

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

**In the Matter of:**

<b>ELECTRONIC APPLICATION OF</b>	)	
<b>MCCREARY COUNTY WATER DISTRICT</b>	)	
<b>FOR AUTHORIZATION TO EXECUTE A</b>	)	
<b>SUPPLEMENTAL ASSISTANCE</b>	)	
<b>AGREEMENT WITH THE KENTUCKY</b>	)	<b>CASE NO. 2022-00247</b>
<b>INFRASTRUCTURE AUTHORITY TO</b>	)	
<b>INCREASE THE AMOUNT BORROWED</b>	)	
<b>UNDER AN EXISTING ASSISTANCE</b>	)	
<b>AGREEMENT AND FOR APPROVAL OF</b>	)	
<b>CHANGES TO A PLAN OF CONSTRUCTION</b>	)	

**APPLICATION**

Pursuant to KRS 278.020, KRS 278.300 and 807 KAR 5:001, McCreary County Water District (“McCreary District”) applies to the Public Service Commission (“Commission”) for authorization to execute a supplemental assistance agreement with the Kentucky Infrastructure Authority (“KIA”) to increase the amount of an existing loan from \$3,244,500 to \$3,568,960 and to approve certain changes to its plan of construction for which the Commission issued a certificate of public convenience and necessity in Case No. 2020-00399.<sup>1</sup>

In support of its Application,<sup>2</sup> McCreary District provides the following:

---

<sup>1</sup> *Electronic Application of McCreary County Water District for Authorization to Execute an Assistance Agreement with the Kentucky Infrastructure Authority and for A Certificate of Public Convenience and Necessity to Construct the Sanitary Sewer Collection System Expansion Phase 1 Project*, Case No. 2020-00399 (Ky. PSC filed Jan. 16, 2021).

<sup>2</sup> To facilitate the Public Service Commission’s initial review of this Application, McCreary District has attached to this Application a “Filings Requirements List” that consists of five pages, lists each statutory and regulatory requirement for an application for authorization to issue evidence of indebtedness and for a certificate of public convenience and necessity, and identifies the exhibit or paragraph that satisfies the requirement. As the Commission has already issued a certificate of public convenience and necessity for the Sanitary Sewer Collection System Expansion Phase 1 Project and as McCreary District seeks only Commission approval for a change to the original construction plan, this application is not required to meet the filing requirements for an application for a certificate of public convenience and necessity.

## A. General Information

1. The full name and post office address of McCreary District is: McCreary County Water District, Post Office Box 488, Whitley City, Kentucky 42653. Its e-mail address is mcwd@highland.net.

2. Copies of all orders, pleadings and other communications related to this proceeding should be directed to:

Stephen Whitaker  
Superintendent  
Post Office Box 488  
Whitley City, KY 42653  
(270) 298-7704  
stepwhitaker@gmail.com

Gerald E. Wuetcher  
Stoll Keenon Ogden PLLC  
2100 West Vine Street, Ste 2100  
Lexington, KY 40507-1801  
(859) 231-3017  
gerald.wuetcher@skofirm.com<sup>3</sup>

3. McCreary District not a corporation, limited liability company or limited partnership. It has no articles of incorporation or partnership agreements.

4. McCreary District is a water district created under the provisions of KRS Chapter 74.

5. McCreary County Court created McCreary District pursuant to an order entered November 16, 1962. A copy of this Order and a subsequent Order modifying McCreary District's territory is attached as **Exhibit 1** of this Application.

---

<sup>3</sup> On August 4, 2022 pursuant to 807 KAR 5:001, Section 8, McCreary District notified the Commission of its election of the use of electronic filing procedures for this proceeding.

6. As of December 31, 2021, McCreary District provided retail water service to approximately 6,258 customers in McCreary County, Kentucky and had contracts to provide wholesale water service to Whitley County Water District and the City of Oneida, Tennessee.<sup>4</sup>

7. As of December 31, 2021, McCreary District provided sewer service to approximately 1,171 customers, including 887 residential customers, 162 commercial customers, five industrial customers, and 117 institutional or non-classified customers, including the United States Penitentiary McCreary, which is located at Pine Knot, Kentucky and which has a total inmate population of 1,546.<sup>5</sup> McCreary District has a serviceable population of 2,243 households and approximately 6,255 persons.<sup>6</sup>

8. On January 15, 2021, McCreary District submitted to the Commission its application for a certificate of public convenience and necessity to construct the Sanitary Sewer Collection System Expansion Project – Phase I (“the Project”) and for authorization to execute an assistance agreement with KIA to borrow \$3,244,500 to finance the Project’s cost. The Commissioner docketed this application as Case No. 2020-00399. On March 11, 2021, after reviewing the application and conducting discovery on the Project and its financing, the Commission granted the requested relief but authorized McCreary to borrow only \$3,224,500. On March 24, 2021, the Commission amended the authorized amount to \$3,244,500. The Orders of March 11, 2021 and March 24, 2021 are attached to this Application as **Exhibit 2** and **Exhibit 3** respectively.

---

<sup>4</sup> *Annual Report of McCreary County Water District to the Public Service Commission of the Commonwealth of Kentucky for Water Operations for the Calendar Year Ended December 31, 2021* (“2021 Annual Water Report”) at Ref Page 27.

<sup>5</sup> *Annual Report of McCreary County Water District to the Public Service Commission of the Commonwealth of Kentucky for Sewer Operations for the Calendar Year Ended December 31, 2021* (“2021 Annual Sewer Report”) at Ref Page 12; Federal Bureau of Prisons, <https://www.bop.gov/locations/institutions/mcr/> (last visited Aug. 4, 2022).

<sup>6</sup> Kentucky Water Resource Information System (WRIS), Waste Water System Information on McCreary County Water District, <https://wrisky.gov/portal/WwSysData/KY0097837> (last visited Aug. 4, 2022).

## **B. Proposed Modification to the Project**

9. The Project involves the expansion of McCreary District's existing sewer collection system by extending low pressure sewer force main from Stearns, Kentucky northwest along Kentucky Highway 92 to the Smithtown area of McCreary County. The Project consists primarily of: 28,750 linear feet of 1.5-inch high density polyethylene force main; 28,286 linear feet of 2-inch polyvinyl chloride ("PVC") force main; 7,185 linear feet of 3-inch PVC force main; 10,399 linear feet of 4-inch PVC force main; 17,300 linear feet of 4-inch PVC gravity sewer main; and 170 grinder pump stations.<sup>7</sup>

10. The Project is intended to provide a more reliable and sustainable sewer system for McCreary County. Soil conditions in McCreary County do not favor septic lines or septic systems and have contributed to significant septic system failures that result in contaminants leaching into the soil and the water table. The lack of a viable community wastewater system has not only resulted in environmental and public health problems but has also limited McCreary County's economic development. By eliminating straight pipes and deteriorating septic systems, the Project will protect the local environment and improve public health conditions. By making a community wastewater system available to previously unserved areas, it is expected to foster greater economic growth. The Project will also serve as the foundation for later expansions of McCreary District's collection system and is expected to strengthen the financial viability of McCreary District's sewer operations by ultimately adding 305 customers.

11. The Kentucky Division of Water ("KDOW") has reviewed the plans and specifications for the Project and has approved them with respect to sanitary features of design. A

---

<sup>7</sup> Originally 240 grinder pump stations were to be installed. McCreary District currently estimates that 170 customers will be served when the Project is substantially completed and is placed into service. It anticipates that the Project will ultimately serve 305 customers.



copy of the letter in which the KDOW states its approval is set forth as **Exhibit 4** of this Application.

12. The Kentucky Department of Highways has issued to McCreary District permits for the excavation of public rights-of-way under its jurisdiction for those portions of the Project will be located within such rights-of-way. A copy of these permits is set forth as **Exhibit 5** of this Application. Some of the Project's facilities will be located on public rights-of-way under the jurisdiction of McCreary County Fiscal Court. Evidence of McCreary County Fiscal Court's approval of the use of these rights-of-way is found as **Exhibit 6** of this Application.

13. McCreary District does not require any easements to construct force and gravity sewer mains on state and county roads. However, grinder pump stations and appurtenances necessary to connect those stations to mains on public rights-of-way will be located on the property of persons applying for service and will require an easement. McCreary District's tariff requires an applicant for service to provide an easement for all utility facilities necessary to serve that applicant. McCreary District has and will continue to require as a condition to providing service to a property that the property owner execute an appropriate easement when applying for service. After the issuance of a certificate of public convenience and necessity for the Project, McCreary District determined that the addition of a pump station was necessary to improve the system's efficiency and to allow for future growth and has purchased a small tract of land near the intersection of Kentucky Highway 701 and Harper Road on which to place the pump station.

14. A description of the location and routes of the Project's facilities is attached to this Application as **Exhibit 7**. Maps depicting these locations and routes are attached to this Application as **Exhibit 8**.<sup>8</sup>

---

<sup>8</sup> These maps reflect the Sanitary Sewer Collection System Expansion Project – Phase I as originally proposed. As a result of the bids received on the Project, the proposed facilities that are east and south of Whitley City are those that

15. The Project's original plans and specifications were attached as Exhibits 8 and 9 respectively to the Application filed in Case No. 2020-00399 and are incorporated by reference into this Application.

16. A copy of the Preliminary Engineering Report for the Project is attached to this Application as **Exhibit 9**.

17. A copy of the Final Engineering Report for the Project is attached to this Application as **Exhibit 10**.

18. The Project's total estimated cost is \$3,568,960. At the time of the submission of the Application in Case No. 2020-00399, the Project's total estimated cost was \$3,244,500. Changes in the construction plans and increases in material costs, which are address below, have resulted in the increased cost estimate. On March 30, 2021, McCreary District executed Assistance Agreement 20A-047 to borrow \$3,244,500 from KIA's Fund A Infrastructure Revolving Loan Program to finance the Project's original cost. It now proposes to enter a supplemental assistance agreement with KIA to borrow an additional \$324,450 to address the Project's increased cost.

19. In accordance with KRS Chapter 424, McCreary District caused to be published in the November 19, 2020 edition of *The McCreary County Voice* an advertisement for bids for "Sanitary Sewer Collection System Expansion Phase 1 – Contract No. 39" ("Contract"). A copy of this notice is attached to this Application as **Exhibit 11**. The Contract as advertised consisted of a base bid and two additive alternates. Six firms submitted bids in response to this notice. All combined bids for the base bid and Additive Alternatives No. 1 and No. 2 exceeded McCreary

---

were included in Additive Alternative No. 2 and will not be constructed at this time due to funding limitations. McCreary District did not request nor was it granted a certificate of public convenience and necessity in Case No. 2020-00399 for those facilities. Detailed maps of the Project's facilities can be found in the Application submitted in Case No. 2020-00399 at Exhibit 8, Sheets 3 through 32. That exhibit is incorporated by reference into this Application.

District's available funding. A copy of the certified bid tabulations is attached to this Application as **Exhibit 12**.

20. The lowest combined bids for the base bid and Additive Alternate No. 1 were a bid of \$2,609,316 from Frederick and May Construction Co, Inc. of West Liberty, Kentucky and a bid of \$2,623,071 from Flo-Line Contracting LLC of Monticello, Kentucky. Eclipse Engineering, the Project Engineer, investigated the qualifications of these firms and determined that Frederick and May Construction Co, Inc. was not properly qualified to perform the Contract and recommend that its bid be rejected. A copy of the Project Engineer's recommendation is attached to this Application as **Exhibit 13**.

21. On December 28, 2020, after considering the information that the Project Engineer provided, McCreary District's Board awarded the Contract to perform the work in the base bid and Additive Alternate No. 1 to Flo-Line Contracting LLC, subject to the issuance of a certificate of public convenience for the Project's construction and Commission authorization for McCreary District to execute an assistance agreement with KIA. A copy of the resolution of McCreary District's Board of Commissioners awarding the Contract to Flo-Line Contracting LLC is attached to this Application as **Exhibit 14**. Following the issuance of the Commission's Order of March 11, 2021 in Case No. 2020-00399, McCreary District executed a contract with Flo-Line Contracting LLC to construct the Project.

22. On March 11, 2021, the Commission issued to McCreary District a certificate of public convenience and necessity for the Project. In its Order, it directed McCreary District to obtain Commission approval prior to performing any additional construction not expressly approved.<sup>9</sup>

---

<sup>9</sup> Case No. 2020-00399, Order of March 11, 2021 at 5.

23. Construction on the Project commenced on or about May 17, 2021. The Project reached the 50 percent completion point on or about January 15, 2022 and is now approximately 80 percent completed.

24. During the course of construction, McCreary District determined that a common pump station should be constructed near the intersection of Kentucky Highway 92 and Kentucky Highway 701 to hydraulically “break” the pressure from the individual residential grinder stations and to re-pump effluent at a lower pressure to McCreary District’s treatment facility. Adding the pump station will permit McCreary District to link more customers together within a pod without building up higher system pressures.<sup>10</sup> Permitting the system to operate at a lower pressure reduces the need to purchase higher head grinder pumps to handle the higher pressures and allows for an increased number of customers to be served within a pod. The estimated cost of the pump station is \$131,500, which represents approximately 4.1 percent of the original project cost and approximately 3.7 percent of the current estimated project cost. The proposed pump station has a pumping capacity of 100 gallons per minute.

25. The plans for the proposed pump station are attached to this Application as **Exhibit 15**.

26. The KDOW has approved the addition of the pump station to the Project. See **Exhibit 20** to this Application.

---

<sup>10</sup> The sewer system extension is a low-pressure grinder pump sewer system. Instead of gravity sewer mains with manholes, this system consists individual grinder pump stations at every served building that discharge into smaller diameter lines and connect from building to building. As the number of buildings on a street are connected, the size of the main must be larger as the system is constructed or “linked” together. A group on a street or road or neighborhood is called a “pod.” A larger “pod” may consist of multiple streets or fifty or more homes combined together. This type of design has a lower cost to construct but requires an annual operation, maintenance and replacement (“OM&R”) cost as opposed to a conventional gravity sewer design which has a high initial capital cost, but a low OM&R cost. Low pressure systems or combination type designs are generally used for hilly or mountainous areas. McCreary District’s system is mostly a low-pressure system.

27. A statement of the annual cost of operation of the proposed facilities is attached to this Application as **Exhibit 16**. McCreary District originally anticipated the annual cost for the operation of the proposed facilities would be approximately \$9,600. As a result of the addition of the pump station and a smaller than expected number of persons requesting service, the estimated annual cost of operation of the Project's proposed facilities is now \$8,000.

28. The Project's facilities will not compete with other utilities' facilities. The Project's construction will not result in wasteful duplication of existing facilities and will not conflict with any existing certificates or services of any other utility operating in the area.<sup>11</sup>

### **C. Authorization to Execute A Supplemental Assistance Agreement to Assistance Agreement A20-047**

29. To finance the Project's cost, McCreary District entered an Assistance Agreement A20-047 with KIA to borrow an amount not to exceed \$3,244,500. This loan bears interest at a rate of 0.5 percent per annum and must be repaid over a period not to exceed 30 years from the date on which the Project's facilities begin operation. Interest on this loan began to accrue when McCreary District began drawing funds from KIA. It is secured by a pledge of McCreary District's revenues. KIA has agreed to forgive approximately \$450,000 of the principal amount upon release of liens on all contracts for construction of the Project's facilities and disbursement of the final draw request on assistance funds. A loan servicing fee of 0.20 percent of the outstanding loan balance will also be assessed semi-annually. A copy of the executed Assistance Agreement between KIA and McCreary District is attached to this Application as **Exhibit 17**.

30. In its Orders of March 11, 2021 and March 24, 2021 in Case No. 2020-00399, the Commission authorized McCreary District to execute Assistance Agreement A20-047.

---

<sup>11</sup> Case No. 2020-00399, Order of March 11, 2021 at 5.

31. Since the issuance of the Orders of March 11, 2020 and March 24, 2021, McCreary District has determined that an additional \$324,460 is required to complete the Project. The additional funds will be used for the following purposes:

a. **Price Escalations and Changes in Project Materials.** Due to a volatile market for materials and material shortages, the Project has experienced significant increases in material costs. These increases are reflected in Contract Change Order No. 1, which is attached to this Application as **Exhibit 18**. They are further reflected in the notices from the supplier of the Project's grinder pump stations, which are attached to this Application as **Exhibit 19**. McCreary District has also requested changes in some of the project materials to extend the life or improve the efficiency of the proposed facilities. These changes and their cost are also shown in Contract Change Order No. 1 and Contract Change Order No. 2, a copy of which is attached to this Application as **Exhibit 20**.

b. **Additional Pump Station.** The estimated cost of McCreary District's proposed pump station is \$131,500. Flo-Line Contracting LLC's proposal for the construction of the pump station is attached to this Application as **Exhibit 21**. The cost of the pump station is also reflected in Contract Change Order No. 2 (**Exhibit 20**).

c. **Contingency.** McCreary District has proposed to replenish its contingency reserve to provide for possible additional increases in material costs.

d. **Purchase of Spare Grinder Pumps.** McCreary District replaces approximately 30 grinder pump stations annually due to age and deterioration. Any remaining proceeds at the Project's completion will be used to purchase spare grinder pump stations.

32. The KDOW has reviewed and approved the proposed changes to the Project and the Project's construction contract. See **Exhibit 18** and **Exhibit 20**.

33. Under the terms of the June 14, 2020 resolution of the KIA Board of Directors approving Assistance Agreement A20-047, a copy of which is attached to this Application as **Exhibit 22**, the Executive Director of the KIA is authorized to adjust the loan amount of Assistance Agreement A20-047 by not more than ten (10) percent to reflect an increase in the Project's costs.

34. On May 4, 2022, McCreary District applied to KIA for a ten (10) percent increase in the loan amount of Assistance Agreement A20-047 to fund additional work. This request is attached to this Application as **Exhibit 23**. On June 30, 2022, KIA Executive Director approved the requested increase in the loan amount. The Conditional Commitment Letter setting forth the conditions for the increase in the loan amount is attached to this Application as **Exhibit 24**. To effectuate the increase in the loan amount, KIA and McCreary District will execute a supplemental assistance agreement that provides for the additional loan amount. **All other terms of the adjusted loan will remain unchanged.**<sup>12</sup> A copy of the debt repayment schedule for the combined loan is attached to this Application as **Exhibit 25**.

35. A description of McCreary District's sewer operations and its property, stated at original cost by accounts, is contained in *Annual Report of McCreary County Water District to the Public Service Commission of the Commonwealth of Kentucky for Sewer Operations for the Calendar Year Ending December 31, 2021* ("2021 Annual Sewer Report"), a copy of which McCreary District has previously been filed with the Commission and which is incorporated by reference into this Application.

36. McCreary District does not propose to issue any stock or bonds.

37. No proceeds from the proposed supplemental assistance agreement will be used to refund outstanding obligations.

---

<sup>12</sup> For these terms, see Paragraph 29 and Exhibit 17 of this Application.

38. A copy of McCreary District's written notification to the State Local Debt Officer is attached to this Application as **Exhibit 26**.

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

a. For the 12-month period ending December 31, 2021, McCreary District's sewer operations had less than \$5,000,000 in gross annual revenues.

b. McCreary District's *2021 Annual Sewer Report* is incorporated by reference into this Application.

c. No material changes have occurred in the financial condition of McCreary District's sewer operations since December 31, 2021.

40. There are no trust deeds or mortgages applicable.

41. A map of the area in which the Project's facilities will be located is attached to this Application as **Exhibit 8**.

42. A detailed estimate of the acquired property, arranged according to the Uniform System of Accounts for Sewer Utilities, is attached to this Application as **Exhibit 27**.

43. McCreary District's execution of the proposed supplemental assistance agreement with KIA to finance the Project's additional cost is for a lawful object within McCreary District's corporate purposes; is necessary, appropriate for and consistent with McCreary District's proper performance of its service to the public; will not impair McCreary District's ability to perform that service; and is reasonably necessary and appropriate for such purpose.

#### **D. Filing Requirements of 807 KAR 5:071**

44. Pursuant to 807 KAR 5:071, Section 3(1), the following information and materials are provided:



a. In view of its status a political subdivision of the Commonwealth of Kentucky<sup>13</sup> and longstanding Commission precedent, McCreary District has sufficient financial integrity to ensure the continuity of utility service and is not required to provide a third-party beneficiary agreement guaranteeing the continuing operation of the proposed wastewater facilities or other evidence of financial integrity.<sup>14</sup>

b. A copy of the approvals of the Project's plans and specifications can be found at **Exhibit 4**, **Exhibit 18** and **Exhibit 20** to this Application.

c. Detailed maps of the Project are attached to this Application as **Exhibit 8** and **Exhibit 15**. Additional detailed maps are found at Exhibit 7 and Exhibit 8 of the Application filed in Case No. 2020-00399.

d. A detailed estimated cost of construction including all capitalized costs is set forth in the Final Engineering Report, which is attached to this Application as **Exhibit 10**. A revised cost estimate is set forth in McCreary District's Loan Request Increase, which is attached to this Application as **Exhibit 23**.

e. For its financial exhibit, McCreary District adopts and incorporates by reference the statements set forth in Paragraph 39 of this Application.

f. McCreary District proposes to finance the Project's additional construction costs by entering a supplemental assistance agreement with KIA to borrow additional \$324,450,

---

<sup>13</sup> *Louisville Extension Water District v. Diehl Pump & Supply Co. Inc.*, 246 S.W.2d 585 (Ky.1952).

<sup>14</sup> *See, e.g., Application of Mountain Water District For An Adjustment of Water and Sewer Rates*, Case No. 2014-00342, Dec. 8, 2014); *Joint Application of Lockwood Estates and Oldham County Sanitation District for Approval of the Transfer of Wastewater Treatment Facilities Pursuant To Asset Purchase Agreement Between the Parties*, Case No. 2002-00423 (Ky. PSC Jan. 23, 2003); *The Application of Reidland Water and Sewer District for Approval of the Acquisition of Wastewater Treatment Facilities in the Green Acres Subdivision and Fieldmont Estates Subdivision*, Case No. 92-473 (Ky. PSC Dec. 18, 1992); *The Joint Application of Boone County Water and Sewer District and Public Service Utilities for the Construction of Commerce Park Package Treatment Plant*, Case No. 90-337 (Ky. PSC Apr. 24, 1991).

for a total loan amount not to exceed \$3,568,960. The details of this proposed loan are set forth in Paragraphs 29 and 34 of this Application.

g. McCreary District anticipates the approximate annual cost of operation for the Project's facilities will be \$8,000. An explanation of these costs is attached as **Exhibit 16** of this Application.

h. The Project's facilities are initially expected to serve 170 residential customers and ultimately 305 residential customers.

i. The average monthly water usage for these customers is estimated to be 4,000 gallons.

j. A depreciation schedule for the Proposed Facilities is attached to this Application as **Exhibit 28**. The *Guide for Support of Rural Water-Wastewater Systems* was consulted to determine the appropriate service life for each asset.

### **E. Requested Relief**

**WHEREFORE**, McCreary County Water District requests that the Commission:

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

2. Enter an Order

A. Incorporating by reference the record of Case No. 2020-00399 into the record of this proceeding;

B. Authorizing McCreary District to enter into and execute a supplemental assistance agreement to Assistance Agreement A20-047 to borrow from KIA an additional \$324,450, for a total loan amount of \$3,568,960;

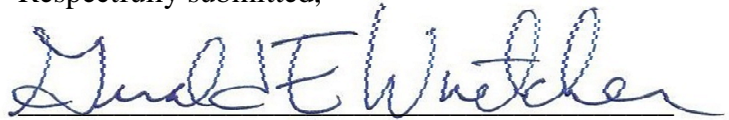
C. Approve the proposed changes to the Project that are identified in this Application;

3. Enter an Order granting the requested relief without holding an evidentiary hearing in this matter and no later **than September 11, 2022**; and,

4. Grant any and all such other relief to which McCreary District may be entitled.

Dated: August 11, 2018

Respectfully submitted,



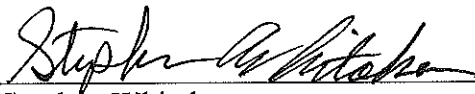
Gerald E. Wuetcher  
Stoll Keenon Ogden PLLC  
300 West Vine St. Suite 2100  
Lexington, Kentucky 40507-1801  
Telephone: (859) 231-3017  
Fax: (859) 259-3517  
gerald.wuetcher@skofirm.com

*Counsel for McCreary County Water District*

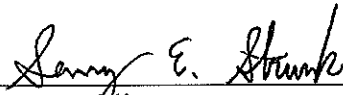
COMMONWEALTH OF KENTUCKY )  
 ) SS  
COUNTY OF MCCREARY )

The undersigned, Stephen Whitaker, being duly sworn, deposes and states that he is the Superintendent of McCreary County Water District, the Applicant in the above proceedings; that he has read this Application and has noted its contents; 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 August 11, 2022.

  
\_\_\_\_\_  
Stephen Whitaker  
Superintendent  
McCreary County Water District

Subscribed and sworn to before me by Stephen Whitaker, Superintendent, McCreary County Water District, on this August 11<sup>th</sup>, 2022.

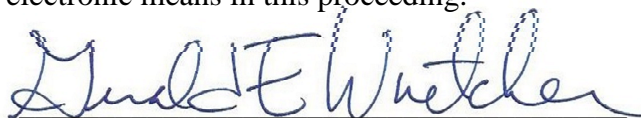
  
\_\_\_\_\_  
Notary Public

Notary ID: ~~ALMA~~ KYNP52424

My Commission Expires: MAY 25, 2026

CERTIFICATE OF SERVICE

In accordance with 807 KAR 5:001, Section 8 and the Commission's Order of July 22, 2021 in Case No. 2020-00085, I certify that this document was electronically transmitted to the Public Service Commission on August 11, 2022; and that there are currently no parties that the Commission has excused from participation by electronic means in this proceeding.

A handwritten signature in blue ink that reads "Gerald E. Wuetcher". The signature is written in a cursive style with a horizontal line underneath the name.

Gerald E. Wuetcher

## FILING REQUIREMENTS

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

Source Authority	Requirement	Location
807 KAR 5:001, § 14(1)	Applicant's name, mailing address and e-mail address	Page 2, Para 2
807 KAR 5:001, § 14(1)	Statutory Reference – KRS 278.020	Page 1
807 KAR 5:001, § 4(3)	Signature of Applicant's Attorney	Page 15
807 KAR 5:001, § 4(3)	Name, Address, Telephone Number, Fax Number, and e-mail address of Applicant's Attorney	Page 15
807 KAR 5:001, § 14(2)	If Applicant is corporation: State and date of incorporation, attestation of good standing in state of incorporation, statement regarding authorization to transact business in Kentucky	Page 2, Para 3 <b>Not Applicable</b>
807 KAR 5:001, § 14(3)	If Applicant is a limited liability company: State and date of organization, attestation of good standing in state of incorporation, statement regarding authorization to transact business in Kentucky	Page 2, Para 3 <b>Not Applicable</b>
807 KAR 5:001, § 14(4)	If the Applicant is a limited partnership: a certified copy of limited partnership agreement and all amendments or statement identifying prior Commission proceedings in which limited partnership agreement and all amendments filed	Page 2, Para 3 <b>Not Applicable</b>
807 KAR 5:001, § 15(2)(a)	The facts relied upon to show that the public convenience and necessity requires the proposed construction	Pages 4-9, Paras 9-28 Exhibits 9 and 10
807 KAR 5:001, § 15(2)(b)	Copies of franchises or permits for the proposed construction or extension	Pages 4-5, Paras 11-13 Page 8, Para 26 Exhibits 4, 5, 6, 18 and 20
807 KAR 5:001, § 15(2)(c)	A full description of the proposed location, route, or routes of the proposed construction or extension, including a description of the manner in which same will be constructed, and the names of all public utilities, corporations, or persons with whom the proposed construction or extension is likely to compete	Page 5, Para 14 Page 9, Para 28 Exhibits 7, 8, and 9

Source Authority	Requirement	Location
807 KAR 5:001, § 15(2)(d)(1)	Maps to suitable scale showing the location or route of the proposed construction or extension, as well as the location to scale of like facilities owned by others located anywhere within the map area with adequate identification as to the ownership of the other	Page 5, Para 14 Exhibits 8, 9 and 15  Exhibit 8 to Application in Case No. 2020-00399 (Incorporated by Reference)
807 KAR 5:001, § 15(2)(d)(2)	Plans and specifications and drawings of the proposed plant, equipment, and facilities	Page 6, Para 15 Page 15, Para 25 Exhibit 15  Exhibit 8 to Application in Case No. 2020-00399 (Incorporated by Reference)
807 KAR 5:001, § 15(2)(e)	The manner in detail in which the Applicant proposes to finance the proposed construction or extension.	Page 9, Para 29 Page 11, Para 34
807 KAR 5:001, § 15(2)(f)	An estimated annual cost of operation after the proposed facilities are placed into service	Page 9, Para 27 Exhibit 16
807 KAR 5:071, § 3(1)(a)	A copy of a valid third-party beneficiary agreement guaranteeing the continued operation of the sewage treatment facilities or other evidence of financial integrity such as will insure the continuity of sewage service	Page 13, Para 44(a) <b>Not Applicable</b>
807 KAR 5:071, § 3(1)(b)	A copy of a preliminary approval issued by the Division of Water Quality of the Kentucky Department for Natural Resource and Environmental Protection approving the plans and specifications of the proposed construction	Page 4, Para 11 Page 13, Para 44(b) Exhibits 4, 18, and 20
807 KAR 5:071, § 3(1)(c)	A detailed map of the sewage treatment facilities showing location of plan, effluent discharge, collection mains, manholes, and utility service area	Page 13, Para 44(c) Exhibits 8 and 15  Exhibit 8 to Application in Case No. 2020-00399 (Incorporated by Reference)
807 KAR 5:071, § 3(1)(d)	A detailed estimated cost of construction which should include all capitalized costs	Page 13, Para 44(d) Exhibit 23
807 KAR 5:071, § 3(1)(e)	A financial exhibit as described in Section 12 of 807 KAR 5:001, Section 12	Page 12, Para 39 Page 13, Para 44(e)
807 KAR 5:071, § 3(1)(f)	The manner, in detail, in which it is proposed to finance the new construction, specifically stating amount to be invested, recouped through lot sales, or contributions (to be) received, etc.	Page 9, Para 29 Page 11, Para 34 Page 13, Para 44(f)

Source Authority	Requirement	Location
807 KAR 5:071, § 3(1)(g)	An estimated cost of operation after the proposed facilities are completed	Page 14, Para 44(g) Exhibit 16
807 KAR 5:071, § 3(1)(h)	An estimate of the total number of customers to be served by the proposed sewage treatment facilities, initially and ultimately the class of customers served (i.e., residential, commercial, apartments, recreational, institutional, etc.) and the average monthly water consumption for each class of customer	Page 14, Paras 44(h) and 44(1)
807 KAR 5:071, § 3(1)(i)	A copy of the latest tax returns (federal and state, if applicable) filed by the applicant.	<b>Not Applicable</b>
807 KAR 5:071, § 3(1)(j)	A detailed depreciation schedule of all treatment plant, property and facilities, both existing and proposed, listing all major components of “package” treatment plants separately (ignore if rates not sought)	Page 14, Para 44(j) Exhibit 28
807 KAR 5:071, § 3(1)(k)	The proposed rates to be charged for each class of customers and an estimate of the annual revenues derived from the customers using the proposed rate schedules (ignore if rates not sought)	<b>Not Applicable</b>
807 KAR 5:071, § 3(1)(l)	A full and complete explanation of corporate or business relationships between the applicant and a parent or brother-sister corporation, subsidiary(ies), a development corporation(s), or any other party or business to afford the commission a full and complete understanding of the situation	<b>Not Applicable</b>
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	Exhibits 9, 10, 12, 15  Exhibits 7 and 8 to Application in Case No. 2020-00399 (Incorporated by Reference)



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

<b>Source Authority</b>	<b>Requirement</b>	<b>Location</b>
807 KAR 5:001, § 14(1)	Applicant's name, mailing address and e-mail address	Page 2, Para 2
807 KAR 5:001, § 14(1)	Statutory Reference – KRS 278.300	Page 1
807 KAR 5:001, § 4(3)	Signature of Applicant's Attorney	Page 15
807 KAR 5:001, § 4(3)	Name, Address, Telephone Number, Fax Number, and e-mail address of Applicant's Attorney	Page 15
807 KAR 5:001, § 14(2)	If Applicant is corporation: State and date of incorporation, attestation of good standing in state of incorporation, statement regarding authorization to transact business in Kentucky	Page 2, Para 3 <b>Not Applicable</b>
807 KAR 5:001, § 14(3)	If Applicant is a limited liability company: State and date of organization, attestation of good standing in state of incorporation, statement regarding authorization to transact business in Kentucky	Page 2, Para 3 <b>Not Applicable</b>
807 KAR 5:001, § 14(4)	If the Applicant is a limited partnership: a certified copy of limited partnership agreement and all amendments or statement identifying prior Commission proceedings in which limited partnership agreement and all amendments filed	Page 2, Para 3 <b>Not Applicable</b>
KRS 278.300(2)	Application is made under oath and signed on utility's behalf by its president, or by a vice president, auditor, comptroller or other executive officer having knowledge of the matters set forth and duly designated by the utility	Page 16
807 KAR 5:001, § 18(1)(a)	Information required by 807 KAR 5:001, § 14	See Above
807 KAR 5:001, § 18(1)(b)	Description of Applicant's property and the field of its operation	Page 3, Paras 6 and 7 Page 11, Para 35
807 KAR 5:001, § 18(1)(b)	Statement of original cost of Applicant's property and the cost to the Applicant, if different	Page 11, Para 35
807 KAR 5:001, § 18(1)(c)	Description of amount and kinds of stock to be issued	Page 11, Para 36 <b>Not Applicable</b>
807 KAR 5:001, § 18(1)(c)	Description of amount, terms and interest rate of bond or note	Page 9, Para 29 Page 11, Para 34
807 KAR 5:001, § 18(1)(c)	Description of how bond or note will be secured	Page 9, Para 29 Page 11, Para 34
807 KAR 5:001, § 18(1)(d)	Statement of how proceeds are to be used	Page 9, Para 29 Page 10, Para 31 Page 11, Para 34

<b>Source Authority</b>	<b>Requirement</b>	<b>Location</b>
807 KAR 5:001, § 18(1)(e)	If proceeds will be used to acquire, construct, improve, or extend property: a detailed description of property and all contracts	Page 4, Para 9 Page 10, Para 31 Exhibits 10, 12, 27 and 28
807 KAR 5:001, § 18(1)(f)	The date, amount, time, rate of interest, and payee of each note to be refunded and the purpose for which the refunded note's proceeds were used	<b>Not Applicable</b>
807 KAR 5:001, § 18(1)(g)	Applicant's written notification to state local debt officer regarding proposed issuance	Exhibit 26
807 KAR 5:001, § 18(2)(a) 807 KAR 5:001, § 12(1)	Financial Exhibit	Page 12, Para 39
807 KAR 5:001, § 18(2)(b)	Copies of trust deeds or mortgages	Page 12, Para 40 <b>Not Applicable</b>
807 KAR 5:001, § 18(2)(c)	If property acquired: maps and plans of property	Page 5, Para 14 Page 6, Para 15 Page 15, Para 25 Exhibits 8, 9 and 15  Exhibits 7 and 8 to Application in Case No. 2020-00399 (Incorporated by Reference)
807 KAR 5:001, § 18(2)(c)	If property acquired: detailed estimates by USOA account number	Page 12, Para 42 Exhibit 27

# **EXHIBITS**

**TABLE OF EXHIBITS**

<b><u>Exhibit No.</u></b>	<b><u>Description</u></b>
1	Orders of McCreary County Court Establishing McCreary County Water District and Modifying its Territory
2	Case No. 2020-00399, Order of March 11, 2021
3	Case No. 2020-00399, Order of March 24, 2021
4	Letter from Mark Rashe, P.E., Water Infrastructure Branch, Kentucky Division of Water, to Stephen Whitaker, Superintendent, McCreary County Water District, subj: Collection Expansion Ph. 1 (Oct. 23, 2020)
5	Kentucky Department of Highways Encroachment Permits
6	McCreary County Fiscal Court Resolutions Authorizing Use of County Road Right-of-Ways
7	Description of Route and Location of Proposed Facilities
8	Project Maps
9	Preliminary Engineering Report
10	Final Engineering Report
11	Newspaper Advertisement for Bids on the Original Project
12	Certified Bid Tabulations
13	Recommendation of Project Engineer
14	A Resolution of the Board of Commissioners of McCreary County Water District to Award Contract for Sanitary Sewer Collection System Expansion Project – Phase I
15	Plans for the Proposed Pump Station (Filed Separately)
16	Statement of Annual Cost of Operation of the Proposed Equipment
17	Assistance Agreement A20-047 (Executed)
18	Letter from Jory Becker, Manager, Infrastructure Branch, Kentucky Division of Water to Stephen Whitaker, Superintendent, McCreary County Water District, subj: Assistance Agreement No. 20-047 – Change Order No. 1 (June 30, 2022)

**Exhibit****No.****Description**

- 19** Letter from Tim Humble, Owner, Flo-Line Contracting LLC, subj: Sanitary Sewer Collection System Extension – Phase I (Nov. 3, 2021)
- 20** Letter from Jory Becker, Manager, Infrastructure Branch, Kentucky Division of Water to Stephen Whitaker, Superintendent, McCreary County Water District, subj: Assistance Agreement No. 20-047 – Change Order No. 2 (June 1, 2022)
- 21** Letter from Tim Humble, Owner, Flo-Line Contracting LLC, subj: Sanitary Sewer Collection System Extension – Phase I (Feb. 1, 2022)
- 22** A Resolution and Order of the Board of Directors of the Kentucky Infrastructure Authority Authorizing Issuance of a Conditional Commitment for a Federally Assisted Clean Water Revolving Fund Loan (A20-047) for an Amount Up To \$3,244,500 To the McCreary County Water District, McCreary County, Kentucky (June 4, 2020)
- 23** Loan Increase Request (May 4, 2022)
- 24** Conditional Commitment Letter (A20-047) Increase (June 30, 2022)
- 25** Debt Repayment Schedule
- 26** Notice to State Local Debt Officer
- 27** Detailed Estimate of Acquired Property, Arranged According to the Uniform Systems of Accounts for Sewer Utilities
- 28** Proposed Depreciation Schedule for Project Facilities

# **EXHIBIT 1**

Special

Term,

November

Day,

5

Day of

November

1962

McCreary County Court  
Special Term  
November 5, 1962

The said Will of John Brooks, having lain over for a period of thirty days for exceptions, none being filed same was this day approved by the Court, and same was ordered to record.

Whereupon the said Will was duly recorded on the 5 day of November 1962.

/s/ Prince L. Stephens, Judge

McCreary County Court  
Special October Term  
October , 1962

IN RE: MATTER OF THE ESTATE OF M. NEAL, DECEASED

ORDER APPOINTING ADMINISTRATRIX

On the application filed by Sallie Neal on the 29th day of October 1962, for the appointment as administratrix as required by law, administration of the estate of M. Neal, late of this county, is granted Sallie Neal, whereupon the said Sallie Neal took the necessary fiduciary's oath and qualified as required by law and filed herein the executed bond in the sum of \$1540.00, the amount fixed by the Court with Arnold Davenport as surety, all of which is approved by the Court and said administratrix shall hereafter assume the administration of the estate of M. Neal.

This 29th day of October 1962.

/s/ Prince L. Stephens, Judge

McCreary County Court

Special November Term

November 16, 1962

In Re: Order Establishing and Creating the McCreary County Water District:

In accordance with Chapter #74 of the Kentucky Revised Statutes, Section #74.010 thereof, a petition was filed with this Court on October 5, 1962, containing more than seventy-five (75) names of resident freeholders of the hereinafter described water district in McCreary County, Kentucky, and in said petition said free holders have prayed for the creation and establishment of the hereinafter water district in McCreary County, Kentucky,

The Court finds and determines that said petition has been filed in this Court more than thirty days, that a notice to the public has been given by publication in the McCreary County Record, a news paper published in McCreary County, Kentucky and in three issues of said paper, that no objections have been made to this Court against the creation and establishing of said water district and the time of more than thirty days having expired for objections, the Court finds and adjudges as follows:

1. The Court hereby sustains the allegations of the petition filed herein and by authority of the Sections of Chapter #74 of the Kentucky Revised Statutes hereby establishes a water district in McCreary County, Kentucky to be known and designated as "McCreary County Water District" and described as follows, to-wit:

## ORDERS

McCreary

COURT

Special Term, November Day, 16 Day of November 19 62

Form O-72

Beginning at a point in McCreary County, Kentucky in the center of old Highway #27 one-half mile north of Sand Hill Road and said old U. S. Highway #27 intersection and extending directly eastward for a distance of three miles; thence following a line southward and parallel to the meanders of old U. S. Highway #27 to a point two miles south of the intersection of Highway #92, east of Pine Knot, Kentucky, thence westward directly to and crossing U. S. Highway (old) #27 for a distance of three miles west of Highway #27; thence northward following a line parallel with the meanders of old U. S. Highway #27 to a point three miles directly west of the beginning point; thence turning eastward, a straight line to the beginning point, thus including an area designated as the McCreary County Water District.

In so far as this Court has authority to act, all former established water districts of McCreary County, Kentucky are hereby superseded and included in the area hereby established in the description set out herein and agreements and obligations heretofore made or entered into by reason of former water districts should be legally honored by the Commissioners hereinafter named.

The Court hereby appoints the following named as members of the McCreary County Water District, Dr. M. A. Winchester, appointed for a term of 4 years; for a term of three years, A. W. Holmes; and Eldred Musgrove for a term of 2 years who have taken oath to faithfully perform the duties of his position and executed a Bond for the faithful performance of their duties which bond is approved by the Court.

Given under my hand as Judge of McCreary County, Kentucky, this November 16, 1962.

/s/ Prince L. Stephens, Judge  
McCreary County, Kentucky

McCREARY COUNTY COURT

RE: ESTATE OF JOHN JOSEPH RILEY, DECEASED

TO: ORDER APPOINTING LORA WOOD ADMINISTRATRIX

This day came Lora Wood, in open Court, and offered to file and, was by the Court, permitted to file her petition for letters of administration and for appointment as Administratrix of the Estate of John Joseph Riley and, it being shown that Evadene Wood Riley, the surviving widow of decedent, has heretofore been declared incompetent and has never been restored, and that said surviving widow is the sole surviving heir of John Joseph Riley, deceased, it is now ordered by the Court that Lora Wood be, and she is hereby appointed Administratrix of the estate of John Joseph Riley, deceased. The said applicant, Lora Wood, being in open Court accepted said trust, executed bond in the penal sum of none required at present, with Dewey Spradlin as her surety, and took the oath of office and otherwise qualified as Administratrix of said estate, as required by law, and the bond offered by the said Lora Wood, with Dewey Spradlin as surety, is now and hereby approved by the Court, and Lora Wood having fully qualified, she is now and hereby appointed Administratrix of the estate of John Joseph Riley, deceased.

Witness my hand this 28 day of November 1962.

/s/ Prince L. Stephens, Judge  
McCreary County Court



MCCREARY COUNTY WATER DISTRICT by Eldred E. Musgrove, Chairman of Its Board of Commissioner, and R. H. Anderson and O. O. Duncan, Members of the Board.

PETITIONERS

VS.

JUDGMENT

ENLARGING THE TERRITORIAL LIMITS OF THE MCCREARY COUNTY WATER DISTRICT BY ANNEXATION.

This cause came on for a hearing on the 11th day of July, 1969, in the McCreary County Court Room at the Court House, Whitley City, Kentucky, at the hour of 10:00 A. M., with the Hon. A. W. Holmes, Judge of the McCreary County Court, presiding.

It appearing to the Court that the petition of the McCreary County Water District by Eldred E. Musgrove, Chairman of its Board of Commissioners, and R. H. Anderson and O. O. Duncan, Members of the Board, to enlarge the territorial limits of the McCreary County Water District by annexation contained a description of the territory to be annexed, set-out the reasons for said annexation and otherwise met and complied with the law setout in KRS 74.110; and it further appearing that notice of the filing of the petition, containing a description of the proposed annexation, together with a notification to the public that they had 30 days in which to file objections and exceptions to the petition, and including a notice that a hearing on the petition and upon the objections would be held at the time and place setout in the first paragraph hereof was placed in the McCreary County Record, a newspaper of general circulation in McCreary County, Kentucky, in its June 19, 17 and 24, 1969, publications, pursuant to KRS. 424.130-150 on legal notices; and it further appearing that the McCreary County Water District is located in McCreary County, Kentucky, and the territory to be annexed adjoins and encompasses said district and is located exclusively in said county and state; that no defense, objection or remonstrance has been made to the petition by anyone; and that the Court has heard the testimony of the petitioners in support of their petition for annexation that the annexation was reasonably necessard for the public health, convenience, fire protection and comfort of the residents thereof and would materially enhance the economic development of the district as a whole and would benefit and profit the owners of property and the inhabitants of the area, IT IS, THEREFORE, ORDERED AND ADJUDGED THAT:

The proposed annexation be, and it is hereby ,created, established and annexed; that the territorial limits of said annexation, which is inclusive of and contains within its perimeter the original McCreary County Water District, is described as follows:

Situate, lying and being in McCreary County, Kentucky, and more particularly described as follows:

The geographical area and political entity of McCreary County, Kentucky, and all the lands contained within its territorial boundaries.

The entire County of McCreary of the Commonwealth of Kentucky be, and is hereby, denominated as and known by its official, corporate and business name of McCreary County Water District.

Given under my hand as Judge of the McCreary County Court, this 11th of July, 1969.

/S/ A. W. Holmes

McCreary County Court

Whitley City, Kentucky.

STATE OF KENTUCKY

COUNTY OF MCCREARY

I, Carl Barnett, Clerk of the County and State aforesaid, certify that the foregoing Judgment is a true and correct copy as appears of record here in my office in

*witnessed*  
*21st day of August, 1973*

# **EXHIBIT 2**

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF MCCREARY	)	
COUNTY WATER DISTRICT FOR	)	
AUTHORIZATION TO EXECUTE AN	)	
ASSISTANCE AGREEMENT WITH THE	)	
KENTUCKY INFRASTRUCTURE AUTHORITY	)	CASE NO.
AND FOR A CERTIFICATE OF PUBLIC	)	2020-00399
CONVENIENCE AND NECESSITY TO	)	
CONSTRUCT THE SANITARY SEWER	)	
COLLECTION SYSTEM EXPANSION PHASE	)	
1 PROJECT	)	

ORDER

On January 16, 2021, McCreary County Water District (McCreary District) filed an electronic application, pursuant to KRS 278.020 and KRS 278.300, for the issuance of a Certificate of Public Convenience and Necessity (CPCN) to construct extensions to its sewer collection system and for approval of its plan to finance the proposed project. McCreary District proposes to finance the project by requesting to borrow \$3,224,500 from the Kentucky Infrastructure Authority (KIA). McCreary District responded to one round of discovery. No party has sought intervention in this matter. McCreary District has not requested a hearing. The record for this case is complete, and the matter stands ready for a decision.

McCreary District, a water district organized under KRS Chapter 74, provides retail water service to approximately 6,148<sup>1</sup> water customers in McCreary County, Kentucky.<sup>2</sup>

---

<sup>1</sup> *Annual Report of McCreary County Water District for the Year Ended December 31, 2019* at 49.

<sup>2</sup> *Id.* at 12.

McCreary District also provides sewer collection service to approximately 1,142 customers in McCreary County, Kentucky.<sup>3</sup>

McCreary District is requesting a CPCN to extend its existing sewer system from Stearns, Kentucky, northwest along Kentucky Highway 92 to the Smithtown area of McCreary County, through the installation of 28,750 linear feet of 1.5-inch high density polyethylene force main; 28,286 linear feet of 2-inch polyvinyl chloride (PVC) force main; 7,185 linear feet of 3-inch PVC force main; 10,399 linear feet of 4-inch PVC force main; 17,300 linear feet of 4-inch PVC gravity sewer main; and 240 grinder pump stations.<sup>4</sup> McCreary District states that construction of the proposed facilities will provide a more reliable, sustainable sewer system for the southern industrial and residential section of McCreary County.<sup>5</sup> McCreary District also avers the construction will serve to protect the local environment and improve public health conditions through the elimination of straight pipes and deteriorating septic systems, as well as provide the infrastructural foundation for later expansions of the collections system and increase the economic viability of the sewer operations by the addition of approximately 305 customers.<sup>6</sup>

The total capital cost of the proposed project is approximately \$3,224,500.<sup>7</sup> McCreary District states that it will finance the proposed project with a \$3,224,500 loan from KIA. The proposed KIA loan will mature over a 30-year term, at an interest rate of

---

<sup>3</sup> *Annual Report of McCreary County Water District for Sewer Operations for the Year Ended December 31, 2019* at 36.

<sup>4</sup> Application at 3–4.

<sup>5</sup> *Id.* at 4.

<sup>6</sup> *Id.*

<sup>7</sup> Application, Exhibit 11 (Final Engineering Report).

0.5 percent per annum commencing with the first draw of funds.<sup>8</sup> KIA will forgive approximately \$450,000 of the principal amount of the loan upon release all of the contractor liens and upon the final disbursement of the assistance funds.<sup>9</sup>

In Case No. 2020-00151,<sup>10</sup> the Commission ordered McCreary District to file an application for a general rate adjustment pursuant to 807 KAR 5:001, Section 16, or an application for an alternative rate adjustment pursuant to 807 KAR 5:076 by June 25, 2021, to ensure its revenue is sufficient to support adequate and reliable service.<sup>11</sup> In its response to Commission Staff's First Request for Information, Item 3, McCreary District provided an Excel spreadsheet that provided the debt service coverage using the coverage method most commonly accepted by the Commission for the calendar years 2017 through 2019 for its sewer operations, which revealed a negative debt service for all three years regardless of the inclusion of depreciation.<sup>12</sup> McCreary District additionally stated in its response that compliance with the debt resolutions for its lenders regarding the debt service is based upon the combined performance of both McCreary District's water and sewer divisions.<sup>13</sup> The Commission is concerned that while McCreary District may be in compliance with the debt requirements of its lenders, cross subsidization of

---

<sup>8</sup> *Id.* at 7.

<sup>9</sup> *Id.*

<sup>10</sup> Case No. 2020-00151, *Electronic Application of the McCreary County Water District to Issue Securities in the Approximate Principal Amount of \$1,702,000 for the Purpose of Refunding Certain Outstanding Obligations of the District and Refinancing of a Short Term Obligation Pursuant to the Provisions of KRS 278.300 and 807 KAR 5:001* (Ky. PSC June 26, 2020).

<sup>11</sup> *Id.* at 6.

<sup>12</sup> McCreary District's Response to Commission Staff's First Request for Information (filed Feb. 19, 2021), Item 3.

<sup>13</sup> *Id.*

rates may be occurring between its sewer and water operating divisions. Pursuant to the Order entered in Case No. 2020-00151, the Commission finds that McCreary District should still file an application for a general rate adjustment which includes financial data for both the sewer and water division pursuant to KRS 278.190 and 807 KAR 5:001, Section 16, or an application for an alternative rate adjustment pursuant to 807 KAR 5:076 by June 25, 2021.

Having reviewed the evidence of record and being otherwise sufficiently advised, the Commission finds that:

1. The proposed construction will not result in wasteful duplication of existing facilities.
2. The proposed construction does not conflict with any existing certificates or services of any other utility operating in the area.
3. Public convenience and necessity require the proposed construction, which will allow McCreary District to provide reliable and adequate sewer collection service to its customers.
4. Kentucky Department of Water has approved the plans and specifications for this proposed project.
5. The proposed loan with KIA is necessary, is appropriate for, and consistent with the proper performance of McCreary District's service to the public and will not impair McCreary District's ability to perform that service, and is reasonably necessary and appropriate for such purpose.
6. The project will be funded by a KIA Loan of \$3,224,500.

7. McCreary District should be authorized to utilize \$3,224,500 of the Assistance Agreement on the project approved herein.

8. McCreary District's application does not include a proposal to adjust rates.

IT IS THEREFORE ORDERED that:

1. McCreary District is granted a CPCN to construct the proposed project as set forth in the application.

2. McCreary District's proposed plan for obtaining financing is approved.

3. McCreary District shall obtain approval from the Commission prior to performing any additional construction not expressly approved by this Order.

4. McCreary District shall require construction to be inspected under general supervision of a licensed professional engineer with a Kentucky registration in civil or mechanical engineering to ensure that the construction work is done in accordance with the contract drawings and specifications and in conformance with best practices of the construction trades involved in the project.

5. McCreary District is authorized to enter the proposed Assistance Agreement with KIA and, under the terms of the Assistance Agreement, to borrow an amount not to exceed \$3,224,500 to be repaid over 30 years from the date of the last draw of funds at the rate of 0.5 percent per annum commencing with the first draw of funds.

6. The proceeds of the KIA Loan shall be used only for the purposes specified in McCreary District's application.

7. McCreary District shall file with the Commission documentation of the total cost of the project within 60 days of the date that construction authorized under this CPCN

is substantially completed. Construction costs shall be classified into appropriate plant accounts in accordance with the Uniform System of Accounts for water utilities prescribed by the Commission.

8. McCreary District shall file a copy of the “as-built” drawings and a certified statement that the construction has been satisfactorily completed in accordance with the contract plans and specifications within 60 days of the substantial completion of the construction authorized under this CPCN.

9. Any documents filed in the future pursuant to ordering paragraphs 3, 7, and 8 shall reference this case number and shall be retained in the post-case correspondence file.

10. The Executive Director is delegated authority to grant reasonable extensions of time for filing any documents required by this Order upon McCreary District’s showing of good cause for such extension.

11. This case is closed and removed from the Commission’s docket.

Nothing contained herein shall be deemed a warranty or finding of value of securities or financing authorized herein on the part of the Commonwealth of Kentucky, or any agency thereof.



By the Commission



ATTEST:

A handwritten signature in blue ink, appearing to read "Linda C. Bidwell". The signature is written in a cursive style and is positioned above a horizontal line.

Executive Director

Case No. 2020-00399

# **EXHIBIT 3**

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF MCCREARY	)	
COUNTY WATER DISTRICT FOR	)	
AUTHORIZATION TO EXECUTE AN	)	
ASSISTANCE AGREEMENT WITH THE	)	
KENTUCKY INFRASTRUCTURE AUTHORITY	)	CASE NO.
AND FOR A CERTIFICATE OF PUBLIC	)	2020-00399
CONVENIENCE AND NECESSITY TO	)	
CONSTRUCT THE SANITARY SEWER	)	
COLLECTION SYSTEM EXPANSION PHASE 1	)	
PROJECT	)	

ORDER

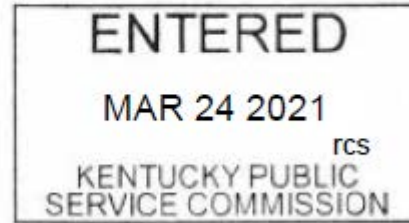
On March 11, 2021, the Commission issued an Order approving McCreary County Water District's (McCreary District) application to execute an Assistance Agreement with the Kentucky Infrastructure Authority (KIA) to fund a construction project for which a Certificate of Public Convenience and Necessity was also granted. The amount authorized in the Order was not to exceed \$3,224,500. On March 18, 2021, McCreary District filed a motion requesting the Commission amend its Order of March 11, 2021, to restate the amount of the authorized loan from the KIA to \$3,244,500. In support of the motion, McCreary District stated that the actual proposed loan amount of \$3,244,500 appeared in several places throughout the application, and the erroneous amount of \$3,224,500 approved in the Commission's Order appeared on the first page of McCreary District's application.

Finding that the March 11, 2021 Order should be amended, the Commission  
HEREBY ORDERS that:

1. This case is reopened for the limited purpose of addressing McCreary District's March 18, 2021 motion.
2. McCreary District's March 18, 2021 motion is granted.
3. The Order of March 11, 2021, is amended to authorize McCreary District to enter the proposed Assistance Agreement with KIA for an amount not to exceed \$3,244,500.
4. All other provisions of the Commission's March 11, 2021 Order that are not in conflict with the terms of this Order shall remain in effect.
5. This case is now closed and removed from the Commission's docket.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

By the Commission



ATTEST:

A handwritten signature in blue ink that reads "Linda C. Ludwell". The signature is written in a cursive style and is positioned above a horizontal line.

Executive Director

Case No. 2020-00399

# **EXHIBIT 4**



**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

October 23, 2020

Mr. Stephen Whitaker  
McCreary County Water District  
456 North Highway 27  
Whitley City, KY 42653

RE: Collection Expansion Ph 1  
A20-047  
McCreary County, KY  
McCreary Co WWTP  
AI #: 3089, FGL20200005

Dear Mr. Whitaker:

The Kentucky Division of Water (DOW) has reviewed for completeness and adequacy the construction plans and specifications submitted for the above referenced contract. The DOW now approves these plans and specifications with respect to sanitary features of design in accordance with the requirements contained in the attached construction permit. The plans consist of 14,099 feet of 4-inch, 18,901 feet of 3-inch, and 47,610 feet of 2-inch PVC force main including eighty-seven (87) flushing connections and fifty-three (53) air release valves; 1,176 feet of 6-inch and 8-inch HDPE directional bore; 50,250 feet of 1 ½-inch HDPE force service line, 12,000 feet of 4-inch PVC sewer laterals, and four hundred and fourteen (414) grinder pump stations capable of 8 GPM @ 172 TDH including the pump stations and grinder check valve assemblies. The approval conditions and a list of eligible/ineligible items are enclosed. Please note that ineligible items cannot be funded using State Revolving Fund (SRF) monies, and must be paid by other funding sources.

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

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

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

Collection System Expansion Ph 1  
A20-047  
McCreary Co WWTP  
AI #: 3089, FGL20200005  
October 23, 2020  
Page 2 of 3

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

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

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

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

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

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

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

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

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

You are cautioned that the advertisement and award of this contract will be subject to the laws and regulations that govern the State Revolving Fund (SRF) and to the conditions of your loan agreement. If we can be of further assistance, please call David Coe, Project Engineer, at (502) 782-6296.



Collection System Expansion Ph 1  
A20-047  
McCreary Co WWTP  
AI #: 3089, FGL20200005  
October 23, 2020  
Page 3 of 3

Sincerely,



---

Mark Rasche, P.E.  
Water Infrastructure Branch  
Division of Water

MR:DRC  
Enclosures

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

C: Monarch Engineering, Inc.  
Kentucky Infrastructure Authority  
Cabinet for Economic Development  
McCreary County Health Department  
Division of Plumbing

A20-047  
McCreary County Water District

**SRF ELIGIBLE ITEMS:**

Contract No A20-047 Collection System Expansion:

All items 1-14 in the bid schedule are SRF eligible.

**SRF INELIGIBLE ITEMS:**

Contract No A20-047 Collection System Expansion:

None of the items 1-14 in the bid schedule are SRF in-eligible.

**APPROVAL CONDITIONS:**

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

# PROJECT REVIEW AND COST SUMMARY

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

DRINKING WATER SRF

CLEAN WATER SRF

## SECTION 1.

1. Project Name \_\_\_\_\_ Project Number \_\_\_\_\_

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

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

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

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

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

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

## SECTION 2.

Date Bids Opened: \_\_\_\_\_ Date Bids Expire: \_\_\_\_\_

1. The following items should be submitted to DOW after bid opening:
  - a) Executed Project Review & Cost Summary Form (this form).
  - b) Revised (As-bid) Budget (form attached).
  - c) Original bid advertisement or copy of advertisement with affidavit of publication.
  - d) Certified Bid Tabulations with engineer's seal.
  - e) Davis-Bacon ATA Certification form (with Project Wage Rate Sheet HUD-4720 form).
  - g) Clear Site Certificates.
  - h) DBE Documentation (See Attachment No. 11 of the Supplemental General Conditions (SGC)):
    - (1) Disadvantaged Business Enterprise Participation Policy form from the successful low bidder with DBE certifications and executed subcontracts with DBEs or letters of intent signed by both parties; and documentation on the level of effort taken

to obtain DBEs including copies of correspondence with DBE contractors, requesting quotes and copies of any advertisements soliciting DBE contractors, copies of returned envelopes and certified mail receipts, telephone log, etc.

(2) Bidder's List Form from recipient and successful bidder.

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

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

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

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

4. **Comments:** \_\_\_\_\_

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

\_\_\_\_\_  
Signature of Authorized Representative

\_\_\_\_\_  
Date

\_\_\_\_\_  
Print Name and Title

# SRF Project Cost Summary

Project Title: \_\_\_\_\_ WRIS#: \_\_\_\_\_

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

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

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

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

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

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

**Sewer Line Construction**  
McCreary Co WWTP  
Facility Requirements

Activity ID No.:APE20200003

## Submittal/Action Requirements:

Condition No.	Item ID	Condition
S-1	GACT7 (Collection System Expansion Ph 1)	When this project is completed, the applicant shall submit written certification: Due 30 calendar days after completion of Construction to the Division of Water that the facilities have been constructed and tested in accordance with the approved plans and specifications and the approval conditions. Such certification shall be signed by a registered professional engineer. Failure to certify may result in penalty assessment and/or future approvals being withheld. [401 KAR 5:005 Section 24(2)]

**Sewer Line Construction**  
McCreary Co WWTP  
Facility Requirements

Activity ID No.:APE20200003

## Narrative Requirements:

Condition No.	Item ID	Condition
T-1	GACT7 (Collection System Expansion Ph 1)	The plans and specifications submitted for the project are approved by the Department of Environmental Protection as to sanitary features, subject to the requirements contained within the permit. [401 KAR 5:005 Section 24(3)]
T-2	GACT7 (Collection System Expansion Ph 1)	Authority to construct these sewers is hereby granted. This approval is issued under the provisions of KRS Chapter 224.10-100 (19) regulations promulgated pursuant thereto. Issuance of this permit does not relieve the permittee from the responsibility of obtaining any permits or licenses required by this cabinet and other state, federal, and local agencies. [401 KAR 5:005 Section 24(3)(c)2]
T-3	GACT7 (Collection System Expansion Ph 1)	A permit to construct a facility shall be effective and valid for twenty-four (24) months upon issuance unless otherwise conditioned. If construction has not commenced within twenty-four (24) months following a permit's issuance, a new permit shall be obtained before construction may begin. [401 KAR 5:005 Section 24(1)]
T-4	GACT7 (Collection System Expansion Ph 1)	The permit is issued to the applicant, and the permittee shall remain the responsible party for compliance with all applicable statutes and administrative regulations until a notarized applicable change in ownership certification is submitted and the transfer of ownership is acknowledged by the cabinet. [401 KAR 5:005 Section 28(1)]
T-5	GACT7 (Collection System Expansion Ph 1)	The issuance of a permit by the cabinet does not convey any property rights of any kind or any exclusive privilege. [401 KAR 5:005 Section 24(5)]
T-6	GACT7 (Collection System Expansion Ph 1)	There shall be no deviations from the plans and specifications submitted with the application or the conditions specified, unless authorized in writing by the cabinet. [401 KAR 5:005 Section 24(3)(b)1]

**Sewer Line Construction**  
McCreary Co WWTP  
Facility Requirements

Activity ID No.:APE20200003

## Narrative Requirements:

Condition No.	Item ID	Condition
T-7	GACT7 (Collection System Expansion Ph 1)	<p>For subfluvial pipe crossings, a floodplain construction permit will not be required pursuant to KRS 151.250, if the following requirements of 401 KAR 4:050 Section 2 are met:</p> <ol style="list-style-type: none"><li>1) During the construction of the crossing, no material may be placed in the stream or in the flood plain of the stream to form construction pads, coffer dams, access roads, etc., unless prior approval has been obtained from the cabinet.</li><li>2) The trench shall be backfilled as closely as possible to the original contour. All excess material from construction of the trench shall be disposed of outside of the flood plain, unless the applicant has received prior approval from the cabinet to fill within the flood plain.</li><li>3) For subfluvial crossings of erodible channels, there shall be at least thirty (30) inches of clear cover above the top of the pipe or conduit at all points.</li><li>4) For subfluvial crossings of nonerodible channels, there shall be at least six (6) inches of clear cover above the top of the pipe or conduit at all points, and the pipe or conduit shall be encased on all sides by at least six (6) inches of concrete.</li><li>5) The weight of a pipe and its contents during normal operating conditions at all points must exceed that of an equal volume of water, or the applicant must provide the division with sufficient information to show that the pipe and joints have sufficient strength.</li></ol>
T-8	GACT7 (Collection System Expansion Ph 1)	<p>Contact the Floodplain Management Section of the Surface Water Permits Branch at (502) 564-3410 with any question on these requirements. [KRS 151.250 &amp; 401 KAR 4:060]</p> <p>If any portion of the sewer project will be constructed in or along a stream or wetland, contact the Water Quality Certification Section, located within the Water Quality Branch, at 502-564-3410, to determine if a 401 certification will be required. [KRS 224.16-050]</p>
T-9	GACT7 (Collection System Expansion Ph 1)	<p>Facilities shall be designed and constructed in accordance with the "Recommended Standards for Wastewater Facilities" of the Great Lakes-Lipper Mississippi River Board of State Public Health and Environmental Managers, commonly referred to as "Ten States' Standards", 2004 edition. [401 KAR 5:005 Section 7(1)(a)]</p>



**Sewer Line Construction**  
McCreary Co WWTP  
Facility Requirements

Activity ID No.:APE20200003

## Narrative Requirements:

Condition No.	Item ID	Condition
T-10	GACT7 (Collection System Expansion Ph 1)	Gravity sewer lines and force mains shall be designed and constructed to give mean velocities, when flowing full, of not less than two (2) feet per second. Velocity calculations shall incorporate roughness coefficients pursuant to 401 KAR 5:005 Section 8(8). [401 KAR 5:005 Section 8(8)]
T-11	GACT7 (Collection System Expansion Ph 1)	Sewer line pipe material, joints, fittings, and installation shall conform to the latest ASTM specifications. [Ten States (WW) 33.7-33.9]
T-12	GACT7 (Collection System Expansion Ph 1)	Gravity sewer lines and force mains shall have a minimum of thirty (30) inches of cover or provide comparable protection. [401 KAR 5:005 Section 8(9)]
T-13	GACT7 (Collection System Expansion Ph 1)	Sewer lines crossing water mains shall be laid to provide a vertical distance of eighteen (18) inches between the outside of the water main and the outside of the sewer line. This shall be the case where the water main is either above or below the sewer line. The crossing shall be arranged so that the sewer line joints are equidistant and as far as possible from the water main joints. Where a water main crosses under a sewer, adequate structural support shall be provided for the sewer line to prevent damage to the water main. [Ten States (WW) 38.32]
T-14	GACT7 (Collection System Expansion Ph 1)	Sewer lines shall be laid at least ten (10) feet horizontally from any existing or proposed water main. The distance shall be measured from edge to edge. [Ten States (WW) 38.31]
T-15	GACT7 (Collection System Expansion Ph 1)	If gravity sewer lines and force mains are to be constructed in fill areas, the fill areas shall be compacted to ninety-five (95) percent density as determined by the Standard Proctor Density test or to a minimum of ninety (90) percent density as determined by the Modified Proctor Density test prior to the installation of the sewer lines. [401 KAR 5:005 Section 8(10)]

**Sewer Line Construction**  
McCreary Co WWTP  
Facility Requirements

Activity ID No.:APE20200003

## Narrative Requirements:

Condition No.	Item ID	Condition
T-16	GACT7 (Collection System Expansion Ph 1)	An audible and visible alarm shall be provided at any proposed wastewater pump station. [Ten States (WW) 46]
T-17	GACT7 (Collection System Expansion Ph 1)	All proposed pump station wetwells shall be sized such that, based on the average flow, the time to fill the wetwell from the pump-off elevation to the pump-on elevation shall not exceed thirty (30) minutes. [401 KAR 5:005 Section 8(6)]
T-18	GACT7 (Collection System Expansion Ph 1)	All pump stations shall provide a minimum of two (2) hours of detention time, based on the average design flow, above the high level alarm elevation or provide an alternate source of power with wetwell storage providing sufficient time for the alternate power source to be activated. [401 KAR 5:005 Section 8(18)]
T-19	PORT47 (Collection System Expansion Ph 1)	The integrity of any proposed force main shall be verified by leakage tests. The specifications shall include testing methods and leakage limits. [401 KAR 5:005 Section 8(6)(b)]
T-20	PORT47 (Collection System Expansion Ph 1)	Each high point in the sewer force main shall have an automatic air release valve. [401 KAR 5:005 Section 8(19)]
T-21	PORT47 (Collection System Expansion Ph 1)	Adequate thrust blocks shall be provided at all significant bends in any proposed sewer force main, in order to prevent movement of the main. [Ten States (WW) 49.4]

**Sewer Line Construction**  
McCreary Co WWTP  
Facility Requirements

Activity ID No.:APE20200003

**Narrative Requirements:**

Condition No.	Item ID	Condition
T-22	PORT48 (Collection System Expansion Ph 1)	Pumps and force mains handling raw wastewater shall be capable of passing spheres of at least three (3) inches in diameter. Pump suction and discharge openings, as well as sewer force main pipe, shall be a minimum of four (4) inches in diameter. The above requirements do not apply to grinder pump stations or force mains directly connected to grinder pump stations. [Ten States (WW) 42.33, 49.1]
T-23	PORT48 (Collection System Expansion Ph 1)	A simplex design shall be used only for pump stations which serve an individual residence or business, and a spare pump shall be available for immediate installation. [401 KAR 5:005 Section 8]

# **EXHIBIT 5**



COMMONWEALTH OF KENTUCKY  
TRANSPORTATION CABINET

transportation.ky.gov

Andy Beshear  
GOVERNOR

Jim Gray  
SECRETARY

McCreary County Water District  
456 North Hwy 27  
Whitley City, KY 42653

Subject: McCreary County  
KY 92  
MP 074-0092-13.1  
Permit: 08-2020-00306

Dear Sir:

The attached is your copy of the approved encroachment permit application. One copy is to be submitted to your contractor. This permit is to remain on the project until the permitted work is complete.

You are to shape and seed any disturbed areas on the State's right of way. All work and materials are to comply with the Department's Standard Specification for Road and Bridge Construction- 2019 Edition. Signs, barricades, lights, etc. if required, are to be installed in accordance with the Manual on Uniform Traffic Control Devices.

Please notify this office when permitted work begins. When work has been completed, the Notice of Completion of Encroachment Permit Work must be completed and returned so an inspection can be made by personnel from this office. If all work has been completed satisfactorily, your indemnity will then be released.

Yours truly,

*Adam Dixon*

Adam Dixon, P.E.  
Transportation Engineer I  
District 8- Somerset

12/8/2020  
Date

JJ/cm



Kentucky Transportation Cabinet  
 Department of Highways  
 Division of Maintenance  
 Permits Branch

TC 99-1 (B)  
 07/2018  
 Page 1 of 1

**ENCROACHMENT PERMIT**

**KYTC KEPT #:** 08-2020-00306

---

**Permittee:** McCreary County Water District

---

**Permit Type / Subtype:** Utilities / Sewer

---

**Work Completion Date:** 9/3/2021

---

INDEMNITIES		
Type	Amount Required	Tracking Number
Performance Bond	\$0.00	
Cash / Check	\$0.00	
Self-Insured	\$0.00	
Payment Bond	\$0.00	
Liability Insurance	\$0.00	

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

Adam Dixon	D8 Permits	12/10/2020
<b>SIGNATURE</b>	<b>TITLE</b>	<b>DATE</b>

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

LOCATION(S)			
Description	County - Route	Latitude	Longitude
	McCreary - KY 1651	36.681541	-84.461110
	McCreary - KY 701	36.705621	-84.494944
	McCreary - KY 92	36.709200	-84.512003



To Submit a Locate Request  
 24 Hours a Day, Seven Days a Week:  
 Call 811 or 800-752-6007

Kentucky Transportation Cabinet – District 8  
Permit No. 08-2020-00306

Applicant to parallel underground left of KY 92 from mile point 13.1 to 13.2 and right from mile points 13.3 to 13.5 and 13.55 to 15.25 in McCreary County with 4 inch sewer line as per attached plans and encroachment terms.

Applicant to parallel underground left of KY 701 from mile point 0.15 to 1.0 in McCreary County with a 4 inch sewer line as per attached plans and encroachment terms.

Applicant to parallel underground left of KY 1651 from mile points 2.25 to 4.85 in McCreary County with a 4 inch sewer line as per attached plans and encroachment terms.

Applicant to bore across KY 92 at mile point 13.1, 13.2, 13.5, 13.55, 13.65, 13.95, 14.55, 14.95, 15.05, 15.15, and 15.25 in McCreary County for a 2, 3, and 4 inch sewer line with 4, 6, and 8 inch encasements as shown on attached plans, encroachment terms, and Typical Highway Boring Detail.

Applicant to bore across KY 701 at mile points 0.15, 0.8 1.08 and 1.1 in McCreary County for a 2, 3, and 4 inch sewer line with 4, 6, and 8 inch encasements as shown on attached plans, encroachment terms, and Typical Highway Boring Detail.

Applicant to bore across KY 1651 at mile points 2.25, 2.6, 2.8, 2.95, 3.15, 3.25, 3.75, 3.95, and 4.85 in McCreary county for a 2, 3, and 4 inch sewer line with 4, 6, and 8 inch encasement pipes as shown on attached plans, encroachment terms, and Typical Highway Boring Detail.

Locations where utility line crosses paved or concrete driveways, the utility line shall be bored to prevent disturbance to the driving surface unless prior written approval is obtained from the property owners.

Underground utility crossing shall be constructed with 42 inches of cover from the top of the pipe to the low spot of the ditch or toe of slope as shown on the attached Typical Highway Boring Crossing Detail.

Parallel utility lines shall be constructed between back of slope of ditch line or toe of slope and the right of way line and shall have a minimum of 42 inches cover above the top of pipe or conduit.

Roadway drainage shall be maintained at all times, with silt checks placed in the roadway ditch where needed and near the inlet of all culvert and entrance pipe to control erosion and prevent silt from settling inside of pipe.

No change shall be made contrary to this permit and the applicant's plans without first notifying and being approved by the Permit Engineer.

Construction of the utility shall not interfere with any construction or maintenance operations of the Kentucky Transportation Cabinet.

All work and materials shall meet or exceed the Kentucky Department of Highways Standard Specifications.

All disturbed portions of the right-of-way are to be restored to grass as per Kentucky Department of Highways Standard Specifications for Road and Bridge Construction, 2019 edition. A satisfactory turf, as determined by the Department, is to be established by the permittee prior to release of indemnity.

The minimum rate of application for seeding and protection method II per 1,000 square feet shall be applied as follows:

2.5 lbs of seed mixture  
12 lbs of 20-10-10 fertilizer  
150 lbs of agricultural limestone

Work area within the Kentucky Department of Highways right of way shall be signed and flagged in accordance to the Manual on Uniform Traffic Control Devices before any work is to begin on the Kentucky Department of Highways right of way.

Contractor's equipment or other vehicles shall not be permitted to park on the roadway shoulders during the construction of this project without compliant traffic control.

This permit will be terminated and work will stop immediately at anytime the Department of Highways discovers or is notified of any unsafe or hazardous condition until corrections have been made.





## ENCROACHMENT PERMIT GENERAL NOTES & SPECIFICATIONS

Permit No. 08-2020-00306

### I. SAFETY

#### A. General Provisions

- All signs and control of traffic shall be in accordance with the Manual on Uniform Traffic Control Devices for Streets and Highways, latest edition, Part VI, and safety requirements shall comply with the Permits Manual.
- All work necessary in shoulder or ditch line areas of a state highway shall be scheduled to be promptly completed so that hazards adjacent to the traveled way are kept to an absolute minimum.
- No more than one (1) traveled-lane shall be blocked or obstructed during normal working hours. All signs and flaggers during lane closure shall conform to the Manual on Uniform Traffic Control Devices.
- When necessary to block one (1) traveled-lane of a state highway, the normal working hours shall be as directed by the Department. No lanes shall be blocked or obstructed during adverse weather conditions (rain, snow, fog, etc.) without specific permission from the Department. Working hours shall be between 8:30 AM and 4:00 PM
- The traveled-way and shoulders shall be kept clear of mud and other construction debris at all times during construction of the permitted facility.
- No nonconstruction equipment or vehicles or office trailers shall be allowed on the right of way during working hours.
- The right of way shall be left free and clear of equipment, material, and vehicles during non-working hours.

#### B. Explosives

- No explosive devices or explosive material shall be used within state right of way without proper license and approval of the Kentucky Department of Mines and Minerals, Explosive Division.

#### C. Other Safety Requirements

- All workers must wear OSHA conforming personal protection items at all times when work is performed on the KYTC right of way. All traffic control must conform to the latest edition of the Manual on Uniform Traffic Control Devices

### II. UTILITIES \* Applies to Fully Controlled Access Highways ONLY

- \*All work necessary within the right of way shall be performed behind a temporary fence erected prior to a boring operation.
- \*The temporary woven wire fence shall be removed immediately upon completion of work on the right of way, and the control of access immediately restored to original condition, in accordance with applicable Kentucky Department of Highways Standard Drawings.
- \*All vents, valves, manholes, etc., shall be located outside of the right-of-way.
- \*Encasement pipe shall extend from right-of-way line to right-of-way line and shall be one continuous run of pipe. The encasement pipe shall be welded at all joints.
- The boring pit and tail ditch shall extend past the existing toe of slope or bottom of ditch line and shall be a minimum of 42 inches deep.

**II. UTILITIES (Continued)**

- Encasement pipe shall conform to current standards for highway crossings in accordance with the Permits Manual.
- Parallel lines shall be constructed between back slope of ditch line and right-of-way line and shall have a minimum of 42-inch cover above top of pipe or conduit.
- All pavement cuts shall be restored per attached encroachment terms.
- Aerial crossing of this utility line shall have a minimum clearance of \_\_\_\_\_ feet from the high point of the roadway to the low point of the line (calculated at the coefficient for expansion of 120 degrees Fahrenheit).
- The 30-foot clear zone requirement shall be met to the extent possible in accordance with the Permits Manual.
- Special requirements:

**III. GENERAL**

**A. OSHA**

- Kentucky Occupational Safety and Health Standards for the construction industry, which has the effect of law, states in part: (Page 52, 1926.651, Specific Excavation Requirements) "Prior to opening an excavation, effort shall be made to determine whether underground installations, (sewer, telephone, water, fuel, electric lines, etc.) will be encountered, and if so, where such underground installations are located. When the excavation approaches the estimated location of such an installation, the exact location shall be determined, and when it is uncovered, proper supports shall be provided for the existing installation. Utility companies shall be contacted and advised of proposed work prior to the start of actual excavation."

**B. Archaeological**

- Whenever materials of an archaeological nature are discovered during the course of construction work or maintenance operations, contact shall be made immediately with the Division of Environmental Analysis, which maintains an archaeologist on staff, or with the Office of the State Archaeologist located at the University of Kentucky. Following this consultation, further action shall be decided on a case-by-case basis by the State Highway Engineer or the Transportation Planning Engineer or their designated representative.

**C. Utilities in the Work Areas**

- The permittee shall be responsible for any damage to existing utilities, and any utility modifications or relocations within state right of way necessary, as determined by the Department or by the owner of the utility, shall be at the expense of the permittee and subject to the approval of the Department.
- All existing manholes and valve boxes shall be adjusted to be flush with finished grade.

**D. Environmental**

- If the activity to which this permit relates disturbs one acre or more of land, you must obtain a KPDES KYR10 permit.

**Websites**

<http://www.water.ky.gov/permitting/wastewaterpermitting/KPDES/storm/>

Inspectors for KPDES KYR10 at [www.KEPSC.org](http://www.KEPSC.org)

**IV. RIGHT OF WAY RESTORATION**

All disturbed portions of the right of way shall be restored to grass as per Kentucky Department of Highways Standard Specifications for Road and Bridge Construction (latest edition). A satisfactory turf, as determined by the Department, shall be established by the permittee prior to release of indemnity. Sodding or seeding shall be as follows:

Slopes 3:1 or flatter	90% Kentucky 31 Tall Fescue 10% White Dutch Clover
-----------------------	---

Slopes steeper than 3:1	70% KY 31 Fescue 30% Partridge Pea
-------------------------	---------------------------------------

Two tons of clean straw mulch per acre of seeding.

Prior to seeding, the ground shall be prepared in accordance with Kentucky Department of Highways Standard Specifications for Road and Bridge Construction (latest edition).

Substitutes for sod such as artificial turf, rock mulch, or paved areas may be acceptable if they are aesthetically pleasing.

All ditch-flow lines and all ditch-side slopes shall be sodded.

Existing concrete right of way markers shall not be disturbed, but if damaged in any way, they shall be entirely replaced by the permittee, with new concrete markers to match the original markers, in accordance with Kentucky Department of Highways Standard Drawings. Markers that are entirely removed shall be re-established in the proper locations by the permittee and to the satisfaction of the Department.

Other right of way restoration requirements are as follows:

**V. DRAINAGE**

All pipe shall be laid in a straight alignment, to proper grades, and with all materials and methods of installation including bedding and joint seating in accordance with Department Standard Specifications for Road and Bridge Construction (latest edition). Pipe shall not be covered until inspected by the Department and express permission obtained to make backfill.

All gutter lines at the base of new curbs shall be on continuous grades, and pockets of water along with curbs or in entrance areas or other paved areas within the right of way shall not be acceptable.

All drainage structures and appurtenances (manholes, catch basins, curbing, inlet basins, etc.) shall conform to Department specifications and shall be constructed in accordance with the Department Standard Drawings. Type required:

---

---

**VI. Paving**

- No bituminous pavement shall be installed within the right of way between November 15 and April 1, nor when the temperature is below 40 degrees Fahrenheit, without the express consent of the Department. No bituminous pavement shall be installed when the underlying course is wet.
- Paving within the right of way shall be as follows:
  - Base (Type) \_\_\_\_\_ (Thickness) \_\_\_\_\_
  - Surface Base (Type) \_\_\_\_\_ (Thickness) \_\_\_\_\_
  - Finished Surface (Type) \_\_\_\_\_ (Thickness) \_\_\_\_\_
- Existing pavement and shoulder material shall be removed to accommodate the above paving specifications.
- The finished surface of all new pavement within the right of way shall be true to the required slope and grade, uniform in density and texture, free of irregularities, and equivalent in riding qualities to the adjacent highway pavement or as determined by the Department of Highways.
- All materials and methods of construction, including base and subgrade preparation, shall be in accordance with Kentucky Department of Highways Standard Specifications for Road and Bridge Construction (latest edition).
- 48 hours notice to the Department is required prior to beginning paving operations.  
Phone: \_\_\_\_\_ Name: \_\_\_\_\_
- To ensure proper surface drainage, the new pavement shall be flush with the edge of existing highway pavement and shall slope away from the existing edge of the pavement as specified in drawings.
- Existing edge of pavement shall be saw-cut to provide a straight and uniform joint for new pavement. An approved joint sealer, in accordance with Kentucky Department of Highways Standard Specifications (latest edition), shall be applied between new and existing pavements.

**VII. SIDEWALKS SPECIFICATIONS \*This dimension should be equal to the width of the sidewalk.**

- A. New Sidewalks**
  - Sidewalks shall be constructed of Class A concrete (3,500 p.s.i. test), shall be \*\_\_\_\_\_ feet in width, 8 inches in thickness across the entrances, and 4 inches in thickness across the remaining sections.
  - Sidewalks shall have tooled joints not less than 1 inch in depth at four foot intervals\*, and 1/2 premolded expansion joints extending entirely through the sidewalk at intervals not to exceed 50 feet.
  - All materials and methods of construction, including curing, shall be in accordance with the Kentucky Department of Highways Standard Specifications for Road and Bridge Construction (latest edition).
- B. Existing Sidewalks**
  - (Applicable if existing sidewalks are being relocated) Use of the sidewalk shall not be blocked or obstructed, and a usable walkway shall be maintained across the construction area at all times.
  - All damaged sections of the sidewalks shall be entirely replaced to match existing sections.

**VIII. DENSE GRADED SHOULDERS**

- Any existing dense-graded aggregate shoulders in the entire frontage within the construction area, which have been disturbed or damaged or on which dirt has been placed or mud has been deposited or tracked, shall be restored to original condition by removal of all contaminated material and replaced to proper grade with new dense-graded aggregate.
- All new aggregate shoulders as specified in the plan shall consist of 5 inches of compacted dense-graded aggregate, 2<sup>1/2</sup> pounds per square yard of calcium chloride.
- All dense-graded aggregate shoulders shall slope away from the new edge of pavement at the rate of 3/4 inch per foot.

**IX. CURBING****A. Bituminous Curbs**

- Bituminous concrete curbs shall be given a paint coat of asphalt emulsion.
- The surface under the bituminous concrete curb shall be tacked with asphalt emulsion.
- All bituminous concrete curbs shall be constructed of a Class I bituminous concrete mixture as specified by official Department of Highways specifications.
- All bituminous curbs shall be rolled curb, with a minimum base width of 8 inches and a minimum height of \_\_\_\_\_ inches. The top of the curb shall be constructed in such a manner as to guarantee a uniform rolled effect throughout the entire run.

**B. Concrete Curbs**

- All curbs or curb and gutter shall be constructed of Class A concrete (3,500 p.s.i. test) and shall be uniform in height, width, and alignment, true to grade, and satisfactory in finish and appearance as determined by the Department. All materials and methods of construction, including curing, shall be in accordance with Department of Highways Standard Specifications for Road and Bridge Construction (latest edition).
- All concrete curbs shall be 6 inches in width, extend \_\_\_\_\_ inches above finished grade and 12 inches below finished grade, with all visible edge rounded to 1/2 inch radii.
- All concrete curbs shall have expansion joints constructed at intervals of not more than 30 feet, and 1/2 inch premolded expansion joint material (cut to conform to the curb or to the curb and gutter section) shall be used in each expansion joint.
- The last \_\_\_\_\_ feet of all concrete curbs are to be tapered down to finished grade.

**X. RIGHT-OF-WAY FENCE REPLACEMENT**

- The replacement fence shall be a height of at least 48 inches and shall be of sufficient density to contain all animals (if applicable).
  
- The replacement fence shall be a minimum of 1 foot outside the right-of-way line. The fence materials and
- design shall meet accepted industry standards and be treated as paintable.
- The permittee shall be required to maintain the fence in a high state of repair.
- The existing fence shall be removed by permittee and stored at the Department's maintenance storage yard for future reuse by the Department.
- The control of access shall not be diminished as a result of replacement of the fence.
- Miscellaneous:

**NOTICE TO PERMITTEE**

THE PERMITTEE AGREES THAT ALL WORK WITHIN THE EXISTING RIGHT OF WAY SHALL BE DONE IN ACCORDANCE WITH THE PLANS AS APPROVED AND PERMITTED BY AN ENCROACHMENT PERMIT. ANY CHANGES OR VARIANCES MADE AT THE TIME OF CONSTRUCTION WITHOUT WRITTEN APPROVAL FROM THE DEPARTMENT OF HIGHWAYS SHALL BE REMOVED BY THE PERMITTEE AT NO EXPENSE TO THE DEPARTMENT OF HIGHWAYS AND SHALL BE REDONE BY THE PERMITTEE TO CONFORM WITH THE APPROVED PLANS.



**TYPICAL HIGHWAY BORE DETAIL  
 - FOR NON-FULLY CONTROLLED HIGHWAYS -**

KYTC KEPT #: \_\_\_\_\_

**SECTION 1: HIGHWAY INFORMATION**

<b>COUNTY</b> McCreary	<b>ROUTE</b> KY 1651	<b>MILE POINT</b> 4.85, 3.95, 3.75, 3.25, 3.15, 2.95, 2.8, 2.6 2.25	<b>PAVEMENT WIDTH</b> 22 feet
---------------------------	-------------------------	---	----------------------------------

**SECTION 2: UTILITY INFORMATION**

<b>UTILITY TYPE</b> Sanitary Sewer Force Main	<b>PIPE TYPE</b> PVC	<b>DIAMETER</b> 2", 3", 4"
--	-------------------------	-------------------------------

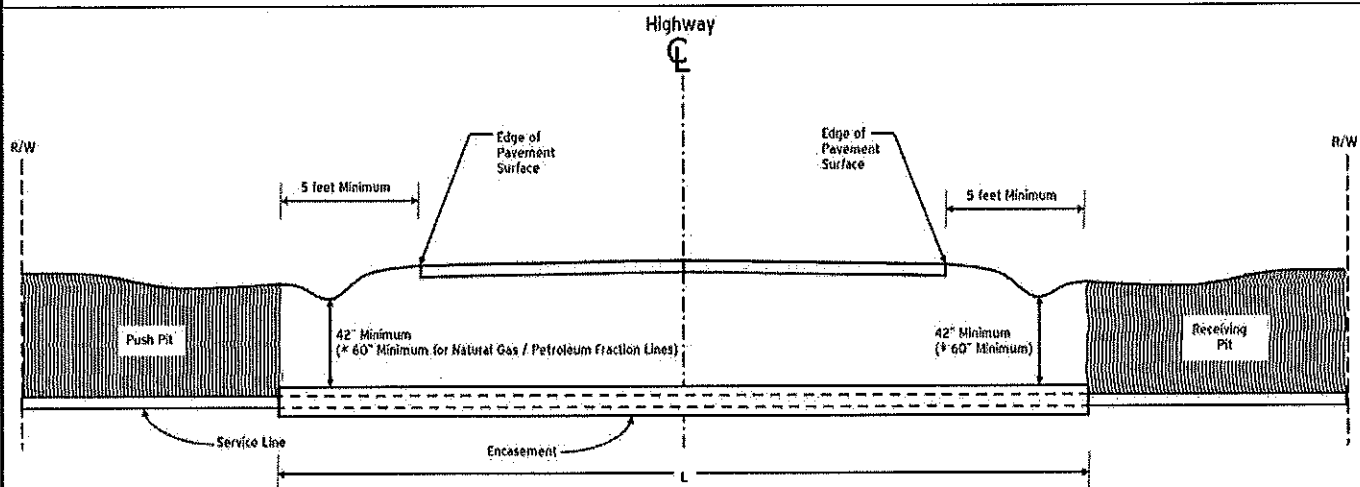
**SECTION 3: ENCASEMENT INFORMATION**

<b>ENCASEMENT TYPE</b> HDPE	<b>DIAMETER</b> 4", 6", 8"
--------------------------------	-------------------------------

**SECTION 4: BORE INFORMATION**

<b>BORE TYPE</b> Directional Drill	<b>LENGTH (L)</b> varies, 32' min.	<b>DIAMETER</b> 4", 6", 8"
---------------------------------------	---------------------------------------	-------------------------------

**SECTION 5: DETAIL FOR NON-FULLY CONTROLLED HIGHWAYS**



**SECTION 6: GENERAL NOTES**

- Push Pit and Receiving Pit shall be backfilled and thoroughly compacted.
- All ditch lines are to remain open at all times and restored to original condition.
- Shape, Seed and Straw all disturbed areas immediately after completing the work.
- Provide traffic control as required to insured the safety of the traveling public in accordance with the current edition of the *Manual on Uniform Traffic Control Devices*.
- The minimum depth for underground utilities is **42"** under roadways, ramps, and ditch lines, except for natural gas and petroleum fraction lines which shall have a minimum of **60"** cover.
- See KYTC Permits Manual for all requirements and specifications.



**TYPICAL HIGHWAY BORE DETAIL  
 - FOR NON-FULLY CONTROLLED HIGHWAYS -**

KYTC KEPT #: \_\_\_\_\_

**SECTION 1: HIGHWAY INFORMATION**

<b>COUNTY</b> McCreary	<b>ROUTE</b> KY 742	<b>MILE POINT</b> Sheet 39 (2), sheet 42 (1)	<b>PAVEMENT WIDTH</b> 22 feet
---------------------------	------------------------	---	----------------------------------

**SECTION 2: UTILITY INFORMATION**

<b>UTILITY TYPE</b> Sanitary Sewer Force Main	<b>PIPE TYPE</b> PVC	<b>DIAMETER</b> 2", 3"
--	-------------------------	---------------------------

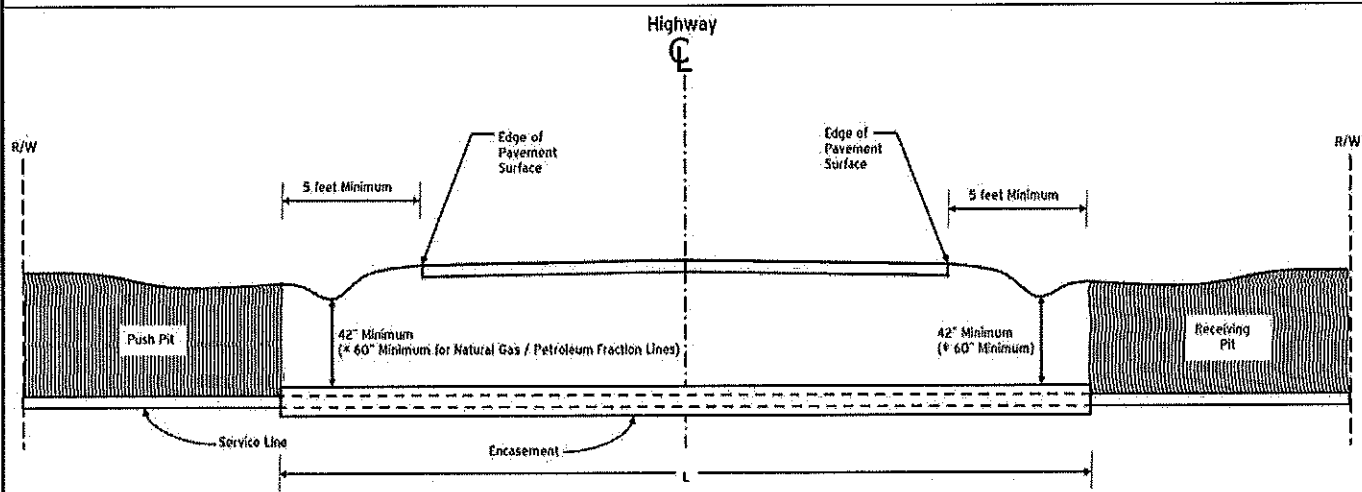
**SECTION 3: ENCASEMENT INFORMATION**

<b>ENCASEMENT TYPE</b> HDPE	<b>DIAMETER</b> 4", 6"
--------------------------------	---------------------------

**SECTION 4: BORE INFORMATION**

<b>BORE TYPE</b> Directional Drill	<b>LENGTH (L)</b> varies, 32' min.	<b>DIAMETER</b> 4", 6"
---------------------------------------	---------------------------------------	---------------------------

**SECTION 5: DETAIL FOR NON-FULLY CONTROLLED HIGHWAYS**



**SECTION 6: GENERAL NOTES**

- Push Pit and Receiving Pit shall be backfilled and thoroughly compacted.
- All ditch lines are to remain open at all times and restored to original condition.
- Shape, Seed and Straw all disturbed areas immediately after completing the work.
- Provide traffic control as required to insured the safety of the traveling public in accordance with the current edition of the *Manual on Uniform Traffic Control Devices*.
- The minimum depth for underground utilities is **42"** under roadways, ramps, and ditch lines, except for natural gas and petroleum fraction lines which shall have a minimum of **60"** cover.
- See KYTC Permits Manual for all requirements and specifications.





**TYPICAL HIGHWAY BORE DETAIL  
 - FOR NON-FULLY CONTROLLED HIGHWAYS -**

KYTC KEPT #: \_\_\_\_\_

**SECTION 1: HIGHWAY INFORMATION**

<b>COUNTY</b> McCreary	<b>ROUTE</b> KY 741	<b>MILE POINT</b> Sheets 36 (1), 38 (1)	<b>PAVEMENT WIDTH</b> 22 feet
---------------------------	------------------------	--	----------------------------------

**SECTION 2: UTILITY INFORMATION**

<b>UTILITY TYPE</b> Sanitary Sewer Force Main	<b>PIPE TYPE</b> PVC	<b>DIAMETER</b> 2", 4"
--	-------------------------	---------------------------

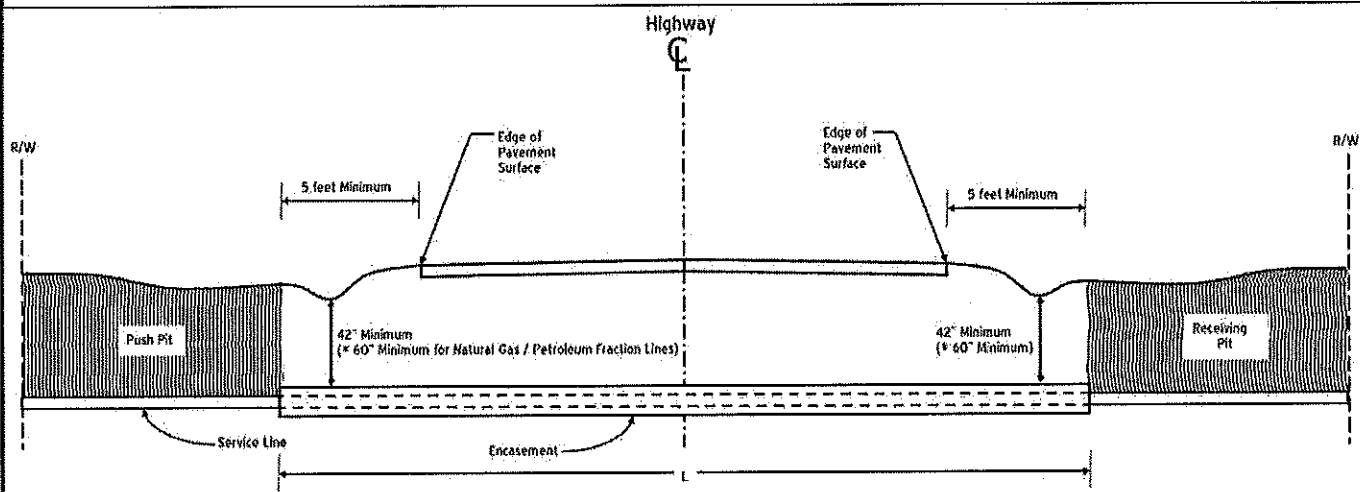
**SECTION 3: ENCASEMENT INFORMATION**

<b>ENCASEMENT TYPE</b> HDPE	<b>DIAMETER</b> 4", 8"
--------------------------------	---------------------------

**SECTION 4: BORE INFORMATION**

<b>BORE TYPE</b> Directional Drill	<b>LENGTH (L)</b> varies, 32' min.	<b>DIAMETER</b> 4", 8"
---------------------------------------	---------------------------------------	---------------------------

**SECTION 5: DETAIL FOR NON-FULLY CONTROLLED HIGHWAYS**



**SECTION 6: GENERAL NOTES**

- Push Pit and Receiving Pit shall be backfilled and thoroughly compacted.
- All ditch lines are to remain open at all times and restored to original condition.
- Shape, Seed and Straw all disturbed areas immediately after completing the work.
- Provide traffic control as required to insured the safety of the traveling public in accordance with the current edition of the *Manual on Uniform Traffic Control Devices*.
- The minimum depth for underground utilities is **42"** under roadways, ramps, and ditch lines, except for natural gas and petroleum fraction lines which shall have a minimum of **60"** cover.
- See KYTC Permits Manual for all requirements and specifications.



**TYPICAL HIGHWAY BORE DETAIL  
 - FOR NON-FULLY CONTROLLED HIGHWAYS -**

KYTC KEPT #: \_\_\_\_\_

**SECTION 1: HIGHWAY INFORMATION**

COUNTY McCreary	ROUTE KY 701	MILE POINT 0.15, 0.8, 1.08, 1.1	PAVEMENT WIDTH 22 feet
--------------------	-----------------	------------------------------------	---------------------------

**SECTION 2: UTILITY INFORMATION**

UTILITY TYPE Sanitary Sewer Force Main	PIPE TYPE PVC	DIAMETER 2", 4"
---	------------------	--------------------

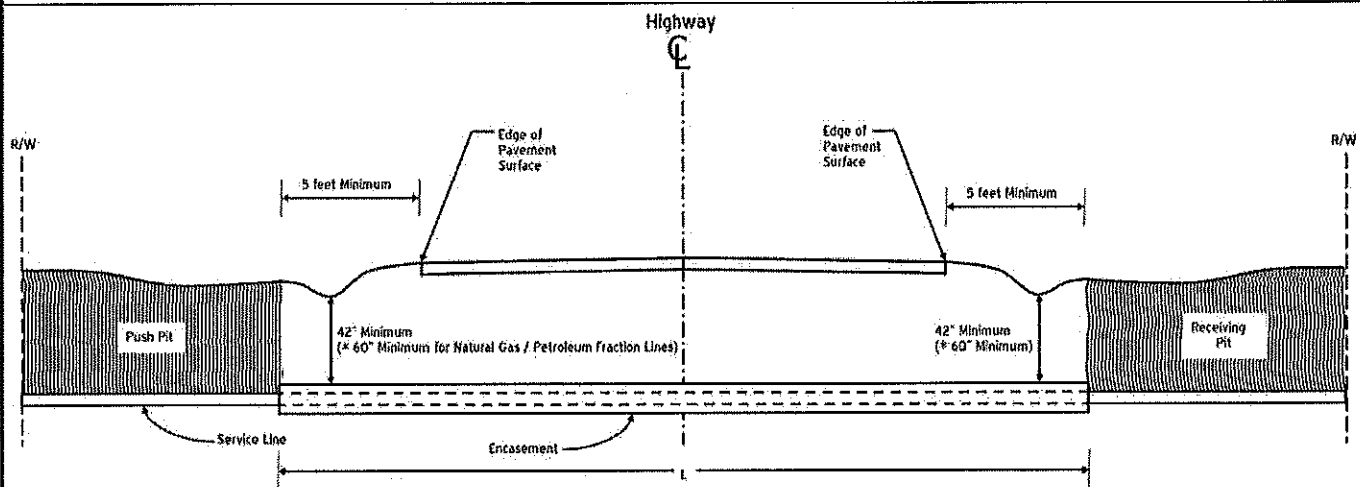
**SECTION 3: ENCASEMENT INFORMATION**

ENCASEMENT TYPE HDPE	DIAMETER 4", 8"
-------------------------	--------------------

**SECTION 4: BORE INFORMATION**

BORE TYPE Directional Drill	LENGTH (L) varies, 32' min.	DIAMETER 4", 8"
--------------------------------	--------------------------------	--------------------

**SECTION 5: DETAIL FOR NON-FULLY CONTROLLED HIGHWAYS**



**SECTION 6: GENERAL NOTES**

- Push Pit and Receiving Pit shall be backfilled and thoroughly compacted.
- All ditch lines are to remain open at all times and restored to original condition.
- Shape, Seed and Straw all disturbed areas immediately after completing the work.
- Provide traffic control as required to insured the safety of the traveling public in accordance with the current edition of the *Manual on Uniform Traffic Control Devices*.
- The minimum depth for underground utilities is **42"** under roadways, ramps, and ditch lines, except for natural gas and petroleum fraction lines which shall have a minimum of **60"** cover.
- See KYTC Permits Manual for all requirements and specifications.



**TYPICAL HIGHWAY BORE DETAIL  
 - FOR NON-FULLY CONTROLLED HIGHWAYS -**

KYTC KEPT #: \_\_\_\_\_

**SECTION 1: HIGHWAY INFORMATION**

COUNTY McCreary	ROUTE KY 92	MILE POINT 13.1, 13.2, 13.5, 13.5, 13.55, 13.65, 13.95, 14.55, 14.95, 15.05, 15.15, 15.25	PAVEMENT WIDTH 22 feet
--------------------	----------------	---	---------------------------

**SECTION 2: UTILITY INFORMATION**

UTILITY TYPE Sanitary Sewer Force Main	PIPE TYPE PVC	DIAMETER 2", 3", 4"
---	------------------	------------------------

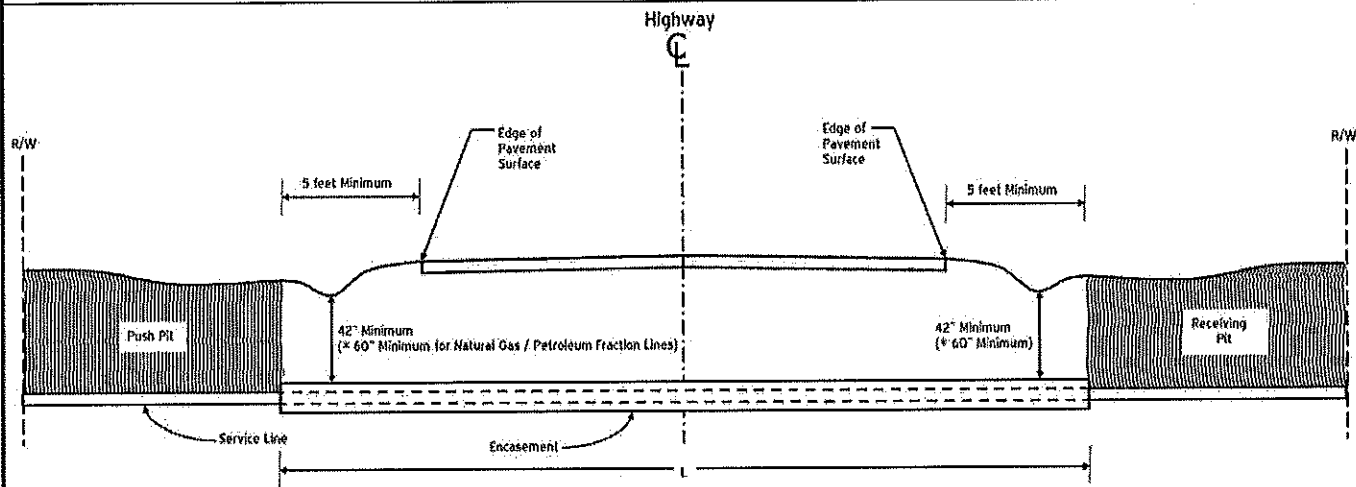
**SECTION 3: ENCASEMENT INFORMATION**

ENCASEMENT TYPE HDPE	DIAMETER 4", 6", 8"
-------------------------	------------------------

**SECTION 4: BORE INFORMATION**

BORE TYPE Directional Drill	LENGTH (L) varies, 32' min.	DIAMETER 4", 6", 8"
--------------------------------	--------------------------------	------------------------

**SECTION 5: DETAIL FOR NON-FULLY CONTROLLED HIGHWAYS**

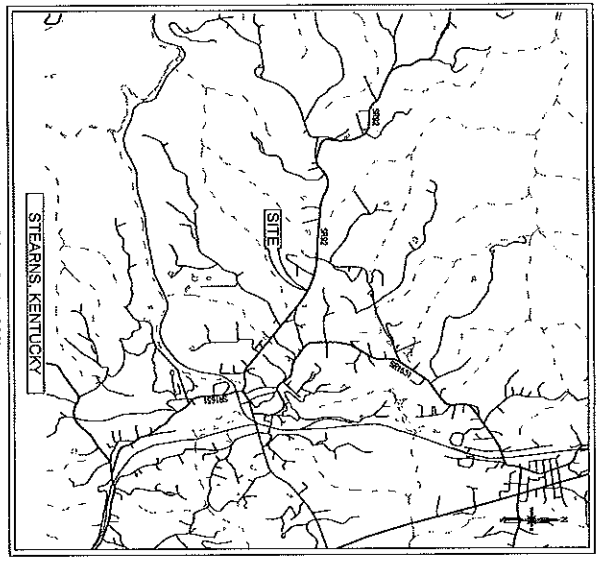


**SECTION 6: GENERAL NOTES**

- Push Pit and Receiving Pit shall be backfilled and thoroughly compacted.
- All ditch lines are to remain open at all times and restored to original condition.
- Shape, Seed and Straw all disturbed areas immediately after completing the work.
- Provide traffic control as required to insured the safety of the traveling public in accordance with the current edition of the *Manual on Uniform Traffic Control Devices*.
- The minimum depth for underground utilities is **42"** under roadways, ramps, and ditch lines, except for natural gas and petroleum fraction lines which shall have a minimum of **60"** cover.
- See KYTC Permits Manual for all requirements and specifications.

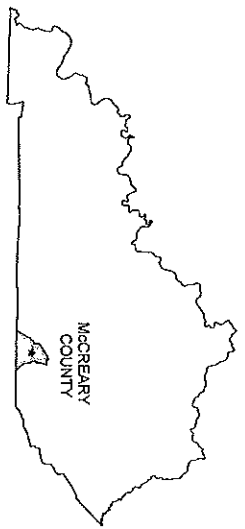
# SANITARY SEWER COLLECTION SYSTEM EXPANSION - PHASE ONE CONTRACT No. 39

LOCATION

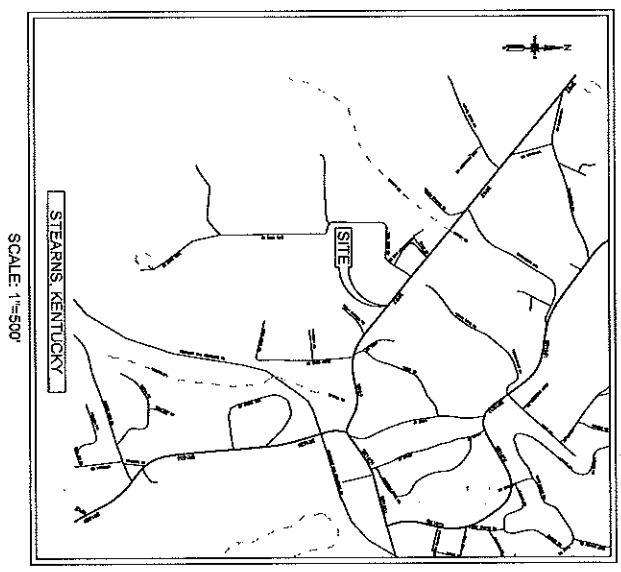


NOVEMBER 2020

Prepared For:  
**MCCREARY COUNTY WATER DISTRICT**  
 456 N. HWY 27  
 WHITLEY CITY, KENTUCKY 42653



LOCATION



## BOARD OF COMMISSIONERS

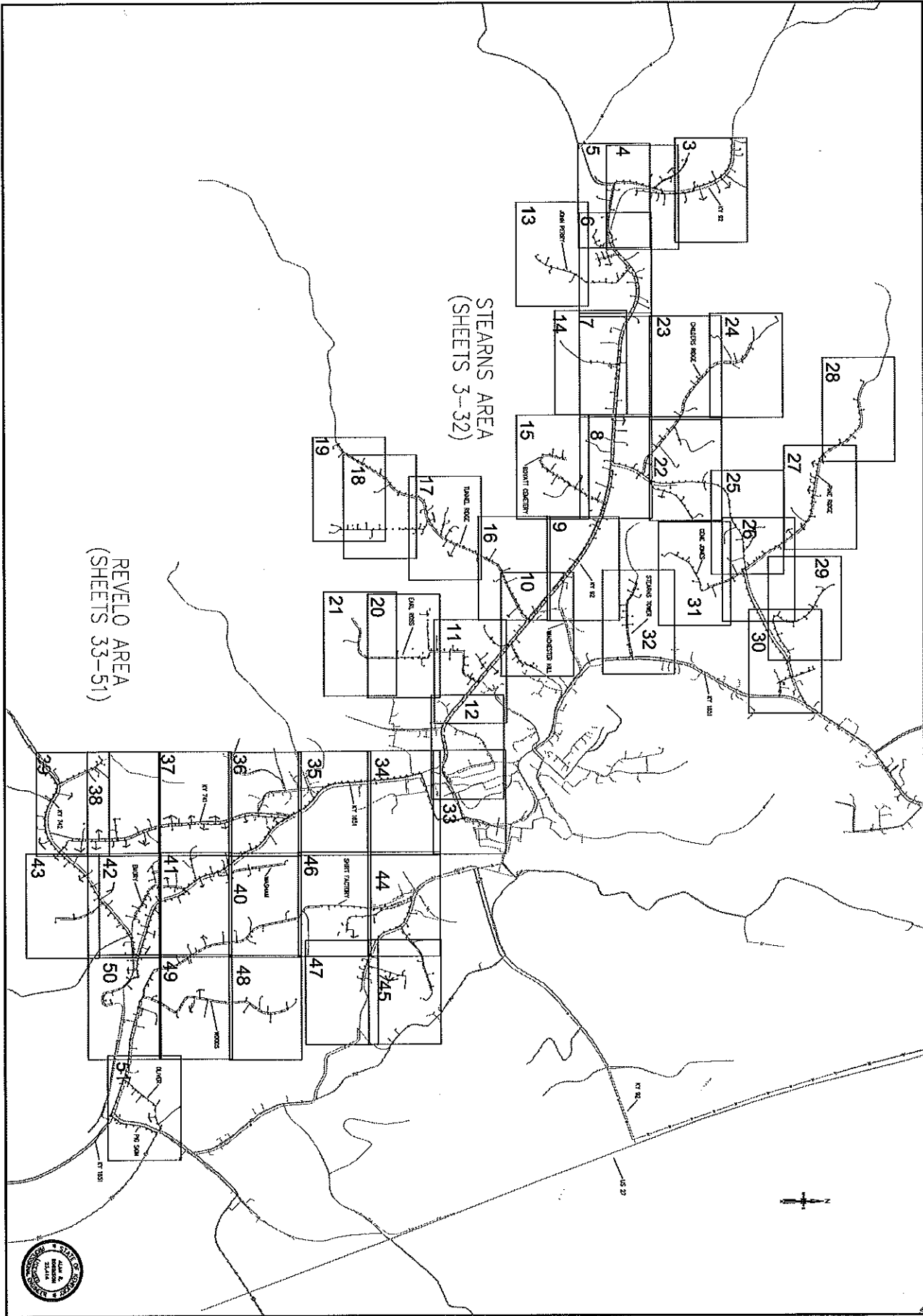
- RANDY KIDB, CHAIRMAN
- MANWARD NEW
- DOUG SEXTON
- COY TAYLOR
- RANDY TAYLOR
- STEPHEN WHITAKER, SUPERINTENDENT

## INDEX OF DRAWINGS

- |       |  |
|-------|--|
| 1     | COVER  |
| 2     | GENERAL NOTES, ABBREVIATIONS, LEGEND AND UTILITIES |
| 2A    | OVERALL SHEET LAYOUT                               |
| 3-32  | STEARNS AREA SITE PLANS                            |
| 33-51 | REVULO AREA SITE PLANS                             |
| 52-72 | STEARNS AREA LINE PROFILES                         |
| 74-91 | REVULO AREA LINE PROFILES                          |
| 92-93 | GRINDER PUMP DETAILS                               |
| 94-95 | STANDARD DETAILS                                   |







2A

OVERALL SHEET LAYOUT  
 SANITARY SEWER COLLECTION SYSTEM EXPANSION  
 PHASE ONE - CONTRACT No. 39

McCREARY COUNTY  
 WATER DISTRICT  
 456 N. HWY 27  
 WHITLEY CITY, KENTUCKY 42653

SCALE:	1"=60'
DESIGNED BY:	AKR
DRAWN BY:	AKR
CHECKED BY:	AKR
PROJECT NO.:	18016
DATE:	AUGUST 2020
CAD FILE NO.:	SS WSPR016.DWG

REVISION	BY	DATE

**ECLIPSE ENGINEERS, PLLC**

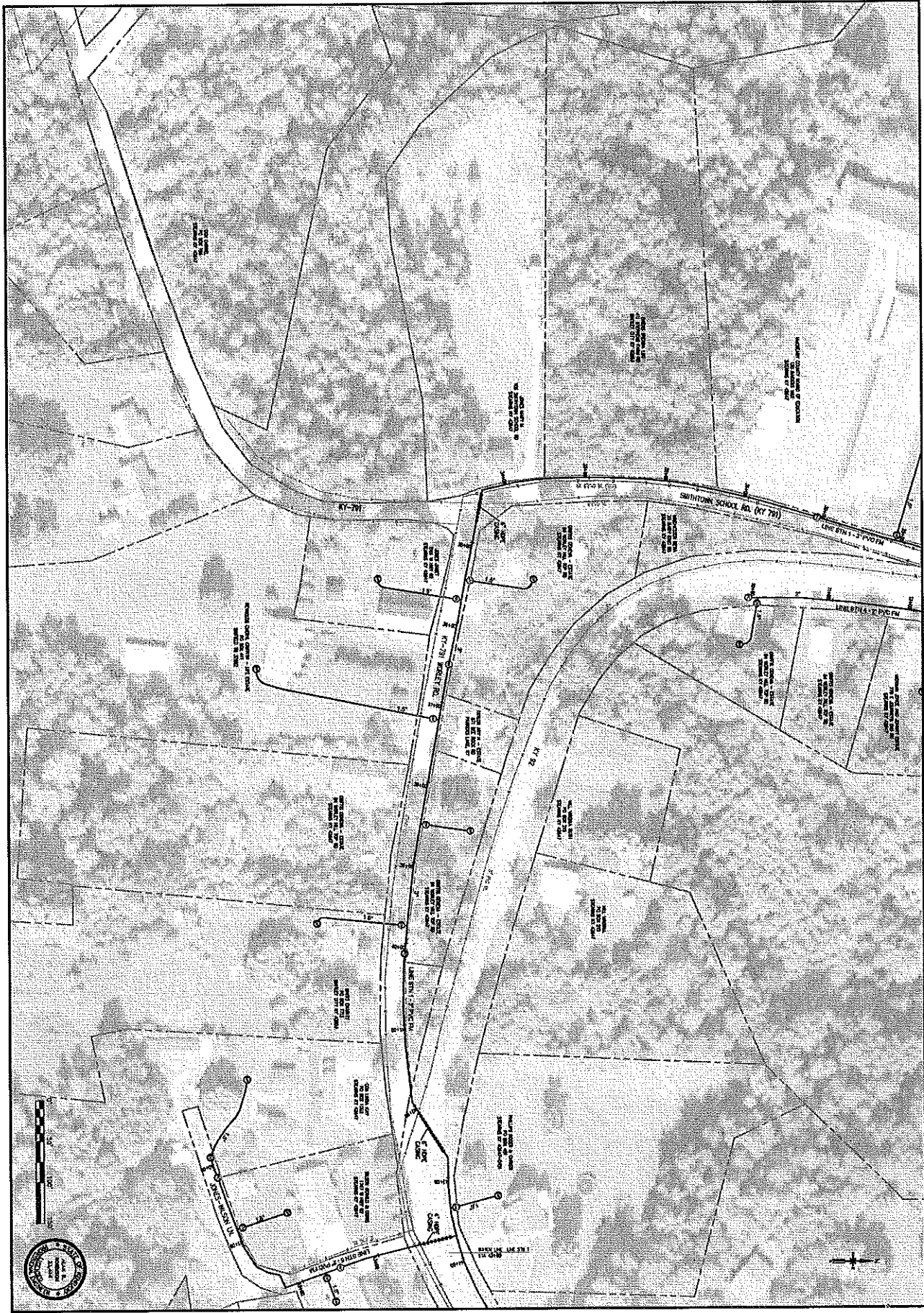
140 WEST AVE. VERDUN STREET  
 SUITE 201, SUITE 100, FLORENCE, KY 40304  
 PHONE: 606-431-0950











C  
 SANITARY SEWER  
 SYSTEM

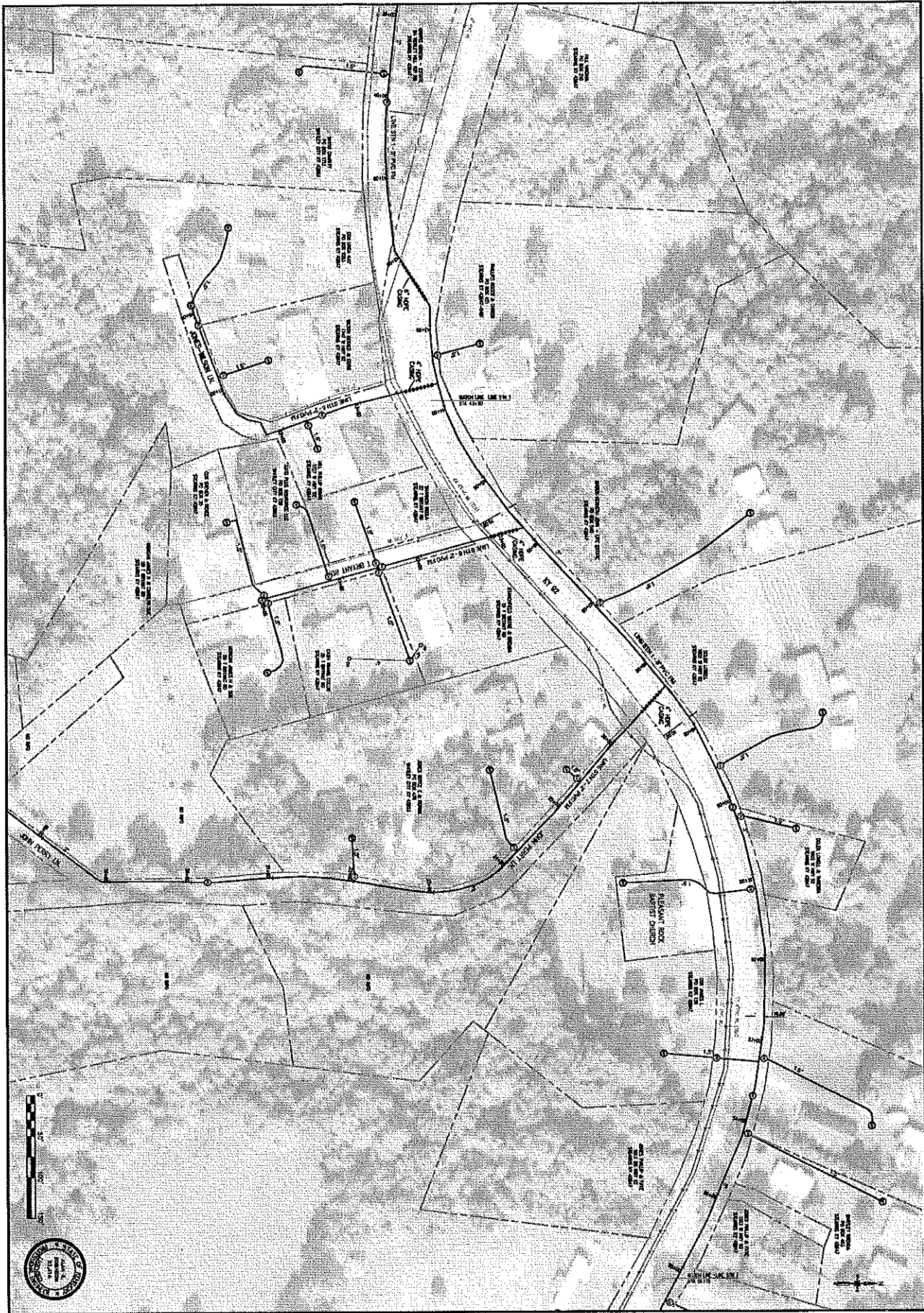
PLAN  
 SANITARY SEWER COLLECTION SYSTEM EXPANSION  
 PHASE ONE - CONTRACT No. 39

McCREARY COUNTY  
 WATER DISTRICT  
 458 N. HWY 27  
 WHITLEY CITY, KENTUCKY 42653

SCALE:	1"=50'	REVISION	BY	DATE
DESIGNED BY:	AJR			
DRAWN BY:	WSD			
CHECKED BY:	AJR			
PROJECT NO.:	19618			
DATE:	AUGUST 2020			
CAD DWG. NO.:	201908010001			



**ECLIPSE ENGINEERS, PLLC**  
 15 WEST AVE. VERBORN STREET  
 BRUCEVILLE, KENTUCKY 40009  
 PHONE: 606-431-6609



6  
SHEET NUMBER

**PLAN**  
**SANITARY SEWER COLLECTION SYSTEM EXPANSION**  
**PHASE ONE - CONTRACT No. 39**

**McCREARY COUNTY**  
**WATER DISTRICT**  
 458 N. HWY 27  
 WIRTLEY CITY, KENTUCKY 42663

SCALE	1"=60'	REVISION	BY	DATE
DESIGNED BY:	ARR			
DRAWN BY:	WSD			
CHECKED BY:	ARR			
PROJECT NO.:	19018			
DATE:	AUGUST 2020			
CAD DWG. NO.:	208 2020 SANITARY SEWER			

**ECLIPSE ENGINEERS, LLC**  
 18 WEST 41, VERDE VALLEY STREET  
 SODDINGTON, KENTUCKY 40361  
 PHONE: 502-451-0559



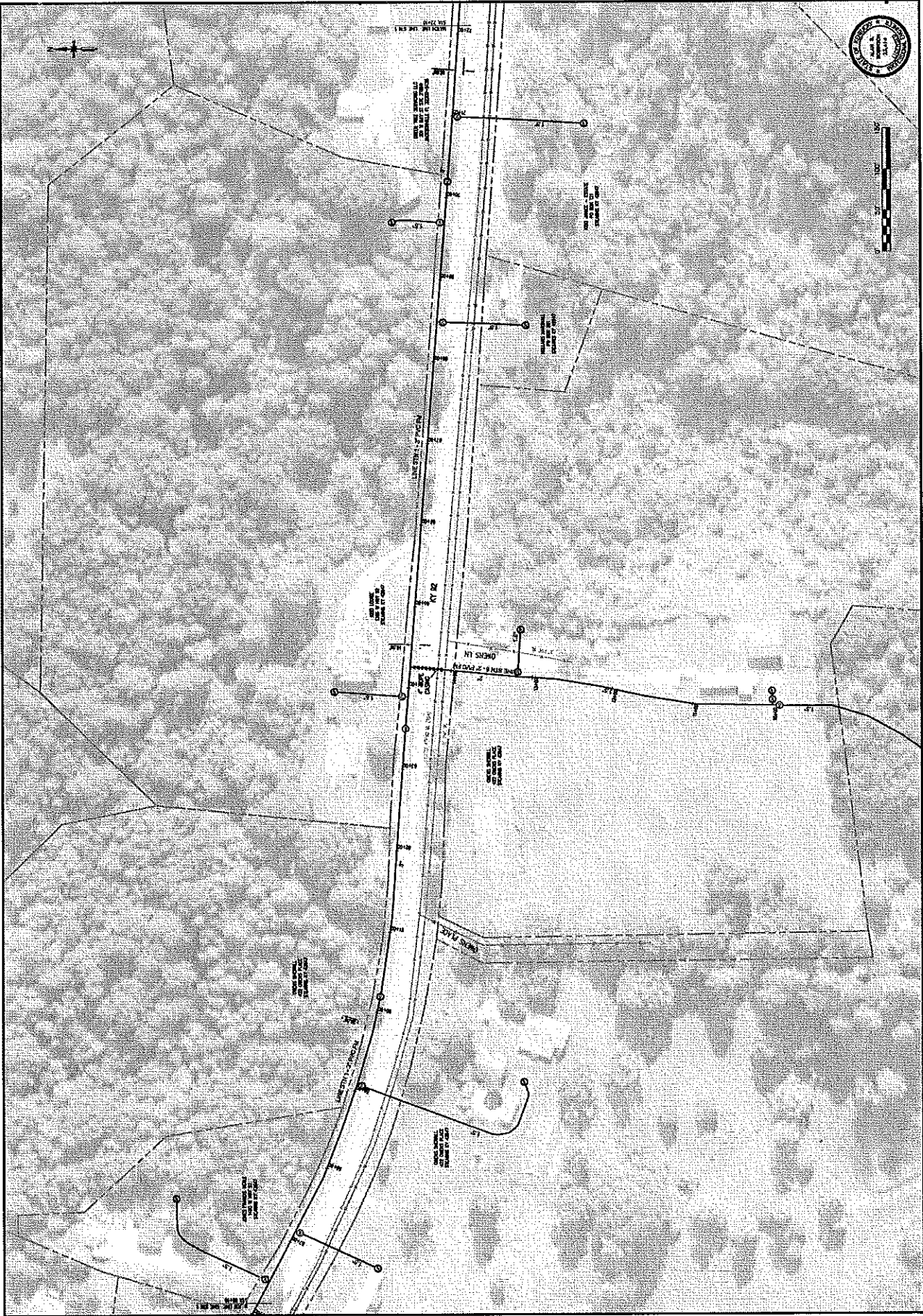
SHEET NUMBER: 7

PLAN  
SANITARY SEWER COLLECTION SYSTEM EXPANSION  
CONTRACT NO. 99

McREARY COUNTY  
WATER DISTRICT  
400 N. HWY 27  
WHEELY CITY, KENTUCKY 40385

SCALE:	DESIGNED BY:	DATE:
AS SHOWN		
CHECKED BY: <td></td> <td></td>		
DATE: <td></td> <td></td>		
APPROVED BY: <td></td> <td></td>		
DATE: <td></td> <td></td>		

**ECLIPSE ENGINEERS, PLLC**  
1000 S. MAIN STREET  
PO BOX 400  
WHEELY, KY 40385



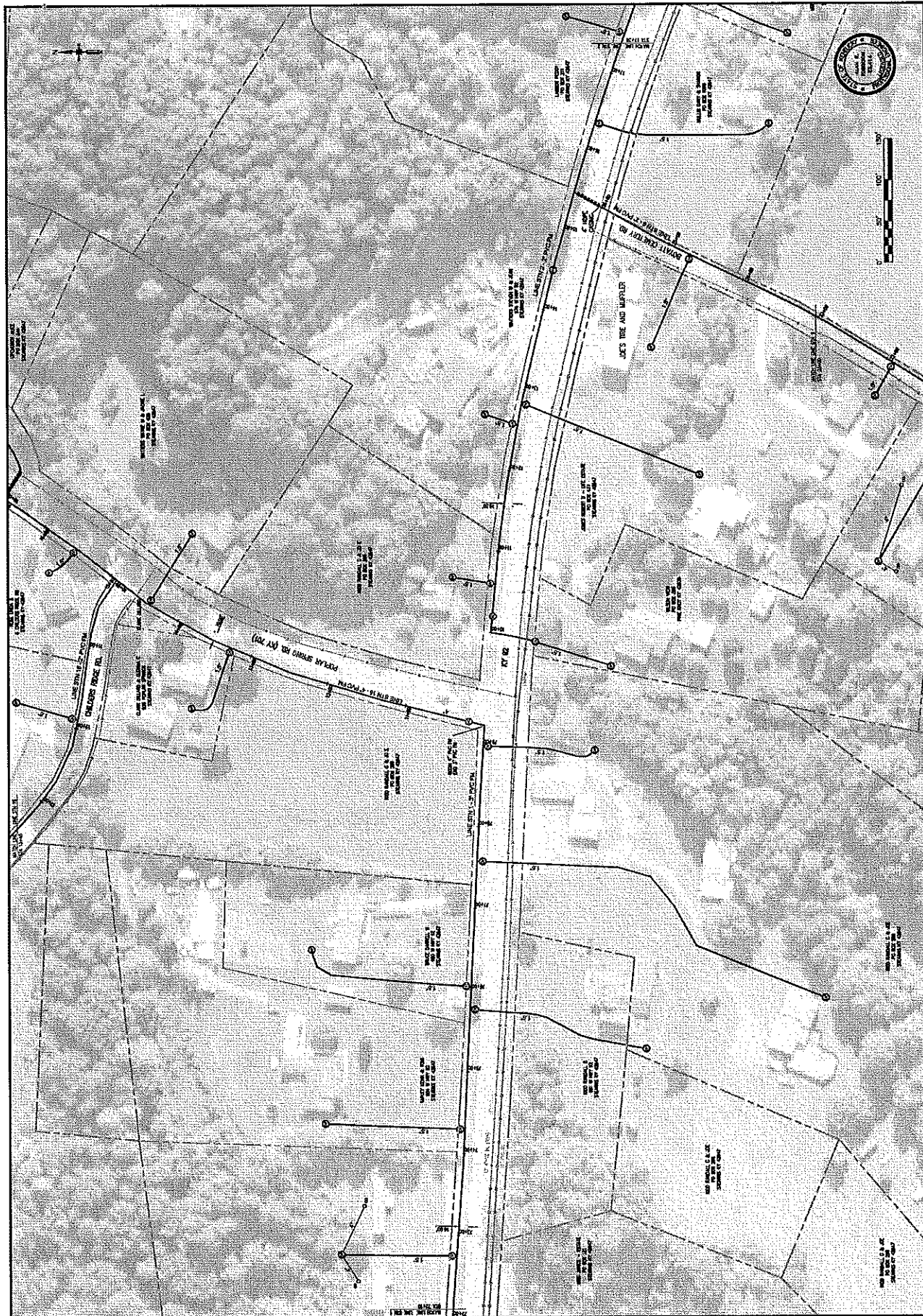
PLAN  
SANTITARY SEWER COLLECTION SYSTEM EXPANSION  
PHASE ONE - CONTRACT NO. 39

McCREARY COUNTY  
WATER DISTRICT  
456 N. HERTZ  
WENTZVILLE, MISSOURI 63085

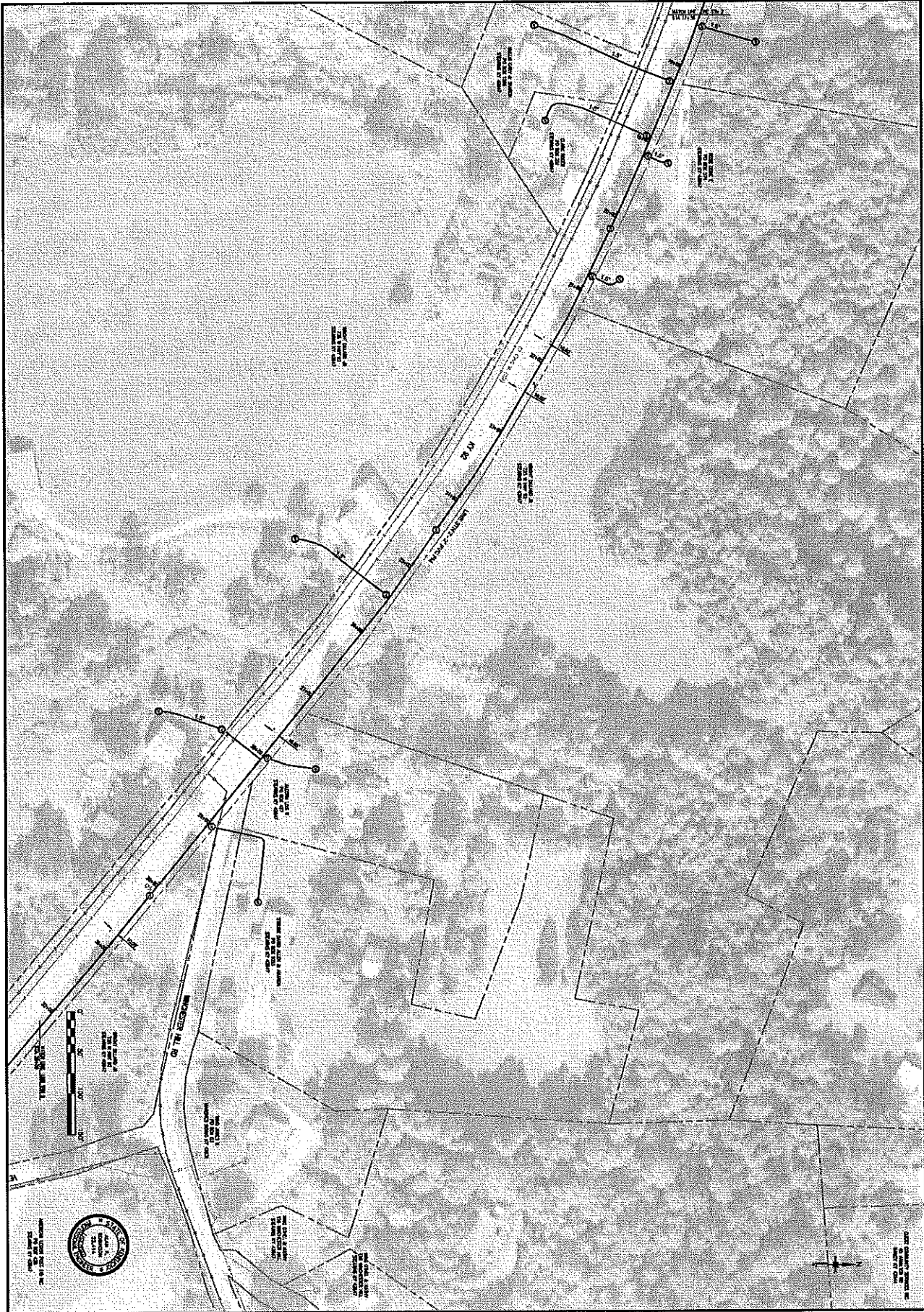
SCALE:	PERSONNEL:	DATE:
DESIGNED BY:	PROJECT NO.:	CLIENT:
APPROVED BY:	DATE:	PROJECT NO.:
DATE:	PERSONNEL:	DATE:

**ECLIPSE**  
ENGINEERS, PLLC

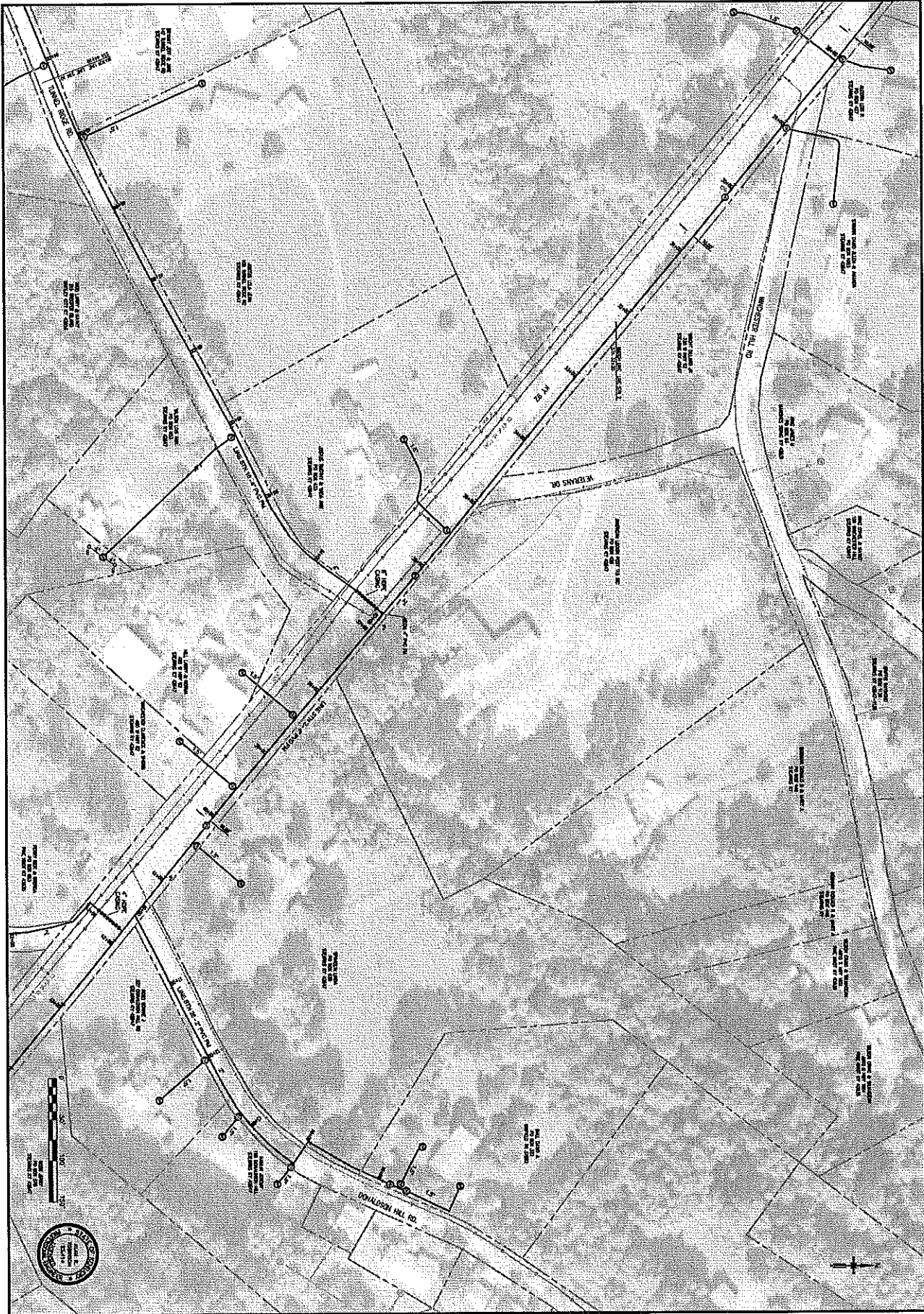
100 WEST 11TH AVENUE, SUITE 200  
DENVER, COLORADO 80202  
PHONE: 303-733-0900





<b>6</b>	<p>PLAN</p> <p><b>SANITARY SEWER COLLECTION SYSTEM EXPANSION</b></p> <p>PHASE ONE - CONTRACT No. 39</p>	<p><b>MCCREARY COUNTY</b></p> <p><b>WATER DISTRICT</b></p> <p>458 N. HWY 27</p> <p>WHITLEY CITY, KENTUCKY 42603</p>	<p>SCALE: 1"=50'</p> <p>DESIGNED BY: ARK</p> <p>DRAWN BY: WSD</p> <p>CHECKED BY: APR</p> <p>PROJECT NO: 15018</p> <p>DATE: AUGUST 2020</p> <p>CAD DWG NO: 20-081420-001</p>	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th>REVISION</th> <th>BY</th> <th>DATE</th> </tr> </thead> <tbody> <tr><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td></tr> </tbody> </table>	REVISION	BY	DATE																															<p><b>ECLIPSE ENGINEERS, LLC</b></p> <p>10 WEST H.T. VESBERG STREET          CROSSCREEK, KENTUCKY 42028          PHONE: 502-451-0659</p>
REVISION	BY	DATE																																				



10  
NON-CONFORMING

PLAN  
**SANITARY SEWER COLLECTION SYSTEM EXPANSION**  
 PHASE ONE - CONTRACT No. 39

**McCREARY COUNTY**  
**WATER DISTRICT**  
 450 N. HWY 27  
 WANTLEY CITY, KENTUCKY 42683

SCALE: 1"=67'  
 DESIGNED BY: AME  
 DRAWN BY: WSO  
 CHECKED BY: AAR  
 PROJECT NO: 19016  
 DATE: AUGUST 2003  
 CAD DWG ID: 23

REVISION	BY	DATE

**ECLIPSE ENGINEERS, P.L.L.C.**

12345 WILSON BLVD  
 SUITE 201  
 WHEELING, KY 42681  
 PHONE: 606-451-0028

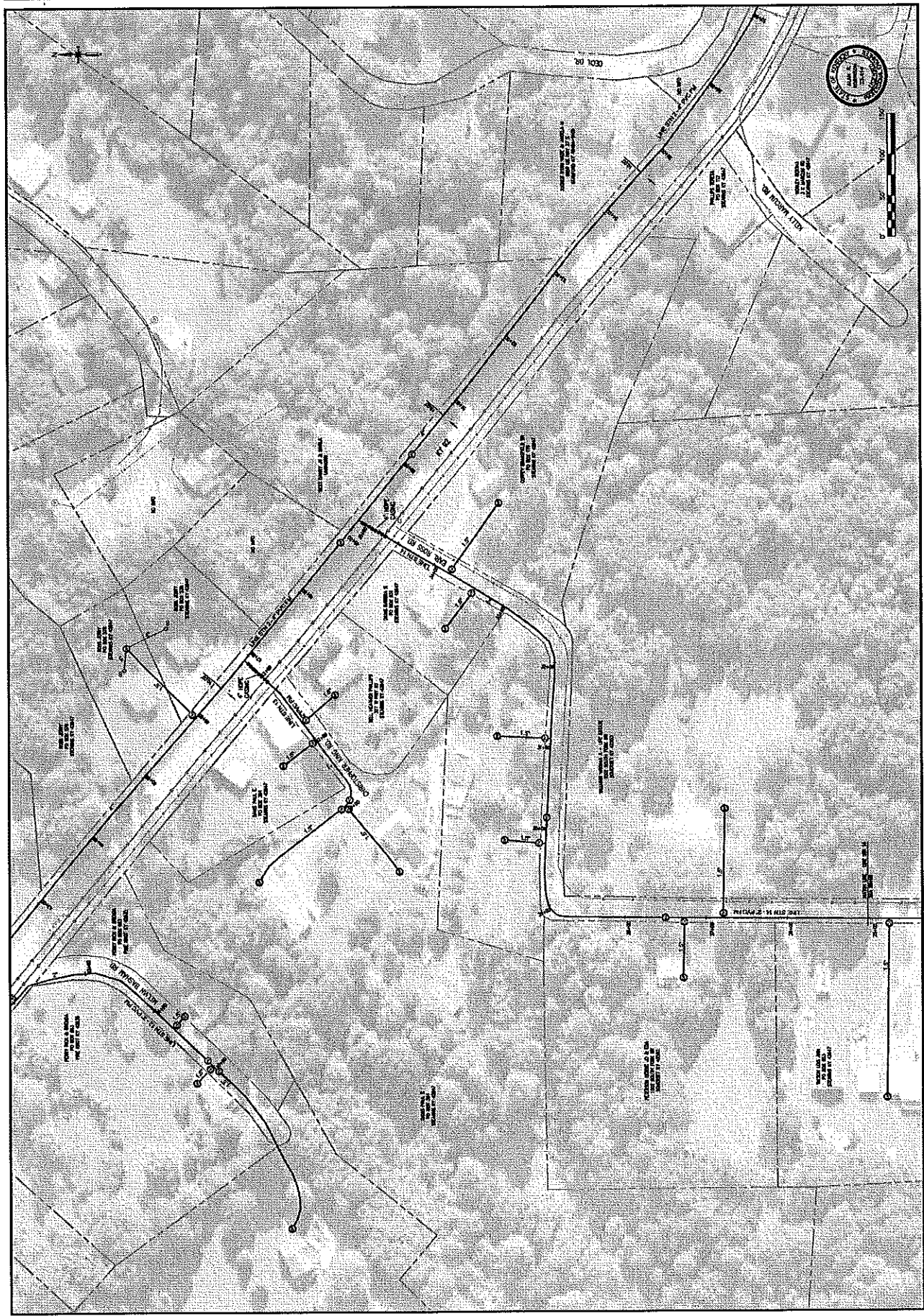


PLAN  
SANITARY SEWER COLLECTION SYSTEM EXPANSION  
PHASE ONE - CONTRACT NO. 39

McCREARY COUNTY  
WATER DISTRICT  
466 N. HWY 27  
VANLUE CITY, KENTUCKY 42653

SCALE:	DATE:
DESIGNED BY:	REVISION:
DRAWN BY:	DATE:
CHECKED BY:	
PROJECT NO.:	
DATE:	
CLASS. BY:	

**ECLIPSE** ENGINEERS, P.L.L.C.  
100 WEST 11th STREET  
MORGANTOWN, WV 26501  
PHONE: 304-291-0999



SANITARY SEWER COLLECTION SYSTEM EXPANSION  
PHASE ONE - CONTRACT NO. 39

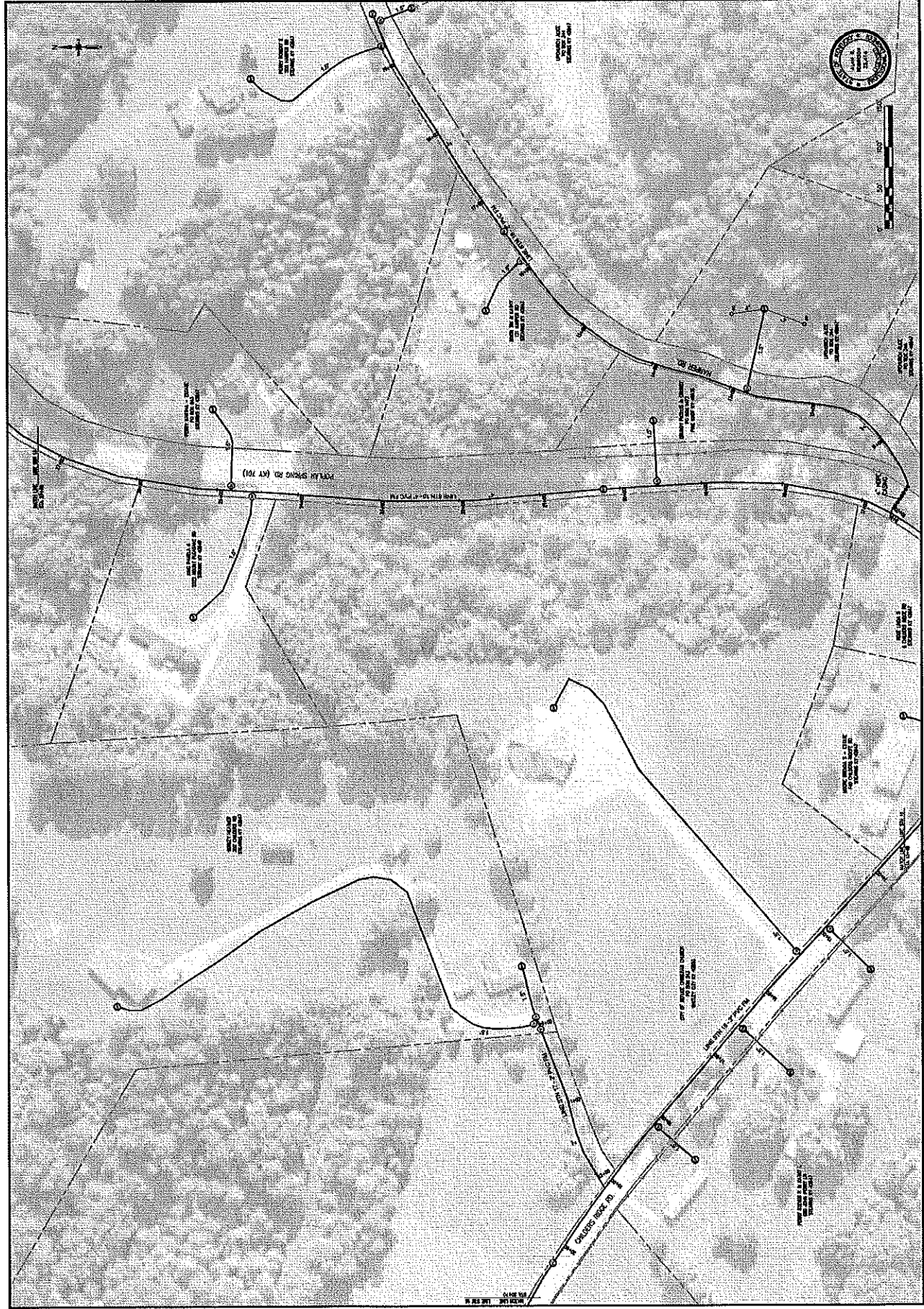
PLAN

MACREARY COUNTY  
WATER DISTRICT

450 N. HWY 27  
WARTNEY CITY, KENTUCKY 40663

SCALE:	DATE:
DESIGNED BY:	APPROVED BY:
DRAWN BY:	CHECKED BY:
AREA:	PROJECT NO.:
WSP:	ALTERNATE NO.:
REVISION:	DATE:
NO.:	
BY:	
DATE:	

**ECLIPSE** ENGINEERS, P.L.L.C.  
 100 WEST 10TH AVENUE  
 SUITE 200  
 FORT COLLINS, CO 80502  
 PHONE: 970-226-8888

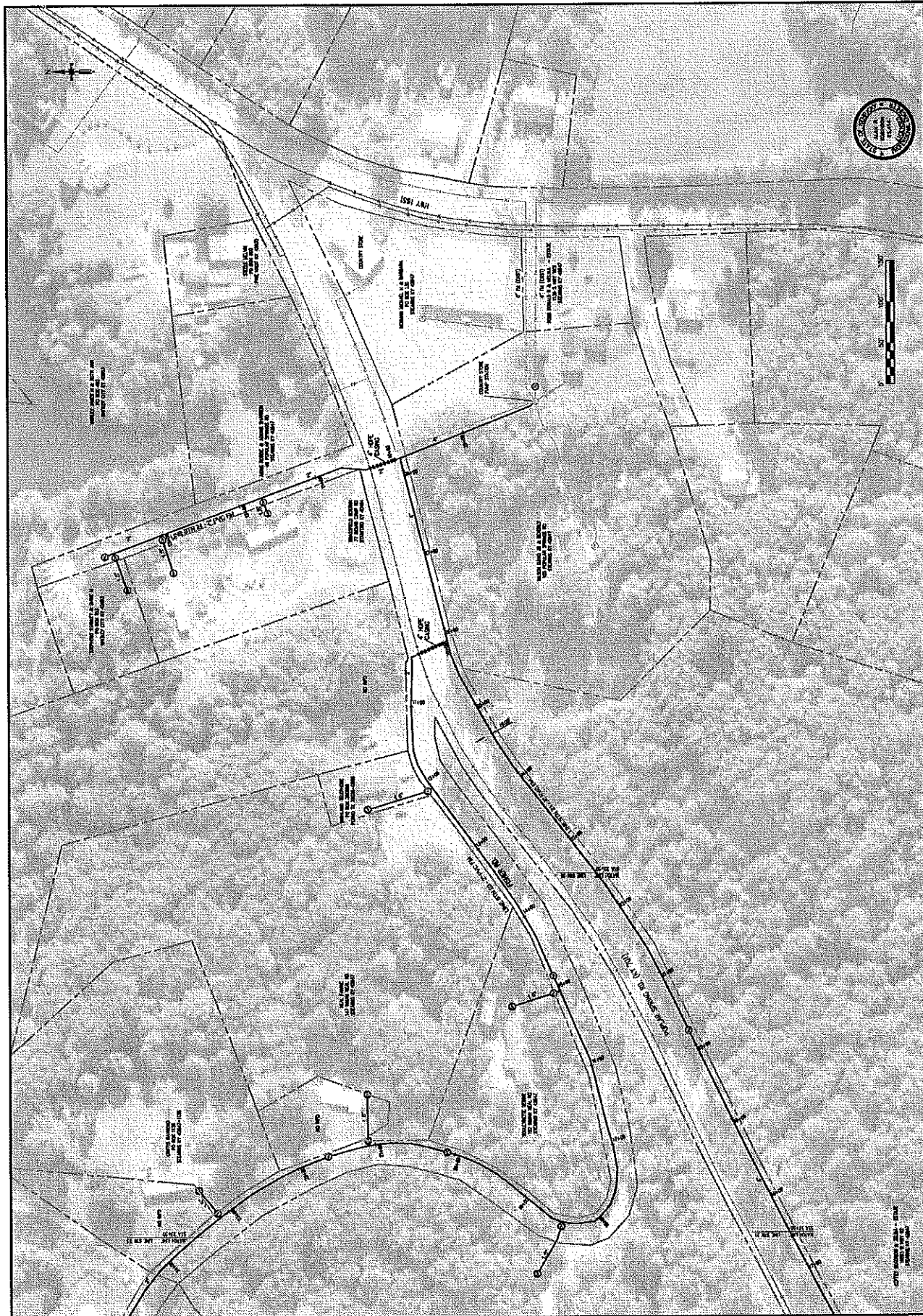




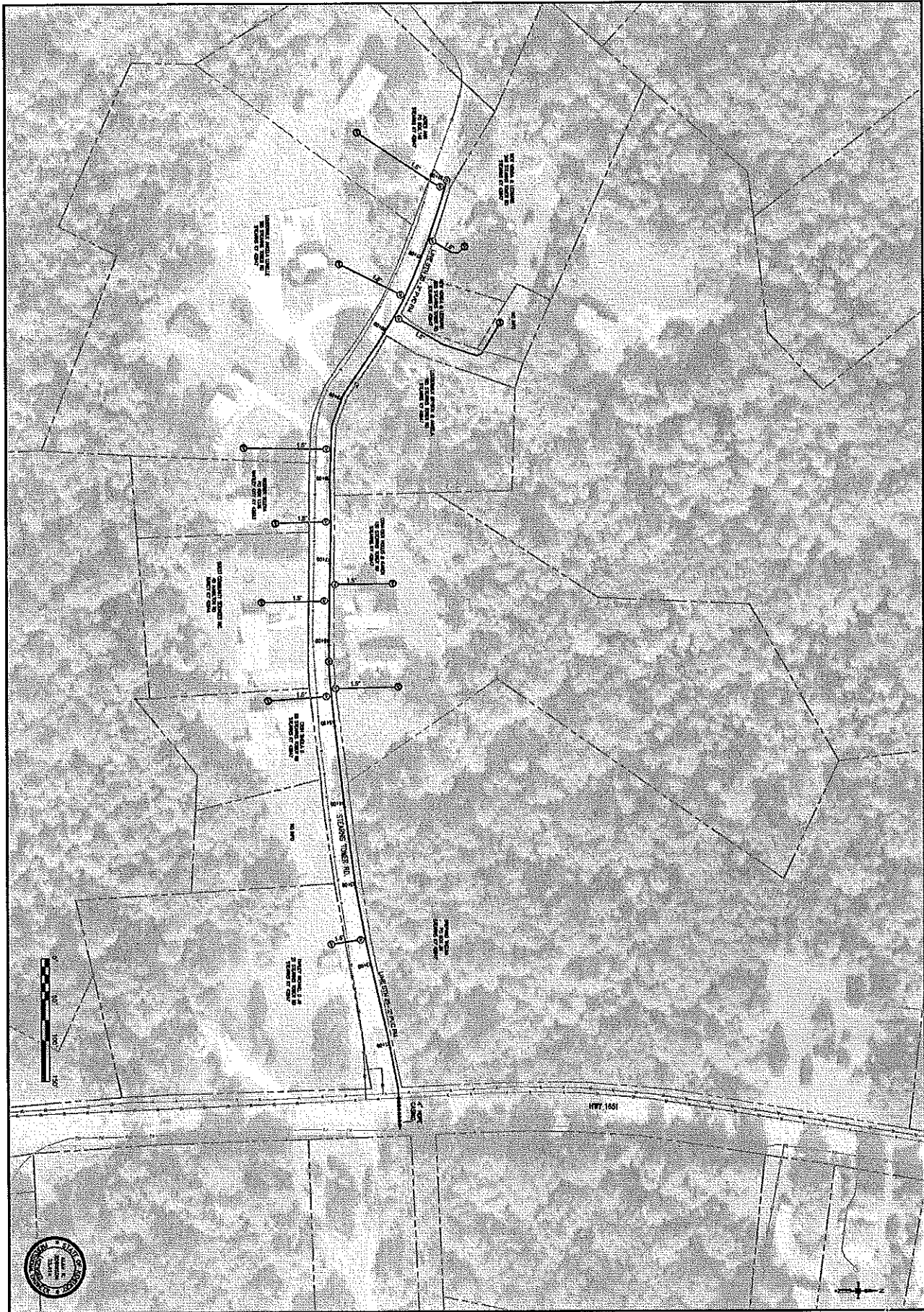


SCALE:	DATE:
DESIGNED BY:	PROJECT NO.:
CHECKED BY:	DATE:
APPROVED BY:	DATE:
REVISIONS:	DATE:
BY:	DATE:
DATE:	

**ECLIPSE** ENGINEERS, PLLC  
1100 WEST 10TH AVENUE, SUITE 100  
DENVER, CO 80202  
PHONE: 303-733-0999







SHEET NUMBER  
32

PLAN  
SANITARY SEWER COLLECTION SYSTEM EXPANSION  
PHASE ONE - CONTRACT No. 39

McCREARY COUNTY  
WATER DISTRICT  
456 N. HWY 27  
WHITLEY CITY, KENTUCKY 42663

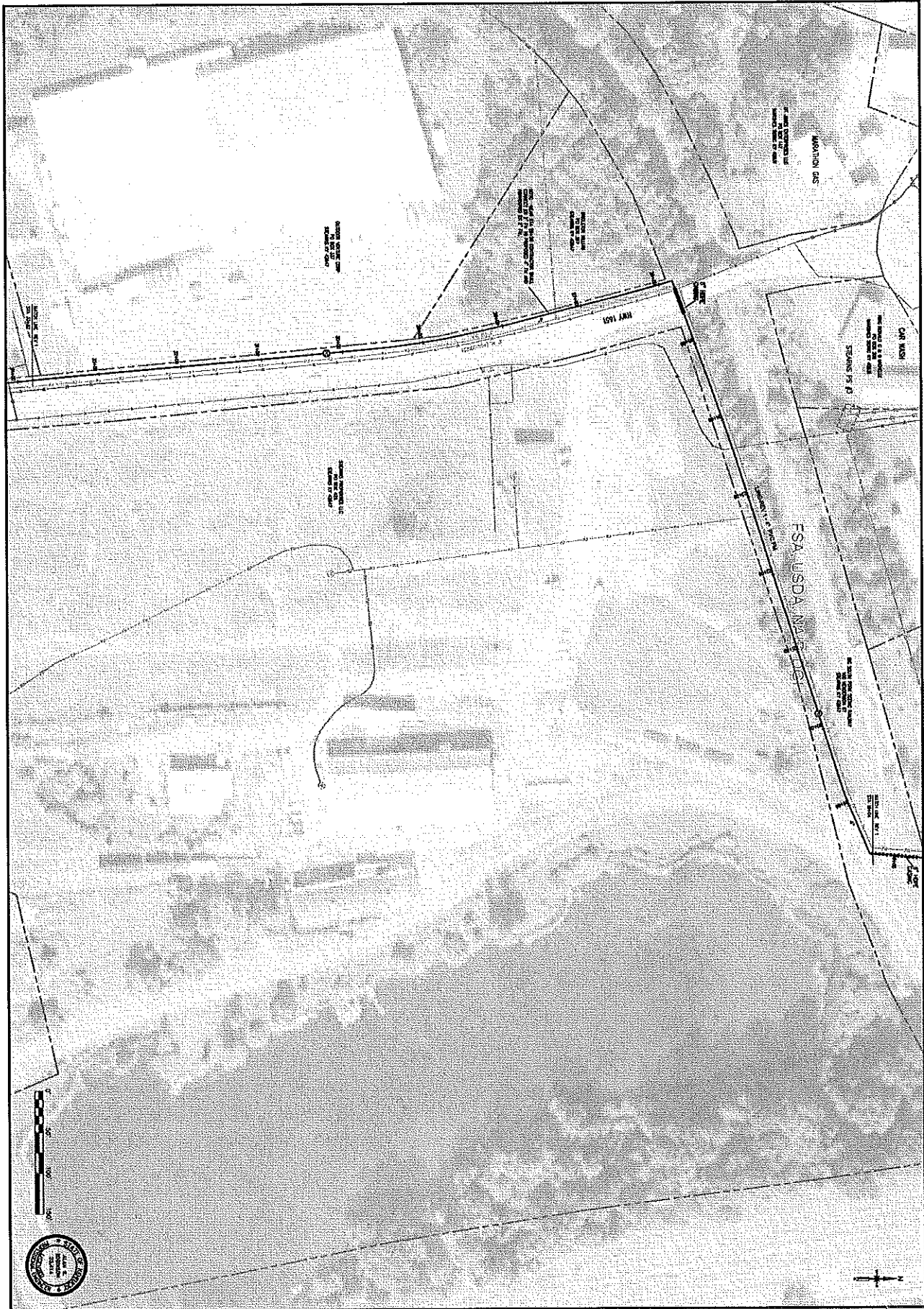
SCALE:	1"=50'	REVISION:	BY:	DATE:
DESIGNED BY:	JAR			
DRAWN BY:	WSB			
CHECKED BY:	AKB			
PROJECT NO.:	10018			
DATE:	AUGUST 2020			
CAD DWG NO.:	201901001.RWG			

**ECLIPSE ENGINEERS, PLLC**

83 WEST MT. AUBURN STREET  
COWARTON, KENTUCKY 42001  
PHONE: 606-451-9000







34

PLAN  
 SANITARY SEWER COLLECTION SYSTEM EXPANSION  
 PHASE ONE - CONTRACT No. 39

McCREARY COUNTY  
 WATER DISTRICT  
 458 N. HWY 27  
 WHITLEY CITY, KENTUCKY 42653

SCALE:	1"=30'	REVISIONS	BY	DATE
DESIGNED BY:	ARL			
DRAWN BY:	WSD			
CHECKED BY:	ARL			
PROJECT NO.:	19018			
DATE:	AUGUST 2020			
CAD BY:	WSD			

**ECLIPSE ENGINEERS, PLLC**

13 WEST HILL AVENUE  
 SCARSDALE, KENTUCKY 42301  
 PHONE: 606-451-0559



36

PLAN  
 SANITARY SEWER COLLECTION SYSTEM EXPANSION  
 PHASE ONE - CONTRACT No. 39

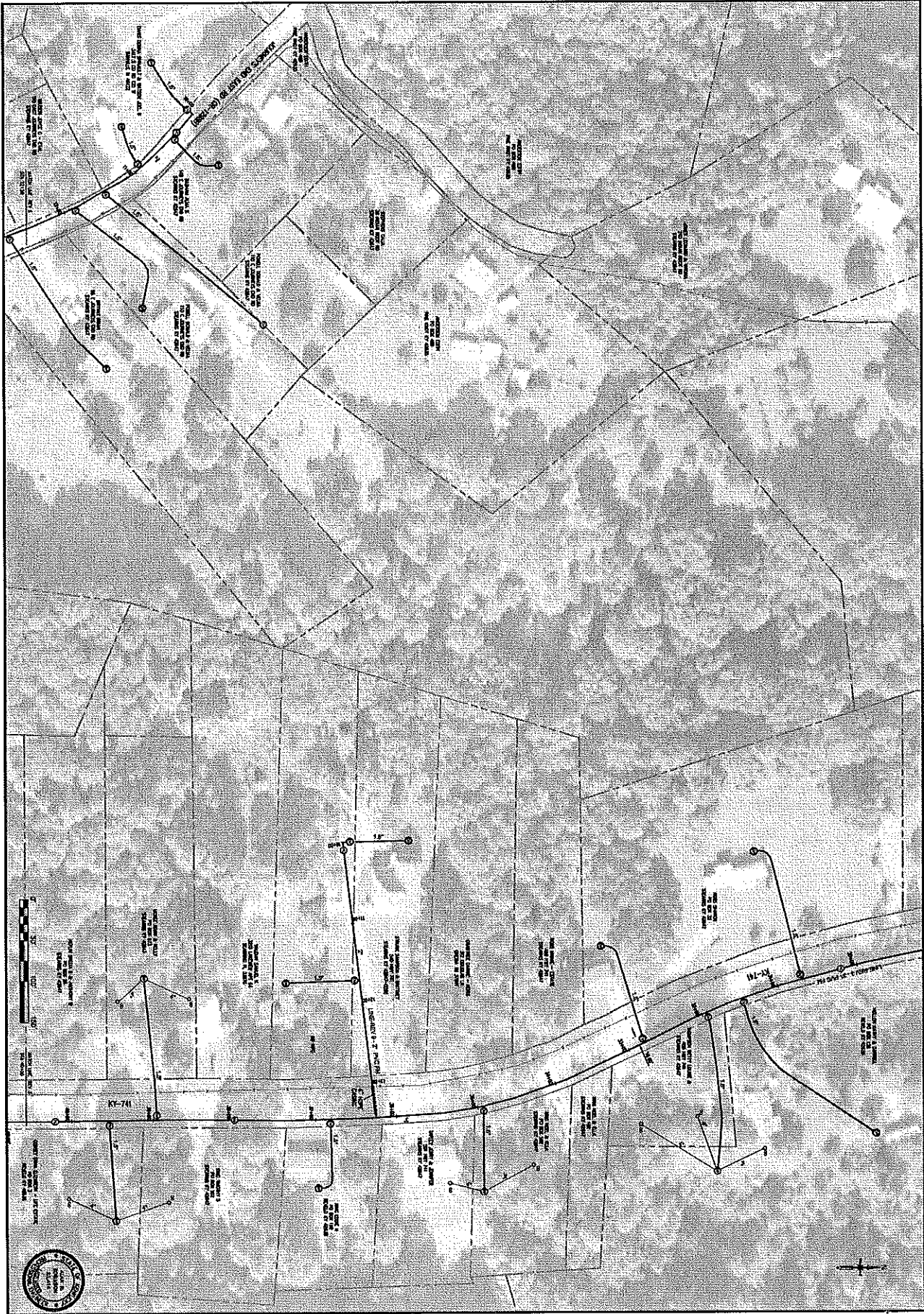
McCREARY COUNTY  
 WATER DISTRICT  
 458 N. HWY 27  
 WHITLEY CITY, KENTUCKY 42653

SCALE:	1"=50'	REVISIONS:	BY:	DATE:
DESIGNED BY:	ARR			
DRAWN BY:	WSD			
CHECKED BY:	ARR			
PROJECT NO.:	3018			
DATE:	AUGUST 2020			
CAD DWG NO.:	20200801			

**ECLIPSE ENGINEERS, PLLC**

103 WEST 4TH, VEEDON KY 40381  
 505 ORCHARD, JUBA KY 41501  
 PROJECT: 2020-08-01





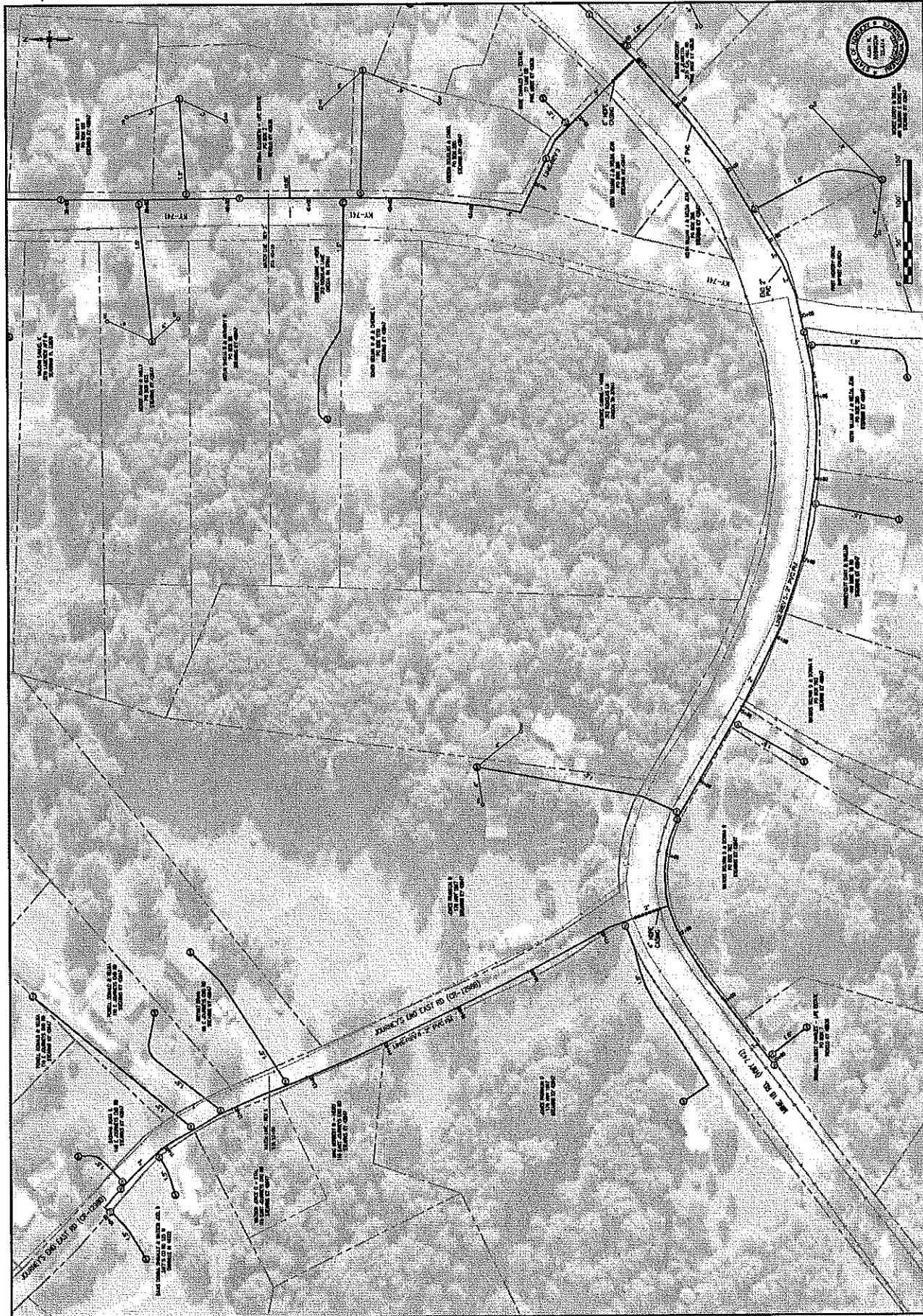
38

PLAN  
 SANITARY SEWER COLLECTION SYSTEM EXPANSION  
 PHASE ONE - CONTRACT No. 39

McCREARY COUNTY  
 WATER DISTRICT  
 456 N. HWY 27  
 WIBLEY CITY, KENTUCKY 42653

SCALE:	1"=60'	REVISION:	BY:	DATE:
DESIGNED BY:	AMR			
DRAWN BY:	WRS			
CHECKED BY:	AMR			
PROJECT NO.:	19018			
DATE:	AUGUST 2020			
CAD DWG BY:	JR			

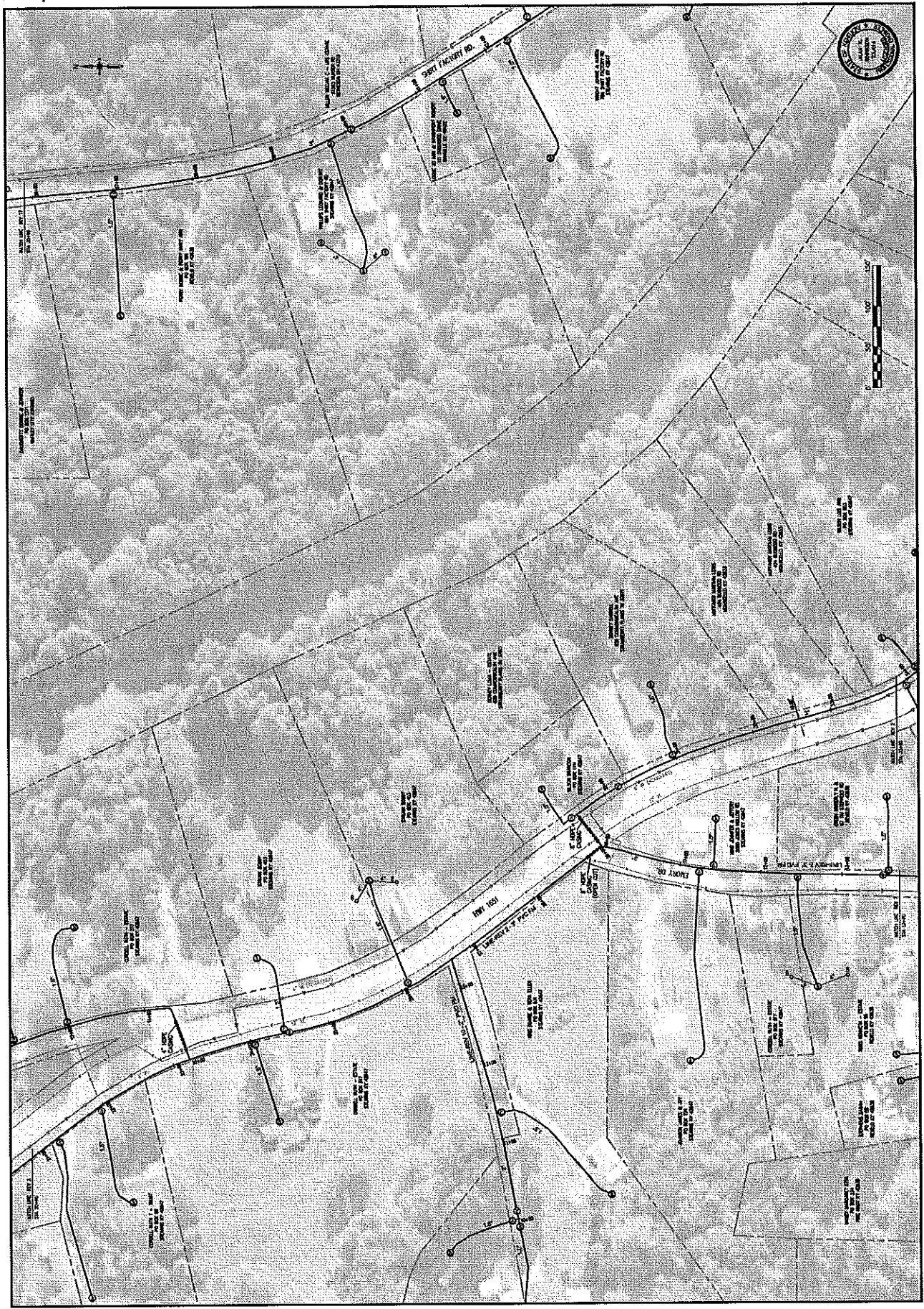
**ECLIPSE ENGINEERS, PLLC**  
 15 WEST AVE, WINDY HILL, KY 40391  
 606-555-0959

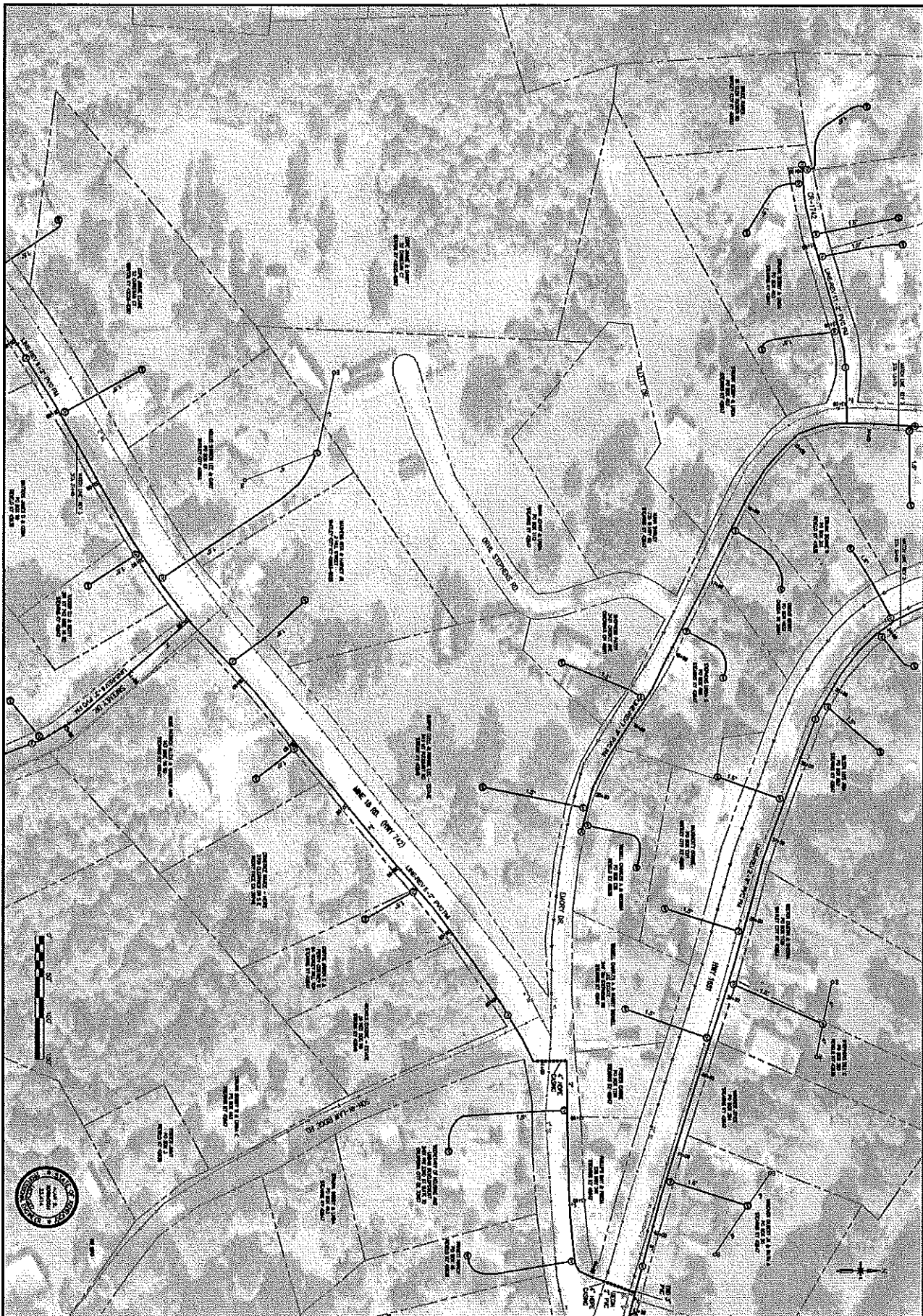




SCALE:	DATE:
PROJECT NO.:	REVISIONS:
DATE:	BY:
DATE:	DATE:

McGREARY COUNTY  
 WATER DISTRICT  
 458 N. HWY 27  
 WARTLEY CITY, MISSOURI 64689





42

PLAN  
 SANITARY SEWER COLLECTION SYSTEM EXPANSION  
 PHASE ONE - CONTRACT No. 39

McCREARY COUNTY  
 WATER DISTRICT  
 458 N. HAVY ST  
 WIRTLEY CITY, KENTUCKY 42663

SCALE:	1"=50'	REVISION:	BY:	DATE:
DESIGNED BY:	AKR			
DRAWN BY:	WSD			
CHECKED BY:	AKR			
PROJECT NO.:	18018			
DATE:	AUGUST 2000			
CAD ENVELOPE:	48" WIDE BY 36" HIGH			

**ECLIPSE ENGINEERS, PLLC**  
 18 WEST 1ST AVENUE STREET  
 SCARLETT, KENTUCKY 42669  
 PHONE: 606-451-0924

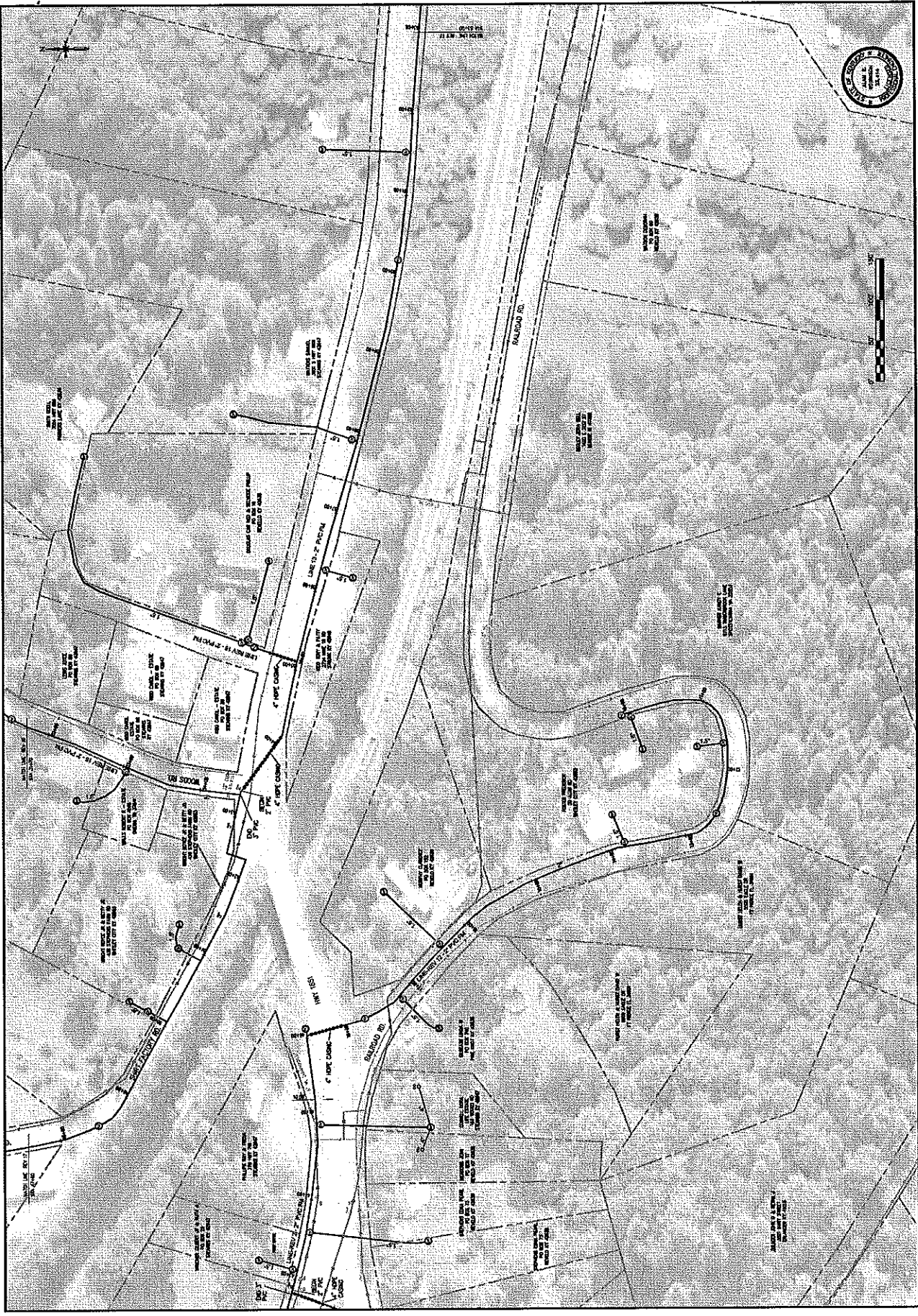


PLAN  
SANITARY SEWER COLLECTION SYSTEM EXPANSION  
PHASE ONE - CONTRACT NO. 39

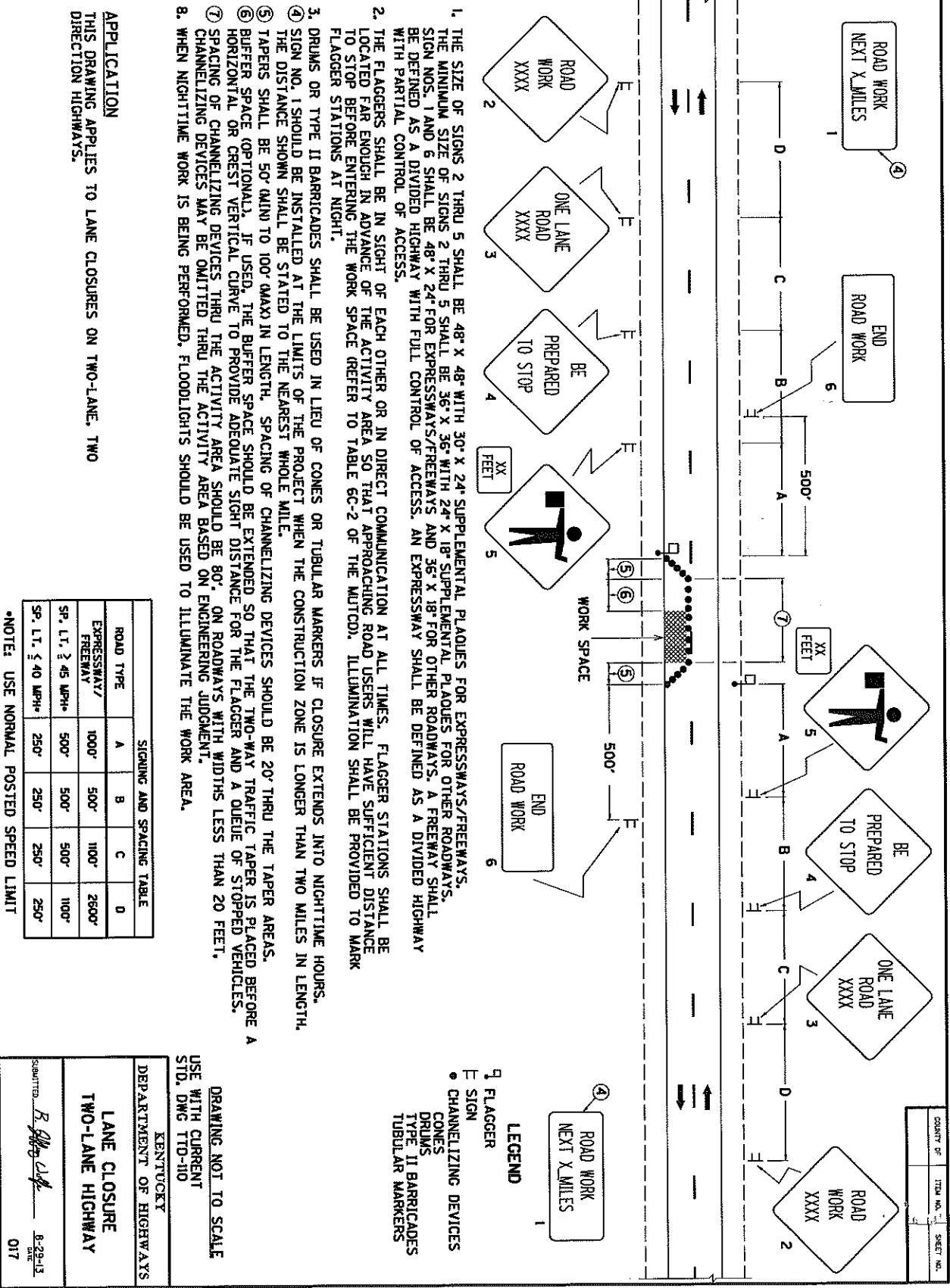
McCREARY COUNTY  
WATER DISTRICT  
468 N. LANE 27  
WINDY CITY, KENTUCKY 40503

SCALE:	DESIGNED BY:	DATE:
1"=40'	AVS	12/11/18
	CHK'D BY:	12/11/18
	PROJECT NO.:	18018
	DATE:	12/11/18
	CD/DWG BY:	AVS

**ECLIPSE ENGINEERS, P.C.**  
115 EAST WY. AVE. SUITE 100  
MORGANTOWN, KENTUCKY 40520  
PHONE: 606-451-9939







1. THE SIZE OF SIGNS 2 THRU 5 SHALL BE 48" X 48" WITH 30" X 24" SUPPLEMENTAL PLATES FOR EXPRESSWAYS/FREEWAYS. THE MINIMUM SIZE OF SIGNS 2 THRU 5 SHALL BE 36" X 36" WITH 24" X 18" SUPPLEMENTAL PLATES FOR OTHER ROADWAYS. SIGN NOS. 1 AND 6 SHALL BE 48" X 24" FOR EXPRESSWAYS/FREEWAYS AND 36" X 18" FOR OTHER ROADWAYS. A FREEWAY SHALL BE DEFINED AS A DIVIDED HIGHWAY WITH FULL CONTROL OF ACCESS. AN EXPRESSWAY SHALL BE DEFINED AS A DIVIDED HIGHWAY WITH PARTIAL CONTROL OF ACCESS.
2. THE FLAGGERS SHALL BE IN SIGHT OF EACH OTHER OR IN DIRECT COMMUNICATION AT ALL TIMES. FLAGGER STATIONS SHALL BE LOCATED FAR ENOUGH IN ADVANCE OF THE ACTIVITY AREA SO THAT APPROACHING ROAD USERS WILL HAVE SUFFICIENT DISTANCE TO STOP BEFORE ENTERING THE WORK SPACE (REFER TO TABLE 6C-2 OF THE MUTCD). ILLUMINATION SHALL BE PROVIDED TO MARK FLAGGER STATIONS AT NIGHT.
3. DRUMS OR TYPE II BARRICADES SHALL BE USED IN LIEU OF CONES OR TUBULAR MARKERS IF CLOSURE EXTENDS INTO NIGHTTIME HOURS.
4. SIGN NO. 1 SHOULD BE INSTALLED AT THE LIMITS OF THE PROJECT WHEN THE CONSTRUCTION ZONE IS LONGER THAN TWO MILES IN LENGTH. THE DISTANCE SHOWN SHALL BE STATED TO THE NEAREST WHOLE MILE.
5. TAPERS SHALL BE 50' (MIN) TO 100' (MAX) IN LENGTH. SPACING OF CHANNELIZING DEVICES SHOULD BE 20' THRU THE TAPER AREAS.
6. BUFFER SPACE (OPTIONAL). IF USED, THE BUFFER SPACE SHOULD BE EXTENDED SO THAT THE TWO-WAY TRAFFIC TAPER IS PLACED BEFORE A HORIZONTAL OR CREST VERTICAL CURVE TO PROVIDE ADEQUATE SIGHT DISTANCE FOR THE FLAGGER AND A QUEUE OF STOPPED VEHICLES.
7. SPACING OF CHANNELIZING DEVICES THRU THE ACTIVITY AREA SHOULD BE 80'. ON ROADWAYS WITH WIDTHS LESS THAN 20 FEET, CHANNELIZING DEVICES MAY BE OMITTED THRU THE ACTIVITY AREA BASED ON ENGINEERING JUDGMENT.
8. WHEN NIGHTTIME WORK IS BEING PERFORMED, FLOODLIGHTS SHOULD BE USED TO ILLUMINATE THE WORK AREA.

**SIGNING AND SPACING TABLE**

ROAD TYPE	A	B	C	D
EXPRESSWAY/ FREEWAY	1000'	500'	1100'	2600'
SP. LT. $\geq$ 45 MPH+	500'	500'	500'	1100'
SP. LT. $\leq$ 40 MPH+	250'	250'	250'	250'

NOTE: USE NORMAL POSTED SPEED LIMIT

DEPARTMENT OF HIGHWAYS  
KENTUCKY

LANE CLOSURE  
TWO-LANE HIGHWAY

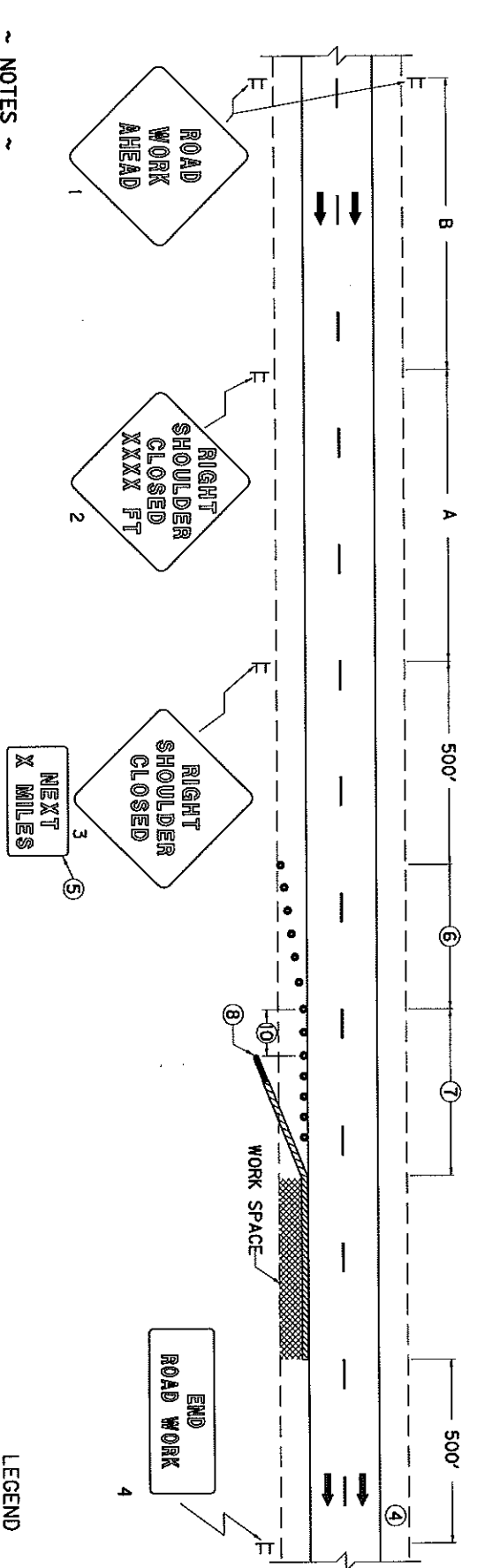
DATE: 8-29-13  
BY: R. [Signature]  
017

DRAWING NOT TO SCALE  
USE WITH CURRENT  
STD. DWG TTD-110

LEGEND

- ④ FLAGGER
- SIGN
- CHANNELIZING DEVICES
- CONES
- DRUMS
- TYPE II BARRICADES
- TUBULAR MARKERS





**LEGEND**

- ===== TEMPORARY TRAFFIC BARRIER
- - - - - SIGN
- CHANNELIZING DEVICES
- CONES
- DRUMS
- TYPE II BARRICADES
- TUBULAR MARKERS
- CRASH CUSHION

1. THE SIZE OF SIGNS 1 THRU 3 SHALL BE 48" X 48" WITH 30" X 24" SUPPLEMENTAL PLAQUES FOR EXPRESSWAYS/FREEWAYS. THE MINIMUM SIZE OF SIGNS 1 THRU 3 SHALL BE 36" X 36" WITH 24" X 18" SUPPLEMENTAL PLAQUES FOR OTHER ROADWAYS. SIGN NO. 4 SHALL BE 48" X 24" FOR EXPRESSWAYS/FREEWAYS AND 36" X 18" FOR OTHER ROADWAYS. A FREEWAY SHALL BE DEFINED AS A DIVIDED HIGHWAY WITH FULL CONTROL OF ACCESS. AN EXPRESSWAY SHALL BE DEFINED AS A DIVIDED HIGHWAY WITH PARTIAL CONTROL OF ACCESS.
2. SIGN 1 SHALL NOT BE DUAL-MOUNTED ON TWO-LANE, TWO-DIRECTION HIGHWAYS OR ON MULTI-LANE HIGHWAYS WHERE MEDIAN IS NOT WIDE ENOUGH TO MAINTAIN LATERAL CLEARANCES SHOWN IN THE MUTCD. SIGNS 2 AND 3 SHALL BE INSTALLED ONLY ON THE SIDE OF THE AFFECTED SHOULDER.
3. DRUMS OR TYPE II BARRICADES SHALL BE USED IN LIEU OF CONES OR TUBULAR MARKERS IF CLOSURE EXTENDS INTO NIGHTTIME HOURS.
4. ON TWO-LANE TWO-DIRECTION HIGHWAYS, SIGNS 1 THRU 3 SHALL BE INSTALLED ON THE APPROACH TO THE RIGHT SHOULDER CLOSED. A "ROAD WORK AHEAD" AND "SHOULDER WORK" SIGN SHALL BE INSTALLED ON THE OPPOSITE APPROACH. THE "SHOULDER WORK" SIGN SHALL BE MOUNTED IN ADVANCE OF THE CLOSURE AT A SPACING OF "A" (SEE SIGNING AND SPACING TABLE). AN ADDITIONAL "ROAD WORK AHEAD" SIGN SHALL BE INSTALLED IN ADVANCE OF THE "SHOULDER WORK" SIGN AT A SPACING OF "B".
5. WHEN THE END OF THE CLOSURE CANNOT BE SEEN BY ROAD USERS, A "NEXT X MILES" PLAQUE SHALL BE INSTALLED BELOW THE "SHOULDER CLOSED" SIGN. THE PLAQUE SHALL BE 36" X 30" FOR EXPRESSWAYS/FREEWAYS AND 24" X 18" FOR OTHER ROADWAYS.
6. TAPER LENGTH SHALL BE 0.33 L. SPACING OF CHANNELIZING DEVICES THROUGH THE SHOULDER TAPER SHOULD BE 40'.
7. SPACING OF CHANNELIZING DEVICES THROUGH THE REMAINDER OF THE CLOSURE SHOULD BE 80'.
8. TEMPORARY TRAFFIC BARRIER SHALL BE REQUIRED ONLY IF DESIGNATED ELSEWHERE IN THE PLANS. IN ORDER TO MITIGATE THE EFFECT OF STRIKING THE END OF A TEMPORARY TRAFFIC BARRIER, THE END SHALL BE INSTALLED IN ACCORDANCE WITH THE ROADSIDE DESIGN GUIDE BY FLARING (SEE TABLE) UNTIL THE END IS OUTSIDE THE ACCEPTABLE CLEAR ZONE OR BY PROVIDING CRASHWORTHY END TREATMENTS. FLATTER FLARE RATES MAY BE USED.
9. THE COLOR OF BARRIER WALL DELINEATORS SHALL MATCH THE COLOR OF THE EDGE LINE THAT THEY SUPPLEMENT.
10. BUFFER SPACE (OPTIONAL). REFER TO TABLE 6C-2 OF THE MUTCD FOR GUIDANCE ON BUFFER SPACE LENGTH.

DRAWING NOT TO SCALE

MAXIMUM FLARE RATES FOR TEMPORARY TRAFFIC BARRIER			
DESIGN SPEED	70 MPH	60 MPH	50 MPH
FLARE RATE	15:1	14:1	11:1

SIGNING AND SPACING TABLE			
ROAD TYPE	A	B	L
EXPRESSWAY/FREEWAY	1000'	1600'	840'
SP. LT. $\geq$ 45 MPH*	500'	500'	680'
SP. LT. $\leq$ 40 MPH*	500'	500'	320'

**APPLICATION**  
THIS DRAWING APPLIES TO SHOULDER CLOSURES ON MULTI-LANE HIGHWAYS, TWO-LANE TWO-DIRECTION HIGHWAYS, AND ONE-WAY HIGHWAYS.

KENTUCKY  
DEPARTMENT OF HIGHWAYS

SHOULDER CLOSURE

STANDARD DRAWING NO. TTC-135-02  
SUBMITTED BY: R. G. [Signature]  
DESIGNED BY: [Signature]  
APPROVED BY: [Signature]  
DATE: 12-01-15

\*NOTE: USE NORMAL POSTED SPEED LIMIT

# **EXHIBIT 6**

RESOLUTION NO. 96011101

Whereas the McCreary County Fiscal Court is desirous of facilitating the timely construction of the sewer lines and appurtenances designated as Phase I, McCreary County Sewer System, the intent of said project being the construction of sewer lines, valves, air release/vacuum relief units, clean out and flushing units and pumping stations and the maintenance, repair, replacement and/or extension of said system as necessary. Be it hereby resolved that the County Judge/Executive be authorized to grant easements on behalf of McCreary County to the McCreary County Water District on all public roads as required by the plans for the Phase I project.

Motion made by MR. HINES

Seconded by MR. LAWSON

Vote \_\_\_\_\_ Nay

GREENE, LAWSON, HINES, TAYLOR & REDDEN Yea

1-11-96

Jimmie W. Greene

Jimmie W. Greene  
County Judge/Executive



# ORDERS

McCREARY

COURT

Special Term, February Day, 13th Day of February 19 64.

FORM G-7-T

The McCreary County Fiscal Court met on February 13, 1964, with the honorable Judge, Prince L. Stephens The Following Magistrates being Present:

Hicks Present, Perry Present, Creekmore Present, Jones Present, Davis Present, Taylor Present, Tapley Present Trammell Present:

On Motion of Hicks and seconded by Trammell it is ordered by the Court that McCreary County and the Fiscal Court of McCreary County grant and convey to the McCreary County water District a right-of-way and easement to construct, maintain lay and repair water pipes, mains, conduits and other and all necessary facilities on, under, through and across all McCreary County Roads and all McCreary County Road rights-of way lying and being in the McCreary County Water district as set out in metes and bounds in an order of the McCreary County Court in order Book 6 Pages 539, and 540 and Prince L. Stephens as Judge of the McCreary County Court and presiding Officer of the Fiscal Court is hereby ordered and directed to execute and deliver to the McCreary County Water District the above described easement for and in behalf of McCreary County and in behalf of this Court.

A Yea and Nay vote being taken the Magistrates voted as follows: Hicks Yea, Perry Yea, Creekmore Yea, Jones Yea, Davis Yea, Taylor Yea, Tapley Yea, Trammell Yea.

On Motion of Perry and seconded by Tapley it is ordered that this Court hire Mark Sumner to deliver the 26 Voting Machines to McCreary County for the sum of \$75.00 and deliver 3 of these Machines to the Court House and the other 23 to Stearns, Kentucky for Storage in the basement of the Old Marcum Garage.

A Yea and Nay vote being taken the Magistrates voted as follows: Hicks Yea, Perry Yea, Creekmore Yea, Jones Yea, Davis Yea, Taylor Yea, Tapley Yea, Trammell Yea.

On Motion of Hicks and seconded by Tapley it is ordered that this Court authorize the County Attorney James A. Inman to file a Ex-Protie proceedings in behalf of the McCreary County Fiscal Court; the budget commissioners of - McCreary County; The McCreary County Attorney James A. Inman; Judge Prince L. Stephens, Judge McCreary County Court; and Carl Barnett as Clerk of the McCreary County Court for the purpose of obtaining judgement of the McCreary Circuit Court on the issues set out in said action.

A Yea and Nay vote being taken the Magistrates voted as follows: Hicks Yea, Perry Nay, Creekmore Yea, Jones Nay, Davis Yea, Taylor Yea, Tapley Yea, Trammell Nay.

On Motion of Trammell and seconded by Perry it is ordered that this Court recend to order as recorded in Fiscal Court Order Book #7, Page 424, in regards to the constructing of building at the back of McCreary County Court House.

A Yea and Nay vote being taken, the magistrates voted as follows: Hicks Yea, Perry Yea, Creekmore Yea, Jones Yea, Davis Yea, Taylor Yea, Tapley Nay, Trammell Yea.

On Motion of Jones and seconded by Davis it is ordered that the Magistrates be paid for One days service, and this Court Adjourn until March 5, 1964, 9:30 AM.

A Yea and Nay vote being taken the Magistrates voted as follows: Hicks Yea, Perry Yea, Creekmore Yea, Jones Yea, Davis Yea, Taylor Yea, Tapley Yea, Trammell Yea.

# **EXHIBIT 7**

## **DESCRIPTION OF ROUTE AND LOCATION OF PROPOSED FACILITIES**

A force main will be constructed beginning near the intersection of Kentucky Route 92 and Kentucky Route 1651 and running northwest along Kentucky Route 92 for approximately two miles. At the juncture of Kentucky Route 92 and Kentucky Route 701 (Poplar Springs Road), a second force main will run approximately 0.12 miles northeast along Kentucky Route 701 (Poplar Springs Road) and connect to the proposed KY 701 Pump Station, which will be located at the juncture of Kentucky Route 701 and Harper Road. This main will continue to run approximately .073 miles northeast along Kentucky Route 701 and connect to the Country Store Pump Station. Additional mains will run along the following streets and roads and connect to either the Kentucky Route 92 force main or the Kentucky Route 701 force main:

Kentucky Route 791 (Worley Road)

Boyatt Cemetery Road

Childers Ridge Road

Christopher King Road

Dave Summers Road

Donaldson Hill Road.

Earl Ross Road

Farm Ridge Road

Gene Jones Road

Harper Road

Inman Neal Road

John Perry Lane

Jones Wilson Ln

Mary King Road

Melvin Basham Road

Pine Ridge Road

Smithtown School Road

Stearns Tower Road

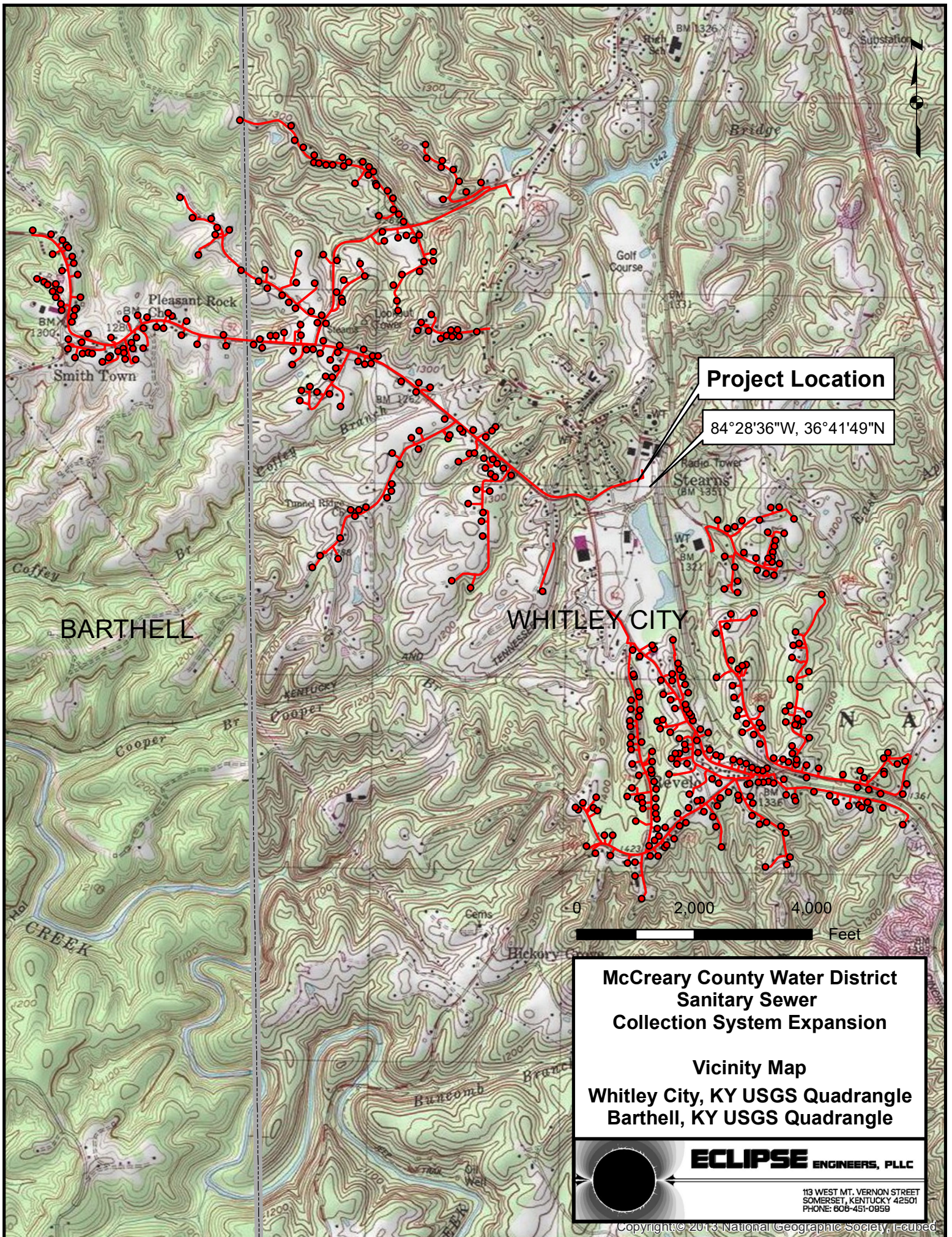
T. Bryant Road

Tunnel Ridge Road

Winchester Hill Road

# **EXHIBIT 8**





**Project Location**

84°28'36"W, 36°41'49"N

**BARTHELL**

**WHITLEY CITY**



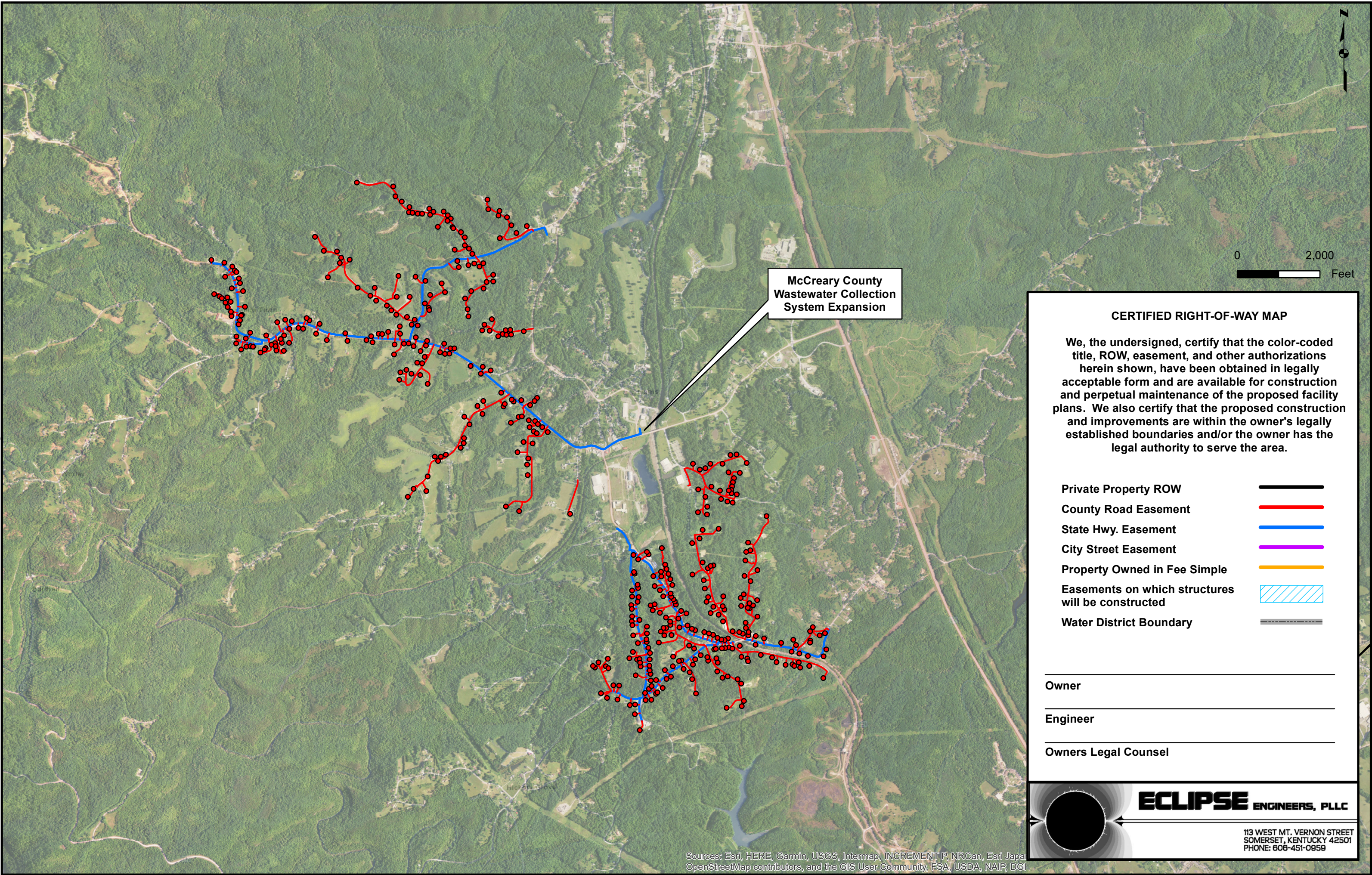
**McCreary County Water District  
Sanitary Sewer  
Collection System Expansion**

**Vicinity Map  
Whitley City, KY USGS Quadrangle  
Barthell, KY USGS Quadrangle**

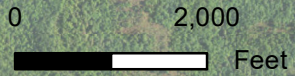
**ECLIPSE ENGINEERS, PLLC**

113 WEST MT. VERNON STREET  
SOMERSET, KENTUCKY 42501  
PHONE: 608-451-0959












**McCreary County  
Wastewater Collection  
System Expansion**



**CERTIFIED RIGHT-OF-WAY MAP**

We, the undersigned, certify that the color-coded title, ROW, easement, and other authorizations herein shown, have been obtained in legally acceptable form and are available for construction and perpetual maintenance of the proposed facility plans. We also certify that the proposed construction and improvements are within the owner's legally established boundaries and/or the owner has the legal authority to serve the area.

Private Property ROW	
County Road Easement	
State Hwy. Easement	
City Street Easement	
Property Owned in Fee Simple	
Easements on which structures will be constructed	
Water District Boundary	

Owner \_\_\_\_\_

Engineer \_\_\_\_\_

Owners Legal Counsel \_\_\_\_\_



**ECLIPSE ENGINEERS, PLLC**

113 WEST MT. VERNON STREET  
SOMERSET, KENTUCKY 42501  
PHONE: 606-451-0959

Sources: Esri, HERE, Garmin, USGS, Intermap, INCREMENT P, NRCan, Esri Japan, OpenStreetMap contributors, and the GIS User Community, FSA, USDA, NAIP, DGI



# **EXHIBIT 9**

# Preliminary Engineering Report

## Sanitary Sewer Collection System Expansion Phase 1 – Contract No. 39

*prepared for:*

**McCreary County Water District  
456 North Highway 27  
Whitley City, Kentucky 42653**

*prepared by:*

**Eclipse Engineers, PLLC  
113 West Mt. Vernon Street  
Somerset, Kentucky 42501  
(606) 451-0959**

**April 30, 2020**





## Table of Contents

<b>Chapter I</b>	<b>General</b>	<b>Page 1</b>
<b>Chapter II</b>	<b>Project Planning Area</b>	<b>Page 2 - 4</b>
	<b>A. Location</b>	
	<b>B. Environmental Resources</b>	
	<b>C. Growth Areas and Population Trends</b>	
	<b>D. Socio – Economic Conditions</b>	
<b>Chapter III</b>	<b>Existing Facilities</b>	<b>Page 5</b>
	<b>A. Location Map</b>	
	<b>B. History</b>	
	<b>C. Condition of Facilities</b>	
<b>Chapter IV</b>	<b>Need for Project</b>	<b>Page 6</b>
	<b>A. Health and Safety</b>	
	<b>B. System O &amp; M</b>	
	<b>C. Growth</b>	
<b>Chapter V</b>	<b>Alternatives Considered</b>	<b>Page 7</b>
	<b>A. Description</b>	
	<b>B. Environmental Impacts</b>	
<b>Chapter VI</b>	<b>Proposed Project (Recommended Alternative)</b>	<b>Page 8 - 10</b>
	<b>A. Project Design</b>	
	<b>B. Design Criteria</b>	
	<b>C. Construction Method</b>	
	<b>D. Number of Contracts</b>	
	<b>E. Cost Estimates</b>	
	<b>F. Permits</b>	
	<b>G. Estimated Project Schedule</b>	
	<b>H. Title Requirements</b>	
<b>Chapter VII</b>	<b>Conclusions and Recommendations</b>	<b>Page 11</b>
<b>Appendix A</b>	<b>- Location Map</b>	
	<b>- Schematic Layout of Proposed Utilities</b>	
<b>Appendix B</b>	<b>- FEMA Maps</b>	

***Table of Contents***

***Appendix C - Opinion of Probable Construction Costs***

***Appendix D - Preliminary Project Costs***

## **Chapter I - General**

### ***Applicant Name: McCreary County Water District***

The McCreary County Water District (MCWD) is the sole entity that provides water and wastewater services to McCreary County. Due to the county being primarily forest, the majority of its land is owned by the federal government. Approximately 43% is owned and managed by the Daniel Boone National Forest Service, and an additional 18% of the county is owned and managed by the National Park Service, also known as the Big South Fork National River and Recreation Area, totaling 61% percent of the county. McCreary County was the final county to be formed in the state of Kentucky, and currently is the only county that does not have a single incorporated city. Due to this, the county government is the sole local government agency for the entire county, making it much more difficult to urbanize populated areas due to the lack of a separate city entity. McCreary County is divided east and west by US 27, and divided north and south by KY 92. These two major highways run concurrently with one another making the county readily accessible from other surrounding counties and the state of Tennessee. In addition to easy transportation accessibility, the county is also served by Norfolk Southern Railway, which includes several industrial sidings in the area, including a major railway traffic interchange with the Kentucky and Tennessee Railway in Stearns, Kentucky.

To expand their sewer system and gain new customers, McCreary County Water District desires to construct new sewer lines, and pump stations to serve new customers between the Stearns and Smithtown area of McCreary County. The project will increase the number of residential sewer customers by approximately 300 customers. The new Sanitary Sewer Collection System Expansion Project is anticipated to be funded primarily by the Kentucky Infrastructure Authority and the USDA Rural Development.

## **Chapter II – Project Planning Area**

### ***A. Location***

A location map showing the project site is included in Appendix A.

*B. Environmental Resources*

Appendix B contains a copy of the FEMA maps for McCreary County influenced by the project area. There will be no stream or creek crossings required for the construction of this project.

*C. Growth Areas and Population Trends*

McCreary County experienced minimal population growth from 2000 to 2015. The county’s population only increased five percent during this time. However, until recently, the county experienced considerable growth from the past several decades.

Population projections contained from the Kentucky State Data Center, indicate that the county will continue to experience minimal growth through the year 2020, then will most likely plateau and begin to slightly decline over the next 20 years to the year 2040. This is most likely due to the majority of the county being primarily forest and comprised of rural areas, therefore, very little development is foreseen in the future to the county’s urban areas to help increase and sustain population growth.

**Population Data and Projections**  
**McCreary County, Kentucky**

<b>Year</b>	<b>Population</b>
1970 <sup>1</sup>	12,548
1980 <sup>1</sup>	15,634
1990 <sup>1</sup>	15,603
2000 <sup>1</sup>	17,078
2010 <sup>2</sup>	18,306
2015 <sup>2</sup>	17,878
2020 <sup>2</sup>	17,840
2025 <sup>2</sup>	17,630
2030 <sup>2</sup>	17,320
2035 <sup>2</sup>	16,929
2040 <sup>2</sup>	16,486

Notes: <sup>1</sup>Source: <http://population.us/>  
<sup>2</sup>Source: Kentucky State Data Center, [www.ksdc.org](http://www.ksdc.org)

*D. Socio-Economic Conditions*

Since 2017, McCreary County employment has been dominated by the private industry sector, followed by trade, transportation, and utilities, as well as, education and health, and leisure and hospitality sectors. The private industry sector accounted for approximately 47 percent of all jobs in 2017, and the trade, transportation, utilities, education and health services, leisure and hospitality, and financial activities sectors accounted for 32 percent of all employment in 2017. All other employment sectors accounted for only 14 percent of all employment in McCreary County in 2017.

The importance of the private industry sector to the economic base of McCreary County has continued to exceed other major industries within the county. In the 1980's and early 1990's natural resources, coal mining, timber, and manufacturing played a vital role in the county's stability and growth, but by the late 1990's and early 2000's, these once economical influences quickly dissipated and dried up. This in turn caused the county to quickly adjust its approach in continuing to bring economic stability to the county, therefore allowing the private sectors to grow and develop rapidly.

Agriculture has never played an important role in the county's economy due to extreme topography and primarily forest inhabiting the county. In the early 2000's approximately only five percent of the county was farmland, and continues to remain generally the same today. These low numbers are because the county has never been able to sustain any substantial agricultural industries, which is primarily due to the majority of the county being owned by the federal government. McCreary County is currently ranked 111 out of 120 counties in overall agricultural production.

**McCreary County Employment by Major Industry and Wages by Category, 2017<sup>1</sup>**

Category	Employment (McCreary Co.)	Average Weekly Wage (McCreary Co.)	Average Weekly Wage (Kentucky)
Natural Resources and Mining	2	\$279	\$1,049
Construction	20	\$534	\$1,011
Manufacturing	185	\$545	\$1,108
Trade, Transportation, and Utilities	467	\$567	\$789
Information	19	\$1,116	\$1,044
Financial Activities	131	\$582	\$1,236
Professional and Business Services	53	\$440	\$931
Education and Health Services	278	\$418	\$906
Leisure and Hospitality	242	\$231	\$327
Other Services and Unclassified	34	\$345	\$626
Total Private Industries	1,432	\$482	\$865
<b>Total (All Industries)</b>	<b>3,074</b>	<b>\$645</b>	<b>\$845</b>

<sup>1</sup>Source: U.S Department of Labor, Bureau of Labor Statistics.

**Major Manufacturing Firms and Employment in McCreary County – 2019<sup>1</sup>**

Firm	Employment	Year Established
McCreary County Hardwood, Inc.	33	1988
Pine Knot Lumber, Inc.	47	1978
Outdoor Venture Corporation	160	1972

Note: <sup>1</sup>Source: Kentucky Cabinet for Economic Development, 2019

**Chapter III - Existing Facilities**

A. *Location Map*

The Sanitary Sewer Collection System Expansion Project will begin at the intersection of KY 92 (Wilburn K. Ross Hwy) and Wagon Ridge Road located in south central McCreary County. The project will travel along KY 92 including all side roads to gain as many new sewer customers within the project corridor as possible. The project will end in Stearns, KY at the intersection of KY 92 and Kinne Street.

An additional section of the project corridor will include extending service south from Stearns along KY 1651 to Revelo on the west side of the railroad tracks. Along the east side of the

railroad tracks, the project will extend south along Shirt Factory Road to the intersection of KY 1651. No railroad crossings are anticipated in this project.

*B. History*

McCreary County Water District (MCWD) has a record of providing excellent water and sewer services to industries and private businesses that continue to come to McCreary County. MCWD has been proactive in providing enough capacity in their water and wastewater treatment plants to provide for ample growth in the economy as the county continues to grow in population and economic development.

*C. Condition of Facilities*

MCWD owns and operates the public water and wastewater systems in McCreary County. The water system serves approximately 6,200 total customers throughout the entire county and the wastewater system serves approximately 1,100 total customers primarily in the areas around and including Whitley City. Drinking water is also sold via wholesale agreement to Whitley County Water District. MCWD operates two water treatment plants (WTP) and one wastewater treatment plant (WWTP).

**Chapter IV- Need for Project**

*A. Health and Safety*

This area of McCreary County is known for having wet, marshy soil conditions that do not favor water percolating into the soil leading to soil erosion and ground movement. These conditions can lead to deteriorated sewer residential septic lines, increasing the potential of septic system failure allowing for sewer to leach into the ground and nearby water table. The installation of new force mains and grinder pump stations with proper bedding and backfill will reduce the risk to public health of unwanted contaminants leaching into the soil and the water table.



*B. System Operation & Maintenance*

This project will provide a much more reliable, sustainable sewer system for the southern industrial and residential section of the county beginning in Smithtown and extending eastward to Stearns and then southward to Revelo.

*C. Growth*

McCreary County has been and is projected to remain constant in economic development and population similar to that of other rural counties in the state of Kentucky. Providing exceptional sewer services will be a key component to increasing growth and development within the county. Therefore, installing force mains and grinder pump stations to add new sewer customers within the county will be vital to encouraging development throughout this unserved area of the county.

**Chapter V – Alternatives Considered**

*A. Description*

Alternatives to provide sewer to new commercial and residential customers along KY 92 from Stearns to Smithtown, and along KY 1651 from Stearns to Revelo include the following:

- Alternative No. 1 - Extend a conventional gravity sewer system from the existing gravity system in Stearns with numerous conventional duplex pump stations. This alternative would be the least expensive to maintain once constructed but would cost much more to initially install. The MCWD has very little gravity sewer in the system. The majority of their 1,100 customers are served by residential grinder pump stations. The reason for this is that most of the development in McCreary County is along the ridge tops making the deep adjacent terrain difficult to access to construct and install gravity sewers.

- Alternative No. 2 - Install residential grinder pump stations and low pressure force mains. This alternative would serve the additional customers with the lowest capital cost. The MCWD has the staff and training to maintain the grinder pump systems as they have operated this type of sewer system for over 30 years. The MCWD could maximize the amount of new customers with the amount of project funds they seek with this alternative.
- Alternative No. 3 - Do nothing. Continue to serve only the existing customers and not extend the sewer collection system to the proposed areas. Residents in Smithtown, part of Stearns, and Revelo will continue to experience failing septic systems and use straight line pipes to discharge sewer in some areas.

The second alternative is recommended. This alternative will extend lower pressure force mains and serve approximately 300 customers with new, simplex grinder pump stations.

*B. Environmental Impacts*

Continuing to not serve developed towns and highway corridors of McCreary County with public sanitary sewer could have a negative environmental impact on the diversity of wildlife, or the habitat within the project area as well as human health.

**Chapter VI – Proposed Project (Recommended Alternative)**

The selected alternative is Alternative No. 2 – Install residential grinder pump stations and low pressure force mains. This alternative will expand the MCWD sanitary sewer collection system by approximately 25 percent by adding new, unserved customers.

*A. Project Design*

This project will consist of extending thousands of feet of low pressure force main from the “hub” of Stearns, Kentucky. Stearns was one of the first areas of McCreary County to have a

public sewer system and therefore has many areas of its system available to accept new flow from multiple directions. Force mains will convey flow from Smithtown towards the east along KY 92 with approximately \_\_\_ linear feet of 2-inch and 4-inch force mains and continue north along KY 701 and discharge into the Country Store Pump Station. This pump station will be rehabilitated with larger pumps and controls to replace the aged equipment as well as accommodate the new flow. The pump station will convey flow into an existing 6-inch force main which travels southeast along KY 1651 to the Stearns gravity sewer system.

The southern section of the project will extend approximately \_\_\_ linear feet of 2-inch and 4-inch force mains to the south from Stearns to Revelo, Kentucky. This unsewered corridor along KY 1651 on the west side of the railroad will convey sewage from the south and discharge into the existing Stearns Pump Station No. 3. This pump station was confirmed with a drawdown test to have peak pumping capacity of 150 gallons per minute (GPM). A separate branch of the Revelo extension will convey sewage from the south along Shirt Factory Road and discharge into the existing Stearns Pump Station No. 2. This pump station was confirmed with a drawdown test to have a peak pumping capacity of 100 GPM.

The useful life of the proposed facilities will vary. In general, concrete and fixed structures will have a useful life of 30 to 40 years. Equipment, moving parts, and items exposed to raw wastewater will have a shorter useful life of around 20 years. The proposed grinder pumps, floats, switches, etc. will have a useful life of about 8 years. However, these items with moving parts only constitute about 20 percent of the initial installed cost including the wetwell, etc. Items with a shorter useful life are maintained and replaced annually throughout the system by the MCWD staff through their operating budget. The force main will have a useful life of around 30-40 years.

#### *B. Design Criteria*

The proposed project will be designed using the standards established by the Natural Resources and Environmental Protection Cabinet, Kentucky Division of Water, General Design Criteria for

Surface and Ground Water Supplies. In addition, the Great Lakes Upper Mississippi River Board of State Public Health and Environmental Managers, Recommended Standards for Water Works, (Ten State Standards) 1997 will be used to guide the design process.

*C. Construction Method*

The proposed project will be based on a design / bid / build method using the sealed competitive bid process.

*D. Number of Contracts*

The proposed project will consists of only one construction contract.

*E. Cost Estimates*

Detailed cost estimates of the selected alternative are provided in Appendix C.

*F. Permits*

The proposed project will require very few permits and is anticipated to require no private easements. An encroachment permit from the Kentucky Department of Highways will be required and will take approximately 45 days for approval from the submittal date. The encroachment permit is required due to the newly proposed force main anticipated to be placed in the state highway right-of-way traveling along KY 92 and KY 1651. The second permit will be a construction permit from the Kentucky Division of Water that will take approximately 45 days for approval from the submittal date. Once design is completed for the propose project the necessary permits will be submitted for approval.

*G. Estimated Project Schedule*

The estimated project schedule will include the following approximate time frames:

- a. design period / 90 days
- b. period of time to obtain required permits / 60 days
- c. solicitation of bids and awarding of contracts / 90 days
- d. construction period / 365 days

*H. Title Requirements*

The proposed project will require a Kentucky Department of Highways encroachment permit.

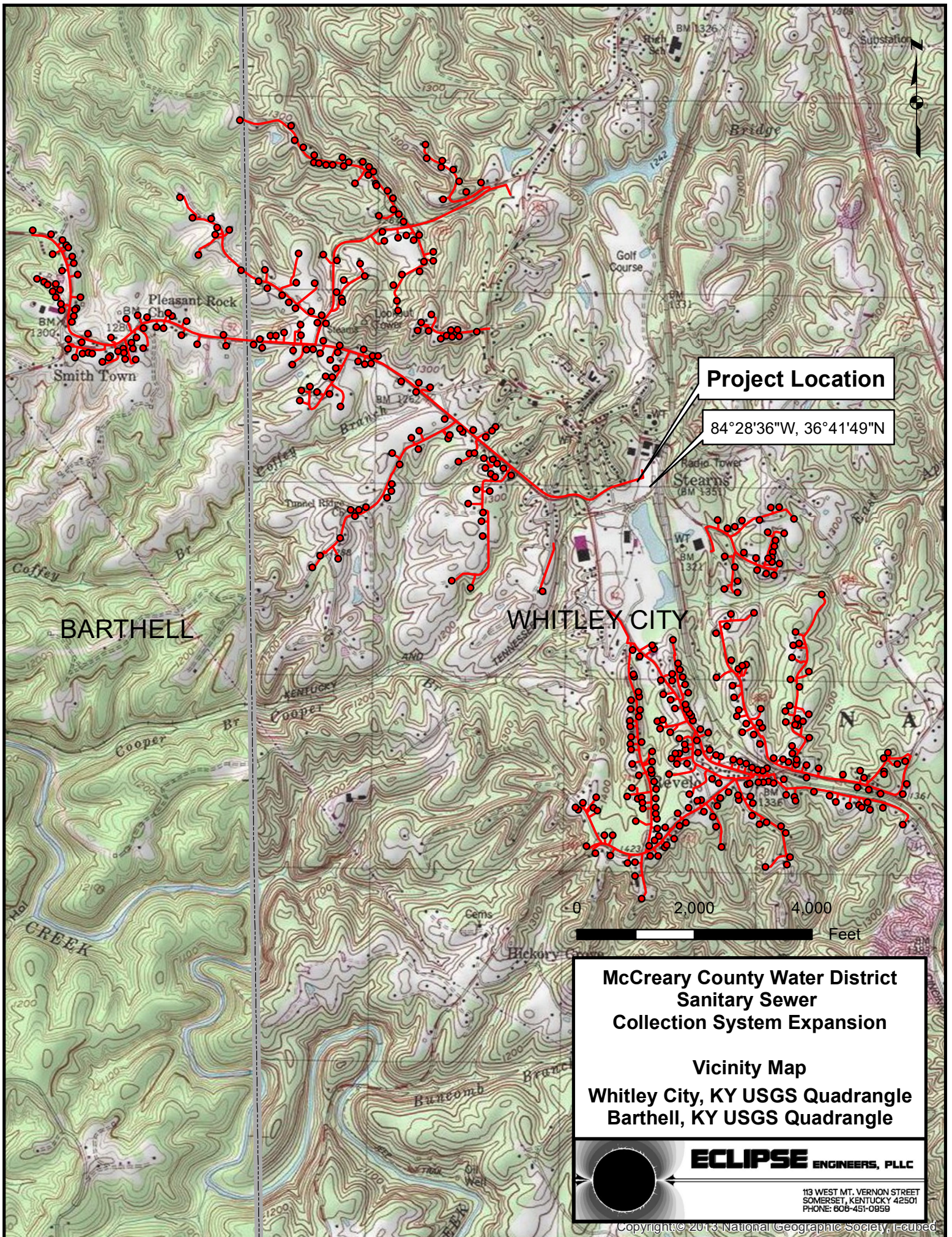
**Chapter VII – Conclusions and Recommendations**

McCreary County Water District needs to expand its sanitary sewer collection system to increase its customer base. This will allow MCWD to spread operating costs over a large number of customers. This projects also protects the environment by eliminating hundreds of septic tanks and straight line pipes.

***Appendix A - Location Map***

***- Schematic Layout of Proposed Utilities***





**Project Location**

84°28'36"W, 36°41'49"N

**BARTHELL**

**WHITLEY CITY**



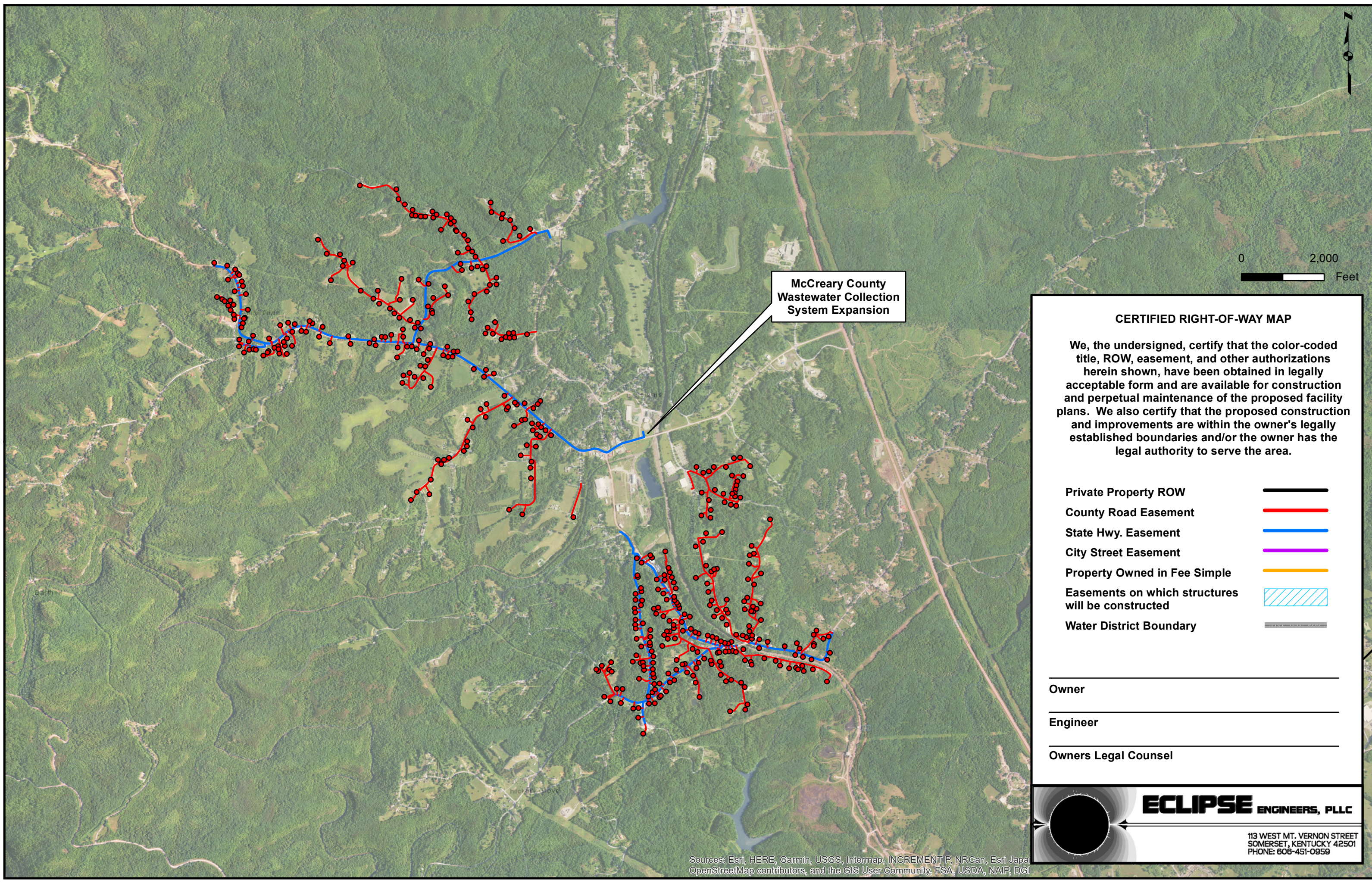
**McCreary County Water District  
Sanitary Sewer  
Collection System Expansion**

**Vicinity Map  
Whitley City, KY USGS Quadrangle  
Barthell, KY USGS Quadrangle**

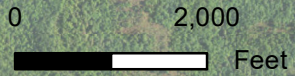


113 WEST MT. VERNON STREET  
SOMERSET, KENTUCKY 42501  
PHONE: 606-451-0959





**McCreary County  
Wastewater Collection  
System Expansion**



**CERTIFIED RIGHT-OF-WAY MAP**

We, the undersigned, certify that the color-coded title, ROW, easement, and other authorizations herein shown, have been obtained in legally acceptable form and are available for construction and perpetual maintenance of the proposed facility plans. We also certify that the proposed construction and improvements are within the owner's legally established boundaries and/or the owner has the legal authority to serve the area.

- Private Property ROW
- County Road Easement
- State Hwy. Easement
- City Street Easement
- Property Owned in Fee Simple
- Easements on which structures will be constructed
- Water District Boundary

Owner \_\_\_\_\_

Engineer \_\_\_\_\_

Owners Legal Counsel \_\_\_\_\_

**ECLIPSE ENGINEERS, PLLC**  
 113 WEST MT. VERNON STREET  
 SOMERSET, KENTUCKY 42501  
 PHONE: 606-451-0959

Sources: Esri, HERE, Garmin, USGS, Intermap, INCREMENT P, NRCan, Esri Japan, OpenStreetMap contributors, and the GIS User Community, FSA, USDA, NAIP, DGI



***Appendix B - FEMA Maps***

***Appendix C - Opinion of Probable Project Costs***

**Preliminary Opinion of Probable Construction Cost  
Sanitary Sewer Collection System Expansion - Phase 1 - Contract No. 39**

**McCreary County Water District  
Whitley City, Kentucky**

<i>Item No.</i>	<i>Description</i>	<i>QTY</i>	<i>Unit</i>	<i>Unit Price</i>	<i>Total</i>
1	General Conditions	1	LS	\$62,000	\$62,000
2	1.5-inch HDPE Force Main (Open Cut)	10,000	LF	\$9	\$90,000
3	2-inch HDPE Force Main (Open Cut)	50,000	LF	\$10	\$500,000
4	2-inch HDPE Force Main - Directional Bore (Line M)	1,000	LF	\$30	\$30,000
5	4-inch PVC SDR 17 Force Main	20,000	LF	\$16	\$320,000
6	4-inch PVC SDR 35 Gravity Sewer	10,000	LF	\$30	\$300,000
7	6-inch PVC SDR 17 Force Main	10,000	LF	\$26	\$260,000
8	8-inch PVC SDR 35 Gravity Sewer	300	LF	\$45	\$13,500
9	8-inch Casing Pipe - Bore and Jack	300	LF	\$210	\$63,000
10	12-inch Casing Pipe - Bore and Jack	200	LF	\$250	\$50,000
11	4-foot Diameter Manhole	2	EA	\$3,000	\$6,000
12	Duplex Pump Station - Pumps and Controls Replacement	1	EA	\$100,000	\$100,000
13	Simplex Grinder Pump Station - Single Stage	225	EA	\$3,500	\$787,500
14	1-inch Combination Air Release Valve Assembly	5	EA	\$1,500	\$7,500
15	2-inch Combination Air Release Valve Assembly	5	EA	\$2,000	\$10,000
16	Flushing Connection - Inline	30	EA	\$1,500	\$45,000
17	Flushing Connection - Junction	10	EA	\$5,000	\$50,000
18	Flushing Connection - Terminal	5	EA	\$1,500	\$7,500
19	Grinder Check Valve Assembly	225	EA	\$1,500	\$337,500
20	Connect to Existing Force Main (< 4-inch)	2	EA	\$1,400	\$2,800
21	Connect to Existing Manhole / Wetwell	2	EA	\$2,000	\$4,000
22	4-inch Sanitary Sewer Cleanout/Lateral Assembly	100	EA	\$200	\$20,000
23	Bituminous Drive Replacement	500	SY	\$50	\$25,000
<b>Total Opinion of Probable Project Cost</b>					<b>\$3,091,300</b>

*Appendix D - Preliminary Project Costs*

**Preliminary Project Costs**  
**McCreary County Water District**  
**Sanitary Sewer Collection System Expansion – Phase 1 – Contract No. 39**

<b>PRE-BID BUDGET INFORMATION</b>			
Cost Classification	Total Cost	Cost Not Allowable	Total Allowable Cost
1. Administrative & Legal	\$80,000.00	\$0.00	\$80,000.00
2. Land, Structures ,Easements, etc.	10,000.00	0.00	10,000.00
3. Relocation	0.00	0.00	0.00
4. Architectural & Engineering (Design, Bidding, Const. Admn.)	237,379.00	0.00	237379.00
5. Other Architect. & Eng. Fees (Mapping and Hydraulic Model)	0.00	0.00	0.00
6. Project Inspection	125,821.00	0.00	125,821.00
7. Site Work	0.00	0.00	0.00
8. Demolition & Removal	0.00	0.00	0.00
9. Construction	3,091,300.00	0.00	3,091,300.00
10. Equipment	0.00	0.00	0.00
11. Misc.	0.00	0.00	0.00
12. SUBTOTAL	3,544,500.00	0.00	3,544,500.00
13. Contingencies	100,000.00	0.00	100,000.00
<b>14. TOTAL PROJECT COSTS</b>	<b>\$3,644,500.00</b>	<b>\$0.00</b>	<b>\$3,644,500.00</b>



# **EXHIBIT 10**

# Final Engineering Report

## Sanitary Sewer Collection System Expansion Phase 1 – Contract No. 39

*prepared for:*

**McCreary County Water District  
456 North Highway 27  
Whitley City, Kentucky 42653**

*prepared by:*

**Eclipse Engineers, PLLC  
113 West Mt. Vernon Street  
Somerset, Kentucky 42501  
(606) 451-0959**

**December 11, 2020**



## Table of Contents

<b>Chapter I</b>	<b>General</b>	<b>Page 1</b>
<b>Chapter II</b>	<b>Project Planning Area</b>	<b>Page 2 - 4</b>
	<b>A. Location</b>	
	<b>B. Environmental Resources</b>	
	<b>C. Growth Areas and Population Trends</b>	
	<b>D. Socio – Economic Conditions</b>	
<b>Chapter III</b>	<b>Existing Facilities</b>	<b>Page 5</b>
	<b>A. Location Map</b>	
	<b>B. History</b>	
	<b>C. Condition of Facilities</b>	
<b>Chapter IV</b>	<b>Need for Project</b>	<b>Page 6</b>
	<b>A. Health and Safety</b>	
	<b>B. System O &amp; M</b>	
	<b>C. Growth</b>	
<b>Chapter V</b>	<b>Alternatives Considered</b>	<b>Page 7</b>
	<b>A. Description</b>	
	<b>B. Environmental Impacts</b>	
<b>Chapter VI</b>	<b>Proposed Project (Recommended Alternative)</b>	<b>Page 8 - 10</b>
	<b>A. Project Design</b>	
	<b>B. Design Criteria</b>	
	<b>C. Construction Method</b>	
	<b>D. Number of Contracts</b>	
	<b>E. Cost Estimates</b>	
	<b>F. Permits</b>	
	<b>G. Estimated Project Schedule</b>	
	<b>H. Title Requirements</b>	
<b>Chapter VII</b>	<b>Conclusions and Recommendations</b>	<b>Page 11</b>
<b>Appendix A</b>	<b>- Location Map</b>	
	<b>- Schematic Layout of Proposed Utilities</b>	
<b>Appendix B</b>	<b>- FEMA Maps</b>	

***Table of Contents***

***Appendix C - Opinion of Probable Construction Costs***

***Appendix D - Preliminary Project Costs***

## **Chapter I - General**

### ***Applicant Name: McCreary County Water District***

The McCreary County Water District (MCWD) is the sole entity that provides water and wastewater services to McCreary County. Due to the county being primarily forest, the majority of its land is owned by the federal government. Approximately 43% is owned and managed by the Daniel Boone National Forest Service, and an additional 18% of the county is owned and managed by the National Park Service, also known as the Big South Fork National River and Recreation Area, totaling 61% percent of the county. McCreary County was the final county to be formed in the state of Kentucky, and currently is the only county that does not have a single incorporated city. Due to this, the county government is the sole local government agency for the entire county, making it much more difficult to urbanize populated areas due to the lack of a separate city entity. McCreary County is divided east and west by US 27, and divided north and south by KY 92. These two major highways run concurrently with one another making the county readily accessible from other surrounding counties and the state of Tennessee. In addition to easy transportation accessibility, the county is also served by Norfolk Southern Railway, which includes several industrial sidings in the area, including a major railway traffic interchange with the Kentucky and Tennessee Railway in Stearns, Kentucky.

To expand their sewer system and gain new customers, McCreary County Water District desires to construct new sewer lines, and pump stations to serve new customers between the Stearns and Smithtown area of McCreary County. The project will increase the number of residential sewer customers by approximately 300 customers. The new Sanitary Sewer Collection System Expansion Project is anticipated to be funded primarily by the Kentucky Infrastructure Authority and the USDA Rural Development.

## **Chapter II – Project Planning Area**

### ***A. Location***

A location map showing the project site is included in Appendix A.



*B. Environmental Resources*

Appendix B contains a copy of the FEMA maps for McCreary County influenced by the project area. There will be no stream or creek crossings required for the construction of this project.

*C. Growth Areas and Population Trends*

McCreary County experienced minimal population growth from 2000 to 2015. The county’s population only increased five percent during this time. However, until recently, the county experienced considerable growth from the past several decades.

Population projections contained from the Kentucky State Data Center, indicate that the county will continue to experience minimal growth through the year 2020, then will most likely plateau and begin to slightly decline over the next 20 years to the year 2040. This is most likely due to the majority of the county being primarily forest and comprised of rural areas, therefore, very little development is foreseen in the future to the county’s urban areas to help increase and sustain population growth.

**Population Data and Projections**  
**McCreary County, Kentucky**

Year	Population
1970 <sup>1</sup>	12,548
1980 <sup>1</sup>	15,634
1990 <sup>1</sup>	15,603
2000 <sup>1</sup>	17,078
2010 <sup>2</sup>	18,306
2015 <sup>2</sup>	17,878
2020 <sup>2</sup>	17,840
2025 <sup>2</sup>	17,630
2030 <sup>2</sup>	17,320
2035 <sup>2</sup>	16,929
2040 <sup>2</sup>	16,486

Notes: <sup>1</sup>Source: <http://population.us/>  
<sup>2</sup>Source: Kentucky State Data Center, [www.ksdc.org](http://www.ksdc.org)

*D. Socio-Economic Conditions*

Since 2017, McCreary County employment has been dominated by the private industry sector, followed by trade, transportation, and utilities, as well as, education and health, and leisure and hospitality sectors. The private industry sector accounted for approximately 47 percent of all jobs in 2017, and the trade, transportation, utilities, education and health services, leisure and hospitality, and financial activities sectors accounted for 32 percent of all employment in 2017. All other employment sectors accounted for only 14 percent of all employment in McCreary County in 2017.

The importance of the private industry sector to the economic base of McCreary County has continued to exceed other major industries within the county. In the 1980's and early 1990's natural resources, coal mining, timber, and manufacturing played a vital role in the county's stability and growth, but by the late 1990's and early 2000's, these once economical influences quickly dissipated and dried up. This in turn caused the county to quickly adjust its approach in continuing to bring economic stability to the county, therefore allowing the private sectors to grow and develop rapidly.

Agriculture has never played an important role in the county's economy due to extreme topography and primarily forest inhabiting the county. In the early 2000's approximately only five percent of the county was farmland, and continues to remain generally the same today. These low numbers are because the county has never been able to sustain any substantial agricultural industries, which is primarily due to the majority of the county being owned by the federal government. McCreary County is currently ranked 111 out of 120 counties in overall agricultural production.

**McCreary County Employment by Major Industry and Wages by Category, 2017<sup>1</sup>**

<b>Category</b>	<b>Employment (McCreary Co.)</b>	<b>Average Weekly Wage (McCreary Co.)</b>	<b>Average Weekly Wage (Kentucky)</b>
Natural Resources and Mining	2	\$279	\$1,049
Construction	20	\$534	\$1,011
Manufacturing	185	\$545	\$1,108
Trade, Transportation, and Utilities	467	\$567	\$789
Information	19	\$1,116	\$1,044
Financial Activities	131	\$582	\$1,236
Professional and Business Services	53	\$440	\$931
Education and Health Services	278	\$418	\$906
Leisure and Hospitality	242	\$231	\$327
Other Services and Unclassified	34	\$345	\$626
Total Private Industries	1,432	\$482	\$865
<b>Total (All Industries)</b>	<b>3,074</b>	<b>\$645</b>	<b>\$845</b>

<sup>1</sup>Source: U.S Department of Labor, Bureau of Labor Statistics.

**Major Manufacturing Firms and Employment in McCreary County – 2019<sup>1</sup>**

<b>Firm</b>	<b>Employment</b>	<b>Year Established</b>
McCreary County Hardwood, Inc.	33	1988
Pine Knot Lumber, Inc.	47	1978
Outdoor Venture Corporation	160	1972

Note: <sup>1</sup>Source: Kentucky Cabinet for Economic Development, 2019

**Chapter III - Existing Facilities****A. Location Map**

The Sanitary Sewer Collection System Expansion Project will begin at the intersection of KY 92 (Wilburn K. Ross Hwy) and Wagon Ridge Road located in south central McCreary County. The project will travel along KY 92 including all side roads to gain as many new sewer customers within the project corridor as possible. The project will end in Stearns, KY at the intersection of KY 92 and Kinne Street.

An additional section of the project corridor will include extending service south from Stearns along KY 1651 to Revelo on the west side of the railroad tracks. Along the east side of the

railroad tracks, the project will extend south along Shirt Factory Road to the intersection of KY 1651. No railroad crossings are anticipated in this project.

*B. History*

McCreary County Water District (MCWD) has a record of providing excellent water and sewer services to industries and private businesses that continue to come to McCreary County. MCWD has been proactive in providing enough capacity in their water and wastewater treatment plants to provide for ample growth in the economy as the county continues to grow in population and economic development.

*C. Condition of Facilities*

MCWD owns and operates the public water and wastewater systems in McCreary County. The water system serves approximately 6,200 total customers throughout the entire county and the wastewater system serves approximately 1,100 total customers primarily in the areas around and including Whitley City. Drinking water is also sold via wholesale agreement to Whitley County Water District. MCWD operates two water treatment plants (WTP) and one wastewater treatment plant (WWTP).

**Chapter IV- Need for Project**

*A. Health and Safety*

This area of McCreary County is known for having wet, marshy soil conditions that do not favor water percolating into the soil leading to soil erosion and ground movement. These conditions can lead to deteriorated sewer residential septic lines, increasing the potential of septic system failure allowing for sewer to leach into the ground and nearby water table. The installation of new force mains and grinder pump stations with proper bedding and backfill will reduce the risk to public health of unwanted contaminants leaching into the soil and the water table.

*B. System Operation & Maintenance*

This project will provide a much more reliable, sustainable sewer system for the southern industrial and residential section of the county beginning in Smithtown and extending eastward to Stearns and then southward to Revelo.

*C. Growth*

McCreary County has been and is projected to remain constant in economic development and population similar to that of other rural counties in the state of Kentucky. Providing exceptional sewer services will be a key component to increasing growth and development within the county. Therefore, installing force mains and grinder pump stations to add new sewer customers within the county will be vital to encouraging development throughout this unserved area of the county.

**Chapter V – Alternatives Considered**

*A. Description*

Alternatives to provide sewer to new commercial and residential customers along KY 92 from Stearns to Smithtown, and along KY 1651 from Stearns to Revelo include the following:

- Alternative No. 1 - Extend a conventional gravity sewer system from the existing gravity system in Stearns with numerous conventional duplex pump stations. This alternative would be the least expensive to maintain once constructed but would cost much more to initially install. The MCWD has very little gravity sewer in the system. The majority of their 1,100 customers are served by residential grinder pump stations. The reason for this is that most of the development in McCreary County is along the ridge tops making the deep adjacent terrain difficult to access to construct and install gravity sewers.

A project map illustrating Alternative No. 1 is attached herein. The alternative would include five 50 GPM pump stations which would collect pockets of homes. This flow would be pumped up to higher ground and into either a gravity sewer or a larger force main via 24,000 LF of 2-inch force main. Further downstream, the project would include five 150 GPM pump stations which would collect additional pockets of homes and businesses as well as flow from the smaller pockets. This flow would be pumped through approximately 15,000 LF of 4-inch force main. Ultimately, the sewer would reach an existing segment of gravity sewer in Stearns, KY or reach an existing pump station. The gravity sewer portion with this alternative would consist of approximately 95,000 LF of 8-inch pipe and 300 manholes. This alternative would serve 300-400 homes and businesses and is estimated to have a project cost of \$7,500,000.

- Alternative No. 2 - Install residential grinder pump stations and low pressure force mains. This alternative would serve the additional customers with the lowest capital cost. The MCWD has the staff and training to maintain the grinder pump systems as they have operated this type of sewer system for over 30 years. The MCWD could maximize the amount of new customers with the amount of project funds they seek with this alternative.
- Alternative No. 3 - Do nothing. Continue to serve only the existing customers and not extend the sewer collection system to the proposed areas. Residents in Smithtown, part of Stearns, and Revelo will continue to experience failing septic systems and use straight line pipes to discharge sewer in some areas.

The second alternative is recommended. This alternative will extend lower pressure force mains and serve approximately 300 customers with new, simplex grinder pump stations.

*B. Environmental Impacts*



Continuing to not serve developed towns and highway corridors of McCreary County with public sanitary sewer could have a negative environmental impact on the diversity of wildlife, or the habitat within the project area as well as human health.

## **Chapter VI – Proposed Project (Recommended Alternative)**

The selected alternative is Alternative No. 2 – Install residential grinder pump stations and low pressure force mains. This alternative will expand the MCWD sanitary sewer collection system by approximately 25 percent by adding new, unserved customers.

### *A. Project Design*

This project will consist of extending thousands of feet of low pressure force main from the “hub” of Stearns, Kentucky. Stearns was one of the first areas of McCreary County to have a public sewer system and therefore has many areas of its system available to accept new flow from multiple directions. Force mains will convey flow from Smithtown towards the east along KY 92 with approximately 30,000 linear feet of 2-inch, 3-inch, and 4-inch force mains and continue north along KY 701 and discharge into the Country Store Pump Station. This pump station could be rehabilitated with larger pumps and controls to replace the aged equipment as well as accommodate the new flow. However, the project will only address this with contingency funds if necessary. The pump station will convey flow into an existing 6-inch force main which travels southeast along KY 1651 to the Stearns gravity sewer system. This pump station was confirmed with a drawdown test to have a peak pumping capacity of 295 GPM.

The southern section of the project will extend approximately 30,000 linear feet of 2-inch, 3-inch, and 4-inch force mains to the south from Stearns to Revelo, Kentucky. This unsewered corridor along KY 1651 on the west side of the railroad will convey sewage from the south and discharge into the existing Stearns Pump Station No. 3. This pump station was confirmed with a drawdown test to have peak pumping capacity of 150 gallons per minute (GPM). A separate branch of the Revelo extension will convey sewage from the south along Shirt Factory Road and

discharge into the existing Stearns Pump Station No. 2. This pump station was confirmed with a drawdown test to have a peak pumping capacity of 100 GPM.

The useful life of the proposed facilities will vary. In general, concrete and fixed structures will have a useful life of 30 to 40 years. Equipment, moving parts, and items exposed to raw wastewater will have a shorter useful life of around 20 years. The proposed grinder pumps, floats, switches, etc. will have a useful life of about 8 years. However, these items with moving parts only constitute about 20 percent of the initial installed cost including the wetwell, etc. Items with a shorter useful life are maintained and replaced annually throughout the system by the MCWD staff through their operating budget. The force main will have a useful life of around 30-40 years.

*B. Design Criteria*

The proposed project will be designed using the standards established by the Natural Resources and Environmental Protection Cabinet, Kentucky Division of Water, General Design Criteria for Surface and Ground Water Supplies. In addition, the Great Lakes Upper Mississippi River Board of State Public Health and Environmental Managers, Recommended Standards for Water Works, (Ten State Standards) 1997 will be used to guide the design process.

*C. Construction Method*

The proposed project will be based on a design / bid / build method using the sealed competitive bid process.

*D. Number of Contracts*

The proposed project will consists of only one construction contract.

*E. Cost Estimates*

Detailed cost estimates of the selected alternative are provided in Appendix C.

*F. Permits*

The proposed project will require very few permits and is anticipated to require no private easements. An encroachment permit from the Kentucky Department of Highways will be required and will take approximately 45 days for approval from the submittal date. The encroachment permit is required due to the newly proposed force main anticipated to be placed in the state highway right-of-way traveling along KY 92 and KY 1651. The second permit will be a construction permit from the Kentucky Division of Water that will take approximately 45 days for approval from the submittal date. Once design is completed for the propose project the necessary permits will be submitted for approval.

*G. Estimated Project Schedule*

The estimated project schedule will include the following approximate time frames:

- a. design period / 90 days
- b. period of time to obtain required permits / 60 days
- c. solicitation of bids and awarding of contracts / 90 days
- d. construction period / 365 days

*H. Title Requirements*

The proposed project will require a Kentucky Department of Highways encroachment permit.

## **Chapter VII – Conclusions and Recommendations**

McCreary County Water District needs to expand its sanitary sewer collection system to increase its customer base. This will allow MCWD to spread operating costs over a large number of customers. This projects also protects the environment by eliminating hundreds of septic tanks and straight line pipes.

***Appendix A - Location Map***

***- Schematic Layout of Proposed Utilities***

***Appendix B - FEMA Maps***



***Appendix C - Opinion of Probable Project Costs***

***Appendix D - Preliminary Project Costs***

**As-Bid Project Costs**  
**McCreary County Water District**  
**Sanitary Sewer Collection System Expansion – Phase 1 – Contract No. 39**

<b>AS-BID BUDGET INFORMATION</b>			
Cost Classification	Total Cost	Cost Not Allowable	Total Allowable Cost
1. Administrative & Legal	\$88,920.00	\$0.00	\$88,920.00
2. Land, Structures ,Easements, etc.	10,000.00	0.00	10,000.00
3. Relocation	0.00	0.00	0.00
4. Architectural & Engineering (Design, Bidding, Const. Admn.)	228,459.00	0.00	228,459.00
5. Other Architect. & Eng. Fees (Mapping and Hydraulic Model)	0.00	0.00	0.00
6. Project Inspection	125,821.00	0.00	125,821.00
7. Site Work	0.00	0.00	0.00
8. Demolition & Removal	0.00	0.00	0.00
9. Construction	2,623,071.00	0.00	2,623,071.00
10. Equipment	0.00	0.00	0.00
11. Misc.	0.00	0.00	0.00
12. SUBTOTAL	3,076,271.00	0.00	3,076,271.00
13. Contingencies	168,229.00	0.00	168,229.00
<b>14. TOTAL PROJECT COSTS</b>	<b>\$3,244,500.00</b>	<b>\$0.00</b>	<b>\$3,244,500.00</b>

# **EXHIBIT 11**

# THE VOICE

For story suggestions, call 606-376-5500 or email [editor@tmcvoice.com](mailto:editor@tmcvoice.com)  
 Become a fan of THE MCCREARY COUNTY VOICE at [themccrearyvoice.com](http://themccrearyvoice.com) or [www.facebook.com/tmcvoice.com](http://www.facebook.com/tmcvoice.com)



**AUTOS**

**EMPLOYMENT**

**LEGALS**

**YARD SALE**

\$5.00 for 20 words or less;  
 25¢ each  
 additional word.

Let The Voice Classifieds and Channel 21 do the work for you. Call 376-5500 or visit our office at The Oaks to find out how.

## FOR RENT

PINE KNOT STORAGE UNITS LOCATED AT  
 2792 ELLIS RD. PINE KNOT KY, 10X10  
 \$49PER MONTH, 10X20 \$79 PER MONTH  
 (606)521-0944

## FOR SALE

2, 3- BEDROOM HOMES ON 3 PLUS  
 ACRES. 4 STORAGE BUILDINGS AND  
 WORKSHOPS, 500 FOOT ROAD FRONTAGE.  
 CAN BE SEEN BY APPOINTMENT.  
 LOCATED ON BETHEL RD IN MCCREARY  
 COUNTY \$90,000 FIRM.  
 CALL (606)280-7154.

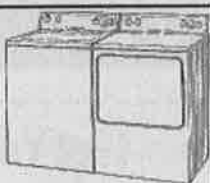
Need a new washer and dryer?

Sell your old pair in  
 The Voice Classifieds

\$5 for 20 words  
 25¢ for each additional word

57 Oaks Lane, Suite 15 • Whitley City

376-5500



## LEGAL

THE FOLLOWING PROPERTIES HAVE BEEN  
 POSTED NO HUNTING, NO TRESPASSING, NO  
 LOITERING, NO PARKING, NO FISHING, NO FOUR  
 WHEELING, NO LOGGING, NO SWIMMING. NOT  
 RESPONSIBLE FOR ACCIDENTS OR INJURIES  
 THAT MAY OCCUR ON ANY AND ALL PROPERTIES.  
 TRESPASSERS WILL BE PROSECUTED.

APPROX 4.75 ACRES,  
 481 WOODS RD.  
 STEARNS KY, 42647.  
 OWNED BY BETTY L.  
 HAMMOCK. 111920

APPROX 2.5 ACRES.  
 51 & 53 BON L. BYBEE  
 WAY, WHITLEY CITY  
 KY. OWNED BY DEREK  
 R. DOBBS. 111620

17 ACRES LOCATED  
 IN OSBORNE CREEK  
 AT 2640 E HWY 1470,  
 ALSO KNOWN AS  
 THE NORMAN LOVITT  
 ESTATE. 111220

APPROX 18 ACRES,  
 145 WATERS RIDGE  
 RD. WHITLEY CITY,  
 KY. OWNED BY JOYCE  
 CANNADA. 111220

198 CLEAR PINE  
 DRIVE LOT #66 IN  
 EAST PINE KNOT

ESTATES. OWNED BY  
 THEODORE & JUDY  
 COFFEY. 111220

APPROX 16 ACRES  
 & 2 CABINS AT HEAD  
 OF STEEL HOLLOW,  
 PARKERS MOUNTAIN  
 AREA. OWNED BY  
 LEONARD D. & VONDA  
 L. NEW. 111220

APPROX 1.5 ACRES,  
 STEARNS TOWER RD,  
 STEARNS KY. OWNED  
 BY LEONARD D. &  
 VONDA L. NEW. 111220

APPROX 38 ACRES,  
 987 GRANNY HOLT  
 KNOB, STRUNK KY.  
 OWNED BY VERLON &  
 SHIRLEY LAY. 110520

POST YOUR LAND  
 IN THE VOICE CALL  
 606-376-5500

## ADVERTISEMENT FOR SEALED BIDS

THE MCCREARY COUNTY AMBULANCE  
 SERVICE WILL BE ACCEPTING SEALED BIDS  
 TO REFURBISH ONE OF THERE EXISTING  
 AMBULANCES, THE BIDDER MUST BE A  
 CERTIFIED AMBULANCE REFURBISHING  
 COMPANY THAT MEETS ALL REGULATIONS  
 OF THE NATIONAL HIGHWAY TRAFFIC  
 ADMINISTRATION. AND ALL BIDS NEED TO  
 BE RECEIVED BY NO LATER THAN 4PM ON  
 DECEMBER 10, 2020 ALL BIDS WILL NEED TO  
 BE CLEARLY MARKED SEALED BID ON THE  
 OUTSIDE OF THE ENVELOPE AND MAILED  
 TO 1 NORTH MAIN STREET WHITLEY CITY KY  
 42653, THE BIDS WILL BE OPENED AT THE  
 NEXT FISCAL COURT MEETING ON DECEMBER  
 10, 2020, FOR A COPY OF BID SPECS OR  
 ANY QUESTIONS YOU CAN CONTACT  
 JIMMY BARNETT AT 606-376-5063 OR EMAIL  
 MCCREARYEMS@GMAIL.COM WE RESERVE  
 THE RIGHT TO REJECT ANY AND ALL BIDS.

JIMMIE W GREENE II  
 MCCREARY COUNTY JUDGE EXECUTIVE

## NOTICE

FOR PROTECTION OF PUBLIC WATER SUPPLY  
 LAUREL CREEK & RESERVOIR EMBANKMENTS  
 FISHING PERMITTED FROM BANKS & ON  
 LAKE WITH AN ELECTRIC POWERED BOATS.  
 NO GAS MOTORS, NO SWIMMING, NO  
 LITTERING & NO TRESPASSING ON CATWALK-  
 PUMPHOUSE PLATFORM. VIOLATORS WILL  
 BE PROSECUTED. MCCREARY COUNTY  
 WATER DISTRICT

## LEGAL

TO WHOM IT MAY CONCERN: YOU ARE HEREBY  
 NOTIFIED THAT THE FIDUCIARIES HAVE BEEN  
 APPOINTED IN THE FOLLOWING MATTERS:  
 BELINDA BOWLING, P.O. BOX 146,  
 HELENWOOD, TN 37755, APPOINTED OCTOBER  
 14, 2020, AS EXECUTRIX OF THE ESTATE OF:  
 JEWELENE H. CALHOUN, DECEASED, P.O. BOX  
 178, REVELO, KENTUCKY 42638. ATTORNEY  
 FOR EXECUTRIX, AUSTIN PRICE, P.O. BOX  
 1340, WHITLEY CITY, KENTUCKY 42653.  
 KENNY GILREATH AND DEBBIE GILREATH,  
 15 REYBURN ROAD, STRUNK, KENTUCKY  
 42649, APPOINTED OCTOBER 19, 2020, AS  
 CO-EXECUTORS OF THE ESTATE OF: ARNOLD  
 JAMES MARLOW, DECEASED, P.O. BOX 606,  
 PINE KNOT, KENTUCKY 42635. ATTORNEY FOR  
 CO-EXECUTORS, AUSTIN PRICE, P.O. BOX  
 1340, WHITLEY CITY, KENTUCKY 42653.  
 CLAIMS OF CREDITORS MUST BE PRESENTED  
 WITHIN SIX MONTHS OF HIS OR HER  
 APPOINTMENT.  
 GIVEN UNDER MY HAND AS CLERK, THIS 16TH  
 DAY OF NOVEMBER, 2020.  
 OTHHEL KING, CLERK OF THE PROBATE COURT,  
 MCCREARY COUNTY.

## LEGAL

### SECTION 00010 - ADVERTISEMENT FOR BIDS

SEALED BIDS FOR "SANITARY SEWER COLLECTION SYSTEM EXPANSION - PHASE 1 - CONTRACT  
 NO. 39" FOR THE MCCREARY COUNTY WATER DISTRICT, WILL BE RECEIVED UNTIL 2:00 P.M. (LOCAL  
 TIME) ON DECEMBER 9, 2020, AT THE MCCREARY COUNTY WATER DISTRICT, 456 NORTH HWY 27,  
 WHITLEY CITY, KENTUCKY 42653, AND THEN PUBLICLY OPENED AND READ ALOUD.

THE PRIMARY SCOPE OF WORK INCLUDES THE INSTALLATION OF APPROXIMATELY 50,250 LF OF  
 1.5-INCH HDPE FORCE MAIN, 47,610 LF OF 2-INCH PVC FORCE MAIN, 18,901 LF OF 3-INCH PVC FORCE  
 MAIN, 14,099 LF OF 4-INCH PVC FORCE MAIN, 12,000 LF OF 4-INCH PVC GRAVITY SEWER (LATERALS),  
 1,108 LF OF 6-INCH HDPE CASING PIPE (DIRECTIONAL BORE), 68 LF OF 8-INCH HDPE CASING  
 PIPE (DIRECTIONAL BORE), 53 AIR RELEASE VALVE ASSEMBLIES, 414 GRINDER CHECK VALVE  
 ASSEMBLIES, 414 GRINDER PUMP STATIONS (SINGLE STAGE), AND RELATED APPURTENANCES.

THE INSTRUCTIONS TO BIDDERS, BID FORM, AGREEMENT FORMS, PERFORMANCE AND PAYMENT  
 BONDS, PLANS, SPECIFICATIONS AND OTHER CONTRACT DOCUMENTS MAY BE VIEWED ONLINE AT  
 LYNNIMAGING.COM OR EXAMINED AT THE FOLLOWING LOCATIONS:

MCCREARY CO. WATER DISTRICT  
 456 NORTH HWY 27  
 WHITLEY CITY, KY 42653  
 (606) 784-5538

ECLIPSE ENGINEERS, PLLC  
 113 WEST MT. VERNON STREET  
 SOMERSET, KY 42501  
 (606) 451-0959

COPIES OF PLANS AND SPECIFICATIONS MAY BE OBTAINED FROM LYNN IMAGING, 328 OLD VINE  
 STREET, LEXINGTON, KENTUCKY 40507 (859-255-1021) UPON PAYMENT OF A NON-REFUNDABLE  
 PRICE OF \$500.00 FOR EACH SET (INCLUDING SHIPPING AND HANDLING). NO BID WILL BE ACCEPTED  
 UNLESS THE BIDDER IS A REGISTERED PLAN HOLDER. TO BECOME A REGISTERED PLAN HOLDER,  
 BIDDER MUST PURCHASE AT LEAST ONE SET OF DOCUMENTS FROM LYNN IMAGING AND PROVIDE  
 ACCURATE NAME AND CONTACT INFORMATION. PARTIAL SETS OF DOCUMENTS WILL NOT BE  
 PROVIDED. HALF-SIZED SETS MAY BE PURCHASED FOR THE FULL PRICE. DIGITAL DOWNLOAD  
 SETS MAY BE PURCHASED FOR HALF OF THE FULL PRICE. QUESTIONS SHALL BE ADDRESSED TO  
 ALAN R. ROBINSON, P.E. OF ECLIPSE ENGINEERS, PLLC, 113 WEST MT. VERNON STREET, SOMERSET,  
 KENTUCKY 42501 (606-451-0959) AS STATED IN THE SPECIFICATIONS OR BY EMAIL TO AROBINSON@  
 ECLIPSEENGINEERS.NET.

ALL BIDDERS MUST COMPLY WITH TITLE VI OF THE CIVIL RIGHTS ACT OF 1964, THE ANTI-KICKBACK  
 ACT, AND THE CONTRACT WORK HOURS STANDARD ACT.

ALL BIDDERS MUST COMPLY WITH THE PRESIDENT'S EXECUTIVE ORDER NO. 11,246 (EQUAL  
 EMPLOYMENT OPPORTUNITY) AS AMENDED, WHICH PROHIBIT DISCRIMINATION IN EMPLOYMENT  
 REGARDING RACE, CREED, COLOR, SEX OR NATIONAL ORIGIN.

ALL BIDDERS, CONTRACTORS AND SUBCONTRACTORS MUST COMPLY WITH 41 CFR 60-4, IN REGARD  
 TO AFFIRMATIVE ACTION, TO ENSURE EQUAL OPPORTUNITY TO FEMALES AND MINORITIES AND  
 WILL APPLY THE TIMETABLES AND GOALS SET FORTH IN 41 CFR 60-4 AS APPLICABLE.

ALL BIDDERS, CONTRACTORS AND SUBCONTRACTORS MUST COMPLY WITH ALL AMERICAN IRON  
 AND STEEL REQUIREMENTS.

ALL BIDDERS MUST MAKE POSITIVE EFFORTS TO USE SMALL, MINORITY, WOMEN OWNED, AND  
 DISADVANTAGE BUSINESSES.

METHOD OF AWARD WILL BE MADE TO THE LOWEST, RESPONSIVE, RESPONSIBLE BIDDER. THE  
 OWNER RESERVES THE RIGHT TO WAIVE ANY INFORMALITY OR TO REJECT ANY OR ALL BIDS.

EACH BIDDER MUST DEPOSIT WITH HIS BID, SECURITY IN THE AMOUNT, FORM AND SUBJECT TO  
 THE CONDITIONS PROVIDED IN THE INSTRUCTIONS TO BIDDERS.

NO BIDDER MAY WITHDRAW HIS BID WITHIN NINETY (90) CONSECUTIVE CALENDAR DAYS AFTER  
 THE ACTUAL DATE OF THE OPENING THEREOF.

THIS PROJECT WILL BE SUBJECT TO DOW PROCUREMENT GUIDANCE INCLUDING THE DAVIS-  
 BACON ACT.

THIS PROJECT WILL BE FUNDED WITH AN SRF LOAN.

"EQUAL EMPLOYMENT OPPORTUNITY"

STEPHEN WHITAKER  
 SUPERINTENDENT, MCWD

END OF SECTION 00010

# **EXHIBIT 12**



ECLIPSE ENGINEERS, PLLC  
 113 West Mt. Vernon Street  
 Somerset, Kentucky 42501  
 (606) 451-0959

**BASE BID TABULATIONS**

PROJECT: Sanitary Sewer Collection System Extension - Phase One - Contract 39  
 LOCATION: Whitley City, Kentucky  
 BID DATE: 12/9/2020  
 BID TIME: 2:00 P.M.

Frederick and May Const. Co., Inc. 1016 Hwy 172 West Liberty, KY 41472	Flow-Line Contracting, LLC 189 Sunstar Blvd. Monticello, KY 42633	Akins Excavating Company, Inc. 182 Busy Lane Corbin, KY 40701
--	---	---

ITEM NO.	ITEM DESCRIPTION - BASE BID (SHEETS 3-15, 20-32)	UNIT	QTY	UNIT COST	TOTAL	UNIT COST	TOTAL	UNIT COST	TOTAL
1	General Conditions	LS	1	\$40,000.00	\$40,000.00	\$21,927.00	\$21,927.00	\$70,000.00	\$70,000.00
2	1.5-inch HDPE DR11 CTS Force Main (green)	LF	25,350	\$9.50	\$240,825.00	\$10.30	\$261,105.00	\$7.00	\$177,450.00
3	2-inch PVC SDR 21 Force Main (green)	LF	26,859	\$10.00	\$268,590.00	\$10.50	\$282,019.50	\$8.00	\$214,872.00
4	Flushing Connection (2-inch)	EA	37	\$600.00	\$22,200.00	\$1,200.00	\$44,400.00	\$775.00	\$28,675.00
5	3-inch PVC SDR 21 Force Main (green)	LF	5,260	\$14.00	\$73,640.00	\$10.85	\$57,071.00	\$8.50	\$44,710.00
6	Flushing Connection (3-inch)	EA	5	\$900.00	\$4,500.00	\$2,500.00	\$12,500.00	\$1,225.00	\$6,125.00
7	4-inch PVC SDR 21 Force Main (green)	LF	8,122	\$15.00	\$121,830.00	\$12.00	\$97,464.00	\$9.50	\$77,159.00
8	4-inch PVC SDR 35 Gravity Sewer (Laterals)	LF	15,150	\$22.00	\$333,300.00	\$12.15	\$184,072.50	\$32.00	\$484,800.00
9	2-inch Combination Air Release Valve Assembly	EA	28	\$3,000.00	\$84,000.00	\$3,650.00	\$102,200.00	\$1,970.00	\$55,160.00
10	Flushing Connection (4-inch)	EA	8	\$3,000.00	\$24,000.00	\$4,000.00	\$32,000.00	\$1,320.00	\$10,560.00
11	4-inch HDPE DR 11 IPS Casing Pipe (Directional Bore)	LF	504	\$40.00	\$20,160.00	\$30.00	\$15,120.00	\$65.00	\$32,760.00
12	6-inch HDPE DR 11 IPS Casing Pipe (Directional Bore)	LF	126	\$100.00	\$12,600.00	\$75.00	\$9,450.00	\$80.00	\$10,080.00
13	8-inch HDPE DR 11 IPS Casing Pipe (Directional Bore)	LF	34	\$150.00	\$5,100.00	\$80.00	\$2,720.00	\$95.00	\$3,230.00
14	Electric Modifications / Breaker	EA	209	\$800.00	\$167,200.00	\$750.00	\$156,750.00	\$515.00	\$107,635.00
15	Sanitary Sewer Cleanout Assembly / Connect Lateral	EA	219	\$350.00	\$76,650.00	\$750.00	\$164,250.00	\$825.00	\$180,675.00
16	Grinder Check Valve Assembly	EA	209	\$650.00	\$135,850.00	\$450.00	\$94,050.00	\$680.00	\$142,120.00
17	Grinder Pump Station – Single Stage	EA	209	\$2,900.00	\$606,100.00	\$3,600.00	\$752,400.00	\$3,800.00	\$794,200.00
18	Bituminous Pavement Replacement	SY	100	\$40.00	\$4,000.00	\$45.00	\$4,500.00	\$85.00	\$8,500.00
19	Concrete Drive Replacement	SY	100	\$40.00	\$4,000.00	\$60.00	\$6,000.00	\$55.00	\$5,500.00
					\$2,244,545.00		\$2,299,999.00		\$2,454,211.00
ITEM NO.	ITEM DESCRIPTION - ADDITIVE ALTERNATE NO. 1 (SHEETS 16-19)	UNIT	QTY	UNIT COST	TOTAL	UNIT COST	TOTAL	UNIT COST	TOTAL
1	General Conditions	LS	1	\$30,000.00	\$30,000.00	\$7,015.75	\$7,015.75	\$11,500.00	\$11,500.00
2	1.5-inch HDPE DR 11 CTS Force Main	LF	3,400	\$11.00	\$37,400.00	\$10.30	\$35,020.00	\$7.00	\$23,800.00
3	2-inch PVC SDR 21 Force Main	LF	1,427	\$12.00	\$17,124.00	\$10.50	\$14,983.50	\$8.00	\$11,416.00
4	Flushing Connection (2-inch)	EA	2	\$600.00	\$1,200.00	\$1,200.00	\$2,400.00	\$775.00	\$1,550.00
5	3-inch PVC SDR 21 Force Main	LF	1,925	\$15.00	\$28,875.00	\$10.85	\$20,886.25	\$8.50	\$16,362.50
6	Flushing Connection (3-inch)	EA	2	\$900.00	\$1,800.00	\$2,500.00	\$5,000.00	\$1,225.00	\$2,450.00
7	4-inch PVC SDR 21 Force Main	LF	2,277	\$16.00	\$36,432.00	\$12.00	\$27,324.00	\$9.50	\$21,631.50
8	4-inch PVC SDR 35 Gravity Sewer (Laterals)	LF	2,150	\$25.00	\$53,750.00	\$12.15	\$26,122.50	\$35.00	\$75,250.00
9	2-inch Combination Air Release Valve Assembly	EA	2	\$3,000.00	\$6,000.00	\$3,650.00	\$7,300.00	\$1,970.00	\$3,940.00
10	8-inch HDPE DR 11 IPS Casing Pipe (Directional Bore)	LF	34	\$160.00	\$5,440.00	\$80.00	\$2,720.00	\$95.00	\$3,230.00
11	Electric Modifications / Breaker	EA	31	\$800.00	\$24,800.00	\$750.00	\$23,250.00	\$515.00	\$15,965.00
12	Sanitary Sewer Cleanout Assembly / Connect Lateral	EA	34	\$350.00	\$11,900.00	\$750.00	\$25,500.00	\$825.00	\$28,050.00
13	Grinder Check Valve Assembly	EA	31	\$650.00	\$20,150.00	\$450.00	\$13,950.00	\$680.00	\$21,080.00
14	Grinder Pump Station – Single Stage	EA	31	\$2,900.00	\$89,900.00	\$3,600.00	\$111,600.00	\$4,060.00	\$125,860.00
					\$364,771.00		\$323,072.00		\$362,085.00
ITEM NO.	ITEM DESCRIPTION - ADDITIVE ALTERNATE NO. 2 (SHEETS 33-51)	UNIT	QTY	UNIT COST	TOTAL	UNIT COST	TOTAL	UNIT COST	TOTAL
1	General Conditions	LS	1	\$40,000.00	\$40,000.00	\$20,700.20	\$20,700.20	\$65,000.00	\$65,000.00
2	1.5-inch HDPE DR 11 CTS Force Main	LF	21,500	\$11.00	\$236,500.00	\$13.25	\$284,875.00	\$7.00	\$150,500.00
3	2-inch PVC SDR 21 Force Main	LF	19,324	\$12.00	\$231,888.00	\$15.65	\$302,420.60	\$8.00	\$154,592.00
4	Flushing Connection (2-inch)	EA	22	\$600.00	\$13,200.00	\$1,200.00	\$26,400.00	\$775.00	\$17,050.00
5	3-inch PVC SDR 21 Force Main	LF	11,716	\$15.00	\$175,740.00	\$16.20	\$189,799.20	\$8.50	\$99,586.00
6	Flushing Connection (3-inch)	EA	9	\$900.00	\$8,100.00	\$2,500.00	\$22,500.00	\$1,225.00	\$11,025.00
7	4-inch PVC SDR 21 Force Main	LF	3,700	\$16.00	\$59,200.00	\$17.25	\$63,825.00	\$9.50	\$35,150.00
8	4-inch PVC SDR 35 Gravity Sewer (Laterals)	LF	11,850	\$25.00	\$296,250.00	\$18.00	\$213,300.00	\$35.00	\$414,750.00
9	2-inch Combination Air Release Valve Assembly	EA	23	\$3,000.00	\$69,000.00	\$3,650.00	\$83,950.00	\$1,970.00	\$45,310.00
10	4-inch HDPE DR 11 Casing Pipe (Directional Bore)	LF	396	\$60.00	\$23,760.00	\$40.00	\$15,840.00	\$65.00	\$25,740.00
11	6-inch HDPE DR 11 IPS Casing Pipe (Directional Bore)	LF	106	\$120.00	\$12,720.00	\$80.00	\$8,480.00	\$80.00	\$8,480.00
12	8-inch HDPE DR 11 IPS Casing Pipe (Directional Bore)	LF	344	\$160.00	\$55,040.00	\$90.00	\$30,960.00	\$95.00	\$32,680.00
13	Electric Modifications / Breaker	EA	174	\$800.00	\$139,200.00	\$750.00	\$130,500.00	\$515.00	\$89,610.00
14	Sanitary Sewer Cleanout Assembly / Connect Lateral	EA	209	\$350.00	\$73,150.00	\$750.00	\$156,750.00	\$825.00	\$172,425.00
15	Grinder Check Valve Assembly	EA	174	\$650.00	\$113,100.00	\$450.00	\$78,300.00	\$680.00	\$118,320.00
16	Grinder Pump Station – Single Stage	EA	174	\$2,900.00	\$504,600.00	\$3,600.00	\$626,400.00	\$4,060.00	\$706,440.00
					\$2,051,448.00		\$2,255,000.00		\$2,146,658.00

Cumberland Pipeline, LLC 2909 Cane Valley Mill Road Columbia, KY 42728	B.P. Pipeline, LLC 269 Pebbles Lane Quincy, KY 41166
--	--

ITEM NO.	ITEM DESCRIPTION	UNIT	QTY	UNIT COST	TOTAL	UNIT COST	TOTAL
1	General Conditions	LS	1	\$79,000.00	\$79,000.00	\$50,000.00	\$50,000.00
2	1.5-inch HDPE DR11 CTS Force Main (green)	LF	25,350	\$15.75	\$399,262.50	\$13.00	\$329,550.00
3	2-inch PVC SDR 21 Force Main (green)	LF	26,859	\$15.66	\$420,611.94	\$13.00	\$349,167.00
4	Flushing Connection (2-inch)	EA	37	\$400.00	\$14,800.00	\$1,000.00	\$37,000.00
5	3-inch PVC SDR 21 Force Main (green)	LF	5,260	\$17.60	\$92,576.00	\$16.00	\$84,160.00
6	Flushing Connection (3-inch)	EA	5	\$830.00	\$4,150.00	\$600.00	\$3,000.00
7	4-inch PVC SDR 21 Force Main (green)	LF	8,122	\$18.00	\$146,196.00	\$18.00	\$146,196.00
8	4-inch PVC SDR 35 Gravity Sewer (Laterals)	LF	15,150	\$4.00	\$60,600.00	\$20.00	\$303,000.00
9	2-inch Combination Air Release Valve Assembly	EA	28	\$2,495.00	\$69,860.00	\$2,500.00	\$70,000.00
10	Flushing Connection (4-inch)	EA	8	\$2,000.00	\$16,000.00	\$2,500.00	\$20,000.00
11	4-inch HDPE DR 11 IPS Casing Pipe (Directional Bore)	LF	504	\$78.00	\$39,312.00	\$45.00	\$22,680.00
12	6-inch HDPE DR 11 IPS Casing Pipe (Directional Bore)	LF	126	\$123.00	\$15,498.00	\$65.00	\$8,190.00
13	8-inch HDPE DR 11 IPS Casing Pipe (Directional Bore)	LF	34	\$138.00	\$4,692.00	\$105.00	\$3,570.00
14	Electric Modifications / Breaker	EA	209	\$1,210.00	\$252,890.00	\$210.00	\$43,890.00
15	Sanitary Sewer Cleanout Assembly / Connect Lateral	EA	219	\$740.00	\$162,060.00	\$110.00	\$24,090.00
16	Grinder Check Valve Assembly	EA	209	\$464.00	\$96,976.00	\$600.00	\$125,400.00
17	Grinder Pump Station – Single Stage	EA	209	\$3,238.00	\$676,742.00	\$4,500.00	\$940,500.00
18	Bituminous Pavement Replacement	SY	100	\$93.00	\$9,300.00	\$40.00	\$4,000.00
19	Concrete Drive Replacement	SY	100	\$93.00	\$9,300.00	\$120.00	\$12,000.00
					<b>\$2,569,826.44</b>		<b>\$2,576,393.00</b>

ITEM NO.	ITEM DESCRIPTION - ADDITIVE ALTERNATE NO. 1 (SHEETS 16-19)	UNIT	QTY	UNIT COST	TOTAL	UNIT COST	TOTAL
1	General Conditions	LS	1	\$13,190.00	\$13,190.00	\$50,000.00	\$50,000.00
2	1.5-inch HDPE DR 11 CTS Force Main	LF	3,400	\$15.75	\$53,550.00	\$13.00	\$44,200.00
3	2-inch PVC SDR 21 Force Main	LF	1,427	\$15.66	\$22,346.82	\$13.00	\$18,551.00
4	Flushing Connection (2-inch)	EA	2	\$400.00	\$800.00	\$1,000.00	\$2,000.00
5	3-inch PVC SDR 21 Force Main	LF	1,925	\$17.60	\$33,880.00	\$16.00	\$30,800.00
6	Flushing Connection (3-inch)	EA	2	\$830.00	\$1,660.00	\$600.00	\$1,200.00
7	4-inch PVC SDR 21 Force Main	LF	2,277	\$18.00	\$40,986.00	\$18.00	\$40,986.00
8	4-inch PVC SDR 35 Gravity Sewer (Laterals)	LF	2,150	\$4.00	\$8,600.00	\$20.00	\$43,000.00
9	2-inch Combination Air Release Valve Assembly	EA	2	\$2,495.00	\$4,990.00	\$2,500.00	\$5,000.00
10	8-inch HDPE DR 11 IPS Casing Pipe (Directional Bore)	LF	34	\$138.00	\$4,692.00	\$105.00	\$3,570.00
11	Electric Modifications / Breaker	EA	31	\$1,210.00	\$37,510.00	\$210.00	\$6,510.00
12	Sanitary Sewer Cleanout Assembly / Connect Lateral	EA	34	\$740.00	\$25,160.00	\$110.00	\$3,740.00
13	Grinder Check Valve Assembly	EA	31	\$464.00	\$14,384.00	\$600.00	\$18,600.00
14	Grinder Pump Station – Single Stage	EA	31	\$3,238.00	\$100,378.00	\$4,500.00	\$139,500.00
					<b>\$362,126.82</b>		<b>\$407,657.00</b>

ITEM NO.	ITEM DESCRIPTION - ADDITIVE ALTERNATE NO. 2 (SHEETS 33-51)	UNIT	QTY	UNIT COST	TOTAL	UNIT COST	TOTAL
1	General Conditions	LS	1	\$54,000.00	\$54,000.00	\$50,000.00	\$50,000.00
2	1.5-inch HDPE DR 11 CTS Force Main	LF	21,500	\$15.75	\$338,625.00	\$13.00	\$279,500.00
3	2-inch PVC SDR 21 Force Main	LF	19,324	\$15.66	\$302,613.84	\$13.00	\$251,212.00
4	Flushing Connection (2-inch)	EA	22	\$400.00	\$8,800.00	\$1,000.00	\$22,000.00
5	3-inch PVC SDR 21 Force Main	LF	11,716	\$17.60	\$206,201.60	\$16.00	\$187,456.00
6	Flushing Connection (3-inch)	EA	9	\$830.00	\$7,470.00	\$600.00	\$5,400.00
7	4-inch PVC SDR 21 Force Main	LF	3,700	\$18.00	\$66,600.00	\$18.00	\$66,600.00
8	4-inch PVC SDR 35 Gravity Sewer (Laterals)	LF	11,850	\$4.00	\$47,400.00	\$20.00	\$237,000.00
9	2-inch Combination Air Release Valve Assembly	EA	23	\$2,495.00	\$57,385.00	\$2,500.00	\$57,500.00
10	4-inch HDPE DR 11 Casing Pipe (Directional Bore)	LF	396	\$78.00	\$30,888.00	\$45.00	\$17,820.00
11	6-inch HDPE DR 11 IPS Casing Pipe (Directional Bore)	LF	106	\$123.00	\$13,038.00	\$65.00	\$6,890.00
12	8-inch HDPE DR 11 IPS Casing Pipe (Directional Bore)	LF	344	\$138.00	\$47,472.00	\$105.00	\$36,120.00
13	Electric Modifications / Breaker	EA	174	\$1,210.00	\$210,540.00	\$210.00	\$36,540.00
14	Sanitary Sewer Cleanout Assembly / Connect Lateral	EA	209	\$740.00	\$154,660.00	\$110.00	\$22,990.00
15	Grinder Check Valve Assembly	EA	174	\$464.00	\$80,736.00	\$600.00	\$104,400.00
16	Grinder Pump Station – Single Stage	EA	174	\$3,238.00	\$563,412.00	\$4,500.00	\$783,000.00
					<b>\$2,189,841.44</b>		<b>\$2,164,428.00</b>

I certify that these bid tabulations are a true and correct tabulation of the bids received by the McCreary Co. Water District on December 9, 2020 at 2:00 p.m.

BY: Alan R. Robinson  
ALAN R. ROBINSON, P.E.  
Eclipse Engineers, PLLC



# **EXHIBIT 13**

December 11, 2020

Mr. Stephen Whitaker  
Superintendent  
McCreary Co. Water District  
456 North Hwy 27  
Whitley City, Kentucky 42653

Re: Recommendation for Award  
Sanitary Sewer Collection System Extension – Phase One – Contract 39

Dear Mr. Whitaker:

I have compiled the bid tabulations as received by the McCreary Co. Water District for the project referenced above on December 9, 2020 and have attached the certified original. I have examined the bids and have checked references of the low bidder, Frederick and May Construction Company, Inc.

We have received mixed reviews from referenced Utilities and Engineers for Frederick and May, mostly negative. Kentucky Engineering Group discussed their lack of cleanup effort. Bluegrass Engineering Group discussed their excessive change order requests, and lack of consistent presence on the job site. Kenvirons Engineers stated that they had a lack of consistent presence on the job site and stated it was one of the worst projects they have ever experienced with a contractor. These comments create cause for concern, given the Bidder's distance to the project site and the nature of the project which will impact hundreds of private properties requiring restoration.

I recommend that the McCreary Co. Water District award the Contract to the second low bidder, Flo-Line Contracting, LLC for the Base Bid amount of \$2,299,999.00 plus the Additive Alternate No. 1 amount of \$323,072.00 for an award total of \$2,623,071.00. Flo-Line's reference checks have been superb and they have more direct experience with low pressure grinder pump station projects such as this.

Stephen Whitaker  
December 11, 2020  
Page 2 of 2

The difference in the recommended award total of Base Bid plus Additive Alternate No. 1 between the two Bidders is \$13,755.00

Please do not hesitate to call if you have any questions.

Sincerely,  
**Eclipse Engineers, PLLC**

A handwritten signature in blue ink, appearing to read "Alan R. Robinson".

Alan R. Robinson, P.E.  
President

# **EXHIBIT 14**



RESOLUTION NO. \_\_\_\_\_

**A RESOLUTION OF THE BOARD OF COMMISSIONERS OF  
MCCREARY COUNTY WATER DISTRICT AWARING SANITARY  
SEWER COLLECTION SYSTEM EXPANSION  
PHASE 1 - CONTRACT NO. 39**

**WHEREAS**, McCreary County Water District caused to be published in the November 19, 2020 edition of *The McCreary County Voice* an advertisement for bids for “Sanitary Sewer Collection System Expansion Phase 1 – Contract No. 39” (“Contract”) in accordance with the provisions of KRS Chapter 424;

**WHEREAS**, the Contract as advertised consisted of a base bid and two additive alternates;

**WHEREAS**, the scope of the work for the base bid included the installation of approximately 25,350 linear foot (“lf”) of 1.5-inch high-density polyethylene (“HDPE”) force main, 26,859 lf of 2-inch polyvinyl chloride (“PVC”) force main, 5,260 lf of 3-inch PVC force main, 8,122 lf of 4-inch PVC force main, 15,150 lf of 4-inch PVC gravity sewer (laterals), 126 lf of 6-inch HDPE casing pipe (directional bore), 34 lf of 8-inch HDPE casing pipe (directional bore), 28 air release valve assemblies, 209 grinder check valve assemblies, 209 grinder pump stations (single stage), and related appurtenances;

**WHEREAS**, the scope of the work for Additive Alternate No. 1 included the installation of approximately 3,400 lf of 1.5-inch HDPE force main, 1,427 lf of 2-inch PVC force main, 1,925 lf of 3-inch PVC force main, 2,277 lf of 4-inch PVC force main, 2,150 lf of 4-inch PVC gravity sewer (laterals), 34 lf of 8-inch HDPE casing pipe (directional bore), 2 air release valve assemblies, 31 grinder check valve assemblies, 31 grinder pump stations (single stage), and related appurtenances;

**WHEREAS**, the scope of the work for Additive Alternate No. 2 included the installation of approximately 21,500 lf of 1.5-inch HDPE force main, 19,324 lf of 2-inch PVC force main, 11,716 lf of 3-inch PVC force main, 3,700 lf of 4-inch PVC force main, 11,850 lf of 4-inch PVC gravity sewer (laterals), 106 lf of 6-inch HDPE casing pipe (directional bore), 344 lf of 8-inch HDPE casing pipe (directional bore), 28 air release valve assemblies, 174 grinder check valve assemblies, 174 grinder pump stations (single stage), and related appurtenances;

**WHEREAS**, six firms submitted a bid on the Contract and each bid was in accordance with the terms of the advertisement;

**WHEREAS**, all combined bids for the base bid and Additive Alternatives No. 1 and No. 2 exceeded McCreary County Water District’s available funding for the Sanitary Sewer Collection System Expansion Phase 1 Project;

**WHEREAS**, the lowest combined bid for the base bid and Additive Alternate No. 1 was \$2,609,316 from Frederick and May Construction Co, Inc. of West Liberty, Kentucky;

**WHEREAS**, the next lowest combined bid for the base bid and Additive Alternate No. 1 was \$2,623,071 from Flo-Line Contracting LLC of Monticello, Kentucky;

**WHEREAS**, Eclipse Engineering PLLC, the Project Engineer, has investigated the qualifications of the two firms submitting the lowest bids, including contacting the references that each firm has provided;

**WHEREAS**, based upon its investigation, Eclipse Engineering PLLC has determined that Frederick and May Construction Co, Inc. is not properly qualified to perform the obligations of the Contract and has recommend that the bid of Frederick and May Construction Co, Inc. be rejected, and that McCreary County Water District award the Contract to perform the work in the base bid and Additive Alternate No. 1 to Flo-Line Contracting LLC;

**WHEREAS**, McCreary County Water District proposes to finance the work performed under the Contract through a loan not to exceed \$3,244,500 from the Kentucky Infrastructure Authority payable over a 30-year period and evidenced by an Assistance Agreement;

**WHEREAS**, KRS 278.020(1) requires McCreary County Water District to obtain a certificate of public convenience and necessity from the Kentucky Public Service Commission prior to commencing Sanitary Sewer Collection System Expansion – Phase 1 Project; and

**WHEREAS**, KRS 278.300 requires McCreary County Water District to obtain authorization from the Kentucky Public Service Commission prior to executing its proposed Assistance Agreement with the Kentucky Infrastructure Authority; and

**WHEREAS**, McCreary County Water District intends to seek authorization from the Kentucky Public Service Commission to execute the proposed assistance agreement and to obtain from the Kentucky Public Service Commission a certificate of public convenience and necessity for the Sanitary Sewer Collection System Expansion Phase 1 Project;

**NOW, THEREFORE, IT IS HEREBY RESOLVED BY THE BOARD OF COMMISSIONERS OF MCCREARY COUNTY WATER DISTRICT AS FOLLOWS:**

**Section 1.** The facts, recitals, and statements contained in the foregoing preamble of this Resolution are true and correct and are hereby affirmed and incorporated as a part of this Resolution.

**Section 2.** The Board of Commissioners acknowledges the information provided by Eclipse Engineering.

**Section 3.** Based upon the information provided by Eclipse Engineering, the Board of Commissioners finds

1. The bid of Flo-Line Contracting LLC in the amount of \$2,623,071 is the best evaluated bid for base bid and Additive Alternate No. 1; and

2. It is in the best interest of McCreary County Water District to award the Contract to Flo-Line Contracting LLC.

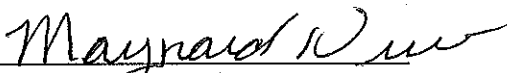
**Section 4.** Flo-Line Contracting LLC is awarded Sanitary Sewer Collection System Expansion Phase 1 – Contract No. 39, consisting of the work described in the base bid and Additive Alternate No. 1 of the bid advertisement, contingent upon McCreary County Water District obtaining from the Kentucky Public Service Commission (1) a certificate of public convenience and necessity for such work and (2) authorization to obtain a loan not to exceed \$3,244,500 from the Kentucky Infrastructure Authority payable over a 30-year period to finance the cost of such work.

**Section 5.** The Chair of the Board of Commissioner is authorized and directed to take any and all actions reasonably necessary to implement the award of the Contract to Flo-Line Contracting LLC, to include the execution of any and all documents for such purpose, upon receiving notice of the Kentucky Public Service Commission’s entry of an Order granting to McCreary County Water District (1) a certificate of public convenience and necessity for such work and (2) authorization to obtain a loan not to exceed \$3,244,500 from the Kentucky Infrastructure Authority payable over a 30-year period to finance the cost of such work.

**ADOPTED BY THE BOARD OF COMMISSIONERS OF MCCREARY COUNTY WATER DISTRICT at a meeting held on December 29, 2020 signed by the Chairman and attested by the Secretary.**

  
\_\_\_\_\_  
Randy Kidd, Chairman

**ATTEST:**

  
\_\_\_\_\_  
Maynard New, Secretary

**CERTIFICATION**

The undersigned Secretary of McCreary County Water District (the "District") hereby certifies that the foregoing is a true copy of a Resolution duly adopted by the District's Board of Commissioners at a meeting properly held on December 29, 2020, signed by the Chairman of the Board of Commissioners, attested by the Secretary of the Board of Commissioners, and is now in full force and effect.

WITNESS my hand this 29th day of December 2020.

  
\_\_\_\_\_  
Maynard New, Secretary

# **EXHIBIT 15**

**DOCUMENT FILED SEPARATELY**



# **EXHIBIT 16**

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

The proposed project will initially place approximately 170 grinder pump stations into service. McCreary District's current average annual cost to operate one grinder pump station is \$40. McCreary District estimates that the annual cost to operate the proposed KY 701 Pump Station will be approximately \$1,200 (approximately \$100 per month). The primary cost for these facilities will be electric power. Accordingly, McCreary District estimates that the initial annual cost to operate the proposed facilities will be approximately \$8,000.

# **EXHIBIT 17**

**KENTUCKY INFRASTRUCTURE AUTHORITY**

**ASSISTANCE AGREEMENT**

**FEDERALLY ASSISTED WASTEWATER REVOLVING LOAN FUND PROGRAM  
FUND A**

**PROJECT NUMBER:** A20-047

**GOVERNMENTAL AGENCY (Borrower):** McCreary County Water District

**GOVERNMENTAL AGENCY'S ADDRESS:** 456 N HWY 27  
Whitley City, Kentucky 42653

**DATE OF ASSISTANCE AGREEMENT:** March 30, 2021

**CFDA NO.:** 66.458

**ASSISTANCE AGREEMENT**

**TABLE OF CONTENTS**

	Page
ARTICLE I DEFINITIONS .....	2
ARTICLE II REPRESENTATIONS AND WARRANTIES .....	5
Section 2.1. Representations and Warranties of Authority.....	5
Section 2.2. Representations and Warranties of the Governmental Agency. ....	5
ARTICLE III AUTHORITY’S AGREEMENT TO MAKE LOAN; TERMS .....	7
Section 3.1. Determination of Eligibility.....	7
Section 3.2. Principal Amount of Loan Established; Loan Payments; Disbursement of Funds. ....	7
Section 3.3. Governmental Agency’s Right to Prepay Loan. ....	8
Section 3.4. Subordination of Loan. ....	8
ARTICLE IV CONDITIONS PRECEDENT TO DISBURSEMENT REQUISITION FOR FUNDS .....	8
Section 4.1. Covenants of Governmental Agency and Conditions of Loan. ....	8
Section 4.2. Additional Conditions to Disbursement Required Under the Federal Agreement. ....	12
Section 4.3. Disbursements of Loan Funds; Requisition for Funds. ....	13
ARTICLE V CERTAIN COVENANTS OF THE GOVERNMENTAL AGENCY; PAYMENTS TO BE MADE BY GOVERNMENTAL AGENCY TO THE AUTHORITY .....	14
Section 5.1. Imposition of Service Charges.....	14
Section 5.2. Governmental Agency’s Obligation to Repay Loan.....	15
Section 5.3. Covenant to Adjust Service Charges. ....	15
Section 5.4. Adequacy of Service Charges.....	15
Section 5.5. Covenant to Establish Maintenance and Replacement Reserve. ....	15
Section 5.6. Reports; Inspection. ....	16
Section 5.7. Segregation of Funds. ....	16
Section 5.8. Mandatory Sewer Connection.....	16
Section 5.9. Additional Covenants.....	16
ARTICLE VI OTHER COVENANTS OF THE GOVERNMENTAL AGENCY .....	17
Section 6.1. Further Assurance. ....	17
Section 6.2. Completion of Project.....	17
Section 6.3. Establishment of Completion Date. ....	17
Section 6.4. Commitment to Operate.....	17
Section 6.5. Continue to Operate. ....	17
Section 6.6. Tax Covenant.....	17
Section 6.7. Accounts and Reports. ....	18
Section 6.8. Audit Requirements. ....	18
Section 6.9. General Compliance With All Duties.....	18
Section 6.10. System Not to Be Disposed Of. ....	18

Section 6.11. Further Covenants under the Federal Agreement .....	19
Section 6.12. Continuing Disclosure Obligation. ....	20
<b>ARTICLE VII MAINTENANCE, OPERATION, INSURANCE AND CONDEMNATION... 20</b>	
Section 7.1. Maintain System. ....	20
Section 7.2. Additions and Improvements. ....	20
Section 7.3. Compliance with State and Federal Standards.....	21
Section 7.4. Access to Records. ....	21
Section 7.5. Covenant to Insure - Casualty.....	21
Section 7.6. Authority as Named Insured. ....	21
Section 7.7. Covenant to Insure - Liability.....	21
Section 7.8. Covenant Regarding Worker’s Compensation. ....	21
Section 7.9. Application of Casualty Insurance Proceeds. ....	22
Section 7.10. Eminent Domain. ....	22
Section 7.11. Flood Insurance.....	22
<b>ARTICLE VIII EVENTS OF DEFAULT AND REMEDIES ..... 23</b>	
Section 8.1. Events of Default Defined. ....	23
Section 8.2. Remedies on Default.....	23
Section 8.3. Appointment of Receiver.....	24
Section 8.4. No Remedy Exclusive.....	24
Section 8.5. Consent to Powers of Authority Under Act. ....	24
Section 8.6. Waivers. ....	24
Section 8.7. Agreement to Pay Attorneys’ Fees and Expenses. ....	24
<b>ARTICLE IX MISCELLANEOUS PROVISIONS..... 25</b>	
Section 9.1. Approval not to be Unreasonably Withheld. ....	25
Section 9.2. Approval. ....	25
Section 9.3. Effective Date. ....	25
Section 9.4. Binding Effect.....	25
Section 9.5. Severability. ....	25
Section 9.6. Assignability. ....	25
Section 9.7. Execution in Counterparts.....	26
Section 9.8. Applicable Law.....	26
Section 9.9. Captions. ....	26
<b>EXHIBIT A - PROJECT SPECIFICS .....</b>	<b>A-1</b>
<b>EXHIBIT B - REQUISITION FORM.....</b>	<b>B-1</b>
<b>EXHIBIT C - SCHEDULE OF SERVICE CHARGES .....</b>	<b>C-1</b>
<b>EXHIBIT D - FORM OF RESOLUTION.....</b>	<b>D-1</b>
<b>EXHIBIT E - LEGAL OPINION .....</b>	<b>E-1</b>
<b>EXHIBIT F - LOAN TERM SCHEDULE.....</b>	<b>F-1</b>



## **ASSISTANCE AGREEMENT**

This Assistance Agreement made and entered into as of the date set forth on the cover page hereof (the "Assistance Agreement") by and between the KENTUCKY INFRASTRUCTURE AUTHORITY, a body corporate and politic, constituting a public corporation and governmental agency and instrumentality of the Commonwealth of Kentucky (the "Authority") and MCCREARY COUNTY WATER DISTRICT, the Governmental Agency identified on the cover of this Assistance Agreement (the "Governmental Agency"):

### **WITNESSETH**

WHEREAS, the General Assembly of the Commonwealth of Kentucky, being the duly and legally constituted legislature of Kentucky at its 1988 Regular Session, enacted House Bill 217 amending Chapter 224A of the Kentucky Revised Statutes (the "Act"), creating the "Kentucky Infrastructure Authority" to serve the public purposes identified in the Act; and

WHEREAS, the Authority has established its Program, as hereinafter defined, for the purpose of providing financial assistance to Governmental Agencies, as defined in the Act, in connection with the acquisition and construction of Projects, as defined in the Act, in order to preserve, protect, upgrade, conserve, develop, utilize and manage the resources of the Commonwealth of Kentucky (the "Commonwealth") for the protection and preservation of the health, safety, convenience, and welfare of the Commonwealth and its citizens, and in that respect to assist and cooperate with Governmental Agencies in achieving such purposes; and

WHEREAS, the Program is funded in part pursuant to the Capitalization Grant Operating Agreement between the Authority and the U.S. Environmental Protection Agency dated as of March 1, 1990 (the "Federal Agreement"), under which the Authority is responsible for providing certain "match funding" described in the Federal Agreement; and

WHEREAS, the Authority has issued, and will issue from time to time, its revenue bonds pursuant to a General Trust Indenture dated as of September 1, 1989 (the "Indenture") between the Authority and U.S. Bank National Association, as successor in interest to National City Bank (f/k/a First Kentucky Trust Company) (the "Trustee") in order to provide the "match funding" for the Program; and

WHEREAS, the Governmental Agency has determined that it is necessary and desirable to acquire, construct, and finance the Project, as hereinafter defined, and the Authority has determined that the Project is a Project within the meaning of the Act and the Indenture, thereby qualifying for financial assistance from the Authority; and

WHEREAS, the Governmental Agency desires to enter into this Assistance Agreement with the Authority for the purpose of securing from the Authority the repayable Loan hereinafter identified; and

WHEREAS, the Authority is willing to cooperate with the Governmental Agency in making available the Loan pursuant to the Act and the Indenture to be applied to the Project upon the conditions hereinafter enumerated and the covenants by the Governmental Agency herein contained to levy, collect, and enforce and remit adequate Service Charges, as hereinafter defined,

for the services provided by the Governmental Agency's System, as hereinafter defined, and to apply the necessary portion of said Service Charges to the repayment of the Loan and the interest thereon, as hereinafter specifically provided; and

WHEREAS, the Authority and the Governmental Agency have determined to enter into this Assistance Agreement pursuant to the terms of the Act and the Indenture and to set forth their respective duties, rights, covenants, and obligations with respect to the acquisition, construction, and financing of the Project and the repayment of the Loan and the interest thereon;

NOW, THEREFORE, FOR AND IN CONSIDERATION OF THE MUTUAL COVENANTS HEREIN SET FORTH, THE LOAN HEREBY EFFECTED AND OTHER GOOD AND VALUABLE CONSIDERATION, THE RECEIPT OF WHICH IS HEREBY ACKNOWLEDGED BY EACH PARTY, THE PARTIES HERETO MUTUALLY COVENANT AND AGREE, EACH WITH THE OTHER AS FOLLOWS:

## **ARTICLE I DEFINITIONS**

All of the terms utilized in this Assistance Agreement will have the same definitions and meaning as ascribed to them in the Act and the Indenture, which Act and Indenture are hereby incorporated in this Assistance Agreement by reference, the same as if set forth hereby verbatim; provided, however, that those definitions utilized in the Act and the Indenture having general application are hereby modified in certain instances to apply specifically to the Governmental Agency and its Project.

“*Act*” shall mean Chapter 224A of the Kentucky Revised Statutes, as amended.

“*Administrative Fee*” means the charge of the Authority for the servicing of the Loan, which is the annual percentage charged against the unpaid principal balance of the Loan as identified in the Loan Term Schedule.

“*Amortization Commencement Date*” means the date set forth on the Loan Term Schedule when the first payment of principal of and interest on the Loan is due under the Schedule of Payments.

“*Assistance Agreement*” shall mean this agreement made and entered into by and between a Governmental Agency and the Authority, as authorized by the Act, providing for a Loan to the Governmental Agency by the Authority, and for the repayment thereof to the Authority by the Governmental Agency.

“*Authority*” shall mean the Kentucky Infrastructure Authority created by the Act, a body corporate and politic, constituting a public corporation and a governmental agency and instrumentality of the Commonwealth of Kentucky, or such other designation as may be effected by future amendments to the Act.

“*Bond*” or “*Bonds*” shall mean any Kentucky Infrastructure Authority Bond or Bonds, or the issue of such Bonds, as the case may be, authenticated and delivered under the Indenture.

“*Business Day*” shall mean any day other than a Saturday, Sunday or other legal holiday on which the general offices of the Commonwealth are closed.

“*Cabinet*” means the Energy and Environment Cabinet of the Commonwealth.

“*Code*” shall mean the Internal Revenue Code of 1986, as amended, and shall include the Regulations of the United States Department of the Treasury promulgated thereunder.

“*Commonwealth*” shall mean the Commonwealth of Kentucky.

“*Construction*” shall mean construction as defined in the Act.

“*Debt Obligations*” shall mean those outstanding obligations of the Governmental Agency identified in the Project Specifics outstanding as of the date of this Assistance Agreement or issued in the future in accordance with the terms hereof, payable from the income and revenues of the System.

“*Default Rate*” means the rate of interest identified in the Loan Term Schedule to accrue on the amount of the Loan that is in default under this Assistance Agreement.

“*Effective Date*” means the date set forth on the cover page of this Assistance Agreement.

“*Engineers*” means the firm of consulting engineers employed by the Governmental Agency in connection with the Project identified in the Project Specifics.

“*Federal Act*” shall mean the Water Quality Act of 1987, 33 U.S.C. 1251 et. seq.

“*Federal Agreement*” means Capitalization Grant Operating Agreement between the Authority and the U.S. Environmental Protection Agency dated as of March 1, 1990, under which the Authority is responsible for providing certain “match funding”.

“*Governmental Agency*” shall mean any agency or unit of government within the Commonwealth, now having or hereafter granted the authority and power to finance, acquire, construct, and operate a Project, including specifically but not by way of limitation, incorporated cities, counties, sanitation districts, water districts, public authorities, sewer construction districts, metropolitan sewer districts, sanitation taxing districts, and any other agencies, commissions, districts, or authorities (either acting alone, or in combination with one another pursuant to any regional or area compact, or multi-municipal agreement), now or hereafter established pursuant to the laws of the Commonwealth having and possessing such described powers; and for the purposes of this Assistance Agreement shall mean the Governmental Agency identified on the front cover of this Assistance Agreement and in the Project Specifics.

“*Indenture*” shall mean the General Trust Indenture dated as of March 1, 1989 between the Authority and the Trustee, as amended and supplemented from time to time.

“*Interagency Agreement*” means the Interagency Agreement dated as of March 1, 1990 between the Authority and the Cabinet.

“*Loan*” shall mean the loan effected under this Assistance Agreement from the Authority to the Governmental Agency in the principal amount set forth in the Loan Term Schedule, for the purpose of defraying the costs incidental to the Construction of the Project.

“*Loan Payment Date*” shall mean the dates principal of and/or interest on the Loan are due as set forth in the Loan Term Schedule.

“*Loan Rate*” means the rate per annum of interest identified in the Loan Term Schedule.

“*Loan Term Schedule*” shall mean the payment information and terms of the Loan identified and set forth in **Exhibit F** attached hereto and includes any amendments or supplements thereto.

“*Person*” shall mean any individual, firm, partnership, association, limited liability company, corporation or Governmental Agency.

“*Program*” shall mean the program authorized by KRS 224A.111 and the Indenture as the “federally assisted wastewater revolving fund” for financing Projects through Loans by the Authority to Governmental Agencies and shall not be deemed to mean or include any other programs of the Authority.

“*Project*” shall mean, when used generally, Treatment Works, and when used in specific reference to the Governmental Agency, the Project described in the Project Specifics.

“*Project Specifics*” means those specific details of the Project identified in **Exhibit A** hereto, all of which are incorporated by reference in this Assistance Agreement.

“*Requisition for Funds*” means the form attached hereto as **Exhibit B** to be utilized by the Governmental Agency in obtaining disbursements of the Loan from the Authority as construction of the Project progresses.

“*Resolution*” means the resolution or ordinance of the Governmental Agency in the form of the resolution attached hereto as **Exhibit D** authorizing the execution of this Assistance Agreement.

“*Schedule of Payments*” means the debt service schedule of the Loan as set forth in the Loan Term Schedule.

“*Schedule of Service Charges*” shall mean those general charges to be imposed by the Governmental Agency for services provided by the System, as set forth in **Exhibit C** hereto, which Schedule of Service Charges shall be in full force and effect to the satisfaction of the Authority prior to the disbursement of any portion of the Loan hereunder.

“*Service Charges*” shall mean any monthly, quarterly, semi-annual, or annual charges, surcharges or improvement benefit assessments to be imposed by a Governmental Agency, or by the Authority, in respect of the System which Service Charges arise by reason of the existence of, and requirement of, any Assistance Agreement; and for the purposes of this Assistance Agreement said Service Charge shall be no less than those set forth in the Schedule of Service Charges.

“*System*” shall mean the utility system owned and operated by the Governmental Agency of which the Project shall become a part.

“*Treatment Works*” has the same meaning as set forth in the Act.

“*Trustee*” shall mean U.S. Bank National Association, and its successors or assigns.

## **ARTICLE II REPRESENTATIONS AND WARRANTIES**

### Section 2.1. Representations and Warranties of Authority.

The Authority represents and warrants for the benefit of the Governmental Agency as follows:

(A) The Authority is a body corporate and politic constituting a governmental agency and instrumentality of the Commonwealth, has all necessary power and authority to enter into, and perform its obligations under, this Assistance Agreement, and has duly authorized the execution and delivery of this Assistance Agreement.

(B) Neither the execution and delivery hereof, nor the fulfillment of or compliance with the terms and conditions hereof, nor the consummation of the transactions contemplated hereby, conflicts with or results in a breach of the terms, conditions and provisions of any restriction or any agreement or instrument to which the Authority is now a party or by which the Authority is bound, or constitutes a default under any of the foregoing.

(C) To the knowledge of the Authority, there is no litigation or proceeding pending or threatened against the Authority or any other person affecting the right of the Authority to execute or deliver this Assistance Agreement or to comply with its obligations under this Assistance Agreement. Neither the execution and delivery of this Assistance Agreement by the Authority, nor compliance by the Authority with its obligations under this Assistance Agreement, require the approval of any regulatory body or any other entity, and any such approval has not been obtained.

(D) The authorization, execution and delivery of this Assistance Agreement and all actions of the Authority with respect thereto, are in compliance with the Act and the Federal Act and any regulations issued thereunder.

### Section 2.2. Representations and Warranties of the Governmental Agency.

The Governmental Agency hereby represents and warrants for the benefit of the Authority as follows:

(A) The Governmental Agency is a duly organized and validly existing Governmental Agency, as described in the Act, with full power to own its properties, conduct its affairs, enter into this Assistance Agreement and consummate the transactions contemplated hereby.

(B) The negotiation, execution and delivery of this Assistance Agreement and the consummation of the transactions contemplated hereby have been duly authorized by all requisite action of the governing body of the Governmental Agency.

(C) This Assistance Agreement has been duly executed and delivered by the Governmental Agency and is a valid and binding obligation of the Governmental Agency enforceable in accordance with its terms, except to the extent that the enforceability hereof may be limited by equitable principles and by bankruptcy, reorganization, moratorium, insolvency or similar laws heretofore or hereafter enacted relating to or affecting the enforcement of creditors' rights or remedies generally.

(D) To the knowledge of the Governmental Agency, there is no controversy or litigation of any nature pending or threatened in any court or before any board, tribunal or administrative body to challenge in any manner the authority of the Governmental Agency or its governing body to make payments under this Assistance Agreement or to construct the Project; or to challenge in any manner the authority of the Governmental Agency or its governing body to take any of the actions that have been taken in the authorization or delivery of this Assistance Agreement or the construction of the Project; or in any way contesting or affecting the validity of this Assistance Agreement, or in any way questioning any proceedings taken with respect to the authorization or delivery by the Governmental Agency of this Assistance Agreement, or the application of the proceeds thereof or the pledge or application of any monies or security provided therefor; or in any way questioning the due existence or powers of the Governmental Agency, or otherwise wherein an unfavorable decision would have an adverse impact on the transactions authorized in connection with this Assistance Agreement.

(E) The authorization and delivery of this Assistance Agreement and the consummation of the transactions contemplated hereby will not constitute an event of default or violation or breach, or an event which, with the giving of notice or the passage of time or both, would constitute an event of default or violation or breach under any contract, agreement, instrument, indenture, lease, judicial or administrative order, decree, rule or regulation or other document or law affecting the Governmental Agency or its governing body.

(F) Pursuant to the Resolution of the governing body, the Governmental Agency has approved and authorized the execution and delivery of this Assistance Agreement. Such Resolution was duly enacted or adopted at a duly called meeting held in accordance with the law of the governing body of the Governmental Agency at which a quorum was present and acting throughout; is in full force and effect; and has not been superseded, altered, amended or repealed as of the date hereof.

(G) All actions taken by the Governmental Agency in connection with this Assistance Agreement, the Loan, and the Project have been in full compliance with the provisions of the Kentucky Open Meeting Law, KRS Sections 61.805 to 61.850.

(H) The Governmental Agency has all licenses, permits and other governmental approvals (including but not limited to all required approvals of the Kentucky Public Service Commission) required to own, occupy, operate and maintain the System and the Project, to charge and collect the Service Charges, and to enter into this Assistance Agreement. The Governmental

Agency is not in violation of and has not received any notice of an alleged violation of any zoning or land use laws applicable to the Project and has full right, power and authority to perform the acts and things as provided for in this Assistance Agreement.

(I) Legal counsel to the Governmental Agency has duly executed and delivered the opinion of legal counsel substantially in the form set forth in **Exhibit E** hereto.

(J) The Governmental Agency is in full compliance with all federal and state labor and procurement laws in connection with the planning, design, acquisition and construction of the Project.

### **ARTICLE III AUTHORITY'S AGREEMENT TO MAKE LOAN; TERMS**

#### Section 3.1. Determination of Eligibility.

Pursuant to the terms of the Act and the Indenture, the Authority has determined that the Governmental Agency's Project is a Treatment Works Project under the Act and the Governmental Agency is entitled to financial assistance from the Authority in connection with financing the Construction of the Project.

#### Section 3.2. Principal Amount of Loan Established; Loan Payments; Disbursement of Funds.

The principal amount of the Loan shall be the Loan Amount as identified in the Loan Term Schedule, subject to such adjustments as may be set forth in any amendment or supplement to said Loan Term Schedule. Principal payments shall be made in the amounts and on the Loan Payment Dates established by the Schedule of Payments, which Schedule of Payments shall provide for approximately level debt service payments over the repayment term set forth in the Schedule of Payments, commencing on the Amortization Commencement Date.

The outstanding principal balance of the Loan shall bear interest, payable on the Loan Payment Dates, at the Loan Rate identified in the Loan Term Schedule. Beginning on the Amortization Commencement Date, principal and interest on the Loan shall be payable in the amounts and on the Loan Payment Dates set forth in the Schedule of Payments; provided that, should an Event of Default occur, such Loan payments, in such amounts as determined in the sole discretion of the Authority, shall be made on the first day of each month during the continuation of such Event of Default.

Subject to the terms of Section IV hereof, the Authority may advance the proceeds of the Loan as Construction of the Project progresses upon the submission by the Governmental Agency of a Requisition for Funds in substantially the same form as **Exhibit B** hereto. Each disbursement under a Requisition for Funds representing a portion of the principal amount of the Loan shall bear interest at the Loan Rate from the date of the disbursement. The Governmental Agency shall pay interest on the unpaid balance of disbursements at the Loan Rate payable on each Loan Payment Date prior to the Amortization Commencement Date.



Interest on the Loan shall be calculated on the actual number of days and an assumed 360-day year.

Payments of principal and interest on the Loan shall be payable in lawful money of the United States of America at the principal office of the Authority or the Trustee, as designated by the Authority. If so requested by the Authority, Loan payments hereunder shall be made by the Governmental Agency pursuant to the ACH Debit Direct Payment Method (the "ACH Debit Direct Payment Method") as described and detailed in the ACH Debit Direct Payment Authorization Form (the "ACH Authorization Form") as provided by the Authority or the Trustee to the Governmental Agency, which ACH Authorization Form shall be completed, signed and forwarded to the Authority or the Trustee prior to the Governmental Agency receiving any disbursement of the proceeds of the Loan.

Section 3.3. Governmental Agency's Right to Prepay Loan.

The Governmental Agency shall have the right to prepay and retire the entire amount of the Loan at any time without penalty upon written notice to the Authority no less than five (5) Business Days in advance of said prepayment.

Notwithstanding the foregoing, upon the determination by the Authority that it intends to issue Bonds secured by a pledge of the payments on the Loan, the Authority shall advise the Governmental Agency (i) of its intention to proceed with the authorization of such Bonds, (ii) of the limitation on prepayments after such Bonds are issued, and (iii) that the Governmental Agency has thirty (30) days from its receipt of said notice to exercise its option to prepay the Loan. Upon the expiration of said thirty-day period the Governmental Agency's right to prepay the Loan shall be limited to the terms described in such notice.

Section 3.4. Subordination of Loan.

The Authority hereby agrees that, subject to compliance by the Governmental Agency with the covenants and conditions set forth in this Assistance Agreement, the source of payment for the Loan shall be inferior and subordinate to the security interest and source of payment for the Debt Obligations of the Governmental Agency payable from the revenues of the System outstanding at the time this Assistance Agreement is executed as identified in the Project Specifics and all such Debt Obligations that may hereafter be issued on a parity with the Debt Obligations identified in the Project Specifics; provided, however, the Authority shall receive notice of any additional financings in accordance with Section 5.6(C) hereof.

**ARTICLE IV  
CONDITIONS PRECEDENT TO DISBURSEMENT  
REQUISITION FOR FUNDS**

Section 4.1. Covenants of Governmental Agency and Conditions of Loan.

By the execution of this Assistance Agreement, the Governmental Agency agrees that prior to any requests for the disbursement of all or a portion of the Loan made hereunder, the Governmental Agency shall supply the Authority and the Cabinet appropriate documentation, satisfactory to the Authority indicating the following:

(A) That the Authority and the Cabinet and any appropriate regulatory agency of the Commonwealth as may be designated by the Authority or the Cabinet, and their respective duly authorized agents, shall have the right at all reasonable times, subject to prior notice to the Governmental Agency, to enter upon the Project and its site during construction of the Project and to examine and inspect same, and the Governmental Agency will assure that the contractor or contractors will provide facilities for such access and inspection.

(B) All real estate and interest in real estate and all personal property constituting the Project and the Project sites heretofore or hereafter acquired shall at all times be and remain the property of the Governmental Agency and constitute a part of the System.

(C) In the event the Governmental Agency is required to provide financing for the Project from sources other than the Authority (as described in the Project Specifics), the Authority shall have the right to receive such reasonable proofs as it may require of the ability of the Governmental Agency to finance the costs of Construction of the Project over and above the Loan, prior to the disbursement by the Authority of any portion of the Loan.

(D) The Governmental Agency shall do all things necessary to acquire all proposed and necessary sites, easements and rights of way necessary or required in respect of the Project and demonstrate its ability to construct the Project in accordance with the plans, design and specifications prepared for the Governmental Agency by the Engineers.

(E) Actual construction and installation incident to the Project shall be performed by either the lump sum (fixed price) or unit price contract method and adequate legal methods of obtaining public, competitive bidding will be employed prior to the awarding of the construction contract for the Project in accordance with Kentucky law.

(F) Unless construction of the Project has already been initiated as of the Effective Date, pursuant to due compliance with Kentucky law and applicable regulations, the Project will not be advertised or placed on the market for construction bidding by the Governmental Agency until the final plans, designs and specifications therefor have been approved by such state and federal agencies and authorities as may be legally required, and until written notification of such approvals has been received by the Governmental Agency and furnished to the Cabinet.

(G) The construction contract or contracts shall require the contractor to comply with all provisions of federal and Kentucky law legally applicable to such work, and any amendments or modifications thereto, together with all other applicable provisions of law, to cause appropriate provisions to be inserted in subcontracts to insure compliance therewith by all subcontractors subject thereto, and to be responsible for the submission of any statements required of subcontractors thereunder.

(H) A work progress schedule utilizing a method of standard acceptance in the engineering community shall be prepared prior to the institution of construction in connection with each construction contract, or, if construction has already been initiated as of the date of this Assistance Agreement, at the earliest practicable date, to indicate the proposed schedule as to completion of the Project and same shall be maintained monthly thereafter to indicate the actual construction progress of the Project.

(I) Prior to the award of the construction contract and prior to the commencement of construction, the Governmental Agency will arrange and conduct a conference as to the Project; said conference to include representatives of the Authority, the Governmental Agency, the Cabinet and any other participating federal or state agency, the Engineers, and all construction contractors. Such conference shall be held in accordance with guidelines established by the Authority and the Cabinet. A written brief of said conference summarizing the construction schedule, fund requirements schedule, payment authorizations, responsible parties for approval of all facets of the construction work and payment therefor, and other pertinent matters shall be prepared and distributed to each party involved, and all construction contractors and Engineers. Provided, however, that in the event construction shall have been initiated as of the date of this Assistance Agreement, this provision may be waived.

(J) All construction contracts will be so prepared that federal participation costs, if any, and state participation costs may be readily segregated from local participation costs, if any, and from each other, and in such manner that all materials and equipment furnished to the Governmental Agency may be readily itemized.

(K) Any change or changes in a construction contract will be promptly submitted to the Authority, the Cabinet and any required state or federal agencies.

(L) The Construction, including the letting of contracts in connection therewith, will conform in all respects to applicable requirements of federal, state and local laws, ordinances, rules and regulations.

(M) The Governmental Agency will proceed expeditiously with and complete the Project in accordance with the approved surveys, plans, specifications, and designs or amendments thereto, prepared by the Engineers for the Governmental Agency and approved by state and federal agencies.

(N) If requested, the Governmental Agency will erect at the Project sites, signs satisfactory to the Authority and the United States Environmental Protection Agency noting the participation of the Authority and the U.S. Government in the financing of the Project.

(O) Except as otherwise provided in this Assistance Agreement, the Governmental Agency shall have the sole and exclusive charge of all details of the Construction.

(P) The Governmental Agency shall keep complete and accurate records of the costs of acquiring the Project sites and the costs of Construction. The Governmental Agency shall permit the duly authorized representatives of the Authority, the Cabinet and any Kentucky or federal agencies to inspect all books, documents, papers and records relating to the Project at any and all reasonable times for the purpose of audit and examination. The Governmental Agency shall submit to the Authority and the Cabinet such documents and information as such may reasonably require in connection with the administration of any federal or state assistance.

(Q) The Governmental Agency shall require that each construction contractor or contractors furnish a performance and a payment bond in an amount at least equal to one hundred percent (100%) of the contract price or the portion of the Project covered by the particular contract as security for the faithful performance of such contract.

(R) The Governmental Agency shall require that each of its contractors and all subcontractors maintain during the life of the construction contract, worker's compensation insurance, public liability insurance, property damage insurance and vehicle liability insurance in amounts and on terms satisfactory to the Authority. Until the Project is completed and accepted by the Governmental Agency, the contractor shall maintain builders risk insurance (fire and extended coverage) on a one hundred percent (100%) basis (completed value form) on the insurable portion of the Project, such insurance to be made payable to the order of the Authority, the Governmental Agency, the prime contractor, and all subcontractors, as their interests may appear.

(S) The Governmental Agency shall provide and maintain competent and adequate resident engineering services covering the supervision and inspection of the development and construction of the Project and bearing the responsibility of assuring that Construction conforms to the approved plans, specifications and designs prepared by the Engineers. Such resident engineer shall certify to the Authority, the Cabinet, any involved state or federal agencies, and the Governmental Agency at the completion of construction that construction is in accordance with the approved plans, specifications and designs, or, approved amendments thereto.

(T) The Governmental Agency shall demonstrate to the satisfaction of the Authority the legal capability of the Governmental Agency to enact, adopt, levy, charge, collect, enforce and remit to the Authority and the Cabinet the Service Charges of the Governmental Agency described in the Schedule of Service Charges attached to and made a part of this Assistance Agreement as **Exhibit C** and submit proof satisfactory to the Authority that the Service Charges are in full force and effect as of the submission of the initial Requisition for Funds.

(U) The Governmental Agency shall require all laborers and mechanics employed by contractors and subcontractors on the Project shall be paid wages at rates not less than prevailing on projects of a character similar in the locality as determined by the Secretary of Labor in accordance with subchapter IV of Chapter 31 of title 40, United States Code.

(V) The Governmental Agency shall comply with all federal requirements applicable to the Loan (including those imposed by P.L. 113-76, Consolidated Appropriations Act, 2015 (the "2015 Appropriations Act") and related Program policy guidelines) which the Governmental Agency understands includes, among other requirements, that all of the iron and steel products used in the Project are to be produced in the United States (the "American Iron and Steel Requirement") unless (i) the Governmental Agency has requested and obtained a waiver from the United States Environmental Protection Agency pertaining to the Project or (ii) the Authority has otherwise advised the Governmental Agency in writing that the American Iron and Steel Requirement is not applicable to the Project.

(W) The Governmental Agency shall comply with all record keeping and reporting requirements under the Federal Act, including any reports required by a Federal agency or the Authority such as performance indicators of program deliverables, information on costs and Project progress. The Governmental Agency understands that (i) each contract and subcontract related to the Project is subject to audit by appropriate federal and state entities and (ii) failure to comply with the Federal Act and this Agreement may be a default hereunder that results in a repayment of the Loan in advance of the maturity and/or other remedial actions.

Notwithstanding anything in this Assistance Agreement to the contrary, if the Governmental Agency fails to comply, at any time, with the provisions of Section 4.1(V) or Section 4.1(W) hereof, the Authority may, at its sole discretion, withhold the disbursements of any proceeds of the Loan to the Governmental Agency or its designee.

Section 4.2. Additional Conditions to Disbursement Required Under the Federal Agreement.

The Governmental Agency, in order to comply with the terms and conditions of the Federal Agreement, further covenants and further agrees to additional conditions to disbursement, as follows:

(A) That the Project shall be completed no later than the Amortization Commencement Date.

(B) Notwithstanding any other agreements contained herein regarding the maintenance of books and records, that it shall maintain Project accounts in accordance with generally accepted governmental accounting standards, as required by Section 603(d) of the Federal Act. The Governmental Agency shall retain such records for no less than three (3) years following the final payment by the Governmental Agency under this Assistance Agreement or if any portion of the Project is disposed of, until at least three (3) years after such disposition; provided that if any litigation, claim, appeal or audit is commenced prior to the end of such period such records shall be maintained until the completion of such action or until three (3) years after such commencement, whichever is later.

(C) That it has not and will not apply any other federal funding to the Project in a manner that would cause it to receive "double benefits" as described in Section 603 of the Water Quality Act of 1987.

(D) That all real property or property rights required for the completion of the Project shall be obtained, by easement, purchase or other means acceptable to the Authority, prior to commencement of construction and that the relocation of any Person resulting therefrom be in accordance with 49 CFR 24 for Uniform Relocation Assistance and Real Property Acquisition Act of 1970.

(E) That all Project contractors shall be required to retain Project records for the periods established for the retention of the Governmental Agency's records in Section 4.2(B) hereof.

(F) That no more than fifty percent (50%) of the proceeds of the Loan shall be disbursed before the Cabinet has approved the final plan for operation for the Project.

(G) That no more than ninety percent (90%) of the proceeds of the Loan shall be disbursed until the Cabinet has approved the draft operations and maintenance manual.

(H) That final disbursement will not be remitted before the Cabinet has approved a final operations and maintenance manual.

(I) That, as required by 40 CFR 35.2218, all engineering services regarding construction and regarding the first year of operation of the Project shall be provided for, including the following:

(1) The operation of the Project and the revision of the operations and maintenance manual as necessary to accommodate actual operating experience;

(2) The training of operating personnel, including preparation of curricula and training material for operating personnel; and

(3) Advice as to whether the Project is meeting the Project performance standards (including three quarterly reports and one Project performance report).

(J) That it shall advise the Cabinet and the Authority in writing of the date for initiation of operation of the Project.

(K) That within one year after operation is initiated, it shall certify to the Cabinet and the Authority that the Project is capable of meeting the Project performance standards.

(L) That it shall provide that qualified inspectors are present at the construction site. A summary of such inspector's qualifications and experience shall be submitted to the Cabinet and the Authority.

(M) That it shall notify the Authority and the Cabinet of the completion date of the Project.

(N) That it agrees to the terms and conditions of its application for assistance and the Authority's commitment to provide assistance, the terms of which are incorporated herein by reference.

(O) That all measures required to minimize water pollution to affected waters shall be employed in the construction of the Project including compliance with Section 404 of PL 92-500, as amended, it being understood that approval of the Project does not constitute sanction or approval of any changes or deviations from established water quality standards, criteria implementation dates, or dates established by enforcement proceedings.

(P) That it shall enact a sewer use ordinance complying with the requirements set forth in the Federal Agreement and the Interagency Agreement.

#### Section 4.3. Disbursements of Loan Funds; Requisition for Funds.

The Governmental Agency shall submit to the Authority (or the Trustee acting on behalf of the Authority, if so designated) and the Cabinet a Requisition for funds prior to the fifth (5th) day of each month (or such other designated period as is acceptable to the Authority), in substantially the same form as that attached to this Assistance Agreement as **Exhibit B** and made a part hereof, accompanied by, to the extent requested by the Authority, the following documentation:

(A) A full and complete accounting of the costs of the Project to be obligated by contract or otherwise during the month in question, or already obligated and not included in any previous accounting.

(B) A full and complete accounting of any costs of the Project paid by the Governmental Agency from its own funds with the approval of the Authority and not included in any previous accounting for which it seeks reimbursement.

(C) A full and complete accounting of any costs of the Project paid or requisitioned under any other financing, loan, bond, grant or similar agreement or paid from its own funds for which it does not seek reimbursement and which have not been identified in any previous requisition form.

(D) The contractor's estimate of work performed during the preceding month pursuant to construction contracts for the Project and payment due thereunder, together with the Engineer's and Governmental Agency's approval thereof for disbursement by the Authority.

Upon the Authority's receipt of the Requisition for Funds and such additional documentation as it may require, and subject to certification by the Cabinet, the Authority may direct the Trustee to remit the amount requested to the Governmental Agency as a draw upon the Loan. If directed by the Authority, the Governmental Agency shall establish, with the Trustee, an electric fund transfer system, which may be an ACH Payment Method.

The Authority may disburse proceeds of the Loan directly to the Governmental Agency. The Governmental Agency, if so directed by the Authority, shall establish itself as a vendor under the eMars system of the Commonwealth of Kentucky.

**ARTICLE V**  
**CERTAIN COVENANTS OF THE GOVERNMENTAL AGENCY;**  
**PAYMENTS TO BE MADE BY GOVERNMENTAL AGENCY TO THE AUTHORITY**

Section 5.1. Imposition of Service Charges.

The Governmental Agency hereby irrevocably covenants and agrees to comply with all of the terms, conditions and requirements of this Assistance Agreement, pursuant to which the Loan is to be made by the Authority to the Governmental Agency as specified herein and in the Act and the Indenture. The Governmental Agency hereby further irrevocably covenants and agrees that it already has, or will, to the extent necessary, immediately impose Service Charges upon all persons, firms and entities to whom or which services are provided by the System; such Service Charges to be no less than as set forth in **Exhibit C** annexed hereto. If so required, the Service Charges shall be in addition to all other rates, rentals and service charges of a similar nature of the Governmental Agency now or hereafter authorized by law, and now or hereafter being levied and collected by the Governmental Agency and shall be levied and collected solely for the purpose of repaying the Loan.



Section 5.2. Governmental Agency's Obligation to Repay Loan.

The obligation of the Governmental Agency to repay the Loan from the Service Charges shall not be revocable, and in the event that services supplied by the Project shall cease, or be suspended for any reason, the Governmental Agency shall continue to be obligated to repay the Loan from the Services Charges. In the event the Governmental Agency defaults in the payment of the Loan to the Authority, the amount of such default shall bear interest at the per annum rate of interest equal to the Default Rate set forth in the Loan Term Schedule, from the date of the default until the date of the payment thereof.

Section 5.3. Covenant to Adjust Service Charges.

In the event, for any reason, the Schedule of Service Charges shall prove to be insufficient to (i) provide for the required coverage of all debt service payments on obligations payable from the revenues of the System as set forth in Section 5.4 hereof, (ii) provide for the operation of the System as required under this Assistance Agreement, and (iii) make the required deposits to the Maintenance and Replacement Reserve; the Governmental Agency hereby covenants and agrees that it will, upon notice by the Authority, to the full extent authorized by law, both federal and Kentucky, immediately adjust and increase such Schedule of Service Charges or immediately commence proceedings for a rate adjustment and increase with all applicable regulatory authorities so as to provide funds sufficient to pay the debt service requirements set forth in the Schedule of Payments and the Authority's Administrative Fee, to provide for the operation of the System as required under this Assistance Agreement, and to make required deposits to the Maintenance and Replacement Reserve.

Section 5.4. Adequacy of Service Charges.

The Service Charges herein covenanted to be imposed by the Governmental Agency shall be fixed at such rate or rates (and it is represented that the Schedule set forth in **Exhibit C** hereto so qualifies) as shall be at least adequate to provide revenues equal to the sum of (i) 110% of the debt service coming due during each fiscal year on this Loan and all other obligations secured and payable from the revenues of the System, in each case computed as of the beginning of such fiscal year (except to the extent the Governmental Agency has by binding ordinance or resolution committed reserves to the payment of such debt service), (ii) the amounts required to provide for the operation of the System during each fiscal year as required under this Assistance Agreement, and (iii) the amounts to be deposited hereunder to the Maintenance and Replacement Reserve in each fiscal year.

The Service Charges imposed by the Governmental Agency shall be paid by the users of the System, both existing and new users, and accordingly the Project. The Governmental Agency shall deliver to the Authority, on or before each Loan Payment Date, a report of all collections and any delinquencies.

Section 5.5. Covenant to Establish Maintenance and Replacement Reserve.

The Governmental Agency shall establish a special account identified as a "Maintenance and Replacement Reserve". The Governmental Agency shall deposit into the Maintenance and Replacement Reserve an amount equal to the amount set forth in the Project Specifics at the times

set forth in the Project Specifics. Funds in the Maintenance and Replacement Reserve may be used for extraordinary maintenance expenses related to the System or for the unbudgeted costs of replacing worn or obsolete portions of the System, subject to approval of Authority.

Section 5.6. Reports; Inspection.

The Governmental Agency hereby irrevocably covenants and agrees with the Authority:

(A) That it will permit authorized agents of the Authority to inspect all records, accounts and data of the System at all reasonable times.

(B) That it will collect, account for and promptly remit to the Authority those specific revenues, funds, income and proceeds derived from the revenues of the System incident to this Assistance Agreement.

(C) That it will notify the Authority in writing of its intention to issue bonds or notes payable from the revenues of the System not less than thirty (30) days prior to the sale of said obligations.

Section 5.7. Segregation of Funds.

The Governmental Agency shall at all times account for the income and revenues of the System and distinguish same from all other revenues, moneys and funds of the Governmental Agency, if any.

Section 5.8. Mandatory Sewer Connection.

The Governmental Agency hereby irrevocably covenants and agrees with the Authority that it will, to the maximum extent permitted by Kentucky law, and by means of ordinance, resolution or other appropriate legislative order or action, mandatorily require the connection to and use of the sanitary sewers constituting the System by all persons owning, renting or occupying premises that generate pollutants where such sanitary sewers are reasonably available to such premises and to exhaust, at the expense of the Governmental Agency, all remedies for the collection of Service Charges, including, either directly or indirectly, pursuant to authority granted by Sections 96.930 to 96.943, inclusive, of the Kentucky Revised Statutes, and the Act, causing termination of water services to any premises where the bill for sewer services is delinquent and foreclosure and decretal sale in respect of improvement benefit assessments which are delinquent.

Section 5.9. Additional Covenants.

(A) Unless otherwise agreed to by the Authority, all Loan proceeds shall be expended by the Governmental Agency no later than six (6) months after the initiation of operation of the Project.

**ARTICLE VI  
OTHER COVENANTS OF THE GOVERNMENTAL AGENCY**

Section 6.1. Further Assurance.

At any time and all times the Governmental Agency shall, so far as it may be authorized by law, pass, make, do, execute, acknowledge and deliver, all and every such further resolutions, acts, deeds, conveyances, assignments, transfers and assurances as may be necessary or desirable for the better assuring, conveying, granting, assigning and confirming all and singular the rights, assets and revenues herein pledged or assigned, or intended so to be, or which the Governmental Agency may hereafter become bound to pledge or assign.

Section 6.2. Completion of Project.

The Governmental Agency hereby covenants and agrees to proceed expeditiously with and promptly complete the Project in accordance with the plans, designs and specifications prepared by the Engineers for the Governmental Agency.

Section 6.3. Establishment of Completion Date.

The completion date for the Project shall be evidenced to the Authority by a certificate signed by the Engineer and an authorized representative of the Governmental Agency stating that, except for amounts retained by the Authority for costs of the Project not then due and payable, (i) the Construction has been completed and all labor, services, materials, supplies, machinery and equipment used in such Construction have been paid for, (ii) all other facilities necessary in connection with the Project have been acquired, constructed, equipped and installed and all costs and expenses incurred in connection therewith have been paid, and (iii) the Project and all other facilities in connection therewith have been acquired, constructed, equipped and installed to its satisfaction.

Section 6.4. Commitment to Operate.

The Governmental Agency hereby covenants and agrees to commence operation of the Project immediately on completion of Construction and not to discontinue operations or dispose of such Project without the approval of the Authority.

Section 6.5. Continue to Operate.

The Governmental Agency hereby covenants and agrees to continuously operate and maintain the Project and the System in accordance with applicable provisions of federal and Kentucky law and to maintain adequate records relating to said operation; said records to be made available to the Authority upon its request at all reasonable times.

Section 6.6. Tax Covenant.

In the event the Authority issues Bonds which are intended to be excludable from gross income for federal income tax purposes to provide the funds for the Loan, the Governmental Agency shall at all times do and perform all acts and things permitted by law and necessary or

desirable in order to assure such exclusion and shall take such actions as may be directed by the Authority in order to accomplish the foregoing. The Governmental Agency shall not permit (i) the proceeds of the Loan to be used directly or indirectly in any trade or business, (ii) its payments hereunder to be secured directly or indirectly by property to be used in a trade or business, (iii) any management agreement for the operation of the System, or (iv) any federal guarantee of its obligations hereunder without the prior written consent of the Authority. The Governmental Agency will not acquire or pledge any obligations which would cause the Bonds to be "arbitrage bonds" within the meaning of the Code.

Section 6.7. Accounts and Reports.

The Governmental Agency shall at all times keep, or cause to be kept, proper books of record and account in accordance with the "Uniform System of Accounts" established by the Commonwealth, in which complete and accurate entries shall be made of all its transactions relating to the System and which shall at all reasonable times be subject to the inspection of the Authority.

Section 6.8. Audit Requirements.

Within one hundred eighty (180) days after the end of each fiscal year of the Governmental Agency, the Governmental Agency shall provide to the Authority, itemized financial statements of income and expense and a balance sheet in reasonable detail, including disclosure of the Maintenance and Replacement Reserve, certified as accurate by a firm of independent certified public accountants or the Auditor of Public Accounts of the Commonwealth. All financial information must be satisfactory to the Authority as to form and content and be prepared in accordance with generally accepted accounting principles on a basis consistent with prior practice unless specifically noted thereon. With such financial statements, the Governmental Agency shall furnish to the Authority a certificate stating that, to the best knowledge of the authorized representative signing such certificate, no default under this Assistance Agreement exists on the date of such certificate, or if any such default shall then exist, describing such default with specificity. All recipients and subrecipients expending \$750,000 or more in a year in Federal awards must have a single or program-specific audit conducted for that year in accordance with 2 CFR Part 200.

Section 6.9. General Compliance With All Duties.

The Governmental Agency shall faithfully and punctually perform all duties with reference to the System required by the Constitution and laws of the Commonwealth, and by the terms and provisions of the Act, the Federal Act and this Assistance Agreement and any other Debt Obligations.

Section 6.10. System Not to Be Disposed Of.

The Governmental Agency covenants and agrees that, until satisfaction in full of its obligations hereunder, it will not, without the prior written consent of the Authority, which consent shall not be unreasonably withheld, sell, mortgage, or in any manner dispose of, or surrender control or otherwise dispose of any of the facilities of the System or any part thereof (except that

the Governmental Agency may retire obsolete and worn out facilities, and sell same, if appropriate).

Section 6.11. Further Covenants under the Federal Agreement.

The Governmental Agency shall comply with all further requirements or conditions which may arise from time to time in order to assure compliance with the Federal Act, and with the agreements of the Authority set forth in the Federal Agreement, including but not limited to the following:

(A) The Governmental Agency shall provide all information requested of it by the Authority or the Cabinet so that (i) the Grants Information Control System, referred to in the Federal Agreement, can be maintained, (ii) the accounting and auditing procedures required by Sections 603 and 606 of the Federal Act can be maintained and (iii) the Authority can furnish the information required of it under the Federal Agreement.

(B) Qualified operating personnel, properly certified by the Cabinet, shall be retained by the Governmental Agency to operate the System during the entire term of this Assistance Agreement. An approved plan of operating and an operations and maintenance manual for the System shall be provided by the Governmental Agency to the Cabinet and the Authority. The System shall be operated and maintained in an efficient and effective manner.

(C) All residents in the service area of the System must be offered the same opportunity to become users of the System regardless of race, religion, color, national origin, sex, disability or level of income.

(D) The Governmental Agency shall comply with provisions contained in the following federal regulations, orders, acts and circulars and the following statutes and regulations of the Commonwealth:

- (1) Federal;
  - (a) 49 CFR, Part 24, Implementing the Uniform Relocation Assistance and Real Properties Acquisition Policies Act of 1970;
  - (b) 40 CFR 35.3140 (And Appendix A to Subpart K) – NEPA-Like State Environmental Review Process;
  - (c) 40 CFR, Part 15, Administration of Clean Water Act with respect to grants and loans;
  - (d) 40 CFR, Part 7, 8, and 12, Nondiscrimination and Equal Employment Opportunity Act;
  - (e) 40 CFR, Part 29, Intergovernmental Review;
  - (f) 40 CFR, Part 32, Debarment and Suspension;
  - (g) Executive Order 11246, as amended, 11625 and 12138;
  - (h) Title VI of the Civil Rights Act of 1964, as amended;
  - (i) Age Discrimination Act;
  - (j) Rehabilitation Act of 1973; and
  - (k) Contract work Hours and Safety Standards Act; and

- (2) State:
  - (a) KRS 224;
  - (b) KRS 224A.111 Federally Assisted Wastewater Revolving Fund;
  - (c) KRS Chapter 337, Labor Laws; and
  - (d) 401 KAR Chapter 5.

**Section 6.12. Continuing Disclosure Obligation.**

The Governmental Agency covenants and agrees that notwithstanding any other provision of this Assistance Agreement to the contrary, upon written notice from the Authority that the Schedule of Payments provides ten percent (10%) or more of the debt service requirements on an issue of the Authority's Bonds and that compliance by the Governmental Agency with the requirements of Securities and Exchange Commission Rule 15c2-12, as amended (the "SEC Rule") is required in connection with the Authority's Bonds, the Governmental Agency shall provide to the Authority such information as may be required by the SEC Rule, within the time periods set out in such notice by the Authority, to enable the Authority to establish to the satisfaction of prospective purchasers of the Authority's Bonds that the requirements of the SEC Rule will be satisfied in connection with the issuance of the Authority's Bonds. The Governmental Agency further understands and agrees that the Authority shall act as the Governmental Agency's disclosure agent for purposes of compliance with the SEC Rule and that upon a failure by the Governmental Agency to provide the information required to be provided under the SEC Rule within the time frame specified in such notice, the Authority and/or the beneficial owners and holders of the Authority's Bonds shall be specifically granted the right of enforcing the provisions of this Section 6.12 by an action in mandamus, for specific performance, or similar remedy to compel performance.

**ARTICLE VII  
MAINTENANCE, OPERATION, INSURANCE AND CONDEMNATION**

**Section 7.1. Maintain System.**

The Governmental Agency agrees that during the entire term of this Assistance Agreement, it will keep the Project, including all appurtenances thereto, and the equipment and machinery therein, in good and sound repair and good operating condition at its own cost so that the completed Project will continue to provide the services for which the System is designed.

**Section 7.2. Additions and Improvements.**

The Governmental Agency shall have the privilege of making additions, modifications and improvements to the sites of the Project, and to the Project itself from time to time provided that said additions, modifications and improvements do not impair the operation or objectives of the Project. The cost of such additions, modifications and improvements shall be paid by the Governmental Agency, and the same shall be the property of the Governmental Agency and shall be included under the terms of this Assistance Agreement as part of the site of the Project, or the Project, as the case may be. Nothing herein contained shall be construed as precluding the Authority and the Governmental Agency from entering into one or more supplementary Assistance

Agreements providing for an additional Loan or Loans in respect of additional Projects undertaken by the Governmental Agency.

Section 7.3. Compliance with State and Federal Standards.

The Governmental Agency agrees that it will at all times provide operation and maintenance of the System to comply with the water quality standards, if any, established by any state or federal agency. The Governmental Agency agrees that qualified operating personnel properly certified by the Commonwealth will be retained to operate the System during the entire term of this Assistance Agreement.

Section 7.4. Access to Records.

The Governmental Agency agrees that it will permit the Authority and any state or federal agency and their respective agents to have access to the records of the Governmental Agency pertaining to the operation and maintenance of the System at any reasonable time following completion of construction of the Project and commencement of operations thereof.

Section 7.5. Covenant to Insure - Casualty.

The Governmental Agency agrees to insure the System facilities in such amount as like properties are similarly insured by political subdivisions similarly situated, against loss or damage of the kinds usually insured against by political subdivisions similarly situated, by means of policies issued by reputable insurance companies duly qualified to do such business in the Commonwealth.

Section 7.6. Authority as Named Insured.

For so long as any amounts are due and payable under this Assistance Agreement, any insurance policy issued pursuant to Section 7.5 hereof, shall be so written or endorsed as to make losses, if any, payable to the Governmental Agency and the Authority, as their interests may appear.

Section 7.7. Covenant to Insure - Liability.

The Governmental Agency agrees that it will carry public liability insurance with reference to the System with one or more reputable insurance companies duly qualified to do business in the Commonwealth, insuring against such risks (including but not limited to personal injury, death and property damage) and in such amounts as are set forth in the Project Specifics, and naming the Authority as an additional insured.

Section 7.8. Covenant Regarding Worker's Compensation.

Throughout the entire term of this Assistance Agreement, the Governmental Agency shall maintain worker's compensation coverage, or cause the same to be maintained.



Section 7.9. Application of Casualty Insurance Proceeds.

If, prior to the completion of the term of this Assistance Agreement, the Project shall be damaged or partially or totally destroyed by fire, windstorm or other casualty, there shall be no abatement or reduction in the amount payable by the Governmental Agency pursuant to the terms of this Assistance Agreement and the Governmental Agency will (1) promptly repair, rebuild or restore the Project damaged or destroyed and (2) apply for such purpose so much as may be necessary of any net proceeds of insurance resulting from claims for such losses, as well as any additional moneys of the Governmental Agency necessary therefor. All net proceeds of insurance resulting from claims for such losses shall be paid to the Governmental Agency and shall be promptly applied as herein provided.

Section 7.10. Eminent Domain.

In the event that title to, or the temporary use of, the Project or any part thereof shall be taken under the exercise of the power of eminent domain by any governmental body or by any Person acting under governmental authority, there shall be no abatement or reduction in the minimum amounts payable by the Governmental Agency to the Authority pursuant to the terms of this Assistance Agreement, and any and all net proceeds received from any award made in such eminent domain proceedings shall be paid to and held by the Governmental Agency in a separate condemnation award account and shall be applied by the Governmental Agency in either or both of the following ways, as shall be determined by the Governmental Agency in its sole discretion:

(A) The restoration of the improvements located on the Project sites to substantially the same condition as prior to the exercise of said power of eminent domain; or

(B) The acquisition of additional property, if necessary, and the acquisition of additional facilities by construction or otherwise, equivalent to the Project facilities, which property and facilities shall be deemed to be a part of the Project sites and a part of the Project facilities and to be substituted for Project facilities so taken by eminent domain, without the payment of any amount other than herein provided, to the same extent as if such property and facilities were specifically described herein.

Any balance of the net proceeds of the award in such eminent domain proceedings after the carrying out of the mandatory proceedings stipulated in (A) and (B) of this Section 7.10, shall be paid to the Governmental Agency upon delivery to the Authority of a certificate signed by an authorized officer of the Governmental Agency to the effect that the Governmental Agency has complied with either subparagraph (A) or (B), or both, of this Section, and written approval of such certificate by an authorized officer of the Authority. In no event will the Governmental Agency voluntarily settle or consent to the settlement of any prospective or pending condemnation proceedings with respect to the Project or any part thereof without the written consent of the Authority.

Section 7.11. Flood Insurance.

For so long as any amounts are due and payable under this Assistance Agreement, all structures located in flood prone areas shall be covered by flood insurance carried by the Governmental Agency for an amount equal to the replacement cost excluding the cost of land and

any uninsurable improvements, or for the maximum limit available under the National Flood Insurance Act of 1968, as amended, whichever is less.

## **ARTICLE VIII EVENTS OF DEFAULT AND REMEDIES**

### Section 8.1. Events of Default Defined.

The following will be “Events of Default” under this Assistance Agreement and the term “Event of Default” or “Default” will mean, whenever it is used in this Assistance Agreement, any one or more of the following events:

(A) Failure by the Governmental Agency to pay any payments at the times specified herein.

(B) Failure by the Governmental Agency to observe or perform any covenant, condition or agreement on its part to be observed or performed, other than as referred to in subsection (A) of this Section, for a period of thirty (30) days after written notice specifying such failure and requesting that it be remedied will have been given to the Governmental Agency by the Authority unless the Authority agrees in writing to an extension of such time prior to its expiration; provided, however, if the failure stated in the notice cannot be corrected within the applicable period, the Authority will not unreasonably withhold its consent to an extension of such time if corrective action is instituted by the Governmental Agency within the applicable period and diligently pursued until such failure is corrected.

(C) The dissolution or liquidation of the Governmental Agency, or the voluntary initiation by the Governmental Agency of any proceeding under any federal or Kentucky law relating to bankruptcy, insolvency, arrangement, reorganization, readjustment of debt or any other form of debtor relief, or the initiation against the Governmental Agency of any such proceeding which remain undismissed for sixty (60) days, or the entry by the Governmental Agency into an agreement of composition with creditors or the failure generally by the Governmental Agency to pay its debts as they become due.

(D) A default by the Governmental Agency under the provisions of any agreements relating to its Debt Obligations.

### Section 8.2. Remedies on Default.

Whenever any Event of Default referred to in Section 8.1 has occurred and is continuing (other than an event of default arising under Section 6.12 of this Assistance Agreement), the Authority may, without any further demand or notice, take one or any combination of the following remedial steps:

(A) Declare the principal of and interest on the Loan, and all other payments due hereunder, to be immediately due and payable.

(B) Exercise all the rights and remedies of the Authority set forth in the Act.

(C) Take whatever action at law or in equity may appear necessary or desirable to enforce its rights under this Assistance Agreement.

(D) Submit a formal referral to the appropriate federal agency, as required by the Federal Agreement.

The sole remedies for an Event of Default under this Assistance Agreement arising by virtue of the failure of the Governmental Agency to comply with the provisions of Section 6.12 hereof shall be those remedies specifically set forth in Section 6.12 hereof.

Section 8.3. Appointment of Receiver.

Upon the occurrence of an Event of Default, and upon the filing of a suit or other commencement of judicial proceedings to enforce the rights of the Authority under this Assistance Agreement, the Authority shall be entitled, as a matter of right, to the appointment of a receiver or receivers of the System and all receipts therefrom, pending such proceedings, with such power as the court making such appointment shall confer, provided, however, that the Authority may, with or without action under this Section, pursue any available remedy to enforce the payment obligations hereunder, or to remedy any Event of Default.

Section 8.4. No Remedy Exclusive.

No remedy herein conferred upon or reserved to the Authority is intended to be exclusive, and every such remedy will be cumulative and will be in addition to every other remedy given hereunder and every remedy now or hereafter existing at law or in equity. No delay or omission to exercise any right or power accruing upon any default will impair any such right or power and any such right and power may be exercised from time to time and as often as may be deemed expedient.

Section 8.5. Consent to Powers of Authority Under Act.

The Governmental Agency hereby acknowledges to the Authority its understanding of the provisions of the Act, vesting in the Authority certain powers, rights and privileges in respect of the Project upon the occurrence of an Event of Default, and the Governmental Agency hereby covenants and agrees that if the Authority should in the future have recourse to said rights and powers, the Governmental Agency shall take no action of any nature whatsoever calculated to inhibit, nullify, void, delay or render nugatory such actions of the Authority in the due and prompt implementation of this Assistance Agreement.

Section 8.6. Waivers.

In the event that any agreement contained herein should be breached by either party and thereafter waived by the other party, such waiver will be limited to the particular breach so waived and will not be deemed to waive any other breach hereunder.

Section 8.7. Agreement to Pay Attorneys' Fees and Expenses.

In the event that either party hereto defaults under any of the provisions hereof and the non-defaulting party employs attorneys or incurs other expenses for the enforcement of performance

or observance of any obligation or agreement on the part of the defaulting party herein contained, the defaulting party agrees that it will pay on demand therefor to the non-defaulting party the fees of such attorneys and such other expenses so incurred by the non-defaulting party.

## **ARTICLE IX MISCELLANEOUS PROVISIONS**

### Section 9.1. Approval not to be Unreasonably Withheld.

Any approval of the Authority required by this Assistance Agreement shall not be unreasonably withheld and shall be deemed to have been given on the thirtieth (30th) day following the submission of any matter requiring approval to the Authority, unless disapproved in writing prior to such thirtieth (30th) day. Any provision of this Assistance Agreement requiring the approval of the Authority or the satisfaction or the evidence of satisfaction of the Authority shall be interpreted as requiring action by an authorized officer of the Authority granting, authorizing or expressing such approval or satisfaction, as the case may be, unless such provision expressly provides otherwise.

### Section 9.2. Approval.

This Agreement is made subject to, and conditioned upon, the approval of this Assistance Agreement by the Secretary of the Finance and Administration Cabinet.

### Section 9.3. Effective Date.

This Assistance Agreement shall become effective on the Effective Date and shall continue in full force and effect until the date the obligations of the Governmental Agency pursuant to the provisions of this Assistance Agreement have been fully satisfied.

### Section 9.4. Binding Effect.

This Assistance Agreement shall be binding upon and shall inure to the benefit of the parties hereto, and to any person, officer, board, department, agency, municipal corporation, or body politic and corporate succeeding by operation of law to the powers and duties of either of the parties hereto. This Assistance Agreement shall not be revocable by either of the parties, without the written consent of the other party.

### Section 9.5. Severability.

In the event that any provision of this Assistance Agreement will be held invalid or unenforceable by any court of competent jurisdiction, such holding will not invalidate or render unenforceable any other provision hereof.

### Section 9.6. Assignability.

The rights of the Authority under this Assistance Agreement shall be assignable by the Authority without the consent of the Governmental Agency, but none of the rights, duties or

obligations of the Governmental Agency under this Assistance Agreement shall be assignable by the Governmental Agency without the prior written consent of the Authority.

Section 9.7. Execution in Counterparts.

This Assistance Agreement may be simultaneously executed in several counterparts, each of which will be an original and all of which will constitute but one and the same instrument.

Section 9.8. Applicable Law.

This Assistance Agreement will be governed by and construed in accordance with the laws of the Commonwealth.

Section 9.9. Captions.

The captions or headings herein are for convenience only and in no way define, limit or describe the scope or intent of any provisions or sections of this Assistance Agreement.

*[Signature Page Follows]*

IN WITNESS WHEREOF, the parties hereto have caused this Assistance Agreement to be executed by their respective duly authorized officers as of the Effective Date.

KENTUCKY INFRASTRUCTURE  
AUTHORITY

By:   
Chairman

ATTEST:

By: Margaret F. Link  
Margaret F. Link (Apr 15, 2021 11:19 EDT)  
Secretary of KIA

GOVERNMENTAL AGENCY:  
MCCREARY COUNTY WATER  
DISTRICT

By:   
Chairman

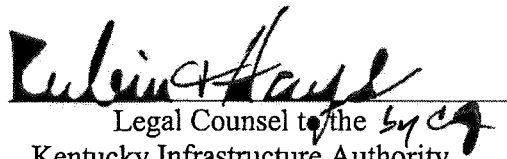
ATTEST:

By:   
Secretary of Governmental Agency

APPROVED:

By: Holly Johnson  
Holly Johnson (Apr 16, 2021 10:06 EDT)  
Secretary/Finance and Administration  
Cabinet of the Commonwealth of Kentucky

EXAMINED:

By:   
Legal Counsel to the  
Kentucky Infrastructure Authority

APPROVED AS TO FORM AND  
LEGALITY:

By: Patrick McGee  
Patrick McGee (Apr 16, 2021 08:07 EDT)  
Approved, Finance and  
Administration Cabinet

**EXHIBIT A**  
**MCCREARY COUNTY WATER DISTRICT**  
**PROJECT SPECIFICS**  
**A20-047**

**GOVERNMENTAL AGENCY:**

Name: McCreary County Water District  
 PO Box 488  
 Whitley City, KY 42653

Contact Person: Randy Kidd  
 Chairman

**SYSTEM:** Wastewater

**PROJECT:**

This project will expand the sanitary sewer collection system to serve 305 new customers in the Stearns and Smithtown areas. Many of these new customers either have failing septic systems or discharge directly into the environment.

The collection system expansion will consist of approximately 66,500 linear feet of PVC sewer line extension of various sizes, 15 manholes, 275 grinder pump stations, and other appurtenances such as air release valves and flushing connections.

**PROJECT BUDGET:**

	<u>Amount</u>
Administrative Expenses	\$ 80,000
Legal Expenses	8,920
Land, Easements	10,000
Engineering Fees - Design	182,767
Engineering Fees - Construction	45,692
Engineering Fees - Inspection	125,821
Construction	3,091,300
Contingency	100,000
<b>Total</b>	<b>\$ 3,644,500</b>

**FUNDING SOURCES:**

	<u>Amount</u>	<u>%</u>
Fund A Loan	\$ 3,244,500	89%
RD Loan	400,000	11%
<b>Total</b>	<b>\$ 3,644,500</b>	<b>100%</b>

**KIA DEBT SERVICE:**

Construction Loan	\$ 3,244,500
Less: Principal Forgiveness	450,000
Amortized Loan Amount	<u>\$ 2,794,500</u>
Interest Rate	0.50%
Loan Term (Years)	30
Estimated Annual Debt Service	<u>\$ 100,427</u>
Administrative Fee (0.20%)	5,589
<b>Total Estimated Annual Debt Service</b>	<b>\$ 106,016</b>





# CERTIFICATE OF INSURANCE

DATE  
11/17/2020

**PRODUCER**

KENTUCKY LEAGUE OF CITIES INSURANCE SERVICES  
100 E. VINE STREET, SUITE 800  
LEXINGTON, KY 40507-3700

PHONE: (859)-977-3700

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONVEYS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND, OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

**COMPANIES AFFORDING COVERAGE**

COMPANY A KENTUCKY LEAGUE OF CITIES INSURANCE SERVICES

COMPANY B

**INSURED**

McCreary County Water District  
PO Box 488  
Whitley City, KY 42653

ATTN: Kathy Troxell

**COVERAGES**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED NOTWITHSTANDING ANY REQUIREMENT, TERM, OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS, AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

CO LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE	POLICY EXPIRATION DATE	LIMITS
	<b>GENERAL LIABILITY</b> <input type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS MADE <input type="checkbox"/> OCCUR <input type="checkbox"/> OWNER'S & CONTRACTOR'S PROT <input type="checkbox"/> PUBLIC OFFICIALS <input type="checkbox"/> LAW ENFORCEMENT				GENERAL AGGREGATE PRODUCTS-COMP/OP AGG PERSONAL & ADV INJURY EACH OCCURRENCE FIRE DAMAGE (Any one fire) MED EXP (Any one person)
	<b>AUTOMOBILE LIABILITY</b> <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> NON-OWNED AUTOS				COMBINED SINGLE LIMIT BODILY INJURY (Per person) BODILY INJURY (Per accidnt) PROPERTY DAMAGE
	<b>CRIME LIABILITY</b> <input type="checkbox"/> FORGERY OR ALTERATION <input type="checkbox"/> THEFT, DISAPPEARANCE AND DESTRUCTION  <input type="checkbox"/> PUBLIC EMPLOYEE DISHONESTY  <input type="checkbox"/> MONEY ORDERS & COUNTERFEIT PAPER CURRENCY COVERAGE				LIMIT DEDUCTIBLE LIMIT INSIDE PREMISES DEDUCTIBLE LIMIT OUTSIDE PREMISES DEDUCTIBLE LIMIT DEDUCTIBLE LIMIT DEDUCTIBLE
A	<b>WORKERS' COMPENSATION AND EMPLOYERS' LIABILITY</b> THE PROPRIETOR/ PARTNERS/EXECUTIVE <input type="checkbox"/> Included <input type="checkbox"/> Excluded OFFICERS ARE:	W5762-2020-19885	7/1/2020	7/1/2021	STATUTORY LIMITS EACH ACCIDENT \$ 4,000,000 DISEASE/POLICY LIMIT \$ 4,000,000 DISEASE-EACH EMPLOYEE \$ 4,000,000

**DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMS**

Evidence of worker's compensation coverage is given.

**CERTIFICATE HOLDER**

McCreary County Water District  
P O Box 488  
Whitley City, KY 42653

**CANCELLATION**

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING COMPANY WILL ENDEAVOR TO MAIL 10 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE COMPANY, ITS AGENTS, OR REPRESENTATIVES.

**AUTHORIZED REPRESENTATIVE**

*Suzanne Reed*

# CERTIFICATE OF INSURANCE

DATE  
11/17/2020

**PRODUCER**

KENTUCKY LEAGUE OF CITIES INSURANCE SERVICES  
100 E. VINE STREET, SUITE 800  
LEXINGTON, KY 40507-3700

PHONE: (859)-977-3700

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONVEYS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND, OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

**COMPANIES AFFORDING COVERAGE**

COMPANY A KENTUCKY LEAGUE OF CITIES INSURANCE SERVICES

COMPANY B

**INSURED**

McCreary County Water District  
PO Box 488  
Whitley City, KY 42653

ATTN: Kathy Troxell

**COVERAGES**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED NOTWITHSTANDING ANY REQUIREMENT, TERM, OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS, AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

CO LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE	POLICY EXPIRATION DATE	LIMITS	
A	<b>GENERAL LIABILITY</b> <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> OWNER'S & CONTRACTOR'S PROT <input type="checkbox"/> PUBLIC OFFICIALS <input type="checkbox"/> LAW ENFORCEMENT	L5762-2020-19942	10/1/2020	10/1/2021	GENERAL AGGREGATE	NONE
					PRODUCTS-COMP/OP AGG	NONE
					PERSONAL & ADV INJURY	INCLUDED
					EACH OCCURRENCE	\$ 2,000,000
					FIRE DAMAGE (Any one fire)	\$ 100,000
					MED EXP (Any one person)	\$ 5,000
A	<b>AUTOMOBILE LIABILITY</b> <input checked="" type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> NON-OWNED AUTOS	L5762-2020-19942	10/1/2020	10/1/2021	COMBINED SINGLE LIMIT	\$ 2,000,000
					BODILY INJURY (Per person)	
					BODILY INJURY (Per accidnt)	
					PROPERTY DAMAGE	
	<b>CRIME LIABILITY</b> <input type="checkbox"/> FORGERY OR ALTERATION <input type="checkbox"/> THEFT, DISAPPEARANCE AND DESTRUCTION <input type="checkbox"/> PUBLIC EMPLOYEE DISHONESTY <input type="checkbox"/> MONEY ORDERS & COUNTERFEIT PAPER CURRENCY COVERAGE				LIMIT DEDUCTIBLE	
					LIMIT INSIDE PREMISES DEDUCTIBLE	
					LIMIT OUTSIDE PREMISES DEDUCTIBLE	
					LIMIT DEDUCTIBLE	
					LIMIT DEDUCTIBLE	
	<b>WORKERS' COMPENSATION AND EMPLOYERS' LIABILITY</b> THE PROPRIETOR/ PARTNERS/EXECUTIVE <input type="checkbox"/> Included <input type="checkbox"/> Excluded OFFICERS ARE:				STATUTORY LIMITS	
					EACH ACCIDENT	
					DISEASE/POLICY LIMIT	
					DISEASE-EACH EMPLOYEE	
A	PHYSICAL DAMAGE	L5762-2020-19942	10/1/2020	10/1/2021		
A	PUBLIC OFFICIALS	L5762-2020-19942	10/1/2020	10/1/2021	LIMIT	2,000,000

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMS  
Evidence of liability coverage is given.

**CERTIFICATE HOLDER**

McCreary County Water District  
P O Box 488  
Whitley City, KY 42653

**CANCELLATION**

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING COMPANY WILL ENDEAVOR TO MAIL 10 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE COMPANY, ITS AGENTS, OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE

*Suzanne Board*

# EVIDENCE OF PROPERTY INSURANCE

DATE (MM/DD/YYYY): 11/17/2020

THIS IS EVIDENCE THAT THE INSURANCE AS IDENTIFIED BELOW HAS BEEN ISSUED, IS IN FORCE, AND CONVEYS ALL THE RIGHTS AND PRIVILEGES AFFORDED UNDER THE POLICY

<b>PRODUCER</b>  KENTUCKY LEAGUE OF CITIES 100 E. VINE ST SUITE 800 LEXINGTON, KY 40507-3700 (859) 977-3700	<b>COMPANY</b>  KENTUCKY LEAGUE OF CITIES INSURANCE SERVICES
--	--

<b>CODE:</b>	<b>SUB CODE:</b>	
--------------	------------------	--

<b>AGENCY</b> <b>CUSTOMER ID#:</b>  INSURED: McCreary County Water District  PO Box 488 Whitley City, KY 42653	<b>LOAN NUMBER:</b>  <b>EFFECTIVE DATE:</b> 10/1/2020  CONTINUED UNTIL <input type="checkbox"/> TERMINATED IF CHECKED <input type="checkbox"/> THIS REPLACES PRIOR EVIDENCE DATED:	<b>POLICY NUMBER:</b> P5762-2020-19943  <b>EXPIRATION DATE:</b> 10/1/2021
--	---	---

**PROPERTY INFORMATION**  
 LOCATION/DESCRIPTION  
 BUILDINGS, CONTENTS, AND SCHEDULED PROPERTY OF THE McCreary County Water District LISTED WITH THE COMPANY

COVERAGE INFORMATION	LIMITS	
COVERAGES/PERILS/FORMS	AMOUNT OF INSURANCE	DEDUCTIBLE*
SUBJECT TO POLICY SUBLIMITS, CONDITIONS, AND EXCLUSIONS, DIRECT LOSS REPLACEMENT COST AND TIME ELEMENT ON PROPERTY DECLARED TO THE COMPANY AS HAVING TOTAL VALUES OF:  *FLOOD DEDUCTIBLE (ZONES B, C, & X ONLY) = \$25,000 PER OCCURRENCE *EARTHQUAKE DEDUCTIBLE = \$25,000 OR 2% OF TIV'S FOR EACH DAMAGED LOCATION PER OCCURRENCE	\$27,086,860	\$1,000

**REMARKS (Including Special Conditions)**  
 Evidence of property insurance coverage is given.

**CANCELLATION**  
 THIS POLICY IS SUBJECT TO THE PREMIUMS, FORMS, AND RULES IN EFFECT FOR EACH POLICY PERIOD. SHOULD THE POLICY BE TERMINATED, THE COMPANY WILL GIVE THE ADDITIONAL INTEREST IDENTIFIED BELOW 30 DAYS WRITTEN NOTICE, AND WILL SEND NOTIFICATION OF ANY CHANGES TO THE POLICY THAT WOULD AFFECT THAT INTEREST, IN ACCORDANCE WITH THE POLICY PROVISIONS OR AS REQUIRED BY LAW.

<b>ADDITIONAL INTEREST</b>  NAME AND ADDRESS  McCreary County Water District P O Box 488 Whitley City, KY 42653		MORTGAGEE		ADDITIONAL INSURED
		LOSS PAYEE		
	<b>LOAN #</b>			
	<b>AUTHORIZED REPRESENTATIVE</b>  <i>Suzanne Reed</i>			

**EXHIBIT B**

**REQUEST FOR PAYMENT AND PROJECT STATUS REPORT**

Borrower: \_\_\_\_\_  
WX/SX Number: \_\_\_\_\_ KIA Loan # \_\_\_\_\_  
Draw Number \_\_\_\_\_ Date: \_\_\_\_\_

The above identified Governmental Agency has entered into an Assistance Agreement with the Kentucky Infrastructure Authority (the "Authority") for the acquisition and construction of facilities described in the Assistance Agreement as the "Project."

Pursuant to the Assistance Agreement, we hereby certify that we have incurred the following expenses in connection with the Project and that the Authority's funding share of these expenses is in the amount so denoted in this request.

Documentation supporting the expenses incurred and identified per this request are attached.

**Funds Requested:** \_\_\_\_\_

**Project Budget and Expenses**

<b>Line Item</b>	<b>Cost</b>	<b>Expenses This Request</b>	<b>Expenses to Date</b>	<b>Project Budget</b>	<b>Balance</b>
1	Administrative				
2	Legal				
3	Land, Appraisals, Easements				
4	Relocation Expense				
5	Planning				
6	Engineering Fees – Design				
7	Engineering Fees - Construction				
8	Engineering Fees – Inspection				
9	Construction				
10	Equipment				
11	Contingency				
12	Other				
	<b>TOTAL</b>				

If expenses to date exceed project budget a revised budget must be submitted to and approved by the Authority before funds will be released.

**Project Funding**

<b>Funding Agency</b>	<b>Expenses This Request</b>	<b>Expenses to Date</b>	<b>Project Budget</b>	<b>Balance</b>
1				
2				
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
	<b>TOTAL</b>			

We certify that the expenses in this draw request were incurred pursuant to local procurement policies which conform to KRS 45A.

Borrower Signature: \_\_\_\_\_

Project Administrator: \_\_\_\_\_

Draw # \_\_\_\_\_

STATUS REPORT:

PROJECT IS:

On schedule

Ahead of schedule

Behind schedule

If ahead or behind, please explain

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**PROJECT EXPENSES THIS DRAW REQUEST**

(Include Invoices for Expenses Listed Below)

<u>Line Item</u>	<u>Draw #</u>	<u>Vender</u>	<u>Amount</u>
------------------	---------------	---------------	---------------

**CERTIFICATE OF CONSULTING ENGINEERS AS TO  
PAYMENT REQUEST**

The undersigned, a duly qualified and licensed Engineer hereby certifies that he or she represents the Governmental Agency submitting this request in connection with the "Eligible Project" and that all expenses represented in this request were duly incurred for the Construction of the "Project," that the Authority's funding share of these expenses is accurately represented and that such expenses have not been the subject of any request for disbursement previously submitted.

---

Engineer/Architect

---

Firm Name



**EXHIBIT C**

**SCHEDULE OF SERVICE CHARGES**

(See Attached)

AREA McCreary County, Kentucky

PSC KY NO. 1

10<sup>th</sup> Revised SHEET NO. 1

McCreary County Water District

CANCELLING PSC KY NO. 1

9<sup>th</sup> Revised SHEET NO. 1

**RATES AND CHARGES**

**Monthly Water Rates**

**Residential & Non-Residential Meter**

First 2,000 gallons	\$22.50 Minimum Bill	(I)
Over 2,000 gallons	\$0.00925 per gallon	(I)

**Federal Correctional Facility**

First 1,950,000 gallons	\$14,215.50 Minimum Bill	
Over 1,950,000 gallons	\$0.00729 per gallon	(T)
		(D)
		(D)
		(D)

Monthly rates for special service through a multi-unit master meter agreement:

The monthly charge for customers who have requested service through a master meter for multi-unit service shall be the greater of (a) the number of housing units multiplied by the minimum water charge per unit (based on the district's standard service meter minimum charge), or (b) the amount billed for average unit use (determined by dividing the total usage by the number of housing units) multiplied by the total number of housing units in the multi-unit facility.


DATE OF ISSUE February 24, 2021  
MONTH / DATE / YEAR

DATE EFFECTIVE February 22, 2021  
MONTH / DATE / YEAR

ISSUED BY /s/Randy Kidd  
SIGNATURE OF OFFICER

TITLE Chairman

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE  
COMMISSION IN CASE NO. 2021-00021 DATED February 22, 2021

<b>KENTUCKY PUBLIC SERVICE COMMISSION</b>
<b>Linda C. Bridwell</b> Executive Director

EFFECTIVE <b>2/22/2021</b> PURSUANT TO 807 KAR 5:011 SECTION 9 (1)

AREA McCreary County, Kentucky

PSC KY NO. 1

10<sup>th</sup> Revised SHEET NO. 1A

McCreary County Water District

CANCELLING PSC KY NO. 1

9<sup>th</sup> Revised SHEET NO. 1A

**RATES AND CHARGES**

(D)

Cumberland Falls State Park

First 600,000 gallons \$4,374.00 Minimum Bill (I)

All Over 600,000 gallons \$0.00729 per gallon (I)

Whitley County Water District \$0.00729 per gallon (I)

Oneida, Tennessee \$0.00729 per gallon (I)

Fibrotex USA \$0.00729 per gallon (N)

Pine Knot Job Center \$0.00729 per gallon (N)

McCreary County Housing Authority \$0.00729 per gallon (N)


DATE OF ISSUE February 24, 2021  
MONTH / DATE / YEAR

DATE EFFECTIVE February 22, 2021  
MONTH / DATE / YEAR

ISSUED BY /s/Randy Kidd  
SIGNATURE OF OFFICER

TITLE Chairman

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE  
COMMISSION IN CASE NO. 2021-00021 DATED February 22, 2021

<b>KENTUCKY PUBLIC SERVICE COMMISSION</b>
<b>Linda C. Bridwell</b> Executive Director  
EFFECTIVE <b>2/22/2021</b> PURSUANT TO 807 KAR 5:011 SECTION 9 (1)

AREA McCreary County, Kentucky

PSC KY NO. 1

Original SHEET NO. 1B

McCreary County Water District

CANCELLING PSC KY NO. \_\_\_\_\_

\_\_\_\_\_ SHEET NO. \_\_\_\_\_

**RATES AND CHARGES**

Water Connection Fee

5/8-inch x 3/4-inch Meter

\$800.00

(T)

All Larger Size Meters

Actual Cost

(T)

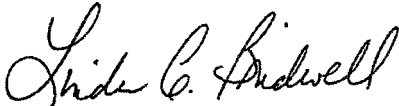
DATE OF ISSUE February 24, 2021  
MONTH / DATE / YEAR

DATE EFFECTIVE February 22, 2021  
MONTH / DATE / YEAR

ISSUED BY /s/Randy Kidd  
SIGNATURE OF OFFICER

TITLE Chairman

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE  
COMMISSION IN CASE NO. 2021-00021 DATED February 22, 2021

<b>KENTUCKY PUBLIC SERVICE COMMISSION</b>
<b>Linda C. Bridwell</b> Executive Director

EFFECTIVE <b>2/22/2021</b> PURSUANT TO 807 KAR 5:011 SECTION 9 (1)

**EXHIBIT D**

**RESOLUTION**

A RESOLUTION APPROVING AND AUTHORIZING AN ASSISTANCE AGREEMENT BETWEEN THE MCCREARY COUNTY WATER DISTRICT AND THE KENTUCKY INFRASTRUCTURE AUTHORITY TO PROVIDE UP TO \$3,244,500 OF LOAN FUNDS FOR PROJECT NUMBER A20-047.

WHEREAS, the Board of Commissioners (“Governing Authority”) of the McCreary County Water District (“Governmental Agency”) has previously determined that it is in the public interest to acquire and construct certain facilities and improvements (the “Project”) to the Governmental Agency’s sewer system (the “System”);

WHEREAS, the Governmental Agency has made application to the Kentucky Infrastructure Authority (the “Authority”) for the purpose of providing monies for the Project; and

WHEREAS, in order to obtain such monies, the Governmental Agency is required to enter into an Assistance Agreement with the Authority;

NOW, THEREFORE, IT IS RESOLVED by the McCreary County Water District, as follows:

SECTION 1. That the Governing Authority hereby approves and authorizes the Assistance Agreement between the Governmental Agency and the Authority regarding Project Number A20-047 substantially in the form on file with the Governmental Agency to provide the necessary financing to the Governmental Agency for the Project.

SECTION 2. That the Chairman and Secretary of the Governmental Agency be and hereby are authorized, directed and empowered to execute necessary documents or agreements, and to otherwise act on behalf of the Governmental Agency to effect such financing.

SECTION 3. That this resolution shall take effect at the earliest time provided by law.

ADOPTED on March 30, 2021.

GOVERNMENTAL AGENCY:  
MCCREARY COUNTY WATER  
DISTRICT

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

ATTEST:

By: \_\_\_\_\_  
Secretary of Governmental Agency

**CERTIFICATE**

I, the undersigned, hereby certify that I am the duly qualified and acting Secretary of the McCreary County Water District; that the foregoing is a full, true and correct copy of a Resolution adopted by the governing authority of the McCreary County Water District at a meeting duly held on March 30, 2021 that said official action appears as a matter of public record in the official records or journal of the governing authority; that said meeting was held in accordance with all applicable requirements of Kentucky law, including KRS 61.810, 61.815, 61.820 and 61.823; that a quorum was present at said meeting; that said official action has not been modified, amended, revoked or repealed and is now in full force and effect.

IN TESTIMONY WHEREOF, witness my signature this March 30, 2021.

---

Secretary of Governmental Agency

**EXHIBIT E**

**OPINION OF COUNSEL**

[Letterhead of Counsel to Governmental Agency]

March 30, 2021

Kentucky Infrastructure Authority  
100 Airport Road, Third Floor  
Frankfort, Kentucky 40601

Re: Assistance Agreement by and between Kentucky Infrastructure Authority and the McCreary County Water District, regarding Project Number: A20-047.

Ladies and Gentlemen:

The undersigned is an attorney at law duly admitted to the practice of law in the Commonwealth of Kentucky and is legal counsel to the McCreary County Water District (the "Governmental Agency"). I am familiar with the organization and existence of the Governmental Agency and the laws of the Commonwealth applicable thereto. Additionally, I am familiar with the wastewater treatment works project (the "Project") with respect to which the Assistance Agreement by and between the Kentucky Infrastructure Authority ("Authority") and the Governmental Agency is being authorized, executed and delivered.

I have reviewed the form of Assistance Agreement by and between the Authority and the Governmental Agency, the legislation of the governing authority authorizing the execution and delivery of said Assistance Agreement and the plans, designs and specifications prepared by the engineers for the Governmental Agency with respect to the Project.

Based upon my review I am of the opinion that:

1) The Governmental Agency is a duly organized and existing municipal corporation and political subdivision of the Commonwealth of Kentucky validly existing under the Constitution and statutes of the Commonwealth of Kentucky.

2) The Assistance Agreement has been duly executed and delivered by the Governmental Agency and is a valid and binding obligation of the Governmental Agency enforceable in accordance with its terms, except to the extent that the enforceability thereof may be limited by equitable principles and by bankruptcy, reorganization, moratorium, insolvency or similar laws heretofore or hereafter enacted relating to or affecting the enforcement of creditors' rights or remedies generally.

3) The Governmental Agency has all necessary power and authority (i) to enter into, perform and consummate all transactions contemplated by the Assistance Agreement, and (ii) to execute and deliver the documents and instruments to be executed and delivered by it in connection with the construction of the Project.



4) The Service Charges, as defined in the Assistance Agreement, are in full force and effect and have been duly and lawfully adopted by the Governmental Agency.

5) The execution and delivery of the Assistance Agreement and the performance by the Governmental Agency of its obligations thereunder does not and will not conflict with, violate or constitute a default under any court or administrative order, decree or ruling, or any law, statute, ordinance or regulation, or any agreement, indenture, mortgage, lease, note or other obligation or instrument, binding upon the Governmental Agency, or any of its properties or assets. The Governmental Agency has obtained each and every authorization, consent, permit, approval or license of, or filing or registration with, any court or governmental department, commission, board, bureau, agency or instrumentality, or any specifically granted exemption from any of the foregoing, that is necessary to the valid execution, delivery or performance by the Governmental Agency of the Assistance Agreement and the imposition of the Service Charges.

6) To the best of my knowledge after due inquiry there is no action, suit, proceedings or investigation at law or in equity before any court, public board or body pending or threatened against, affecting or questioning (i) the valid existence of the Governmental Agency, (ii) the right or title of the members and officers of the Governmental Agency to their respective positions, (iii) the authorization, execution, delivery or enforceability of the Assistance Agreement or the application of any monies or security therefor, (iv) the construction of the Project, (v) the validity or enforceability of the Service Charges or (vi) that would have a material adverse impact on the ability of the Governmental Agency to perform its obligations under the Assistance Agreement.

7) None of the proceedings or authority heretofore taken by the Governmental Agency for the authorization, execution or delivery of the Assistance Agreement have been repealed, rescinded, or revoked.

8) To the best of my knowledge, the Governmental Agency has fully complied with all federal and state labor and procurement laws in connection with the acquisition and construction of the Project.

9) All proceedings and actions of the Governmental Agency with respect to which the Assistance Agreement is to be delivered were taken at meetings properly convened and held in substantial compliance with the applicable provisions of Sections 61.805 to 61.850 of the Kentucky Revised Statutes.

Very truly yours,

**EXHIBIT F**

**LOAN TERM SCHEDULE**

Principal Amount of Loan:	\$3,244,500
Loan Interest Rate:	0.50%
Default Interest Rate:	8.00%
Authority's Administrative Fee:	0.20%
Loan Payment Dates:	Each June 1 and December 1
Amortization Commencement Date:	December 1, 2022
Schedule of Payments:	see attached

The Loan has been awarded principal forgiveness in the amount of approximately 50% of the Principal Amount of the Loan, not to exceed \$450,000, which will be credited to the Loan balance upon release of liens on all contracts and disbursement of the final draw request by KIA to the Borrower.

It is understood and agreed by the parties to this Assistance Agreement that this Term Loan Schedule (Exhibit F) is an integral part of the Assistance Agreement between the Governmental Agency and the Authority. This Term Loan Schedule may be amended, supplemented or modified by the mutual agreement of the Governmental Agency and the Authority provided that such amendment, supplement or modification shall be in writing and executed by the respective duly authorized officers of the Governmental Agency and the Authority. Upon the execution and delivery of any amended, supplemented or modified Term Loan Schedule, the Assistance Agreement and the Term Loan Schedule shall be, and be deemed to be, amended, supplemented and modified in accordance therewith, and the respective rights, duties and obligations under the Assistance Agreement of the Governmental Agency and the Authority shall thereafter be determined, exercised and enforced under the Assistance Agreement subject in all respects to such amendments, supplements and modifications.

KENTUCKY INFRASTRUCTURE AUTHORITY  
 ANTICIPATED REPAYMENT SCHEDULE  
 LOAN #A20-047  
 MCCREARY COUNTY WATER DISTRICT

Original Loan Amount \$ 3,244,500.00  
 Principal Forgiveness \$ (450,000.00)  
 Repayment Amount \$ 2,794,500.00

0.50% Interest  
 \$50,213.51 P & I Calculation

Payment Date	Principal Due	Interest Due	Interest Rate	Principal & Interest	Servicing Fee	Credit Due	Total Payment	Principal Balance	R & M Reserve	Total Reserve
12/01/22	\$43,227.26	\$6,986.25	0.50%	\$50,213.51	\$2,794.50	\$0.00	\$53,008.01	\$2,794,500.00	\$8,100.00	\$8,100.00
06/01/23	\$43,335.33	\$6,878.18	0.50%	\$50,213.51	\$2,751.27	\$0.00	\$52,964.78	\$2,751,272.74	\$0.00	\$8,100.00
12/01/23	\$43,443.67	\$6,769.84	0.50%	\$50,213.51	\$2,707.94	\$0.00	\$52,921.45	\$2,664,493.74	\$8,100.00	\$16,200.00
06/01/24	\$43,552.28	\$6,661.23	0.50%	\$50,213.51	\$2,664.49	\$0.00	\$52,878.00	\$2,620,941.46	\$0.00	\$16,200.00
12/01/24	\$43,661.16	\$6,552.35	0.50%	\$50,213.51	\$2,620.94	\$0.00	\$52,834.45	\$2,577,280.30	\$8,100.00	\$24,300.00
06/01/25	\$43,770.31	\$6,443.20	0.50%	\$50,213.51	\$2,577.28	\$0.00	\$52,790.79	\$2,533,509.99	\$0.00	\$24,300.00
12/01/25	\$43,879.74	\$6,333.77	0.50%	\$50,213.51	\$2,533.51	\$0.00	\$52,747.02	\$2,489,630.25	\$8,100.00	\$32,400.00
06/01/26	\$43,989.43	\$6,224.08	0.50%	\$50,213.51	\$2,489.63	\$0.00	\$52,703.14	\$2,445,640.82	\$0.00	\$32,400.00
12/01/26	\$44,099.41	\$6,114.10	0.50%	\$50,213.51	\$2,445.64	\$0.00	\$52,659.15	\$2,401,541.41	\$8,100.00	\$40,500.00
06/01/27	\$44,209.66	\$6,003.85	0.50%	\$50,213.51	\$2,401.54	\$0.00	\$52,615.05	\$2,357,331.75	\$0.00	\$40,500.00
12/01/27	\$44,320.18	\$5,893.33	0.50%	\$50,213.51	\$2,357.33	\$0.00	\$52,570.84	\$2,313,011.57	\$8,100.00	\$48,600.00
06/01/28	\$44,430.98	\$5,782.53	0.50%	\$50,213.51	\$2,313.01	\$0.00	\$52,526.52	\$2,268,580.59	\$0.00	\$48,600.00
12/01/28	\$44,542.06	\$5,671.45	0.50%	\$50,213.51	\$2,268.58	\$0.00	\$52,482.09	\$2,224,038.53	\$8,100.00	\$56,700.00
06/01/29	\$44,653.41	\$5,560.10	0.50%	\$50,213.51	\$2,224.04	\$0.00	\$52,437.55	\$2,179,385.12	\$0.00	\$56,700.00
12/01/29	\$44,765.05	\$5,448.46	0.50%	\$50,213.51	\$2,179.39	\$0.00	\$52,392.90	\$2,134,620.07	\$8,100.00	\$64,800.00
06/01/30	\$44,876.96	\$5,336.55	0.50%	\$50,213.51	\$2,134.62	\$0.00	\$52,348.13	\$2,089,743.11	\$0.00	\$64,800.00
12/01/30	\$44,989.15	\$5,224.36	0.50%	\$50,213.51	\$2,089.74	\$0.00	\$52,303.25	\$2,044,753.96	\$8,100.00	\$72,900.00
06/01/31	\$45,101.63	\$5,111.88	0.50%	\$50,213.51	\$2,044.75	\$0.00	\$52,258.26	\$1,999,652.33	\$0.00	\$72,900.00
12/01/31	\$45,214.38	\$4,999.13	0.50%	\$50,213.51	\$1,999.65	\$0.00	\$52,213.16	\$1,954,437.95	\$8,100.00	\$81,000.00
06/01/32	\$45,327.42	\$4,886.09	0.50%	\$50,213.51	\$1,954.44	\$0.00	\$52,167.95	\$1,909,110.53	\$0.00	\$81,000.00
12/01/32	\$45,440.73	\$4,772.78	0.50%	\$50,213.51	\$1,909.11	\$0.00	\$52,122.62	\$1,863,669.80	\$8,100.00	\$89,100.00
06/01/33	\$45,554.34	\$4,659.17	0.50%	\$50,213.51	\$1,863.67	\$0.00	\$52,077.18	\$1,818,115.46	\$0.00	\$89,100.00
12/01/33	\$45,668.22	\$4,545.29	0.50%	\$50,213.51	\$1,818.12	\$0.00	\$52,031.63	\$1,772,447.24	\$8,100.00	\$97,200.00
06/01/34	\$45,782.39	\$4,431.12	0.50%	\$50,213.51	\$1,772.45	\$0.00	\$51,985.96	\$1,726,664.85	\$0.00	\$97,200.00
12/01/34	\$45,896.85	\$4,316.66	0.50%	\$50,213.51	\$1,726.66	\$0.00	\$51,940.17	\$1,680,768.00	\$8,100.00	\$105,300.00
06/01/35	\$46,011.59	\$4,201.92	0.50%	\$50,213.51	\$1,680.77	\$0.00	\$51,894.28	\$1,634,756.41	\$0.00	\$105,300.00
12/01/35	\$46,126.62	\$4,086.89	0.50%	\$50,213.51	\$1,634.76	\$0.00	\$51,848.27	\$1,588,629.79	\$8,100.00	\$113,400.00
06/01/36	\$46,241.94	\$3,971.57	0.50%	\$50,213.51	\$1,588.63	\$0.00	\$51,802.14	\$1,542,387.85	\$0.00	\$113,400.00
12/01/36	\$46,357.54	\$3,855.97	0.50%	\$50,213.51	\$1,542.39	\$0.00	\$51,755.90	\$1,496,030.31	\$8,100.00	\$121,500.00
06/01/37	\$46,473.43	\$3,740.08	0.50%	\$50,213.51	\$1,496.03	\$0.00	\$51,709.54	\$1,449,556.88	\$0.00	\$121,500.00
12/01/37	\$46,589.62	\$3,623.89	0.50%	\$50,213.51	\$1,449.56	\$0.00	\$51,663.07	\$1,402,967.26	\$8,100.00	\$129,600.00
06/01/38	\$46,706.09	\$3,507.42	0.50%	\$50,213.51	\$1,402.97	\$0.00	\$51,616.48	\$1,356,261.17	\$0.00	\$129,600.00
12/01/38	\$46,822.86	\$3,390.65	0.50%	\$50,213.51	\$1,356.26	\$0.00	\$51,569.77	\$1,309,438.31	\$8,100.00	\$137,700.00
06/01/39	\$46,939.91	\$3,273.60	0.50%	\$50,213.51	\$1,309.44	\$0.00	\$51,522.95	\$1,262,498.40	\$0.00	\$137,700.00
12/01/39	\$47,057.26	\$3,156.25	0.50%	\$50,213.51	\$1,262.50	\$0.00	\$51,476.01	\$1,215,441.14	\$8,100.00	\$145,800.00
06/01/40	\$47,174.91	\$3,038.60	0.50%	\$50,213.51	\$1,215.44	\$0.00	\$51,428.95	\$1,168,266.23	\$0.00	\$145,800.00
12/01/40	\$47,292.84	\$2,920.67	0.50%	\$50,213.51	\$1,168.27	\$0.00	\$51,381.78	\$1,120,973.39	\$8,100.00	\$153,900.00
06/01/41	\$47,411.08	\$2,802.43	0.50%	\$50,213.51	\$1,120.97	\$0.00	\$51,334.48	\$1,073,562.31	\$0.00	\$153,900.00
12/01/41	\$47,529.60	\$2,683.91	0.50%	\$50,213.51	\$1,073.56	\$0.00	\$51,287.07	\$1,026,032.71	\$8,100.00	\$162,000.00
06/01/42	\$47,648.43	\$2,565.08	0.50%	\$50,213.51	\$1,026.03	\$0.00	\$51,239.54	\$978,384.28	\$0.00	\$162,000.00
12/01/42	\$47,767.55	\$2,445.96	0.50%	\$50,213.51	\$978.38	\$0.00	\$51,191.89	\$930,616.73	\$0.00	\$162,000.00
06/01/43	\$47,886.97	\$2,326.54	0.50%	\$50,213.51	\$930.62	\$0.00	\$51,144.13	\$882,729.76	\$0.00	\$162,000.00
12/01/43	\$48,006.69	\$2,206.82	0.50%	\$50,213.51	\$882.73	\$0.00	\$51,096.24	\$834,723.07	\$0.00	\$162,000.00

Payment Date	Principal Due	Interest Due	Interest Rate	Principal & Interest	Servicing Fee	Credit Due	Total Payment	Principal Balance	R & M Reserve	Total Reserve
06/01/44	\$48,126.70	\$2,086.81	0.50%	\$50,213.51	\$834.72	\$0.00	\$51,048.23	\$786,596.37	\$0.00	\$162,000.00
12/01/44	\$48,247.02	\$1,966.49	0.50%	\$50,213.51	\$786.60	\$0.00	\$51,000.11	\$738,349.35	\$0.00	\$162,000.00
06/01/45	\$48,367.64	\$1,845.87	0.50%	\$50,213.51	\$738.35	\$0.00	\$50,951.86	\$689,981.71	\$0.00	\$162,000.00
12/01/45	\$48,488.56	\$1,724.95	0.50%	\$50,213.51	\$689.98	\$0.00	\$50,903.49	\$641,493.15	\$0.00	\$162,000.00
06/01/46	\$48,609.78	\$1,603.73	0.50%	\$50,213.51	\$641.49	\$0.00	\$50,855.00	\$592,883.37	\$0.00	\$162,000.00
12/01/46	\$48,731.30	\$1,482.21	0.50%	\$50,213.51	\$592.88	\$0.00	\$50,806.39	\$544,152.07	\$0.00	\$162,000.00
06/01/47	\$48,853.13	\$1,360.38	0.50%	\$50,213.51	\$544.15	\$0.00	\$50,757.66	\$495,298.94	\$0.00	\$162,000.00
12/01/47	\$48,975.26	\$1,238.25	0.50%	\$50,213.51	\$495.30	\$0.00	\$50,708.81	\$446,323.68	\$0.00	\$162,000.00
06/01/48	\$49,097.70	\$1,115.81	0.50%	\$50,213.51	\$446.32	\$0.00	\$50,659.83	\$397,225.98	\$0.00	\$162,000.00
12/01/48	\$49,220.45	\$993.06	0.50%	\$50,213.51	\$397.23	\$0.00	\$50,610.74	\$348,005.53	\$0.00	\$162,000.00
06/01/49	\$49,343.50	\$870.01	0.50%	\$50,213.51	\$348.01	\$0.00	\$50,561.52	\$298,662.03	\$0.00	\$162,000.00
12/01/49	\$49,466.85	\$746.66	0.50%	\$50,213.51	\$298.66	\$0.00	\$50,512.17	\$249,195.18	\$0.00	\$162,000.00
06/01/50	\$49,590.52	\$622.99	0.50%	\$50,213.51	\$249.20	\$0.00	\$50,462.71	\$199,604.66	\$0.00	\$162,000.00
12/01/50	\$49,714.50	\$499.01	0.50%	\$50,213.51	\$199.60	\$0.00	\$50,413.11	\$149,890.16	\$0.00	\$162,000.00
06/01/51	\$49,838.78	\$374.73	0.50%	\$50,213.51	\$149.89	\$0.00	\$50,363.40	\$100,051.38	\$0.00	\$162,000.00
12/01/51	\$49,963.38	\$250.13	0.50%	\$50,213.51	\$100.05	\$0.00	\$50,313.56	\$50,088.00	\$0.00	\$162,000.00
06/01/52	\$50,088.00	\$125.51	0.50%	\$50,213.51	\$50.09	\$0.00	\$50,263.60	\$0.00	\$0.00	\$162,000.00
<b>Totals</b>	<b>\$2,794,500.00</b>	<b>\$218,310.60</b>		<b>\$3,012,810.60</b>	<b>\$87,324.13</b>	<b>\$0.00</b>	<b>\$3,100,134.73</b>		<b>\$162,000.00</b>	

Created by KIA on 03/26/2021

Mr. Jim McCarty, Cave Run Water Commission  
Ms. Holly McGrath-Rosas, Morehead Utility Plant Board  
Mr. Alan Robinson, Eclipse Engineers, PLLC  
Mr. Larry Tackett, Morehead Utility Plant Board  
Mr. Stephen Whitaker, McCreary County Water District  
Ms. Sandy Williams, Office of Financial Management  
Mr. Larry Workman, Cave Run Water Commission

## **PROCEEDINGS**

Commissioner Dennis Keene, called the meeting of the Kentucky Infrastructure Authority (KIA) Board to order. He noted that the press notification distribution had been done appropriately and confirmed a quorum was present. Meg Link, KIA Secretary was asked to call the Roll. Commissioner Keene asked for those wishing to be recorded as an attendee in the Minutes to please send a chat message with their information.

### **I. BUSINESS (Board Action Required)**

#### **1. APPROVAL OF MINUTES**

**For: KIA Regular Board Meeting of May 7, 2020**

*Mr. Kent Chandler noted he abstained from voting on the Northern Kentucky Water District, (F20-044), project and asked for it to be included as a revision. Mr. Kent Chandler moved to approve the minutes of the May 7, 2020, regular board meeting, with the noted revision. Mr. Kurt Stafford seconded, and the motion carried unanimously.*

### **B. NEW PROJECTS/ACTION ITEMS**

#### **1. A RESOLUTION AND ORDER OF THE BOARD OF DIRECTORS OF THE KENTUCKY INFRASTRUCTURE AUTHORITY AUTHORIZING ISSUANCE OF A CONDITIONAL COMMITMENT FOR A FEDERALLY ASSISTED CLEAN WATER REVOLVING FUND A LOAN (A20-020) FOR AN AMOUNT UP TO \$1,363,200 TO THE CITY OF MOREHEAD, ROWAN COUNTY, KENTUCKY**

Mr. Jory Becker, DOW, Ms. Linda Bridwell, and Ms. Holly McGrath-Rosas, representing the City of Morehead, discussed the City's request for a Fund A Loan, (A20-020) for an amount up to \$1,353,200 for the Derrickson Lift Station Upgrade project. They are co-funding the loan with the Kentucky Transportation Cabinet. The project will improve and promote public health and environmental safety by eliminating SSO events. This project will involve replacing the existing Derrickson Lift Station and corresponding force main to address sanitary sewer overflow (SSO) events by constructing a new lift station on the adjacent site. The new lift station (approximately 700 GPM) will be designed with higher flow pumps and a larger wet well, designed to current regulations. Due to the expansion and growth in customer base in the northern part of Rowan County, approximately 14,000 LF of 10-inch force main would be installed to replace the existing 6-inch force main to increase capacity within this section of the collection system. A segment of the force main, approximately 9,800 linear feet, will be realigned from the existing location beginning at the intersection of KY-32 and Litton Road. The realignment is needed for better operations and efficiency.

The Morehead Utility Plant Board currently serves 5,581 sewer customers, 3,453 water customers, and also provides natural gas to customers in Rowan County.

Mr. Kent Chandler asked Ms. Bridwell about the financials. He asked if KIA staff takes into consideration the non-cash expenses to ensure the appropriate depreciation is included in the financial statement and the cash snapshot. Ms. Bridwell said staff does review it and it is included in consideration. Staff simplifies the form for presentation purposes. Morehead has a strong financial position.

***Mr. Claude Christensen moved to approve the Fund A Loan increase, (A20-020), for an amount up to \$1,363,200 with the standard conditions. Mr. Winston Miller seconded and the motion was unanimously approved.***

**2. A RESOLUTION AND ORDER OF THE BOARD OF DIRECTORS OF THE KENTUCKY INFRASTRUCTURE AUTHORITY AUTHORIZING ISSUANCE OF A CONDITIONAL COMMITMENT FOR A FEDERALLY ASSISTED CLEAN WATER REVOLVING FUND LOAN (A20-047) FOR AN AMOUNT UP TO \$3,244,500 TO THE MCCREARY COUNTY WATER DISTRICT, MCCREARY COUNTY, KENTUCKY**

Mr. Jory Becker, DOW, and Ms. Meili Sun, KIA, discussed the District's request for a Fund A Loan for an amount up to \$3,244,500 for the Sanitary Sewer Collection System Expansion – Phase 1 project. This project will expand the sanitary sewer collection system to serve 305 new customers in the Stearns and Smithtown areas. Many of these underserved customers either have failing septic systems or discharge directly into the environment.

The collection system expansion will consist of approximately 66,500 linear feet of PVC sewer line extension of various sizes, 15 manholes, 275 grinder pump stations, and other appurtenances such as air release valves and flushing connections. The purpose of this project is to expand the sanitary sewer collection system to spread the cost of services across more customers while protecting the environment from failing septic tanks and straight pipes.

The District currently serves approximately 1,100 retail customers in McCreary County and provide wholesale water to the Whitley County Water District and the City of Oneida in Tennessee. Both McCreary and Whitley County Water Districts are under the Public Service Commission jurisdiction ("PSC") and subject to PSC rate regulations. The District had not sold any water to Oneida in the past 3 years due to the need basis agreement but may resume sales in 2020 and 2021 to supply water for Oneida's source water project.

Mr. Kent Chandler asked if someone from the McCreary County Water District could answer a couple of questions. Mr. Alan Robinson, Eclipse Engineering and Mr. Stephen Whitaker with the District, said they would be happy to answer any questions. Mr. Chandler asked if the 2019 financials been completed. Mr. Whitaker noted they have not been finalized and they have been in contact with the auditors, who expect it to be completed soon. Mr. Chandler asked about the \$3.6 million and anticipated 300 additional customers expected with this project, was there for possibly additional customers. Mr. Robinson noted the lines are sized for future customers and potentially could extend the service to 350 or 400 customers should there be remaining funds. This also allows for meeting the Division of Water's hydraulic requirements to not oversize the lines.

***Mr. Kent Chandler abstained from voting. Mr. Ron Lovan moved to approve the Fund A Loan (A20-047) for an amount up to \$3,244,500 with the standard conditions and the***

***following special conditions as required by the PSC: 1) The District shall apply to the Public Service Commission (PSC), pursuant to KRS 278.300, for debt authorization for KIA loan A20-047. This debt authorization application should include a forecast meeting debt service projected through 2025; and 2) Prior to the assistance agreement being executed, the District must receive a Certificate of Public Convenience and Necessity, pursuant to KRS 278.020, from the PSC for any portion of the project that may require it, or provide an opinion from legal counsel or the staff of the PSC, or a declaratory order from the PSC, that a CPCN is not required for any portion of the assets to be constructed as part of the loan agreement.. Mr. Russ Rose seconded and the motion was unanimously approved.***

**3. A RESOLUTION AND ORDER OF THE BOARD OF DIRECTORS OF THE KENTUCKY INFRASTRUCTURE AUTHORITY AUTHORIZING AN AMENDMENT TO THE CONDITIONAL COMMITMENT FOR A FEDERALLY ASSISTED DRINKING WATER REVOLVING FUND F LOAN (F17-007) INCREASE FOR AN AMOUNT UP TO \$1,005,344 TO THE CITY OF OLIVE HILL, CARTER COUNTY, KENTUCKY**

Mr. Jory Becker, DOW, and Ms. Linda Bridwell, KIA, discussed the City of Olive Hill's request for a Fund F Loan increase, (F17-007) that was originally approved in October 2016 for \$883,00, the requested increase amount is \$122,344 for a total loan up to \$1,005,344 for the Olive Hill Downtown Area Waterline Replacement Project. The increase will fund various unanticipated connection issues that were identified during construction. The project replaced approximately 5,900 linear feet of failing cast iron water lines in the downtown area of Olive Hill with new PVC lines. The area covered in this project was determined by water loss studies to have an estimated 50% loss and is also the oldest part of the system. In addition to the line replacement, the project replaced several hydrants as well as facilitated the inspection, rehabilitation, and recommission of the Tick Ridge standpipe water tank. The recommission of the tank will add 250,000 gallons to the current storage capacity of the City's water system and stabilized the available volume and pressure for the downtown area.

The City provides approximately 2,200 water customers and 900 sewer customers. Additionally, they provide electricity, natural gas and sanitation services.

Mr. Kurt Stafford asked Ms. Bridwell about the debt coverage ratio and asked how often staff reviews that information and how does staff stay up-to-date. Ms. Bridwell stated that one of the conditions of their loan agreement is yearly audits must be submitted within 180 days. Staff reviews these audits to ensure they are meeting their debt coverage ratio. If not, we contact the borrower. Mr. Kent Chandler asked if not submitting their audits within the 180 timeframe a violation of their loan agreement. Ms. Bridwell noted that it was a violation and that KIA staff is working with Rubin & Hays, KIA's legal counsel to determine a course of action. Currently, staff continues to reach out to borrowers about any non-compliance issues. Borrowers are told no additional funding will be available through KIA unless their current loans are in good standing with us.

***Mr. Claude Christensen moved to approve the Fund F Loan increase (F17-007) of \$122,344 for a total loan amount up to \$1,005,344 to the City of Olive Hill with the standard conditions. Judge David Voegel seconded and the motion was unanimously approved.***



**4. A RESOLUTION AND ORDER OF THE BOARD OF DIRECTORS OF THE KENTUCKY INFRASTRUCTURE AUTHORITY AUTHORIZING ISSUANCE OF A CONDITIONAL COMMITMENT FOR A FEDERALLY ASSISTED DRINKING WATER REVOLVING FUND LOAN (F20-017) FOR AN AMOUNT UP TO \$585,000 TO THE CITY OF SALEM, LIVINGSTON COUNTY, KENTUCKY**

Mr. Jory Becker, DOW, and Ms. Meili Sun, KIA discussed the City's request for a Fund F Loan for an amount up to \$585,000 for the for the first phase of the Water Main Replacement Project. This phase will concentrate on the western supply route connecting Salem Municipal Water System to the Crittenden-Livingston County Water District. The City has been experiencing water line failures in the area due to corrosion of aging cast iron pipes, which cause service outages and water losses in the area. The scope of work involves replacement of 5,500 linear feet of existing lines with 6" PVC lines and addition of 8 valves and 3 hydrants to the distribution system.

The City purchases 100% of its water supply from the Crittenden-Livingston County Water District to serve approximately 450 retail customers in the City. The City's water purchase rates are regulated by the Public Service Commission.

***Mr. Kent Chandler abstained from voting. Mr. Russ Rose moved to approve the Fund F Loan (F20-017) in an amount up to \$585,000 to the City of Salem with the standard conditions. Mr. Ron Lovan seconded and the motion was unanimously approved.***

**5. A RESOLUTION AND ORDER OF THE BOARD OF DIRECTORS OF THE KENTUCKY INFRASTRUCTURE AUTHORITY AUTHORIZING ISSUANCE OF A CONDITIONAL COMMITMENT FOR A FEDERALLY ASSISTED DRINKING WATER REVOLVING FUND LOAN (F20-021) FOR AN AMOUNT UP TO \$1,171,350 TO THE CAVE RUN WATER COMMISSION, MENIFEE COUNTY, KENTUCKY**

Mr. Jory Becker, DOW, and Ms. Linda Bridwell, KIA discussed the Commission's request for a Fund F Loan (F20-021) for an amount up to \$1,171,350 for the Elevated Water Storage Tank Construction project. This project will construct a new water tank in order to provide purchase source water protection and water supply redundancy that is currently lacking in the system. A new 300,000 gallon elevated storage tank will be constructed on the Menifee and Morgan County Line to service the City of Frenchburg, City of Jeffersonville, and the Morgan County Water district. SCADA will be installed at the tank to enable remote reading and level control from the Water Treatment Plant along with a security fence and approximately 800 LF of 12" PVC waterline to connect the new tank to the existing transmission line.

With Cave Run Water Commission's current system configuration and operations, Morgan County Water District's Ezel Water Tank (150,000 gallons) empties in 10-12 hours when Cave Run stops producing water at the water treatment plant. The Ezel Water Tank has been emptied two times in the past year because it cannot be filled when the plant isn't producing water by constructing a new water tank, Cave Run Water Commission will be able to provide additional storage for the service area and allow the Ezel Water Tank to be filled when the water treatment plant is shutdown between production. Cave Run Water Commission provides approximately 40-50% of Morgan County Water District's water; 95-99% of the City of Frenchburg's water; and 95-99% of the City of Jeffersonville's water. In total,

Cave Run Water Commission indirectly services a population of 18,900 from the Cave Run Tank and sells an average of 1 million gallons of water to wholesale customers each day.

***Mr. Claude Christensen moved to approve the Fund F Loan (F20-021) for an amount up to \$1,171,350 to the Cave Run Water Commission with the standard conditions. Judge David Voegelé seconded and the motion was unanimously approved.***

**6. RESOLUTION OF THE KENTUCKY INFRASTRUCTURE AUTHORITY AUTHORIZING AND APPROVING THE ISSUANCE OF OBLIGATIONS OF THE KENTUCKY INFRASTRUCTURE AUTHORITY TO REIMBURSE CAPITAL EXPENDITURES MADE BY GOVERNMENTAL AGENCIES PURSUANT TO LOANS MADE BY THE KENTUCKY INFRASTRUCTURE AUTHORITY TO SUCH GOVERNMENTAL AGENCIES**

This is a routine resolution allowing KIA to reimburse expenses that are paid out of the Authority’s funds with bond proceeds. The projects listed below are covered under this resolution:

<b>BORROWER</b>	<b>FUND</b>	<b>AMOUNT UP TO</b>
City of Morehead	A20-020	\$1,363,200
McCreary County Water District	A20-047	\$3,244,500
City of Olive Hill (Increase)	F17-007	\$ 122,344
City of Salem	F20-017	\$ 585,000
Cave Run Water Commission	F20-021	\$1,171,350

***Mr. Russ Rose moved to approve the reimbursement resolution. Mr. Kent Chandler seconded and the motion carried unanimously.***

**7. RESOLUTION AND ORDER OF THE BOARD OF DIRECTORS OF THE KENTUCKY INFRASTRUCTURE AUTHORITY AUTHORIZING APPROVAL FOR THE FILING OF AN APPLICATION WITH THE UNITED STATES ENVIRONMENTAL PROTECTION AGENCY FOR THE FEDERAL FISCAL YEAR 2020 CAPITALIZATION GRANT FOR THE DRINKING WATER REVOLVING FUND**

***Mr. Bob Amato moved to approve the filing of the 2020 Capitalization Grant for the Drinking Water Revolving Fund. Judge David Voegelé seconded and the motion carried unanimously.***

**8. RESOLUTION AND ORDER OF THE BOARD OF DIRECTORS OF THE KENTUCKY INFRASTRUCTURE AUTHORITY AUTHORIZING APPROVAL FOR THE FILING OF AN APPLICATION WITH THE UNITED STATES ENVIRONMENTAL PROTECTION AGENCY FOR THE FEDERAL FISCAL YEAR 2020 CAPITALIZATION GRANT FOR THE WASTEWATER REVOLVING FUND**

***Mr. Russ Rose moved to approve the filing of the 2020 Capitalization Grant for the Wastewater Revolving Fund. Mr. Bob Amato seconded and the motion carried unanimously.***

## EXECUTIVE DIRECTOR'S REPORT

Executive Director Edith Halbleib discussed the Intended Use Plans – The IUP for the Clean Water State Revolving Fund and the Drinking Water State Revolving Fund are in the final edit stages. A public meeting is provisionally scheduled for 2:30 p.m., on June 18, 2020 to be conducted as an interactive virtual Zoom meeting, with a link posted on the website. The project lists and proposed principal forgiveness for FY 2021 are ready and the invitations are loaded into the system, to be emailed at the publishing of the IUPs.

The KIA recommendation in the IUPs reflects the project priorities established last summer. The plan lowers the interest rates on the lowest tier, those borrowers whose MHI is below 80% of the state average. The middle tier and the standard tier remain the same. The recommendation reflects a balance between reasonable rates and adverse long term impacts lower rates to the Fund.

The decision to adjust rates is a function of current market rates, balanced against the long term effects to the program, in reducing rates. Per the recommendation of the Treasurer, program demand, the differences in borrowing capacity for smaller and/or lower income communities were considerations behind the recommendation. The KIA addressed the smaller and lower income communities by reducing the lower tier by 0.25 points, as well as general market conditions for construction demand.

KIA has eight projects to take to the CPBOC this month. With the approval of the ones today, KIA will also have 5 more to present to the CPBOC. CPBOC has moved its meeting back this month, which allows the KIA to present to CPBOC in the same month as the Board approves the projects. After projects are approved at CPBOC, they still require an assistance agreement.

It was also noted, that Jeff Abshire, KIA Treasurer, has given his notice and will be leaving this month. He has been with the agency for 9 years. There are two other positions available for financial analysts. If anyone is aware of someone that might be interested the positions are posted on the Personnel website or let her know.

Mr. Russ Rose noted the presentations and asked if there was any way to note the non-compliant borrowers and what issues need to be addressed. Mr. Kent Chandler concurred and noted it would be helpful information to be included in the future. Ms. Halbleib said that should not be a problem and staff will do so moving forward.

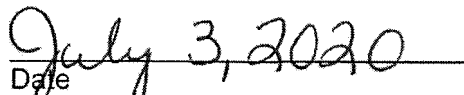
## ANNOUNCEMENTS/NOTIFICATIONS

- Next scheduled KIA board meeting:  
**Thursday, July 9, 2020, 1:00 p.m.**

***There being no further business, Judge David Voegele moved to adjourn. Mr. Kent Chandler seconded and the motion carried unanimously. The June 4, 2020 meeting of the Board of the Kentucky Infrastructure Authority was adjourned.***

Submitted by:

  
Margaret F. Link, Secretary  
Kentucky Infrastructure Authority

  
Date

# McCreary CWD Assistance Agr\_A20-047-esign

Final Audit Report

2021-04-16

Created:	2021-04-08
By:	Christian Juckett (cljuckett@rubinhays.com)
Status:	Signed
Transaction ID:	CBJCHBCAABAAle3iqi9i1kAWgiVIFWXez8OY4nkMST0t

## "McCreary CWD Assistance Agr\_A20-047-esign" History

-  Document created by Christian Juckett (cljuckett@rubinhays.com)  
2021-04-08 - 6:45:29 PM GMT- IP address: 98.103.10.138
-  Document emailed to Dennis Keene (dennis.keene@ky.gov) for signature  
2021-04-08 - 6:47:54 PM GMT
-  Email viewed by Dennis Keene (dennis.keene@ky.gov)  
2021-04-09 - 3:54:20 PM GMT- IP address: 205.204.186.1
-  Document e-signed by Dennis Keene (dennis.keene@ky.gov)  
Signature Date: 2021-04-15 - 3:18:06 PM GMT - Time Source: server- IP address: 205.204.186.1
-  Document emailed to Margaret F. Link (meg.link@ky.gov) for signature  
2021-04-15 - 3:18:11 PM GMT
-  Email viewed by Margaret F. Link (meg.link@ky.gov)  
2021-04-15 - 3:18:59 PM GMT- IP address: 205.204.186.1
-  Document e-signed by Margaret F. Link (meg.link@ky.gov)  
Signature Date: 2021-04-15 - 3:19:31 PM GMT - Time Source: server- IP address: 205.204.186.1
-  Document emailed to Patrick McGee (patrick.mcgee@ky.gov) for signature  
2021-04-15 - 3:19:34 PM GMT
-  Email viewed by Patrick McGee (patrick.mcgee@ky.gov)  
2021-04-16 - 12:06:07 PM GMT- IP address: 205.204.186.53
-  Document e-signed by Patrick McGee (patrick.mcgee@ky.gov)  
Signature Date: 2021-04-16 - 12:07:13 PM GMT - Time Source: server- IP address: 205.204.186.53
-  Document emailed to Holly Johnson (hollymccoy.johnson@ky.gov) for signature  
2021-04-16 - 12:07:16 PM GMT

 Email viewed by Holly Johnson (hollymccoy.johnson@ky.gov)

2021-04-16 - 12:40:51 PM GMT- IP address: 108.227.155.66

 Document e-signed by Holly Johnson (hollymccoy.johnson@ky.gov)

Signature Date: 2021-04-16 - 2:08:19 PM GMT - Time Source: server- IP address: 108.227.155.66

 Agreement completed.

2021-04-16 - 2:08:19 PM GMT

# **EXHIBIT 18**

ANDY BESHEAR  
GOVERNOR



REBECCA W. GOODMAN  
SECRETARY

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

ANTHONY R. HATTON  
COMMISSIONER

300 SOWER BOULEVARD  
FRANKFORT, KENTUCKY 40601

June 30, 2021

Mr. Stephen Whitaker, Superintendent  
McCreary County Water District  
456 North Hwy 27  
Whitley City, KY 42653

Re: A20-047 – McCreary County Water District  
McCreary Co WWTP--3089  
Activity ID: FGL20200006  
Contract No. 1  
Change Order No. 1

Dear Mr. Whitaker:

This change order (C.O.) has been reviewed and approved as indicated below. A copy of the approved change order is enclosed. The change to Contract No. 1 has been found to comply with procedures applicable to the Clean Water State Revolving Fund.

<b>C.O. Number</b>	<b>C.O. Amount</b>	<b>Contract Time Change (days)</b>	<b>KIA C.O. Eligible Amount</b>	<b>KIA C.O. Eligible Time Change (days)</b>
1	\$163,090.75	0	\$163,090.75	0

In addition, the following determination has been made:

Original Contract Price	\$ 2,623,071.00
New Contract Price	\$ 2,786,161.75
KIA Portion Adjusted	\$ 2,786,161.75
New Contract Completion Date	March 5, 2022
New Eligible Completion Date	March 5, 2022





If you have any questions regarding the approval of this change order, please contact David Coe, Project Engineer, at (502) 782-6296. Questions regarding the KIA budget can be directed to William Averell, Project Manager, at (502) 782-6882.

Sincerely,

 Recoverable Signature



---

Jory M. Becker, P.E.  
Branch Manager  
Water Infrastructure Branch

JB: wa

Enclosures

c: Kentucky Infrastructure Authority  
Alan Robinson, Eclipse Engineering, PLLC  
Judy Hachey, LCADD

## CONTRACT CHANGE ORDER

<b>Order No.</b>	1
<b>Date</b>	6/24/21
<b>State</b>	Kentucky
<b>County</b>	McCreary

**Contract For:** Sanitary Sewer Collection System Expansion – Phase One – Contract 39

**Owner:** McCreary County Water District

**To:** Flo-Line Contracting, LLC

You are hereby requested to comply with the following changes from the Contract plans and specifications:

Item No.	Description of Changes (Supplemental Plans and Specifications attached, if necessary)	DECREASE Contract Price	INCREASE Contract Price
3a	<b>Base Bid Adder</b> – 2” HDPE DR 11 Force Main with Green Stripe. 26,859 LF @ \$1.25 per LF addition.		\$33,573.75
5a	<b>Base Bid Adder</b> – 3” HDPE DR 11 Force Main with Green Stripe 5,260 LF @ \$1.38 per LF addition.		\$7,258.80
7a	<b>Base Bid Adder</b> – 4” HDPE DR 11 Force Main with Green Stripe 8,122 LF @ \$2.05 per LF addition.		\$16,650.10
17a	<b>Base Bid Adder</b> – Stainless Steel Flex Discharge (For connecting grinder pump discharge to service lines). 209 EA @ \$75.00		\$15,675.00
3a	<b>Add. Alt. No. 1 Adder</b> – 2” HDPE DR 11 Force Main with Green Stripe. 1,427 LF @ \$1.25 per LF addition.		\$1,783.75
5a	<b>Add. Alt. No. 1 Adder</b> – 3” HDPE DR 11 Force Main with Green Stripe 1,925 LF @ \$1.38 per LF addition.		\$2,656.50
7a	<b>Add. Alt. No. 1 Adder</b> – 4” HDPE DR 11 Force Main with Green Stripe 2,277 LF @ \$2.05 per LF addition.		\$4,667.85
14a	<b>Add. Alt. No. 1 Adder</b> – Stainless Steel Flex Discharge (For connecting grinder pump discharge to service lines). 31 EA @ \$75.00		\$2,325.00
20	Line Item Adder – 1.5” HDPE DR 11 Force Main (Directional Bore) Estimated 2,000 LF @ \$15.00 per LF		\$30,000.00
21	Line Item Adder – 2” HDPE DR 11 Force Main (Directional Bore) Estimated 2,000 LF @ \$18.00 per LF		\$36,000.00
22	Line Item Adder – 3” HDPE DR 11 Force Main (Directional Bore) Estimated 500 LF @ \$25.00 per LF		\$12,500.00
<b>TOTALS</b>			<b>\$163,090.75</b>
<b>NET CHANGE IN CONTRACT PRICE</b>			<b>\$163,090.75</b>

**Justification:** Items 3a, 5a, 7a – These bid line items (3, 5, and 7) were bid as PVC force main. Due to the market conditions changing since the project was bid, all parties agreed to change these pipe sizes to HDPE due to it being more readily available and avoiding project delays. These small price adders represent the additional cost to change to HDPE pipe for these sizes.

Items 17a and 14a – These adders are to upgrade the connection from the grinder pump discharge to the service line as it exits the wetwell with a stainless steel flexible connector. This will provide flexibility should the wetwell and service line encounter differential settling and avoid potentially breaking the discharge connection.

Items 20-22 were not included in the bid form as advertised but were listed for the bidders to quote as additional line items. The Owner and Engineer have chosen to have portions of the 1.5", 2", and 3" line sizes to be directional bored in lieu of open cut. This will reduce the amounts of those bid items and will reduce the amount of cleanup and disturbance required and will allow the project to move more quickly.

The amount of the Contract will be *increased* by the sum of: One hundred sixty three thousand ninety dollars and seventy five cents (\$163,090.75).

The Contract Total including this Change Order will be: Two million seven hundred eighty six thousand one hundred sixty one dollars and seventy five cents (\$2,786,161.75).

The Contract Period provided for Completion will be increased by: 0 days making the completion date remain March 5, 2022.

**This document will become a supplement to the Contract and all provisions will apply hereto.**

<b>Requested</b>	 _____ Flo-Line Contracting, LLC	<u>6/24/21</u> _____ (date)
<b>Recommended</b>	 _____ Eclipse Engineers, PLLC	<u>6/24/21</u> _____ (date)
<b>Accepted</b>	 _____ McCreary County Water District	<u>6/24/21</u> _____ (date)

**This information will be used as a record of any changes to the original construction contract dated 2/23/21.**

# **EXHIBIT 19**

Flo-Line Contracting LLC  
189 Sunstar Blvd.  
Monticello, KY 42633  
Phone: (606) 340-8000  
Fax: (606) 340-8009  
Email: [floline@windstream.net](mailto:floline@windstream.net)

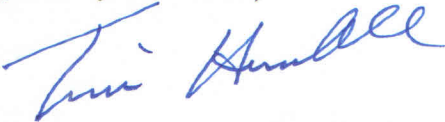
November 3, 2021

RE: Sanitary Sewer Collection System  
Expansion-Phase 1, Contract No. 39  
McCreary County, Kentucky

To Whom It May Concern:

Flo-Line Contracting LLC proposes a price increase of \$127.00/ EA for the approximately 100 remainder of grinder pump stations for the above mentioned project. Crane Pumps and Systems letter is attached for \$119.77/EA with 6% Sales Tax \$126.96.

Respectfully Submitted,



Tim Humble  
Owner

Proposal Price Good for 30 Days

11/01/2021

Mr. Greg Bertram,

Per our recent discussions regarding equipment for the project at McCreary County, we have been hit with numerous cost increases on components that make up our basin package systems.

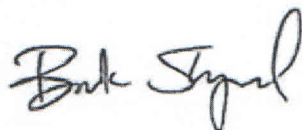
We've already seen multiple increases this year alone, but in the past month we saw a big spike across numerous components that we cannot absorb and must pass along. The intention of this increase is to simply pass along the increase in cost, there is no additional markup included in this increase.

The components which account for much of this increase are the fiberglass basin, cover, control panel, SS fittings and couplings. A snapshot of the raw cost increases we've seen:

DESCRIPTION	P/N	RAW COST INCREASE
30X48SFHS PKG	130961W	\$ 91.23
PUMP, ZSGV2072L	145338A	\$ -
CONTROL PANEL	113421L-MOD	\$ 11.39
FLEX DISCH COUPLING	126935	\$ 17.15
		<b>\$ 119.77</b>

This change will affect current sales orders # ET1512, ET1513 and ET1514. Please acknowledge this increase and we will work to get these shipments sent out ASAP.

Thanks,



Brock Shepard  
 Pressure Sewer Specialist, Crane Pumps & Systems  
 O: 937-778-3529  
 M: 937-214-7103  
[bshepard@cranepumps.com](mailto:bshepard@cranepumps.com)

# **EXHIBIT 20**

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

June 1, 2022

Mr. Stephen Whitaker, Superintendent  
McCreary County Water District  
456 North Hwy 27  
Whitley City, KY 42653

Re: A20-047 – McCreary County Water District  
McCreary Co WWTP--3089  
Activity ID: FGL20200006  
Contract No. 1  
Change Order No. 2

Dear Mr. Whitaker:

This change order (C.O.) has been reviewed and approved as indicated below. A copy of the approved change order is enclosed. The change to Contract No. 1 has been found to comply with procedures applicable to the Clean Water State Revolving Fund.

<b>C.O. Number</b>	<b>C.O. Amount</b>	<b>Contract Time Change (days)</b>	<b>KIA C.O. Eligible Amount</b>	<b>KIA C.O. Eligible Time Change (days)</b>
2	-\$163,474.80	181	-\$163,474.80	181

In addition, the following determination has been made:

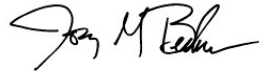
Original Contract Price	\$ 2,623,071.00
New Contract Price	\$ 2,622,686.95
KIA Portion Adjusted	\$ 2,622,686.95
New Contract Completion Date	September 1, 2022
New Eligible Completion Date	September 1, 2022



If you have any questions regarding the approval of this change order, please contact David Coe, Project Engineer, at (502) 782-6296. Questions regarding the KIA budget can be directed to William Averell, Project Manager, at (502) 782-6882.

Sincerely,

 Recoverable Signature



---

Jory Becker, P.E.  
Branch Manager  
Water Infrastructure Branch

JB: wa

Enclosures

c: Kentucky Infrastructure Authority  
Alan Robinson, Eclipse Engineering, PLLC  
Judy Hachey, LCADD

## CONTRACT CHANGE ORDER

Order No.	2
Date	2/8/22
State	Kentucky
County	McCreary

**Contract For:** Sanitary Sewer Collection System Expansion – Phase One – Contract 39

**Owner:** McCreary County Water District

**To:** Flo-Line Contracting, LLC

You are hereby requested to comply with the following changes from the Contract plans and specifications:

Item No.	Description of Changes (Supplemental Plans and Specifications attached, if necessary)	DECREASE Contract Price	INCREASE Contract Price
14	<b>Electric Modification / Breaker</b> -- The original bid quantity for this item was 209 for the Base Bid and 31 for the Additive Alternate for a total of 240. The project will likely have a total of 170 new sewer customers sign up for service, therefore this total quantity may be reduced by 70. 70 QTY x \$750.00/EA =	\$52,500.00	
15	<b>Sanitary Sewer Cleanout Assembly / Connect Lateral</b> -- The original bid quantity for this item was 219 for the Base Bid and 34 for the Additive Alternate for a total of 253. The project will likely have a total of 170 new sewer customers sign up for service, therefore this total quantity may be reduced by 83. 83 QTY x \$750.00/EA =	\$62,250.00	
16	<b>Grinder Check Valve Assembly</b> - The original bid quantity for this item was 209 for the Base Bid and 31 for the Additive Alternate for a total of 240. The project will likely have a total of 170 new sewer customers sign up for service, therefore this total quantity may be reduced by 70. 70 QTY x \$450.00/EA =	\$31,500.00	
17	<b>Grinder Pump Station Single Stage (Labor and Material)</b> - The original bid quantity for this item was 209 for the Base Bid and 31 for the Additive Alternate for a total of 240. The project will likely have a total of 170 new sewer customers sign up for service, therefore this total quantity may be reduced by 70. 70 QTY x \$3,600.00/EA =	\$252,000.00	
17b	<b>Grinder Pump Station Single Stage (Material)</b> - The manufacturer has already produced the original 240 grinder pumps for the project. MCWD wishes to receive this material as spares through the Contractor. The labor portion will be credited to the project through item #17 above. 19 QTY x \$2,045.80/EA =		\$38,870.20
17c	<b>Grinder Pump Station Single Stage (Material)</b> - The manufacturer has already produced the original 240 control panels for the project. MCWD wishes to receive this material as spares through the Contractor. The labor portion will be credited to the project through item #17 above. 51 QTY x \$595.00/EA =		\$30,345.00

23	<b>Grinder Pump Package Component Cost Escalation</b> – Various grinder pump components including the fiberglass basins, covers, control panels, and stainless steel fittings and couplings have passed along major price adders that the manufacturer cannot absorb. 100 QTY x \$127/EA =		\$12,700.00
24	<b>High Head Pumps</b> – After the bids were opened, further hydraulic modeling indicated that a small amount of grinder pump locations justified a high head model pump. 12 QTY x \$190/EA =		\$2,280.00
25	<b>SST Discharge Coupling (field changeout)</b> – This will change the grinder pump stations that have already shipped to be modified with a stainless steel discharge coupling to prevent potential differential settling from breaking a plastic coupling at the thread as it mates to different material. This includes material and labor. 70 QTY x \$105/EA =		\$7,350.00
26	<b>SST Discharge Coupling (factory changeout)</b> – This change is identical to item #25 above but will apply to the remaining grinder pump stations that haven't yet shipped allowing the change to be made by the manufacturer. 170 QTY x \$69/EA =		\$11,730.00
27	<b>KY 701 Pump Station</b> – This change will add a new pump station near the intersection of KY 92 and KY 701 to “break” the head in the low pressure system and avoid additional high head model pumps. 1 QTY x \$131,500 =		\$131,500.00
<b>TOTALS</b>		\$398,250.00	\$234,775.20
<b>NET CHANGE IN CONTRACT PRICE</b>		\$163,474.80	

**Justification:** See above. MCWD wishes to keep this credit in the funding as contingency for any future change orders prior to project closeout.

The amount of the Contract will be *decreased* by the sum of: One hundred sixty three thousand four hundred seventy four dollars and eighty cents (\$163,474.80).

The Contract Total including this Change Order will be: Two million six hundred twenty two thousand six hundred eighty six dollars and ninety five cents (\$2,622,686.95).

The Contract Period provided for Completion will be increased by: 181 days making the completion date remain September 1, 2022.

**This document will become a supplement to the Contract and all provisions will apply hereto.**

Requested	<u>Greg Bertram</u> Flo-Line Contracting, LLC	<u>2-8-22</u> (date)
Recommended	<u>Ala R. Paul</u> Eclipse Engineers, PLLC	<u>2-8-22</u> (date)
Accepted	<u>Steph A. Stetel</u> McCreary County Water District	<u>2/8/22</u> (date)

This information will be used as a record of any changes to the original construction contract dated 2/23/21.

# **EXHIBIT 21**

Flo-Line Contracting LLC  
189 Sunstar Blvd.  
Monticello, KY 42633  
Phone: (606) 340-8000  
Fax: (606) 340-8009  
Email: [floline@windstream.net](mailto:floline@windstream.net)

February 1, 2022

RE: Sanitary Sewer Collection System  
Expansion-Phase 1, Contract No. 39  
McCreary County, Kentucky

To Whom It May Concern:

Flo-Line Contracting LLC proposes a complete package consisting of basin, valve vault, piping, pumps, controls, stone, asphalt, fencing and electric for the KY 701 / Poplar Springs Pump Station as requested. The proposal is per Eclipse Engineers, PLLC drawings with exception of a junction box being mounted to the wet well instead of control panel. The control panel will be mounted on unistrut next to the wet well. McCreary County Water District shall be responsible for all costs associated with the 3 phase power to project site. Flo-Line Contracting LLC also proposes a 180 day time extension due to the shop drawing submittal process and then delivery of the pumps.

**Lump Sum Price of \$131,500.00**

Respectfully Submitted,



Greg Bertram  
Project Manager

Proposal Price Good for 30 Days

# **EXHIBIT 22**

**A RESOLUTION AND ORDER OF THE BOARD OF DIRECTORS OF THE KENTUCKY INFRASTRUCTURE AUTHORITY AUTHORIZING ISSUANCE OF A CONDITIONAL COMMITMENT FOR A FEDERALLY ASSISTED CLEAN WATER REVOLVING FUND LOAN (A20-047) FOR AN AMOUNT UP TO \$3,244,500 TO THE MCCREARY COUNTY WATER DISTRICT, MCCREARY COUNTY, KENTUCKY**

**WHEREAS**, the Kentucky Infrastructure Authority (the "Authority") has been duly created as a body corporate and politic constituting a public corporation and a governmental agency of the Commonwealth of Kentucky pursuant to Chapter 224A of the Kentucky Revised Statutes (the "Act"); and

**WHEREAS**, pursuant to the Act, the Authority is duly and legally authorized to make loans to Governmental Agencies for the purpose of providing funds for the construction and acquisition of sanitary sewer facilities, water facilities or other types of infrastructure, and in that regard, to enter into Assistance Agreements with such Governmental Agencies governing the provisions in respect of which such loans are to be made, the amounts thereof and the repayment provisions in respect thereto; and

**WHEREAS**, the Authority anticipates entering into an Assistance Agreement for a loan from the Authority's Federally Assisted Clean Water Revolving Loan Program (Fund A) with the McCreary County Water District, subject to final determination of amount when the factors involving such financing have been determined; and

**WHEREAS**, the Authority will, in the near future, authorize and issue a series of Infrastructure Authority Revenue Bonds for the purpose of funding loans to various governmental agencies, such series of Bonds to be known as Kentucky Infrastructure Authority Revenue Bonds with the appropriate Series designation; and

**WHEREAS**, the Authority wishes to establish terms and conditions on said Fund A loans prior to the issuance of Authority Revenue Bonds and recognizes that additional planning and design of the financed projects are required.

**NOW, THEREFORE, THE KENTUCKY INFRASTRUCTURE AUTHORITY, ACTING BY AND THROUGH ITS BOARD OF DIRECTORS AS ITS DULY AUTHORIZED AND EMPOWERED GOVERNING BODY, DOES HEREBY RESOLVE AND ORDER, AS FOLLOWS:**

Section 1. All statements of fact set forth in the preambles to this Resolution and Order are incorporated herein by reference, the same as if set forth verbatim. All such statements of fact are hereby declared to be true and accurate in all material respects.

Section 2. The Authority hereby authorizes the issuance of a conditional Federally Assisted Clean Water Revolving Fund loan for an amount up to \$3,244,500 of project expense including capitalized interest for the construction period, to the McCreary County Water District for the Sanitary Sewer Collection System Expansion – Phase 1 project.



Such amounts are subject to adjustment by further action of the Authority or may be adjusted by action of the Executive Director at the time of the issuance of bonds based on adjustment in project costs of not more than (10%) ten percent of the loan amount authorized by this resolution. Upon satisfaction of all conditions of the commitment, execution of an assistance agreement for this loan is authorized.

Section 3. Principal forgiveness 50% of the assistance amount, not to exceed \$450,000 will be credited to the loan balance upon release of liens on all contracts and disbursement of the final draw request by KIA to the borrower. The unforgiven principal balance of \$2,794,500 shall be repaid.


Section 4. The unforgiven principal shall be repayable over 30 years at an interest rate of 0.5%. In addition to debt service, a 0.2% annual administration fee on the unpaid, unforgiven principal balance will be charged. From annual revenues, \$8,100 must be set aside in a borrower held replacement reserve each December 1 until the balance reaches \$162,000 and maintained for the life of the loan. These terms are subject to adjustment upon execution of the loan agreement, upon changes in the project conditions or determination that the project will require authority financing to be done on a taxable basis.

Section 5. This Resolution and Order shall be in full force and effect from and after its adoption at a properly held meeting of the Kentucky Infrastructure Authority this 4<sup>th</sup> day of June, 2020.



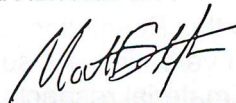
\_\_\_\_\_  
DENNIS KEENE, CHAIR  
KENTUCKY INFRASTRUCTURE AUTHORITY

ATTEST:



\_\_\_\_\_  
MARGARET F. LINK, SECRETARY  
KENTUCKY INFRASTRUCTURE AUTHORITY

REVIEWED BY:



\_\_\_\_\_  
MATTHEW STEPHENS, GENERAL COUNSEL  
DEPARTMENT FOR LOCAL GOVERNMENT



# **EXHIBIT 23**

# LOAN INCREASE REQUEST

Requests are reviewed and approved case-by-case, based on project scope and funding availability. All loan increases greater than 10% of the existing loan amount are subject to board re-approval. This form should only be used for projects that have a current and active loan with the Kentucky Infrastructure Authority. KIA will notify borrowers within 30 days of receipt of this request.

1. **LEGAL APPLICANT:** McCreary County Water District
2. **CONTACT:** Randy Kidd **PHONE:** (606) 376-2540 **EMAIL:** stepwhitaker@gmail.com
3. **PROJECT TITLE:** McCreary Co. Water District Sanitary Sewer Collection System Extension -- Phase 1
4. **EXISTING LOAN NUMBER:** A20-047 **WRIS NUMBER:** SX/WX: SX21147019

- 
5. **CURRENT LOAN AMOUNT:** \$ 3,244,500
  6. **REQUESTED INCREASE:** \$ 324,450
  - \$3,568,950 Total

---

7. **REASON FOR LOAN INCREASE:**

- Increase is needed to fund additional work.
- No additional work, bids came in higher than budgeted.
- No additional work, KIA funds will replace an alternate funding source.
- Other

**EXPLAIN:**

These funds are needed to help fund the proposed KY 701 pump station as well as pay for escalations and minor changes for individual grinder pump stations. These funds also restore contingency funds and allow MCWD to fund spare pumps with a final adjusting change order.

8. **REVISED BID SCHEDULE**

Bid Advertisement \_\_\_\_\_

Bid Opening \_\_\_\_\_

Contract Award \_\_\_\_\_

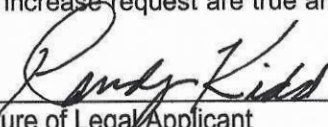
Construction Start \_\_\_\_\_

Construction End \_\_\_\_\_

---

To the best of my knowledge and belief, data contained in this increase request are true and correct; the document has been duly authorized by the legal applicant.

Randy Kidd \_\_\_\_\_  
Typed Name and Title

  
Signature of Legal Applicant

05/04/2022  
Date

## Project Cost Summary

**Project Title:** McCreary Co. Water District Sanitary Sewer Collection System Extension -- Phase 1

**WRIS#:** SX21147019

**Project Budget: Estimated**

enter date

**As Bid**

enter date

**Revised**

05/04/22

Cost Classification	SRF KIA Loan	Funding Source 1	Funding Source 2	Funding Source 3	Funding Source 4	Funding Source 5	Local Funds	Unfunded Costs	Total
1 Administrative Expenses	80000								80000
2 Legal Expenses	8920								8920
3 Land, Appraisals, Easements	10000								10000
4 Relocation Expenses & Payments									
5 Planning									
6 Engineering Fees - Design	182767								182767
7 Engineering Fees - Construction	45692								45692
8 Engineering Fees - Inspection	125821								125821
9 Engineering Fees - Other									
10 Construction	2622686.95								2622686.95
11 Equipment									
12 Miscellaneous									
13 Contingencies	493063.05								493063.05
<b>Total</b>	<b>\$3,568,950</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$3,568,950</b>

Funding Sources	Amount	Date Committed
1		
2		
3		
4		
5		
<b>Total</b>	<b>\$0</b>	

Local Funding Sources	Amount	Date Committed
1		
2		
3		
<b>Total</b>	<b>\$0</b>	

Cost Categories	Funding Source	Total Cost
Treatment (DW)		
Transmission and Distribution (DW)		
Source (DW)		
Storage (DW)		
WWTP Secondary Portion (CW)		
WWTP Advanced Portion (CW)		
Inflow and Infiltration Correction (CW)		
Major Sewer Rehabilitation (CW)		
Collector Sewers (CW)	SRF Fund A	\$2,622,687
Combined Sewer Overflow Correction (CW)		
Interceptor Sewers Including Pump Station (CW)		
Purchase of Systems (DW and CW)		
Restructuring (DW and CW)		
Land Acquisition (DW and CW)		
<b>Total Costs</b>		<b>\$2,622,687</b>

# **EXHIBIT 24**



**KENTUCKY INFRASTRUCTURE AUTHORITY**

**Andy Beshear**  
Governor

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

**Sandy Williams**  
Executive Director

June 30, 2022

The Honorable Randy Kidd, Chairman  
McCreary County Water District  
PO Box 488  
Whitley City, KY 42653

*Sanitary Sewer Collection Systems*

**KENTUCKY INFRASTRUCTURE AUTHORITY  
FEDERALLY ASSISTED CLEAN WATER REVOLVING LOAN FUND  
CONDITIONAL COMMITMENT LETTER (A20-047)  
INCREASE (EXECUTIVE DIRECTOR APPROVAL)**

Dear Chairman Kidd:

The Kentucky Infrastructure Authority ("the Authority") commends your efforts to improve public service facilities in your community. On June 29, 2022, the KIA Executive Director approved your request for a loan increase in the amount of \$324,450, subject to the conditions stated in Attachment A to this letter. The total cost of the project shall not exceed \$3,568,950, without prior authorization, of which the Authority is the sole source of the funding. The final loan amount will be equal to the amount of funds disbursed for the project. Attachment B incorporated herein by reference fully describes the project.

An Assistance Agreement will be executed between the Authority and the McCreary County Water District upon satisfactory performance of the conditions set forth in Attachment A. You must meet the conditions set forth in Attachment A and enter into an Assistance Agreement by December 30, 2022 (six months from the date of this letter). A one-time extension of up to six months may be granted for applicants that experience extenuating circumstances. Funds will be available for disbursement only after execution of the Assistance Agreement.



An Equal Opportunity Employer M/F/D



Chairman Kidd  
June 30, 2022  
Page 2

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

Sincerely,

*Milward Dedman*

Milward Dedman  
Deputy Executive Director

Attachments

cc: Judy Hachey, LCADD  
Eclipse Engineers, PLLC, Alan Ray Robinson

Please sign and return a copy of this letter indicating your acceptance of this commitment and its terms. Also included in Attachment C of this letter is the "Statement of Approval of Projections of Revenue and Expenses" for you to complete after bid opening.

  
\_\_\_\_\_  
Accepted

*07/05/2022*  
\_\_\_\_\_  
Date

ATTACHMENT A

Conditions

McCreary County Water District  
A20-047 (Increase)

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

1. The Authority project loan shall not exceed \$3,568,950 without prior authorization.
2. Principal forgiveness of 50% of the assistance amount, not to exceed \$450,000 will be credited to the loan balance upon release of liens on all contracts and disbursement of the final draw request by KIA to the borrower.
3. The loan shall bear interest at the rate of 0.50% per annum commencing with the first draw of funds.
4. Interest shall be payable on the unforgiven amount of actual funds received. The first payment shall be due on June 1, or December 1, immediately succeeding the date of the initial draw of funds, provided that if such June 1, or December 1, shall be less than three months since the date of the initial draw of funds, then the first interest payment date shall be the June 1, or December 1, which is at least six months from the date of the initial draw of funds. Interest payments will be due each six months thereafter until the loan is repaid. KIA requires the use of Automated Clearing House (ACH) debits for payment of all balances due on the loan. This will ensure that payments are credited timely to your account without the risk of incurring late payment fees. If the due date falls on a weekend or holiday your account will be debited on the next business day.
5. Full principal payments will commence on the appropriate June 1, or December 1, within twelve months from initiation of operation. Full payments will be due each six months thereafter until the loan is repaid.
6. The loan shall be repaid over a period not to exceed 30 years from the date of initiation of operation for the project.
7. A loan servicing fee of 0.20% of the outstanding loan balance shall be payable to the Authority as a part of each interest payment.
8. Loan funds will only be disbursed after execution of the Assistance Agreement as project costs are incurred.
9. The Authority loan funds must be expended within six months of the official date of initiation of operation.

10. Fund "A" loan funds may be considered to be federal funds. If more than \$750,000 of federal funds are disbursed during any one (borrower) fiscal year, the borrower is required to have a single or program-specific audit conducted for that year in accordance with 2 CFR 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards.
11. The Authority requires that an annual financial audit be provided for the life of the loan.
12. The final Assistance Agreement must be approved by ordinance or resolution, as applicable, of the city council or appropriate governing board.
13. The Borrower must maintain a 1.1 debt coverage ratio throughout the life of the KIA loan. All borrowers are subject to at least an annual financial review for compliance.

The following is a list of the standard conditions to be satisfied prior to execution of the Assistance Agreement or incorporated in the Assistance Agreement. Any required documentation must be submitted to the party designated.

1. The Authority to Award (bid) package must be submitted to the Division of Water for approval within 14 days of bid opening.
2. The Assistance Agreement must be executed within six (6) months from bid opening.
3. Documentation of final funding commitments from all parties other than the Authority as reflected in the credit analysis shall be provided prior to preparation of the Assistance Agreement and disbursement of the loan monies. Rejections of any anticipated project funding shall be immediately reported and may cause this loan to be subject to further consideration.
4. The loan must undergo review by the Capital Projects and Bond Oversight Committee of the Kentucky Legislature prior to the State's execution of the Assistance Agreement. The committee meets monthly. Any special conditions listed in Attachment B must be satisfied before the project is presented before the Committee.
5. Any required adjustment in utility service rates shall be adopted by ordinance, municipal order or resolution by the appropriate governing body of the Borrower. Public hearings as required by law shall be held prior to the adoption of the service rate ordinance, order, or resolution. Any required approvals by the Kentucky Public Service Commission shall be obtained.



6. The Borrower must provide documentation of Eclearinghouse Endorsement and Eclearinghouse Comments.
7. Prior to the project bid, an environmental review shall be conducted by the Division of Water for all construction projects receiving State Revolving Funds ("SRF") money.
8. Technical plans and specifications and a complete SRF specifications checklist shall be approved by the Division of Water prior to project bid.
9. All easements or purchases of land shall be completed prior to commencement of construction. Clear Site Certification of all land or easement acquisitions shall be provided to the Division of Water. DOW representatives shall be notified for attendance of the pre-construction conference.
10. Project changes or additions deviating from the original scope of work described in the Project Profile may require a new or amended environmental review and change order review before they can be included in the SRF loan project.
11. The Borrower must provide certification from their legal counsel stating that they have prepared construction specifications in accordance with all applicable state or federal wage rate laws, and that the procurement procedures, including those for construction, land, equipment and professional services that are a part of the project, are in compliance with applicable federal, state and local procurement laws.
12. The Borrower shall implement the Kentucky Uniform System of Accounting (KUSoA), or an alternative approved by the Authority and assure that rates and charges for services are based upon the cost of providing such service.
13. The Borrower shall comply with all Davis Bacon related monitoring and reporting and require all contractors to pay wages pursuant to applicable prevailing wage rates for all work relating to the subject Project.
14. The project shall comply with the reporting requirements of the Transparency Act, and shall complete the Transparency Act Reporting Information Form in Attachment C of this letter and provide to the Authority no later than 30 days after the KIA Board approval date of your loan.
15. This project does not qualify for Green Project Reserve (GPR) funding.

16. Based on the final "as-bid" project budget, the Borrower must provide satisfactory proof, based on then existing conditions, that the revenue projections in the attached descriptions are still obtainable and that the projections of operating expenses have not materially changed. The "as bid" project budget shall be reviewed and approved by the consulting engineer.
17. The project shall comply with American Iron and Steel requirements of The Consolidated Appropriations Act of 2014 (H.R. 3547), which became effective January 17, 2014, unless engineering plans and specifications were approved by the Division of Water prior to the effective date.
18. Pursuant to the Water Resources Reform and Development Act (WRRDA) of 2014, all CWSRF loan recipients must certify that they have a Fiscal Sustainability Plan for projects that involve the repair, replacement, or expansion of treatment works. Additionally, borrowers must also certify that they have studied and evaluated the cost and effectiveness of the processes, materials, techniques, and technologies for the funded project and that they have selected, to the maximum extent practicable, a project that maximizes the potential for efficient water and energy conservation, taking into consideration capital cost, operation and maintenance, and replacement cost.

ATTACHMENT B

Executive Summary and Credit Analysis

McCreary County Water District  
A20-047 (Increase)

<b>EXECUTIVE SUMMARY</b>		Reviewer	John Brady	
<b>KENTUCKY INFRASTRUCTURE AUTHORITY</b>		Date	June 29, 2022	
<b>FUND A, FEDERALLY ASSISTED WASTEWATER</b>		KIA Loan Number	A20-047 (Increase)	
<b>REVOLVING LOAN FUND</b>		WRIS Number	SX21147019	
<b>BORROWER</b>		MCCREARY COUNTY WATER DISTRICT MCCREARY COUNTY		
<b>BRIEF DESCRIPTION</b>				
The McCreary County Water District is requesting a Fund A loan increase of \$324,450 for the <u>Sanitary Sewer Collection System Expansion</u> project. The project was initially approved on June 4, 2020. The increase will bring the total loan amount up to \$3,568,950. The additional funds are needed to pay for escalations and minor changes to the pump stations and restore contingency funds.				
<b>PROJECT FINANCING</b>		<b>PROJECT BUDGET</b>		
Fund A Loan	\$3,568,950	RD Fee %	Actual %	
		Administrative Expenses	\$80,000	
		Legal Expenses	8,920	
		Land, Easements	10,000	
		Eng - Design / Const	7.2% 7.3% 228,459	
		Eng - Insp	4.0% 4.0% 125,821	
		Construction	2,622,687	
		Contingency	493,063	
<b>TOTAL</b>	<b>\$3,568,950</b>	<b>TOTAL</b>	<b>\$3,568,950</b>	
<b>REPAYMENT</b>	Rate	0.50%	Est. Annual Payment \$118,325	
	Term	30 Years	1st Payment 6 Mo. after first draw	
<b>PROFESSIONAL SERVICES</b>	Engineer	Eclipse Engineers, PLLC		
	Bond Counsel	Rubin & Hays		
<b>PROJECT SCHEDULE</b>	Bid Opening	Dec-20		
	Construction Start	Feb-21		
	Construction Stop	Sep-22		
<b>DEBT PER CUSTOMER</b>	Existing	\$10,175		
	Proposed	\$10,832		
<b>OTHER DEBT</b>	See Attached			
<b>RESIDENTIAL RATES</b>		<u>Users</u>	<u>Avg. Bill</u>	
	Current	1,140	\$49.86 (for 4,000 gallons)	
	Additional	305	\$49.86 (for 4,000 gallons)	
<b>REGIONAL COORDINATION</b>	This project is consistent with regional planning recommendations.			
<b>CASHFLOW</b>	<u>Cash Flow Before Debt Service</u>	<u>Debt Service</u>	<u>Cash Flow After Debt Service</u>	<u>Coverage Ratio</u>
Audited 2018	517,704	689,414	(171,710)	0.8
Audited 2019	772,103	811,169	(39,066)	1.0
Audited 2020	1,315,688	3,049,067	(1,733,379)	0.4
Projected 2021	1,648,148	783,637	864,511	2.1
Projected 2022	1,567,040	916,574	650,466	1.7
Projected 2023	2,128,766	1,026,160	1,102,605	2.1
Projected 2024	2,376,194	1,021,460	1,354,734	2.3
Projected 2025	2,290,122	1,024,466	1,265,656	2.2

Reviewer: John Brady  
Date: June 29, 2022  
Loan Number: A20-047 Increase

**KENTUCKY INFRASTRUCTURE AUTHORITY  
WASTEWATER REVOLVING LOAN FUND (FUND A)  
MCCREARY COUNTY WATER DISTRICT, MCCREARY COUNTY  
PROJECT REVIEW  
SX21147019**

**I. PROJECT DESCRIPTION**

The McCreary County Water District (MCWD) is requesting a Fund A loan increase of \$324,450 for the Sanitary Sewer Collection System Expansion project. The project was initially approved on June 4, 2020. The director level increase will bring the total loan amount up to \$3,568,950. The additional funds are needed to pay for escalations and minor changes to the pump stations and to restore contingency funds.

The project will expand the MCWD's sanitary sewer collection system by adding approximately 65,000 linear feet of PVC sewer line. 305 new customers in the Sterns and Smithtown areas who are having issues with failing septic systems will now be served. A new 100 gallon per minute pump station will be constructed to avoid high pressures, provide adequate capacity, and reduce operating expenses on individual grinder pumps.

The MCWD currently serves over 850 residential customers and after project completion will serve approximately 1,150. They also serve over 250 commercial and industrial customers.

**II. PROJECT BUDGET**

	<u>Amount</u>
Administrative Expenses	\$ 80,000
Legal Expenses	8,920
Land, Easements	10,000
Engineering Fees - Design	182,767
Engineering Fees - Construction	45,692
Engineering Fees - Inspection	125,821
Construction	<u>2,622,687</u>
<b>Total</b>	<b>\$ 3,568,950</b>

**III. PROJECT FUNDING**

	<u>Amount</u>	<u>%</u>
Fund A Loan	\$ 3,568,950	100%
<b>Total</b>	<b>\$ 3,568,950</b>	<b>100%</b>

**IV. KIA DEBT SERVICE**

Construction Loan	\$ 3,568,950
Less: Principal Forgiveness	450,000
Amortized Loan Amount	<u>\$ 3,118,950</u>
Interest Rate	0.50%
Loan Term (Years)	<u>30</u>
Estimated Annual Debt Service	\$ 112,087
Administrative Fee (0.20%)	6,238
<b>Total Estimated Annual Debt Service</b>	<b>\$ 118,325</b>

**V. PROJECT SCHEDULE**

Bid Opening	December 2020
Construction Start	February 2021
Construction Stop	September 2022

**VI. CUSTOMER COMPOSITION AND RATE STRUCTURE**

**A) Customers**

<u>Customers</u>	<u>Current</u>	<u>Proposed</u>	<u>Total</u>
Residential	862	305	1,167
Commercial	156	0	156
Industrial/Institutional	122	0	122
<b>Total</b>	<u>1,140</u>	<u>305</u>	<u>1,445</u>

## B) Rates

<b>Sewer</b>	Proposed	Current	Prior
Date of Last Rate Increase	01/01/23	08/29/19	03/06/15
Minimum 2,000 Gallons	\$29.36	\$24.19	\$19.35
Next 18,000 Gallons	10.25	8.44	6.75
Cost for 4,000 gallons	\$49.86	\$41.07	\$32.85
Increase %	21.4%	25.0%	
Affordability Index (Rate/MHI)	3.4%	2.8%	

<b>Water</b>	Proposed	Current	Prior
Date of Last Rate Increase	01/01/23	02/22/21	08/02/19
Minimum 2,000 Gallons	\$23.42	\$22.50	\$21.98
Over 2,000 Gallons	9.63	9.25	7.29
Cost for 4,000 gallons	\$42.68	\$41.00	\$36.56
Increase %	4.1%	12.1%	
Affordability Index (Rate/MHI)	2.9%	2.8%	2.5%

## VII. DEMOGRAPHICS

Based on current Census data from the American Community Survey 5-Year Estimate 2013-2017, the Utility's service area population was 6,255 with a Median Household Income (MHI) of \$17,506. The median household income for the Commonwealth at that time was \$46,535. The project will qualify for a 0.50% interest rate.

## VIII. 2020 CAPITALIZATION GRANT EQUIVALENCIES

- 1) Green Project Reserve - This project does not qualify for Green Project Reserve funding.
- 2) Additional Subsidization – This project qualifies for additional subsidization. Principal forgiveness of 50% of the assistance amount, not to exceed \$450,000, will be credited to the loan balance upon release of liens on all contracts and disbursement of the final draw request by KIA to the borrower.

## IX. FINANCIAL ANALYSIS

Financial information was obtained from the audited financial statements for the years ended December 31, 2018 through December 31, 2020. The non-cash impacts of GASB 68 – Accounting and Financial Reporting for Pensions and GASB 75 –



Accounting and Financial Reporting for Other Postemployment Benefit have been removed from the operating expenses. Percentage references in the History section below are based on whole dollar amounts and not the rounded amounts presented.

## HISTORY

Combined water and sewer revenues increased 23.2% from \$4.16 million in 2018 to \$5.13 million in 2020 due to rate increases for both services that went into effect in 2019. Operating expenses increased 4.9% from \$3.75 million to \$3.94 million during the same period. The debt coverage ratio was 0.8, 1.0, and 0.4 in 2018, 2019, and 2020.

The balance sheet reflects a current ratio of 1.6, a debt to equity ratio of 0.7, 39.2 days of sales in accounts receivable, and 1.0 months of operating expenses in unrestricted cash.

## PROJECTIONS

Projections are based on the following assumptions:

- 1) Water revenues will increase 12.1% in 2021 due to an existing rate increase and 4.1% in 2023 due to a proposed rate increase.
- 2) Sewer revenues will increase 21.4% in 2023 and 17.6% in 2024 due to proposed rate increases.
- 3) The project will add 305 new customers which will generate additional sewer revenues beginning in 2023.
- 4) Operating expenses will increase 2% annually due to inflation.
- 5) Debt service coverage is 2.1 in 2023 when principal and interest repayments begin.

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

The MCWD is regulated by the Public Service Commission (PSC) and will need to apply to the PSC, pursuant to KRS 278.300, for debt authorization for the \$3,568,950 loan and must receive a Certificate of Public Convenience and Necessity (CPCN), pursuant to KRS 278.020, from the PSC for any portion of the project that may require it.

## REPLACEMENT RESERVE

The replacement reserve will be 5% (\$178,000 total) of the final amount borrowed (prior to principal forgiveness) to be funded annually (\$8,900 yearly) each December 1 for 20 years and maintained for the life of the loan.

**X. DEBT OBLIGATIONS**

	<u>Outstanding</u>	<u>Maturity</u>
Series 2012D Revenue Bonds	\$ 2,500,000	2040
Series 2012D Revenue Bonds	1,250,000	2041
Series 2012D1 Revenue Bonds	1,166,500	2052
Series 2013A Revenue Bonds	760,000	2030
Series 2013D Revenue Bonds	566,500	2052
Series 2015 Revenue Bonds	1,108,500	2055
Series 2020 Revenue Bonds	1,324,000	2060
KIA Loan F04-03	429,593	2026
BB&T Note	659,054	2028
Series 2020 Revenue Bonds (i.a.o. \$1,535,306)		2060
Series 2020E Revenue Bonds (i.a.o. \$234,694)		2050
UC Bank Note (i.a.o. \$65,000)		2026
<b>Total</b>	<b>\$ 9,764,147</b>	

**XI. CONTACTS**

**Legal Applicant**

Entity Name	McCreary County Water District
Authorized Official	Randy Kidd (Chairman)
County	McCreary
Email	stepwhitaker@gmail.com
Phone	(606) 376-2540
Address	PO Box 488 Whitley City, KY 42653

**Applicant Contact**

Name	Stephen Whitaker
Organization	McCreary County Water District
Email	stepwhitaker@gmail.com
Phone	(606) 376-2445
Address	456 N Hwy 27 Whitley City, KY 42653

**Project Administrator**

Name	Judy Hachey
Organization	LCADD
Email	judyh@lcadd.org
Phone	(270) 866-4200
Address	2384 Lakeway Drive, PO Box 1570 Russell Springs, KY 42642

**Consulting Engineer**

PE Name	Alan Ray Robinson
Firm Name	Eclipse Engineers, PLLC
Email	arobinson@eclipseengineers.net
Phone	(859) 433-9585
Address	113 W Mount Vernon Street Somerset, KY 42501

**XII. RECOMMENDATIONS**

KIA staff recommends approval of the loan increase with the standard conditions.

MCCREARY COUNTY WATER DISTRICT  
FINANCIAL SUMMARY (DECEMBER YEAR END)

	Audited 2018	Audited 2019	Audited 2020	Projected 2021	Projected 2022	Projected 2023	Projected 2024	Projected 2025
<b>Balance Sheet</b>								
<b>Assets</b>								
Current Assets	1,189,079	1,140,490	1,427,483	1,648,827	1,778,920	2,069,641	2,376,188	2,629,319
Other Assets	40,044,396	39,272,909	39,145,315	38,211,013	42,789,025	41,965,574	41,343,826	40,650,815
<b>Total</b>	<b>41,233,475</b>	<b>40,413,399</b>	<b>40,572,798</b>	<b>39,859,840</b>	<b>44,567,945</b>	<b>44,035,215</b>	<b>43,720,014</b>	<b>43,280,135</b>
<b>Liabilities &amp; Equity</b>								
Current Liabilities	796,881	1,524,584	865,980	951,079	1,059,194	1,073,070	1,095,241	1,108,841
Long Term Liabilities	14,618,282	14,608,225	15,846,936	15,288,180	19,713,659	19,039,812	18,347,294	17,644,776
<b>Total Liabilities</b>	<b>15,415,163</b>	<b>16,132,809</b>	<b>16,712,916</b>	<b>16,239,259</b>	<b>20,772,853</b>	<b>20,112,882</b>	<b>19,442,535</b>	<b>18,753,617</b>
<b>Net Assets</b>	<b>25,818,312</b>	<b>24,280,590</b>	<b>23,859,882</b>	<b>23,620,581</b>	<b>23,795,092</b>	<b>23,922,333</b>	<b>24,277,479</b>	<b>24,526,518</b>
<b>Cash Flow</b>								
Revenues	4,164,004	4,459,832	5,131,605	5,582,798	5,582,798	6,236,854	6,568,667	6,568,667
Operating Expenses	3,751,384	3,904,223	3,936,668	4,055,401	4,136,509	4,228,839	4,313,224	4,399,296
Other Income	105,084	216,494	120,751	120,751	120,751	120,751	120,751	120,751
<b>Cash Flow Before Debt Service</b>	<b>517,704</b>	<b>772,103</b>	<b>1,315,688</b>	<b>1,648,148</b>	<b>1,567,040</b>	<b>2,128,766</b>	<b>2,376,194</b>	<b>2,290,122</b>
<b>Debt Service</b>								
Existing Debt Service	689,414	811,169	3,049,067	783,637	916,574	907,835	903,135	1,024,466
Proposed KIA Loan	0	0	0	0	0	118,325	118,325	118,325
<b>Total Debt Service</b>	<b>689,414</b>	<b>811,169</b>	<b>3,049,067</b>	<b>783,637</b>	<b>916,574</b>	<b>1,026,160</b>	<b>1,021,460</b>	<b>1,142,791</b>
<b>Cash Flow After Debt Service</b>	<b>(171,710)</b>	<b>(39,066)</b>	<b>(1,733,379)</b>	<b>864,511</b>	<b>650,466</b>	<b>1,102,605</b>	<b>1,354,734</b>	<b>1,265,656</b>
<b>Ratios</b>								
Current Ratio	1.5	0.7	1.6	1.7	1.7	1.9	2.2	2.4
Debt to Equity	0.6	0.7	0.7	0.7	0.9	0.8	0.8	0.8
Days Sales in Accounts Receivable	31.5	31.4	39.2	39.2	39.2	39.2	39.2	39.2
Months Operating Expenses in Unrestricted Cash	1.3	0.8	1.0	1.5	1.8	2.4	3.1	3.8
Debt Coverage Ratio	0.8	1.0	0.4	2.1	1.7	2.1	2.3	2.2

ATTACHMENT C

Forms

McCreary County Water District  
A20-047 (Increase)

**TRANSPARENCY ACT REPORTING INFORMATION FORM**

**CLEAN WATER STATE REVOLVING FUND  
AND  
DRINKING WATER STATE REVOLVING FUND**

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

Borrower Information:

Name:	McCreary County Water District
Unique Entity ID (generated by SAM.gov)*:	HQ4FKAKWUEZ5
KIA Loan Number:	A20-047
Street Address	456 N. Hwy. 27
City, State and Zip (Zip must include 4 digit extension)	Whitley City, KY 42653
Federal Congressional District(s) of Borrower Utility Service Area:	5th District

\*If the Unique Entity ID provided above is registered under a different name than the recipient of funding, please provide the registration name below:

Unique Entity ID Name	
-----------------------	--

\*If the recipient has not yet obtained a Unique Entity ID, please do so no later than 30 days after the KIA Board approval date of your loan request and provide notification to KIA of the number once issued.

Physical Location of Project (Primary Place of Performance)

Street Address	36° 42' 13.146" N; -84° 29' 46.753" W (center of project area)
City, State and Zip (Zip must include 4 digit extension)	Stearns, KY 42647
Federal Congressional District(s) of Project Location	5th District

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

Did recipient receive 80% or more of its annual gross revenues from Federal procurement contracts (and subcontracts) and Federal financial assistance subject to the Transparency Act, as defined at 2 CFR 170.320 (and subawards) during the last fiscal year?	No
Did recipient receive \$25 million or more in annual gross revenues from Federal procurement contracts (and subcontracts) and Federal financial assistance subject to the Transparency Act, as defined at 2 CFR 170.320 (and subawards) during the last fiscal year?	No
Does the public have access to compensation of senior executives of the recipient through periodic reports filed under Section 13A or 15D of the Securities Exchange Act of 1934 or Section 6104 of the Internal Revenue Code of 1986?	Yes

Unique Entity ID Registration Information: <https://sam.gov>

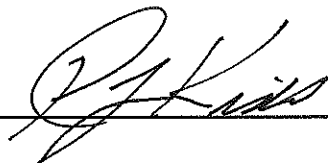
**COMPLETE AFTER BID OPENING**

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

Borrower Name: McCreary County Water District

Loan No.: A20-047

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

Signed: 

Borrower

07/05/2022  
Date

# **EXHIBIT 25**



KENTUCKY INFRASTRUCTURE AUTHORITY  
 ANTICIPATED REPAYMENT SCHEDULE  
 LOAN #A20-047  
 MCGREARY COUNTY WATER DISTRICT

Original Loan Amount \$ 3,568,950.00  
 Principal Forgiveness \$ (450,000.00)  
 Repayment Amount \$ 3,118,950.00

0.50% Interest  
 \$56,043.45 P & I Calculation

Payment Date	Principal Due	Interest Due	Interest Rate	Principal & Interest	Servicing Fee	Credit Due	Total Payment	Principal Balance	R & M Reserve	Total Reserve
06/01/23	\$48,246.07	\$7,797.38	0.50%	\$56,043.45	\$3,118.95	\$0.00	\$59,162.40	\$3,118,950.00	\$0.00	\$0.00
12/01/23	\$48,366.69	\$7,676.76	0.50%	\$56,043.45	\$3,070.70	\$0.00	\$59,114.15	\$3,070,703.93	\$8,900.00	\$8,900.00
06/01/24	\$48,487.61	\$7,555.84	0.50%	\$56,043.45	\$3,022.34	\$0.00	\$59,065.79	\$2,922,337.24	\$0.00	\$8,900.00
12/01/24	\$48,608.83	\$7,434.62	0.50%	\$56,043.45	\$2,973.85	\$0.00	\$59,017.30	\$2,973,849.63	\$0.00	\$8,900.00
06/01/25	\$48,730.35	\$7,313.10	0.50%	\$56,043.45	\$2,925.24	\$0.00	\$58,968.69	\$2,925,240.80	\$0.00	\$17,800.00
12/01/25	\$48,852.17	\$7,191.28	0.50%	\$56,043.45	\$2,876.51	\$0.00	\$58,919.96	\$2,876,510.45	\$0.00	\$17,800.00
06/01/26	\$48,974.30	\$7,069.15	0.50%	\$56,043.45	\$2,827.66	\$0.00	\$58,871.11	\$2,827,658.28	\$0.00	\$26,700.00
12/01/26	\$49,096.74	\$6,946.71	0.50%	\$56,043.45	\$2,778.68	\$0.00	\$58,822.13	\$2,778,683.98	\$0.00	\$26,700.00
06/01/27	\$49,219.48	\$6,823.97	0.50%	\$56,043.45	\$2,729.59	\$0.00	\$58,773.04	\$2,729,587.24	\$8,900.00	\$35,600.00
12/01/27	\$49,342.53	\$6,700.92	0.50%	\$56,043.45	\$2,680.37	\$0.00	\$58,723.82	\$2,680,367.76	\$0.00	\$44,500.00
06/01/28	\$49,465.89	\$6,577.56	0.50%	\$56,043.45	\$2,631.03	\$0.00	\$58,674.48	\$2,631,025.23	\$0.00	\$44,500.00
12/01/28	\$49,589.55	\$6,453.90	0.50%	\$56,043.45	\$2,581.56	\$0.00	\$58,625.01	\$2,581,559.34	\$0.00	\$53,400.00
06/01/29	\$49,713.53	\$6,329.92	0.50%	\$56,043.45	\$2,531.97	\$0.00	\$58,575.42	\$2,531,969.79	\$0.00	\$53,400.00
12/01/29	\$49,837.81	\$6,205.64	0.50%	\$56,043.45	\$2,482.26	\$0.00	\$58,525.71	\$2,482,256.26	\$0.00	\$62,300.00
06/01/30	\$49,962.40	\$6,081.05	0.50%	\$56,043.45	\$2,432.42	\$0.00	\$58,475.87	\$2,432,418.45	\$0.00	\$62,300.00
12/01/30	\$50,087.31	\$5,956.14	0.50%	\$56,043.45	\$2,382.46	\$0.00	\$58,425.91	\$2,382,456.05	\$0.00	\$71,200.00
06/01/31	\$50,212.53	\$5,830.39	0.50%	\$56,043.45	\$2,332.37	\$0.00	\$58,375.82	\$2,332,368.74	\$8,900.00	\$71,200.00
12/01/31	\$50,338.06	\$5,705.39	0.50%	\$56,043.45	\$2,282.16	\$0.00	\$58,325.61	\$2,282,156.21	\$0.00	\$80,100.00
06/01/32	\$50,463.90	\$5,579.55	0.50%	\$56,043.45	\$2,231.82	\$0.00	\$58,275.27	\$2,231,818.15	\$0.00	\$80,100.00
12/01/32	\$50,590.06	\$5,453.39	0.50%	\$56,043.45	\$2,181.35	\$0.00	\$58,224.80	\$2,181,354.25	\$0.00	\$89,000.00
06/01/33	\$50,716.54	\$5,326.91	0.50%	\$56,043.45	\$2,130.76	\$0.00	\$58,174.21	\$2,130,764.19	\$0.00	\$89,000.00
12/01/33	\$50,843.33	\$5,200.12	0.50%	\$56,043.45	\$2,080.05	\$0.00	\$58,123.50	\$2,080,047.65	\$0.00	\$97,900.00
06/01/34	\$50,970.44	\$5,073.01	0.50%	\$56,043.45	\$2,029.20	\$0.00	\$58,072.65	\$2,029,204.32	\$0.00	\$97,900.00
12/01/34	\$51,097.87	\$4,945.58	0.50%	\$56,043.45	\$1,978.23	\$0.00	\$58,021.68	\$1,978,233.88	\$0.00	\$106,800.00
06/01/35	\$51,225.61	\$4,817.84	0.50%	\$56,043.45	\$1,927.14	\$0.00	\$57,970.59	\$1,927,136.01	\$0.00	\$106,800.00
12/01/35	\$51,353.67	\$4,689.78	0.50%	\$56,043.45	\$1,875.91	\$0.00	\$57,919.36	\$1,875,910.40	\$0.00	\$115,700.00
06/01/36	\$51,482.06	\$4,561.39	0.50%	\$56,043.45	\$1,824.56	\$0.00	\$57,868.01	\$1,824,556.73	\$0.00	\$115,700.00
12/01/36	\$51,610.76	\$4,432.69	0.50%	\$56,043.45	\$1,773.07	\$0.00	\$57,816.52	\$1,773,074.67	\$0.00	\$124,600.00
06/01/37	\$51,739.79	\$4,303.66	0.50%	\$56,043.45	\$1,721.46	\$0.00	\$57,764.91	\$1,721,463.91	\$0.00	\$124,600.00
12/01/37	\$51,869.14	\$4,174.31	0.50%	\$56,043.45	\$1,669.72	\$0.00	\$57,713.17	\$1,669,724.12	\$0.00	\$133,500.00
06/01/38	\$51,998.81	\$4,044.64	0.50%	\$56,043.45	\$1,617.85	\$0.00	\$57,661.30	\$1,617,854.98	\$0.00	\$133,500.00
12/01/38	\$52,128.81	\$3,914.64	0.50%	\$56,043.45	\$1,565.86	\$0.00	\$57,609.31	\$1,565,856.17	\$0.00	\$142,400.00
06/01/39	\$52,259.13	\$3,784.32	0.50%	\$56,043.45	\$1,513.73	\$0.00	\$57,557.18	\$1,513,727.36	\$0.00	\$142,400.00
12/01/39	\$52,389.78	\$3,653.67	0.50%	\$56,043.45	\$1,461.47	\$0.00	\$57,504.92	\$1,461,468.23	\$0.00	\$151,300.00
06/01/40	\$52,520.75	\$3,522.70	0.50%	\$56,043.45	\$1,409.08	\$0.00	\$57,452.53	\$1,409,078.45	\$0.00	\$151,300.00
12/01/40	\$52,652.06	\$3,391.39	0.50%	\$56,043.45	\$1,356.56	\$0.00	\$57,400.01	\$1,356,557.70	\$0.00	\$160,200.00
06/01/41	\$52,783.69	\$3,259.76	0.50%	\$56,043.45	\$1,303.91	\$0.00	\$57,347.36	\$1,251,121.95	\$0.00	\$160,200.00
12/01/41	\$52,915.65	\$3,127.80	0.50%	\$56,043.45	\$1,251.12	\$0.00	\$57,294.57	\$1,198,206.30	\$0.00	\$169,100.00
06/01/42	\$53,047.93	\$2,995.52	0.50%	\$56,043.45	\$1,198.21	\$0.00	\$57,241.66	\$1,145,158.37	\$0.00	\$169,100.00
12/01/42	\$53,180.55	\$2,862.90	0.50%	\$56,043.45	\$1,145.16	\$0.00	\$57,188.61	\$1,091,977.82	\$8,900.00	\$178,000.00
06/01/43	\$53,313.51	\$2,729.94	0.50%	\$56,043.45	\$1,091.98	\$0.00	\$57,135.43	\$1,038,664.31	\$0.00	\$178,000.00
12/01/43	\$53,446.79	\$2,596.66	0.50%	\$56,043.45	\$1,038.66	\$0.00	\$57,082.11	\$985,217.52	\$0.00	\$178,000.00
06/01/44	\$53,580.41	\$2,463.04	0.50%	\$56,043.45	\$985.22	\$0.00	\$57,028.67	\$931,637.11	\$0.00	\$178,000.00

Payment Date	Principal Due	Interest Due	Interest Rate	Principal & Interest	Servicing Fee	Credit Due	Total Payment	Principal Balance	R & M Reserve	Total Reserve
12/01/44	\$53,714.36	\$2,329.09	0.50%	\$56,043.45	\$931.64	\$0.00	\$56,975.09	\$877,922.75	\$0.00	\$178,000.00
06/01/45	\$53,848.64	\$2,194.81	0.50%	\$56,043.45	\$877.92	\$0.00	\$56,921.37	\$824,074.11	\$0.00	\$178,000.00
12/01/45	\$53,983.26	\$2,060.19	0.50%	\$56,043.45	\$824.07	\$0.00	\$56,867.52	\$770,090.85	\$0.00	\$178,000.00
06/01/46	\$54,118.22	\$1,925.23	0.50%	\$56,043.45	\$770.09	\$0.00	\$56,813.54	\$715,972.63	\$0.00	\$178,000.00
12/01/46	\$54,253.52	\$1,789.93	0.50%	\$56,043.45	\$715.97	\$0.00	\$56,759.42	\$661,719.11	\$0.00	\$178,000.00
06/01/47	\$54,389.15	\$1,654.30	0.50%	\$56,043.45	\$661.72	\$0.00	\$56,705.17	\$607,329.96	\$0.00	\$178,000.00
12/01/47	\$54,525.13	\$1,518.32	0.50%	\$56,043.45	\$607.33	\$0.00	\$56,650.78	\$552,804.83	\$0.00	\$178,000.00
06/01/48	\$54,661.44	\$1,382.01	0.50%	\$56,043.45	\$552.80	\$0.00	\$56,596.25	\$498,143.39	\$0.00	\$178,000.00
12/01/48	\$54,798.09	\$1,245.36	0.50%	\$56,043.45	\$498.14	\$0.00	\$56,541.59	\$443,345.30	\$0.00	\$178,000.00
06/01/49	\$54,935.09	\$1,108.36	0.50%	\$56,043.45	\$443.35	\$0.00	\$56,486.80	\$388,410.21	\$0.00	\$178,000.00
12/01/49	\$55,072.42	\$971.03	0.50%	\$56,043.45	\$388.41	\$0.00	\$56,431.86	\$333,337.79	\$0.00	\$178,000.00
06/01/50	\$55,210.11	\$833.34	0.50%	\$56,043.45	\$333.34	\$0.00	\$56,376.79	\$278,127.68	\$0.00	\$178,000.00
12/01/50	\$55,348.13	\$695.32	0.50%	\$56,043.45	\$278.13	\$0.00	\$56,321.58	\$222,779.55	\$0.00	\$178,000.00
06/01/51	\$55,486.50	\$556.95	0.50%	\$56,043.45	\$222.78	\$0.00	\$56,266.23	\$167,293.05	\$0.00	\$178,000.00
12/01/51	\$55,625.22	\$418.23	0.50%	\$56,043.45	\$167.29	\$0.00	\$56,210.74	\$111,667.83	\$0.00	\$178,000.00
06/01/52	\$55,764.28	\$279.17	0.50%	\$56,043.45	\$111.67	\$0.00	\$56,155.12	\$55,903.55	\$0.00	\$178,000.00
12/01/52	\$55,903.55	\$139.90	0.50%	\$56,043.45	\$55.90	\$0.00	\$56,099.35	\$0.00	\$0.00	\$178,000.00
<b>Totals</b>	<b>\$3,118,950.00</b>	<b>\$243,657.00</b>		<b>\$3,362,607.00</b>	<b>\$97,462.75</b>	<b>\$0.00</b>	<b>\$3,460,069.75</b>			<b>\$178,000.00</b>

Created by KIA on 08/02/2022

# **EXHIBIT 26**

Page 1

### NOTIFICATION OF INTENT TO FINANCE AND APPLICATION FOR DEBT APPROVAL

Form # SLDO-1  
Revised 1/1/2011

For DLG staff use only:

File # \_\_\_\_\_  
Received \_\_\_\_\_

Completion and delivery of this form to the address below shall satisfy the requirements of KRS 65.117, which prohibits any city, county, urban-county, consolidated local government, charter county, special district, or taxing district from entering into any financing obligation of any nature, except leases under \$200,000, without first notifying the state local debt officer in writing. This form shall also serve as application for approval of debt issuance when applicable. An electronic version of the form is available at [www.dlg.ky.gov](http://www.dlg.ky.gov).

✓ **Type of debt to be issued (must check one):**                      **SLDO Approval Required**                      **Complete Sections**

<input type="checkbox"/> Short Term Borrowing - KRS 65.7701 et seq.	No	A, B, C
<input type="checkbox"/> Lease from \$200,000 - \$500,000 - KRS 65.940 et seq.	No	A, B, D
<input type="checkbox"/> Lease exceeding \$500,000 - KRS 65.940 et seq.	Yes (Counties only)	A, B, D
<input type="checkbox"/> General Obligation Bond - KRS Chapter 66	Yes (Counties only)	A, B, E
<input type="checkbox"/> Public Project Rev. Bond - KRS Chapter 58	No	A, B, E
<input type="checkbox"/> Public Project Rev. Bond w/Lease - KRS 66.310(2)	Yes (Counties only)	A, B, D, E
<input type="checkbox"/> Industrial Revenue Bond - KRS Chapter 103	Yes (All Borrowers)	A, B, F
<input type="checkbox"/> Other Bonds (True Revenue, Utility Assessment, TIF)	No	A, B, E

### X Kentucky Infrastructure Authority Assistance Agreement (Loan)

#### Section A - Borrower Information

Agency Name	McCreary County Water District		
Governing Body	McCreary County Water District Board of Commissioners		
Street Address	456 North US HWY 27		
P.O. Box #	488	City	Whitley City
County	McCreary	Zip	42653
Authorized Official	Stephen Whitaker, Superintendent		

#### Section B - Terms of Financial Obligation

Please provide all relevant information. Fields in bold are mandatory.

<b>Principle Amount:*</b>	3,568,960	<b>Date of Issue:</b>	10/03/2022
<b>Maturity Date(s):</b>	12/01/2052	<b>Payment Schedule:</b> (must attach schedule)	
<b>Term:</b>	30 Years	<b>Number of Renewal Periods:</b>	0
<b>Interest Rate(s):</b>	0.50	<b>Type of Interest (fixed or variable):</b>	Fixed
<b>Retirement Method:</b>	Annual Principal Payment & Semi-Annual Interest Payments		
Lender's Name:	Kentucky Infrastructure Authority		
Lender's Address:	100 Airport Road, Frankfort, Kentucky 40601		
Right of Termination:	None		
Termination Penalties:	None		
Prepayment Provisions:	District may prepay without penalty		
Trustee or Paying Agent:			
AOC Funded Percentage:	0.00		

\* Notice of entry into an Assistance Agreement to borrow \$3,244,500 has previously been given. Borrower intends to execute a Supplemental Assistance Agreement to increase the amount of loan to \$3,568,960.

Page 2

**NOTIFICATION OF INTENT TO FINANCE  
AND APPLICATION FOR DEBT APPROVAL**

Form # SLDO-1  
Revised 1/1/2011

**Section C - Note (Loan) Information/Documentation**

Purpose - Briefly explain the documented need that necessitates this note (loan) and the public purpose it is intended to address. (Attach additional information if necessary):

Loan will finance the extension of sanitary sewer system to serve approximately 305 households in McCreary County, Kentucky. Borrower previously executed an Assistance Agreement with Lender in the amount of \$3,244,500 and had provide notice to State Local Finance Officer. Due to cost increases and project changes, a supplemental assistance agreement must be executed to borrow an additional \$324,450.

Pledge of Taxes/Description:

None

Pledge of Revenue/Description:

Revenues from water and sewer operations pledged as security; rates will produce 1.2X debt service plus O&M expenses.

Pledge of Project Revenues (Attach documentation which substantiates the revenue projections):

Have bids been sought by the local governments to determine the financial and programmatic competitiveness of the note (loan) proposal?  Yes  No

If No, explain what steps were taken to ensure adequate competition.

Loan was secured from Kentucky Infrastructure Authority through the Kentucky State Revolving Fund. KIA is an entity of the Commonwealth of Kentucky. Its rates are below market rates. Agreement provides for loan forgiveness.

**Required Attachments**

1. Certification from local government attesting to the ability to meet additional financial commitments necessitated by the note and statement as to taxes and revenues to be collected during the term of the note.

**Section D - Lease Information/Documentation**

Describe the real or personal property to be acquired or constructed:

Not applicable. No lease will be executed.

Type of Lease :  General Obligation  Revenue

Is Lease Annually Renewable?  Yes  No

Does Agency seek approval without a hearing?  Yes  No Justification:  Revenue  Refunding

If yes, must attach certification from counsel regarding county obligation.

Does this lease refund a prior lease?  Yes  No

If yes, please state the name, date and principal amount of original issue(s) being refunded:

**Required Attachments (If lease requires SLDO approval)**

1. Minutes from the local public hearing
2. Affidavit of publication of SLDO hearing (if hearing is required) and newspaper advertisement tear sheet
3. Copy of lease
4. Executed copy of ordinance/resolution of fiscal court authorizing the lease
5. Certification from local government attesting to the ability to meet additional financial commitments necessitated by the lease and statement as to taxes and revenues to be collected during the term of the lease.

Page 3

**NOTIFICATION OF INTENT TO FINANCE AND APPLICATION FOR DEBT APPROVAL**

Form # SLDO-1  
Revised 1/1/2011

**Section E - Bond Information/Documentation**

Please provide all relevant information. Fields in bold are mandatory

**Describe the purpose of the bond:**

Not applicable. No bonds will be issued.

**Bond Counsel:**

**Counsel Address:**

**Financial Advisor:**

**Advisor Address:**

**Bond Series:**

**Call Date:**

Does this bond refund a prior bond?  Yes  No

If yes, please state the name, date and principal amount of original issue(s) being refunded:

**Required Attachments (If SLDO Approval is Required)**


1. Minutes from the local public hearing
2. Affidavit of publication of SLDO hearing and newspaper advertisement tear sheet
3. Executed copy of ordinance/resolution of fiscal court authorizing financial plan for the issuance of the bonds
4. Proposed plan of financing
5. Preliminary official statement (if applicable)
6. Sources and uses table

**Additional Required Attachments for KRS Chapter 103 Bonds**

1. Documentation in an appropriate form substantiating the project's eligibility under KRS 103.2101(1)(a)-(e).
2. If the project requires approval of the reduction in property taxes, attach any documentation provided to agency responsible for approval.

\*\*\*\*\*

By signing below, the Authorized Official certifies that the foregoing is true and accurate to the best of his or her knowledge.

Name (please print) Stephen Whitaker	Date: 08/11/2022
Title: Superintendent	Signature: 

Mail to:  
Department for Local Government  
Attn: State Local Debt Officer  
1024 Capital Center Drive, Suite 340  
Frankfort, KY 40601

Fax to: 502-573-3712

<b>EXECUTIVE SUMMARY</b>		Reviewer	John Brady	
<b>KENTUCKY INFRASTRUCTURE AUTHORITY</b>		Date	June 29, 2022	
<b>FUND A, FEDERALLY ASSISTED WASTEWATER</b>		KIA Loan Number	A20-047 (Increase)	
<b>REVOLVING LOAN FUND</b>		WRIS Number	SX21147019	
BORROWER	MCCREARY COUNTY WATER DISTRICT MCCREARY COUNTY			
BRIEF DESCRIPTION				
The McCreary County Water District is requesting a Fund A loan increase of \$324,450 for the Sanitary Sewer Collection System Expansion project. The project was initially approved on June 4, 2020. The increase will bring the total loan amount up to \$3,568,950. The additional funds are needed to pay for escalations and minor changes to the pump stations and restore contingency funds.				
PROJECT FINANCING		PROJECT BUDGET		
Fund A Loan	\$3,568,950	Administrative Expenses	RD Fee %	Actual %
		Legal Expenses		
		Land, Easements		
		Eng - Design / Const	7.2%	7.3%
		Eng - Insp	4.0%	4.0%
		Construction		
		Contingency		
TOTAL	\$3,568,950	TOTAL		\$3,568,950
REPAYMENT	Rate	0.50%	Est. Annual Payment	\$118,325
	Term	30 Years	1st Payment	6 Mo. after first draw
PROFESSIONAL SERVICES	Engineer	Eclipse Engineers, PLLC		
	Bond Counsel	Rubin & Hays		
PROJECT SCHEDULE	Bid Opening	Dec-20		
	Construction Start	Feb-21		
	Construction Stop	Sep-22		
DEBT PER CUSTOMER	Existing	\$10,175		
	Proposed	\$10,832		
OTHER DEBT	See Attached			
RESIDENTIAL RATES		<u>Users</u>	<u>Avg. Bill</u>	
	Current	1,140	\$49.86	(for 4,000 gallons)
	Additional	305	\$49.86	(for 4,000 gallons)
REGIONAL COORDINATION	This project is consistent with regional planning recommendations.			
CASHFLOW	Cash Flow Before Debt Service	Debt Service	Cash Flow After Debt Service	Coverage Ratio
Audited 2018	517,704	689,414	(171,710)	0.8
Audited 2019	772,103	811,169	(39,066)	1.0
Audited 2020	1,315,688	3,049,067	(1,733,379)	0.4
Projected 2021	1,648,148	783,637	864,511	2.1
Projected 2022	1,567,040	916,574	650,466	1.7
Projected 2023	2,128,766	1,026,160	1,102,605	2.1
Projected 2024	2,376,194	1,021,460	1,354,734	2.3
Projected 2025	2,290,122	1,024,466	1,265,656	2.2

Reviewer: John Brady  
Date: June 29, 2022  
Loan Number: A20-047 Increase

**KENTUCKY INFRASTRUCTURE AUTHORITY  
WASTEWATER REVOLVING LOAN FUND (FUND A)  
MCCREARY COUNTY WATER DISTRICT, MCCREARY COUNTY  
PROJECT REVIEW  
SX21147019**

**I. PROJECT DESCRIPTION**

The McCreary County Water District (MCWD) is requesting a Fund A loan increase of \$324,450 for the Sanitary Sewer Collection System Expansion project. The project was initially approved on June 4, 2020. The director level increase will bring the total loan amount up to \$3,568,950. The additional funds are needed to pay for escalations and minor changes to the pump stations and to restore contingency funds.

The project will expand the MCWD's sanitary sewer collection system by adding approximately 65,000 linear feet of PVC sewer line. 305 new customers in the Sterns and Smithtown areas who are having issues with failing septic systems will now be served. A new 100 gallon per minute pump station will be constructed to avoid high pressures, provide adequate capacity, and reduce operating expenses on individual grinder pumps.

The MCWD currently serves over 850 residential customers and after project completion will serve approximately 1,150. They also serve over 250 commercial and industrial customers.

**II. PROJECT BUDGET**

	<b>Amount</b>
Administrative Expenses	\$ 80,000
Legal Expenses	8,920
Land, Easements	10,000
Engineering Fees - Design	182,767
Engineering Fees - Construction	45,692
Engineering Fees - Inspection	125,821
Construction	2,622,687
Contingency	493,063
<b>Total</b>	<b>\$ 3,568,950</b>



### III. PROJECT FUNDING

	<u>Amount</u>	<u>%</u>
Fund A Loan	\$ 3,568,950	100%
<b>Total</b>	<b>\$ 3,568,950</b>	<b>100%</b>

### IV. KIA DEBT SERVICE

Construction Loan	\$ 3,568,950
Less: Principal Forgiveness	450,000
Amortized Loan Amount	<u>\$ 3,118,950</u>
Interest Rate	0.50%
Loan Term (Years)	<u>30</u>
Estimated Annual Debt Service	\$ 112,087
Administrative Fee (0.20%)	6,238
<b>Total Estimated Annual Debt Service</b>	<b>\$ 118,325</b>

### V. PROJECT SCHEDULE

Bid Opening	December 2020
Construction Start	February 2021
Construction Stop	September 2022

### VI. CUSTOMER COMPOSITION AND RATE STRUCTURE

#### A) Customers

<u>Customers</u>	<u>Current</u>	<u>Proposed</u>	<u>Total</u>
Residential	862	305	1,167
Commercial	156	0	156
Industrial/Institutional	122	0	122
<b>Total</b>	<u>1,140</u>	<u>305</u>	<u>1,445</u>

## B) Rates

<b>Sewer</b>	<u>Proposed</u>	<u>Current</u>	<u>Prior</u>
Date of Last Rate Increase	01/01/23	08/29/19	03/06/15
Minimum 2,000 Gallons	\$29.36	\$24.19	\$19.35
Next 18,000 Gallons	10.25	8.44	6.75
Cost for 4,000 gallons	\$49.86	\$41.07	\$32.85
Increase %	21.4%	25.0%	
Affordability Index (Rate/MHI)	3.4%	2.8%	

<b>Water</b>	<u>Proposed</u>	<u>Current</u>	<u>Prior</u>
Date of Last Rate Increase	01/01/23	02/22/21	08/02/19
Minimum 2,000 Gallons	\$23.42	\$22.50	\$21.98
Over 2,000 Gallons	9.63	9.25	7.29
Cost for 4,000 gallons	\$42.68	\$41.00	\$36.56
Increase %	4.1%	12.1%	
Affordability Index (Rate/MHI)	2.9%	2.8%	2.5%

## VII. DEMOGRAPHICS

Based on current Census data from the American Community Survey 5-Year Estimate 2013-2017, the Utility's service area population was 6,255 with a Median Household Income (MHI) of \$17,506. The median household income for the Commonwealth at that time was \$46,535. The project will qualify for a 0.50% interest rate.

## VIII. 2020 CAPITALIZATION GRANT EQUIVALENCIES

- 1) Green Project Reserve - This project does not qualify for Green Project Reserve funding.
- 2) Additional Subsidization – This project qualifies for additional subsidization. Principal forgiveness of 50% of the assistance amount, not to exceed \$450,000, will be credited to the loan balance upon release of liens on all contracts and disbursement of the final draw request by KIA to the borrower.

## IX. FINANCIAL ANALYSIS

Financial information was obtained from the audited financial statements for the years ended December 31, 2018 through December 31, 2020. The non-cash impacts of

GASB 68 – Accounting and Financial Reporting for Pensions and GASB 75 – Accounting and Financial Reporting for Other Postemployment Benefit have been removed from the operating expenses. Percentage references in the History section below are based on whole dollar amounts and not the rounded amounts presented.

## HISTORY

Combined water and sewer revenues increased 23.2% from \$4.16 million in 2018 to \$5.13 million in 2020 due to rate increases for both services that went into effect in 2019. Operating expenses increased 4.9% from \$3.75 million to \$3.94 million during the same period. The debt coverage ratio was 0.8, 1.0, and 0.4 in 2018, 2019, and 2020.

The balance sheet reflects a current ratio of 1.6, a debt to equity ratio of 0.7, 39.2 days of sales in accounts receivable, and 1.0 months of operating expenses in unrestricted cash.

## PROJECTIONS

Projections are based on the following assumptions:

- 1) Water revenues will increase 12.1% in 2021 due to an existing rate increase and 4.1% in 2023 due to a proposed rate increase.
- 2) Sewer revenues will increase 21.4% in 2023 and 17.6% in 2024 due to proposed rate increases.
- 3) The project will add 305 new customers which will generate additional sewer revenues beginning in 2023.
- 4) Operating expenses will increase 2% annually due to inflation.
- 5) Debt service coverage is 2.1 in 2023 when principal and interest repayments begin.

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

The MCWD is regulated by the Public Service Commission (PSC) and will need to apply to the PSC, pursuant to KRS 278.300, for debt authorization for the \$3,568,950 loan and must receive a Certificate of Public Convenience and Necessity (CPCN), pursuant to KRS 278.020, from the PSC for any portion of the project that may require it.

## REPLACEMENT RESERVE

The replacement reserve will be 5% (\$178,000 total) of the final amount borrowed (prior to principal forgiveness) to be funded annually (\$8,900 yearly) each December

1 for 20 years and maintained for the life of the loan.

**X. DEBT OBLIGATIONS**

	<u>Outstanding</u>	<u>Maturity</u>
Series 2012D Revenue Bonds	\$ 2,500,000	2040
Series 2012D Revenue Bonds	1,250,000	2041
Series 2012D1 Revenue Bonds	1,166,500	2052
Series 2013A Revenue Bonds	760,000	2030
Series 2013D Revenue Bonds	566,500	2052
Series 2015 Revenue Bonds	1,108,500	2055
Series 2020 Revenue Bonds	1,324,000	2060
KIA Loan F04-03	429,593	2026
BB&T Note	659,054	2028
Series 2020 Revenue Bonds (i.a.o. \$1,535,306)		2060
Series 2020E Revenue Bonds (i.a.o. \$234,694)		2050
UC Bank Note (i.a.o. \$65,000)		2026
<b>Total</b>	<b>\$ 9,764,147</b>	

**XI. CONTACTS**

<b>Legal Applicant</b>	
Entity Name	McCreary County Water District
Authorized Official	Randy Kidd (Chairman)
County	McCreary
Email	stepwhitaker@gmail.com
Phone	(606) 376-2540
Address	PO Box 488 Whitley City, KY 42653

<b>Applicant Contact</b>	
Name	Stephen Whitaker
Organization	McCreary County Water District
Email	stepwhitaker@gmail.com
Phone	(606) 376-2445
Address	456 N Hwy 27 Whitley City, KY 42653

**Project Administrator**

Name	Judy Hachey
Organization	LCADD
Email	judyh@lcadd.org
Phone	(270) 866-4200
Address	2384 Lakeway Drive, PO Box 1570 Russell Springs, KY 42642

**Consulting Engineer**

PE Name	Alan Ray Robinson
Firm Name	Eclipse Engineers, PLLC
Email	arobinson@eclipseengineers.net
Phone	(859) 433-9585
Address	113 W Mount Vernon Street Somerset, KY 42501

**XII. RECOMMENDATIONS**

KIA staff recommends approval of the loan increase with the standard conditions.

**MCCREARY COUNTY WATER DISTRICT  
FINANCIAL SUMMARY (DECEMBER YEAR END)**

	<u>Audited</u> <u>2018</u>	<u>Audited</u> <u>2019</u>	<u>Audited</u> <u>2020</u>	<u>Projected</u> <u>2021</u>	<u>Projected</u> <u>2022</u>	<u>Projected</u> <u>2023</u>	<u>Projected</u> <u>2024</u>	<u>Projected</u> <u>2025</u>
<b>Balance Sheet</b>								
<b>Assets</b>								
Current Assets	1,189,079	1,140,490	1,427,483	1,648,827	1,778,920	2,069,641	2,376,188	2,629,319
Other Assets	40,044,396	39,272,909	39,145,315	38,211,013	42,789,025	41,965,574	41,343,826	40,650,815
<b>Total</b>	<b>41,233,475</b>	<b>40,413,399</b>	<b>40,572,798</b>	<b>39,859,840</b>	<b>44,567,945</b>	<b>44,035,215</b>	<b>43,720,014</b>	<b>43,280,135</b>
<b>Liabilities &amp; Equity</b>								
Current Liabilities	796,881	1,524,584	865,980	951,079	1,059,194	1,073,070	1,095,241	1,108,841
Long Term Liabilities	14,618,282	14,608,225	15,846,936	15,288,180	19,713,659	19,039,812	18,347,294	17,644,776
<b>Total Liabilities</b>	<b>15,415,163</b>	<b>16,132,809</b>	<b>16,712,916</b>	<b>16,239,259</b>	<b>20,772,853</b>	<b>20,112,882</b>	<b>19,442,535</b>	<b>18,753,617</b>
<b>Net Assets</b>	<b>25,818,312</b>	<b>24,280,590</b>	<b>23,859,882</b>	<b>23,620,581</b>	<b>23,795,092</b>	<b>23,922,333</b>	<b>24,277,479</b>	<b>24,526,518</b>
<b>Cash Flow</b>								
Revenues	4,164,004	4,459,832	5,131,605	5,582,798	5,582,798	6,236,854	6,568,667	6,568,667
Operating Expenses	3,751,384	3,904,223	3,936,668	4,055,401	4,136,509	4,228,839	4,313,224	4,399,296
Other Income	105,084	216,494	120,751	120,751	120,751	120,751	120,751	120,751
<b>Cash Flow Before Debt Service</b>	<b>517,704</b>	<b>772,103</b>	<b>1,315,688</b>	<b>1,648,148</b>	<b>1,567,040</b>	<b>2,128,766</b>	<b>2,376,194</b>	<b>2,290,122</b>
<b>Debt Service</b>								
Existing Debt Service	689,414	811,169	3,049,067	783,637	916,574	907,835	903,135	1,024,466
Proposed KIA Loan	0	0	0	0	0	118,325	118,325	118,325
<b>Total Debt Service</b>	<b>689,414</b>	<b>811,169</b>	<b>3,049,067</b>	<b>783,637</b>	<b>916,574</b>	<b>1,026,160</b>	<b>1,021,460</b>	<b>1,142,791</b>
<b>Cash Flow After Debt Service</b>	<b>(171,710)</b>	<b>(39,066)</b>	<b>(1,733,379)</b>	<b>864,511</b>	<b>650,466</b>	<b>1,102,605</b>	<b>1,354,734</b>	<b>1,265,656</b>
<b>Ratios</b>								
Current Ratio	1.5	0.7	1.6	1.7	1.7	1.9	2.2	2.4
Debt to Equity	0.6	0.7	0.7	0.7	0.9	0.8	0.8	0.8
Days Sales in Accounts Receivable	31.5	31.4	39.2	39.2	39.2	39.2	39.2	39.2
Months Operating Expenses in Unrestricted Cash	1.3	0.8	1.0	1.5	1.8	2.4	3.1	3.8
Debt Coverage Ratio	0.8	1.0	0.4	2.1	1.7	2.1	2.3	2.2

KENTUCKY INFRASTRUCTURE AUTHORITY  
 ANTICIPATED REPAYMENT SCHEDULE  
 LOAN #A20-047  
 MCGREARY COUNTY WATER DISTRICT

Original Loan Amount \$ 3,568,950.00  
 Principal Forgiveness \$ (450,000.00)  
 Repayment Amount \$ 3,118,950.00

0.50% Interest  
 P & I Calculation

Payment Date	Principal Due	Interest Due	Interest Rate	Principal & Interest	Servicing Fee	Credit Due	Total Payment	Principal Balance	R & M Reserve	Total Reserve
06/01/23	\$48,246.07	\$7,797.38	0.50%	\$56,043.45	\$3,118.95	\$0.00	\$59,162.40	\$3,118,950.00	\$0.00	\$0.00
12/01/23	\$48,366.69	\$7,676.76	0.50%	\$56,043.45	\$3,070.70	\$0.00	\$59,114.15	\$3,070,703.93	\$8,900.00	\$8,900.00
06/01/24	\$48,487.61	\$7,555.84	0.50%	\$56,043.45	\$3,022.34	\$0.00	\$59,065.79	\$2,922,337.24	\$0.00	\$8,900.00
12/01/24	\$48,608.83	\$7,434.62	0.50%	\$56,043.45	\$2,973.85	\$0.00	\$59,017.30	\$2,973,849.63	\$0.00	\$8,900.00
06/01/25	\$48,730.35	\$7,313.10	0.50%	\$56,043.45	\$2,925.24	\$0.00	\$58,968.69	\$2,925,240.80	\$0.00	\$17,800.00
12/01/25	\$48,852.17	\$7,191.28	0.50%	\$56,043.45	\$2,876.51	\$0.00	\$58,919.96	\$2,876,510.45	\$0.00	\$17,800.00
06/01/26	\$48,974.30	\$7,069.15	0.50%	\$56,043.45	\$2,827.66	\$0.00	\$58,871.11	\$2,827,658.28	\$0.00	\$26,700.00
12/01/26	\$49,096.74	\$6,946.71	0.50%	\$56,043.45	\$2,778.68	\$0.00	\$58,822.13	\$2,778,683.98	\$0.00	\$26,700.00
06/01/27	\$49,219.48	\$6,823.97	0.50%	\$56,043.45	\$2,729.59	\$0.00	\$58,773.04	\$2,729,587.24	\$8,900.00	\$35,600.00
12/01/27	\$49,342.53	\$6,700.92	0.50%	\$56,043.45	\$2,680.37	\$0.00	\$58,723.82	\$2,680,367.76	\$0.00	\$44,500.00
06/01/28	\$49,465.89	\$6,577.56	0.50%	\$56,043.45	\$2,631.03	\$0.00	\$58,674.48	\$2,631,025.23	\$0.00	\$44,500.00
12/01/28	\$49,589.55	\$6,453.90	0.50%	\$56,043.45	\$2,581.56	\$0.00	\$58,625.01	\$2,581,559.34	\$0.00	\$53,400.00
06/01/29	\$49,713.53	\$6,329.92	0.50%	\$56,043.45	\$2,531.97	\$0.00	\$58,575.42	\$2,531,969.79	\$0.00	\$53,400.00
12/01/29	\$49,837.81	\$6,205.64	0.50%	\$56,043.45	\$2,482.26	\$0.00	\$58,525.71	\$2,482,256.26	\$0.00	\$62,300.00
06/01/30	\$49,962.40	\$6,081.05	0.50%	\$56,043.45	\$2,432.42	\$0.00	\$58,475.87	\$2,432,418.45	\$0.00	\$62,300.00
12/01/30	\$50,087.31	\$5,956.14	0.50%	\$56,043.45	\$2,382.46	\$0.00	\$58,425.91	\$2,382,456.05	\$0.00	\$71,200.00
06/01/31	\$50,212.53	\$5,830.39	0.50%	\$56,043.45	\$2,332.37	\$0.00	\$58,375.82	\$2,332,368.74	\$8,900.00	\$71,200.00
12/01/31	\$50,338.06	\$5,705.39	0.50%	\$56,043.45	\$2,282.16	\$0.00	\$58,325.61	\$2,282,156.21	\$0.00	\$80,100.00
06/01/32	\$50,463.90	\$5,579.55	0.50%	\$56,043.45	\$2,231.82	\$0.00	\$58,275.27	\$2,231,818.15	\$8,900.00	\$80,100.00
12/01/32	\$50,590.06	\$5,453.39	0.50%	\$56,043.45	\$2,181.35	\$0.00	\$58,224.80	\$2,181,354.25	\$0.00	\$89,000.00
06/01/33	\$50,716.54	\$5,326.91	0.50%	\$56,043.45	\$2,130.76	\$0.00	\$58,174.21	\$2,130,764.19	\$0.00	\$89,000.00
12/01/33	\$50,843.33	\$5,200.12	0.50%	\$56,043.45	\$2,080.05	\$0.00	\$58,123.50	\$2,080,047.65	\$8,900.00	\$97,900.00
06/01/34	\$50,970.44	\$5,073.01	0.50%	\$56,043.45	\$2,029.20	\$0.00	\$58,072.65	\$2,029,204.32	\$0.00	\$97,900.00
12/01/34	\$51,097.87	\$4,945.58	0.50%	\$56,043.45	\$1,978.23	\$0.00	\$58,021.68	\$1,978,233.88	\$0.00	\$106,800.00
06/01/35	\$51,225.61	\$4,817.84	0.50%	\$56,043.45	\$1,927.14	\$0.00	\$57,970.59	\$1,927,136.01	\$8,900.00	\$106,800.00
12/01/35	\$51,353.67	\$4,689.78	0.50%	\$56,043.45	\$1,875.91	\$0.00	\$57,919.36	\$1,875,910.40	\$0.00	\$115,700.00
06/01/36	\$51,482.06	\$4,561.39	0.50%	\$56,043.45	\$1,824.56	\$0.00	\$57,868.01	\$1,824,556.73	\$0.00	\$115,700.00
12/01/36	\$51,610.76	\$4,432.69	0.50%	\$56,043.45	\$1,773.07	\$0.00	\$57,816.52	\$1,773,074.67	\$0.00	\$124,600.00
06/01/37	\$51,739.79	\$4,303.66	0.50%	\$56,043.45	\$1,721.46	\$0.00	\$57,764.91	\$1,721,463.91	\$8,900.00	\$124,600.00
12/01/37	\$51,869.14	\$4,174.31	0.50%	\$56,043.45	\$1,669.72	\$0.00	\$57,713.17	\$1,669,724.12	\$0.00	\$133,500.00
06/01/38	\$51,998.81	\$4,044.64	0.50%	\$56,043.45	\$1,617.85	\$0.00	\$57,661.30	\$1,617,854.98	\$0.00	\$133,500.00
12/01/38	\$52,128.81	\$3,914.64	0.50%	\$56,043.45	\$1,565.86	\$0.00	\$57,609.31	\$1,513,727.36	\$8,900.00	\$142,400.00
06/01/39	\$52,259.13	\$3,784.32	0.50%	\$56,043.45	\$1,513.73	\$0.00	\$57,557.18	\$1,461,468.23	\$0.00	\$142,400.00
12/01/39	\$52,389.78	\$3,653.67	0.50%	\$56,043.45	\$1,461.47	\$0.00	\$57,504.92	\$1,409,078.45	\$8,900.00	\$151,300.00
06/01/40	\$52,520.75	\$3,522.70	0.50%	\$56,043.45	\$1,409.08	\$0.00	\$57,452.53	\$1,356,557.70	\$0.00	\$151,300.00
12/01/40	\$52,652.06	\$3,391.39	0.50%	\$56,043.45	\$1,356.56	\$0.00	\$57,400.01	\$1,303,905.64	\$8,900.00	\$160,200.00
06/01/41	\$52,783.69	\$3,259.76	0.50%	\$56,043.45	\$1,303.91	\$0.00	\$57,347.36	\$1,251,121.95	\$0.00	\$160,200.00
12/01/41	\$52,915.65	\$3,127.80	0.50%	\$56,043.45	\$1,251.12	\$0.00	\$57,294.57	\$1,198,206.30	\$8,900.00	\$169,100.00
06/01/42	\$53,047.93	\$2,995.52	0.50%	\$56,043.45	\$1,198.21	\$0.00	\$57,241.66	\$1,145,158.37	\$0.00	\$169,100.00
12/01/42	\$53,180.55	\$2,862.90	0.50%	\$56,043.45	\$1,145.16	\$0.00	\$57,188.61	\$1,091,977.82	\$8,900.00	\$178,000.00
06/01/43	\$53,313.51	\$2,729.94	0.50%	\$56,043.45	\$1,091.98	\$0.00	\$57,135.43	\$1,038,664.31	\$0.00	\$178,000.00
12/01/43	\$53,446.79	\$2,596.66	0.50%	\$56,043.45	\$1,038.66	\$0.00	\$57,082.11	\$985,217.52	\$0.00	\$178,000.00
06/01/44	\$53,580.41	\$2,463.04	0.50%	\$56,043.45	\$985.22	\$0.00	\$57,028.67	\$931,637.11	\$0.00	\$178,000.00

Payment Date	Principal Due	Interest Due	Interest Rate	Principal & Interest	Servicing Fee	Credit Due	Total Payment	Principal Balance	R & M Reserve	Total Reserve
12/01/44	\$53,714.36	\$2,329.09	0.50%	\$56,043.45	\$931.64	\$0.00	\$56,975.09	\$877,922.75	\$0.00	\$178,000.00
06/01/45	\$53,848.64	\$2,194.81	0.50%	\$56,043.45	\$877.92	\$0.00	\$56,921.37	\$824,074.11	\$0.00	\$178,000.00
12/01/45	\$53,983.26	\$2,060.19	0.50%	\$56,043.45	\$824.07	\$0.00	\$56,867.52	\$770,090.85	\$0.00	\$178,000.00
06/01/46	\$54,118.22	\$1,925.23	0.50%	\$56,043.45	\$770.09	\$0.00	\$56,813.54	\$715,972.63	\$0.00	\$178,000.00
12/01/46	\$54,253.52	\$1,789.93	0.50%	\$56,043.45	\$715.97	\$0.00	\$56,759.42	\$661,719.11	\$0.00	\$178,000.00
06/01/47	\$54,389.15	\$1,654.30	0.50%	\$56,043.45	\$661.72	\$0.00	\$56,705.17	\$607,329.96	\$0.00	\$178,000.00
12/01/47	\$54,525.13	\$1,518.32	0.50%	\$56,043.45	\$607.33	\$0.00	\$56,650.78	\$552,804.83	\$0.00	\$178,000.00
06/01/48	\$54,661.44	\$1,382.01	0.50%	\$56,043.45	\$552.80	\$0.00	\$56,596.25	\$498,143.39	\$0.00	\$178,000.00
12/01/48	\$54,798.09	\$1,245.36	0.50%	\$56,043.45	\$498.14	\$0.00	\$56,541.59	\$443,345.30	\$0.00	\$178,000.00
06/01/49	\$54,935.09	\$1,108.36	0.50%	\$56,043.45	\$443.35	\$0.00	\$56,486.80	\$388,410.21	\$0.00	\$178,000.00
12/01/49	\$55,072.42	\$971.03	0.50%	\$56,043.45	\$388.41	\$0.00	\$56,431.86	\$333,337.79	\$0.00	\$178,000.00
06/01/50	\$55,210.11	\$833.34	0.50%	\$56,043.45	\$333.34	\$0.00	\$56,376.79	\$278,127.68	\$0.00	\$178,000.00
12/01/50	\$55,348.13	\$695.32	0.50%	\$56,043.45	\$278.13	\$0.00	\$56,321.58	\$222,779.55	\$0.00	\$178,000.00
06/01/51	\$55,486.50	\$556.95	0.50%	\$56,043.45	\$222.78	\$0.00	\$56,266.23	\$167,293.05	\$0.00	\$178,000.00
12/01/51	\$55,625.22	\$418.23	0.50%	\$56,043.45	\$167.29	\$0.00	\$56,210.74	\$111,667.83	\$0.00	\$178,000.00
06/01/52	\$55,764.28	\$279.17	0.50%	\$56,043.45	\$111.67	\$0.00	\$56,155.12	\$55,903.55	\$0.00	\$178,000.00
12/01/52	\$55,903.55	\$139.90	0.50%	\$56,043.45	\$55.90	\$0.00	\$56,099.35	\$0.00	\$0.00	\$178,000.00
<b>Totals</b>	<b>\$3,118,950.00</b>	<b>\$243,657.00</b>		<b>\$3,362,607.00</b>	<b>\$97,462.75</b>	<b>\$0.00</b>	<b>\$3,460,069.75</b>			<b>\$178,000.00</b>

Created by KIA on 08/02/2022



# **EXHIBIT 27**

**DETAILED ESTIMATE OF ACQUIRED PROPERTY CLASSIFIED ACCORDING  
TO THE UNIFORM SYSTEM OF ACCOUNTS FOR SEWER UTILITIES**

<b>Account No.</b>	<b>Account Description</b>	<b>Estimate</b>
351.1	Collection Sewers-Force	\$ 1,604,430.25
351.2	Collection Sewers-Gravity	\$ 318,464.57
354	Services to Customer	\$ 175,437.93
363	Pumping Equipment	\$ 1,470,617.35
	<b>TOTAL</b>	<b>\$ 3,568,950.10</b>

# **EXHIBIT 28**

## PROPOSED DEPRECIATION SCHEDULE FOR PROJECT FACILITIES

Item	Cost	Project Cost Multiplier	Installed Value	Service Life	Annual Depreciation
1.5-inch HDPE DR 11 CTS Force Main	\$ 296,125.00	38%	\$ 407,464.15	40	\$ 10,186.60
2-inch HPDE 21 Force Main	\$ 332,360.60	38%	\$ 457,321.54	40	\$ 11,433.04
3-inch HPDE 21 Force Main	\$ 87,872.55	38%	\$ 120,910.87	40	\$ 3,022.77
4-inch HPDE 21 Force Main	\$ 146,105.95	38%	\$ 201,038.87	40	\$ 5,025.97
4-inch PVC SDR 35 Gravity Sewer (Laterals)	\$ 210,195.00	38%	\$ 289,224.12	55	\$ 5,258.62
Flushing Connection (2-inch)	\$ 46,800.00	38%	\$ 64,395.86	40	\$ 1,609.90
Flushing Connection (3-inch)	\$ 17,500.00	38%	\$ 24,079.65	40	\$ 601.99
Flushing Connection (4-inch)	\$ 32,000.00	38%	\$ 44,031.36	40	\$ 1,100.78
1.5-inch HDPE DR 11 Force Main (Directional Bore)	\$ 30,000.00	38%	\$ 41,279.40	40	\$ 1,031.99
2-inch PVC HDPE 21 Force Main (Directional Bore)	\$ 36,000.00	38%	\$ 49,535.28	40	\$ 1,238.38
3-inch PVC HDPE 21 Force Main (Directional Bore)	\$ 12,500.00	38%	\$ 17,199.75	40	\$ 429.99
4-inch HDPE DR 11 IPS Casing Pipe (Directional Bore)	\$ 15,120.00	38%	\$ 20,804.82	40	\$ 520.12
6-inch HDPE DR 11 IPS Casing Pipe (Directional Bore)	\$ 9,450.00	38%	\$ 13,003.01	40	\$ 325.08
8-inch HDPE DR 11 IPS Casing Pipe (Directional Bore)	\$ 5,440.00	38%	\$ 7,485.33	40	\$ 187.13
2-inch Combination Air Release Valve Assembly	\$ 109,500.00	38%	\$ 150,669.81	20	\$ 7,533.49
Bituminous Pavement Replacement	\$ 4,500.00	38%	\$ 6,191.91	35	\$ 176.91
Concrete Drive Replacement	\$ 6,000.00	38%	\$ 8,255.88	35	\$ 235.88
Electric Modifications / Breaker	\$ 127,500.00	38%	\$ 175,437.45	20	\$ 8,771.87
Grinder Check Valve Assembly	\$ 76,500.00	38%	\$ 105,262.47	20	\$ 5,263.12
Grinder Pump Station - Single Stage (Moving Parts)	\$ 172,800.00	38%	\$ 237,769.34	8	\$ 29,721.17
Grinder Pump Station - Single Stage (Non-Moving Parts)	\$ 560,475.20	38%	\$ 771,202.67	30	\$ 25,706.76
KY 701 Pump Station	\$ 131,500.00	38%	\$ 180,941.37	30	\$ 6,031.38
Sanitary Sewer Cleanout Assembly /Connect Lateral	\$ 127,500.00	38%	\$ 175,437.45	20	\$ 8,771.87
<b>Total</b>	<b>\$ 2,593,744.30</b>		<b>\$ 3,568,942.35</b>		<b>\$ 134,184.82</b>