as published by ASTM.

The pipe shall be homogeneous throughout and free from cracks, holes, foreign inclusions, or other defects. The pipe shall be as uniform as commercially practical in color. Pipe shall have a ring painted around spigot ends in such a manner as to allow field checking of setting depth of pipe in the socket. Pipe must be delivered to the job site by means which provide adequately support, and do not inflict undue stress. In particular, the load shall be so supported that the bottom rows of pipe are not damaged by crushing. Pipe shall be unloaded carefully and strung or stored as close to the final point of placement as is practical.

Wall thickness shall be in accordance with ASTM D-2241. Pipe ends shall be beveled to accept the gasketed coupling. The bell section shall be designed to be at least as strong as the pipe wall. Solvent-cement couplings or joints shall not be used. PVC joints using elastomeric gaskets shall be tested as assembled joints and shall meet the laboratory performance requirements specified in ASTM D-3139.

Joint lubricant shall be water soluble, non-toxic, non-objectionable in taste and odor imparted to the fluid, non-supporting of bacteria growth, and have no deterioration effect on the PVC or rubber gaskets.

PVC Pipe shall include the following markings, printed continuously down the length:

Manufacturer's Name	Nominal Size
Manufacture's Identification Code	NSF Seal
PVC 1120 Code Designation	Pressure Class Rating
Standard Dimension Ratio Number	

Pipe shall be furnished in standard laying lengths of 20 ft.  $\pm$  1 in. A maximum of 15 percent of each pipe size may be furnished in random lengths of not less than 10 ft. each.

Under all circumstances, samples of pipe and both physical and chemical data sheets shall be submitted to the ENGINEER for approval. Unconditional approval shall be obtained before pipe is purchased.

3.1.2 Polyvinyl Chloride (PVC) Piping – Cast Iron Pipe Size. All PVC pipe shall meet the requirements of AWWA C900-75, latest revision, "Standard for Polyvinyl Chloride (PVC) Pressure Pipe, 4" through 12" for water" and shall be furnished in cast-iron pipe equivalent outside diameters with rubber-gasketed couplings. Pipe shall be pressure Class 200, DR 14 or Class 150, DR 18 (Dimension Ratio), as shown on the PLANS or otherwise indicated in the bid proposal form.

The pipe shall be made from Class 12454-A or Class 12454-B virgin compounds as defined in ASTM D-1784. The standard code designation shall be PVC 1120. The PVC compounds shall be tested and certified as suitable for potable water products by the NSF Testing Laboratory and shall carry the NSF approval marking.

The pipe shall be homogeneous throughout and free from cracks, holes, foreign inclusions, or other defects. The pipe shall be as uniform as commercially practical in color. Pipe shall have a ring painted around spigot ends in such a manner as to allow field checking of setting depth of pipe in the socket. Pipe must be delivered to the job site by means which provide adequately support, and do not inflict undue stress. In particular, the load shall be so supported that the bottom rows of pipe are not damaged by crushing. Pipe shall be unloaded carefully and strung or stored as close to the final point of placement as is practical.

Pipe ends shall be beveled to accept the gasketed coupling. The bell section shall be designed to be at least as strong as the pipe wall. Solvent-cement couplings or joints shall not be used. PVC joints using elastomeric gaskets shall be tested as assembled joints and shall meet the laboratory performance requirements specified in ASTM D-3139.

Joint lubricant shall be water soluble, non-toxic, non-objectionable in taste and odor imparted to the fluid, non-supporting of bacteria growth, and have no deterioration effect on the PVC or rubber gaskets.

Pipe and couplings shall meet or exceed the following test requirements:

Sustained Pressure - ASTM D-1598 (1000 Hrs.)

<u>DR</u>	<u>Sustained Pressure</u>
14	650
18	500

Burst Pressure - ASTM D-1599 (60-70 seconds)

<u>DR</u>	<u>Minimum Burst Pressure</u>
14	985
18	755

Each standard and random length of pipe shall be proof-tested at four times its rated class pressure for a minimum of 5 seconds. Bells or couplings shall be tested with pipe.

The pipe shall not split, crack, or break when tested by the parallel-plato method as specified by ASTM D-2241.

The pipe shall not flake or disintegrate when tested by the acetone-immersion method as specified in ASTM D-2241.

PVC Pipe shall include the following markings, printed continuously down the length:

Manufacturer's Name	Nominal Size & Outside Diameter
Manufacture's Identification Code	NSF Seal
PVC 1120 Code Designation	AWWA Designation (AWWA C900)
Dimension Ratio Number	AWWA Pressure Class Rating

Pipe shall be furnished in standard laying lengths of 20 ft.  $\pm$  1 in. A maximum of 15 percent of each pipe size may be furnished in random lengths of not less than 10 ft. each.

Under all circumstances, samples of pipe and both physical and chemical data sheets shall be submitted to the ENGINEER for approval. Unconditional approval shall be obtained before pipe is purchased.

3.1.3 Ductile Iron Pipe. Ductile iron pipe shall be designed in accordance with AWWA (ASA A21.50) and be suitable for the indicated pressures and conditions. Pipe shall conform to AWWA C-151 (ASA A21.51.) and shall be cement lined in accordance with AWWA C104 (ASA A21.4). The specified thickness will be determined for the given internal and external loading requirements in accordance with ASA A21.50. The class of pipe, wall thickness, joint type and coatings required shall be as shown on the PLANS or otherwise indicated in the bid proposal form.

Hydrostatic and acceptance tests shall be in accordance with AWWA Specification C-106 for "Cast Iron Pipe Centrifugally Cast In Metal Molds" or C-108 for sand molds. The ENGINEER shall be provided with five (5) copies of each of the following tests for each contract involved:

- a. Talbot strip test.
- b. Ring and full length bursting tests.
- c. Chemical analysis of pipe.
- d. Certification that pipe was hydrostatically tested.

All exposed pipe and fittings shall have a shop prime coat applied that is compatible with the subsequent field enamel paint coats. Where applicable, the final field coat colors shall match that of corresponding existing piping.

Pipe joints shall be as indicated on the PLANS mechanical joint, rubber ring slip joint, flanged, or locked mechanical joint equal to AWWA C- 111.

Pipe may be furnished in 12, 16, 16 1/2, 18 or 20 feet nominal laying lengths.

The net weight, class or nominal thickness and sampling period shall be marked on each pipe.

Under all circumstances, samples of pipe and both physical and chemical data sheets shall be submitted to the ENGINEER for approval. Any pipe not meeting the AWWA Specifications quoted above shall be rejected. Unconditional approval shall be obtained before pipe is purchased.

3.1.4 Fittings. Ductile iron fittings with appropriate adapters shall be used with Ductile Iron & PVC pipe. All such fittings shall be approved by the pipe manufacturer, and complete data forwarded to the ENGINEER, including the manufacturer's approval, for review. Fittings shall comply with AWWA C-110 or C-111 and shall be manufactured for the size and pressure class of the line on which they are used.

The joint connection category of the fittings shall be appropriate for the installation which they are used. Mechanical joint fittings shall be used for buried piping and flanged fittings for exposed or interior piping.

3.1.5 Mechanical Joint Restraints. Restraint devices shall be utilized with all mechanical joint fittings on both Ductile Iron and PVC pipe. Restraints shall conform to either ANSI/AWWA C111/A21.11 or ANSI/AWWA C153/A2153 and shall be manufactured for size and pressure class of the line on which they are used. Restraint devices for nominal pipe sizes 3-inch through 36-inch shall consist of multiple gripping wedges incorporated into a follower gland meeting the applicable requirements of ANSI/AWWA C110/A21.10. Mechanical joint restraints shall be MEGALUG® Restraint Series 2000 as manufactured by EBAA Iron, Inc., or approved equal.

3.1.6 Tapping Sleeves. Tapping sleeves shall have a type 304/304L stainless-steel body and outlet flange connection per ASTM A240. The assembly shall be chemically passivated after welding for maximum corrosion resistance. Bolts and nuts shall be type 304/304L stainless-steel and nuts shall be coated to prevent galling. A 3/4" no lead brass test plug shall be provided. The outlet flange shall be manufactured with a recess per MSS SP-60 to accept standard tapping valves.

Outlet gaskets shall be SBR per ASTM D2000, compounded for water and sewer service use. For 3"-12" size-on-size flanges, the gaskets are reinforced with a metal ring. Larger than 12" size-on-size sleeves use a square profile O-ring NBR per ASTM D2000 set in a full body thickness cavity. In addition to the outlet gasket, the entire inner surface of the sleeve in contact with the pipe to be tapped shall be gasketed with a gridded virgin SBR per ASTM D2000.

Tapping Sleeves shall be as manufactured by The Ford Meter Box Company, Inc., FAST style or approved equal.

3.1.7 Pipe Handling & Installation. Pipe delivered to site in general, will be stored, handled, distributed, installed in accordance with the Manufacturer's recommendation unless instructed otherwise by these specifications or by the ENGINEER.



## 3.2 Valves & Other Appurtenances.

3.2.1 Gate Valves. Gate valves shall be resilient wedge type which fully comply with the latest revision of AWWA C509, and shall also be UL listed and FM approved. The valves shall be tested and certified to ANSI/NSF 61. The valves shall have a 250 psig working pressure. The valve type shall be NRS (non-rising stem) with an arrow cast on the operator which shows the opening direction. The direction of opening shall be shall to the left (counter clockwise.)

Hardware used to secure the stuffing box and bonnet shall be of the following compositions:

- a. Steel, ASTM A-307, Grade B zinc plated.
- b. Type 304 stainless steel.
- c. Type 316 stainless steel.

Valve stems shall be made of bronze ASTM B-132 alloy C67600 bar stock material. The stem shall have at least one "anti-friction" thrust washer above and below the stem collar to reduce operating torque. The design of the valve stem shall be such that if excessive input torque is applied, stem failure shall occur above the stuffing box at such a point as to enable the operation of the valve with a pipe wrench or other readily available tool. The stem material shall provide a minimum 70,000 psi tensile strength with 15% elongation and yield strength of 30,000 psi. Valves with cast stems or two piece stem collars are not acceptable.

Valves shall have a stuffing box that is o-ring sealed. Two o-rings shall be placed above and one o-ring below the stem thrust collar. The thrust collar shall be factory lubricated. The thrust collar and its lubrication shall be isolated by the o-rings from the waterway and from outside contamination providing permanent lubrication for long term ease of operation. Valves without a stuffing box are unacceptable. Valves without at least three stem o-rings are also unacceptable. The valve body, bonnet, stuffing box, and disc shall be composed of ASTM A-126 Class B grey iron or ASTM A395 or A536 ductile iron. The body and bonnet shall also adhere to the minimum wall thickness as set forth in Table 2, section 4.3.1 of AWWA C509.

Valves shall have all internal and external ferrous surfaces coated with a fusion bonded thermosetting powder epoxy coating of 10 mils nominal thickness. The coating shall conform to AWWA C550. Valve disc and guide lugs must be fully (100%) encapsulated in SBR ASTM D2000 rubber material. The peel strength shall not be less than 75 pounds per inch. Guide caps of an acetal bearing material shall be placed over solid guide lugs to prevent abrasion and to reduce the operating torque.

Tapping valves shall have an inlet flange conforming to ANSI B16.1 Class 125 for attachment to a tapping sleeve or cross. In addition, the valve inlet flange shall have a machined projection or raised face complying with MSS SP-60 for accurate alignment to the mating recess in the tapping sleeve flange. The seat opening of the tapping valves shall be at least .30" larger than the nominal pipe size to permit full diameter cuts.

The valves shall be warranted by the manufacturer against defects in materials or workmanship for a period of ten (10) years from the date of manufacture. The

manufacturing facility for the valves must have current ISO certification. Each valve shall have the manufacturer's initials, pressure rating, and the year in which manufactured, cast onto the body.

Gate valves designated for direct bury installations shall be installed in accordance with the detailed drawings. They shall be furnished with mechanical joint end connections, a 2-inch square operating nut and an accompanying valve box. Valve boxes shall be of cast iron construction, be extension type with screw adjustments and include a removal lid marked "WATER". The minimum metal thickness shall be 3/16". Following installation, valve boxes shall be plumb and straight with the operating nut centered. In paved areas the top of the lid should project 1/4" above final grade line. In all other areas this projection shall be 1", with the lid being protected by a three foot diameter, 4" thick, concrete slab.

Gate valves designated for interior or exposed piping applications shall be furnished with flanged end connections complying with ANSI B16.1, Class 125. Valves shall be equipped with an appropriated sized hand wheel operator oriented as shown on the drawings.

Gate Valves shall be as manufactured by Mueller Co. 2360 series or approved equal

**3.2.2 Butterfly Valves.** Butterfly valves shall be of the tight closing, rubber seated type and fully comply with the latest revision of AWWA Standard C504, Class as required, and ANSI/NSF 61. Valves shall be bubble-tight at rated pressure class in either direction, and shall be satisfactory for applications, involving throttling service and for applications requiring valve actuation after long periods of inactivity. Valve discs shall rotate 90° from the full open position to the tight shut position. Regardless of valve size, angular disposition of disc can be up to 1" off center without leakage.

The valves shall be rated for minimum operating pressure of 250 psi. Valve bodies shall be constructed of ductile iron ASTM-A536, Grade 65-45-12. Flanged valves shall be fully faced and drilled in accordance with ANSI Standards B16.1, Class 250. Rubber body seats shall be of one piece construction, simultaneously molded and bonded into a recessed cavity in the valve body protecting the leading edge of the seat from shearing force of the line flow. Seats may not be located on the disc or be retained by segments and/or screws. For wafer style valves, the seat shall cover the entire inner surface of the valve body and extend over the outside face of the valve body to form a flange gasket.

Valve shaft shall be stainless steel ASTM-A564 Type 630 Condition H-1100. Stub shafts or through shafts are acceptable. At the operator end of the valve shaft, a packing gland utilizing "V" type chevron packing shall be utilized. "O" ring and "U" cup packing is not allowed. Bearings shall be of a self-lubricating, nonmetallic material to effectively isolate the disc-shaft assembly from the valve body. Metal-to metal thrust bearings in the flow stream are not allowed.

Valve discs shall be an on-center, lens-shaped design to afford minimal pressure drop and line turbulence. Materials of construction shall be: ASTM A126, Class B cast iron disc and a stainless steel type 316 edge with a minimum width equal to the width of

disc edge. Discs shall be retained by stainless steel pin, extending through the full diameter of the shaft to withstand the specified line pressure up to valve rating and the torque required to operate the valve. Disc stops located in the flow stream are not allowed.

All surfaces of the valve interior shall be clean, dry and free from grease before painting. The valve surfaces except for disc edge, rubber seat and finished portions shall be a minimum of 8 mils Ameron 370. All coatings shall conform to AWWA C550.

Operators shall be totally enclosed, permanently lubricated and sealed gear reducers. A vent shall be provided between the valve trunnion and actuator base to prevent infiltration of fluid into the actuator. The operator case shall be completely watertight, sealed by means of approved gaskets, gasket compounds, O-rings or threaded plugs. Operators shall be filled with a suitable oil lubricant or thoroughly coated with an approved grease at the factory. If the operator lubricant is oil, provide suitable fill and drain plugs. Operators shall be self-locking with a permanent factory set stop at each end of travel. Operators shall be self-locking with open and close stops provided to limit valve disc travel. They shall ensure that the disc will not creep or flutter under service conditions and that the seat will close at an angle of 90° from full open.

Valve Operators shall comply with AWWA C504, unless otherwise specified in these Specifications. The operational torque of each valve and operator shall be in accordance with Appendix of AWWA Standard C504 for velocity of 16 fps and applicable pressure drop across valve. Operators shall be sized for bi-directional flow and 450 ft-lb input torque. The required input torque shall allow a maximum hand wheel pull of 80 ft.-lbs. for hand wheels and chain wheels, or 150 ft.-lbs. for operating nuts.

Butterfly valves designated for direct bury installations shall be installed in accordance with the detailed drawings. They shall be furnished with mechanical joint end connections, a 2-inch square operating nut and an accompanying valve box. Valve boxes shall be of cast iron construction, be extension type with screw adjustments and include a removal lid marked "WATER". The minimum metal thickness shall be 3/16". Following installation, valve boxes shall be plumb and straight with the operating nut centered. In paved areas the top of the lid should project 1/4" above final grade line. In all other areas this projection shall be 1", with the lid being protected by a three foot diameter, 4" thick, concrete slab.

Butterfly valves designated for interior or exposed piping applications shall be furnished with flanged end connections complying with ANSI B16.1, Class 250. Valves shall be equipped with an appropriate sized hand wheel operator with position indicators. Install valves with the valve shaft oriented in horizontal position unless otherwise shown on the drawings.

Butterfly Valves shall be as manufactured by Mueller Co. Lineseal III series or approved equal

3.2.2a Electric Actuators. The actuators shall be suitable for use on a nominal 240-volt, single phase, 60 Hz power supply and are to incorporate motor, integral reversing starter, local control facilities and terminals for remote control and indication connections housed within a self-contained, sealed enclosure.

In order to maintain the integrity of the enclosure, setting of the torque levels, position limits and configuration of the indication contacts etc. shall be carried out without the removal of any actuator covers and without mains power over an Infra-red or Bluetooth® wireless interface. Sufficient commissioning tools shall be provided with the actuators and must meet the enclosure protection and certification levels of the actuators.

Commissioning tools shall not form an integral part of the actuator and must be removable for secure storage / authorized release. In addition, provision shall be made for the protection of configured actuator settings by a means independent of access to the commissioning tool. Provision shall be made to disable Bluetooth® communications or only allow a Bluetooth® connection initiated by an Infra-Red command for maximum security.

The actuator shall include a device to ensure that the motor runs with the correct rotation for the required direction of valve travel irrespective of the connection sequence of the power supply.

The actuator shall be sized to guarantee valve closure at the specified differential pressure and temperature. The safety margin of motor power available for seating and unseating the valve shall be sufficient to ensure torque switch trip at maximum valve torque with the supply voltage 10% below nominal. For linear operating valves, the operating speed shall be such as to give valve closing and opening at approximately 10-12 inches per minute unless otherwise stated in the data sheet. For 90° valve types the operating time will be specified.

Actuators shall be suitable for indoor and outdoor use. The actuator shall be capable of functioning in an ambient temperature ranging from -33°C (22°F) to 70°C (140°F), up to 100% relative humidity. Actuators for hazardous area applications shall meet the area classification, gas group and surface temperature requirements specified in data sheet.

Actuators shall be o-ring sealed, watertight to IP66/IP68 7m for 72hrs, NEMA 4, 6. The motor and all other internal electrical elements of the actuator shall be protected from ingress of moisture and dust when the terminal cover is removed for site for cabling, the terminal compartment having the same ingress protection rating as the actuator with the terminal cover removed. Enclosure must allow for temporary site storage without the need for electrical supply connection. All external fasteners shall be plated stainless steel. The use of un-plated stainless steel or steel fasteners is not permitted.

The motor shall an integral part of the actuator, designed specifically for valve actuator applications. It shall be a low inertia high torque design, class F insulated with a class B temperature rise giving a time rating of 15 minutes at 40°C (104°F) at an average load

of at least 33% of maximum valve torque. Temperature shall be limited by 2 thermostats embedded in the motor end windings and integrated into its control. Electrical and mechanical disconnection of the motor should be possible without draining the lubricant from the actuator gear case.

Protection shall be provided for the motor as follows:

- Stall - the motor shall be de-energized within 8 seconds in the event of a stall when attempting to unseat a jammed valve.
- Over temperature - thermostat will cause tripping of the motor. Auto-reset on cooling
- Single phasing - lost phase protection.
- Direction – phase rotation correction.

The actuator gearing shall be totally enclosed in an oil-filled gear case suitable for operation at any angle. Grease lubrication is not permissible. All drive gearing and components must be of metal construction and incorporate a lost-motion hammerblow feature. For rising spindle valves the output shaft shall be hollow to accept a rising stem, and incorporate thrust bearings of the ball or roller type at the base of the actuator. The design should be such as to permit the opening of the gear case for inspection or disassembled without releasing the stem thrust or taking the valve out of service. For 90° operating type of valves drive gearing shall be self-locking to prevent the valve back-driving the actuator.

A hand wheel shall be provided for emergency operation, engaged when the motor is declutched by a lever or similar means, the drive being restored to electrical operation automatically by starting the motor. The hand wheel or selection lever shall not move on restoration of motor drive. Provision shall be made for the hand/auto selection lever to be locked in both hand and auto positions. It should be possible to select hand operation while the actuator is running or start the actuator motor while the hand/auto selection lever is locked in hand without damage to the drive train.

Clockwise operation of the hand wheel shall give closing movement of the valve. For linear valve types the actuator hand wheel drive must be mechanically independent of the motor drive and should be such as to permit valve operation in a reasonable time with a manual force not exceeding 400N through stroke and 800N for seating/unseating of the valve.

The actuator shall be furnished with a drive bushing easily detachable for machining to suit the valve stem or gearbox input shaft. The drive bush shall be positioned in a detachable base of the actuator. Thrust bearings shall be sealed for life and the base shall be capable of withstanding five times the rated thrust of the actuator.

The actuator shall incorporate local controls for Open, Close and Stop and a Local/Stop/Remote mode selector switch lockable in any one of the following three positions: local control only, stop (no electrical operation), remote control plus local stop only. It shall be possible to select maintained or non-maintained local control. The

local controls shall be arranged so that the direction of valve travel can be reversed without the necessity of stopping the actuator. The local controls and display shall be rotatable through increments of 90 degrees to suit valve and actuator orientation.

Torque and turns limitation to be adjustable as follows:

- Position setting range – multi-turn: 2.5 to 8,000 turns, with resolution to 7.5 deg. of actuator output.
- Position setting range – direct drive part turn actuators: 90° +/-10°, with resolution to 0.1 deg. of actuator output.
- Torque setting: 40% to 100% rated torque.

Position measurement – Absolute position measurement should be incorporated within the actuator. The technology must be capable of reliably measuring position even in the case of a single fault. The design must be simple with the minimum amount of moving parts (no more than 5). Technologies such as LEDs or potentiometers for position measurement are considered unreliable and therefore not preferred.

Measurement of torque shall be from direct measurement of force at the output of the actuator. Methods of determining torque-using data derived from the motor such as motor speed, current, flux, etc. are not acceptable

A means for automatic “torque switch bypass” to inhibit torque off during valve unseating and “latching” to prevent torque switch hammer under maintained or repeated control signals shall be provided. The electrical circuit diagram of the actuator should not vary with valve type remaining identical regardless of whether the valve is to open or close on torque or position limit.

Four contacts shall be provided which can be selected to indicate any position of the valve; Provision shall be made for the selection of a normally closed or open contact form. Contacts shall maintain and update position indication during hand wheel operation when all external power to the actuator is isolated.

The contacts shall be rated for 5mA to 5A, 120V AC, 30V DC.

As an alternative to providing valve position indication any of the four above contacts shall be selectable to signal one of the following:

- Valve opening, closing or moving
- Thermostat tripped, lost phase
- Motor tripped on torque in mid travel, motor stalled
- Remote selected
- Actuator being operated by hand wheel
- Actuator fault

Provision shall be made in the design for an additional eight contacts having the same functionality.

A configurable monitor relay shall be provided as standard, which can be used to indicate either Availability or Fault. The relay should be a spring return type with a Normally Open / Normally Closed contact pre-wired to the terminal bung.

The Monitor (availability or fault) relay, being energized from the control transformer will de-energize under any one or more the following conditions:

Available Mode	Fault Mode
- Loss of main or customer 24V DC power supply	- Loss of main or customer 24V DC power supply
- Actuator control selected to local or stop	- Motor thermostat tripped
- Motor thermostat tripped	- Actuator internal fault
- Actuator internal fault	

Provision shall be made in the design for the addition of a contactless transmitter to give a 4-20mA analogue signal corresponding to valve travel and / or torque for remote indication when required. The transmitter will auto range to the set limits.

The actuator display shall include a dedicated numeric/symbol digital position indicator displaying valve position from fully open to fully close in 0.1% increments. Valve closed and open positions shall be indicated by symbols showing valve position in relation to the pipework to ensure that valve status is clearly interpreted. With mains power connected, the display shall be backlit to enhance contrast at all ambient light levels and shall be legible from a distance of at least 5m (16ft).

Red, green, and yellow LEDs corresponding to open, closed and intermediate valve positions shall be included on the actuator display when power is switched on. The yellow LED should also be fully programmable for on/off, blinker and fault indication. The digital display shall be maintained and updated during hand wheel operation when mains power to the actuator is isolated.

The actuator display shall include a fully configurable dot-matrix display element with a minimum pixel resolution of 168 x 132 to display operational, alarm, configuration and graphical data logger information. The text display shall be selectable between English and other languages such as: Spanish, German, French, and Italian. Provision shall be made to upload a different language without removal of any covers or using specialized tools not provided as standard with the actuator.

Data logger graphical displays should as a minimum be able to display log and trend graphs on the local LCD for the following:

- Torque versus Position
- Number of Starts versus Position
- Number of starts per hour
- Dwell Time
- Average temperature

The main display shall be capable of indicating 4 different home-screens of the following configuration:

- Position and status
- Position and torque (analogue)
- Position and torque (digital)
- Position and demand (positioning)

Provision shall be made for the addition of an optional environmental cover to protect the display from high levels of UV radiation or abrasive materials.

The local controls and display shall be rotatable through increments of 90 degrees to suit valve and actuator orientation.

The reversing starter, control transformer and local controls shall be integral with the valve actuator, suitably housed to prevent breathing and condensation. The starter shall be suitable for 60 starts per hour and of rating appropriate to motor size. The controls supply transformer shall be fed from two of the incoming three phases and incorporate overload protection. It shall have the necessary tapping and be adequately rated to provide power for the following functions:

- Energizing of the contactor coils.
- 24V DC or 110V AC output for remote controls (maximum 5W/VA)
- Supply for all the internal electrical circuits.

The necessary control, wiring and terminals shall be provided integral to the actuator enclosure. Open and close external interlocks shall be made available to inhibit local and remote valve opening / closing control. It shall be possible to configure the interlocks to be active in remote control only.

Remote control signals fed from an internal 24V DC (or 110VAC) supply and/or from an external supply between 20V and 60 VDC or 40V and 120VAC, to be suitable for any one or more of the following methods of control:

- Open, Close and Stop control.
- Open and Close maintained or “push to run” (inching) control.
- Overriding Emergency Shut-down to close valve from a normally closed or open contact.
- Two-wire control, energize to close, de-energize to open.

Additionally provision shall be made for a separate ‘drive enable’ input to prevent any unwanted electrical operation.

It shall be possible to reverse valve travel without the necessity of stopping the actuator. The motor starter shall be protected from excessive current surges during rapid travel reversal. The internal circuits associated with the remote control and monitoring functions are to be designed to withstand simulated lightning impulses of up to 2kV.



Provision shall be made for operation by distributed control system utilizing the following network systems:

- Profibus
- Modbus
- Foundation Fieldbus
- Pakscan (wired and wireless)
- HART

Facilities shall be provided for monitoring actuator operation and availability as follows:

Actuator text display indication of the following status/alarms:

- Closed Limit, open limit, moving open, moving closed, stopped
- Torque trip closing, torque trip opening, stalled
- ESD active, interlock active
- Thermostat trip, phase lost, 24V supply lost, Local control failure
- Configuration error, Position sensor failure, Torque sensor failure
- Battery low, power loss inhibit

Integral data logger to record and store the following operational data:

- Opening last /average torque against position
- Closing last /average torque against position
- Opening motor starts against position
- Closing motor starts against position
- Total open/closed operations
- Maximum recorded opening and closing torque values
- Event recorder logging operational conditions (valve, control and actuator)

The data logger shall record relevant time and date information for stored data. Data logger data shall be accessed via non-intrusive Bluetooth® communication and data displayed on the local LCD. Sufficient standard intrinsically safe tools shall be provided for downloading data logger and actuator configuration files from the actuators and subsequent uploading to a PC. The actuator manufacturer shall supply PC software to enable data logger files to be viewed and analyzed.

Internal wiring shall be tropical grade PVC insulated stranded cable of appropriate size for the control and 3-phase power. Each wire shall be clearly identified at each end. The terminals shall be embedded in a terminal block of high tracking resistance compound.

The terminal compartment shall be separated from the inner electrical components of the actuator by means of a watertight seal and shall be provided with a minimum of 3 threaded cable entries with provision for an additional 5 extra conduit entries.

All wiring supplied as part of the actuator to be contained within the main enclosure for physical and environmental protection. External conduit connections between components are not acceptable. A durable terminal identification card showing a plan

of terminals shall be provided attached to the inside of the terminal box cover indicating:

- Serial number
- External voltage values
- Wiring diagram number
- Terminal layout

The code card shall be suitable for the contractor to inscribe cable core identification alongside terminal numbers.

Each actuator shall be supplied with a start-up kit comprising installation instruction manual, electrical wiring diagram and cover seals to make good any site losses during the commissioning period. In addition, sufficient actuator commissioning tools shall be supplied to enable actuator set up and adjustment during valve/actuator testing and site installation commissioning.

Each actuator must be performance tested and individual test certificates shall be supplied free of charge. The test equipment should simulate a typical valve load, and the following parameters should be recorded.

- Current at maximum torque setting
- Torque at max. torque setting
- Flash test voltage
- Actuator output speed or operating time.

In addition, the test certificate should record details of specification such as gear ratios for both manual and automatic and second stage gearing if provided, drive closing direction, wiring diagram number.

Electric Actuators shall be as manufactured by Rotork IQT 2000 series or approved equal. The units shall be single phase, 240VAC, with C.PT. Folomatic option for control via Owners existing telemetry.

The Contractor shall provide and install power wiring and conduit as well as control conduit to the proposed location of the Owners telemetry panel. Control signal wiring and the telemetry control panel will be provided and installed by others.

3.2.3 Ball Valves. For applications less than 3” in diameter, ball valves shall be used. The ball valves shall meet or exceed to ASME B16.44. The ball valves will be 2-piece forged brass body, full port, blow out proof stem, PTFE seats, PTFE packing with adjustable stem packing gland. The valves will be equipped with NPT threaded pattern connections on both end and shall come complete with lever operators. Maximum working pressure shall be rate at a minimum of 400 psi.

Ball valves shall be manufactured by Nibco, Model T-FP-600A or approved equal.

3.2.4 Check Valves. All check valves shall be iron body bronze mounted swing check valves. Valves shall be suitable for non-shock cold water service and comply with all applicable parts of ANSI/AWWA C508. Valves shall have a clear full opening waterway when disc is in fully open position. Valves shall be lever and weight operated with an adjustable position weight and lever arm attached to disc assembly for variable closure force. The weight & lever assembly should be available for use on either side of the valve. All operating parts should be accessible through top opening, ensuring trouble free maintenance. Valves shall be equipped with a “D” shaped cover equipped with a flow direction indicator insuring that it cannot be incorrectly assembled and cause flow direction error.

The valve body, cover, and weights shall all be composed of ASTM 126 Grade B cast iron. The hinge pin shall be supported by heavy bronze bearings and be pressure sealed with O-rings. Each valve shall be equipped with an ASTM A307 steel test plug. Valves shall be equipped with an ASTM 126 Grade B cast iron disk and ASTM B584 Alloy C84400 cast bronze disk facing. The disk facing shall be permanently pressing into disc. Valves shall employ an ASTM A267 Type 303 stainless steel hinge pin and an ASTM B584 Alloy C84400 cast bronze clapper arm. All gaskets and o-rings shall be ASTM D2000 rubber. The valve shall be coated in water reducible alkyd enamel primer paint.

Valves shall be designed for a minimum water working pressure of not less than 175 pounds per square inch. Prior to shipment from the factory each valve shall be tested at a hydraulic pressure of at least 350 pounds per square inch. Each valve shall have cast on the body, the maker’s initials, pressure rating and the year in which the valve was manufactured.

Check valves shall be as manufactured by Mueller Co. or approved equal.

3.2.5 Hydrants. Hydrants shall meet or exceed all applicable requirements and tests of ANSI and the latest revisions of AWWA Standard C502. They shall also meet all test requirements and be listed by Underwriters Laboratories Inc. They shall also meet all test requirements and have full approval of Factory Mutual. Hydrants shall be of the compression type, opening against the pressure and closing with the pressure and shall be rated for a minimum working pressure of 250 psi. They shall have a minimum 4-1/2” main valve opening and a minimum inside lower/upper barrel diameter (I.D.) of 6” to assure maximum flow performance. All hydrants shall be three-way in design, having one 4-1/2” pumper nozzle and two 2-1/2” hose nozzle(s). Nozzles shall thread counterclockwise into hydrant barrel utilizing “o” ring seals. A suitable nozzle lock shall be in place to prevent inadvertent nozzle removal.

The hydrant bonnet shall be attached to the upper barrel by not less than eight bolts and nuts and sealed by an “o” ring. The bonnet assembly shall provide an oil reservoir and lubrication system that automatically circulates lubricant to all stem threads and bearing surfaces each time the hydrant is operated. This lubrication system shall be sealed from the waterway and any external contaminants by use of “o” ring seals. An anti-friction washer shall be in place above the thrust collar to further minimize operating torque.

The oil reservoir shall be factory filled with a low viscosity, FDA approved, non-toxic oil lubricant which will remain fluid through a temperature range of  $-60^{\circ}$  F. to  $+150^{\circ}$  F.

The operating nut shall be a one piece design, pentagon/square in shape manufactured of ASTM B-584 bronze. The operating nut shall be affixed to the bonnet by means of an ASTM B-584 bronze hold down nut. The hold down nut shall be threaded into the bonnet in such a manner as to prevent accidental disengagement during the opening cycle of the hydrant. The use of Allen head set screws as a means of retention is unacceptable. A resilient weather seal shall be incorporated into the hold down nut, for the purpose of protecting the operating mechanism from the elements. The direction of the opening shall be as specified by the counterclockwise. An arrow shall be cast on the bonnet flange to indicate the opening direction.

Hydrants shall be a "traffic-model" having upper and lower barrels joined at the ground line by a separate and breakable "swivel" flange providing  $360^{\circ}$  rotation of upper barrel for proper nozzle facing. This flange shall employ not less than eight bolts. The safety flange segments shall be located under the upper barrel flange to prevent the segments from falling into the lower barrel when the hydrant is struck. The pressure seal between the barrels shall be an "o" ring. The proper ground line shall be cast clearly on the lower barrel and shall provide not less than 18" of clearance from the centerline of the lowest nozzle to the ground.

The operating stem shall consist of two pieces, not less than 1 1/4" diameter (excluding threaded or machined areas) and shall be connected by a stainless steel safety coupling. The safety coupling shall have an integral internal stop to prevent the coupling from sliding down into the lower barrel when the hydrant is struck. Screws, pins, bolts, or fasteners used in conjunction with the stem couplings shall also be stainless steel. The top of the lower stem shall be recessed 2" below the face of the safety flange to prevent water hammer in the event of a "drive over" where a vehicle tire might accidentally depress the main valve. The lower barrel shall be an integrally cast unit. The use of threaded on or mechanically attached flanges is deemed unacceptable. The hydrant bury depth shall be clearly marked on the hydrant lower barrel.

Composition of the main valve shall be a molded rubber having a durometer hardness of 95 +/- 5 and shall be reversible in design to provide a spare in place. Plastic (polyurethane) main valves are unacceptable. The main valve shall have a cross section not less than 1".

Hydrants shall be equipped with (2) two drain valves which drain the barrel when the hydrant is closed and seal shut when the hydrant is opened. These drain valves shall be an integral part of the one piece bronze upper valve plate. They shall operate without the use of springs, toggles, tubes, levers or other intricate synchronizing mechanisms.

The upper valve plate, seat ring and drain ring (shoe bushing) must be ASTM B-584 bronze and work in conjunction to form an all bronze drain way. A minimum of two (2) internal and two (2) external drain openings are required. Drains ported through an iron shoe must be bronze lined. The bronze seat ring shall thread into a bronze drain ring (or shoe bushing) providing a bronze to bronze connection. Seat rings shall be "o" ring pressure sealed

The interior of the shoe including the lower valve plate and stem cap nut shall have a protective coating that meets the requirements of AWWA C-550. If a stem cap nut is utilized, it must be locked in place by a stainless steel lock washer or similar non-corrosive device that will prevent the cap nut from backing-off during normal use.

The hydrant shall be coated with a prime coat and two finish coats of paint as suggested by the manufacturer and approved by the ENGINEER.

Hydrants shall be warranted by the manufacturer against defects in materials or workmanship for a period of ten (10) years from the date of manufacture. The manufacturing facility for the valves must have current ISO certification. Each hydrant shall have the manufacturer's initials, pressure rating, and the year in which manufactured, cast onto the body.

Hydrants shall be installed in accordance with the detailed drawings, complete with a companion gate valve and connection appurtenances. The hydrant shall be installed perpendicular to the surrounding ground surface and the hydrant riser shall be completely buried. The depth of bury shall be the same as the adjoining water line. The shoe of the hydrant shall be encased in Class B concrete and the concrete shall extend to undisturbed earth. Gravel shall be placed around the hydrant on top of the concrete thrust restraint and at the weep hole a minimum depth of twelve inches in depth. Select earth backfill shall be compacted to fill the remaining excavated void and the surface shall match the surrounding surface. The hydrant shall be secured to the companion gate valve by means of a hydrant adapter and joint restrainer or by other approved means. The hydrant adapter shall be the swivel by solid adapter with swivel gland type. The direct connection of mechanical joint (MJ) fittings to adjacent in-line valves shall be made using Foster adapters

Hydrant adapters shall be the swivel by solid adapter with swivel gland type as manufactured by Tyler Pipe/Union Foundry Company, or approved equal.

Foster adapters shall be constructed of ductile iron and comply with applicable AWWA Standards and shall be lined and coated in accordance with AWWA C104 and C110 as manufactured by Infact Corporation, or approved equal.

Hydrants shall be as manufactured by Mueller Co. Super Centurion 250 or approved equal.

**3.3 Pre-cast Concrete Vault and Appurtenances.** The vault shall be design per ASTM C-890: Minimal structural design loading for underground precast concrete water and wastewater structures and ACI 318: Building code requirements for reinforced concrete. All concrete used in the construction of the vault shall have a minimum 28 day compressive strength of 4,500 psi. Reinforcing steel shall be ASTM A-6115, Grade 50 and used as required by design standards. Any joints shall be sealed with 1-inch conseal.

The vault shall include a floor drain which extends to daylight. The CONTRACTOR shall include up to 200 feet of 6-inch PVC drain line in the price of the vault. If the floor drain cannot be extended to daylight due the vault's location, the vault shall include gravel floor openings as shown on the plans which will be installed to facilitate proper drainage.

Accordingly, the vault itself shall also be bedded with a sufficient layer (3 foot minimum) of acceptable gravel which will allow for adequate drainage.

The vault shall be equipped with one aluminum access hatch with a clear opening of no less than 60" x 60". The hatch shall be of non-skid design and be designed to handle a H-20 Uniform live load with a maximum allowable deflection of 1/150 of the span. A recessed, vandal proof locking device shall be provided as part of the hatch. A positive hold open bar shall also be provided to secure the hatch in the open position.

All hinges and hinge bolts shall be stainless steel. All hinge bolt nuts shall be tack welded to prevent removal of bolts. All fasteners used on the hatches shall be non-corrosive. All areas of hatch frames that will be in contact with concrete shall be coated with bitumastic paint. Bolts as required shall be threaded into the hatch frame from the concrete side and secured with stainless steel nuts. All bolts shall be installed to prevent interference when closing the hatch. Two (2) keys shall be provided, on a key ring complete with the manufacturer's identification. The hatch assembly shall be manufactured by Halliday Products, Series H1C.

3.4 Location. The CONTRACTOR shall be responsible for construction stakeout, based upon horizontal and vertical control points furnished by the ENGINEER. Adjustments in vertical and horizontal alignment may be required during construction due to unforeseen obstacles or changes in right-of-way. Changes in alignment shall be made as directed by the ENGINEER. Such modifications in alignment shall be accommodated by the CONTRACTOR and the completed work shall be paid using the unit prices bid for the work.

3.5 Excavation. The CONTRACTOR shall make trench excavations to only such width to provide ample room for proper construction. Sheeting and shoring shall be provided as required for proper safety and compliance with OSHA regulations. Rock excavation shall be taken to a depth of 6-inches below bottom of pipe. If poor foundation conditions exist due to organic material or quicksand, the trench shall be under-excavated to the depth required and filled with stone aggregate to obtain proper bearing capacity.

Watchmen or barricades, lanterns and other such signs and signals may be necessary to warn the public of the dangers associated with open trenches, excavations and other obstructions. Adequate precautionary measures shall be provided by and properly maintained at the expense of the CONTRACTOR.

Only one-half of street and road crossings shall be excavated before placing temporary bridges as required for the convenience of the traveling public.

3.6 Blasting and Rock Excavation. The CONTRACTOR shall make his own investigation as he deems necessary to ascertain the sub-surface conditions to be encountered in the work.

All blasting operations shall be conducted in accordance with municipal ordinances, state and federal laws and Section 9, Explosives, of the "Manual of Accident Prevention in Construction, published by the Associated General Contractors of America, Inc. Soil

particle velocity shall not exceed limit set by Kentucky law. All explosives shall be stored in conformity with said ordinances, laws and safety regulations. No blasting shall be done within five feet of any water mains, sewer lines, natural or manufactured gas lines, liquid petroleum product lines or other utilities. Any damage done by blasting is the responsibility of the CONTRACTOR and shall be promptly and satisfactorily repaired by him.

The CONTRACTOR shall use delay caps or other approved methods to reduce earth vibrations and noise. Mud capping, as defined in the above manual, will not be permitted as a method of breaking boulders. No blasting shall be permitted on Sundays or after dark.

Prior to commencing with the work, the CONTRACTOR shall, during the preconstruction conference with the OWNER and ENGINEER, state clearly his approach to performing the excavations on the project. He shall be familiar with the laws and ordinances covering blasting and shall also give consideration to the use of hydraulically operated rock breaking devices in lieu of blasting where considered necessary. If blasting is not handled in an expert manner at all times, the ENGINEER reserves the right to suspend blasting and require the work to proceed without it. Prior to blasting, the CONTRACTOR shall make his own detailed pre-blast survey of adjacent walks, curbs, retaining walls, house foundations, etc. to determine conditions prior to the work. Such a file of information, including photographs, may be certified in such a manner as the CONTRACTOR believes necessary since this is information that may stand in his defense.

3.7 Storage of Excavated Material. All excavated material shall be stored in a manner that will not endanger the work and that will avoid obstructing roadways, sidewalks, and driveways. Hydrants under pressure, valve pit covers, valve boxes, curb stop boxes, fire and police call boxes or other utility controls shall be left unobstructed and accessible. Gutters shall be kept clear or other satisfactory provisions made for street drainage, and natural watercourses shall not be obstructed.

3.8 Shoring, Sheeting, and Bracing. The CONTRACTOR shall furnish, place and maintain such sheeting and bracing as may be required to support the sides of the excavation or to protect other structures from possible damage. All sheeting and bracing shall be removed upon completion of the work, unless permitted to be left in place by the ENGINEER. Any sheeting or bracing left in place shall be cut off at least two feet below the finished ground surface elevation. The cost of furnishing, placing, maintaining and removing sheeting and bracing shall be included in the unit price bid for water lines. All work shall conform to OSHA requirements.

3.9 Removal of Water. The CONTRACTOR shall provide adequate pumps, temporary drains and appurtenant equipment to dewater excavations in such a manner that will not interfere with the progress of work.

3.10 Bedding. All process lines shall be bedded with 6- inches of #9 or approved equal stone under and on both sides of the pipe where necessary when rock or poor foundation conditions exist.

3.11 Thrust Blocks and Anchorage. Thrust blocks shall be installed whenever the pipe line changes direction, as at tees, bends, crosses, stops, as at a dead end; or at valves. The locations of thrust blocks depend on the direction of thrust and type of fitting. Their size and type depends on pressure, pipe size, kind of soil, and the type of fitting.

Where thrusts act upward (as at vertical curves) the weight of the pipe, the water in the pipe and the weight of the soil over the pipe should be determined to make certain that the total weight is sufficient to resist upward movement. If there is not enough soil or if it will not compact over the pipe or it is too soft and mushy to resist movement, then ballast or concrete may be placed around the pipe in sufficient weight and volume to counteract the thrust. Where a fitting is used to make a vertical bend, the fitting may be anchored to a concrete thrust block designed to key in to undisturbed soil and to have enough weight to resist upward and outward thrust, since the new placed backfill may not have sufficient holding power.

Thrust blocks shall be constructed of not less than Class B concrete conforming to KBH Specification 601 and placed between the fitting and the trench wall. It is important to place the concrete so it extends to undisturbed (freshly cut) trench wall. The thrust blocks shall be sized as shown on the drawings.

3.12 Backfill. Trenches shall be backfilled and "walked in" at once up to the height specified and shown in the PLANS. Backfill material shall be such that it may be compactly tamped around the pipe. No rock larger than two inches will be permitted within six inches of the pipe. No loose rock larger than six inches shall be less than 12 inches from the pipe. In open, unpaved, or unsurfaced areas the remainder of the fill may be thrown in loose and ridged up over the top of the trench. Mechanical backfilling shall be done with a rotobackfiller or angle dozer. When trenches are in the traveled areas or other places where property will be damaged by settlement of fill, sufficient compaction shall be made immediately. The remainder of the dirt shall be ridged up over the trench unless otherwise ordered by the ENGINEER. The CONTRACTOR at no time shall open up more than 500 feet of trench ahead of backfill and cleanup.

Any damage to underground structures, pipes, wires, drains, etc. shall not be backfilled until they have been satisfactorily repaired or replaced to the original serviceability at the CONTRACTOR'S expense and as approved by the ENGINEER. Settlement of backfill may be done with water furnished by the CONTRACTOR under the direction of the ENGINEER where such will not endanger traffic or damage property. When excavated rock is used for backfilling, it shall have sufficient dirt or fine material to fill all voids and shall not be used within twelve inches of the pipe. All excess rock shall be cleaned up and taken away. No rock larger than two inches shall be left. In areas to be mowed, area shall be raked and smoothed with no rock larger than one inch.

The CONTRACTOR shall maintain the job in a neat and cleaned up condition at all times so as to cause minimum nuisance to the people. Procrastination of clean up and repair will not be tolerated. Minimum trench dirt shall be left outside trench and no soil outside trench shall be removed. Wherever it is necessary to tamp the trench because of traffic, sod placement, or other conditions, the ENGINEER will so instruct the CONTRACTOR who will include this cost in unit price bid. This tamping must have a



compaction of at least 90 percent. The CONTRACTOR will be responsible for any settlement or damage due to settlement where tamping has been done. The tamping must be done the same day that trenching is done if there appears to be any danger of precipitation. If the weather appears to be safe, the ENGINEER may permit the CONTRACTOR to complete the tamping the following day. Where tamping is ordered, all excess dirt must be removed the day trenching is done or the following day.

3.13 Temporary Surfacing. All trenches in streets, roads or drives shall, following compacted backfill, receive a top layer of compacted dense grade stone. Such temporary surfacing shall be maintained, including nights and weekends, and such areas shall be paved within two weeks as soon as conditions permit. All public or private drives shall be promptly backfilled or bridged.

3.14 Hydrostatic Testing. The water line and appurtenances, as rapidly as valves are installed, shall be hydrostatically tested in accordance with these specifications. Defective joints of pipe shall be replaced as directed by the ENGINEER. Cracked or defective pipe, fittings, valves, or hydrants shall be replaced by the CONTRACTOR and the test shall be repeated until the test results are satisfied. Any meter settings and service tubing as shown on the drawings shall be included in the hydrostatic test.

The test pressure shall not be less than 1.25 times the working pressure at the highest point along the test section and the hydrostatic test shall be of at least a two hour duration. The test pressure shall not vary by more than five psi. for the duration of the test.

All leaks shall be repaired whenever or wherever there is evidence of a leak and the location is known or can be reasonably found.

3.14.1 Pressurization. After the pipe has been installed all or any valved section shall be subjected to the hydrostatic test. Each valved section of the pipe shall be slowly filled with water and the specified test pressure, corrected to the elevation of the test gauge, shall be applied by means of a pump connected to the pipe in a manner satisfactory to the ENGINEER. As part of the testing equipment a meter shall be installed to measure all water added to the tested section.

3.14.2 Air Removal. Before applying the specified test pressure, air shall be expelled completely from the pipe, valves, and hydrants. If permanent air vents are not located at all high points, the CONTRACTOR shall install corporation cocks at such points so that the air can be expelled as the line is filled with water. After all the air has been expelled, the corporation cocks shall be closed and the test pressure applied. At the conclusion of the pressure test, the corporation cocks shall be removed and plugged or left in place at the discretion of the OWNER.

3.14.3 Leakage Defined. Leakage shall be defined as the quantity of water that must be supplied into the newly laid pipe or any valved section thereof to maintain pressure within five psi. of the specified test pressure after the pipe has been filled with water and the air has been expelled. Leakage shall not be measured by a drop in pressure in a test section over a period of time.

3.14.4 Allowable Leakage. No pipe installation will be accepted if the leakage is greater than that determined by the following formula:

$$L = \frac{SD\sqrt{P}}{133,200}$$

Where:

L = allowable leakage in gallons per hour

S = length of pipe tested in feet

D = nominal diameter of the pipe in inches

P = average test pressure during the leakage test in pounds per square inch

This formula is based on an allowable leakage of 11.65 gpd./mi./in. of nominal diameter at a pressure of 150 psi.

3.15 Sterilization. Upon completion of a section of piping, disinfection shall be performed strictly in accordance with the procedure designated in Kentucky State Department of Health regulations which reads as follows: "All new water distribution systems including storage distribution tanks and repaired portions of or extensions to existing systems shall be thoroughly disinfected before being placed in service by the use of chlorine or chlorine compounds in such amounts as to produce a concentration of not less than 50 ppm and a residual of not less than 25 ppm at the end of 24 hours and followed by thorough flushing."

Putting small amounts of powdered chlorine in each joint will not be acceptable. Where the new system is connected to the present system the CONTRACTOR will install a 3/4" water meter for the CONTRACTOR on a regular water meter customer basis except that the CONTRACTOR will be charged a flat rate of \$5.00 per 1,000 gallons.

3.16 Service Connections. Any utility connections encountered in the work shall be preserved and protected. Where relocation or repair is required to accommodate the work, they shall be made in a manner acceptable to the utility having jurisdiction over the service connection. Accommodation of service connections shall not constitute any basis for extra payment.

3.17 As-built Drawings. As each line is installed, the CONTRACTOR shall maintain a carefully marked-up set of plans to show exact "as-built" location of all valves, fire hydrants, tees, blind flanges, tie-ins to existing lines, altitude valves, etc. All drawings shall pinpoint locations by two measured distances from prominent landmarks. As-built drawings shall also show the accurate location of other structures and utilities adjacent to or crossing the work. As-built drawings shall be delivered to the ENGINEER.

3.18 Coordination with other Utilities. Prior to construction, the CONTRACTOR shall arrange to meet with representatives of all utilities, and provide them with his anticipated work schedule. The CONTRACTOR shall have the utilities make their best determination of utility locations in the areas in which he is working. Throughout the progress of the work, such field markings of utilities shall be kept current. Repairs to any utilities damaged by the CONTRACTOR shall normally be performed by the utility at the CONTRACTOR'S expense, unless the CONTRACTOR and the utility negotiate other understandings and/or procedures.

3.19 Connections to Existing Piping. The Contractor shall provide all labor, tools, equipment, and materials to connect and disconnect water mains as shown on the drawings and as directed.

The connections and disconnects shall be performed by the use of ductile iron mechanical joint fittings, approved tapping valves and sleeves, and water main pipe as shown on the drawings described elsewhere in these technical specifications. Concrete for thrust restraint shall be Class B concrete and sack-crete shall not be allowed.

Unless otherwise noted on the plans, connections shall be made with a tapping sleeve and valve and done so in accordance with the Owners schedule of operation. Once the main line has been tapped the new section of water main shall be valved off from the rest of the system by closing the tapping valve. The tapping valve shall remain closed until the Engineer has been satisfied that the new water main has been installed correctly, met the requirements of the hydrostatic test, been sanitized in accordance with the regulatory requirements, and any water main to be abandoned has been disconnected from the water system.

The disconnection of a water main that is to be abandoned shall be accomplished by installing a blind flange or mechanical joint plug/cap at the point of abandonment and secured by means of a concrete thrust block. In the event where the thrust block shall be installed in the area of the abandoned water main a minimum three foot section of the abandoned water main shall be removed and the void replaced with concrete.

3.20 Meter Reconnection. Meter reconnections shall consist of reestablishing service to an existing meter after the new water main has been installed. Unless shown otherwise, the new service line shall be installed to connect the new water main to the existing meter setter inside of the meter box or directly adjacent to the box if a brass nipple extends from the setter.

A meter reconnection shall consist of a saddle, corporation stop, service tubing, and appurtenances. Service tubing shall be 1-inch polyethylene or type K copper tubing with a minimum pressure rating of 200 PSI. Insert stiffeners shall be used with polyethylene service tubing and shall be Series 50 or 70 as manufactured by Ford Meter Box Company, Inc., or approved equal. The corporation stops/ball valves shall be B11-333 as manufactured by Ford with a pack joint for polyethylene pipe. Pack joint inlet couplings shall be C14-33-Q as manufactured by Ford for polyethylene pipe. Saddles shall be equal to the Ford S70 Series with a hinged pin for PVC and 202 Series for ductile iron.

3.21 Payment for Water. All water used from the OWNER supply shall be measured using meters supplied by the CONTRACTOR. The CONTRACTOR shall pay for such water monthly at the rate of \$5.00/1,000 gallons. Water lost during line breakages shall be computed at the rate of \$5.00/1,000 gallons. The quantity lost shall be computed on the basis of a discharge velocity of 7 feet/second, the diameter of the line, and the estimated duration of free uncontrolled discharge.

3.22 Cleanup. The CONTRACTOR shall provide effective cleanup of the work as it progresses. At the time of final inspection, no trenches shall show any undue evidence of the previous construction. All areas shall be left free of ruts due to construction equipment and shall have a clean and neat appearance without rubble or debris. The areas shall not be mounded up and shall be completely restored, and all yards and fields shall be reseeded so land may be cultivated, mowed, etc. Straw and fertilizer shall accompany the seeding and the seed mixture shall match existing ground cover. If necessary to hasten proper restoration of terraces, principally along ditch lines, the CONTRACTOR shall sod such areas at the ENGINEER'S direction.

3.23 Protection of Adjacent Landscape. Reasonable care shall be taken during construction of the process lines to avoid damage to vegetation. Ornamental shrubbery and tree branches shall be temporarily tied back, where appropriate, to minimize damage. Trees which receive damage to branches shall be trimmed of those branches to improve the appearance of the tree. Tree trunks receiving damage from equipment shall be treated with a tree dressing.

3.24 Underground Detection Wire. At all locations where water lines are installed, a detection wire shall be installed. For open cut installation, tracer wire is to be #12 AWG solid copper with 30 mil blue HDPE insulation. Direct bury wire connectors which are prefilled with dielectric silicone sealant and equipped with an integral strain relief cap shall be used at all splice joints. The wire connectors shall be DryConn DBSR Aqua as manufactured by King Innovation or approved equal.

Tracer wire shall be installed with the pipe at the trench bottom and access boxes shall be installed at each valve, hydrant and at the valve vault. A minimum of 3 feet of tracer wire should be coiled up inside of each access box. Tracer wire access boxes shall be magnetized heavy duty type as manufactured by Copperhead Industries, LLC, Snake Pit or approved equal.

Prior to the time of the final inspection, the Contractor shall perform a continuity test of the underground detection wire system to ensure continuity and proper operation. This test shall be witnessed by the ENGINEER or the OWNER.

3.25 Payment. Payment shall be included in the payment for the work to which it is subsidiary in the Bid Schedule.

## SECTION 4 - SITE WORK

4.0 Work Included. Under this section the CONTRACTOR shall provide all labor, tools, equipment and materials to perform the sitework related to structures to be constructed. This work shall consist of site clearing, topsoil removal, excavation, the proper utilization or disposal of all excavated materials, necessary borrow, fill requirements, the shaping and finishing of all excavation work to the required lines and grades, preparation of subgrade, structure foundations, walks and pavements, engineered fill for support of structures, backfilling of foundations and trenches, roadway and pavement installation, and seeding and mulching.

4.1 Geotechnical Data. Data on indicated subsurface conditions are not intended as representations or warranties of accuracy or continuity between soil borings. It is expressly understood that the OWNER will not be responsible for interpretation or conclusions drawn therefrom by the CONTRACTOR. Additional test borings and other exploratory operations may be made by CONTRACTOR at no cost to OWNER.

4.2 Existing Utilities. Prior to commencement of work, the CONTRACTOR shall locate existing underground utilities in areas of the work. If utilities are to remain in place, the CONTRACTOR shall provide adequate means of protection during earthwork operations.

4.3 Use of Explosives. The CONTRACTOR (or any of his subcontractors) shall not bring explosives onto the site or use in the work without prior written permission from the OWNER. The CONTRACTOR shall present a blasting plan to the OWNER and ENGINEER and not commence blasting operations until such plan is approved by the ENGINEER and OWNER. All activities involving explosives shall be in compliance with all the Federal, State and Local laws and regulations pertaining to blasting and use of explosives. The CONTRACTOR is solely responsible for handling, storage, and the use of explosive materials and the safety of others in the area when their use is permitted. The CONTRACTOR shall review all blasting procedures with the OWNER and ENGINEER prior to commencement of all blasting work. The CONTRACTOR is responsible for all blasting procedures. The particle velocity of all affected, adjacent structures shall be monitored with a seismograph located at that structure. The peak particle velocity shall not exceed two inches per second at a distance of 50 feet, or any velocity that may cause damage to adjacent structures. The CONTRACTOR is responsible for repair of any damaged structure.

No blasting shall be performed in areas where structural concrete is less than seven days old without the express written consent of the ENGINEER.

Protective material covering shall be used at all times to prevent flying rocks from damaging property or injuring personnel.

A copy of the required blasting log shall be available to the OWNER and ENGINEER.

4.4 Excavation. Excavation includes excavation to sub-grade elevations including excavation of earth, rock, bricks, wood, cinders and other debris. All excavation of materials shall be included in the lump sum portion of the work and will be unclassified and no additional payment will be made regardless of type of material encountered.

Unauthorized excavation consists of removal of materials beyond indicated sub-grade elevations or dimensions without specific direction of the ENGINEER. Unauthorized excavation, as well as remedial work directed by the ENGINEER, shall be at CONTRACTOR's expense.

4.4.1 Clearing & Grubbing. The CONTRACTOR shall cut and remove designated trees, stumps, brush, logs, fences, or other materials such as stumps, roots and other natural obstructions. No cleared or grubbed materials shall be used in backfills or embankment fills.

All stumps, roots and other objectionable material shall be grubbed up so that no roots larger than three inches in diameter remain less than 18 inches below the ground surface. All holes and depressions left by grubbing operations shall be filled with suitable material and compacted to grade.

The CONTRACTOR shall remove from the site and satisfactorily dispose of all miscellaneous rubbish including, but not limited to, masonry, scrap metal, rock, pavement, etc. that is under the fill or to be removed as shown on the Drawings, specified herein, or directed by the ENGINEER.

Existing improvements, adjacent property, utility and other facilities, and trees, plants and brush that are not to be removed shall be protected from injury or damage.

Trees and shrubs designated to remain or that are beyond the clearing and grubbing limits which are injured or damaged during construction operations shall be treated at the CONTRACTOR's expense by experienced tree surgery personnel.

4.4.2 Excavation for Structure. Excavation for structures shall conform to the elevations and dimensions shown within a tolerance of plus or minus 0.10 feet and extending a sufficient distance from footings and foundations to permit placing and removal of concrete formwork, installation of services, other construction, and for inspection. All loose material shall be removed from the excavation just before concrete reinforcement is placed. Trim bottoms to required lines and grades to leave solid base to receive other work.

Protruding rock formations that would interfere with uniform footing bearing shall be removed such that the structure will bear upon uniform engineered fill at least 24 inches thick. No slab shall bear directly upon rock. All excavations shall extend to a depth that allows a minimum of 6 inch crushed stone base under slab.

All necessary precautions shall be taken to preserve the material below and beyond the lines of all excavation in the soundest possible condition. Any damage to the work due to the CONTRACTOR's operations, including shattering of the material beyond the required excavation lines, shall be repaired at the expense of and by the

CONTRACTOR. Any and all excess excavation for the convenience of the CONTRACTOR for any purpose or reason, except as may be ordered in writing by the ENGINEER and whether or not due to the fault of the CONTRACTOR, shall be at the expense of the CONTRACTOR. Where required to complete the work, all such excess excavation and over excavation shall be refilled with materials furnished and placed at the expense of and by the CONTRACTOR. Slopes shattered or loosened by blasting shall be taken down at the expense of and by the CONTRACTOR.

All excavation for embankment and structure foundations shall be performed in dry weather conditions. No excavation shall be made in wet weather or where frozen materials exist without written approval.

4.4.3 Backfill and Fill Material. All material to be used as backfill material shall be approved by the ENGINEER prior to backfilling excavations. With the exception of the organic debris, existing fill material, and topsoil, the on-site soil removed from the excavations will be used as fill or backfill material that is approved by the ENGINEER.

After clearing and stripping operations have been completed, all structure locations shall be proof-rolled with a loaded pan or heavy pneumatic tired vehicle to densify upper soils and to locate possible areas which will require undercutting, removal and/or re-compaction. This operation shall be conducted under the surveillance of the ENGINEER.

Before initiating filling operations, the CONTRACTOR shall receive approval of fill material by the ENGINEER. Proctor density tests shall be run on representative samples obtained from the proposed borrow material.

Where structures or other appurtenances are constructed on fill, the fill shall be placed in layers not over six inches deep, as measured before compaction and be thoroughly compacted. Compaction may be obtained by use of a sheeps foot roller or pneumatic-tired roller. Water shall be applied as directed to obtain close adhesion between layers and all parts of the material. Fill shall be compacted to a minimum of 95% of the Standard Proctor maximum dry density (ASTM Specifications D-698). A minimum of two compaction tests per each two feet of fill on a structure location shall be performed by a geotechnical engineer.

Only suitable material approved by the ENGINEER shall be used for backfilling around structures. Backfilling around structures shall have material placed in layers of six inch depth and compacted by pneumatic tools or other small equipment operated by hand. In no case shall the backfilling be allowed to obtain an elevation of one foot above any other area. It shall be uniformly compacted throughout the structure depth. Any deviation shall be cause for the ENGINEER to require the material deposited to be removed and re-compacted at the CONTRACTOR's expense.

All backfilling shall be done in such a manner that the pipe or structure over or against which it is being placed will not be disturbed. Any pipe or structure damaged or moved from its proper line or grade during backfilling operations shall be removed or repaired to the satisfaction of the ENGINEER and then backfilled.

4.4.4 Borrow Material. Borrow material shall consist of and include the required excavation and proper utilization of approved materials obtained from designated areas when sufficient quantities of suitable materials are not available from other required excavation.

The control of excavation in any borrow area and the selection of materials from shall at all times be as directed by the ENGINEER. On completion of excavation, all borrow pits shall be left in a neat and sightly condition. Unless otherwise approved by the ENGINEER, all borrow pits shall be so graded and dressed that water will readily drain therefrom, and away from all embankments, berms and structures. When shown on the drawings, terraces or diversions shall be constructed to protect the slopes of the borrow areas from erosion and shall be considered a subsidiary of this specification.

4.4.5 Disposal of Material. All surplus excavated material and/or waste materials shall be disposed of outside the floodplain in an area provided by the CONTRACTOR and approved by the ENGINEER. The material shall be compacted to a smooth condition and sloped to provide positive drainage.

Any material removed from an impoundment, river, stream or shore shall be removed from the area and disposed of outside of the floodplain as described above. Where shore areas are excavated and/or disturbed, the final contours shall be established by using rip-rap stone or other materials as shown on the Drawings.

4.4.6 Sheeting and Bracing. Sheeting and bracing as may be required to safely support the sides of excavations while maintaining the required side slopes shall comply with the safety precautions as outlined in current and accepted safety manuals, such as "Associated General Contractors Manual of Accident Prevention in Construction". Where sheeting and bracing are necessary to prevent caving of the walls of excavations and to safeguard the workmen, the excavations shall be dug to such widths that proper allowance is made for the space occupied by the sheeting and bracing. The CONTRACTOR shall perform the additional excavation required and furnish and put in place the necessary sheeting and bracing and shall remove the same as the excavation is filled, at his own expense.

4.4.7 Removal of Water. The CONTRACTOR shall construct and maintain all necessary channels, flumes, and/or other temporary diversion and protective works; shall furnish all materials required therefore; and shall furnish, install, maintain and operate all well points, casings, pumps and other equipment for dewatering the various parts of the work and for maintaining the foundations, trenches and other parts of the work free from water as required for constructing each part of the work. After having served their purpose, all temporary protective works shall be removed, or leveled, to give a sightly appearance and so as not to interfere in any way with the operation, usefulness or stability of the permanent structures.

4.4.8 Finish Grading. Finish grading shall be to the finished elevations and grades shown, and shall be made to blend into conformation with remaining natural ground surfaces. All finish graded surfaces shall be left smooth and free to drain. Excess



materials shall be spread and compacted as directed. Grading within the construction area and around the outside of building and structure lines shall be performed in a manner which will prevent accumulation of water within the area. Where necessary, or where shown, finish grading shall be extended to insure that water will be directed to drainage ditches, and the site area left smooth and free from depressions holding water.

4.4.9 Erosion Control. Temporary measures shall be applied throughout the construction site to control and to minimize siltation to adjacent properties and waterways. Such measures shall include, but not be limited to, the use of berms, baled straw silt barriers, gravel or crushed stone, mulch, slope drains and other methods. These temporary measures shall be applied to erodible material exposed by any activity associated with the construction of this project.

In addition to typical erosion control measures, a temporary construction boundary fence is required in some areas of the project. The specific site requirements and recommended soil erosion control devices are shown on the Drawings. All erosion control measures shall be incidental to the cost of installing other project components and no additional payment will be made.

4.5 Seeding and Mulching. All disturbed areas shall be seeded, fertilized and mulched as shown on the Drawings. The application of materials and execution shall be as follows:

4.5.1 Lime. Two tons of agricultural limestone per acre shall be required.

4.5.2 Fertilizer. The following amounts of fertilizer are required per acre:

- |                        |          |
|------------------------|----------|
| (1) Nitrogen (N)       | 60 lbs.  |
| (2) Phosphorous (P205) | 120 lbs. |
| (3) Potash             | 120 lbs. |

This requirement can be met by applying fertilizer having an analysis of 10-20-20 at the rate of 600 pounds per acre.

4.5.3 Seed. The following amounts of pure live seed are required per acre:

- |                        |         |
|------------------------|---------|
| (1) KY-31 Fescue       | 60 lbs. |
| (2) Perennial Ryegrass | 25 lbs. |
| (3) Red Clover         | 10 lbs. |

4.5.4 Mulch. Mulch shall consist of wood fiber applied at a rate of 1600 pounds per acre, bituminous treated straw applied at a rate of 2000 pounds per acre or other mulch subject to the advance approval of the ENGINEER.

4.4.5 Execution. The seeding shall be completed within two weeks after completion of the work or as soon thereafter as conditions are favorable. Immediately prior to seedbed preparation, the CONTRACTOR shall apply the agricultural lime and fertilizer uniformly over the area to be seeded. The seedbed shall be prepared by pulverizing and

breaking up the soil to a minimum depth of two inches with a disk harrow, drag harrow, spike tooth harrow or similar tool. All rocks, clods, and undesirable material that would interfere with seeding operations shall be removed.

The seeding operations shall be performed immediately after, or as soon as practicable, after the seedbed has been prepared. The seed shall be drilled or broadcast uniformly over the seedbed with regular approved type of equipment or method acceptable to the ENGINEER. The seeded area shall be passed over with a harrow or cultipacker to help cover more seed and improve seedling establishment. Excessive tillage shall be avoided. After all construction work is complete, prior to final payment, all exposed areas shall be cleaned and left in a slightly manner. All unused material shall be removed from the site.

The CONTRACTOR may hydroseed and mulch if the following requirements are met.

- (1) The individual seed quantities shall be increased by 20%.
- (2) The mulch shall be a processed hay or straw applied at a rate of 3/4 ton per acre with 80 lbs. per acre of an organic tackifier
- (3) The hydroseeder slurry shall not be allowed to drop below a pH of 5.0.

The CONTRACTOR shall be responsible for the maintenance of all work under this section until final acceptance. Adequate protection of exposed slopes shall be provided at all times to prevent excessive erosion. No work will be accepted unless there is evidence of healthy growth and sufficient cover to prevent erosion.

Work executed under this section shall be guaranteed for one year with the guarantee beginning on the date of final acceptance of all work under this Contract. Any seeded areas of the site which are found to not have an adequate growth of cover during the guarantee period, shall be re-seeded as soon as weather conditions permit, at no cost to the OWNER.

**4.6 Access Drive & Pavement.** If required, the CONTRACTOR shall construct an access driveway and parking area in the location shown on the plans. The construction of these paved areas shall be as depicted on the plans and described herein. All paved areas shall be constructed with adequate pitch to ensure that drainage is directed away from any structures and that no water is allowed to pond on any area of the pavement.

**4.6.1 Drainage Culverts.** Piping material will be made of such material as specified on drawings. Installation shall be in accordance with general provisions of drainage pipe installation. In general, no offset grade stakes will be required for culverts less than 100 feet in length but good horizontal and vertical alignment will be required.

**4.6.2 Sub-grade Excavation and Compaction.** In preparation for pavement installation, the CONTRACTOR shall excavate the sub-grade the elevations indicated on the plans. At a minimum, the top 6-inches of existing sub-grade shall be removed. This requirement applies regardless of the character of surface and subsurface conditions encountered, including rock and any other soil materials. Excavations shall be in accordance with elevations and dimensions and cross sections depicted on the

plans. The bottoms of excavations shall be taken below the intended elevations when so required in order to leave a solid base to receive other work. Sub-grades shall be proof rolled prior to filling or placing aggregate courses. This shall be accomplished with heavy pneumatic-tired equipment to identify soft pockets and areas of excess yielding. Do not proof roll wet or saturated sub-grades.

The CONTRACTOR shall finalize sub-grade preparation through placement and compaction of fill material in appropriate layers to achieve the required elevations. Uniformly moisten or aerate the existing sub-grade and each subsequent fill or backfill layer before compaction to within 2 percent of optimum moisture content. Any soil material that exceeds optimum moisture content by 2 percent and is therefore too wet to compact to the specified dry unit weight, shall be reworked and air dried or completely removed and replaced. Soil backfill shall be placed in layers not more than 8 inches in loose depth for material compacted by heavy compaction equipment, and not more than 4 inches in loose depth for material compacted by hand-operated tampers. At a minimum, the existing sub-grade and each layer of backfill material shall be compacted to not less ninety five percent (95%) of the maximum dry weight density according to ASTM D 698.

Following completion of sub-grade preparation, the CONTRACTOR shall take measures to prevent surface water and ground water from entering excavations and ponding on prepared sub-grades. Sub-grades shall be protected from softening, undermining, washout, and damage by rain, water accumulation and traffic. Sub-grades damaged by freezing temperatures, frost, rain, accumulated water, traffic or construction activities shall be reconstructed back to specified conditions prior to placement of aggregate courses.

4.6.3 Crushed Aggregate Base Course. Prior to application of asphalt pavement, CONTRACTOR shall install a crushed aggregate base above the prepared sub-grade. The base layer shall utilize dense graded limestone aggregate and be constructed in conformity with the lines, grades, notes and typical cross sections depicted in the plan sheets.

During installation, the base material shall be transported to the point where it is to be used, over crushed aggregate previously placed where possible, and dumped at the end of the preceding spread. Hauling over the sub-grade, or dumping on the sub-grade for further placement operations, will be permitted only when, in the opinion of the ENGINEER, such procedures will not adversely affect the integrity of the completed base and sub-grade. Spreading and final placement shall be accomplished by mechanical spreaders capable of producing an even distribution of the crushed concrete aggregate.

After spreading is completed the crushed concrete shall be uniformly compacted, with water being added as required, to a density of not less than ninety eight percent (98%) of the maximum density as determined by AASHTO T-180. Prior to final compaction operations, if the blading of any areas is necessary to obtain the true grade and cross section, the compacting operations for such areas shall be repeated.

4.6.4 Asphalt Paving. CONTRACTOR shall complete all areas scheduled for asphalt pavement with bituminous surfaces consisting of a prime coat of emulsified asphalt, a Class 1 Bituminous Base Course, and a Class 1 Bituminous Surface Course as specified by the Kentucky Bureau of Highways latest specifications. The paved areas shall be constructed in conformity with the lines, grades, notes and typical cross sections depicted in the plan sheets.

Immediately before placing asphalt materials, CONTRACTOR shall remove loose and deleterious material from substrate surfaces. At a minimum, sweep loose granular particles from surface of unbound-aggregate base course, taking care not to dislodge or disturb aggregate embedded in compacted surface of base course.

Initially, the crushed aggregate base course shall be prepared with a prime coat of emulsified asphalt. The prime coat shall be applied only when the base meets the required moisture and density requirements. At the time of priming, the base shall be firm, unyielding, and in such condition that no undue distortion will occur. The CONTRACTOR will be responsible for insuring that the true crown and template of the base are maintained, with no rutting or other distortion, and that the base meets all requirements at the time the surface course is applied.

The prime coat shall be applied uniformly over surface of the base course at a rate not less than 0.35 gallons per square yard, If prime coat is not entirely absorbed within 24 hours after application, the CONTRACTOR shall spread sand over surface to blot excess asphalt. The sand shall then be removed by sweeping before pavement is placed and after volatiles have evaporated.

Once the prime coat has cured, the base and surface courses of hot-mix asphalt can be placed on the prepared surface. Each course shall be placed appropriately in order to achieve the required grade, cross section, and thickness following compaction. The asphalt base course shall be placed in number of lifts desired by the CONTRACTOR in order to best achieve the thicknesses indicated on the plan sheets. However, the asphalt surface course shall be placed in a single lift. All asphalt courses shall be spread mix at minimum temperature of 250 deg F.

The installation of pavement shall begin along centerline of the crown for crowned sections and on high side of one-way slopes unless otherwise indicated. The CONTRACTOR shall regulate paver machine speed to obtain smooth, continuous surface free of pulls and tears in asphalt-paving mat. Pavement shall be placed in consecutive strips not less than 5 feet wide unless infill edge strips of a lesser width are required. After first strip has been placed and compacted, place succeeding strips and extend compaction roller to overlap previous strips. Insure that all surface irregularities in paving course are promptly correct behind paver, before compaction. Use suitable hand tools to remove excess material forming high spots and fill depressions with fresh hot-mix asphalt.

Following placement of asphalt mix, begin compaction as soon as paving will bear roller weight without excessive displacement. In areas inaccessible to rollers, compact paving with hot, hand tampers or with vibratory plate compactors. All compaction shall be achieved before mix temperature cools to 185 deg F. The compaction process shall

begin with breakdown or initial rolling immediately after rolling joints and outside edge. Examine surface immediately after breakdown rolling for indicated crown, grade, and smoothness. Any deficiencies noted in placement or compaction operations shall be corrected at this stage. Immediately after breakdown rolling is complete, begin intermediate rolling while asphalt is still hot enough to achieve specified density. Continue rolling until hot-mix asphalt course has been uniformly compacted to ninety six (96%) percent of reference laboratory density according to AASHTO T 245, but not less than ninety four percent (94%) nor greater than one hundred percent (100%). Once compaction is achieved, finish roll paved surfaces to remove roller marks while hot-mix asphalt is still warm.

Prior to final compaction, CONTRACTOR shall trim edges of pavement to proper alignment and appearance. As part of this process, all edges shall be beveled and compact thoroughly. Any paved areas which are found to be defective or contaminated with foreign materials shall be removed and replaced with fresh, hot-mix asphalt. All replacement areas shall be compacted by specified density and display a seamless transition to existing pavement. After final rolling, do not permit vehicular traffic on pavement until it has cooled and hardened.

CONTRACTOR shall ensure that each course is compacted to produce the thickness indicated on the plan sheets, within the following tolerances:

- Base Course: Plus or minus 1/2 inch.
- Surface Course: Plus 1/4 inch, no minus.

CONTRACTOR shall ensure that each course is compacted to produce a surface smoothness within the following tolerances as determined by using a 10-foot straightedge applied transversely or longitudinally to paved areas:

- Base Course: 1/4 inch
- Surface Course: 1/8 inch

Crowned Surfaces: Test with crowned template centered and at right angle to crown. Maximum allowable variance from template is 1/4 inch.

4.6.5 Final Acceptance. All pavement shall be inspected prior to the final warranty period expiration. Any paved area found to be deteriorated or not uniform due to settlement of the disturbed subsurface shall be repaired before the work is recommended for final acceptance. The warranty period for all pavement replacement shall not commence until the final warranty period for the project in its entirety is initiated.

4.7 Payment. Payment for all site work that is required to complete the work as shown on the Drawings or described herein shall be included in the work to which it is subsidiary in the Bid Schedule and no measurement of the quantities will be made. The contours and elevations of the present ground are believed to be reasonably correct but are not guaranteed. The CONTRACTOR shall satisfy himself by actual examination of the site of work as to the existing elevations and contours and the amount of work required under this section.

## SECTION 5 - STRUCTURAL CONCRETE

5.0 Work Included. Under this section the CONTRACTOR shall provide all labor, tools, equipment and materials to place concrete at the locations as shown on the Drawings. This shall include formwork, concrete specifications, reinforcement, finishes and any work related to the placement of concrete. This section is pertinent the following structures associated with this project: utility vaults, support blocks and thrust blocks.

5.1 References. The CONTACTOR shall obtain and have available in the field at all times the latest revisions of the following references:

1. Specifications for Structural Concrete for Buildings ACI 301
2. Specifications for Structural Concrete for Buildings ACI Sp-15
3. Manual of Standard Practice - CRSI
4. Placing Reinforcing Bars - CRSI
5. Building Code Requirements for Reinforced Concrete ACI 318
6. Environmental Engineering Concrete Structures ACI-350R
7. Recommended Practice for Concrete Formwork ACI-347
8. Construction and Industrial Plywood PS-1
9. Field Reference Manual, ACI Publication SP-15

The following standards shall also apply to this work:

1. ASTM C-143 Test Method for Slump of Hydraulic Cement Concrete
2. ASTM C-150 Specification for Portland Cement
3. ASTM C-33 Specification for Concrete Aggregates
4. ASTM C-260 Specification for Air Entraining Admixtures for Concrete
5. ASTM C-494 Specification for Chemical Admixtures for Concrete
6. ASTM A-615 Specification for Deformed and Plain Billet
7. ASTM C-94 Specification for Ready-Mixed Concrete
8. ASTM C-31 Practice for Making and Curing Concrete Test Specimens in the Field
9. ASTM C39 Test Method for Compressive Strength of Cylindrical Concrete Specimens
10. ASTM C42 Test Method for Obtaining and Testing Drilled Cores and Sawed Beams of Concrete
11. ASTM A-616 Rail Steel Deformed and Plain Bars for Concrete Reinforcement
12. ASTM A-617 Axle Steel Deformed and Plain Bars for Concrete Reinforcement
13. ACI 315 Details and Detailing of Concrete Reinforcement
14. ACI 315R Manual of Engineering and Placing Drawings for Reinforced Concrete Structures
15. ASTM A-185 Welded Steel Wire Fabric for Concrete Reinforcement
16. ACI 301 Specifications for Structural Concrete for Buildings.

5.2 Submittals. The CONTRACTOR shall submit the following data established per Section 3.9 of ACI 301.

1. Concrete mix designs, test results and curves plotted to establish water cement ratio if paragraph 3.9.3.3. of ACI 301 is used.
2. Proposed mix designs and all necessary substantiating data used to establish proposed mix designs if paragraph 3.9.1.1. or 3.9.1.2. of ACI 301 is used.
3. Mix designs for all mixes proposed or required to be used, including all mixes containing admixtures.
4. A certified copy of the control records of the proposed production facility establishing the standard deviation as defined in paragraph 3.9.1.1. of ACI 301.
5. Certification attesting that admixtures equal or exceeds the physical requirements of ASTM C-494 for Type A (water reducing) Type D (water reducing and retarding) and Type E (water reducing and accelerating) admixtures.
6. Drawings showing locations of all proposed construction joints.
7. Certification that the concrete aggregates comply with the provisions of ASTM C33.
8. Certification that the air-entraining admixture complies with ASTM C-260.

5.3 Quality Assurance.

5.3.1 Consistency. Concrete shall be of such consistency that it can be worked readily into all parts of the forms and around embedded work, without permitting the materials to segregate, or free water to collect on the surface.

5.3.2 Compression Tests. During the progress of work, at least one set of three compression test cylinders shall be made for each 20 cubic yards of structural concrete or major fraction thereof, and not less than one such set for each type of concrete for each days pouring. Cylinders made in the field shall be made and cured in accordance with the ASTM Standard Method of Making and Curing Concrete Test Specimens in the Field, designation C31, except that wherever possible molds shall be left on cylinders until they reach the laboratory.

One cylinder of each set shall be broken in accordance with ASTM C-39 at seven days and the other two at 28 days. Two copies of these test results shall be submitted to the ENGINEER on the same day of the tests.

Additional tests of the in-place concrete shall be made when test results indicate specified concrete strengths and other characteristics have not been attained in the structure. Cored cylinders used to test concrete adequacy shall comply with ASTM C42. All test procedures and results shall be subject to the review and approval of the ENGINEER. The CONTRACTOR shall pay for such tests when unacceptable concrete is verified. On evidence of these tests, any concrete that fails to meet the

specified strength requirements shall be strengthened or replaced as directed by the ENGINEER at the CONTRACTOR's expense.

5.3.3 Inserts in Concrete. All castings, inserts, conduits, and other metalwork shall be accurately built into or encased in the concrete by the CONTRACTOR as directed and all necessary precautions shall be taken to prevent the metalwork from being displaced or deformed. The installation shall be inspected before concrete is placed. All anchor bolts shall be set by means of substantial templates.

5.3.4 Testing. Concrete testing shall be performed by a testing agency hired by the CONTRACTOR, at his expense.

The testing agency shall perform the following tests on the sampled concrete:

- a. Slump
- b. Air Content
- c. Concrete Temperature
- d. Compression Test of Cylinders

If, in the opinion of the ENGINEER, there is reasonable doubt that the concrete aggregates comply with ASTM C33, the testing agency shall test the fine aggregate and course aggregate for compliance with these specifications.

Upon completion of the tests, written reports shall be submitted to the ENGINEER clearly identifying the tests performed, the results, and the batch of concrete in which the tests were performed.

5.4 Concrete Mix. Structural concrete of the various classes required shall be proportioned by Section 3.9 of ACI 301 to produce the following 28-day compressive strengths:

Selection of Proportions for Class A Concrete:

1. 4,000 psi compressive for strength at 28 days.
2. Type II cement plus water reducing dispersing agent and air. Type I cement may be used if the C3A content of the cementitious material is less than 8 percent.
3. Maximum (water)/(cement and water reducing dispersing agent) ratio = 0.45.
4. Minimum cement content = 564 lbs. (6.0 bags)/cu. yd. concrete.
5. Nominal maximum size coarse aggregate = No. 67 (3/4" maximum).
6. Air content = 6% plus or minus 1% by volume.
7. Slump = 2" - 3" in accordance with ASTM C-143.



5.4.1 Optional Concrete Mix Using Fly Ash.

Selection of Proportions for Class A (Fly Ash) Concrete:

1. 4,000 psi compressive for strength at 28 days.
2. Type II cement plus water reducing dispersing agent and air. Type I cement may be used if the C3A content of the cementitious material is less than 8 percent.
3. Maximum (water)/(cement plus water reducing dispersing agent) ratio - 0.45.
4. Minimum cement content - 517 lbs. (5.5 bags)/cu. yd. concrete.
5. Maximum Fly Ash Content - 71 lbs./cu. yd.
6. Nominal maximum size coarse aggregate - No. 67 (3/4" maximum) or No. 57 (1" maximum).
7. Air content - 6% plus or minus 2% by volume.
8. Slump = 2" - 3" in accordance with ASTM C-143.

5.4.2 Grout. Provide the following grout mixture at locations noted on the plans to be grouted, such as fillets, tank and trough bottoms:

- (1) Less than 2" in depth

<u>Material</u>	<u>Volume</u>
Cement	1 part
Sand	2 parts
Water = 5 gals./100 lbs. cement	

- (2) From 2" to 12" in depth

<u>Material</u>	<u>Volume</u>
Cement	1 part
Pea Gravel	2.5 parts
Sand	2 parts
Water = 5 gals./100 lbs. cement	

- (3) Greater than 12" in depth

<u>Material</u>
Class A Concrete

The grout mixtures shown above are not to be used in areas that are to receive non-shrink grout. Grout fill which is formed in place by using rotating equipment as a screed shall be mixed in proportions and consistencies as required by the manufacturer or supplier of the equipment.

5.4.3 Admixtures. An air entraining admixture shall be used on all concrete and shall be the Master Builders MB-VR, or MicroAir, Euclid Chemical Company AIR-MIX, W. R. Graces Darex, or equal. The admixture shall meet the requirements of ASTM C-260. Certification attesting to the percent of effective solids and compliance of the material with ASTM C-260 shall be furnished.

A water-reducing, admixture for concrete shall conform to ASTM C-494 for type A (water-reducing and normal setting admixtures) and shall be Master Builders Pozzolith 344N, Nox-Crete Plastiflow, Plastocrete 161 by Sika, or an approved equal. The water-reducing, set retarding mixture for concrete shall conform to ASTM C-494 for Type D (water-reducing and retarding admixtures) and shall be Master Builders, Pozzolith 100-XR, Daratard-17 by W. R. Grace, or an approved equal. Certification shall be furnished attesting that the admixture exceeds the physical requirements of ASTM C-494, Type A, water-reducing and normal setting admixture, and when required, for ASTM C-494, Type D, water reducing and retarding admixture when used with local materials with which the subject concrete is composed. The admixture manufacturer shall provide a qualified concrete technician employed by the manufacturer to assist in proportioning concrete for optimum use. He also will be available to advise on proper addition of the admixture to the concrete and on adjustment of the concrete mix proportions to meet changing job conditions.

Where the CONTRACTOR finds it impractical to employ fully the recommended procedures for hot weather concreting, the ENGINEER may at his discretion require the use of a set retardant admixture for mass concrete 2.5 feet or more thick and for all concrete whenever the temperature at the time concrete is cast exceeds 80 degrees F. The admixture shall be selected by the CONTRACTOR subject to the review of the ENGINEER. The admixture and concrete containing the admixture shall meet all the requirements of these specifications. Preliminary tests of this concrete shall be required at the CONTRACTOR's expense.

When more than one admixture is used, all admixtures shall be compatible. They should preferably be by the same manufacturer.

Calcium chloride will not be permitted as an admixture in any concrete.

Water-reducing, non chloride, accelerators shall conform to ASTM C-494 Type E and shall be Accelguard 80 by the Euclid Chemical Company or Pozzolith High Early by Master Builders or an approved equal.

5.4.4 Water. The water for concrete shall be clean, fresh, and free from injurious amounts of oil, acid, alkali, organic matter, or other deleterious substances.

5.4.5 Aggregates. Fine aggregates shall be natural and having clean, hard, uncoated grains, and shall be free from injurious amounts of clay, dust, organic matter or other deleterious substances, and shall conform to ASTM C-33. Sand shall be graded as follows:

	<u>Percent</u>
Passing 3/8 Inch Sieve	100
Passing No. 4 Sieve	90-100
Passing No. 16 Sieve	45-80
Passing No. 50 Sieve	5-25
Passing No. 100 Sieve	0-8

Coarse aggregates shall be crushed stone having clean, hard, uncoated particles, and shall be free from injurious amounts of soft, friable, thin, elongated or laminated pieces.

Coarse aggregates shall conform to ASTM C-33 and shall be graded in accordance with the following:

	<u>Percent by Weight</u>	
	<u>No. 57</u>	<u>No. 67</u>
Passing 1-1/2 Inch Square Sieve	100	---
Passing 1-Inch Square Sieve	95-100	---
Passing 3/4-Inch Square Sieve	---	90-100
Passing 1/2-Inch Square Sieve	25-60	---
Passing 3/8-Inch Square Sieve	---	20-55
Passing No. 4 Square Sieve	0-10	0-10
Passing No. 8 Square Sieve	0-5	0-5

Refer to the Specification of ACI 301 for maximum size of coarse aggregate.

5.4.6 Aggregates and Determining Proportions. No concrete shall be used in the work until the materials and mix designs have been tested by the testing laboratory and accepted by the ENGINEER. The ENGINEER shall have the right to order changes as may be necessary to meet the specified requirements. If concrete of the required characteristics is not being produced as the work progresses, the ENGINEER may order such changes in proportions or materials, or both, as may be necessary to secure concrete of the specified quality. The CONTRACTOR shall make such changes at his own expense and no extra compensation will be allowed because of such changes.

5.4.7 Mixing. All central plant and rolling stock equipment and methods shall conform to the Truck Mixer and Agitator Standards of the Truck Mixer Manufacturers' Bureau of the National Ready Mixed Concrete Assn., as well as the ACI Standards for Measuring, Mixing, Transporting, and Placing Concrete ACI 304R-89, and with the ASTM specification for Ready Mixed Concrete, Designation C94-89b.

5.5 Placing and Compacting Concrete. At least 20 hours before the CONTRACTOR plans to make any placement of concrete, he shall notify the ENGINEER of his intention and procedure. Unless otherwise planned, the work shall be so executed that a section begun on any day shall be completed during daylight of the same day.

Ready mixed concrete shall be transported to the site in watertight agitator or mixer trucks. The quantity of concrete to be mixed or delivered in any one batch shall not exceed the rated capacity of the mixer or agitator for the respective conditions as stated on the nameplates.

Information necessary to calculate the total mixing water shall be recorded on the delivery slip for the ENGINEER's information. Total mixing water includes free water on the aggregates, water and ice batched at the plant, and water added by the truck operator. The CONTRACTOR may request permission to add water at the job site, and when the addition of water is permitted by the ENGINEER, the quantity added shall be the responsibility of the CONTRACTOR and in no case shall the total water per bag of cement exceed that determined by the designed mix. Mixing and discharge time shall be as recommended in ACI-304.

Concrete which has become compacted or segregated during transportation to or on the site of the work shall be satisfactorily remixed just prior to being placed in the forms.

Partially hardened concrete shall not be deposited in the forms. The re-tempering of concrete which has partially hardened (that is, the remixing of concrete with or without additional cement, aggregate, or water) will not be permitted.

The concrete shall be mixed only in the quantity required for immediate use. Concrete that has developed an initial set shall not be used. The CONTRACTOR shall have sufficient plant capacity and transporting apparatus to insure continuous delivery at the rate required.

The temperature of the concrete mixture immediately before placement shall be between 50 degrees F and 90 degrees F.

Concrete that is truck mixed or transported in truck mixers or truck agitators shall be delivered to the site of the work and discharge completed in the forms within 1 1/2 hours or before the drum has revolved 300 revolutions whichever comes first after the introduction of the mixing water to the cement and aggregates, or the introduction exceeds 85 degrees F, the time shall be reduced to 45 minutes. Concrete shall be placed in the forms within 15 minutes after discharge from the mixer at the job site.

If concrete is placed by pumping, no aluminum shall be used in any parts of the pumping system which contact or might contaminate the concrete. Aluminum chutes and conveyors shall not be used.

No concrete shall be placed on frozen subgrade or in water, or until the subgrade, forms, and preliminary work has been accepted. No concrete shall be placed until all materials to be built into the concrete have been set and have been accepted by the various trades and by the ENGINEER. All such materials shall be thoroughly clean and free from rust, scale, oil, or any other foreign matter.

Forms and excavations shall be free from water and all dirt, debris, and foreign matter when concrete is placed. Except as otherwise directed, wood forms and embedded wood called for or allowed shall be thoroughly wetted just prior to placement of concrete.

Chutes for conveying concrete shall be metal or metal lined and of such size, design and slope as to ensure a continuous flow of concrete without segregation. The slope of chutes shall have approximately the same slope. The discharge end of the chute shall be provided with a baffle, or if required, a spout and the end of the chute or spout shall be kept as close as practicable to, but in no event more than 5 feet above the surface of the fresh concrete. When the operation is intermittent, the chute shall discharge into a hopper.

In thin sections of considerable height (such as walls and columns), concrete shall be placed in such manner as will prevent segregation and accumulations of hardened concrete on the forms or reinforcement above the mass of concrete being placed. To achieve this end, suitable hopper spouts with restricted outlets, etc. shall be used as required or permitted unless the forms are provided with suitable openings.

Chutes, hoppers, spouts, etc. shall be thoroughly cleaned before and after each run and the water and debris shall not be discharged inside the form.

For any one placement, concrete shall be deposited continuously in layers of such thickness that no concrete will be deposited on concrete which has hardened sufficiently to cause the formation of seams and planes of weakness within the section, and so as to maintain until the completion of the unit, an approximately horizontal plastic surface.

No wooden spreaders shall be left in the concrete.

During and immediately after being deposited, concrete shall be thoroughly compacted by means of suitable tools and methods, such as internal type mechanical vibrators operating at not less than 5,000 rpm or other tool spading to produce the required density and quality of finish. Vibration shall be done only by experienced operators under close supervision and shall be carried in such manner and only long to produce homogeneity and optimum consolidation without permitting segregation of the solid constituents, "pumping" of air, or other objectionable results. All vibrators shall be supplemented by proper spade puddling approximately 2 to 3 inches away from forms to remove included bubbles and honeycomb. Excessive spading against the forms, causing the deposition of weak mortar at the surface shall be avoided.

The concrete shall be thoroughly rodded and tamped about embedded materials so as to secure perfect adhesion and prevent leakage. Care shall be taken to prevent the displacement of such materials during concreting.

The distance between construction joints shall not exceed 25 feet for all concrete construction and not less than 48 hours shall elapse between casting of adjoining units unless these requirements are waived by the ENGINEER. Provision shall be made for jointing successive units as indicated or required. Where joints are not shown on the Drawings, they are required to be made at a spacing of approximately 25 feet. Additional construction joints required to satisfy the 25 foot spacing shall be located by the CONTRACTOR subject to the review of the ENGINEER. The CONTRACTOR shall

submit for review Drawings separate from the steel reinforcing Drawings, showing the location of all proposed construction joints. All construction joints shall be prepared for bonding as specified in ACI 301 for Bonding Concrete at Construction Joints. Joints in walls and columns shall be maintained level.

The sub-grades for slab on grade shall be covered with a vapor barrier consisting of a 6 mil minimum thickness polyethylene sheet with joints lapped a minimum of 12 inches unless otherwise required or permitted.

5.6 Bonding Concrete at Construction Joints. In order to secure full bond at construction joints, the surface of the concrete previously placed (including vertical, inclined, and substantially horizontal areas) shall be thoroughly cleaned of foreign materials and laitance, if any. The previously placed concrete at the joint shall be damp but free of standing water. The surface shall be prepared as per ACI 301. The referenced cement grout shall be between one and two inches thick on all wall pours. Waterstops shall be used on all construction joints.

5.7 Sealing Concrete at Construction Joints. All Construction joint surfaces shall receive Sikaflex-2C NS Polyurethane Elastomeric sealant or approved equal. Surface preparation and manufacturer's specified primer shall be applied in accordance to the manufacturer's recommendations. Minimum joint size shall be 1/4" deep by 1/2" wide unless shown otherwise on the Drawings.

5.8 Epoxy Bonding Agent. The epoxy bond agent shall be provided as indicated on the Drawings and shall be applied per manufacturer's instructions. Epoxy bonding agent shall be Sikadur Hi-Mod LPL by Sika Corporation or Eucopoxy LPL by Euclid Company or approved equal.

5.9 Curing and Protection. All concrete, particularly slabs and including finished surfaces, shall be treated immediately after concreting or cement finishing is completed, to provide continuous moist curing for at least seven days, regardless of the adjacent air temperature. Walls and vertical surfaces may be covered with continuously saturated burlap, or kept moist by other acceptable means. Horizontal surfaces, slabs, etc. shall be ponded to a depth of 1/2" wherever practicable, or kept continuously wet by the use of lawn sprinklers, a complete covering of continuously saturated burlap, or by other acceptable means.

For at least seven days after having been placed, all concrete shall be so protected that the temperature at the surface will not fall below 45 degrees F. No manure, salt, or other chemicals shall be used for protection. The above mentioned seven day periods may be reduced if compression tests, in accordance with ASTM C-39, on field cured cylinders indicate that expected seven day strength gain has been achieved, and approval is granted by the ENGINEER. Wherever practicable, finished slabs shall be protected from the direct rays of the sun to prevent checking and crazing.

5.10 Trimming and Repair of Surface Defects. The CONTRACTOR shall use suitable forms, mixture of concrete, and workmanship so that concrete surfaces, when exposed, will require no patching. Concrete which, in the opinion of the ENGINEER has excessive honeycomb, aggregate pockets, or depressions will be rejected and the CONTRACTOR shall, at his own expense, remove the entire section containing such defects and replace it with acceptable concrete. As soon as the forms have been stripped and concrete surfaces exposed, fins and other projections shall be removed, recesses left by the removal of form ties shall be filled and surface defects which do not impair structural strength shall be repaired.

Defective concrete shall be cut perpendicular to the surface until sound concrete is reached, but not less than 1" deep. The remaining concrete shall be thoroughly roughed and cleaned. Concrete in an area at least 6" wide surrounding the area to be patched shall be dampened. A bonding grout shall be prepared using a mix of approximately one part cement to one part fine passing a No. 30 mesh sieve, mixed to the consistency of thick cream, and then well brushed into the surface. The patching mixture shall be made of the same materials and approximately the same proportions as used for the concrete except that the coarse aggregate shall be omitted and the mortar shall consist of not more than one part cement to 2 1/2 parts sand by damp loose volume. White portland cement shall be substituted for a portion of the gray portland cement on exposed concrete in order to produce a color matching the color of the surrounding concrete. The quantity of mixing water shall be no more than necessary for handling and placing. The patching mortar shall be mixed in advance and allowed to stand with frequent manipulation with a trowel, without addition of water, until it has reached the stiffest consistency that will permit placing.

After surface water has evaporated from the area to be patched, the bond coat shall be well brushed into the surface. When the bond coat begins to lose the water sheen, the premixed patching mortar shall be applied. The mortar shall be thoroughly consolidated into place and struck off so as to leave the patch slightly higher than the surrounding surface. To permit initial shrinkage, it shall be left undisturbed for at least one hour before being finally finished. The patched area shall be kept damp for seven days. Metal tools shall not be used in finishing a patch in a formed wall which will be exposed.

After being cleaned and thoroughly dampened, the tie holes shall be filled solid with patching mortar.

The use of mortar patching as above specified shall be confined to the repair of small defects in relatively green concrete. If substantial repairs are required, the defective portions shall be cut out to sound concrete and the defective concrete replaced by means of gunite, or the structure shall be taken down and rebuilt, all as the ENGINEER may decide or direct.

5.11 Concrete Finishes. All concrete exposed to view in the completed structures shall be produced using materials and workmanship to such quality that only nominal finishing will be required. The provisions of paragraphs 13.3, 13.4 and 13.6 of ACI 301 shall apply to all exterior exposed to view concrete surfaces, including the outside surfaces of tanks.

All formed, exterior, exposed to view, concrete shall be prepared, then rubbed. Exterior vertical surfaces shall be rubbed to one foot below grade. Interior vertical surfaces of dry pits shall not be rubbed. Interior vertical surfaces of open topped liquid containers shall be rubbed to one foot below the minimum liquid level that will occur during normal operations. Walls inside a building shall not be rubbed. Overhead slabs (exterior or interior) shall not be rubbed.

All vertical surfaces below minimum liquid level in liquid containing structures and all other surfaces that are not to be rubbed shall have a smooth form finish.

All smooth form concrete vertical surfaces shall be true plane within 1/4" in 10 feet as determined by a 10 foot straight edge place anywhere on the surface in any direction. Abrupt irregularities shall not exceed 1/8". Basin, flume, conduit and tank floors shall have a "troweled" finish unless shown otherwise on Drawings. Weirs and overflow surfaces shall be given a troweled finish.

Exterior platforms, steps and landings shall be given a broom finish. Broom finish shall be applied to surfaces which have been steel troweled to an even smooth finish. The troweled surface shall then be broomed with a fiber bristle brush in the direction transverse to that of the main traffic.

Walking surfaces of slabs shall have a troweled finish unless shown otherwise on Drawings.

Nox-Crete Harbeton, Chem Hard by L & M Construction Chemicals, Lapidolith by Sonneborn hardener treatment, or an approved equal shall be applied to all exposed concrete floors in occupied spaces. The floors shall be thoroughly cured, cleaned, and perfectly dry with all work above them completed. The hardener shall be applied evenly and freely and in conformance with manufacturer's instructions, using not less than three coats, allowing 24 hours between coats. One gallon of hardener shall cover not more than 100 square feet. After the final coat is completed and dry, surplus hardener shall be removed from the surface of the concrete by scrubbing and mopping with water.

5.12 Watertightness. The structures which are intended to contain liquids and/or will be subjected to exterior hydrostatic pressures shall be so constructed that when completed and tested, there shall be no loss of water and no wet spots shall show. Liquid retaining structures shall be tested for leakage in accordance with ACI-350R. As soon as practicable after the completion of the structures, the CONTRACTOR shall fill them with water and if leakages develop or wet spots develop, the CONTRACTOR shall empty such structures and correct the leakage in an approved manner. Any cracks which appear in the concrete shall be dug out and suitably repaired. Temporary bulkheads over pipe openings in walls shall be provided as required for the testing. After repairs, if any are required, the structures shall be tested again and further repaired if necessary until satisfactory results are obtained. All work in connection with these tests and repairs shall be at the expense of the CONTRACTOR.

Pipes shall not be poured or solidly grouted in concrete walls or floors unless fixations are indicated on the Project Drawings, for example as anchorage to resist pipe thrusts, unless otherwise required or permitted. At wall and slab penetrations, openings shall be



formed approximately one inch greater than the OD of the pipe. For openings 10 inches and less in diameter, openings may be cored if permitted by the ENGINEER before pouring wall or slab so that extra reinforcing steel can be accurately located and referenced to avoid the subsequent core hole, unless otherwise required or permitted. After pipe placement and alignment adjustment, the annular space between opening and outside of pipe shall be packed with dry braided hemp (or unbraided where pipe does not center in openings) to within two inches of the wall or slab surface. The two-inch deep annular space shall be packed with non-shrink grout or caulked in strict accordance with the material manufacturer's instructions.

Sleeves shall be cast in floors and walls for penetrations of small pipe, cut and fitted on the job, such as steel, wrought iron, copper, plastic and rubber pipe and hoses. Unless otherwise required or permitted, sleeves shall be steel, cast iron or plastic or about one inch greater ID than the OD of the pipe and shall be flush with wall and slab surfaces. The annular space between sleeve and outside of pipe shall be packed and grouted or caulked as previously described, except the joint depth shall be one inch. Penetrations may be made by coring according to previously described requirements if permitted by the ENGINEER. Where openings larger than 10 inches in diameter are required for pipe penetrations in existing walls and slabs, the opening shall be made approximately two inches to four inches larger in diameter than the pipe OD. The pipe shall be wrapped with 1/2-inch braided hemp and positioned in the opening. The space between the hemp and the opening shall be solidly packed with non-shrink grout previously described, after application of a bonding adhesive to the opening surfaces. The grout shall be finished flush with wall and floor surfaces. After the grout has hardened sufficiently, hemp shall be removed to two-inch depths on each side of walls and slabs and the resulting annular spaces shall be packed with non-shrink grout or caulked as required or permitted, as previously described. All joints around pipe shall be watertight unless otherwise required or permitted.

The top surface of all concrete decks (except slabs on grade) shall be coated with Sikagard-70 water-repellent penetrating sealer as manufactured by the Sika Corporation, Nox-Crete Stifel, or another approved equal. The manufacturer's recommendations shall be followed in all areas of application.

5.13 Equipment Pads. Unless otherwise shown or directed, all pumps, other equipment, and items such as lockers, motor control centers and the like, shall be installed on concrete bases. The bases shall be constructed to the dimensions shown on the plans or as required to meet plan elevations. Where no specific plan elevations are required, the bases shall be six inches thick and shall extend three inches outside the metal equipment base. In general, the concrete bases shall be placed up to one inch below the metal base. The equipment shall then be properly shimmed to grade and the one inch void filled with non-shrink grout. Prior to the final set of the grout, it shall be cut back and the edge plastered with 1:2 cement mortar.

5.14 Concrete Form Materials. Plywood shall be Douglas Fir species, medium density overlaid one side grade; sound, undamaged sheets with straight edges. Forms shall be sufficiently rigid to prevent displacement or sagging between supports, and so constructed that the concrete will not be damaged by their removal. The CONTRACTOR shall be entirely responsible for their adequacy. For surfaces to be given rubbed finish, the form in contact with the concrete shall be made of plywood, metal, metal framed plywood faced, or other acceptable panel-type materials, to provide continuous straight, smooth, exposed surfaces. Forms shall not be pieced out by use of material different from those in the adjacent form or in such manner as will detract from the uniformity of the finished surface. For surfaces other than those to be given rubbed finish, forms shall be made of wood, metal or other acceptable material. Wooden forms shall be constructed of sound lumber or plywood of suitable dimensions, free from knotholes and loose knots. Plywood shall be in reasonably good condition. Metal forms shall be of an acceptable type for the work involved.

Form ties to be encased in concrete shall not be made of through bolts or common wire, but shall be of a well established type, so made and installed as to embody the following features:

1. After removal of the protruding part of the tie, there shall be no metal nearer than 1-1/2" to the face of the concrete.
2. That part of the tie which is to be removed shall be at least 1/2" in diameter, or if smaller, it shall be provided with a wood, metal, or plastic cone 1" long placed against the inside of the forms. Cones shall be carefully removed from the concrete after the forms have been stripped.
3. Ties which pass through walls of liquid retaining basins and all dry rooms below grade shall be provided with acceptable water stop, securely fastened to the ties.

The Form Release Agent shall be a colorless material which will not stain concrete, absorb moisture or impair natural bonding or color characteristics of coating intended for use on concrete. Acceptable products include Nox-Crete Form Coating Release Agent, Debond Form Coating by L & M Construction Chemical, Inc., or approved equal.

Fillets for chamfered corners shall be wood strip type to the size and shape as shown on the Drawings. Earth or rock forms shall not be permitted. The vertical surface of all footings shall be formed.

Nails, spikes, lag bolts, through bolts and anchorages shall be sized as required of strength and character to maintain formwork in place while placing concrete.

Forms for walls, columns, or piers shall have removable panels at the bottom for cleaning, and inspection. Forms for thin sections (such as walls or columns) of considerable height shall be arranged with suitable openings so that the concrete can be placed in a manner that will prevent segregation and accumulations of hardened concrete on the forms or reinforcement above the fresh concrete, unless special spouts are used to place concrete and so that construction joints can be properly keyed and treated. Forms

for exposed surfaces shall be built with 3/4" chamfer strips attached to produce smooth, straight chamfers at all sharp edges of concrete.

Before form material is reused, all surfaces that are in contact with the concrete shall be thoroughly cleaned, all damaged places repaired, and all projecting nails withdrawn.

5.14.1 Wetting and Oiling Forms. The inside surface of wood board forms shall be soaked with clean water and kept continuously wet for 12 hours before any concrete is placed. In case forms have been erected for some time and have become dry so that joints have opened, then the forms shall be thoroughly soaked at least twice each day for at least three days prior to placing concrete. If the forms cannot be tightened to the satisfaction of the ENGINEER, they shall be torn down and rebuilt. Plywood forms may be treated with a nonstaining form oil, mineral oil or lacquer. If oil is used, all excess oil shall be wiped off with rags to leave the surface of the forms just oily to the touch. In freezing weather oil shall be used.

Coatings of dust shall be removed from contact surfaces of forms before placing concrete. Concrete shall not be placed in any form until inspected by the ENGINEER and permission is given to start placing.

5.14.2 Removal. Forms shall not be removed without approval of the ENGINEER. All form removal shall be accomplished in such a manner as to prevent injury to the concrete. Forms shall not be removed sooner than the following minimum time after the concrete is placed. These periods represent cumulative number of days and fractions of days, not necessarily consecutive, during which the temperature of the air adjacent to the concrete is above 50 degrees F.:

<u>Element</u>	<u>Time</u>
Beams, arches - supporting forms and shoring	14 days
Conduits, deck slabs - supporting (inside) forms and shoring	7 days
Conduits (outside forms), sides of beams, small structures	24 hours
Columns, walls, spillway risers - with side or vertical load	7 days
Columns, walls, spillway risers - with no side or vertical load	4 days
Concrete supporting more than 30 feet of wall in place above it	7 days
Concrete supporting 20 to 30 feet of wall in place above it*	4 days
Concrete supporting not more than 20 feet in place above it*	24 hours

\*Age of stripped concrete shall be at least seven days before any load other than the weight of the column or wall itself is applied.

When conditions on the job are such as to justify the requirements, forms will be required to remain in place for longer periods. Forms for beams, girders, and flood slabs shall remain in place for at least seven days and shall only be removed when test cylinders used under the same conditions as the members break with a compressive strength as required in these specifications.

5.15 Construction Tolerance. The forms shall be constructed and rigidly braced in place within the following tolerances:

- (1) Variation from true alignment as shown on the drawings in the lines and surfaces of walls:

In 10 feet	1/4 inch
In 20 feet maximum	3/8 inch
In 40 feet or more	3/4 inch

- (2) Variation from the level or from the grades indicated on the drawings in floors or slabs:

In 10 feet	1/4 inch
In 20 feet maximum	3/8 inch
In 40 feet or more	3/4 inch

- (3) Variation in sizes and/or locations of floor and/or wall openings:

1/4 inch

- (4) Variation in thickness of slabs and walls and in cross-sectional dimensions of columns and beams:

Minus	1/4 inch
Plus	1/2 inch

- (5) Variation in plan dimension of footings:

Minus	1/2 inch
Plus	2 inches

5.16 Expansion and Contraction/ Construction Joints. Unless otherwise shown, waterstops for construction and control joints shall be 4 inches wide, 3/16" minimum thickness, flat-ribbed, or dumbbell polyvinyl chloride (PVC), in accordance with Corps of Engineers Specifications CRD-C-572, latest revision, as manufactured by Vinylex Corp., W.R. Grace Company, Greenstreak, or equal. Split-ribbed waterstops may be used where appropriate.

Unless otherwise shown, waterstops for expansion joints shall be nine inches wide, 1/4" minimum thickness, ribbed with center bulb polyvinyl chloride (PVC) in accordance with Corps of Engineers Specifications CRD-C-572, latest revision as manufactured by Vinylex Corp., W.R. Grace Company, Greenstreak, or equal.

Only where indicated on the drawings, the CONTRACTOR shall install a self-expanding waterstop impregnated with sodium bentonite similar to Volclay Waterstop-RX. The manufacturer's recommended installation procedures shall be followed. Self expanding waterstops shall not be used at expansion joints and water containment structures.

Joint filler shall conform to ANSI/ASTM D994 and they shall be bituminous impregnated fiberboard, closed cell polyethylene or self-expanding cork; of the sizes

detailed and in the locations indicated on the Drawings. Bituminous impregnated fiberboard shall not be used to fill joints in liquid retaining structures. Where the application requires cementing the joint filler into place, a pressure sensitive adhesive recommended by the filler manufacturer shall be used.

5.16.1 Waterstops. Waterstops shall be provided at all joints where indicated on the Drawings. Waterstops shall also be provided in all joints, vertical and horizontal up to 1'-0" minimum above finished grades and in water containment and subterranean structures. Install waterstops continuous without displacing reinforcement. All joints between adjacent continuing and intersecting sections of waterstop including butt joints, tee joints, and other angled joints shall be heat fused to form a watertight seal. Waterstops shall not be lapped. Waterstops shall be securely wired in place to maintain proper position during placement of concrete.

5.17 Reinforcing Steel. The CONTRACTOR shall place reinforcing steel at the location as shown on the Drawings.

5.17.1 Materials. The minimum yield strength of the reinforcement shall be 60,000 pounds per square inch. Bar reinforcement shall conform to the requirements of ASTM A-615, A-616, or A-617. All bar reinforcement shall be deformed. Smooth dowels shall be plain steel bars conforming to ASTM A-615, Grade 60. Welded wire fabric when specified shall conform to ASTM 185, welded steel wire fabric for concrete reinforcement. Reinforcement supports and other accessories in contact with the forms for members which will be exposed to view in the finished work shall have approved high density polyethylene tips so that the metal portion shall be at least one quarter of an inch from the form or surface. Supports for reinforcement, when in contact with the ground or stone fill, shall be precast stone concrete blocks.

5.17.2 Fabrication. Reinforcement shall be bent cold. It shall be accurately to the dimensions and shapes shown on the plans and to within tolerance specified in the ACI code and the CRSI Manual of Standard Practice. Reinforcement shall be shipped with bars of the same size and shape, fastened securely with wire and with metal identification tags using size and mark.

5.17.3 Placing and Fastening. Before being placed in position, reinforcement shall be cleaned of loose mill and rust scale, dirt and other coatings that will interfere with development of proper bond. Reinforcement shall be accurately placed in positions shown on the drawings and firmly held in place during placement and hardening of concrete by using annealed wire ties. Bars shall be tied as required to prevent displacement under foot traffic and during casting operations, and shall be placed within tolerances allowed in Section 5.6.2 of ACI 301. Distance from the forms shall be maintained by means of stays, blocks, ties, hangers or other approved supports. If fabric reinforcement is shipped in rolls, it shall be straightened into flat sheets before being placed.

Before any concrete is placed, the ENGINEER shall have inspected the placing of the steel reinforcement and given permission to deposit the concrete. Concrete placed in violation of this provision will be rejected and thereupon shall be removed.

Unless otherwise specified, reinforcement shall be furnished in the full lengths indicated on the plans. Splicing of bars, except where shown on the plans, will not be permitted without the approval of the ENGINEER. Where splices are made, they shall be staggered insofar as possible.

Wire mesh reinforcement shall be continuous between expansion joints. Laps shall be at least one full mesh plus two inches, staggered to avoid continuous lap in either direction and securely wired or clipped with standard clips.

Dowels shall be installed at right angles to construction joints and expansion joints. Dowels shall be accurately aligned parallel to the finished surface, and shall be rigidly held in place and supported during placing of the concrete. One end of dowels shall be oiled or greased or dowels shall be coated with high density polyethylene with a minimum thickness of 14 mils.

5.17.4 Shop Drawings. The CONTRACTOR shall submit a complete set of shop drawings including schedules and bending drawings for all reinforcement used in the work in accordance with ACI 315, and ACI 315R. Review of drawings by the CONTRACTOR and the ENGINEER is required before shipment can be made.

5.18 Payment. Payment will be based on one of the following criteria as specified and described in the Contract Bid Item Descriptions and on the Drawings:

- A. Cost shall be included in the work to which it is subsidiary and no separate measurement and payment will be made.
- B. Payment will be based on Plan Quantities or a percentage of concrete installed to complete the structure as computed by the ENGINEER or as shown on the Drawings.

Payment as specified above shall be considered as full compensation for all labor, materials, equipment and incidentals necessary to perform the work as required. Payment for concrete placed outside the lines shown on the Drawings due to over excavation or CONTRACTOR error will not be made. Where extra concrete is authorized by the ENGINEER in writing, payment will be made at a price agreed upon by the CONTRACTOR and the ENGINEER.

## **SECTION 6 – WATER STORAGE TANK DEMOLITION & REMOVAL**

6.0 Work Included. Under this item the CONTRACTOR shall provide all labor, materials, equipment and incidentals required for the complete demolition, and removal and/or disposal of structures to be decommissioned as part of this project.

This includes the demolition and removal of the existing 100,000-gallon standpipe structure known as the existing “St. Johns Storage Tank.” The location of this structure is indicated on the Plans. The work shall include removing all remnants of the tank structure, foundation, valve vault, overflow headwall and all other related appurtenances to a point two feet below existing ground level.

The CONTRACTOR will be responsible for the disconnection of the existing water mains as shown on the Drawings and as directed by the Engineer. This will be done before the tank demolition is started. Following the disconnections, there will be active water mains on site as indicated on the drawings, and others may be discovered during site excavations. It is essential that these facilities, when encountered, remain intact and in service during the proposed demolition. Consequently, the CONTRACTOR shall exercise due concern for the operation of these facilities and shall diligently direct all his activities toward maintaining continuous operation of the existing facilities and minimizing operational inconvenience.

6.1 Working Area. The property and temporary easement boundaries and access thereto is indicated on the Plans. All demolition work shall be confined to this area unless explicit written permission is granted by both the adjoining property owners and the ENGINEER.

6.2 Site Examination. The CONTRACTOR shall examine the drawings, visit the site and determine for himself the extent of the work, the extent of work affected therein and all conditions under which he is required to perform the various tasks. It is highly recommended that prior to presentation of Bid Proposal, the bidder or qualified representative of the bidder visit the project site and review the conditions in the field.

6.3 Execution. The CONTRACTOR shall not proceed with the demolition and removal of the existing storage tank until at least ninety (90) days following the completion and successful operation of the proposed St. Johns Tank. Furthermore, the Contractor must receive approval from both the OWNER and ENGINEER before any demolition work can begin.

The CONTRACTOR shall issue written notices of planned demolition to companies or local authorities owning utility conduits, wires or pipes running to, through, or adjacent to the demolition site. Copies of said notices shall be submitted to the ENGINEER. The OWNER shall notify utility companies or local authorities furnishing electrical or telecom services to the site to remove any equipment owned by them on the structure to be demolished and to remove, disconnect, cap or plug their services to facilitate demolition.

Once all approvals are granted, the CONTRACTOR shall completely demolish and remove all existing components and facilities associated with the existing water storage tank, as shown on the drawings and specified herein. This shall include removal of all below ground structures, vaults and underground utilities (water, electrical, etc.) as directed by the ENGINEER and specified herein. All material, equipment, rubble, debris and other products of the demolition which are not specially noted otherwise, shall become the property of the CONTRACTOR for his disposal off site in accordance with all applicable laws and ordinances, and at the CONTRACTOR's expense. The sale of salvageable materials by the CONTRACTOR shall only be conducted off-site. The sale of removed items on the site is prohibited by the OWNER.

The CONTRACTOR shall not close or obstruct streets, drives or other occupied or used facilities without permission from the OWNER/ENGINEER. If so allowed, the CONTRACTOR must provide alternate routes around closed or obstructed traffic ways. The CONTRACTOR shall conduct operations to minimize damage by falling debris or other causes to adjacent buildings, structures, roadways, and other facilities. Provide interior and exterior shoring, bracing, or support to prevent movement or settlement or collapse of structures to be demolished. The CONTRACTOR shall promptly repair any damage caused to adjacent facilities as directed by the ENGINEER and at no cost to the OWNER.

The CONTRACTOR shall provide pollution control, using water sprinkling, temporary enclosures, and other suitable methods as necessary to limit the amount of dust and dirt rising and scattering in the air to the lowest level of air pollution practical for the conditions of work. Compliance with all governing regulations is mandatory. Following construction, adjacent structures and improvements shall be cleaned of all dust, dirt and debris caused by demolition operations.

The CONTRACTOR shall maintain all existing utilities which are to remain in service and protect against their damage during demolition operations. Existing utilities serving occupied or operational facilities shall not be interrupted except when authorized by ENGINEER. The CONTRACTOR shall provide temporary services as required during interruptions to existing utilities. The CONTRACTOR shall be solely responsible for making all necessary arrangements in conjunction with the discontinuance or interruption of any public or private utilities or services under the jurisdiction of outside utility companies. All utilities serving the structures to be demolished shall be disconnected and terminated at the service mains in conformance with the requirements of the utility companies controlling them.

6.4 Final Restoration and Cleanup. The CONTRACTOR shall remove all salvageable and non-salvageable materials, rubbish, and other debris from the site. The CONTRACTOR shall then fill and compact all voids left by the removal of piping, structures, etc. with an approved fill material to be provided to the site the CONTRACTOR's expense. The site shall then be leveled smooth with contours similar to that which existed prior to the demolition operations. The final grade will provide for positive drainage of the disturbed area in a direction consistent with that of the surrounding area. All areas affected by the demolition procedures, including the entirety



of the existing tank site shall then be applied with a six-inch layer of topsoil, seeded with a lawn type seed, and mulched at a rate of one ton per acre.

6.5 Ownership of Materials. Equipment to be retained by the OWNER will be removed by the OWNER within thirty (30) days prior to issuing approval to proceed with the demolition of the existing storage tank. Subject to the constraints of maintaining existing facilities in operation as shown or indicated on the Drawings, all other remaining equipment, non-buried valving and piping, and appurtenances shall be removed from the site.

The OWNER will remove from the site all salvageable or useable material or equipment to be retained by the OWNER. Any and all materials not retained by the OWNER shall become the property of the CONTRACTOR and shall be removed from the site. The sale of removed items on-site is prohibited by the OWNER; however, the off-site sale of salvageable material by the CONTRACTOR is encouraged.

6.6 Disposal of Materials. All materials and debris resulting from the demolition operations shall be disposed of by the CONTRACTOR at locations outside the project site in a manner that will comply with all local, State and Federal regulations and as per OSHA (29CFR192663 and 354) and EPA Regulations.

A suitable disposal site shall be arranged for and secured by the CONTRACTOR, and he shall assume full responsibility for the acceptable disposal of the material. Final acceptance of the work will not be made until the disposal areas are in acceptable condition with respect to the CONTRACTOR's obligations as expressed above. The CONTRACTOR shall pay for any required permits or dumping fees.

The CONTRACTOR shall provide the OWNER with information and evidence concerning disposal details and arrangements. Salvaged materials may be stored on the site temporarily, but not beyond seven days from the time of removal from their original position.

6.7 Submittals. Prior to beginning any demolition work, the CONTRACTOR shall submit to the ENGINEER for his approval, two (2) copies of his proposed methods of demolition and disposal as specified below. This shall include a schedule outlining the coordination of shut-off, capping and continuation of outside utility services as required.

The submittal shall provide a detailed sequence of demolition and removal work to ensure the uninterrupted operation of the OWNER's system. Before commencing demolition work, all utility relocation, by-passing, disconnections, or modifications required will be completed. Actual work will not begin until the Engineer has inspected and approved the prerequisite work and authorized commencement of the demolition work.

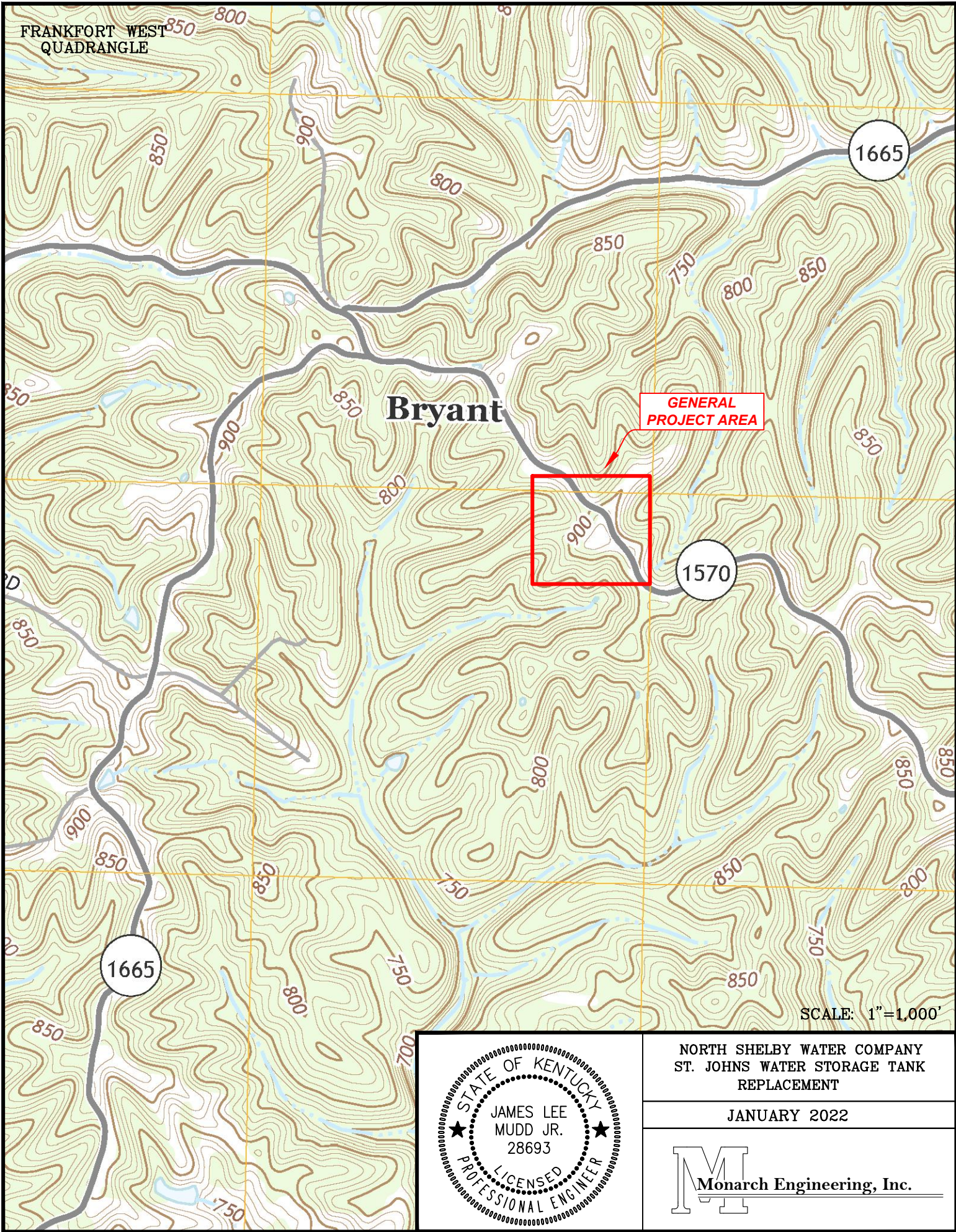
6.8 Special Conditions Which Apply. The OWNER and the ENGINEER assume no responsibility for the actual condition of the structures to be demolished or relocated. Conditions existing at the time of inspection for bidding purposes will be maintained by the OWNER insofar as practicable. However, variations within the site may occur prior to the start of demolition work.

Certain information regarding the size, character and location of existing underground structures, pipes and conduit has been shown on the drawings. There is no certainty of the accuracy of this information, and the location of underground structures shown may be inaccurate and other obstructions than those shown may be encountered.

The CONTRACTOR hereby distinctly agrees that the OWNER is not responsible for the correctness or sufficiency of the information given; that in no event is this information to be considered as a part of the Contract; that he shall have no claim for delay or extra compensation on account of incorrectness of information regarding obstructions either revealed or not revealed by the drawings; and that he shall have no claim for relief from any obligation or responsibility under this Contract in case the location, size, or character of any pipe or other underground structure is not as indicated on the Drawings, or in case any pipe or other underground structure is encountered that is not shown on the Drawings.

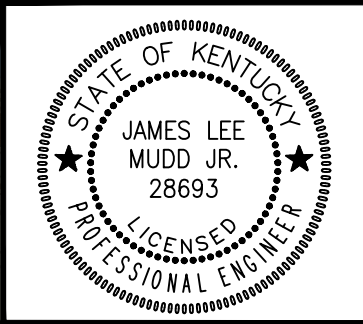
6.9 Payment. Payment shall be included in the payment for the work to which it is subsidiary in the Bid Schedule.

FRANKFORT WEST  
QUADRANGLE



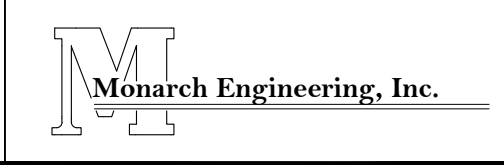
**GENERAL  
PROJECT AREA**

SCALE: 1"=1,000'



NORTH SHELBY WATER COMPANY  
ST. JOHNS WATER STORAGE TANK  
REPLACEMENT

JANUARY 2022



# EXHIBIT

G

**NORTH SHELBY WATER COMPANY**  
**BASIC FINANCIAL STATEMENTS,**  
**SUPPLEMENTARY INFORMATION,**  
**AND INDEPENDENT AUDITOR'S REPORTS**

**At December 31, 2020 and 2019**

**NORTH SHELBY WATER COMPANY  
BASIC FINANCIAL STATEMENTS,  
SUPPLEMENTARY INFORMATION,  
AND INDEPENDENT AUDITOR'S REPORTS**

**Years Ended December 31, 2020 and 2019**

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# RAISOR, ZAPP & WOODS, PSC

Certified Public Accountants

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Dennis S. Raisor, CPA  
Jerilyn P. Zapp, CPA  
Jeffery C. Woods, CPA  
Susan A. Dukes, CPA

## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of the  
North Shelby Water Company  
Bagdad, Kentucky 40003

### **Report on the Financial Statements**

We have audited the accompanying financial statements of North Shelby Water Company as of and for the years ended December 31, 2020 and 2019, and the related notes to the financial statements, which collectively comprise the North Shelby Water Company's basic financial statements as listed in the table of contents.

#### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

#### ***Auditor's Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### ***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the North Shelby Water Company, as of December 31, 2020 and 2019, and the respective changes in financial position and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

**Other Matters**

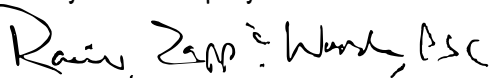
*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the required supplementary information listed in the Table of Contents on pages 31 through 34 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated May 25, 2021, on our consideration of the North Shelby Water Company's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the North Shelby Water Company's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering North Shelby Water Company's internal control over financial reporting and compliance.



RAISOR, ZAPP & WOODS, P.S.C.  
Certified Public Accountants  
Carrollton, Kentucky

May 25, 2021



**NORTH SHELBY WATER COMPANY**  
**STATEMENT OF NET POSITION**  
December 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
<b>ASSETS</b>		
<b>Current Assets:</b>		
Cash	\$ 2,968,304	\$ 3,282,460
Accounts Receivable (Net)	320,411	355,630
Other Receivables	54,029	27,952
Inventory	405,063	171,927
Prepaid Expenses	36,275	33,595
Total Current Assets	<u>\$ 3,784,082</u>	<u>\$ 3,871,564</u>
<b>Noncurrent Assets:</b>		
Restricted Assets:		
Cash, Including Time Deposits	\$ 1,302,384	\$ 1,184,777
Capital Assets (Net)	17,579,843	17,280,944
Total Noncurrent Assets	<u>\$ 18,882,227</u>	<u>\$ 18,465,721</u>
Total Assets	<u>\$ 22,666,309</u>	<u>\$ 22,337,285</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Attributable to Employee Pension Plan	\$ 235,776	\$ 259,070
Attributable to OPEB Plan	201,242	116,202
Total Deferred Outflows of Resources	<u>\$ 437,018</u>	<u>\$ 375,272</u>
<b>LIABILITIES</b>		
<b>Current Liabilities:</b>		
Accounts Payable	\$ 189,930	\$ 209,496
Accrued Wages	2,700	-
Accrued Compensated Absences	11,785	10,902
Accrued Employee Benefits	12,342	9,043
Accrued Payroll Taxes/Employee Withholding	9,546	8,044
Utility Tax Payable	8,046	9,432
Sales Tax Payable	1,691	4,254
Current Liabilities Payable from Restricted Assets:		
Accrued Interest Payable - Customer Deposits	5,122	5,258
Accrued Interest Payable - Notes Payable	65,489	56,268
Notes Payable	161,754	172,590
Total Current Liabilities	<u>\$ 468,405</u>	<u>\$ 485,287</u>
<b>Noncurrent Liabilities:</b>		
Notes Payable	\$ 8,070,675	\$ 7,863,322
Net Pension Liability	1,450,611	1,312,647
Net OPEB Liability	456,547	313,836
Noncurrent Liabilities Payable from Restricted Assets:		
Customer Deposits Payable	308,576	297,330
Total Noncurrent Liabilities	<u>\$ 10,286,409</u>	<u>\$ 9,787,135</u>
Total Liabilities	<u>\$ 10,754,814</u>	<u>\$ 10,272,422</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Attributable to Employee Pension Plan	\$ 30,054	\$ 63,686
Attributable to OPEB Plan	92,055	119,080
Total Deferred Inflows of Resources	<u>\$ 122,109</u>	<u>\$ 182,766</u>
<b>NET POSITION</b>		
Net Investment in Capital Assets	\$ 9,347,414	\$ 9,245,032
Restricted for Capital Projects	213,379	142,987
Restricted for Debt Service	714,940	688,192
Unrestricted	<u>1,950,671</u>	<u>2,181,158</u>
Total Net Position	<u>\$ 12,226,404</u>	<u>\$ 12,257,369</u>

**NORTH SHELBY WATER COMPANY**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION**  
**For the Years Ended December 31, 2020 and 2019**

	2020	2019
<b>Operating Revenues:</b>		
<b>Charges for Services:</b>		
Water Charges (Net of Estimated Bad Debts)	\$ 3,231,525	\$ 3,274,552
Total Charges for Services	\$ 3,231,525	\$ 3,274,552
<b>Other Charges and Miscellaneous:</b>		
Forfeited Discounts & Service Charges	\$ 30,541	\$ 81,379
Building Rental Income	30,000	30,000
Equipment Rental Income	48,105	49,660
Contractual Services	159,359	139,876
Miscellaneous	8,735	25,148
Total Other Charges and Miscellaneous	\$ 276,740	\$ 326,063
Total Operating Revenues	\$ 3,508,265	\$ 3,600,615
<b>Operating Expenses:</b>		
Accounting and Collecting Labor	\$ 359,254	\$ 315,180
Commissioner Fees	28,700	37,800
Contractual Service	63,799	111,993
Employee Benefits	128,185	175,546
Employee Benefits - OPEB Expense	55,213	28,548
Employee Retirement Expense	227,259	230,598
Insurance	59,883	56,665
Maintenance of Mains	102,068	113,154
Miscellaneous	14,246	19,070
Office Supplies and Expense	83,265	81,750
Operating Labor	94,666	72,974
Other Interest Expense	5,672	5,857
Payroll Taxes	43,105	38,575
Professional Services	43,455	46,608
Purchased Water	1,247,865	1,191,319
Purchased Power	68,157	71,629
Regulatory Fees	7,210	6,396
Transportation Expense	44,879	36,509
Utilities	27,212	24,289
Depreciation Expense	705,943	651,609
Total Operating Expenses	\$ 3,410,036	\$ 3,316,069
Operating Income (Loss)	\$ 98,229	\$ 284,546
<b>Nonoperating Revenue (Expense):</b>		
Investment Income	\$ 26,829	\$ 35,756
Interest Expense	(238,004)	(237,888)
Gain (Loss) on Disposition of Fixed Assets	-	(37,753)
Total Nonoperating Revenues (Expense)	\$ (211,175)	\$ (239,885)
Income (Loss) Before Contributions	\$ (112,946)	\$ 44,661
Capital Contributions	81,981	803,979
Change in Net Position	\$ (30,965)	\$ 848,640
Net Position - Beginning of Year	12,257,369	11,408,729
Net Position - End of Year	\$ 12,226,404	\$ 12,257,369

See accompanying notes to the basic financial statements.

**NORTH SHELBY WATER COMPANY**  
**STATEMENT OF CASH FLOWS**  
For the Years Ended December 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from Customers	\$ 3,524,704	\$ 3,535,418
Payments to Suppliers	(2,341,611)	(2,036,664)
Payments to Employees	(450,337)	(448,561)
Other Receipts (Payments)	(1,007)	(4,870)
Net Cash Provided (Used) by Operating Activities	<u>\$ 731,749</u>	<u>\$ 1,045,323</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Capital Contributions	\$ 81,981	\$ 111,541
Purchases of Capital Assets	(1,004,842)	(1,323,508)
Proceeds from Rural Development Note	376,214	227,590
Proceeds Sale of Capital Assets	-	3,864
Principal Paid on Capital Debt	(179,697)	(166,828)
Interest Paid on Capital Debt (Including Capitalized Interest)	(228,783)	(247,674)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>\$ (955,127)</u>	<u>\$ (1,395,015)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Net Cash Received (Invested) in Certificates of Deposits	\$ (7,398)	\$ (4,896)
Interest Received	26,829	35,756
Net Cash Provided (Used) by Investing Activities	<u>\$ 19,431</u>	<u>\$ 30,860</u>
Net Increase (Decrease) in Cash and Cash Equivalents	\$ (203,947)	\$ (318,832)
Balances-Beginning of the Year	<u>4,135,257</u>	<u>4,454,089</u>
Balances-End of the Year	<u><u>\$ 3,931,310</u></u>	<u><u>\$ 4,135,257</u></u>

	<b>Balances Per December 31, 2020 Statement of Net Position</b>	<b>Balances Per December 31, 2020 Statement of Cash Flows</b>
Unrestricted Cash	\$ 2,968,304	\$ 2,968,304
Restricted Cash	963,006	963,006
Restricted Certificates of Deposit	339,378	-
Total Cash and Cash Equivalents, End of Year	<u><u>\$ 4,270,688</u></u>	<u><u>\$ 3,931,310</u></u>

	<b>Balances Per December 31, 2019 Statement of Net Position</b>	<b>Balances Per December 31, 2019 Statement of Cash Flows</b>
Unrestricted Cash	\$ 3,282,460	\$ 3,282,460
Restricted Cash	852,797	852,797
Restricted Certificates of Deposit	331,980	-
Total Cash and Cash Equivalents, End of Year	<u><u>\$ 4,467,237</u></u>	<u><u>\$ 4,135,257</u></u>

(Continued)

**NORTH SHELBY WATER COMPANY**  
**STATEMENT OF CASH FLOWS**  
For the Years Ended December 31, 2020 and 2019

	<b>2020</b>	<b>2019</b>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>		
Operating Income (Loss)	\$ 98,229	\$ 284,546
<b>Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:</b>		
<b>Cash Flows Reported in Other Categories:</b>		
Depreciation Expense	705,943	651,609
Pension & OPEB Expense	158,272	150,606
<b>Change in Assets and Liabilities:</b>		
Receivables, Net	35,219	(104,209)
Other Receivables	(26,077)	31,266
Inventories	(233,136)	(15,722)
Prepaid Expenses	(2,680)	20,840
Accounts Payable	(19,566)	15,375
Accrued Expenses	4,299	9,817
Customer Meter Deposits Payable	11,246	1,195
 Net Cash Provided by Operating Activities	 \$ 731,749	 \$ 1,045,323

**SCHEDULE OF NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES**

North Shelby Water Company had no outstanding construction accounts payable or retainage payable related to capital projects in process at December 31, 2020 and 2019, respectively.

**NORTH SHELBY WATER COMPANY**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**December 31, 2020 and 2019**

**NOTE 1 – DESCRIPTION OF ENTITY AND SIGNIFICANT ACCOUNTING POLICIES**

The North Shelby Water Company is a rural water company serving customers in Franklin, Henry, Oldham and Shelby Counties, Kentucky, and is regulated by the Public Service Commission of the Commonwealth of Kentucky. The Water Company was formed as a 501(c)12 nonprofit organization in August 1972. Eight directors are elected from the members to manage the affairs of the corporation.

In evaluating how to define North Shelby Water Company for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in GAAP. The basic -- but not the only -- criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations and accountability for fiscal matters. The other criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the Water Company is able to exercise oversight responsibilities. Based upon the application of these criteria, the Water Company has no component units.

A summary of the Water Company's significant accounting policies follows:

**Basis of presentation and accounting:** As stated in Kentucky Revised Statutes (KRS) 278.012, "any water association formed for the purpose of furnishing water services to the general public pursuant to KRS Chapter 273 is deemed to be and shall be a public utility and shall be subject to the jurisdiction of the Public Service Commission." In KRS 278.220, it is outlined that the Public Service Commission may establish a system of accounts to be kept by the utilities subject to its jurisdiction, and may prescribe the manner in which such accounts shall be kept. The financial statements of the Water Company are prepared in accordance with generally accepted accounting principles (GAAP). The Water Company applies all relevant Governmental Accounting Standards Board (GASB) pronouncements.

All activities of the Water Company are accounted for within a single proprietary (enterprise) fund. Proprietary funds are used to account for operations that are (a) financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the cost (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

Proprietary funds utilize the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used.

The accounting and financial reporting treatment applied to the Water Company is determined by its measurement focus. The transactions of the Water Company are accounted for on a flow of economic resources measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. With this measurement focus, all assets and all liabilities associated with the operations are included on the statement of net position. Net position (i.e., total assets plus deferred outflows of resources net of total liabilities and deferred inflows of resources) are segregated into net investment in capital assets, restricted; and unrestricted components.

**Revenues and expenses:** Operating revenues and expenses consist of those revenues and expenses that result from the ongoing principal operations of the Water Company. Operating revenues consist primarily of charges for services. Non-operating revenues and expenses consist of those revenues and expenses that are related to financing and investing types of activities and result from nonexchange transactions or ancillary activities. The Water Company adheres to the use restrictions established by note agreements when expenses are incurred for which both restricted and unrestricted net position is available. The Water Company has no policy defining which resources (restricted or unrestricted) to use first. Restricted amounts are considered to have been spent when an expense is incurred for the purpose of such classification.

**NORTH SHELBY WATER COMPANY**  
**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**  
**December 31, 2020 and 2019**

**NOTE 1 – DESCRIPTION OF ENTITY AND SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Property and equipment:** Property and equipment purchased or constructed is stated at cost. Costs associated with hook-up fees are capitalized as meters, installations, and services. Depreciation is computed on the straight-line basis over the estimated useful lives of the related assets. The range of estimated useful lives by type of asset is as follows:

- Buildings & Improvements	10-30 years
- Distribution System	5-50 years
- Machinery & Equipment	3-30 years

**Inventory:** Inventories are stated at cost based on first in – first out.

**Compensated Absences:** See Note 15 for the Water Company's policy on vacation and sick pay.

**Pension:** For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Commonwealth of Kentucky's County Employees' Retirement System (CERS), and additions to/deductions from CERS's fiduciary net position have been determined on the same basis as they are reported by CERS.

**Post Employment Benefits Other Than Pensions:** For purposes of measuring the net liability, deferred outflows of resources and deferred inflows of resources related to OPEB and OPEB expense, information about the fiduciary net position of the Commonwealth of Kentucky's County Employees' Retirement System (CERS), and additions to/deductions from CERS's fiduciary net position have been determined on the same basis as they are reported by CERS.

**Deferred Outflows of Resources and Deferred Inflows of Resources:** Deferred outflows of resources and deferred inflows of resources are not assets or liabilities; revenues or expenses. Rather, they represent resources or the use of resources related to future periods.

**Income Taxes:** The corporation is a nonprofit organization and is exempt from income taxes under Section 501(c)12 of the Internal Revenue Code.

**Contributed Capital:** Under the Governmental Accounting Standards Board's (GASB) Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*, the Water Company recognizes capital contributions as revenues in the statement of revenues, expenses and changes in fund net position. Tap-on fees of \$81,981 and \$61,914 were received by the Water Company for the years ended December 31, 2020 and 2019. Customer contributions of \$742,065 were received by the Water Company for the year ended December 31, 2019 for hydrants and line extensions.

**Net position:** Net position comprises the various net earnings from operating and non-operating revenues, expenses, and contributions of capital. Net position is classified in the following three components: net investment in capital assets, restricted, and unrestricted net position. Net investment in capital assets consists of all capital assets, net of accumulated depreciation and reduced by outstanding debt that is attributable to the acquisition, construction and improvement of those assets; debt related to unspent proceeds or other restricted cash and investments is excluded from the determination. Restricted net position consists of net position for which constraints are placed thereon by external parties, such as lenders, grantors, contributors, laws, regulations and enabling legislation, including self-imposed legal mandates. Unrestricted net position consists of all net position not included in the above categories.

**Estimates:** The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Statement of Cash Flows:** For the purpose of the Statement of Cash Flows, North Shelby Water Company considers all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased to be cash equivalents.

**NOTE 2 – DEBT RESTRICTIONS AND COVENANTS**

**NORTH SHELBY WATER COMPANY  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
December 31, 2020 and 2019**

The Debt Service Account was established with the original RECD note payable, and is to be continued to be maintained as long as any of the notes are outstanding. Under the loan agreement which established this account, it was provided that a minimum balance be maintained in this account as security to the creditor. In order to attain the minimum balance, a monthly transfer must be made in the sum equal to at least 1/12 of the annual installment next becoming due.

Transfers sufficient to meet the total obligation outstanding on all notes were made during the year ended December 31, 2020 and December 31, 2019.

Under the various loan agreements between North Shelby Water Company and Rural Development, a depreciation account was to be established to provide funds for extraordinary repairs and extensions to the system, and to make up any deficiency in the Debt Service Account.

A funded short lived asset account is required under the letter of conditions establishing funding for the 2012, 2013, 2014, and 2015 Rural Development Notes. A short lived asset account must be funded at the beginning of the next calendar year following the completion and operational startup of the asset. This account may be used as needed to replace and add short lived assets in the Company's water system.

The monthly requirements, required accumulated balances, and maximum required balances for each note are as follows:

	<u>Depreciation Account</u>			<u>Short Lived Asset Account</u>
	Monthly Requirement	Required Accumulated Balance at December 31, 2020	Maximum Required Balance	Monthly Requirement
1971 and 1972 Notes	\$ 741	\$ 88,920	\$ 88,920	\$ -
1979 Note	113	13,560	13,560	-
1993 Note	185	22,200	22,200	-
1998 Note	135	16,200	16,200	-
2000 Note	260	31,200	31,200	-
2012 Note	515	43,260	61,800	1,667
2013 Note	840	50,400	100,800	3,335
2014 Note	1,345	48,420	161,000	3,333
2015 Note	875	10,500	105,000	4,153
		<u>\$ 324,660</u>	<u>\$ 600,680</u>	<u>\$ 12,488</u>

The Depreciation Account is to be maintained as long as any of the above notes are outstanding. Sufficient funds were maintained in the depreciation accounts for the years ended December 31, 2020 and 2019. A separate short lived asset account has not been created as of December 31, 2020.

**NOTE 3 – CASH AND INVESTMENTS**

North Shelby Water Company invests in obligations of the United States and its agencies and instrumentalities through sources including national and state banks chartered in Kentucky, obligations and contracts for future delivery backed by the full faith of the United States or its Agency, certificates of deposit and interest bearing accounts in Institutions insured by the Federal Depository Insurance Corporation and other investments described therein.

Custodial credit risk for deposits is the risk that in the event of a bank failure, the Company's deposits may not be returned to it. As of December 31, 2020, and 2019, \$4,311,261 and \$4,383,741 respectively, of the Company's deposits were covered by federal depository insurance and \$89,378 and \$81,980 were collateralized by securities held by the pledging financial institution's agent or trust department in the Company's name. As of December 31, 2020 and 2019, all of the Company's deposits were collateralized by securities and therefore not exposed to custodial risk.

**NORTH SHELBY WATER COMPANY**  
**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**  
**December 31, 2020 and 2019**

**NOTE 3 – CASH AND INVESTMENTS (Continued)**

At December 31, 2020 and 2019, the Water Company's deposits were as follows:

**December 31, 2020**

<u>Type of Deposits</u>	<u>Total Bank Balance</u>	<u>Total Carrying Value</u>
Demand Deposits	\$ 5,000	\$ (119,177)
Time and Savings	4,395,639	4,389,365
Total Deposits	<u>\$ 4,400,639</u>	<u>\$ 4,270,188</u>

**December 31, 2019**

<u>Type of Deposits</u>	<u>Total Bank Balance</u>	<u>Total Carrying Value</u>
Demand Deposits	\$ 5,007	\$ 6,023
Time and Savings	4,460,714	4,460,714
Total Deposits	<u>\$ 4,465,721</u>	<u>\$ 4,466,737</u>

Reconciliation to Statement of Net Position:

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Unrestricted Cash,	\$ 2,968,304	\$ 3,282,460
Restricted Cash, Including Time Deposits	1,302,384	1,184,777
Less Cash on Hand	(500)	(500)
	<u>\$ 4,270,188</u>	<u>\$ 4,466,737</u>

**NOTE 4 – RESTRICTED ASSETS**

Restricted cash and time deposits consist of the following:

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Debt Service Accounts	\$ 239,047	\$ 235,025
Depreciation Accounts	541,382	509,435
Construction Accounts	213,379	142,987
Customer Deposits	<u>308,576</u>	<u>297,330</u>
Total	<u>\$ 1,302,384</u>	<u>\$ 1,184,777</u>

**NOTE 5 – CUSTOMER ACCOUNTS RECEIVABLE**

Customer Accounts Receivable has been netted with an Allowance for Bad Debts of \$75,471 and \$26,670 at December 31, 2020 and 2019, respectively. The amount provided for bad debts represents the portion of the total amounts for which collection is unlikely, based on historical collection data.

Estimated unbilled water service revenue of \$218,377 and \$215,845 is included in accounts receivable at December 31, 2020 and 2019, respectively.

**NOTE 6 – OTHER RECEIVABLES**

Other receivables at December 31, 2020 and 2019, respectively, included \$54,029 and \$27,952 receivable for the joint operations contract between North Shelby Water Company and U.S. 60 Water Company of Shelby and Franklin Counties, respectively. See Note 17 for details.



**NORTH SHELBY WATER COMPANY**  
**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**  
**December 31, 2020 and 2019**

**NOTE 7 – CAPITAL ASSETS**

Capital asset activity for the years ended December 31, 2020 and 2019, was as follows:

	Balance at January 1, 2020	Additions	Disposals	Balance at December 31, 2020
Land & Land Rights	\$ 150,421	\$ -	\$ -	\$ 150,421
Structures & Improvements	747,508	57,728	-	805,236
Distribution System	22,702,356	854,523	(16,158)	23,540,721
Machinery & Equipment	2,982,457	92,591	-	3,075,048
Totals at Historical Cost	<u>\$ 26,582,742</u>	<u>\$ 1,004,842</u>	<u>\$ (16,158)</u>	<u>\$ 27,571,426</u>
Less: Accumulated Depreciation				
Structures & Improvements	\$ (206,940)	\$ (31,817)	\$ -	\$ (238,757)
Distribution System	(7,492,359)	(474,108)	16,158	(7,950,309)
Machinery & Equipment	(1,602,499)	(200,018)	-	(1,802,517)
Total Accumulated Depreciation	<u>\$ (9,301,798)</u>	<u>\$ (705,943)</u>	<u>\$ 16,158</u>	<u>\$ (9,991,583)</u>
Capital Assets, Net	<u>\$ 17,280,944</u>	<u>\$ 298,899</u>	<u>\$ -</u>	<u>\$ 17,579,843</u>

	Balance at January 1, 2019	Additions	Disposals	Balance at December 31, 2019
Land & Land Rights	\$ 142,226	\$ 8,195	\$ -	\$ 150,421
Structures & Improvements	735,149	12,359	-	747,508
Distribution System	20,036,269	2,826,128	(160,041)	22,702,356
Machinery & Equipment	3,101,257	75,246	(194,046)	2,982,457
Construction In Process	1,983,132	825,719	(2,808,851)	-
Totals at Historical Cost	<u>\$ 25,998,033</u>	<u>\$ 3,747,647</u>	<u>\$ (3,162,938)</u>	<u>\$ 26,582,742</u>
Less: Accumulated Depreciation				
Structures & Improvements	\$ (150,614)	\$ (56,326)	\$ -	\$ (206,940)
Distribution System	(7,206,317)	(437,149)	151,107	(7,492,359)
Machinery & Equipment	(1,638,411)	(158,134)	194,046	(1,602,499)
Total Accumulated Depreciation	<u>\$ (8,995,342)</u>	<u>\$ (651,609)</u>	<u>\$ 345,153</u>	<u>\$ (9,301,798)</u>
Capital Assets, Net	<u>\$ 17,002,691</u>	<u>\$ 3,096,038</u>	<u>\$ (2,817,785)</u>	<u>\$ 17,280,944</u>

Included under the Water Company's capital assets at December 31, 2020 and 2019, were \$1,302,505 and \$1,269,721 of fully depreciated assets, respectively. Land and land rights, and construction in process are capital assets not being depreciated.

Depreciation expense aggregated \$705,943 and \$651,609 in 2020 and 2019, respectively.

**NOTE 8 – CUSTOMER DEPOSITS**

Customer deposits are collected upon installation of water service. This amount is to be refunded to the customer upon discontinuation of service (after the customer's bill has been paid in full). Records are maintained which detail the accrued interest on each customer's deposit based on the current annual rate. Interest accrued is refunded to the customer or credited to the customer's bill on an annual basis. At December 31, 2020 and 2019, accrued interest on customer deposits was \$5,122 and \$5,258, respectively.

North Shelby Water Company has not maintained a separate bank account specifically for cash collected and disbursed relating to customer deposits.

**NORTH SHELBY WATER COMPANY**  
**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**  
**December 31, 2020 and 2019**

**NOTE 9 – LONG TERM DEBT**

As of December 31, 2020 and 2019, the long-term debt payable consisted of the following:

**Notes Payable:**

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
1979 RECD note, original loan amount of \$230,000, secured by water revenues. Interest is charged 5.00% per annum. Final maturity is July, 2020.	\$ -	\$ 7,179
1993 RECD note, original loan amount of \$300,600, secured by water revenues. Interest is charged 5.625% per annum. Final maturity is April, 2033.	171,429	180,329
1998 RECD note, original loan amount of \$288,500, secured by water revenues. Interest is charged 4.5% per annum. Final maturity is October, 2038.	193,565	200,646
2000 RECD note, original loan amount of \$568,000, secured by water revenues. Interest is charged 4.375% per annum. Final maturity is May, 2040.	406,394	418,991
2012 RECD note, original loan amount of \$1,069,758, secured by water revenues. Interest is charged at 3.5% per annum. Final maturity is November, 2052.	980,655	997,107
2013 RECD note, original loan amount of \$2,100,000, secured by water revenues. Interest is charged at 3.125% per annum. Final maturity is September, 2054.	1,976,418	2,016,704
2014 RECD note, approved for \$2,755,000, secured by water revenues. Interest is charged at 2.375% per annum. Final maturity is October, 2056. Total draws through December 31, 2020 are \$2,755,000.	2,654,519	2,500,161
2015 RECD note, approved for \$1,988,000, secured by water revenues. Interest is charged at 2.375% per annum. Final maturity is October, 2057. Total draws through December 31, 2020 are \$1,988,000.	1,849,449	1,714,795
Total Notes Payable	<u>\$ 8,232,429</u>	<u>\$ 8,035,912</u>
Current Portion	\$ 161,754	\$ 172,590
Noncurrent Portion	8,070,675	7,863,322
Total Notes Payable	<u>\$ 8,232,429</u>	<u>\$ 8,035,912</u>

**Accrued Compensated Absences:**

All Classified as Current	\$ 11,785	\$ 10,902
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If there is any default in the payment of the principal of or interest on any of the bonds, then upon the filing of suit by any holder of said bonds, any court having jurisdiction of the action may appoint a receiver to administer the system on behalf of the Water Company, with power to charge and collect rates sufficient to provide for the payment of current expenses, and to apply the revenues in conformity with the bond resolution and the provisions of the statute laws of Kentucky.

**NORTH SHELBY WATER COMPANY**  
**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**  
December 31, 2020 and 2019

**NOTE 9 – LONG TERM DEBT (Continued)**

**Changes in Long-term Debt**

The following is a summary of changes in long-term debt for the years ended December 31, 2020 and 2019.

**December 31, 2020**

	<u>Balance at January 1, 2020</u>	<u>Additions</u>	<u>Repayments</u>	<u>Balance at December 31, 2020</u>	<u>Current Portion</u>
Notes Payable	\$ 8,035,912	\$ 376,214	\$ (179,697)	\$ 8,232,429	\$ 161,754
Accrued Compensated Absences	10,902	48,351	(47,468)	11,785	11,785
Total Long-Term Debt	<u>\$ 8,046,814</u>	<u>\$ 424,565</u>	<u>\$ (227,165)</u>	<u>\$ 8,244,214</u>	<u>\$ 173,539</u>

**December 31, 2019**

	<u>Balance at January 1, 2019</u>	<u>Additions</u>	<u>Repayments</u>	<u>Balance at December 31, 2019</u>	<u>Current Portion</u>
Notes Payable	\$ 7,975,150	\$ 227,590	\$ (166,828)	\$ 8,035,912	\$ 172,590
Accrued Compensated Absences	9,962	27,400	(26,460)	10,902	10,902
Total Long-Term Debt	<u>\$ 7,985,112</u>	<u>\$ 254,990</u>	<u>\$ (193,288)</u>	<u>\$ 8,046,814</u>	<u>\$ 183,492</u>

The annual requirements for all notes payable outstanding at December 31, 2020 are as follows:

<u>Due</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 161,754	\$ 239,188	\$ 400,942
2022	166,761	234,182	400,943
2023	171,938	229,004	400,942
2024	177,289	223,653	400,942
2025	182,823	218,119	400,942
2026-2030	1,003,971	1,000,739	2,004,710
2031-2035	1,132,609	832,114	1,964,723
2036-2040	1,220,729	654,241	1,874,970
2041-2045	1,194,025	480,895	1,674,920
2046-2050	1,367,952	306,967	1,674,919
2051-2055	1,318,865	112,069	1,430,934
2056-2057	133,713	3,176	136,889
	<u>\$ 8,232,429</u>	<u>\$ 4,534,347</u>	<u>\$ 12,766,776</u>

The annual requirements for all notes payable outstanding at December 31, 2019 are as follows:

<u>Due</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 172,590	\$ 235,889	\$ 408,479
2021	170,456	230,486	400,942
2022	175,669	225,274	400,943
2023	181,054	219,888	400,942
2024	186,620	214,322	400,942
2025-2029	1,023,382	981,329	2,004,711
2030-2034	1,172,713	811,082	1,983,795
2035-2039	1,264,818	627,135	1,891,953
2040-2044	1,261,970	443,152	1,705,122
2045-2049	1,410,911	264,009	1,674,920
2050-2054	991,962	72,828	1,064,790
2055-2057	23,767	743	24,510
	<u>\$ 8,035,912</u>	<u>\$ 4,326,137</u>	<u>\$ 12,362,049</u>

**NORTH SHELBY WATER COMPANY**  
**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**  
**December 31, 2020 and 2019**

**NOTE 10 – INTEREST EXPENSE**

Interest expense incurred for the years ended December 31, 2020 and 2019 was \$243,676 and \$243,745, respectively. North Shelby Water Company implemented GASB 89 *Accounting for Interest Cost Incurred before the End of a Construction Period*, in 2019. No construction related interest expense was capitalized in 2019 or 2020.

**NOTE 11 – FUND EQUITY – RESTRICTED NET POSITION**

	<b>December 31, 2020</b>	<b>December 31, 2019</b>
<b>Restricted for Capital Projects:</b>		
Monies Restricted for Construction	\$ 213,379	\$ 142,987
Total Restricted for Capital Projects	\$ 213,379	\$ 142,987
<b>Restricted for Debt Service:</b>		
<b>RECD Notes Payable</b>		
Cash	\$ 780,429	\$ 744,460
Less: Accrued Interest Payable	(65,489)	(56,268)
Total Restricted for Debt Service	\$ 714,940	\$ 688,192

Unrestricted net position was reduced by \$158,272 and \$150,606 for the years ended December 31, 2020 and 2019, respectively, as a result of the transactions recorded by the Company to reflect its proportionate share of the County Employees Retirement System's Net Pension Liability and Net OPEB Liability. The accounts affected were as follows:

	<b>2020</b>	<b>2019</b>
Increase (Decrease) in Deferred Outflows of Resources	\$ 61,746	\$ 60,367
(Increase) Decrease in Deferred Inflows of Resources	60,657	(11,090)
(Increase) Decrease in Net Pension Liability	(137,964)	(208,048)
(Increase) Decrease in Net OPEB Liability	(142,711)	8,165
Net Decrease in Unrestricted Net Position	\$ (158,272)	\$ (150,606)

**NOTE 12 – BAD DEBT EXPENSE**

Water revenue charges have been netted with an estimated bad debt expense of \$48,801 and \$4,393 at December 31, 2020 and 2019, respectively.

**NOTE 13 – INSURANCE AND RELATED ACTIVITIES**

The Water Company is exposed to various forms of loss of assets associated with the risks of fire, personal liability, theft, vehicular accidents, errors and omissions, fiduciary responsibility, etc. and is also subject to the risks associated with employee injury. Each of these risks is covered through the purchase of commercial insurance.

**NOTE 14 – COUNTY EMPLOYEES' RETIREMENT SYSTEM – NON-HAZARDOUS EMPLOYEES PENSION PLAN AND POST-EMPLOYMENT HEALTHCARE BENEFIT (INSURANCE PLAN)**

The North Shelby Water Company participates in the Commonwealth of Kentucky's County Employees' Retirement System (CERS) for non-hazardous employees.

Under the provision of Kentucky Revised Statute ("KRS") Section 61.645, the Board of Trustees of the Kentucky Retirement System administers CERS and has the authority to establish and amend benefit provisions. Under the provisions of Kentucky Revised Statute ("KRS") Section 61.701, the KRS Board administers the Kentucky Retirement Systems Insurance Fund. The statutes provide for an insurance fund to provide group hospital and medical benefits to retirees drawing a benefit from the pension funds administered by KRS, which includes CERS.

Under the provisions of HB 484 passed in the 2020 General Assembly, which adjourned on April 15, 2020, the current administrative structure was changed creating a new 9-member CERS Board with oversight and governance responsibility for the CERS plan(s). The Kentucky Public Pensions Authority (KPPA) is a new 8-member Board, which will be responsible for the day to day administrative, legal, operational, and investment aspects of all KRS plans including CERS.

**NORTH SHELBY WATER COMPANY**  
**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**  
December 31, 2020 and 2019

**NOTE 14 – COUNTY EMPLOYEES’ RETIREMENT SYSTEM – NON-HAZARDOUS EMPLOYEES PENSION PLAN AND POST-EMPLOYMENT HEALTHCARE BENEFIT (INSURANCE PLAN) (Continued)**

The Kentucky Retirement System issues a publicly available financial report that includes financial statements and required supplementary information for CERS’s pension and insurance funds. Additionally, the Kentucky Retirement System issues publicly available financial reports that include the Schedules of Employer Allocations and Pension amounts, and the Schedules of Employer Allocations of Post Employment Benefits Other Than Pension amounts, by employer. The most recent financial reports, may be obtained on-line as follows:

- Kentucky Retirement Systems Audit Report – 2020  
[https://kyret.ky.gov/Publications/Books/2020%20CAFR%20\(Comprehensive%20Annual%20Financial%20Report\).pdf](https://kyret.ky.gov/Publications/Books/2020%20CAFR%20(Comprehensive%20Annual%20Financial%20Report).pdf)
- KRS Schedules of Employer Allocations & Pension Amount by Employer for the Fiscal Year Ended June 30, 2020  
<https://kyret.ky.gov/Employers/GASB/Current%20Audited%20Reports/2020%20GASB%2068%20Proportionate%20Share%20Audit%20Report%20with%20Schedules.pdf>
- KRS Schedules of Employer Allocations & OPEB Amounts by Employer for the Fiscal Year Ended June 30, 2020  
<https://kyret.ky.gov/Employers/GASB/Current%20Audited%20Reports/2020%20GASB%2075%20Proportionate%20Share%20Audit%20Report%20with%20Schedules.pdf>
- Kentucky CERS GASB 68 Accounting & Financial Reporting for Pensions as of June 30, 2020 (Actuarial Report)  
<https://kyret.ky.gov/Employers/GASB/GASB%2068%20and%2075%20Actuary%20Reports/2020%20GASB%2068%20Actuary%20Report%20CERS.pdf>
- Kentucky CERS GASB 75 Accounting & Financial Reporting for Postemployment Benefits Other Than Pensions as of June 30, 2020 (Actuarial Report)  
<https://kyret.ky.gov/Employers/GASB/GASB%2068%20and%2075%20Actuary%20Reports/2020%20GASB%2075%20Actuary%20Report%20CERS.pdf>

**Basis of Accounting** – CERS’s financial statements are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which contributions are due. Employer contributions to the plan are recognized when due and the employer has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with terms of the plan. Premium payments are recognized when due and payable in accordance with the terms of the plan. Administrative and investment expenses are recognized when incurred.

**Method Used to Value Investments/Investment Objectives** – Investments of the plan are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Short-term investments are reported at cost, which approximates fair value. Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the dividend date. Gain (loss) on investments includes KRS’ gains and losses on investments bought and sold as well as held during the fiscal year. Investment returns are recorded net of investment fees.

The investment objectives of the portfolios are to produce results that exceed the stated goals over both short-term and long-term periods.

- Shorter-Term (5 years and less): The returns of the particular asset classes of the managed funds of the Systems, measured on an annual basis, should exceed the return achieved by a policy benchmark portfolio composed of comparable unmanaged market indices.
- Medium-Term (5 to 20 years): The returns of the particular asset classes of the managed funds of the Systems, measured on a rolling year basis should exceed the returns achieved by a policy benchmark portfolio composed of comparable unmanaged market indices and perform above the median of an appropriate peer universe, if there is one.
- Longer-Term: The total assets of the Systems should achieve a return of 6.25% for CERS pension and insurance plans. This is measured over 20 years and beyond and should exceed the actuarially required rate of return as well as the return achieved by its total fund benchmark.

**NORTH SHELBY WATER COMPANY  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
December 31, 2020 and 2019**

**NOTE 14 – COUNTY EMPLOYEES’ RETIREMENT SYSTEM – NON-HAZARDOUS EMPLOYEES PENSION PLAN AND POST-EMPLOYMENT HEALTHCARE BENEFIT (INSURANCE PLAN) (Continued)**

Target Asset Allocation – Pension and Insurance as of June 30, 2020 and 2019:

The long-term expected rates of return were determined by using a building block method in which best estimated ranges of expected future real rates of return were developed for each asset class. The ranges were combined by weighting the expected future real rate of return by the target asset allocation percentage. The target allocation and best estimates of arithmetic real rate of return for each major asset class are summarized in the tables below.

The long-term expected real rate of return was 3.96% and 3.89% at June 30, 2020 and 2019.

	Target Asset Allocation		Long-Term Expected Rate of Return	
	2020	2019	2020	2019
Combined Equity	52.50%	52.50%	3.90%-5.25%	2.60%-4.80%
Combined Fixed Income	13.50%	13.50%	-0.25%	1.35%
Private Equity	10.00%	10.00%	6.65%	6.65%
Real Return	15.00%	15.00%	3.95%	4.10%
Real Estate	5.00%	5.00%	5.30%	4.85%
Opportunistic	3.00%	3.00%	2.25%	2.97%
Cash	1.00%	1.00%	-0.75%	0.20%
	100.00%	100.00%	3.96%	3.89%

- The investment portfolio for the Pension Funds reported a net return of 1.15% for the fiscal year 2020 compared to 5.83% return for fiscal year 2019. The Investment portfolio for the Insurance Fund reported a net return of 0.48% for the fiscal year, which was lower than fiscal year 2019 net return of 5.67%. The investment return was below the 6.25% assumed rate of return.

**PENSION PLAN DESCRIPTION** – CERS is a cost-sharing multiple-employer defined benefit pension plan that covers all regular full-time members employed in non-hazardous and hazardous positions of each participating county, city, and school board, and any additional eligible local agencies electing to participate in CERS along with hazardous duty positions of each participating county, city, or school board, any additional eligible local agencies electing to participate in CERS. The plan provides for retirement, disability, and death benefits to plan members. Retirement benefits may be extended to beneficiaries of plan members under certain circumstances. Prior to July 1, 2009, COLAs were provided annually equal to the percentage increase in the annual average of the consumer price index for all urban consumers for the most recent calendar year, not to exceed 5% in any plan year. After July 1, 2009, the COLAs were limited to 1.5%. No COLA has been granted since July 1, 2011. The North Shelby Water Company participates in the non-hazardous plan.

***Benefits provided*** – CERS provides retirement, health insurance, death and disability benefits to Plan employees and beneficiaries. Employees are vested in the plan after five years’ service. For retirement purposes, employees are grouped into three tiers, based on hire date:

Tier 1	Participation date	Before September 1, 2008
	Unreduced retirement	27 years service or 65 years old
	Reduced retirement	At least 5 years service and 55 years old or 25 years of service and any age
Tier 2	Participation date	September 1, 2008 – December 31, 2013
	Unreduced retirement	At least 5 years service and 65 years old or age 57+ and sum of service years plus age equal 87
	Reduced retirement	At least 10 years service and 60 years old
Tier 3	Participation date	After December 31, 2013
	Unreduced retirement	At least 5 years service and 65 years old or age 57+ and sum of service years plus age equal 87
	Reduced retirement	Not available

**NORTH SHELBY WATER COMPANY**  
**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**  
**December 31, 2020 and 2019**

**NOTE 14 – COUNTY EMPLOYEES’ RETIREMENT SYSTEM – NON-HAZARDOUS EMPLOYEES PENSION PLAN AND POST-EMPLOYMENT HEALTHCARE BENEFIT (INSURANCE PLAN) (Continued)**

Retirement is based on a factor of the number of years’ service and hire date multiplied by the average of the highest five years’ earnings for Tier 1 and Tier 2. Reduced benefits are based on factors of both of these components. Participating employees become eligible to receive the health insurance benefit after earning a minimum months of service credit (120 months for Tier 2 and 180 months for Tier 3). Death benefits are provided for both death after retirement and death prior to retirement. Death benefits after retirement are \$5,000 in lump sum. Five years’ service is required for death benefits prior to retirement and the employee must have suffered a duty-related death. The decedent’s beneficiary will receive the higher of the normal death benefit and \$10,000 plus 25% of the decedent’s monthly final rate of pay and any dependent child will receive 10% of the decedent’s monthly final rate of pay up to 40% for all dependent children. Five years’ service is required for nonservice-related disability benefits.

During the 2018 legislative session, House Bill 185 was enacted, which updated the benefit provisions for active members who die in the line of duty. Benefits paid to the spouses of deceased members have been increased from 25% of the member’s final rate of pay to 75% of the member’s average pay. If the member does not have a surviving spouse, benefits paid to surviving dependent children have been increased from 10% of the member’s final pay rate to 50% of average pay for one child, 65% of average pay for two children, or 75% of average pay for three children.

Under the provisions of House Bill 271 surviving spouses of members who die due to a duty related injury will no longer have their monthly benefit reduced, if they remarry. The bill restores the original benefit for spouses already remarried and increases benefits for beneficiaries who chose to receive lifetime monthly benefits in lieu of the line-of-duty survivor benefits to the amount calculated under the line-of-duty survivor provisions.

**Contributions** - Participating employers are required to contribute at an actuarially determined rate. Per Kentucky Revised Statute Section 78.545(33), normal contribution and past service contribution rates shall be determined by the Board on the basis of an annual valuation last preceding the July 1 of a new biennium. The Board may amend contribution rates as of the first day of July of the second year of a biennium, if it is determined on the basis of a subsequent actuarial valuation that amended contribution rates are necessary to satisfy requirements determined in accordance with actuarial bases adopted by the Board. Under House Bill 352, the 2020 General Assembly only passed a one year budget (for the fiscal year ended June 30, 2021 due to the COVID-19 pandemic crisis. For the fiscal years ended June 30, 2020 and 2019 participating non-hazardous employers contributed 24.06% and 21.48%, respectively, of each employee’s creditable compensation. The actuarially determined rates set by the Board for the fiscal years ended June 30, 2020 and 2019 were 27.28% and 28.05%, respectively. Administrative costs of KRS are financed through employer contributions and investment earnings.

House Bill 362 passed during the 2018 legislative session caps CERS employer contribution rate increases up to 12% per year over the prior fiscal year for the period of July 1, 2018 to June 30, 2028.

Non-hazardous employer contributions for the year ended June 30, 2020, of 24.06% were allocated 19.30% to CERS’s pension fund and 4.76% to CERS OPEB (health insurance) fund, respectively. Non-hazardous employer contributions for the year ended June 30, 2019, of 21.48% were allocated 16.22% to CERS’s pension fund and 5.26% to CERS’ OPEB (health insurance) fund, respectively.

For the fiscal years ended June 30, 2020 and 2019, plan members who began participating prior to September 1, 2008, were required to contribute 5% non-hazardous, of their annual creditable compensation. These members were classified in the Tier 1 structure of benefits. Plan members who began participating on, or after, September 1, 2008 and before January 1, 2014, were required to contribute a total of 6% non-hazardous, of their annual creditable compensation. These members were classified in the Tier 2 structure of benefits. Five percent of the contribution was deposited to the member’s account while the 1% was deposited to an account created for the payment of health insurance benefits under 26 USC Section 401(h) in the Pension Fund (see Kentucky Administrative Regulation 105 KAR 1:420E). Interest is paid each June 30 on members’ accounts at a rate of 2.5%.

If a member terminates employment and applies to take a refund, the member is entitled to a full refund of contributions and interest; however, for plan members who began participating on, or after, September 1, 2008, the 1% contribution to the 401(h) account is non-refundable and is forfeited.

Plan members who began participating on, or after, January 1, 2014, were required to contribute to the Cash Balance Plan. These members were classified in the Tier 3 structure of benefits. The Cash Balance Plan is known as a hybrid plan because it has characteristics of both a defined benefit plan and a defined contribution plan. Members in the plan contribute

**NORTH SHELBY WATER COMPANY**  
**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**  
December 31, 2020 and 2019

**NOTE 14 – COUNTY EMPLOYEES' RETIREMENT SYSTEM – NON-HAZARDOUS EMPLOYEES PENSION PLAN AND POST-EMPLOYMENT HEALTHCARE BENEFIT (INSURANCE PLAN) (Continued)**

a set percentage of their salary each month to their own account. Non-hazardous members contribute 5%, of their annual creditable compensation and an additional 1% to the health insurance fund which is not credited to the member's account and is not refundable. The employer contribution rate is set annually by the Board based on an actuarial valuation. The employer contributes a set percentage of the member's salary. Each month, when employer contributions are received, an employer pay credit is deposited to the member's account. A member's account is credited with a 4% (non-hazardous) employer pay credit. The employer pay credit represents a portion of the employer contribution.

Interest is paid into the Tier 3 member's account. The account currently earns 4% interest credit on the member's account balance as of June 30<sup>th</sup> of the previous year. The member's account may be credited with additional interest if the system's five-year Geometric Average Net Investment Return (GANIR) exceeded 4%. If the member was actively employed and participating in the fiscal year, and if the systems' GANIR for the previous five years exceeds 4%, then the member's account will be credited with 75% of the amount of the returns over 4% on the account balance as of June 30<sup>th</sup> of the previous year (Upside Sharing Interest). It is possible that one system in KRS may get an Upside Sharing Interest, while another may not.

The 1% of pay member contributions for Tier 1 and Tier 2 members to a 401(h) subaccount are considered an OPEB asset.

***Methods and Assumptions Used in Calculation of Actuarially Determined Contributions (Pension Plan)***

Per the Kentucky Retirement System's 2020 Comprehensive Annual Financial Report, the actuarially determined contribution rates effective for fiscal year 2020 are calculated as of June 30, 2018. Based on the June 30, 2018 actuarial valuation report, the actuarial methods and assumptions used to calculate these contribution rates are as follows:



**NORTH SHELBY WATER COMPANY**  
**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**  
December 31, 2020 and 2019

The actuarially determined contribution rates for the pension plan effective for fiscal years ending 2020 and 2019 are calculated as of June 30, 2018 and 2017, respectively. Based on these actuarial valuation reports, the actuarial methods and assumptions used to calculate these contribution rates are below:

Item	CERS June 30, 2020 Non-Hazardous	CERS June 30, 2019 Non-Hazardous
Determined by the Actuarial Valuation as of:	June 30, 2018	June 30, 2017
Actuarial Cost Method:	Entry Age Normal	Entry Age Normal
Asset Valuation Method:	20% of the difference between the market value of assets and the expected actuarial value of assets is recognized.	20% of the difference between the market value of assets and the expected actuarial value of assets is recognized.
Amortization Method:	Level Percent of Pay	Level Percent of Pay
Amortization Period:	25 Years, Closed	26 Years, Closed
Payroll Growth Rate:	2.00%	2.00%
Investment Return:	6.25%	6.25%
Inflation:	2.30%	2.30%
Salary Increases:	3.30% to 11.55%, varies by service	3.30% to 11.55%, varies by service
Mortality:	RP-200 Combined Mortality Table, projected to 2013 with Scale BB (set back 1 year for females). For healthy retired members and beneficiaries, the mortality table used is the RP Combined Mortality Table projected with Scale BB to 2013 (set back for one year for females). For disabled members, the RP-2000 combined disabled mortality table projected with Scale BB to 2013 (set back four years for males) is used for the period after disability retirement.	RP-200 Combined Mortality Table, projected to 2013 with Scale BB (set back 1 year for females). For healthy retired members and beneficiaries, the mortality table used is the RP Combined Mortality Table projected with Scale BB to 2013 (set back for one year for females). For disabled members, the RP-2000 combined disabled mortality table projected with Scale BB to 2013 (set back four years for males) is used for the period after disability retirement.

**NORTH SHELBY WATER COMPANY  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
December 31, 2020 and 2019**

**NOTE 14 – COUNTY EMPLOYEES’ RETIREMENT SYSTEM – NON-HAZARDOUS EMPLOYEES PENSION PLAN AND POST-EMPLOYMENT HEALTHCARE BENEFIT (INSURANCE PLAN) (Continued)**

***Actuarial Methods and Assumptions Used in Calculation of the Actuarially Determined Total Pension Liability and Net Pension Liability***

The net position liability as of June 30, 2020, is based on the June 30, 2019 actuarial valuation rolled forward. The total pension liability, net pension liability and sensitivity information as of June 30, 2020 were based on an actuarial valuation date of June 30, 2019. The total pension liability was rolled forward from the valuation date to the measurement date at June 30, 2020, using generally accepted actuarial principles.

The net position liability as of June 30, 2019, is based on the June 30, 2018 actuarial valuation rolled forward. The total pension liability, net pension liability, and sensitivity information as of June 30, 2019 were based on an actuarial valuation date of June 30, 2018. The total pension liability was rolled-forward from the valuation date to the measurement date at June 30, 2019, using generally accepted actuarial principles.

There have been no assumption changes since June 30, 2019. Senate bill 249 passed during the 2020 Legislative Session changed the funding period for the amortization of the unfunded liability to 30 years as of June 30, 2019. Gains and losses incurring in future years will be amortized over separate 20-year amortization bases. This change does not impact the calculation of total pension liability and only impacts the calculation of the contribution rates that would be payable starting June 1, 2020.

The actuarial assumptions are:

June 30, 2020 and 2019

Inflation	2.30%
Salary Increases	3.30% - 10.30% varies by service
Investment Rate of Return	6.25%

The mortality table(s) used in the determination of the total pension liability as of June 30, 2020 and 2019 were as follows. The mortality table used for active members was a Pub-2010 General Mortality table for the Non-hazardous System, projected with the ultimate rates from the MP-2014 mortality improvement scale using a base year of 2010. The mortality table used for healthy retired members was a system-specific mortality table based on mortality experience from 2013-2018, projected with the ultimate rates from MP-2014 mortality improvement scale using a base year of 2019. The mortality table used for the disabled members was PUB-2010 Disabled Mortality table, with a 4-year set-forward for both male and female rates, projected with the ultimate rates from the MP-2014 mortality improvement scale using a base year of 2010.

During the 2018 legislative session, House Bill 185 was enacted, which updated the benefit provisions for active members who die in the line of duty. Benefits paid to the spouses of deceased members have been increased from 25% of the member's final rate of pay to 75% of the member's average pay. If the member does not have a surviving spouse, benefits paid to surviving dependent children have been increased from 10% of the member's final pay rate to 50% of average pay for one child, 65% of average pay for two children, or 75% of average pay for three children.

Under the provisions of House Bill 271 surviving spouses of members who die due to a duty related injury will no longer have their monthly benefit reduced, if they remarry. The bill restores the original benefit for spouses already remarried and increases benefits for beneficiaries who chose to receive lifetime monthly benefits in lieu of the line-of-duty survivor benefits to the amount calculated under the line-of-duty survivor provisions.

***Discount Rate***

The projection of cash flows used to determine the discount rate of 6.25% for CERS Non-hazardous for the years ended June 30, 2020 and 2019 assumes that the fund received the required employer contributions each future year, as determined by the current funding policy established in statute, as last amended by House Bill 362 (passed in 2018).

The discount rate does not use a municipal bond rate. The target asset allocation and best estimates of arithmetic nominal rates of return for each major asset class are summarized in the KRS Comprehensive Annual Financial Report.

**NORTH SHELBY WATER COMPANY**  
**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**  
December 31, 2020 and 2019

**NOTE 14 – COUNTY EMPLOYEES' RETIREMENT SYSTEM – NON-HAZARDOUS EMPLOYEES PENSION PLAN AND POST-EMPLOYMENT HEALTHCARE BENEFIT (INSURANCE PLAN)** (Continued)

***Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to the County Employee Retirement System Pension***

At December 31, 2020 and 2019 the Company reported a liability of \$1,450,611 and \$1,312,647, respectively for its proportionate share of the net pension liability. The net pension liability for CERS was measured as of June 30, 2020, and 2019 and was based on the actual liability of the employees and former employees relative to the total liability of the system as determined by an actuarial valuation as of those dates. The Company's proportion of the net pension liability was based on a projection of the Company's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2020, and 2019 the Company's proportion was 0.018913 and 0.018664 percent, respectively, which is an increase of 0.000249% and an increase 0.000527% for the years ended June 30, 2020 and June 30, 2019, respectively.

The Company's total payroll for the calendar year ended December 31, 2020 was \$556,012. Contributions to the CERS were based on \$521,354 (covered payroll). The total employer pension contributions for the calendar year ended December 31, 2020 were \$99,633.

The Company's total payroll for the calendar year ended December 31, 2019 was \$488,640. Contributions to the CERS were based on \$475,018 (covered payroll). The total employer pension contributions for the calendar year ended December 31, 2019 were \$81,560.

All contributions were made as required.

The Company's contribution for the County Employees' Retirement System's year(s) ended June 30, 2020, and 2019 was 0.018913 and 0.018664 percent, respectively, of the System's total contribution requirements for all employers.

For the years ended December 31, 2020, and December 31, 2019, the Company recognized pension expense of \$227,259 and \$230,598, respectively. At December 31, 2020 and 2019 the Company reported deferred outflows of resources and deferred inflows of resources related to CERS pensions from the following sources:

	<b>December 31, 2020</b>		<b>December 31, 2019</b>	
	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Difference Between Expected and Actual Experience	\$ 36,174	\$ -	\$ 33,516	\$ 5,546
Change in Assumptions	56,644	-	132,855	-
Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	26,158	3,475	22,372	11,782
Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	62,879	26,579	25,198	46,358
Company Contributions Made Subsequent to the NPL Measurement Date	53,921	-	45,129	-
<b>Total</b>	<b>\$ 235,776</b>	<b>\$ 30,054</b>	<b>\$ 259,070</b>	<b>\$ 63,686</b>

\$53,921 and \$45,129 reported as deferred outflows of resources related to pensions arising from Company contributions made subsequent to the measurement date will be recognized as a reduction in the net pension liability in the years ended December 31, 2021 and 2020, respectively. Amounts reported as deferred inflows and outflows of resources due to the net difference between projected and actual investment earnings on pension plan investments will be netted and amortized over five years and recognized in pension expense. Amounts reported as deferred outflows of resources due to the difference between expected and actual experience, change of assumptions, and changes in proportion and differences between employer contributions and proportionate share of contributions will be amortized and recognized in pension expense over the expected remaining service lives of all employees. Total amortization to be recognized in pension expense is presented below as follows:

**NORTH SHELBY WATER COMPANY**  
**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**  
**December 31, 2020 and 2019**

**NOTE 14 – COUNTY EMPLOYEES’ RETIREMENT SYSTEM – NON-HAZARDOUS EMPLOYEES PENSION PLAN AND POST-EMPLOYMENT HEALTHCARE BENEFIT (INSURANCE PLAN) (Continued)**

*Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to the County Employee Retirement System Pension (Continued)*

		<b>Increase (Decrease) to Pension Expense</b>
<b>Year Ended December 31, 2020:</b>		
	2021	\$ 70,462
	2022	48,341
	2023	18,420
	2024	14,578
		<u>\$ 151,801</u>
		<u>                    </u>
		<b>Increase (Decrease) to Pension Expense</b>
<b>Year Ended December 31, 2019:</b>		
	2020	\$ 92,858
	2021	38,876
	2022	17,019
	2023	1,502
		<u>\$ 150,255</u>
		<u>                    </u>

***Sensitivity of the Company's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate***

The following table presents the net pension liability of CERS [as reported in its publicly available financial statements for the years ended June 30, 2020 and 2019], calculated using the discount rates of 6.25% and 6.25% for the years ended June 30, 2020 and 2019, respectively, as well as what CERS' net pension liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the approved rate:

	<b>1% Decrease [5.25%]</b>	<b>Current Discount [6.25%]</b>	<b>1% Increase [7.25%]</b>
<b>As of June 30, 2020</b>			
Net Pension Liability	\$ 9,458,676,903	\$ 7,669,917,211	\$ 6,188,756,202
Company's Proportionate Share	1,788,920	1,450,611	1,170,479
	<b>1% Decrease [5.25%]</b>	<b>Current Discount [6.25%]</b>	<b>1% Increase [7.25%]</b>
<b>As of June 30, 2019</b>			
Net Pension Liability	\$ 8,796,343,903	\$ 7,033,044,562	\$ 5,563,351,626
Company's Proportionate Share	1,641,750	1,312,647	1,038,344

The discount rate determination does not use a municipal bond rate.

***Payable to the Pension Plan***

At December 31, 2020 and 2019, the Company reported a payable of \$12,088 and \$8,326 for the outstanding amount of contributions required for the years then ended. The amount represents the employee withholding and employer match for the last month of the years then ended.

**NORTH SHELBY WATER COMPANY  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
December 31, 2020 and 2019**

**NOTE 14 – COUNTY EMPLOYEES’ RETIREMENT SYSTEM – NON-HAZARDOUS EMPLOYEES PENSION PLAN AND POST-EMPLOYMENT HEALTHCARE BENEFIT (INSURANCE PLAN) (Continued)**

**OPEB PLAN**

**Insurance (OPEB) Plan Description** – The Kentucky Retirement Systems’ Insurance Fund (Insurance Fund) was established to provide hospital and medical insurance for eligible members receiving benefits from KERS, CERS, and SPRS. The eligible non-Medicare retirees are covered by the Department of Employee Insurance (DEI) plans. KRS submits the premium payments to DEI. The Board contracts with Humana to provide health care benefits to the eligible Medicare retirees through a Medicare Advantage Plan. The Insurance Fund pays a prescribed contribution for whole or partial payment of required premiums to purchase hospital and medical insurance. A portion of the insurance premiums are withheld from benefit payments for members including those of the CERS Non-Hazardous system.

**Contributions**

As a result of House Bill 290 (2004 Kentucky General Assembly), medical insurance benefits are calculated differently for members who began participating on, or after, July 1, 2003. Once members reach a minimum vesting period of 10 years, non-hazardous employees whose participation began on, or after, July 1, 2003, earn \$10 per month for insurance benefits at retirement for every year of earned service without regard to a maximum dollar amount. This dollar amount is subject to adjustment annually, which is currently 1.5%, based upon Kentucky Revised Statutes. This benefit is not protected under the inviolable contract provisions of Kentucky Revised Statute 78.852. The Kentucky General Assembly reserves the right to suspend or reduce this benefit if, in its judgment, the welfare of the Commonwealth so demands.

The amount of benefit paid by the Insurance Fund is based on years of service. For members participating prior to July 1, 2003, years of service and respective percentages of the maximum benefit are as follows:

Years of Service	Portion Paid by Insurance Fund Paid by Insurance Fund (%)
20+ years	100.00%
15-19+ years	75.00%
10-14+ years	50.00%
4-9+ years	25.00%
Less than 4 years	0.00%

For the fiscal years ended June 30, 2020 and 2019, plan members who began on, or after, September 1, 2008 (classified in the Tier 2 or Tier 3 structure of benefits) were required to contribute 1% of their annual creditable compensation to an account created for the payment of health insurance benefits under 26 USC Section 401(h) in the Pension Fund (see Kentucky Administrative Regulation 105 KAR 1:420E), which is considered an OPEB asset.

If a member terminates employment the 1% contribution to the 401(h) account is non-refundable and is forfeited.

Participating employers are required to contribute at an actuarially determined rate as described previously.

**Methods and Assumptions Used in Calculation of Actuarially Determined Contributions (OPEB)**

Per the Schedule of Employer Allocations and OPEB Amounts by Employer for Kentucky Retirement Systems, *Report for Postemployment Benefits* prepared as of June 30, 2020 and 2019, the actuarially determined contribution rates effective for fiscal year ending June 30, 2020 and 2019 are calculated based on the actuarial methods and assumptions as follows:

NORTH SHELBY WATER COMPANY  
 NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
 December 31, 2020 and 2019

The actuarially determined contribution rates for the OPEB plan effective for fiscal years ending 2020 and 2019 are calculated based on the actuarial methods and assumptions below:

Item	CERS June 30, 2020 Non-Hazardous	CERS June 30, 2019 Non-Hazardous
Determined by the Actuarial Valuation as of:	June 30, 2018	June 30, 2017
Experience Study	July 1, 2008 - June 30, 2013	July 1, 2008 - June 30, 2013
Actuarial Cost Method:	Entry Age Normal	Entry Age Normal
Asset Valuation Method:	20% of the difference between the market value of assets and the expected actuarial value of assets is recognized.	20% of the difference between the market value of assets and the expected actuarial value of assets is recognized.
Amortization Method:	Level Percent of Pay	Level Percent of Pay
Amortization Period:	25 Years, Closed	26 Years, Closed
Payroll Growth Rate:	2.00%	2.00%
Investment Return:	6.25%	6.25%
Inflation:	2.30%	2.30%
Salary Increases:	3.30% to 11.55%, varies by service	3.30% to 11.55%, varies by service
Mortality:	RP-2000 Combined Mortality Table, projected to 2013 with Scale BB (set back 1 year for females)	The mortality table used for active members is RP-2000 Combined Mortality Table projected with Scale BB to 2013 (multiplied by 50% for males and 30% for females). For healthy retired members and beneficiaries, the mortality table used is the RP-2000 Combined Mortality Table projected with Scale BB to 2013 (set-back for one year for females). For disabled members, the RP-2000 Combined Disabled Mortality Table projected with Scale BB to 2013 (set-back four years for males) is used for the period after disability retirement.
Healthcare Trend Rates (Pre-65)	Initial trend starting at 7.00% at January 1, 2020 and gradually decreasing to an ultimate trend rate of 4.05% over a period of 12 years. The 2019 premiums were known at the time of the valuation and were incorporated into the liability measurement.	Initial trend starting at 7.25% at January 1, 2019 and gradually decreasing to an ultimate trend rate of 4.05% over a period of 13 years.
Healthcare Trend Rates (Post65)	Initial trend starting at 5.00% at January 1, 2020 and gradually decreasing to an ultimate trend rate of 4.05% over a period of 10 years. The 2019 premiums were known at the time of the valuation and were incorporated into the liability measurement.	Initial trend starting at 5.10% at January 1, 2019 and gradually decreasing to an ultimate trend rate of 4.05% over a period of 11 years.
Phase-in Provision	Board certified rate is phased into the actuarially determined rate in accordance with HB 362 enacted in 2018.	Board Certified Rate is phased into the actuarially determined rate in accordance with HB 362 enacted in 2018.

**NORTH SHELBY WATER COMPANY**  
**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**  
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**NOTE 14 – COUNTY EMPLOYEES’ RETIREMENT SYSTEM – NON-HAZARDOUS EMPLOYEES PENSION PLAN AND POST-EMPLOYMENT HEALTHCARE BENEFIT (INSURANCE PLAN) (Continued)**

***Actuarial methods and Assumption to Determine the Total OPEB Liability and Net OPEB Liability***

The assumed increase in future health care costs, or trend assumptions was reviewed during the June 30, 2019 valuation process and was updated to better reflect more current expectations relating to anticipated future increases in the medical costs. The anticipated savings from the repeal of the “Cadillac Tax” and “Health Insurer Fee”, which occurred in December of 2019 are reflected in the June 30, 2020 GASB 75 actuarial information. The assumed load on pre-Medicare premiums to reflect the cost of the Cadillac Tax was removed and the Medicare premiums were reduced by 11% to reflect the repeal of the Health Insurer Fee. There were no other material assumption changes.

For financial reporting, the actuarial valuation as of June 30, 2020, was performed by Gabriel Roeder Smith (GRS). The total OPEB liability, net OPEB liability, and sensitivity information as of June 30, 2020, were based on an actuarial valuation date of June 30, 2019. The total OPEB liability was rolled forward from the valuation date (June 30, 2019) to the plan’s fiscal year ending June 30, 2020, using generally accepted actuarial principles.

For financial reporting the actuarial valuation as of June 30, 2019, was performed by Gabriel Roeder Smith (GRS). The total OPEB liability, net OPEB liability, and sensitivity information as of June 30, 2019, were based on an actuarial valuation date of June 30, 2018. The total OPEB liability was rolled-forward from the valuation date (June 30, 2018) to the plan’s fiscal year ending June 30, 2019, using generally accepted actuarial principles.

During the 2018 legislative session, House Bill 185 was enacted, which updated the benefit provisions for active members who die in the line of duty. The system shall now pay 100% of the insurance premium for spouses and children for all active members who die in the line of duty.

The actuarial assumption used are:

**NORTH SHELBY WATER COMPANY**  
**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**  
December 31, 2020 and 2019

The actuarially methods and assumptions to determine the Total OPEB Liability and Net OPEB Liability are below:

Item	CERS June 30, 2020 Non-Hazardous	CERS June 30, 2019 Non-Hazardous
Inflation	2.30%	2.30%
Payroll Growth Rate	2.00%	2.00%
Salary Increases	3.05% average	3.30% - 10.30% varies by service
Investment Rate of Return	6.25%	6.25%
Healthcare Trend Rates Pre-65	Initial trend starting at 7.00% at January 1, 2020, and gradually decreasing to an ultimate trend rate of 4.05% over a period of 12 years.	Initial trend starting at 7.00% at January 1, 2020, and gradually decreasing to an ultimate trend rate of 4.05% over a period of 12 years.
Post-65	Initial trend starting at 5.00% at January 1, 2020, and gradually decreasing to an ultimate trend rate of 4.05% over a period of 10 years.	Initial trend starting at 5.00% at January 1, 2020, and gradually decreasing to an ultimate trend rate of 4.05% over a period of 10 years.
Mortality Pre-retirement	RP-2000 Combined Mortality Table projected with Scale BB to 2013 (multiplied by 50% for males and 30% for females).	PUB-2010 General Mortality Table projected with th ultimate rates from the MP-2014 mortality improvement scale using a base year of 2010.
Post-retirement (non-disabled)	RP-2000 Combined Mortality Table projected with Scale BB to 2013 (set-back for one year for females).	System Specific Mortality Table based on mortality experience from 2013-2018, projected with the ultimate rates from MP-2014 mortality improvement scale using a base year of 2019.
Post-retirement (disabled)	RP-2000 Combined Disabled Mortality Table projected with Scale BB to 2013 (set-back four years for males) is used for the period after disability retirement.  The assumed load on pre-Medicare premiums to reflect the cost of the Cadillac Tax was removed and the Medicare premiums were reduced by 11% to reflect the repeal of the Health Insurer Fee.	PUB-2010 Disabled Mortality Table, with a 4-year set forward for both male and female rates, projected with the ultimate rates from the MP-2014 mortality Improvement scale using a base year of 2010.



**NORTH SHELBY WATER COMPANY**  
**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**  
**December 31, 2020 and 2019**

**NOTE 14 – COUNTY EMPLOYEES' RETIREMENT SYSTEM – NON-HAZARDOUS EMPLOYEES PENSION PLAN AND POST-EMPLOYMENT HEALTHCARE BENEFIT (INSURANCE PLAN) (Continued)**

***Discount Rate***

The projection of cash flows used to determine the June 30, 2020 discount rate of 5.34% for CERS Non-hazardous, assumed that local employers would contribute the actuarially determined contribution rate of projected compensation over the remaining 23 years (closed) amortization period of the unfunded actuarial accrued liability. The discount rate determination used an expected rate of return of 6.25%, and a municipal bond rate of 2.45%, as reported in Fidelity Index's "20-year Municipal GO AA Index" as of June 30, 2020.

The projection of cash flows used to determine the June 30, 2019 discount rate of 5.68% for CERS Non-hazardous, assumed that local employers would contribute the actuarially determined contribution rate of projected compensation over the remaining 24 years (closed) amortization period of the unfunded actuarial accrued liability. The discount rate determination used an expected rate of return of 6.25%, and a municipal bond rate of 3.13%, as reported in Fidelity Index's "20-Year Municipal GO AA Index" as of June 28, 2019.

The fully-insured premiums KRS pays for the CERS Plan are blended rates based on the combined experience of active and retired members. Because the average cost of providing health care benefits to retirees under age 65 is higher than the average cost of providing health care benefits to active employees, there is an implicit employer subsidy for the non-Medicare eligible retirees.

However, the cost associated with the implicit employer subsidy was not included in the calculation of the System's actuarial determined contributions, and any cost associated with the implicit subsidy will not be paid out of the System's trusts. Therefore, the municipal bond rate was applied to future expected benefit payments associated with the implicit subsidy. The target asset allocation and best estimates of arithmetic nominal rates of return for each major asset class are summarized in the Kentucky Retirement System's CAFR.

***OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources related to the County Employee Retirement System Insurance Plan***

At December 31, 2020 and 2019 the Company reported a liability of \$456,547 and \$313,836, respectively.

The Company's total payroll for the calendar year ended December 31, 2020 was \$556,012. Contributions were based on \$480,024 (covered payroll). The total employer contributions to the Health Insurance Fund for the year ended December 31, 2020 were \$24,567.

The Company's total payroll for the calendar year ended December 31, 2019 was \$488,640. Contributions were based on \$475,018 (covered payroll). The total employer contributions to the Health Insurance Fund for the year ended December 31, 2019 were \$26,467.

All contributions were made as required.

The allocation of the employers' proportionate share of the Net OPEB Liability and OPEB expense was determined using the employer's actual contributions for the fiscal year ending June 30, 2020.

The Company's contribution for the County Employee's Retirement System's (Insurance Plan) for the years ended June 30, 2020 and 2019 was 0.018907 percent and 0.018659 percent, respectively, of the System's total contribution requirements for all employers.

The implicit employer subsidy for the non-Medicare eligible retirees for the years ended June 30, 2020 and 2019 was \$9,501 and \$5,458, respectively.

For the years ended December 31, 2020 and 2019, the Company recognized expense of \$55,213 and \$28,548, respectively. At December 31, 2020 and 2019 the District reported deferred outflows of resources and deferred inflows of resources related to CERS OPEB from the following sources:

**NORTH SHELBY WATER COMPANY**  
**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**  
December 31, 2020 and 2019

***OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources related to the County Employee Retirement System Insurance Plan (Continued)***

	December 31, 2020		December 31, 2019	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 76,279	\$ 76,339	\$ -	\$ 94,692
Change in Assumptions	79,412	483	92,867	621
Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	7,765	5,917	6,623	7,761
Difference Between Projected and Actual Investment Earnings on Insurance Plan Investments	24,490	9,316	2,067	16,006
Company Contributions Made Subsequent to the Net OPEB Measurement Date	13,296	-	14,645	-
<b>Total</b>	<b>\$ 201,242</b>	<b>\$ 92,055</b>	<b>\$ 116,202</b>	<b>\$ 119,080</b>

\$13,296 and \$14,645 reported as deferred outflows of resources related to OPEB arising from Company contributions made subsequent to the measurement date will be recognized as a reduction in the net OPEB liability in the years ended December 31, 2021 and 2020 respectively. Amounts reported as deferred inflows and outflows of resources due to the net difference between projected and actual investment earnings on OPEB plan investments will be netted and amortized over five years and recognized in OPEB expense. Amounts reported as deferred outflows of resources and deferred inflows of resources due to the difference between expected and actual experience, change of assumptions, and changes in proportion and differences between employer contributions and proportionate share of contributions will be amortized and recognized in OPEB expense over the expected remaining service lives of all employees. Total amortization to be recognized in OPEB expense is presented below as follows:

Year Ended December 31, 2020:		Increase (Decrease) to OPEB Expense
2021	\$	25,050
2022		29,541
2023		20,938
2024		21,126
2025		(764)
	\$	<u>95,891</u>
Year Ended December 31, 2019:		Increase (Decrease) to OPEB Expense
2020	\$	(2,922)
2021		(2,922)
2022		1,510
2023		(6,979)
2024		(5,459)
Thereafter		(751)
	\$	<u>(17,523)</u>

**NORTH SHELBY WATER COMPANY**  
**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**  
**December 31, 2020 and 2019**

**NOTE 14 – COUNTY EMPLOYEES’ RETIREMENT SYSTEM – NON-HAZARDOUS EMPLOYEES PENSION PLAN AND POST-EMPLOYMENT HEALTHCARE BENEFIT (INSURANCE PLAN) (Continued)**

***Payable to the OPEB Health Insurance Plan***

At December 31, 2020 and 2019, the Company reported a payable of \$2,981 and \$2,702, respectively for the outstanding amount of contributions required for the years then ended. This amount represents the employee withholding and employer match for the last month of the years then ended.

***Sensitivity of the District’s Proportionate Share of the Net Other Post Employment Benefit (OPEB) Liability to Changes in the Discount Rate and Healthcare Trend Rate***

The following table presents the net other post-employment benefit liability of CERS [as reported in its publicly available financial statements for the year ended June 30, 2020, calculated using the single discount rate of 5.34% as well as what CERS’ net OPEB liability would be if it were calculated using a single discount rate that is one percentage point lower or one percentage point higher than the approved rate:

<u>As of June 30, 2020</u>	<u>1% Decrease [4.34%]</u>	<u>Current Discount [5.34%]</u>	<u>1% Increase [6.34%]</u>
Net OPEB Liability	\$ 3,102,175,364	\$ 2,414,695,884	\$ 1,850,046,176
Company’s Proportionate Share	586,528	456,547	349,788

The following table presents the net other post-employment benefit liability of CERS [as reported in its publicly available financial statements for the year ended June 30, 2020, calculated using the healthcare cost trend rate for the year ended June 30, 2020 as well as what CERS’ net OPEB liability would be if it were calculated using a healthcare cost trend rate that is one percentage point lower or one percentage point higher than the approved rate:

<u>As of June 30, 2020</u>	<u>1% Decrease</u>	<u>Current Healthcare Cost Trend Rate</u>	<u>1% Increase</u>
Net OPEB Liability	\$ 1,869,578,166	\$ 2,414,695,884	\$ 3,076,209,120
Company’s Proportionate Share	353,481	456,547	581,619

The following table presents the net other post-employment benefit liability of CERS [as reported in its publicly available financial statements for the year ended June 30, 2019, calculated using the single discount rates of 5.68% for the year ended June 30, 2019 as well as what CERS’ net OPEB liability would be if it were calculated using a single discount rate that is one percentage point lower or one percentage point higher than the approved rate:

<u>As of June 30, 2019</u>	<u>1% Decrease [4.68%]</u>	<u>Current Discount [5.68%]</u>	<u>1% Increase [6.68%]</u>
Net OPEB Liability	\$ 2,253,127,713	\$ 1,681,954,950	\$ 1,211,346,586
Company’s Proportionate Share	420,411	313,836	226,025

The following table presents the net other post-employment benefit liability of CERS [as reported in its publicly available financial statements for the year ended June 30, 2019, calculated using the healthcare cost trend rate for the year ended June 30, 2019 as well as what CERS’ net OPEB liability would be if it were calculated using a healthcare cost trend rate that is one percentage point lower or one percentage point higher than the approved rate:

<u>As of June 30, 2019</u>	<u>1% Decrease</u>	<u>Current Healthcare Cost Trend Rate</u>	<u>1% Increase</u>
Net OPEB Liability	\$ 1,250,878,480	\$ 1,681,954,950	\$ 2,204,686,275
Company’s Proportionate Share	233,401	313,836	411,372

**NORTH SHELBY WATER COMPANY**  
**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**  
**December 31, 2020 and 2019**

**NOTE 15 – COMPENSATED ABSENCES**

**Vacation Days**

Vacation is earned at rates varying one to twenty-four days per year depending on the length of service. A maximum of five vacation days may be carried over to the next year. At December 31, 2020, and 2019, the Water Company had accrued compensated absence liabilities of \$11,785 and \$10,902, respectively.

**Sick Days**

Sick leave accrues at the rate of twelve days per year and shall accumulate without limit. If and when the employee retires and resigns, there will be no pay for unused sick leave. At December 31, 2020, the Water Company had an unrecorded sick pay liability of \$158,605. At December 31, 2019, the Water Company had an unrecorded sick pay liability of \$148,258.

**NOTE 16 – ECONOMIC DEPENDENCY**

The Water Company purchases 100% of the water it sells from the following entities: Shelbyville Municipal Water, Frankfort Electric & Water Plant Board, and Louisville Water Company.

**NOTE 17 – OPERATION AND MAINTENANCE CONTRACT**

The Water Company furnishes managerial, meter reading, maintenance, meter installation, accounts receivable processing, and general office services for U.S. 60 Water District. The District received \$355,856 and \$372,645 for these services for the years ended December 31, 2020 and 2019, respectively. There was a receivable due from U.S. 60 Water District in the amount of \$54,029 and \$27,952 at December 31, 2020 and 2019, respectively. The operation and maintenance agreement was updated in 2020.

**NOTE 18 – FUNDS HELD FOR FUTURE LINES AND CONTRIBUTED CAPITAL**

The Water Company collects funds from developers for their allocable cost of line extensions. The amount is calculated based on the size of the line and cost of construction. No amounts were held for future lines at December 31, 2020 or 2019.

**NOTE 19 – COMMITMENTS, CONTINGENCIES AND SUBSEQUENT EVENTS**

During the 2018 Kentucky Legislature Session, House Bill 362 passed with caps CERS employer contribution rate increases up to 12% per year over the prior fiscal year for the period July 1, 2018 to June 30, 2028. During the 2020 regular session, Senate Bill 249 froze the CERS employer rate phase-in for one year and House Bill 352 included provisions to keep the CERS rates the same as fiscal year 2020, effective July 1, 2020. The CERS Employer rate beginning July 1, 2020 and 2019 have been set at 24.06% and 24.06% respectively.

**NOTE 20 – SUBSEQUENT EVENTS**

North Shelby Water Company plans to replace the St. Johns water storage tank. The estimated cost of the project is \$1,685,000. Management also expects to continue its meter replacement project. Each phase will cost approximately \$510,000. The Company does not anticipate borrowing funds at this time.

Management has considered subsequent events through the date of this report May 25, 2021, for disclosure. No events were identified that would have impacted the financial statements for the year ended December 31, 2020. However, in March, 2020 significant steps were taken by federal and state governments to limit the effect of the COVID-19 virus. The effect of executive governmental orders to discontinue the collection of penalties and enforcement of cutoff policies during the period are reflected in this report. Kentucky is in the process of "reopening" the economy. Impacts that this and future decisions may have on the financial position of the Water Company is unknown at this time.

**NORTH SHELBY WATER COMPANY**  
**SCHEDULE OF THE WATER COMPANY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**  
**COUNTY EMPLOYEES RETIREMENT SYSTEM**  
**Years Ended December 31**

	2020	2019	2018	2017	2016	2015	2014
Water Company's proportion of the net pension liability (asset) %	0.018913%	0.018664%	0.018370%	0.018680%	0.018834%	0.01822%	0.017846%
Water Company's proportionate share of the net pension liability (asset)	\$ 1,450,611	\$ 1,312,647	\$ 1,104,599	\$ 1,093,398	\$ 927,293	\$ 783,379	\$ 579,000
Water Company's covered payroll (calendar year)	\$ 521,354	\$ 475,018	\$ 457,698	\$ 458,377	\$ 448,684	\$ 433,851	\$ 426,930
Water Company's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	278.24%	276.34%	241.34%	238.54%	206.67%	180.56%	135.62%
Plan fiduciary net position as a percentage of the total pension liability	47.81%	50.45%	53.54%	53.3%	55.5%	59.97%	62.60%

Calculations of the Company's proportion of the net pension liability (%) and proportionate share of the net pension liability (\$) are based on reports of the Kentucky Retirement Systems', County Employees Retirement Systems' Schedule of Employer Allocations and Pension Amounts by Employer for the fiscal years ended June 30, shown.

Company payroll is reported for its' covered calendar years ending December 31, 2014 through 2020.

During the 2018 legislative session, House Bill 185 was enacted, which updated the benefit provisions for active members who die in the line of duty. Benefits paid to the spouses of deceased members have been increased from 25% of the member's final rate of pay to 75% of the member's average pay. If the member does not have a surviving spouse, benefits paid to surviving dependent children have been increased from 10% of the member's final pay rate to 50% of average pay for one child, 65% of average pay for two children, or 75% of average pay for three children.

	2020	2019	2018	2017	2016	2015	2014
Inflation	2.30%	2.30%	2.30%	2.30%	3.25%	3.25%	3.50%
Salary Increases	3.30%-10.30%	3.30%-10.30%	3.05%	3.05%	4.00%	4.00%	4.50%
Investment Rate of Return	6.25%	6.25%	6.25%	6.25%	7.50%	7.50%	7.75%

The mortality table(s) used in the determination of the total pension liability as of June 30, 2020 and 2019 were as follows. The mortality table used for active members was a Pub-2010 General Mortality table, for the Non-Hazardous System, projected with the ultimate rates from the MP-2014 mortality improvement scale using a base year of 2010. The mortality table used for healthy retired members was a system-specific mortality table based on mortality experience from 2013-2018, projected with the ultimate rates from MP-2014 mortality improvement scale using a base year of 2019. The mortality table used for the disabled members was PUB-2010 Disabled Mortality table, with a 4-year set-forward for both male and female rates, projected with the ultimate rates from the MP-2014 mortality improvement scale using a base year of 2010.

In previous years the mortality table used for active members is RP-2000 Combined Mortality Table projected with Scale BB to 2013 (multiplied by 50% for males and 30% for females). For healthy retired members and beneficiaries, the mortality table used is the RP-2000 Combined Mortality Table projected with Scale BB to 2013 (set-back for one year for females). For disabled members, the RP-2000 Combined Disabled Mortality Table projected with Scale BB to 2013 (set-back four years for males) is used for the period after disability retirement.

The assumed rates of retirement, withdrawal, and disability were based on an actuarial valuation performed as of June 30, 2019.

See accompanying notes to the basic financial statements

**NORTH SHELBY WATER COMPANY  
SCHEDULE OF THE WATER COMPANY'S CONTRIBUTIONS (PENSION)  
COUNTY EMPLOYEES RETIREMENT SYSTEM**

For Years Ended December 31

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually (Employer) required contributions	\$ 99,633	\$ 81,560	\$ 70,327	\$ 64,825	\$ 59,977	\$ 56,189
Contributions In relation to the contractually required contributions	99,633	81,560	70,327	64,825	59,977	56,189
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Water Company's covered payroll	\$ 521,354	\$ 475,018	\$ 457,698	\$ 458,377	\$ 448,684	\$ 433,851
Contributions as a percentage of covered payroll	19.11%	17.17%	15.37%	14.14%	13.37%	12.95%

The Water Company's contributions above include only contributions to the County Employees Retirement System Pension Fund. GASB 68 requires the Water Company to present the above information for the CERS pension for 10 years. The information will be expanded annually until a full 10-year trend is compiled.

NORTH SHELBY WATER COMPANY  
 SCHEDULE OF THE WATER COMPANY'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY  
 COUNTY EMPLOYEES RETIREMENT SYSTEM  
 Years Ended December 31

	2020	2019	2018	2017
Water Company's proportion of the net OPEB liability (asset) %	0.018907%	0.018659%	0.018137%	0.018880%
Water Company's proportionate share of the net OPEB liability (asset)	\$ 458,547	\$ 313,836	\$ 322,001	\$ 375,532
Water Company's covered payroll (Calendar Year)	\$ 521,354	\$ 475,018	\$ 457,698	\$ 458,377
Water Company's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	87.57%	66.07%	70.35%	81.93%
Plan fiduciary net position as a percentage of the total OPEB liability	51.67%	60.44%	57.62%	62.4%

Calculations of the Company's proportion of the net OPEB liability (%) and proportionate share of the net OPEB liability (\$) are based on reports of the Kentucky Retirement Systems', County Employees Retirement Systems' Schedule of Employer Allocations and OPEB Amounts by Employer for the fiscal years ended June 30, shown.

GASB 76 requires the Company to present the above information for 10 years. The information will be expanded annually until a full 10-year trend is completed.

Water Company covered payroll is reported for its calendar year.

The Board of Trustees adopted new actuarial assumptions since June 30, 2018, as documented in the report titled, *Kentucky Retirement Systems 2018 Actuarial Experience Study for the period ending June 30, 2018*.

During the 2018 legislative session, House Bill 185 was enacted, which updated the benefit provisions for active members who die in the line of duty. The system shall now pay 100% of the Insurance premium for spouses and children of all active members who die in the line of duty.

Actuarial Methods and Assumptions for Determining Net OPEB Liability:

	2020	2019	2018	2017
Payroll Growth Rate	2.0%	2.0%	2.0%	2.0%
Salary Increases	3.30%-11.65% varies by service	3.30%-10.30% varies by service	3.05% Average	3.06% Average
Investment Rate of Return	6.25%	6.25%	6.25%	6.25%
Inflation	2.3%	2.3%	2.3%	2.3%
Healthcare Trend Rates: Pre-65	Initial trend starting at 6.40% at January 1, 2022, and gradually decreasing to an ultimate trend rate of 4.05% over a period of 14 years.	Initial trend at 7.00% at January 1, 2020, and gradually decreasing to an ultimate trend rate of 4.05% over a period of 12 years.	Initial trend at 7.00% at January 1, 2020, and gradually decreasing to an ultimate trend rate of 4.05% over a period of 12 years.	Initial trend at 7.00% at January 1, 2020, and gradually decreasing to an ultimate trend rate of 4.05% over a period of 12 years.
Healthcare Trend Rates: Post-65	Initial trend starting at 2.90% at January 1, 2022, and increasing to 6.20% in 2023, then gradually decreasing to an ultimate trend rate of 4.05% over a period of 14 years.	Initial trend starting at 5.00% at January 1, 2020, and gradually decreasing to an ultimate trend rate of 4.05% over a period of 10 years.	Initial trend starting at 5.00% at January 1, 2020, and gradually decreasing to an ultimate trend rate of 4.05% over a period of 10 years.	Initial trend starting at 5.00% at January 1, 2020, and gradually decreasing to an ultimate trend rate of 4.05% over a period of 10 years.
Mortality: Pre-Retirement	PUB-2010 General Mortality Table, projected with the ultimate rates from the MP-2014 mortality improvement scale using a base year of 2010.	PUB-2010 General Mortality Table, projected with the ultimate rates from the MP-2014 mortality improvement scale using a base year of 2010.	RP-2000 Combined Mortality Table projected with Scale BB to 2013 (multiplied by 50% for males and 30% for females).	RP-2000 Combined Mortality Table projected with Scale BB to 2013 (multiplied by 50% for males and 30% for females).
Post-Retirement	System Specific Mortality Table based on mortality experience from 2013-2018, projected with the ultimate rates from MP-2014 mortality improvement scale using a base year of 2010.	System Specific Mortality Table based on mortality experience from 2013-2018, projected with the ultimate rates from MP-2014 mortality improvement scale using a base year of 2010.	RP-2000 Combined Mortality Table projected with Scale BB to 2013 (set-back for one year for females).	RP-2000 Combined Mortality Table projected with Scale BB to 2013 (set-back for one year for females).
Post-Retirement (disabled)	PUB-2010 Disabled Mortality Table, with a 4-year set forward for both male and female rates, projected with the ultimate rates from the MP-2014 mortality improvement scale using a base year of 2010 is used for the period after disability.	PUB-2010 Disabled Mortality Table, with a 4-year set forward for both male and female rates, projected with the ultimate rates from the MP-2014 mortality improvement scale using a base year of 2010 is used for the period after disability.	RP-2000 Combined Disabled Mortality Table projected with Scale BB to 2013 (set-back four years for males) is used for the period after disability retirement.	RP-2000 Combined Disabled Mortality Table projected with Scale BB to 2013 (set-back four years for males) is used for the period after disability retirement.

See accompanying notes to the basic financial statements

**NORTH SHELBY WATER COMPANY  
SCHEDULE OF THE WATER COMPANY'S CONTRIBUTIONS (OPEB)  
COUNTY EMPLOYEES RETIREMENT SYSTEM**

Years Ended December 31

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually (Employer) required contributions	\$ 24,567	\$ 26,467	\$ 22,821	\$ 21,980	\$ 20,335	\$ 19,051
Contributions in relation to the contractually required contributions	\$ 24,567	26,467	22,821	21,980	20,335	19,051
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Water Company's covered payroll	\$ 521,354	\$ 475,018	\$ 457,698	\$ 458,377	\$ 448,684	\$ 433,851
Contributions as a percentage of covered payroll	4.71%	5.57%	4.99%	4.80%	4.53%	4.39%

The Water Company's contributions above include only the contributions to the County Employees Retirement System Insurance Fund.

GASB 75 requires the Water Company to present the above information for the CERS OPEB Plan for 10 years. The information will be expanded annually until a full 10-year trend is compiled.



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## INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Directors of the  
North Shelby Water Company  
Bagdad, Kentucky 40003

We have audited in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of North Shelby Water Company as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise North Shelby Water Company's basic financial statements, and have issued our report thereon dated May 25, 2021.

### INTERNAL CONTROL OVER FINANCIAL REPORTING

In planning and performing our audit of the financial statements, we considered North Shelby Water Company's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of North Shelby Water Company's internal control. Accordingly, we do not express an opinion on the effectiveness of North Shelby Water Company's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected, and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and responses as Items 2020-001 and 2020-002 that we consider to be material weaknesses.

**COMPLIANCE AND OTHER MATTERS**

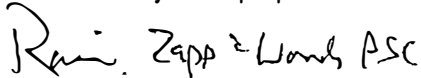
As part of obtaining reasonable assurance about whether North Shelby Water Company's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination on the financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**NORTH SHELBY WATER COMPANY'S RESPONSE TO FINDINGS**

North Shelby Water Company's response to the findings identified in our audit is described in the accompanying schedule of findings and responses. North Shelby Water Company's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

**PURPOSE OF THIS REPORT**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



RAISOR, ZAPP & WOODS P.S.C.  
Certified Public Accountants  
Carrollton, Kentucky

May 25, 2021

**NORTH SHELBY WATER COMPANY  
SCHEDULE OF FINDINGS AND RESPONSES  
For the Year Ended December 31, 2020**

**A. SUMMARY OF AUDIT RESULTS**

1. The auditor's report expresses an unmodified opinion on whether the financial statements of North Shelby Water Company were prepared in accordance with GAAP.
2. Two deficiencies in internal control disclosed during the audit of the financial statements are reported in the Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*. Items 2020-001 and 2020-002 were reported as material weaknesses.
3. No instances of noncompliance material to the financial statements of North Shelby Water Company, which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.

**B. FINDINGS - FINANCIAL STATEMENTS AUDIT**

**GOVERNMENT AUDITING STANDARDS**

**DEFICIENCIES IN INTERNAL CONTROL**

**2020-001 SIZE OF ENTITY, CROSS-TRAINING, CHECKING PROCEDURES AND DOCUMENTATION**

**CRITERIA:**

Internal controls should be in place to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and allow timely preparation of financial data consistent with management assertions.

**CONDITION:**

Due to the size of the entity, cross-training and checking procedures are not in place for certain administrative functions. This condition was also cited as a material weakness in the schedule of findings and responses for the year ended December 31, 2019 as Item 2019-001.

**CAUSE:**

Responsibilities associated with individual positions limit the availability of individuals to rotate duties and implement checking procedures.

**EFFECT:**

These limitations may affect the ability to timely record, process, summarize and report financial data. Debt service and depreciation transfers were not reviewed timely. Short-lived asset accounts have not been set up. The general ledger accounts receivable balance was not balanced properly to the underlying subsidiary ledger transactions throughout the year.

**RECOMMENDATION:**

Management should strive to provide cross-training for administrative staff, implement checking processes and increase review procedures. Management should periodically review invoice and expenditures processes and documentation to help employees maintain good practices. Periodic reviews of debt service requirements should also occur. Software reports should be identified that will provide necessary information to ensure proper transaction reporting and balancing of customer accounts receivable outstanding to the general ledger.

**NORTH SHELBY WATER COMPANY  
SCHEDULE OF FINDINGS AND RESPONSES (CONTINUED)  
For the Year Ended December 31, 2020**

**B. FINDINGS - FINANCIAL STATEMENTS AUDIT (Continued)**

**GOVERNMENT AUDITING STANDARDS (Continued)**

**DEFICIENCIES IN INTERNAL CONTROL (Continued)**

**2020-001 SIZE OF ENTITY, CROSS-TRAINING, CHECKING PROCEDURES AND DOCUMENTATION  
(Continued)**

**VIEWS OF RESPONSIBLE OFFICIALS:**

We concur with the recommendation. There have been changes in reports available through the Company's billing software. Efforts will continue in identifying reports to improve transaction reporting and balancing to the general ledger. Efforts have been made to cross train employees and improve transaction documentation. The Company will continue its efforts to improve training and review associated procedures.

**2020-002 FAILURE TO PREPARE COMPLETE SET OF FINANCIAL STATEMENTS INCLUDING REQUIRED  
NOTE DISCLOSURES**

**CRITERIA:**

Internal controls should be in place to provide management with reasonable, but not absolute, assurance that financial statements and required notes are prepared in accordance with generally accepted accounting principles.

**CONDITION:**

Company financial statements, including the required disclosures, are prepared as part of the annual audit. This condition was also cited as a material weakness in the schedule of findings and responses for the year ended December 31, 2019 as Item 2019-002.

**CAUSE:**

The draft accrual basis financial statements and disclosures are prepared during the audit process. The entries are entered into the Company's general ledger/financial reports.

**EFFECT:**

Management engaged auditor assistance to prepare the draft of the financial statements, including the related notes to the financial statements. Management reviewed, approved, and accepted responsibility for the financial statements prior to their issuance.

**RECOMMENDATION:**

Company management should continue to enhance its knowledge of reporting requirements in providing oversight of this service.

**VIEWS OF RESPONSIBLE OFFICIALS:**

The outsourcing of this service is a result of management's cost benefit decision to use others' accounting expertise rather than incur internal resource costs. We concur with the recommendation and will continue to improve our overall accounting knowledge in performing our oversight responsibilities.

**COMPLIANCE**

None

# EXHIBIT

H

**North Shelby Water Company  
Estimated Annual Cost of Operation**

	<u>Audited 2020</u>	<u>Unaudited 2021</u>	<u>Projected 2022</u>	<u>Projected 2023</u>
<b>Cash Flow</b>				
Revenues	3,508,265	3,771,644	3,750,000	3,750,000
Operating Expenses	2,704,093	2,730,853	2,867,000 *	3,011,000 *
Other Income	26,829	13,965	15,000	15,000
Cash Flow Before Debt Service	<u>831,001</u>	<u>1,054,756</u>	<u>898,000</u>	<u>754,000</u>
<b>Debt Service</b>				
Existing Debt Service	408,479	400,942	400,943	400,942
Proposed Debt Service	0	0	0	0
Total Debt Service	<u>408,479</u>	<u>400,942</u>	<u>400,943</u>	<u>400,942</u>
Cash Flow After Debt Service	<u><u>422,522</u></u>	<u><u>653,814</u></u>	<u><u>497,057</u></u>	<u><u>353,058</u></u>
Debt Coverage Ratio	2.0	2.6	2.2	1.9

\* A 5% increase in overall operating expenses is projected due to general price inflation. The proposed project will have no impact on overall operating expenses. The annual cost of operation for the proposed storage tank will be equal to that of the existing tank.