COMMONWEALTH OF KENTUCKY

BEFORE THE KENTUCKY PUBLIC SERVICE COMMISSION

IN THE MATTER OF:

ELECTRONIC APPLICATION OF BRONSTON	)	
WATER ASSOCIATION FOR THE ISSUANCE OF A	)	
CERTIFICATE OF PUBLIC CONVENIENCE AND	)	
NECESSITY TO CONSTRUCT A WATER SYSTEM	)	
IMPROVEMENTS PROJECT AND AN ORDER	)	**Case No. 2024 - 00076**
AUTHORIZING THE ISSUANCE OF SECURITIES	)	
PURSUANT TO THE PROVISIONS OF	)	
KRS 278.020, KRS 278.300 AND 807 KAR 5:001	)	

** *** **** ******* **** *** **

APPLICATION

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

1. That Bronston Association is a non-profit water association formed by virtue of Chapter 273 of the Kentucky Revised Statutes on May 22, 1969 and is an active corporation in good standing with the Kentucky Secretary of State (see **Exhibit "A"** attached hereto).

2. The governing body of Bronston Association is its Board of Directors which is a public body corporate, with power to make contracts in furtherance of its lawful and proper purpose as provided for in KRS Chapter 273 and all applicable law and regulations.

3. The mailing address of Bronston Association is as follows:

Bronston Water Association, Inc.
c/o Ms. Jennifer Tucker, Manager
P.O. Box 243
Bronston, Kentucky 42518
Telephone: (606) 561-5209
Fax: (606) 561-0102
Email: jen.tucker@bronston-water.com

4. A general description of Bronston Association's system property, together with a statement of the original cost, is contained in Bronston Association's Annual Report for 2022 which is on file with the Commission. The Annual Report is incorporated herein by reference.

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

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

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

(iii) Section 15(2)(c): Description of Proposed Location or Route. Construction of the Project is being performed within the boundaries of Bronston Association and is detailed in the location map referred to in paragraph 5(iv)

below. The proposed Project will not compete with any other public utilities and will not result in any wasteful duplication.

(iv) Section 15(2)(d)(1): Maps to Suitable Scale: one electronic storage medium map to suitable scale showing the location of the proposed Project, as well as the location of like facilities owned by others located anywhere within the map area is being filed with this Application.

(v) Section 15(2)(d)(2): Plans and Specifications: The signed, sealed and dated Plans and Specifications in .pdf format on electronic storage medium are being filed with this Application.

(vi) Section 15(2)(e) Financing: Bronston Association is financing the Project with the proceeds of loan numbered B22-005 from the Kentucky Infrastructure Authority ("KIA") Infrastructure Revolving Loan Fund (the "KIA Loan"). The KIA Loan was approved in the original principal amount of $2,743,000 and a Conditional Commitment Letter was issued by KIA on July 8, 2022 (the "Original Conditional Commitment Letter"). The Project bids were taken on December 1, 2023 and came in higher than estimated and Bronston Association applied to KIA for an increase in the principal amount of the KIA Loan. KIA approved a loan increase in the amount of $625,420 and issued a Conditional Commitment Letter relating to the increase on March 8, 2024 (the "Increased Conditional Commitment Letter"). Copies of the Original Conditional Commitment Letter and the Increased Conditional Commitment Letter are attached hereto as **Exhibit "D"**.

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

6. The detailed Statement of Net Assets; Statement of Activities; Statement of Cash Flows; and Statement of Functional Expenses for the twelve month periods ending on December 31, 2022 and 2021 are attached hereto as **Exhibit "F"** respectively.

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

(i) Section 12(1)(a): Bronston Association states that it had less than $5,000,000 in gross annual revenue in the immediate past calendar year and that no material changes have occurred since December 31, 2022.

(ii) Section 12(2)(a), (b) and (c) Stock: Bronston Association does not have any authorized, issued or outstanding stock as of the date hereof.

(iii) Section 12(2)(d) Mortgages: Copies of the outstanding mortgages are attached hereto as **Exhibit "G"**.

(iv) Section 12(2)(e), (f) and (g) Indebtedness: The information concerning the outstanding indebtedness of Bronston Association is contained in the financial statements which have been filed with the Commission and are incorporated herein by reference.

(v) Section 12(2)(h) Dividends: Bronston Association has no outstanding stock and therefore pays no dividends.

(vi) Section 12(2)(i) Financial Statements: See **Exhibit "F"** attached hereto.

8. Pursuant to 807 KAR 5:001, Section 18, Bronston Association hereby responds as follows:

(i) Section 18(1)(a): Bronston Association has complied with the requirements of 807 KAR 5:001, Section 14.

(ii) Section 18(1)(b): A general description of Bronston Association's property, its field of operation and a statement of original cost of said property and the cost to Bronston Association is contained in Bronston Association's 2022 Annual Report on file with this Commission.

(iii) Section 18(1)(c): Bronston Association is not issuing any stock as part of this financing. The information concerning the proposed KIA Loan is contained in this Application and the supporting exhibits. The KIA Loan will be secured by and payable from the gross revenues of Bronston Association's water system.

(iv) Section 18(1)(d): Bronston Association is not refunding any outstanding obligations in connection with this Project. The proceeds of the KIA Loan are being used for the construction of the Project described in **Exhibit "B"**.

(v) Section 18(1)(e): See paragraph 5(i) above and paragraph 8(ix) below.

(vi) Section 18(1)(f): Bronston Association is not refunding any outstanding obligations in connection with this Project.

(vii) Section 18(2)(a): See paragraph #7 above.

(viii) Section 18(2)(b): See paragraph #7 above.

(ix) Section 18(2)(c): A detailed estimate of the acquired property, arranged according to the Uniform System of Accounts for Class A/B Water Districts and Associations is attached hereto as **Exhibit "H"**.

9. Copies of the bid tabulations as certified by the Engineers for the Project are attached hereto as **Exhibit "I"**. The low bidder on the Project, Flo-Line Contracting, LLC, has extended their bid until July 1, 2024 (see **Exhibit "J"** attached hereto).

10. The Final Project Budget is attached hereto as **Exhibit "K"**.

11. No rate adjustment is being requested in connection with this Application.

WHEREFORE, the Bronston Water Association, Inc., respectfully requests that the Commission take the following actions:

A. Grant Bronston Association a Certificate of Public Convenience and Necessity permitting Bronston Association to construct the Project;

B. Authorize the issuance of securities pursuant to the KIA Assistance Agreement evidencing the KIA Loan in the principal amount of $3,368,420; and

C. Grant Bronston Association any other relief to which it is entitled.

Bronston Water Association, Inc.

By _____

Eric Keith, President
P.O. Box 243
Bronston, Kentucky 42518
Telephone: (606) 561-5209
Fax: (606) 561-0102
Email: jen.tucker@bronston-water.com

Rubin & Hays

By _____

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

STATE OF KENTUCKY)
) SS
COUNTY OF PULASKI)

The affiant, Eric Keith, being first duly sworn, states: That is the President of the Bronston Water Association, the Applicant in this case; that he has read the foregoing Application and has noted the contents thereof; that the same are true of his own knowledge and belief, except as to matters which are herein stated to be based on information or belief, and that these matters, believes to be true and correct.

IN TESTIMONY WHEREOF, witness the signature of the undersigned on the 27th day of March, 2024.

Eric Keith

Eric Keith, President

SUBSCRIBED, SWORN TO AND ACKNOWLEDGED before me by Eric Keith, President of the Bronston Water Association on this the 27th day of March, 2024.

My Commission expires: Oct. 30, 2025.

Jennifer Tucker

Notary Public

Notary ID#: KYNP39468

CERTIFICATE OF SERVICE

The undersigned, in accordance with 807 KAR 5:001, Section 8, hereby certifies that the Bronston Water Association's electronic filing of the foregoing Application is a true and accurate copy of the same document being transmitted via electronic filing to the Kentucky Public Service Commission on March 28, 2024; that there are currently no parties that the Kentucky Public Service Commission has excused from participation by electronic means in this proceeding.

W. Randall Jones, Esq.
Rubin & Hays
Kentucky Home Trust Building
450 South Third Street
Louisville, Kentucky 40202
Phone: (502) 569-7534
Fax: (502) 569-7555
Email: wrjones@rubinhays.com
Counsel for Bronston Water Association

EXHIBIT A

Kentucky Secretary of State Document

Kentucky Secretary of State
Michael G. Adams

BRONSTON WATER ASSOCIATION, INCORPORATED

File Amended Annual Report | Change Address or Registered Agent
File Certificate of Assumed Name (DBA) | File Dissolution | Upload a filing
File Registered Agent Resignation
Printable Forms | Subscribe to changes made to this entity | Certificate of Good Standing

General Information

Organization Number	0005891
Name	BRONSTON WATER ASSOCIATION, INCORPORATED
Profit or Non-Profit	N - Non-profit
Company Type	KCO - Kentucky Corporation
Status	A - Active
Standing	G - Good
State	KY
File Date	5/22/1969
Organization Date	5/22/1969
Last Annual Report	3/18/2024
Principal Office	P. O. BOX 243 BRONSTON, KY 42518
Registered Agent	JENNIFER TUCKER BRONSTON WATER ASSOCIATION 2013 HWY 90 BRONSTON, KY 42518

Show Current Officers
Show Initial Officers
Show Images
Show Former Names

EXHIBIT B

Public Necessity and Project Description

PROGRAM NARRATIVE

The Bronston Water Association is proposing to replace approximately 12,000 LF of existing 4-inch water line with new 6-inch PVC water line along Kentucky Highway 790 in Wayne County and Island Drive in Pulaski County. Project also consists of the extension of approximately 850 LF of 8 inch water line along Colyer Road, replacement of approximately 3,000 LF of existing 3-inch PVC water line along Gibson Lane in Pulaski County, approximately 30,050 LF of 3-inch water line with new 3 -inch PVC water line along Rocky Point Road, Riverwood Drive, and Sugar Hollow Road, Flynn Road, Ruth Road, Cedar Bluff Shores, and Timberlake Drive/Old Decker Road in Pulaski and Wayne counties. The project will also include the installation of approximately 1,180 radio read meters.

The necessity of the project is due to the existing water lines are aged and deteriorating or undersized and in need of replacement. New upgraded water lines will help distribute ample water to the areas which currently are experiencing continuous water leaks. These leaks are difficult to find at times which requires a number of days to find leading to low water pressure, storage tanks draining, and taste problems.

The Bronston Water Association will own and operate the proposed water system replacements and improvements. The Bronston Water Association purchases all of its water from the City of Monticello, which has more than sufficient water treatment capacity to serve the proposed area.

The Association has been committed $2,743,000 and has requested and additional $625,420 in supplemental funds form the Kentucky Infrastructure Authority Fund B Loan Program for a total project cost of $3,368,420 based upon the lowest bid received and engineer's estimates.

EXHIBIT C

Required Permits

ANDY BESHEAR
GOVERNOR

REBECCA W. GOODMAN
SECRETARY

ENERGY AND ENVIRONMENT CABINET
DEPARTMENT FOR ENVIRONMENTAL PROTECTION

ANTHONY R. HATTON
COMMISSIONER

300 SOWER BOULEVARD
FRANKFORT, KENTUCKY 40601
TELEPHONE: 502-564-2150
TELEFAX: 502-564-4245

December 13, 2022

Mr. J. C. New
Bronston Water Association Inc
PO Box 243
Bronston, KY 42518

RE: 2022 WSI - Water Line Replacement
Pulaski County, KY
Bronston Water Association Inc
AI #: 34088, APE20220001
PWSID #: 1000043-22-001

Dear Mr. New:

We have reviewed the plans and specifications for the above referenced project. The plans include the construction of approximately 870 ft of 8-inch PVC waterline, 11,620 ft of 6-inch PVC waterline, 32,560 ft of 3-inch PVC waterline and 110 ft of 2-inch PVC waterline. This is to advise that plans and specifications for the above referenced project are APPROVED with respect to sanitary features of design, as of this date with the requirements contained in the attached construction permit.

If you have any questions concerning this project, please contact Mr. Mohammed Mohiuddin at 502-782-7020.

Sincerely,

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

TH:MM
Enclosures
c: Monarch Engineering Inc
Pulaski County Health Department
Division of Plumbing

Distribution-Major Construction
Bronston Water Association Inc
Facility Requirements

Activity ID No.:APE20220001

PORT0000000035 (2022 WSI - Water Line Replacement) 870 ft of 8" PVC; 11,620 ft of 6" PVC; 32,560 ft of 3" PVC and 110 ft of 2" PVC Waterlines:

Narrative Requirements:

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

PORT0000000035 (2022 WSI - Water Line Replacement) 870 ft of 8" PVC; 11,620 ft of 6" PVC; 32,560 ft of 3" PVC and 110 ft of 2" PVC Waterlines:

Narrative Requirements:

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

PORT0000000035 (2022 WSI - Water Line Replacement) 870 ft of 8" PVC; 11,620 ft of 6" PVC; 32,560 ft of 3" PVC and 110 ft of 2" PVC Waterlines:

Narrative Requirements:

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

PORT0000000035 (2022 WSI - Water Line Replacement) 870 ft of 8" PVC; 11,620 ft of 6" PVC; 32,560 ft of 3" PVC and 110 ft of 2" PVC Waterlines:

Narrative Requirements:

Condition No.	Condition
T-35	The open end of an air relief pipe from automatic valves shall be extended to at least one foot above grade and provided with a screened, downward?facing elbow. [Recommended Standards for Water Works 8.5.2.c]
T-36	Discharge piping from air relief valves shall not connect directly to any storm drain, storm sewer, or sanitary sewer. [Recommended Standards for Water Works 8.5.2.d]
T-37	Water pipe shall be constructed with a lateral separation of 10 feet or more from any gravity sanitary or combined sewer measured edge to edge where practical. If not practical a variance may be requested to allow the water pipe to be installed closer to the gravity sanitary or combined sewer provided the water pipe is laid in a separate trench or undisturbed shelf located on one side of the sewer with the bottom of the pipe at least 18 inches above the top of the gravity sanitary or combined sewer pipe. [Drinking Water General Design Criteria IV.3.b]
T-38	Water lines crossing sanitary, combined or storm sewers shall be laid to provide a minimum vertical distance of 18 inches between the outside of the water main and the outside of the sanitary, combined or storm sewer with preference to the water main located above the sanitary, combined or storm sewer. [Drinking Water General Design Criteria IV.3.c]
T-39	At crossings, one full length of water pipe shall be located so both joints will be as far from the sewer as possible. [Recommended Standards for Water Works 8.8.3.b]
T-40	There shall be no connection between the distribution system and any pipes, pumps, hydrants, or tanks whereby unsafe water or other contaminating materials may be discharged or drawn into the system. [Recommended Standards for Water Works 8.10.1]
T-41	Water utilities shall have a cross connection program conforming to 401 KAR 8. [Recommended Standards for Water Works 8.10.1]
T-42	Installed pipe shall be pressure tested and leakage tested in accordance with the appropriate AWWA Standards. [Recommended Standards for Water Works 8.7.6]
T-43	New, cleaned and repaired water mains shall be disinfected in accordance with AWWA Standard C651. The specifications shall include detailed procedures for the adequate flushing, disinfection, and microbiological testing of all water mains. In an emergency or unusual situation, the disinfection procedure shall be discussed with the Division of Water. [Recommended Standards for Water Works 8.7.7]
T-44	A minimum cover of five feet shall be provided over pipe crossing underwater. [Recommended Standards for Water Works 8.9.2]

PORT0000000035 (2022 WSI - Water Line Replacement) 870 ft of 8" PVC; 11,620 ft of 6" PVC; 32,560 ft of 3" PVC and 110 ft of 2" PVC Waterlines:

Narrative Requirements:

Condition No.	Condition
T-45	Valves shall be provided at both ends of water crossings so that the section can be isolated for testing or repair; the valves shall be easily accessible, and not subject to flooding for pipes crossing underwater. [Recommended Standards for Water Works 8.9.2.b]
T-46	Permanent taps or other provisions to allow insertion of a small meter to determine leakage and obtain water samples on each side of the valve closest to the supply source for pipes crossing. [Recommended Standards for Water Works 8.9.2.c]

COMMONWEALTH OF KENTUCKY
TRANSPORTATION CABINET
transportation.ky.gov

Andy Beshear
GOVERNOR

Jim Gray
SECRETARY

Bronston Water Assoc.
2013 W Highway 90
Bronston, KY 42518

Subject: Wayne County
KY 790
RS 116-0790-7.94
Permit: 08-2023-00171

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 Supervisor
District 8- Somerset

8/7/2023
Date

JJ/cm

AN EQUAL OPPORTUNITY EMPLOYER M/F/D

Kentucky Transportation Cabinet
Department of Highways
Division of Maintenance
Permits Branch

ENCROACHMENT PERMIT

KYTC KEPT #: 08-2023-00171

Permittee: Bronston Water Association

Permit Type / Subtype: Utilities / Water

Work Completion Date: 8/30/2024

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** [X] **DENIED** [ ]

Adam Dixon	D8 Permits	8/7/2023
SIGNATURE	**TITLE**	**DATE**

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

LOCATION(S)			
Description	**County - Route**	**Latitude**	**Longitude**
	Wayne - KY 790	36.900233	-84.654883

Kentucky811 Know what's below. Call before you dig

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

NOTICE OF COMPLETION OF ENCROACHMENT PERMIT WORK

PERMITTEE

Name: Bronston Water Association
Contact Person:
Address: 2013 West Highway 90 PO Box 243
City: Bronston
State: Kentucky
Zip: 42518
Telephone: (606) 305-8061

PROJECT IDENTIFICATION

Permit Number: 08-2023-00171

I wish to notify the Department of Highways that the above mentioned permit work and any necessary right-of-way restoration have been completed and are ready for final inspection.

_____
Permittee

Please return this form to the address below when work is completed and ready for final inspection.

Please Return to: Permit Engineer
Department of Highways, District 8 Office
1660 South US 27
Somerset, Kentucky 42502
(606) 677-4017
www.transportation.ky.gov/

LOCATION(S)			
Description	**County - Route**	**Latitude**	**Longitude**
	Wayne - KY 790	36.900233	-84.654883

Kentucky Transportation Cabinet – District 8
Permit No. 08-2023-00171

Applicant to install a new 6 inch PVC waterline right of mile points 8.01 to 8.51, and left from mile points 7.94 to 8.01, 8.51 to 8.54, 8.64 to 8.92, and 9.63 to 9.88 on KY 790 in Wayne County as shown on attached plans and encroachment terms.

Applicant to bore KY 90 in Wayne County at mile points 8.01, 8.51, 9.23, and 9.88 with a 6 inch PVC waterline encased in 10 inch steel casing as shown on attached plans, typical highway boring detail, and encroachment terms.

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.

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 on KY 790.

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.

KENTUCKY TRANSPORTATION CABINET
Department of Highways
PERMITS BRANCH

TC 99-1A
Rev. 09/2019

APPLICATION FOR ENCROACHMENT PERMIT

KYTC KEPT #: 08-2023-00171

SECTION 1: APPLICANT CONTACT INFORMATION

APPLICANT	ADDRESS	CITY	
Bronston Water Asociation	2013 W. Highway 90	Bronston	
EMAIL	PO Box 243	STATE	ZIP
bronstonwater@gmail.com		KY	42518
CONTACT NAME 1	EMAIL	PHONE # 606-561-5209	
JC New, Superintendent	bronstonwater@gmail.com	CELL # 606-305-8061	
CONTACT NAME 2 (*if applicable*)	EMAIL	PHONE #	
		CELL #	

SECTION 2: PROPOSED WORK LOCATION

ADDRESS	CITY		STATE	ZIP
Kentucky Highway 790	Bronston		Kentucky	42518
COUNTY	ROUTE #	MILE POINT	LONGITUDE (*X*)	LATITUDE (*Y*)
Wayne	790	Varies	84 38' 58.58" W	36 55' 26.06" N

ADDITIONAL LOCATION INFORMATION:
Along KY 790 from mile point 7.94 to 8.92

FOR KYTC USE ONLY

PERMIT TYPE: ☐ Air Right ☐ Entrance ☑ Utilities ☐ Vegetation Removal ☐ Other: _____

ACCESS: ☐ Full ☐ Partial ☑ by Permit | LOCATION: ☒ Left ☒ Right ☒ Crossing

SECTION 3: GENERAL DESCRIPTION OF WORK

M.P. 7.94 to M.P. 8.01: Install 6" PVC water line along LEFT side of KY 790 for approximately 370 LF.
M.P. 8.01 to M.P. 8.51: Install 6" PVC water line along RIGHT side of KY 790 for approximately 2,640 LF.
M.P. 8.51 to M.P. 8.54: Install 6" PVC water line along the LEFT side of KY 790 for approximately 160 LF.
M.P. 8.64 to M.P. 8.92: Install 6" PVC water line along the LEFT side of KY 790 for approximately 1,500 LF
ALL OF THE ABOVE PARALLEL WITH AN EXISTING 4-INCH WATER LINE
M.P. 8.01: 40 LF of Crossing under KY 790 vis jack & bore for 6" PVC water line with 10" diameter steel casing.
M.P. 8.51: 40 LF of Crossing under KY 790 vis jack & bore for 6" PVC water line with 10" diameter steel casing.
M.P. 9.23: 40 LF of crossing under KY 790 via jack & bore for 3" PVC water line with 6" diameter steel casing.
M.P. 9.63 to 9.88: Install 3" PVC water line along LEFT side of KY 790 for approximately 340 LF.
M.P. 9.88: 40 LF of crossing under KY 790 via jack & bore for 3" PVC water line with 6" diameter steel casing.

AD

SEE ATTACHMENTS

THE UNDERSIGNED APPLICANT(s), being duly authorized representative(s) or owner(s), DO AGREE TO ALL ORIGINAL UNEDITED TERMS AND CONDITIONS ON THE TC 99-1A, pages 1-4.

SIGNATURE

5-30-23
DATE

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

APPLICATION FOR ENCROACHMENT PERMIT

TERMS AND CONDITIONS

1. The permit, including this application and all related and accompanying documents and drawings making up the permit, remains in effect and is binding upon the Applicant/Permittee, its successors and assigns, as long as the encroachment(s) exists and also until the permittee is finally relieved by the Department of Highways from all its obligations.

2. Applicant shall meet all requirements of the Clean Water Act if the project will disturb one acre or more, the applicant shall obtain a KPDES KYR10 Permit from the Kentucky Division of Water. All disturbed areas shall meet the requirements of the Department of Highway's Standard Specifications, Sections 212 and 213, as amended.

3. **INDEMNITY:**
   - **A.** PERFORMANCE BOND: The permittee shall provide to the Department a performance bond according to the Permits Manual, Section PE-203 as a guarantee of conformance with the Department's Encroachment Permit requirements.
   - **B.** PAYMENT BOND: At the discretion of the department, a payment bond shall be required of the permittee to ensure payment of liquidated damages assessed to the permittee.
   - **C.** LIABILITY INSURANCE: Liability insurance shall be required of the permittee (in an amount approved by the department) to cover all liabilities associated with the encroachment.
   - **D.** It shall be the responsibility of the permittee, its successors and assigns, to maintain all indemnities in full force and effect until the permittee is authorized to release the indemnity by the Department.

4. A copy of this application and all related documents making up the approved permit shall be given to the applicant and shall be made readily available for review at the work site at all times.

5. Perpetual maintenance of the encroachment is the responsibility of the permittee, its successors and assigns, with the approval of the Department as required, unless otherwise stated.

6. Permittee, its successors and assigns, shall comply with and agree to be bound by the requirements and terms of (a) this application and all related documents making up the approved permit, (b) by the Department's Permits Manual, and (c) by the Manual on Uniform Traffic Control Devices, both manuals as revised to and in effect on the date of issuance of the permit, all of which documents are made a part thereof by this reference. Compliance by the permittee, its successors and assigns, with subsequent revisions to applicable provisions of either manual or other policy of the Department may be made a condition of allowing the encroachment to persist under the permit.

7. Permittee agrees that this and any encroachment may be ordered removed by the Department at any time, and for any reason, upon thirty days written notice to the last known address of the applicant or to the address at the location of the encroachment. The permittee agrees that the cost of removing and of restoring the associated right-of-way is the responsibility of the permittee, its successors and assigns.

8. Permittee, its successors and assigns, agree that if the Department determines that motor vehicular safety deficiencies develop as a result of the installation or use of the encroachment, the permittee, its successors and assigns, shall provide and bear the expenses to adjust, relocate, or reconstruct the facilities, add signs, auxiliary lanes, or other corrective measures reasonably deemed necessary by the Department within a reasonable time after receipt of a written notice of such deficiency. The period within which such adjustments, relocations, additions, modifications, or other corrective measures must be completed will be specified in the notice.

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

APPLICATION FOR ENCROACHMENT PERMIT

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

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

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

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

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

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

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

APPLICATION FOR ENCROACHMENT PERMIT

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

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

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

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

21. Before You Dig: The contractor is instructed to call 1-800-752-6007 to reach KY 811, the One-Call system for information on the location of existing underground utilities. The call is to be placed a minimum of two (2) and no more than ten (10) business days prior to excavation. The contractor should be aware that the owners of underground facilities are not required to be members of the KY 811 One-Call Before U-Dig (BUD) service. The contractor must coordinate excavation with the utility owners, including those whom do not subscribe to KY 811. It may be necessary for the contractor to contact the County Clerk to determine what utility companies have facilities in the area.

22. The undersigned Utility acknowledges ownership and control of the facilities proposed to be installed, modified, or extended by the Applicant/Permittee and agrees to be bound by the requirements and terms of this application and all related documents making up the approved permit, by the Department's Permits Guidance Manual, and by all applicable regulations and statutes in effect on the date of issuance of the permit. This information and application is certified correct to the best knowledge and belief of the undersigned Utility.

_____
UTILITY

_____ _____
NAME (Utility Representative) TITLE (Utility Representative)

_____ _____
SIGNATURE (Utility Representative) DATE

Kentucky 811 . Know what's below. Call before you dig.

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

ENCROACHMENT PERMIT GENERAL NOTES & SPECIFICATIONS

Permit No. 08-2023-00171

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, Kentucky Department of Highways Standard Drawings, 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 and Kentucky Department of Highways Standard Drawings.

☒ 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.

☒ Non-construction equipment, vehicles, or office trailers shall not 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 and Kentucky Department of Highways Standard Drawings

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.

☒ Encasement pipe 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 Farenheit).

☐ 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

https://eec.ky.gov/Environmental-Protection/Pages/default.aspx

☒ 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, rocked 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 right of way markers shall not be disturbed, but if damaged in any way, they shall be entirely replaced by the permittee, with new 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:

☐ 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 Farenheit, 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.

☐ 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 1/2 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.

☐ 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.

☐ 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.

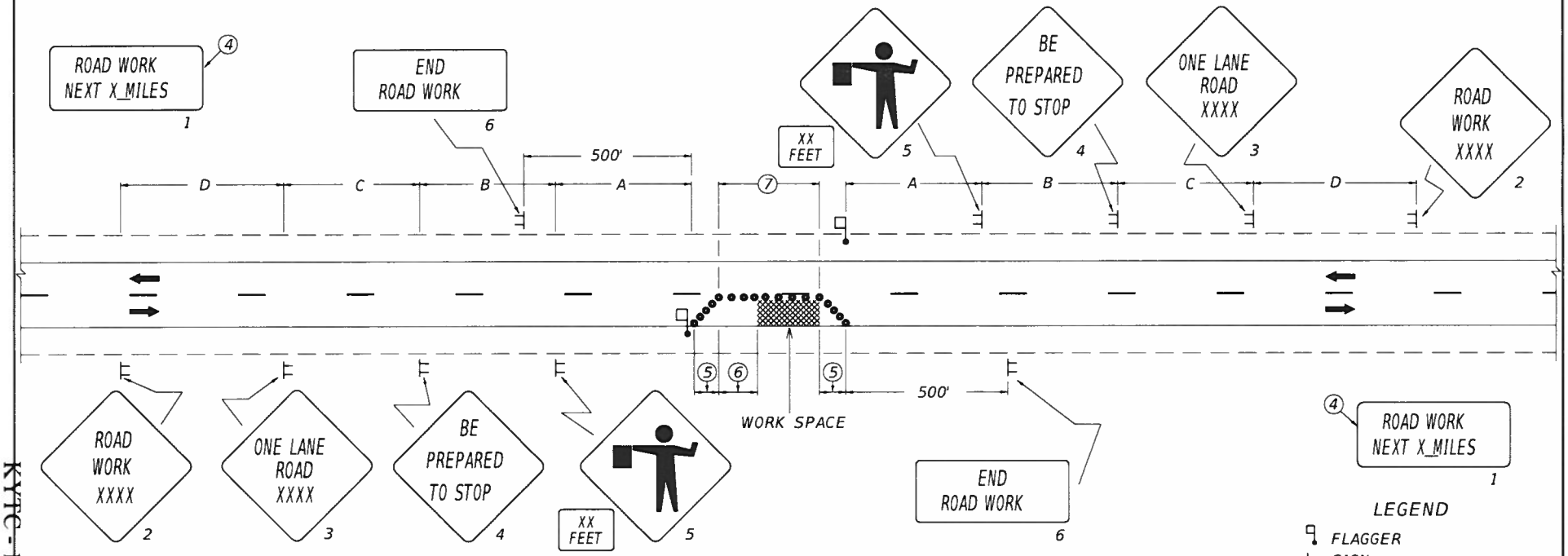
☐ The control of access shall not be diminished as a result of the removal or replacement of the fence.

IX. MISCELLANEOUS

☐ 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.



LEGEND

- FLAGGER
- SIGN
- CHANNELIZING DEVICES
  - CONES
  - DRUMS

~ NOTES ~

1. THE SIZE OF SIGNS 2 THRU 5 SHALL BE 48" X 48" WITH 30" X 24" SUPPLEMENTAL PLAQUES FOR EXPRESSWAYS/FREEWAYS. THE MINIMUM SIZE OF SIGNS 2 THRU 5 SHALL BE 36" X 36" WITH 24" X 18" SUPPLEMENTAL PLAQUES 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 IS DEFINED AS A DIVIDED HIGHWAY WITH FULL CONTROL OF ACCESS. AN EXPRESSWAY IS 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. ILLUMINATION SHALL BE PROVIDED TO MARK FLAGGER STATIONS AT NIGHT.
3. DRUMS SHALL BE USED IN LIEU OF CONES IF CLOSURE EXTENDS INTO NIGHTTIME HOURS. GRABBER CONES MAY BE USED IN LIEU OF DRUMS IF THE USE OF DRUMS WOULD RESULT IN LANES THAT ARE TOO NARROW OR AN UNACCEPTABLE SITUATION BASED ON ENGINEERING JUDGMENT.

(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. REFER TO TABLE 6C-2 OF THE MUTCD FOR GUIDANCE ON BUFFER SPACE LENGTH.

(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.

BID ITEMS AND UNIT TO BID
LANE CLOSURE EACH
REFER TO SECTION 112 OF STANDARD SPECIFICATIONS FOR ROAD AND BRIDGE CONSTRUCTION, CURRENT EDITION.

SIGNING AND SPACING TABLE

ROAD TYPE	A	B	C	D
EXPRESSWAY/ FREEWAY	1000'	500'	1100'	2600'
SP. LT. ≧ 45 MPH*	500'	500'	500'	1100'
SP. LT. ≦ 40 MPH*	250'	250'	250'	250'

*NOTE: USE NORMAL POSTED SPEED LIMIT

DRAWING NOT TO SCALE

KENTUCKY
DEPARTMENT OF HIGHWAYS

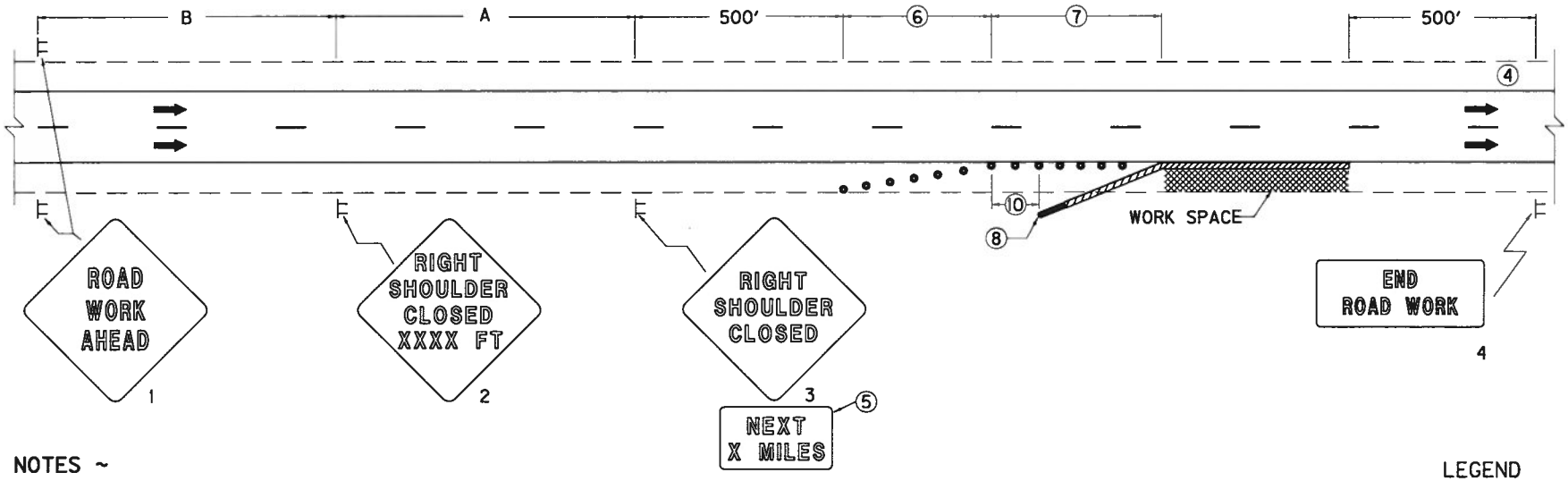
LANE CLOSURE
TWO-LANE HIGHWAY

STANDARD DRAWING NO. TTC-100-05

SUBMITTED R. Allen Wolfe DIRECTOR DIVISION OF TRAFFIC OPERATIONS 02-26-20 DATE

APPROVED STATE HIGHWAY ENGINEER 02-26-20 DATE

KYTC-16



~ NOTES ~

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 WITH 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.

BID ITEMS AND UNIT TO BID
REFER TO SECTION 112 OF STANDARD SPECIFICATIONS FOR ROAD AND BRIDGE CONSTRUCTION, CURRENT EDITION.

LEGEND

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

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. ≥ 45 MPH*	500'	500'	680'
SP. LT. ≤ 40 MPH*	500'	500'	320'

*NOTE: USE NORMAL POSTED SPEED LIMIT

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 R. Allen Wolfe DIRECTOR DIVISION OF TRAFFIC OPERATIONS 12-01-15 DATE

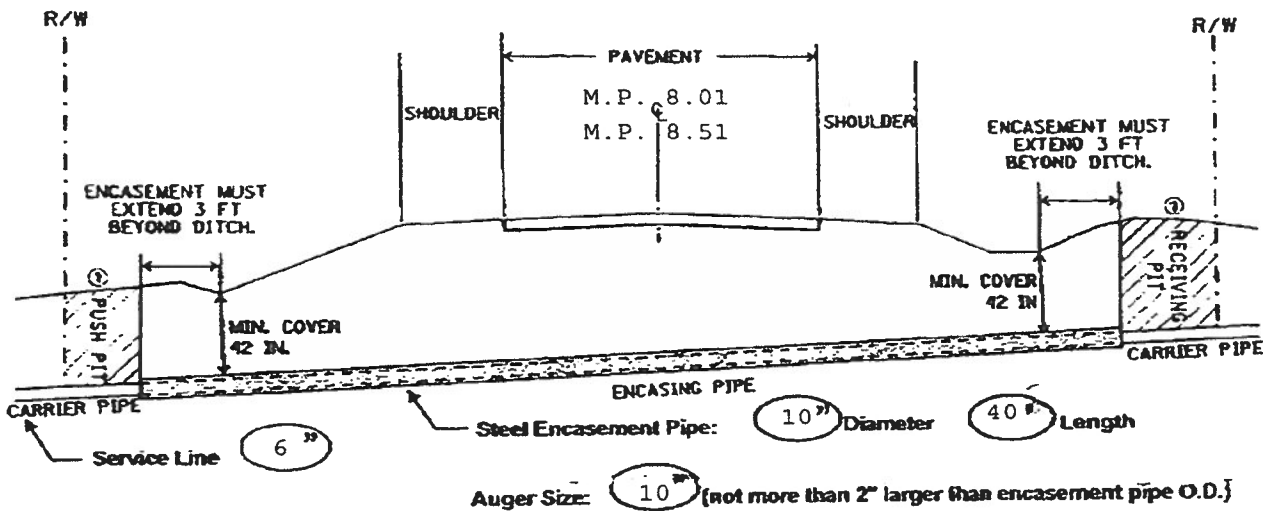
APPROVED STATE HIGHWAY ENGINEER 12-01-15 DATE

KYTC-17

Route Number: KY HWY 790

Pavement Width: 40 LF (8.01), 40 LF (8.51)

Failure to place bore at 42" depth will result in re-boring at applicant's expense, and may result in forfeiture of bond or other indemnity.



① Push pit and receiving pit shall be backfilled and thoroughly compacted.

2. All ditch lines shall be restored to original condition.

3. Shape, seed, and straw all disturbed areas.

4. Services over 2" shall be steel encased unless exempt under Chapter Two of the KYTC Permits Guidance Manual.

KENTUCKY DEPARTMENT OF HIGHWAYS

TYPICAL HIGHWAY BORING CROSSING DETAIL

TC99-10 Rev. 04/06 Dist. 4

EXHIBIT D

KIA Conditional Commitment Letters

KENTUCKY INFRASTRUCTURE AUTHORITY

Andy Beshear
Governor

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

Sandy Williams
Executive Director

July 8, 2022

Eric Keith, President
Bronston Water Association Inc
PO Box 243 2013 Hwy 90
Bronston, KY 42518

KENTUCKY INFRASTRUCTURE AUTHORITY
INFRASTRUCTURE REVOLVING LOAN FUND
CONDITIONAL COMMITMENT LETTER (B22-005)

Dear President Keith:

The Kentucky Infrastructure Authority ("the Authority") commends your efforts to improve public service facilities in your community. On July 7, 2022, the Authority approved your loan for the 2022 Water System Improvements and Replacements project subject to the conditions stated in Attachment A to this letter. The total cost of the project shall not exceed $2,743,000, 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 Bronston Water Association Inc 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 July 8, 2023 (twelve months from the date of this letter). A one-time extension of up to six months may be granted for applicants that experience extenuating circumstances. Funds will be available for disbursement only after execution of the Assistance Agreement.

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: Deron Byrne, Monarch Engineering, Inc
Monarch Engineering, Inc, David Bowles

Please sign and return a copy of this letter indicating your acceptance of this commitment and its terms. Complete the attached "Authorization for Electronic Deposit of Vendor Payment Form" and the "ACH Debit Authorization Form" **and return to the US Bank address at the bottom of each form**. Also included are the "Legal Counsel Certification Letter" sample and the "Statement of Approval of Projections of Revenue and Expenses" for you to complete at the appropriate time. These forms and an SRF loan checklist guide can be found in Attachment C of this letter.

Eric Keith
Accepted

8-1-2022
Date

ATTACHMENT A

Conditions

Bronston Water Association Inc
B22-005

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

1. The Authority project loan shall not exceed $2,743,000.

2. The loan shall bear interest at the rate of 0.25% per annum commencing with the first draw of funds.

3. The loan shall be repaid over a period not to exceed 20 years from the date of the last draw of funds.

4. Interest shall be payable on the amount of actual funds received. The first payment shall be due on June 1, or December 1, immediately succeeding the date of the initial draw of funds, provided that if such June 1, or December 1, shall be less than three months since the date of the initial draw of funds, then the first interest payment date shall be the June 1, or December 1, which is at least six months from the date of the initial draw of funds. Interest payments will be due each six months thereafter until the loan is repaid. KIA requires the use of Automated Clearing House (ACH) debits for payment of all balances due on the loan. This will ensure that payments are credited timely to your account without the risk of incurring late payment fees. If the due date falls on a weekend or holiday your account will be debited on the next business day. Please complete and return the authorization form in Attachment C of this letter to U.S. Bank for processing.

5. Full principal payments will commence on June 1, or December 1, immediately succeeding the date of the last draw of funds, provided that if such June 1, or December 1, shall be less than three months since the date of the last draw of funds, then the first principal payment date shall be the June 1, or December 1, which is at least six months from the date of the last draw of funds. Full payments will be due each six months thereafter until the loan is repaid.

6. 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.

7. Loan funds will only be disbursed after execution of the Assistance Agreement as project costs are incurred.

8. The Authority loan funds must be expended within six months of the official date of initiation of operation.

9. The Authority requires that an annual financial audit be provided for the life of the loan.

10. The final Assistance Agreement must be approved by ordinance or resolution, as applicable, of the city council or appropriate governing board.

11. 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. Upon completion of final design of the facilities in the attached project description, favorable approval shall be obtained of such design by all appropriate parties as required by Kentucky statute or administrative regulation.

2. The Borrower must provide certification from their legal counsel stating 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 state and local procurement laws.

3. Documentation of final funding commitments from all parties other than the Authority as reflected in the Attachment B description shall be provided prior to preparation of the Assistance Agreement and disbursement of the loan monies. Rejections of any anticipated project funding, or any new funding sources not reflected in Attachment B shall be immediately reported and may cause this loan to be subject to further consideration.

4. Upon receipt of construction bids a tabulation of such bids and engineer's recommendations on compliance with bid specifications and recommendation for award, shall be forwarded to the Authority for final approval and sizing of this loan and the project.

5. 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.

6. 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.

7. 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 your consultant engineer.

8. All easements or purchases of land shall be completed prior to commencement of construction. Certification of all land or easement acquisitions shall be provided to the Authority.

9. The Borrower must provide documentation of Clearinghouse Endorsement and Clearinghouse Comments.

10. The Borrower must complete and return the "Authorization for Electronic Deposit of Borrower Payment" form in Attachment C of this letter to U.S. Bank.

11. The Borrower will 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.

12. The Borrower will provide Final Design Plans in an AutoCAD Drawing File Format (DWG), referenced to the appropriate (North, South or Single) Kentucky State Plane Coordinate System (NAD83-Survey Feet) on a Compact Disc (CD). The recipient shall provide the Authority a digital copy (pdf) of the record drawings from the project within three months of construction completion.

Any special conditions listed in Attachment B must be resolved.

ATTACHMENT B

Executive Summary and Credit Analysis

Bronston Water Association Inc
B22-005

EXECUTIVE SUMMARY
KENTUCKY INFRASTRUCTURE AUTHORITY
FUND B, INFRASTRUCTURE
REVOLVING LOAN FUND

Reviewer	Alex Fisher
Date	July 7, 2022
KIA Loan Number	B22-005
WRIS Number	WX21199137

BORROWER: BRONSTON WATER ASSOCIATION INC
PULASKI COUNTY

BRIEF DESCRIPTION

The Bronston Water Association is requesting a Fund B loan in the amount of $2,743,000 for the 2022 Water System Improvements and Replacements project. This project will rehabilitate an existing 100,000-gallon elevated water storage tank, install 1,900 radio read meters and reduce excessive water loss by replacing more than 47,000 LF of various sized water line.

PROJECT FINANCING		PROJECT BUDGET	RD Fee %	Actual %	
Fund B Loan	$2,743,000	Administrative Expenses			$15,000
		Legal Expenses			10,000
		Eng - Design / Const	7.5%	7.5%	180,000
		Eng - Insp	4.4%	4.4%	105,000
		Eng - Other			24,000
		Construction			2,189,750
		Contingency			219,250
TOTAL	$2,743,000	TOTAL			$2,743,000

REPAYMENT	Rate	0.25%	Est. Annual Payment	$146,179
	Term	20 Years	1st Payment	6 Mo. after first draw
PROFESSIONAL SERVICES	Engineer	Monarch Engineering, Inc		
	Bond Counsel	Rubin & Hays		
PROJECT SCHEDULE	Bid Opening	Mar-23		
	Construction Start	May-23		
	Construction Stop	Feb-24		
DEBT PER CUSTOMER	Existing	$2,156		
	Proposed	$3,499		
OTHER DEBT		See Attached		

RESIDENTIAL RATES		Users	Avg. Bill	
	Current	1,864	$40.65	(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 2019	315,047	140,183	174,864	2.2
Audited 2020	230,641	166,575	64,066	1.4
Audited 2021	330,554	162,104	168,450	2.0
Projected 2022	325,338	175,975	149,363	1.8
Projected 2023	451,557	175,975	275,582	2.6
Projected 2024	439,231	332,560	106,671	1.3
Projected 2025	433,696	307,590	126,106	1.4
Projected 2026	428,050	332,561	95,489	1.3

Reviewer: Alex Fisher
Date: July 7, 2022
Loan Number: B22-005

KENTUCKY INFRASTRUCTURE AUTHORITY
INFRASTRUCTURE REVOLVING LOAN FUND (FUND B)
BRONSTON WATER ASSOCIATION INC, PULASKI COUNTY
PROJECT REVIEW
WX21199137

I. PROJECT DESCRIPTION

The Bronston Water Association is requesting a Fund B loan in the amount of $2,743,000 for the 2022 Water System Improvements and Replacements project. This project will rehabilitate an existing 100,000-gallon elevated water storage tank, install 1,900 radio read meters and reduce excessive water loss by replacing more than 47,000 LF of various sized water line.

Thousands of linear feet of PVC that will be replaced are shown below.

- 8" PVC 1,000 LF extension along Colyer Rd.
- 6" PVC 10,500 LF along Ky Hwy 790 in Wayne County and Island Dr. in Pulaski County
- 4" PVC 3,000 LF along Gibson Ln in Pulaski County
- 3" PVC 33,550 LF along Rocky Point Rd, Riverwood Dr, Sugar Hollow Rd, Flynn Rd, Ruth Rd, Cedar Bluff Shores, Timberlake Dr and Old Decker Rd in both counties

The Bronston Water Association serves 1,796 residential and 68 commercial customers.

II. PROJECT BUDGET

	Total
Administrative Expenses	$ 15,000
Legal Expenses	10,000
Engineering Fees - Design	180,000
Engineering Fees - Inspection	105,000
Engineering Fees - Other	24,000
Construction	2,189,750
Contingency	219,250
Total	**$ 2,743,000**

III. PROJECT FUNDING

	Amount	%
Fund B Loan	$ 2,743,000	100%
Total	**$ 2,743,000**	**100%**

IV. KIA DEBT SERVICE

Construction Loan	$ 2,743,000
Less: Principal Forgiveness	0
Amortized Loan Amount	$ 2,743,000
Interest Rate	0.25%
Loan Term (Years)	20
Estimated Annual Debt Service	$ 140,693
Administrative Fee (0.20%)	5,486
Total Estimated Annual Debt Service	**$ 146,179**

V. PROJECT SCHEDULE

Bid Opening	March 2023
Construction Start	May 2023
Construction Stop	February 2024

VI. RATE STRUCTURE

A. Customers

Customers	Current
Residential	1,796
Commercial	68
Industrial	0
Total	1,864

B. Rates

WATER	Proposed	Current	Prior
Date of Last Rate Increase	08/01/22	02/10/21	4/19/2017
Minimum (1,500 gallons)	$25.67	$22.20	$21.14
Over 1,500 gallons	21.33	18.45	18.45
Cost for 4,000 gallons	$47.00	$40.65	$39.59
Increase %	15.6%	2.7%	
Affordability Index (Rate/MHI)	1.5%	1.3%	

VII. DEMOGRAPHICS

Based on current Census data from the American Community Survey 5-Year Estimate 2016-2020, the Utility's service area population was 3,146 with a Median Household Income (MHI) of $37,785. The median household income for the Commonwealth is $50,589. The project will qualify for a 0.25% interest rate with a 20-year loan term.

VIII. FINANCIAL ANALYSIS

Financial information was obtained from the audited financial statements for the years ended June 30, 2019 through June 30, 2021. Percentage references in the History section below are based on whole dollar amounts and not the rounded amounts presented.

HISTORY

Revenues increased 1.7% from $835,949 in 2019 to $849,860 in 2021 while operating expenses decreased 8.2% from $284,028 to $260,784 during the same period primarily due to the elimination of merchant fees. Consolidated cash flow before debt service averaged $292,081 in the 3 audited years. The debt coverage ratio was 2.2, 1.4, and 2.0 in 2019, 2020, and 2021 respectively.

The balance sheet reflects a current ratio of 9.6, a debt-to-equity ratio of 1.0, 29.7 days of sales in accounts receivable, and 5.8 months of operating expenses in unrestricted cash.

PROJECTIONS

Projections are based on the following assumptions:

1) Revenues are proposed to increase 15.6% as shown above under the rates section. All other projected years are flat.
2) Expenses will increase 2% annually due to inflation.
3) Debt service coverage is 1.3 in 2024 when principal and interest repayments begin.

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

The Bronston Water Association is regulated by the Public Service Commission and will need to apply to the Public Service Commission (PSC), pursuant to KRS 278.300, for debt authorization for the $2.743 million loan and District must receive a Certificate of Public Convenience and Necessity (CPCN), pursuant to KRS 278.020.

REPLACEMENT RESERVE

The replacement reserve will be 5% ($138,000 total) of the final amount borrowed to be funded annually ($6,900 yearly) each December 1 for 20 years and maintained for the life of the loan.

IX. DEBT OBLIGATIONS

	Outstanding	Maturity
2003 USDA RUS	$ 315,597	2043
2008 USDA RUS	719,467	2048
2010 USDA RUS	388,094	2050
2014 USDA RUS	712,317	2054
2017 USDA RUS	1,329,072	2057
2021 USDA RUS	555,000	2061
Total	**$ 4,019,547**	

X. CONTACTS

Legal Applicant	
Entity Name	Bronston Water Association Inc
Authorized Official	Eric Keith (President)
County	Pulaski
Email	bronstonwater@gmail.com
Phone	(606) 561-5209
Address	PO Box 243 2013 Hwy 90 Bronston, KY 42518

Applicant Contact	
Name	JC New
Organization	Bronston Water Association
Email	bronstonwater@gmail.com
Phone	(606) 561-5209
Address	PO Box 243 Bronston, KY 42518

Project Administrator	
Name	Deron Byrne
Organization	Monarch Engineering, Inc
Email	dbyrne@monarchengineering.net
Phone	(502) 839-1310
Address	556 Carlton Dr. Lawrenceburg, KY 40342

Consulting Engineer	
PE Name	David Bowles
Firm Name	Monarch Engineering, Inc
Email	dbowles@monarchengineering.net
Phone	(502) 839-1310
Address	556 Carlton Dr. Lawrenceburg, KY 40342

XI. RECOMMENDATIONS

KIA staff recommends approval of the loan with the standard conditions.

BRONSTON WATER ASSOCIATION INC
FINANCIAL SUMMARY (DECEMBER YEAR END)

	Audited 2019	Audited 2020	Audited 2021	Projected 2022	Projected 2023	Projected 2024	Projected 2025	Projected 2026
Balance Sheet								
Assets								
Current Assets	1,101,842	1,078,241	1,218,924	1,352,174	1,638,456	1,745,127	1,871,233	1,966,722
Other Assets	6,772,657	6,587,196	7,036,495	6,804,915	6,573,335	9,023,080	8,729,825	8,436,570
Total	7,874,499	7,665,437	8,255,419	8,157,089	8,211,791	10,768,207	10,601,058	10,403,292
Liabilities & Equity								
Current Liabilities	92,513	124,734	127,475	131,878	144,864	284,842	287,739	290,707
Long Term Liabilities	3,660,874	3,558,609	4,032,119	3,962,095	3,872,398	6,386,223	6,154,651	5,920,611
Total Liabilities	3,753,387	3,683,343	4,159,594	4,093,973	4,017,262	6,671,065	6,442,390	6,211,318
Net Assets	4,121,112	3,982,094	4,095,825	4,063,116	4,194,529	4,097,142	4,158,668	4,191,974
Cash Flow								
Revenues	835,949	816,494	849,860	849,860	981,399	981,399	981,399	981,399
Operating Expenses	527,111	589,781	521,483	526,699	532,019	544,345	549,880	555,526
Other Income	6,209	3,928	2,177	2,177	2,177	2,177	2,177	2,177
Cash Flow Before Debt Service	315,047	230,641	330,554	325,338	451,557	439,231	433,696	428,050
Debt Service								
Existing Debt Service	140,183	166,575	162,104	175,975	175,975	186,381	161,411	186,382
Proposed KIA Loan	0	0	0	0	0	146,179	146,179	146,179
Total Debt Service	140,183	166,575	162,104	175,975	175,975	332,560	307,590	332,561
Cash Flow After Debt Service	174,864	64,066	168,450	149,363	275,582	106,671	126,106	95,489
Ratios								
Current Ratio	11.9	8.6	9.6	10.3	11.3	6.1	6.5	6.8
Debt to Equity	0.9	0.9	1.0	1.0	1.0	1.6	1.5	1.5
Days Sales in Accounts Receivable	29.9	31.9	29.7	29.8	29.8	29.8	29.8	29.8
Months Operating Expenses in Unrestricted Cash	4.1	3.2	5.8	9.1	15.2	17.5	20.1	22.0
Debt Coverage Ratio	2.2	1.4	2.0	1.8	2.6	1.3	1.4	1.3

ATTACHMENT C

Forms

Bronston Water Association Inc
B22-005

Fund B/C
LOAN CONDITIONS CHECKLIST

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

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

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

Before bid opening, submit the following items to the designated agency.

Submit To:		
KIA	☐	**Conditional Commitment Letter** (this letter is sent to the borrower via email shortly following KIA board approval and is to be signed by the authorizing official)
USBANK	☐	**Authorization for Electronic Deposit/Debit of Borrower Disbursements/ Payment** (these forms are attached to the loan commitment letter sent after KIA board approval and are to be signed by the authorizing official and forwarded to US Bank)
KIA	☐	**Eclearinghouse Endorsement** (if not already submitted with loan application)
DOW	☐	**Plans and specifications** (Kentucky Division of Water will review and KIA will need copy of approval letter)
KIA	☐	**Proof of compliance with any special condition identified in the Conditional Commitment Letter** (e.g. adopted ordinance).

After the project has opened bids, please submit the following items to the designated agency assigned below. It is imperative that the remaining standard conditions are fulfilled by the deadlines set forth in the Conditional Commitment Letter.

Submit To:		
KIA	☐	**Bid Advertisement**
KIA	☐	**Bid Tabulation and Engineer's Recommendation**
KIA	☐	**As-Bid Budget**
KIA	☐	**Procurement Certification** (KIA sends to borrower after bid opening for signature.)
KIA	☐	**Certification of obtainable revenue projections** (KIA sends to borrower after bid opening for signature.)
KIA	☐	**Certification of clear site** (KIA sends to borrower after bid opening for signature.)
KIA	☐	**Plans and specifications approval** from the Kentucky Division of Water
KIA	☐	**Public Service Commission (PSC) approval**, (CPCN and Authorization to Incur Debt) if applicable.

AUTHORIZATION FOR ELECTRONIC DEPOSIT
OF BORROWER PAYMENT
KENTUCKY INFRASTRUCTURE AUTHORITY
KIA Loan # B22-005

Borrower Information:

Name: _____

Address: _____

City: _____ **State:** KY **Zip:** _____

Federal I.D. #: _____ **Telephone:** _____

Contact Name: _____

Email: _____

Financial Institution Information:

Bank Name: _____

Branch: _____ **Telephone:** _____

City: _____ **State:** KY **Zip:** _____

Transit / ABA No: _____

Account Name: _____

Account Number: _____

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

Signature: _____ **Date:** _____

Name Printed: _____ **Job Title:** _____

Send to: U.S. Bank via Email
KentuckyInfrastructureAuth@usbank.com

KIA Loan # B22-005

ACH DEBIT AUTHORIZATION FORM

AUTHORIZATION AGREEMENT FOR PRE-ARRANGED PAYMENTS (DEBITS)

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

BANK NAME_____BRANCH_____

CITY_____STATE_ZIP CODE _____

BANK TRANSIT/ABA NO._____ACCOUNT NO. _____

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

NAME OF ENTITY: _____

ADDRESS_____

TAX IDENTIFICATION NUMBER: _____

By_____ Dated _____

Authorized Signer

Send to: U.S. Bank via Email

KentuckyInfrastructureAuth@usbank.com

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:	Bronston Water Association
Unique Entity ID (generated by SAM.gov)*:	
KIA Loan Number:	B22-005
Street Address	2013 West Highway 90
City, State and Zip (Zip must include 4 digit extension)	Bronston, Kentucky 42518-0243
Federal Congressional District(s) of Borrower Utility Service Area:	5th

*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	KY Highway 790
City, State and Zip (Zip must include 4 digit extension)	Bronston, Kentucky 42518-0243
Federal Congressional District(s) of Project Location	5th

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?	NO

Unique Entity ID Registration Information: https://sam.gov

SAMPLE LETTER

[Letterhead of Counsel for Water Utility]

[Date]

Kentucky Infrastructure Authority
100 Airport Road
Frankfort, Kentucky 40601

RE: Loan#
City of xxxxx

Ladies and Gentlemen:

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

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

Based upon my review I am of the opinion that:

The Water Utility has prepared construction specifications in accordance with all procurement procedures including those for construction, land, equipment and professional services that are a part of the project are in compliance with all applicable state and local procurement laws.

Respectfully,

COMPLETE AFTER BID OPENING

STATEMENT OF APPROVAL
OF PROJECTIONS OF REVENUE AND EXPENSES

Borrower Name: _____

Loan No.: _____

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

Signed: _____

_____
Borrower

_____
Date

KENTUCKY INFRASTRUCTURE AUTHORITY

Andy Beshear
Governor

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

Sandy Williams
Executive Director

March 8, 2024

Eric Keith, President
Bronston Water Association Inc
PO Box 243 2013 Hwy 90
Bronston, KY 42518

KENTUCKY INFRASTRUCTURE AUTHORITY
INFRASTRUCTURE REVOLVING LOAN FUND
CONDITIONAL COMMITMENT LETTER (B22-005 (Increase))

Dear President Keith:

The Kentucky Infrastructure Authority ("the Authority") commends your efforts to improve public service facilities in your community. On March 7, 2024, the Authority approved your request for a loan increase in the amount of $625,420, subject to the conditions stated in Attachment A to this letter. The total cost of the project shall not exceed $3,368.420, 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 Bronston Water Association Inc 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 September 8, 2025 (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.

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: Deron Byrne, Monarch Engineering, Inc
Monarch Engineering, Inc, David Bowles

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.

Eric Keith
Accepted

03/20/24
Date

ATTACHMENT A

Conditions

Bronston Water Association Inc
B22-005 (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 $3,368,420.

2. The loan shall bear interest at the rate of 0.25% per annum commencing with the first draw of funds.

3. The loan shall be repaid over a period not to exceed 20 years from the date of the last draw of funds.

4. Interest shall be payable on the amount of actual funds received. The first payment shall be due on June 1, or December 1, immediately succeeding the date of the initial draw of funds, provided that if such June 1, or December 1, shall be less than three months since the date of the initial draw of funds, then the first interest payment date shall be the June 1, or December 1, which is at least six months from the date of the initial draw of funds. Interest payments will be due each six months thereafter until the loan is repaid. KIA requires the use of Automated Clearing House (ACH) debits for payment of all balances due on the loan. This will ensure that payments are credited timely to your account without the risk of incurring late payment fees. If the due date falls on a weekend or holiday your account will be debited on the next business day.

5. Full principal payments will commence on June 1, or December 1, immediately succeeding the date of the last draw of funds, provided that if such June 1, or December 1, shall be less than three months since the date of the last draw of funds, then the first principal payment date shall be the June 1, or December 1, which is at least six months from the date of the last draw of funds. Full payments will be due each six months thereafter until the loan is repaid.

6. 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.

7. Loan funds will only be disbursed after execution of the Assistance Agreement as project costs are incurred.

8. The Authority loan funds must be expended within six months of the official date of initiation of operation.

9. The Authority requires that an annual financial audit be provided for the life of the loan.

10. The final Assistance Agreement must be approved by ordinance or resolution, as applicable, of the city council or appropriate governing board.

11. 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.

All standard conditions set forth in the original Conditional Commitment Letter dated July 8, 2022, must be satisfied prior to execution of the Assistance Agreement or incorporated in the Assistance Agreement.

ATTACHMENT B

Executive Summary and Credit Analysis

Bronston Water Association Inc
B22-005 (Increase)

EXECUTIVE SUMMARY		Reviewer	John Brady
KENTUCKY INFRASTRUCTURE AUTHORITY		Date	March 7, 2024
FUND B, INFRASTRUCTURE		KIA Loan Number	B22-005 (Increase)
REVOLVING LOAN FUND		WRIS Number	WX21199137

BORROWER	BRONSTON WATER ASSOCIATION INC PULASKI COUNTY

BRIEF DESCRIPTION

The Bronston Water Association (BWA) is requesting a Fund B loan increase in the amount of $625,420 for the 2022 Water System Improvements and Replacements project. The original loan was approved by the KIA Board on July 7, 2022. The increase will bring the total KIA loan amount up to $3,368,420. No additional work is being funded with the increased funding request. The project was scaled down before being bid due to increased costs for materials in recent years. Two alternates that were part of the initial project were put into place and BWA is now looking to fund those. The overall project consists of the replacement of approximately 46,000 linear feet of waterline throughout the system. 12,000 linear feet of existing 4" line along Kentucky Highway 790 will be replaced with new 6" pvc. Around 33,500 linear feet of 3" waterline in Pulaski County and Wayne County will be replaced with new pvc and an additional 850 linear feet of 8" waterline will be extended along Gibson Lane. The project also includes the installation of approximately 1,180 radio read meters.

PROJECT FINANCING		PROJECT BUDGET	
Fund B Loan	$3,368,420	Administrative Expenses	$15,000
		Legal Expenses	10,000
		Eng - Design / Const	180,000
		Eng - Insp	105,000
		Construction	2,798,340
		Contingency	260,080
TOTAL	$3,368,420	TOTAL	$3,368,420

REPAYMENT	Rate	0.25%	Est. Annual Payment	$179,509
	Term	20 Years	1st Payment	6 Mo. after first draw
PROFESSIONAL SERVICES	Engineer	Monarch Engineering, Inc		
	Bond Counsel	Rubin & Hays		
PROJECT SCHEDULE	Bid Opening	Dec-23		
	Construction Start	Jun-24		
	Construction Stop	Mar-25		
DEBT PER CUSTOMER	Existing	$2,109		
	Proposed	$3,777		
OTHER DEBT		See Attached		

RESIDENTIAL RATES		Users	Avg. Bill	
	Current	1,864	$48.41	(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 2020	230,641	166,575	64,066	1.4
Audited 2021	330,554	162,104	168,450	2.0
Audited 2022	338,420	169,858	168,562	2.0
Projected 2023	426,348	175,975	250,373	2.4
Projected 2024	502,899	186,381	316,518	2.7
Projected 2025	486,242	276,136	210,107	1.8
Projected 2026	477,820	365,891	111,929	1.3
Projected 2027	469,230	365,891	103,339	1.3

Reviewer: John Brady
Date: March 7, 2024
Loan Number: B22-005 Increase

KENTUCKY INFRASTRUCTURE AUTHORITY
INFRASTRUCTURE REVOLVING LOAN FUND (FUND B)
BRONSTON WATER ASSOCIATION, PULASKI COUNTY
PROJECT REVIEW
WX21199137

I. PROJECT DESCRIPTION

The Bronston Water Association (BWA) is requesting a Fund B loan increase in the amount of $625,420 for the 2022 Water System Improvements and Replacements project. The original loan was approved by the KIA Board on July 7, 2022. The increase will bring the total KIA loan amount up to $3,368,420. No additional work is being funded with the increased funding request. The project was scaled down before being bid due to increased costs for materials in recent years. Two alternates that were part of the initial project were put into place and BWA is now looking to fund those. The overall project consists of the replacement of approximately 46,000 linear feet of waterline throughout the system. 12,000 linear feet of existing 4" line along Kentucky Highway 790 will be replaced with new 6" pvc. Around 33,500 linear feet of 3" waterline in Pulaski County and Wayne County will be replaced with new pvc and an additional 850 linear feet of 8" waterline will be extended along Gibson Lane. The project also includes the installation of approximately 1,180 radio read meters.

The BWA currently serves 1,796 residential customers and 68 commercial customers.

II. PROJECT BUDGET

	Total
Administrative Expenses	$ 15,000
Legal Expenses	10,000
Engineering Fees - Design	180,000
Engineering Fees - Inspection	105,000
Construction	2,798,340
Contingency	260,080
Total	**$ 3,368,420**

III. PROJECT FUNDING

	Amount	%
Fund B Loan	$ 3,368,420	100%
Total	**$ 3,368,420**	**100%**

IV. KIA DEBT SERVICE

Amortized Loan Amount	$ 3,368,420
Interest Rate	0.25%
Loan Term (Years)	20
Estimated Annual Debt Service	$ 172,772
Administrative Fee (0.20%)	6,737
Total Estimated Annual Debt Service	**$ 179,509**

V. PROJECT SCHEDULE

Bid Opening:	December 2023
Construction Start:	June 2024
Construction Stop:	March 2025

VI. RATE STRUCTURE

A. Customers

Customers	Current
Residential	1,796
Commercial	68
Industrial	0
Total	1,864

B. Rates

	Current	Prior	Prior
Date of Last Rate Increase	11/06/23	10/12/22	2/4/2021
Minimum (1,500 gallons)	$25.81	$24.44	$22.20
Over 1,500 gallons (per 1,000)	9.04	8.13	7.38
Cost for 4,000 gallons	$48.41	$44.77	$40.65
Increase %	8.1%	10.1%	
Affordability Index (Rate/MHI)	1.5%	1.4%	1.3%

VII. DEMOGRAPHICS

Based on current Census data from the American Community Survey 5-Year Estimate 2016-2020, the Utility's service area population was 3,146 with a Median Household Income (MHI) of $37,785. The MHI for the Commonwealth was $50,589. The project will qualify for a 0.25% interest rate.

VIII. FINANCIAL ANALYSIS

Financial information was obtained from the audited financial statements for the years ended December 31, 2020 through December 31, 2022.

HISTORY

Total water revenues increased 19.8% from $816,494 in 2020 to $978,164 in 2022 due to rate increases. Operating expenses increased 8.7% from $589,781 to $641,106 during the same period due mostly to the cost of materials and repairs.

The balance sheet reflects a current ratio of 6.3, a debt-to-equity ratio of 1.0, 56.5 days of sales in accounts receivable, and 4.8 months of operating expenses in unrestricted cash.

PROJECTIONS

Projections are based on the following assumptions:

1) Water revenues will increase 10.1% in 2023 and 8.1% in 2024 due to existing rate increases.
2) Operating expenses will increase 2% annually due to inflation.
3) Debt service coverage is 1.3 in 2026 when the first full year of principal and interest repayments begin.

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

The BWA 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 $3,368,420 loan and must receive a Certificate of Public Convenience and Necessity, pursuant to KRS 278.020.

REPLACEMENT RESERVE

The replacement reserve will be 5% ($168,000 total) of the final amount borrowed to be funded annually ($8,400 yearly) each December 1 for 20 years and maintained for the life of the loan.

IX. DEBT OBLIGATIONS

	Outstanding	Maturity
2003 USDA RUS	$ 306,646	2043
2008 USDA RUS	704,466	2048
2010 USDA RUS	378,822	2050
2014 USDA RUS	696,530	2054
2017 USDA RUS	1,302,890	2057
2021 USDA RUS	555,000	2061
Total	**$3,944,354**	

X. CONTACTS

Legal Applicant	
Entity Name	Bronston Water Association Inc
Authorized Official	Eric Keith (President)
County	Pulaski
Email	bronstonwater@gmail.com
Phone	(606) 561-5209
Address	PO Box 243 2013 Hwy 90
	Bronston, KY 42518

Applicant Contact	
Name	JC New
Organization	Bronston Water Association
Email	bronstonwater@gmail.com
Phone	(606) 561-5209
Address	PO Box 243
	Bronston, KY 42518

Project Administrator	
Name	Deron Byrne
Organization	Monarch Engineering, Inc
Email	dbyrne@monarchengineering.net
Phone	(502) 839-1310
Address	556 Carlton Dr.
	Lawrenceburg, KY 40342

Consulting Engineer	
PE Name	David Bowles
Firm Name	Monarch Engineering, Inc
Email	dbowles@monarchengineering.net
Phone	(502) 839-1310
Address	556 Carlton Dr.
	Lawrenceburg, KY 40342

XI. RECOMMENDATIONS

KIA staff recommends approval of the loan increase with the standard conditions.

BRONSTON WATER ASSOCIATION INC

FINANCIAL SUMMARY (DECEMBER YEAR END)

	Audited 2020	Audited 2021	Audited 2022	Projected 2023	Projected 2024	Projected 2025	Projected 2026	Projected 2027
Balance Sheet								
Assets								
Current Assets	1,078,241	1,218,924	1,344,294	1,459,246	1,598,953	1,682,996	1,727,768	1,769,103
Other Assets	6,587,196	7,036,495	6,787,949	6,647,334	6,546,406	9,665,840	9,357,948	9,044,902
Total	7,665,437	8,255,419	8,132,243	8,106,580	8,145,359	11,348,836	11,085,716	10,814,005
Liabilities & Equity								
Current Liabilities	220,153	213,933	213,173	226,103	228,931	400,249	403,217	406,260
Long Term Liabilities	3,463,190	3,945,661	3,854,330	3,764,633	3,672,608	6,778,185	6,512,874	6,245,020
Total Liabilities	3,683,343	4,159,594	4,067,503	3,990,736	3,901,539	7,178,434	6,916,091	6,651,280
Net Assets	3,982,094	4,095,825	4,064,740	4,115,844	4,243,820	4,170,402	4,169,625	4,162,725
Cash Flow								
Revenues	816,494	849,860	978,164	1,074,028	1,158,674	1,158,674	1,158,674	1,158,674
Operating Expenses	589,781	521,483	641,106	649,042	657,137	673,794	682,216	690,806
Other Income	3,928	2,177	1,362	1,362	1,362	1,362	1,362	1,362
Cash Flow Before Debt Service	230,641	330,554	338,420	426,348	502,899	486,242	477,820	469,230
Debt Service								
Existing Debt Service	166,575	162,104	169,858	175,975	186,381	186,381	186,382	186,382
Proposed KIA Loan	0	0	0	0	0	89,755	179,509	179,509
Total Debt Service	166,575	162,104	169,858	175,975	186,381	276,136	365,891	365,891
Cash Flow After Debt Service	64,066	168,450	168,562	250,373	316,518	210,107	111,929	103,339
Ratios								
Current Ratio	4.9	5.7	6.3	6.5	7.0	4.2	4.3	4.4
Debt to Equity	0.9	1.0	1.0	1.0	0.9	1.7	1.7	1.6
Days Sales in Accounts Receivable	31.9	29.7	56.5	56.5	56.5	56.5	56.5	56.5
Months Operating Expenses in Unrestricted Cash	3.2	5.8	4.8	6.6	8.8	10.2	10.9	11.5
Debt Coverage Ratio	1.4	2.0	2.0	2.4	2.7	1.8	1.3	1.3

ATTACHMENT C

Forms

Bronston Water Association Inc
B22-005 (Increase)

COMPLETE AFTER BID OPENING

STATEMENT OF APPROVAL
OF PROJECTIONS OF REVENUE AND EXPENSES

Borrower Name: Brinston Water Association

Loan No.: B22-005

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: _____

Brinston Water Association
Borrower

03/20/24
Date

EXHIBIT E

Statement of Annual Cost of Operations

ESTIMATED ANNUAL COST OF OPERATION (1st full year of Operation)
Year Ending 2025

A.	Operating Income:	
	Water Sales	$1,151,674
	Disconnect/Reconnect/Late Charge Fees	7,000
	Other (Describe)	-
	Less Allowances and Deductions	-
	Total Operating Income	$1,158,674
B.	Operation and Maintenance Expenses:	
	(Based on Uniform System of Accounts prescribed by NARUC)	
	Source of Supply Expense	$257,839
	Pumping Expense	-
	Water Treatment Expense	5,441
	Transmission and Distribution Expense	190,304
	Customer Accounts Expense	-
	Administrative and General Expense	220,210
	Total Operating Expenses	$673,794
	Net Operating Income	$484,880
C.	Non Operating Income:	
	Interest Income	$1,362
	Other (Identify)	
	Total Non-Operating Income	$1,362
D.	Net Income	$486,242
E.	Debt Repayment:	
	RUS Interest	$94,356
	RUS Principal	92,025
	Non-RUS Interest	4,211
	Non-RUS Principal	85,544
	Total Debt Repayment	$276,136
F.	Balance Available for Coverage	$210,106
G.	Reserve Accounts	
	Replacement Reserves - Short Lived Assets	$29,795
	Debt Reserve	10,205
	Total Reserves	$40,000

EXHIBIT F

Financial Statements

Bronston Water Association, Inc.
Statements of Net Assets
December 31, 2022 and 2021

	2022	2021
Assets		
Current Assets		
Cash and cash equivalents	$ 256,533	$ 250,518
Short-term cash investments	844,863	811,874
Accounts receivable	151,497	69,252
Inventory	89,858	84,700
Prepaid expenses	1,543	2,580
Total current assets	1,344,294	1,218,924
Property, Plant and Equipment		
Property, plant and equipment	10,638,914	10,608,919
Accumulated depreciation	(4,159,930)	(3,869,526)
Net property, plant and equipment	6,478,984	6,739,393
Other Assets		
Construction period interest	17,402	17,402
Accumulated amortization	(8,265)	(7,830)
Restricted cash accounts	299,828	287,530
Total other assets	308,965	297,102
Total Assets	$ 8,132,243	$ 8,255,419
Liabilities and Net Assets		
Current Liabilities		
Accounts payable	$ 23,556	$ 22,815
Payroll and related withholdings	2,347	5,749
Accrued interest payable	64,199	64,242
Other accrued liabilities	25,003	25,618
Customer deposits	20,857	22,216
Current portion of long-term debt	77,211	75,193
Total current liabilities	213,173	215,833
Long-term Liabilities		
Long-term debt	3,931,541	4,019,547
Net of current portion	(77,211)	(75,193)
Total long-term liabilities	3,854,330	3,944,354
Total Liabilities	4,067,503	4,160,187
Net Assets		
Contributions in aid of construction	5,047,915	5,029,423
Unrestricted net assets	(983,175)	(934,191)
Total net assets	4,064,740	4,095,232
Total Liabilities and Net Assets	$ 8,132,243	$ 8,255,419

See independent auditor's report and notes to financial statements.

Bronston Water Association, Inc.
Statements of Activities
For the years ended December 31, 2022 and 2021

	2022	2021
Operating revenues		
Sales to customers	$ 949,144	$ 843,201
Other operating revenues	29,020	6,659
Total revenue	978,164	849,860
Cost of water sold		
Water purchases	244,304	260,699
Water testing	5,441	4,203
Salaries and wages	131,580	131,619
Materials and supplies	91,611	25,823
Depreciation	290,404	231,145
Amortization	435	435
Total cost of water sold	763,775	653,924
Operating profit	214,389	195,936
Support and administrative expenses		
Directors' fees	8,200	8,700
Payroll taxes	10,012	10,069
Employee benefits	19,267	5,942
Professional services	13,900	12,650
Insurance	19,760	18,032
Utilities and telephone	9,859	8,914
Office expense and postage	26,136	19,402
Transportation	11,118	6,927
Regulatory assessments	-	2,744
Other taxes and licenses	1,674	928
Merchant fees	12,156	-
Bad debts expense	1,804	4,471
Repairs and maintenance	34,284	-
Refunds	-	360
Total support and administrative expenses	168,170	99,139
Change in net assets before other income and expenses	46,219	96,797
Other income and (expenses)		
Interest income	1,362	2,177
Interest expense	(96,565)	(87,404)
Total other income and expenses	(95,203)	(85,227)
Change in unrestriced net assets	(48,984)	11,570
Unrestricted net assets beginning of year	(934,191)	(945,761)
Unrestricted net assets end of year	$ (983,175)	$ (934,191)

See independent auditor's report and notes to financial statements.

Bronston Water Association, Inc.
Statements of Cash Flows
For the years ended December 31, 2022 and 2021

	2022	2021
Cash flows from operating activities		
Change in net assets	$ (48,984)	$ 11,570
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation and amortization	290,839	231,580
(Increase) decrease in operating assets		
Accounts receivable	(82,245)	2,149
Prepaid expenses	1,037	(782)
Inventory	(5,158)	(24,504)
Increase (decrease) in operating liabilities		
Accounts payable	741	(1,806)
Accrued withholdings	(3,402)	3,257
Accrued interest	(43)	414
Other current liabilities	(615)	2,055
Customer deposits	(1,359)	(9,375)
Net cash provided by operating activities	150,811	214,558
Cash flows from investing activities		
Short-term cash investments, net	(32,989)	(24,363)
Payments for property, plan and equipment (net)	(29,995)	(649,265)
Net cash provided by investing activities	(62,984)	(673,628)
Cash flows from financing activities		
Payments on long-term debt	(90,024)	(74,700)
Proceeds from long-term debt	-	555,000
Contributions in aid of construction	-	76,625
Tap-on fees received, net	20,510	26,942
Net cash provided by financing activities	(69,514)	583,867
Net increase (decrease) in cash and cash equivalents	18,313	124,797
Cash and cash equivalents beginning of year	538,048	413,251
Cash and cash equivalents end of year	$ 556,361	$ 538,048
Supplemental disclosures of cash flow information:		
Cash paid during the year for interest	$ 96,608	$ 86,990

See independent auditor's report and notes to financial statements.

Bronston Water Association, Inc.
Statement of Functional Expenses
For the year ended December 31, 2022

	Program	Management and General	Total Expenses
Water purchases	$ 244,304	$ -	$ 244,304
Water testing	5,441	-	5,441
Salaries and wages	92,106	39,474	131,580
Materials and supplies	91,611	-	91,611
Depreciation	290,404	-	290,404
Amortization	435	-	435
Directors' fees	-	8,200	8,200
Payroll taxes	7,008	3,003	10,011
Employee benefits	13,325	5,942	19,267
Professional services	1,250	12,650	13,900
Insurance	13,832	5,928	19,760
Utilities and telephone	6,901	2,958	9,859
Office expense and postage	18,295	7,841	26,136
Transportation	11,118	-	11,118
Other taxes and licenses	1,674	-	1,674
Bad debts expense	1,804	-	1,804
Merchant fees	12,156		12,156
Repairs and maintenance	34,285	-	34,285
Interest expense	96,565	-	96,565
Total functional expenses	$ 942,514	$ 85,996	$ 1,028,510

See independent auditor's report and notes to financial statements.

EXHIBIT G

Outstanding Mortgages

John Gover

USDA
Form RD 1927-1 KY
(Rev. 1-97)

Position 5

REAL ESTATE MORTGAGE FOR KENTUCKY

THIS MORTGAGE is made and entered into by Bronston Water Association, Inc.

residing in Pulaski County, Kentucky, whose post office address is P.O. Box 234, Bronston, Kentucky 42518, herein called "Borrower," and:

WHEREAS Borrower is indebted to the United States of America, acting through the United States Department of Agriculture, herein called the "Government," as evidenced by one or more promissory notes or assumption agreements or any shared appreciation or recapture agreement, herein called "note," which has been executed by Borrower, is payable to the order of the Government, authorizes acceleration of the entire indebtedness at the option of the Government upon any default by Borrower, and is described as follows:

Date of Instrument	*Principal Amount*	*Annual Rate of Interest*	*Due Date of Final Installment*
05/04/2017	$ 1,380,000.00	1.875%	05/04/2057
03/13/2014	$ 787,000.00	1.875%	03/13/2054
10/29/2010	$ 462,000.00	2.50 %	10/29/2050
02/20/2008	$ 850,000.00	4.125%	02/20/2048
07/30/2003	$ 418,000.00	4.25 %	07/30/2043
03/01/2000	$ 224,000.00	4.50 %	03/01/2040

(The interest rate for limited resource farm ownership or limited resource operating loans secured by this instrument may be increased as provided in the Government regulations or the note.)

And the note evidences a loan to Borrower, and the Government, at any time, may assign the note pursuant to the Consolidated Farm and Rural Development Act, Title V of the Housing Act of 1949 or any other statute administered by the Government;

And it is the purpose and intention of this instrument that, among other things, at all times when the note is held by the Government, or in the event the Government should assign this instrument, this instrument shall secure payment of the note;

And this instrument also secures the recapture of any interest credit or subsidy which may be granted to the Borrower by the Government pursuant to 42 U.S.C. §1490a, or any amounts due under any Shared Appreciation Agreement/Recapture Agreement entered into pursuant to 7 U.S.C. §2001.

NOW, THEREFORE, in consideration of the loans and (a) at all times when the note is held by the Government, or in the event the Government should assign this instrument, to secure prompt payment of the note and any renewals and extensions thereof and any agreements contained therein, including any provision and (b) in any event and at all times to secure the prompt payment of all advances and expenditures made by the Government, with interest, as hereinafter described, and the performance of every covenant and agreement of Borrower contained herein or in any supplementary agreement, Borrower does hereby sell, convey, and assign, with general warranty, unto the Government the following property situated in the State of Kentucky,

County or Counties of PULASKI -and - WAYNE COUNTY - EXHIBIT ("E") (SEE EXHIBIT "A," "B," "C," AND "D")

Return To: USDA/Rural Development
100 Fortress Properties Street, Suite #3
London, KY 40701

being the same (or part of the same) land conveyed*
together with all rights (including the rights to mining products, gravel, oil, gas, coal or other minerals), interests, easements, hereditaments and appurtenances thereunto belonging, the rents, issues and profits thereof and revenues and income therefrom, all improvements, all water, water rights, and water stock pertaining thereto, and all payments at any time owing to Borrower by virtue of any sale, lease, transfer, conveyance, or condemnation of any part thereof or interest there in all of which are herein called "the property"; All rents, profits and income from the property covered by this mortgagee are hereby assigned to the mortgagee for the purpose of discharging the debt hereby secured. Permission is hereby given to the mortgagor, so long as no default exist hereunder, to collect such rents, profits and income for use in accordance with regulations.

TO HAVE AND TO HOLD the property unto the Government and its assigns forever in fee simple.

BORROWER for Borrower's self, Borrower's heirs, executors, administrators, successors and assigns WARRANTS THE TITLE to the property to the Government against all lawful claims and demands whatsoever except any liens, encumbrances, easements, reservations, or conveyances specified hereinabove, and COVENANTS AND AGREES as follows:

(1) To pay promptly when due any indebtedness to the Government hereby secured less the Government against any loss under its insurance of payment of the note by reason of any default by Borrower.

(2) To pay to the Government such fees and other charges as may now or hereafter be required by Government regulations.

(3) If required by the Government, to make additional monthly payments of 1/12 of the estimated annual taxes, assessments, insurance premiums and other charges upon the mortgaged premises.

(4) The Government, may at any time pay any other amounts required herein to be paid by Borrower and not paid by Borrower when due, as well as any costs and expenses for the preservation, protection, or enforcement of this lien, as advances for the account of Borrower. All such advances shall bear interest at the rate borne by the note which has the highest interest rate.

(5) All advances by the Government as described in this instrument, with interest, shall be immediately due and payable by Borrower to the Government without demand at the place designated in the latest note and shall be secured hereby. No such advance by the Government shall relieve Borrower from breach of Borrower's covenant to pay. Any payment made by Borrower may be applied on the note or any indebtedness to the Government secured hereby, in any order the Government determines.

(6) To use the loan evidenced by the note solely for purposes authorized by the Government.

(7) To pay when due all taxes, liens, judgments encumbrances, and assessments lawfully attaching to or assessed against the property, including all charges and assessments in connection with water, water rights and water stock pertaining to or reasonably necessary to the use of the real property described above, and promptly deliver to the Government without demand receipts evidencing such payments.

(8) To keep the property insured as required by and under insurance policies approved by the Government and, at its request, to deliver such policies to the Government.

(9) To maintain improvements in good repair and make repairs required by the Government; operate the property in a good and husbandmanlike manner; comply with such farm conservation practices and farm and home management plans as the Government from time to time may prescribe, and not to abandon the property, or cause or permit waste, lessening or impairment of the security covered hereby, or without the written consent of the Government, cut, remove, or lease any timber, gravel, oil, gas, coal, or other minerals except as may be necessary for ordinary domestic purposes.

(10) To comply with all laws, ordinances, and regulations affecting the property.

(11) To pay or reimburse the Government for expenses reasonably necessary or incidental to the protection of the lien and priority hereof and to the enforcement of or the compliance with the provisions hereof and of the note and any supplementary agreement (whether before or after default), including but not limited to costs of evidence of title to and survey of the property, costs of recording this and other instruments attorneys' fees, trustees' fees, court costs, and expenses of advertising, selling, and conveying the property. Upon termination of this mortgage, after payment in full, the mortgagee, at the mortgagor's expense, shall execute and file or record such instruments of release, satisfaction and termination in proper form pursuant to the requirements contained in KRS 382.365.

(12) Except as otherwise provided by Government regulations, neither the property nor any portion thereof or interest therein shall be leased, assigned, sold transferred, or encumbered voluntarily or otherwise, without the written consent of the Government. The Government shall have the sole and exclusive rights as mortgagee hereunder, including but not limited to the power to grant consents, partial releases, subordinations, and satisfaction, and no insured holder shall have any right, title or interest in or the lien or any benefits hereof.

(13) At all reasonable times the Government and its agents may inspect the property to ascertain whether the covenants and agreements contained herein or in any supplementary agreement are being performed.

(14) The Government may (a) adjust the interest rate, payment, terms or balance due on the loan, (b) increase the mortgage by an amount equal to deferred interest on the outstanding principal balance, (c) extend or defer the maturity of, and renew and reschedule the payments on, the debt evidenced by the note or any indebtedness to the Government secured by this instrument, (d) release any party who is liable under the note or for the debt from liability to the Government, (e) release portions of the property and subordinate its lien and (f) waive any other of its rights under this instrument. Any and all this can and will be done without affecting the lien or the priority of this instrument or Borrower's or any other party's liability to the Government for payment of the note or debt secured by this instrument unless the Government says otherwise in writing. HOWEVER, any forbearance by the Government—whether once or often—in exercising any right or remedy under this instrument, or otherwise afforded by applicable law, shall not be a waiver of or preclude the exercise of any such right or remedy.

(15) If at any time it shall appear to the Government that Borrower may be able to obtain a loan from a production credit association, a Federal land bank, or other responsible cooperative or private credit source, at reasonable rates and terms for loans for similar purposes and periods of time, Borrower will, upon the Government's request, apply for and accept such loan in sufficient amount to pay the note and any indebtedness secured hereby and to pay for any stock necessary to be purchased in a cooperative lending agency in connection with such loan.

(16) Default hereunder shall constitute default under any other real estate, or under any personal property, or other security instrument held by the Government and executed or assumed by Borrower, and default under any such other security instrument shall constitute default hereunder.

(17) SHOULD DEFAULT occur in the performance or discharge of any obligation in this instrument or secured by this instrument, or should any one of the parties named as Borrower die or be declared an incompetent, or should any one of the parties named as Borrower be discharged in bankruptcy or declared an insolvent, or make an assignment for the benefit of creditors, the Government, at its option, with or without notice, may: (a) declare the entire amount unpaid under the note and any indebtedness to the Government hereby secured immediately due and payable, (b) for the account of Borrower incur and pay reasonable expenses for repair or maintenance of and take possession of, operate or rent the property, (c) upon application by it and production of this instrument, without other evidence and without notice of hearing of said application, have a receiver appointed for the property, with the usual powers of receivers in like cases, (d) foreclose this instrument as provided herein or by law, and (e) enforce any and all other rights and remedies provided herein or by present or future law.

(18) The proceeds of foreclosure sale shall be applied in the following order to the payment of: (a) costs and expenses incident to enforcing or complying with the provisions hereof, (b) any prior liens required by law or a competent court to be so paid, (c) the debt evidenced by the note and all indebtedness to the Government secured hereby, (d) inferior liens of record required by law or a competent court to be so paid, (e) at the Government's option, any other indebtedness of Borrower owing to the Government, and (f) any balance to Borrower. At foreclosure or other sale of all or any part of the property, the Government and its agents may bid and purchase as a stranger and may pay the Government's share of the purchase price by crediting such amount on any debts of Borrower owing to the Government, in the order prescribed above.

(19) Borrower agrees that the Government will not be bound by any present or future State laws, (a) providing for valuation, appraisal, homestead or exemption of the property, (b) prohibiting maintenance of an action for a deficiency judgment or limiting the amount thereof or the time within which such action may be brought, (c) prescribing any other statute of limitations, (d) allowing any right of redemption or possession following any foreclosure sale, or (e) limiting the conditions which the Government may by regulation impose, including the interest rate it may charge, as a condition of approving a transfer of the property to a new Borrower. Borrower expressly waives the benefit of any such State law. Borrower hereby relinquishes, waives, and conveys all rights, inchoate or consummate, of descent, dower, and curtesy.

(20) If any part of the loan for which this instrument is given shall be used to finance the purchase, construction or repair of property to be used as an owner-occupied dwelling (herein called "the dwelling") and if Borrower intends to sell or rent the dwelling and has obtained the Government's consent to do so (a) neither Borrower nor anyone authorized to act for Borrower will, after receipt of a bona fide offer, refuse to negotiate for the sale or rental of the dwelling or will otherwise make unavailable or deny the dwelling to anyone because of race, color, religion, sex, handicap, familial status, age or national origin, and (b) Borrower recognizes as illegal and hereby disclaims, and will not comply with or attempt to enforce any restrictive covenants on the dwelling relating to race, color, religion, sex, handicap, familial status, age or national origin.

(21) Borrower further agrees that the loans secured by this instrument will be in default should any loan proceeds be used for a purpose that will contribute to excessive erosion of highly erodible land or to the conversion of wetlands to produce an agricultural commodity, as prohibited by 7 C.F.R. part 1940, subpart G.

(22) This instrument shall be subject to the present Government regulations and to its future regulations not inconsistent with the express provisions hereof.

(23) Notices given hereunder shall be sent by certified mail, unless otherwise required by law, and addressed, unless and until some other address is designated in a notice so given, in the case of the Government to, 100 Fortress Properties St., Suite 3
London, KY 40741 and in the case of Borrower to the address shown in the Government's Finance Office records (which normally will be the same as the post office shown above).

(24) If any provision of this instrument or application thereof to any person or circumstances is held invalid, such invalidity will not affect other provisions or applications of the instrument which can be given effect without the invalid provision or application, and to that end the provisions hereof are declared to be severable.

Given under the hands and seals of Borrower this 4th day of May, ~~19~~ 2017

Carter Stewart, President (SEAL)

Eric Keith, Secretary (SEAL)

STATE OF KENTUCKY
COUNTY OF Pulaski } ss:

Before me, _____, a Notary Public in and for the County of Pulaski personally appeared Carter Stewart and Eric Keith and _____, his wife, who acknowledged that they executed the foregoing instrument on the 4th day of May, ~~19~~ 2017, as their free act and deed.

WITNESS my hand and official seal this 4th day of May, ~~19~~ 2017.

(SEAL)
My commission expires: _____

Notary Public

PREPARER'S STATEMENT

The form of this instrument was drafted by the Office of the General Counsel of the United States Department of Agriculture, and the material in the blank spaces in the form was inserted by or under the direction of

Winter Huff, Attorney
(name),
P.O. Box 627, Monticello, KY 42633
(address)

(Signature)

RECORDER'S SIGNATURE

STATE OF KENTUCKY
COUNTY OF Pulaski } ss:

I, _____, Clerk of the County Court for the County aforesaid, do certify that the foregoing mortgage was on the _____ day of _____, 19___, lodged for record at ____o'clock ____ M., whereupon the same, with the foregoing and this certificate, have been duly recorded in my office.

Given under my hand this _____ day of _____, 19___.

Clerk of *County Court*
By _____, D.C.

☆ U.S. GOVERNMENT PRINTING OFFICE: 1997—661-496

EXHIBIT "A"

A certain tract or parcel of land, lying and being in Pulaski County, Kentucky, in the community of Bronston, and being more fully bounded and described as follows, to-wit:

Beginning at the easternmost corner of the Site, said point being S 86° 02' 17" W, 1,164.95 feet from a 15 inch sycamore and fence corner, said point being on the West side of Quinton Road (Kentucky Highway No. 790), said point also being a corner in the east line of Dean Stewart; thence with the northeast line of the Site, N 35° 24' 50" W, 125.0 feet to the northernmost corner of the Site; thence with the northwest line of the Site S 54° 35' 10" W, 125.00 feet to the westernmost corner of the Site; thence with the southwest line of the Site S 35° 24' 50" E, 125.0 feet to the southernmost corner of the Site, thence with the southeast line of the Site N 54° 35' 10" E, 125.0 feet to the beginning, containing 15.625 square feet or 0.359 acres.

Being the same property conveyed to Bronston Water Association, Incorporated, by deed dated July 21, 1980, from R. Dean Stewart and Carolyn F. Stewart, his wife, of record in Deed Book 409, Page 658, of record in Pulaski County Clerk's Office, Kentucky.

EXHIBIT "B"

TRACT ONE:

A certain tract or parcel of land lying and being in Pulaski County, Kentucky on the waters of the Big South Fork of the Cumberland River (Lake Cumberland). Approximately 1,500 feet north of the intersection of the Ader-Holt Road and the Echo Point Road.

All steel pins called for are 5/8 inch x 24" rebar with yellow plastic caps marked L.S. 2495, which were set this survey.

Beginning at steel pin which is the southwest corner of the herein described lot, said pin being located at North 36° 55' 28.4" latitude, West 084° 36' 59.9" longitude, and also being located North 81° 21' 37" East, 401.73 feet from an existing one inch steel pipe which was identified by John Palmer (Deed Book 481, Page 379) as being a common corner with the James K. Felkins property, and also being located South 08° 32' 28" East, 949.16 feet from an existing ½ inch rebar which was also identified by said Palmer as a common corner to the said Felkins property; thence from the point of beginning severing through the Felkins property North 03° 06' 43" East, 100.00 feet to a steel pin; thence South 86° 56' 05" East, 100.00 feet to a steel pin; thence South 03° 06' 43" West, 100.00 feet to a steel pin; thence North 86° 56' 05" West, 100.00 feet to the beginning. Containing 0.23 acres.

There is also herein conveyed an easement which is more particularly described as follows:

A permanent easement thirty feet (30) in total width, fifteen feet (15) either side of a centerline described as follows:

Beginning at a point in the western boundary of the James K. Felkins property which is common to the John Palmer property (Deed Book 481, Page 379), said point being located North 14° 23' 04" East, 610.50 feet from an existing one inch steel pipe which is a common corner to the said properties, and also being located South 14° 23' 04" West, 420.13 feet from an existing ½ inch rebar which is also a common corner to the said properties; thence South 88° 43' 36" East, 11.72 feet to a point; thence South 81° 35' 39" East, 90.46 feet to a point; thence South 41° 36' 46" East, 88.59 feet to a point; thence South 14° 57' 04" East, 204.48 feet to a point; thence South 33° 03' 39" East, 131.34 feet to a point; thence South 37° 00' 29" East, 36.30 feet to a point; thence South 06° 54' 31" West, 17.80 feet to a point

There is also herein conveyed an easement which is more particularly described as follows:

A permanent easement thirty feet (30) in total width, fifteen feet (15) either side of a centerline described as follows:

Beginning at a point in the western right-of-way of Ader-Holt Road and in the center of the private road running through the Palmer property, said point also being located North 74° 09' 40" East, 15.00 feet from a P.K. nail at the intersection of the centerlines of the said roads; thence along the said private road as it meanders the following courses and distances: North 62° 50' 11" East, 18.93 feet to a point in the center of said road; thence North 37° 34' 59" East, 16.16 feet to a point in the center of said road; thence North 22° 21' 17" East, 21.15 feet to a point in the center of said road; thence North 25° 06' 14" East, 36.82 feet to a point in the center of said road; thence North 49° 44' 26" East, 49.07 feet to a point in the center of said road; thence North 69° 09' 57" East 49.24 feet to a point in the center of said road; thence North 57° 32' 03" East, 27.14 feet to a point in the center of said road; thence North 41° 07' 15" East, 109.08 feet to a point in the center of said road; thence North 49° 12' 25" East, 69.51 feet to a point in the center of said road; thence North 58° 57' 33" East, 110.82 feet to a point in the center of said road; thence North 52° 13' 56" East, 69.15 feet to a point in the center of said road; thence North 42° 10' 23" East, 58.83 feet to a point in the center of said road; thence North 13° 02' 11" East, 52.46 feet to a point in the center of said road; thence North 09° 47' 28" East, 86.09 feet to a point in the center of said road; thence North 29° 40' 50" East, 117.06 feet to a point in the center of said road; thence North 35° 18' 53" East, 66.55 feet to a point in the center of said road; thence North 51° 53' 09" East, 55.19 feet to a point in the center of said road; thence North 62° 18' 12" East, 99.33 feet to a point at the edge of said road; thence leaving said road North 73° 39' 57" East, 85.27 feet to a point; thence North 67° 42' 52" East, 94.84 feet to a point; thence South 88° 43' 36" East, 69.03 feet to a point in the eastern boundary line of the Palmer property, said point being located North 14° 23' 04" East, 610.50 feet from an existing 1 inch steel pipe identified by John Palmer as a corner to the Palmer property and the James K. Felkins property (Deed Book 571, Page 91), and also being located South 14° 23' 04" West, 420.18 feet from an existing ½ inch rebar which was also identified by John Palmer as a corner to the aforementioned parties.

Being the same conveyed unto the borrower by Deed dated the 3rd day of January, 2003, of record in Deed Book 712, Page 23, Pulaski County Court Clerk's Office, Kentucky.

EXHIBIT "C"

A certain parcel or tract of land, lying and being in Pulaski County, Kentucky, located on new Kentucky Route #90, and more particularly described as follows:

Beginning at southwest corner of the tank site, said corner being located S 20 deg. 51' E, 2,340 feet from the common corner of John Gover, Richard Weaver and the south right-of-way line of Kentucky Route 90; thence N 03 deg. 57' W, 100 feet; thence N 86 deg. 03' E, 100 feet; thence S 03 deg. 57' E, 100 feet, thence S 86 deg. 03' W, 100 feet to the beginning, containing .23 acres. Said tank site being a portion of the Roy K. Gover estate with right to ingress and egress over adjacent property.

Being the same property conveyed to Bronston Water Association, Incorporated by Deed of Conveyance from Pauline Gover, widow, et al, dated March 24, 1971, of record in Deed Book 314, Page 159, Pulaski County Court Clerk's Office, Kentucky.

and

A certain access road being 16 feet in width granted to Bronston Water Association by John K. Gover and Ruth Gover, his wife, by Easement dated March 15, 1971, of record in Deed Book 314, Page 191, Pulaski County Court Clerk's Office, Kentucky, and the centerline described as follows,

Beginning at the intersection of the existing County Road and the Richard Weaver south property line; thence S 25 deg. 47' E 130 feet; S 18 deg. 27' E 60 feet; S 20 deg. 29' E 101 feet; S 25 deg. 46' E 422 feet; S 23 deg. 35' E 164 feet; S 66 deg. 25' W 250 feet; S 49 deg. 30' W 92 feet; S 76 deg. 28' W 115 feet; N 71 deg. 19' W 132 feet; N 81 deg. 32' W 32 feet to the Roy K. Gover Heirs' property line.

Being the same easement conveyed to Bronston Water Association, Incorporated by John K. Gover and Ruth Gover, his wife, dated March 15, 1971, of record in Deed Book 314, Page 191, Pulaski County Court Clerk's Office, Kentucky.

STATE OF KENTUCKY, COUNTY OF PULASKI, SCT
I, RALPH TROXTELL, CLERK OF PULASKI COUNTY, D
CERTIFY THAT THE FOREGOING INSTRUMENT WAS O
THE 13 DAY OF March 2014 AT 3:17 PM LODGE
FOR RECORD AND THAT IT HAS BEEN DULY RECORDE
IN MY SAID OFFICE TOGETHER WITH THIS AND TH
CERTIFICATE THEREON ENDORSED. GIVEN UNDER M
HAND THIS 13 DAY OF March 2014
BOOK 1399 PAGE 268
ATTEST: RALPH TROXTELL, CLERK
BY [signature] D.C.

Exhibit "D"

A certain tract or parcel of land, in Pulaski County, Kentucky, located on the South side of John Gover Lane approx. 0.7 miles southwest of Kentucky Hwy. 90 and John Gover Lane Intersection, being more particularly described as follows:

Unless stated otherwise any monument referred to herein as "pin and cap" is a set 5/8" diameter steel rebar, eighteen (18") inches in length, with an Orange plastic cap stamped "A.G.T. PLS 3630", any monument referred to as "magnail" is set a magnetic P/K nail (1.5") in length with Aluminum washer stamped PLS 3630, any monument referred to as "reference monument" is set a 5/8" diameter steel rebar, eighteen (18") inches in length, with a Yellow plastic cap stamped " A.G.T. PLS 3630 REF. MONUMENT" All bearings and distances stated herein were correlated to Grid North KY SPC Single Zone.

Beginning on a "pin and cap" on the south side of John Gover Lane 15' from center, a new corner the lands retained by the Grantor, said pin having a Kentucky State Plane South Coordinate of N: 3,516,083.516, E: 5,241,782.004.

Thence with said lands retained by the Grantor the following five (5) calls:
1) **S 25°20'07" E, 112.93'** to a (existing) RR Spike in the center of asphalt lane leading to Cell Tower;
2) **S 08°12'06" W, 83.34'** to a "magnail" in the center of asphalt lane leading to Cell Tower;
3) **S 77°55'28" W, 101.33'** to a "pin and cap";
4) **S 60°46'12" W, 95.37'** to a "pin and cap";
5) **N 17°11'30" W, 215.21'** to a (found) 2.5" Galv. post, corner to Danny W. Gibson (Deed Book 469, page 494) and Bronston Water (Deed Book 314, page 159);

Thence with said Bronston Water the following two (2) calls:
1) **N 83°51'51" E, 100.08'** to a "pin and cap";
2) **N 06°16'37" W, 31.58'** to a "pin and cap" on the south side of John Gover Lane;

Thence with the south side of John Gover Lane the following four (4) calls:
1) **N 78°35'28" E, 57.39'** to a "pin and cap";
2) **N 78°19'18" E, 12.90';**
3) **S 87°02'11" E, 7.47';**
4) **S 76°26'42" E, 38.13'** to the point of Beginning;

Said tract being 43,493 square feet or **1.00 acres**, as surveyed under the direct supervision of Anthony Thompson, PLS 3630, with AGT Land Surveying, field work completed on 06-09-16. The land described herein being a part of the land described in a Deed to Bronston Water Association, Incorporated, from Anthony G. Thompson, Dated August 10, 2016 of record in Deed Book 949, page 462 in the Pulaski County Court Clerk's office in Somerset, Kentucky.

Exhibit "E"

642

TRACT I

A certain tract or parcel of land lying and being in the community of Kidder, Wayne County, Kentucky, and being more particularly bounded and described as follows:

Beginning at the point, said point being located 550 feet north and along the Commonwealth of Kentucky Highway 790 Right-of-Way, from the southwest corner of the Grantors property, and also the Highway 790 Right-of-Way; thence a square, 15 feet by 15 feet, with the western boundary being common with the Highway 790 Right-of-Way. Each corner being marked with a steel post.

Being the same property conveyed to Mortgagor herein by Deed dated the 11th day of September, 1999, of record in Deed Book 276, page 197, Wayne County Court Clerk's Office, Kentucky.

TRACT II

Beginning at the northwest corner of the Lessor, Monticello Houseboats, Inc., said corner being along the Commonwealth of Kentucky Highway 90 right-of-way and marked by a concrete monument right-of-way, thence with the northern boundary of the Lessor and along the Highway 90 right-of-way north 66 degrees 23 minutes east a distance of 30.0 feet to a steel post, thence, south 23 degrees 37 minutes east a distance of 30.0 feet to a steel post, thence, south 66 degrees 23 minutes west a distance of 33.2 feet to a steel post, thence, with the western boundary north 17 degrees 10 minutes west a distance of 30.2 feet to the point of beginning.

Together with the right to use such additional land on either side of the above-described premises during the construction of a pump station, or as necessary for repairs and reconstruction, along with the right of ingress and egress to and upon and along said tract of land at such times and at such points as may be reasonably necessary for the construction, maintenance, repairs, and reconstruction if necessary
of said pump station.

As further consideration for this lease, the Lessee does agree that the Lessee shall require the contractor to clean up in and around the pump station site after construction to the satisfaction of the Lessor, or, if the contractor fails to do so, then the Lessee shall be responsible for clean up of the site to Lessor's reasonable requirements. Also, Lessee agrees that it shall cause a 20 foot water line and valve to be installed along Lessor's property for the purpose of future connection to the system, which said water line shall be the same size as the main line.

IT IS AGREED AND UNDERSTOOD that Lessee shall place no appurtenances which extend over 36 inches above ground level (with the exception of necessary electrical services) on the above-described property.

Being the same property LEASED to Mortgagor herein by Lease dated the 4th day of October, 1999, of record in Lease Book 78, page 412, Wayne County Court Clerk's Office, Kentucky.

c:\mydocs\bronstoo\tract_descrip.wpd

607

EXHIBIT "B"

TRACT I

A certain tract or parcel of land lying and being in the community of Kidder, Wayne County, Kentucky, and being more particularly bounded and described as follows:

Beginning at the point, said point being located 550 feet north and along the Commonwealth of Kentucky Highway 790 Right-of-Way, from the southwest corner of the Grantors property, and also the Highway 790 Right-of-Way; thence a square, 15 feet by 15 feet, with the western boundary being common with the Highway 790 Right-of-Way. Each corner being marked with a steel post.

Being the same property conveyed to Mortgagor herein by Deed dated the 11th day of September, 1999, of record in Deed Book 276, page 197, Wayne County Court Clerk's Office, Kentucky.

TRACT II

Beginning at the northwest corner of the Lessor, Monticello Houseboats, Inc., said corner being along the Commonwealth of Kentucky Highway 90 right-of-way and marked by a concrete monument right-of-way, thence with the northern boundary of the Lessor and along the Highway 90 right-of-way north 66 degrees 23 minutes east a distance of 30.0 feet to a steel post, thence, south 23 degrees 37 minutes east a distance of 30.0 feet to a steel post, thence, south 66 degrees 23 minutes west a distance of 33.2 feet to a steel post, thence, with the western boundary north 17 degrees 10 minutes west a distance of 30.2 feet to the point of beginning.

Together with the right to use such additional land on either side of the above-described premises during the construction of a pump station, or as necessary for repairs and reconstruction, along with the right of ingress and egress to and upon and along said tract of land at such times and at such points as may be reasonably necessary for the construction, maintenance, repairs, and reconstruction if necessary
of said pump station.

As further consideration for this lease, the Lessee does agree that the Lessee shall require the contractor to clean up in and around the pump station site after construction to the satisfaction of the Lessor, or, if the contractor fails to do so, then the Lessee shall be responsible for clean up of the site to Lessor's reasonable requirements. Also, Lessee agrees that it shall cause a 20 foot water line and valve to be installed along Lessor's property for the purpose of future connection to the system, which said water line shall be the same size as the main line.

IT IS AGREED AND UNDERSTOOD that Lessee shall place no appurtenances which extend over 36 inches above ground level (with the exception of necessary electrical services) on the above-described property.

Being the same property LEASED to Mortgagor herein by Lease dated the 4th day of October, 1999, of record in Lease Book 78, page 412, Wayne County Court Clerk's Office, Kentucky.

c:\wydoss\lawsuit\tract_dscrip.wpd

STATE OF KENTUCKY §
COUNTY OF WAYNE

I, Carol Jones, Clerk of the Wayne County Court, certify that on the 1 day of [illegible] the foregoing MTG

Aderhoet

BOOK 1252 PAGE 311

USDA
Form RD 1927-1 KY
(Rev. 1-97)

312511

Position 5

BOOK 348 PAGE 525 (10)

108543

REAL ESTATE MORTGAGE FOR KENTUCKY

THIS MORTGAGE is made and entered into by Bronston Water Association, Inc.

residing in Pulaski County, Kentucky, whose post office address is P.O. Box 234, Bronston, Kentucky 42518, herein called "Borrower," and:

WHEREAS Borrower is indebted to the United States of America, acting through the United States Department of Agriculture, herein called the "Government," as evidenced by one or more promissory notes or assumption agreements or any shared appreciation or recapture agreement, herein called "note," which has been executed by Borrower, is payable to the order of the Government, authorizes acceleration of the entire indebtedness at the option of the Government upon any default by Borrower, and is described as follows:

Date of Instrument	*Principal Amount*	*Annual Rate of Interest*	*Due Date of Final Installment*
10/29/2010	$462,000.00	2.5%	10/29/2050
02/20/2008	$850,000.00	4.125%	02/20/2048
07/30/2003	$418,000.00	4.25%	07/30/2043
03/01/2000	$224,000.00	4.50%	03/01/2040

FILED
'10 OCT 29 P3:18
PULASKI CIRCUIT CLERK

(The interest rate for limited resource farm ownership or limited resource operating loans secured by this instrument may be increased as provided in the Government regulations or the note.)

And the note evidences a loan to Borrower, and the Government, at any time, may assign the note pursuant to the Consolidated Farm and Rural Development Act, Title V of the Housing Act of 1949 or any other statute administered by the Government;

And it is the purpose and intention of this instrument that, among other things, at all times when the note is held by the Government, or in the event the Government should assign this instrument, this instrument shall secure payment of the note;

And this instrument also secures the recapture of any interest credit or subsidy which may be granted to the Borrower by the Government pursuant to 42 U.S.C. §1490a, or any amounts due under any Shared Appreciation Agreement/Recapture Agreement entered into pursuant to 7 U.S.C. §2001.

NOW, THEREFORE, in consideration of the loans and (a) at all times when the note is held by the Government, or in the event the Government should assign this instrument, to secure prompt payment of the note and any renewals and extensions thereof and any agreements contained therein, including any provision and (b) in any event and at all times to secure the prompt payment of all advances and expenditures made by the Government, with interest, as hereinafter described, and the performance of every covenant and agreement of Borrower contained herein or in any supplementary agreement, Borrower does hereby sell, convey, and assign, with general warranty, unto the Government the following property situated in the State of Kentucky,

County or Counties of Pulaski (see Exhibit A) attached; Wayne (see Exhibit B) attached

RETURN TO:
USDA/RD
100 Nami Plaza, Suite 3
London, KY 40741

being the same (or part of the same) land conveyed* See Exhibit "A" and Exhibit "B"
together with all rights (including the rights to mining products, gravel, oil, gas, coal or other minerals), interests, easements, hereditaments and appurtenances thereunto belonging, the rents, issues and profits thereof and revenues and income therefrom, all improvements, all water, water rights, and water stock pertaining thereto, and all payments at any time owing to Borrower by virtue of any sale, lease, transfer, conveyance, or condemnation of any part thereof or interest there in all of which are herein called "the property"; All rents, profits and income from the property covered by this mortgagee are hereby assigned to the mortgagee for the purpose of discharging the debt hereby secured. Permission is hereby given to the mortgagor, so long as no default exist hereunder, to collect such rents, profits and income for use in accordance with regulations.

TO HAVE AND TO HOLD the property unto the Government and its assigns forever in fee simple.

BORROWER for Borrower's self, Borrower's heirs, executors, administrators, successors and assigns WARRANTS THE TITLE to the property to the Government against all lawful claims and demands whatsoever except any liens, encumbrances, easements, reservations, or conveyances specified hereinabove, and COVENANTS AND AGREES as follows:

(1) To pay promptly when due any indebtedness to the Government hereby secured less the Government against any loss under its insurance of payment of the note by reason of any default by Borrower.

(2) To pay to the Government such fees and other charges as may now or hereafter be required by Government regulations.

(3) If required by the Government, to make additional monthly payments of 1/12 of the estimated annual taxes, assessments, insurance premiums and other charges upon the mortgaged premises.

(4) The Government, may at any time pay any other amounts required herein to be paid by Borrower and not paid by Borrower when due, as well as any costs and expenses for the preservation, protection, or enforcement of this lien, as advances for the account of Borrower. All such advances shall bear interest at the rate borne by the note which has the highest interest rate.

(5) All advances by the Government as described in this instrument, with interest, shall be immediately due and payable by Borrower to the Government without demand at the place designated in the latest note and shall be secured hereby. No such advance by the Government shall relieve Borrower from breach of Borrower's covenant to pay. Any payment made by Borrower may be applied on the note or any indebtedness to the Government secured hereby, in any order the Government determines.

(6) To use the loan evidenced by the note solely for purposes authorized by the Government.

(7) To pay when due all taxes, liens, judgments encumbrances, and assessments lawfully attaching to or assessed against the property, including all charges and assessments in connection with water, water rights and water stock pertaining to or reasonably necessary to the use of the real property described above, and promptly deliver to the Government without demand receipts evidencing such payments.

(8) To keep the property insured as required by and under insurance policies approved by the Government and, at its request, to deliver such policies to the Government.

(9) To maintain improvements in good repair and make repairs required by the Government; operate the property in a good and husbandmanlike manner; comply with such farm conservation practices and farm and home management plans as the Government from time to time may prescribe, and not to abandon the property, or cause or permit waste, lessening or impairment of the security covered hereby, or without the written consent of the Government, cut, remove, or lease any timber, gravel, oil, gas, coal, or other minerals except as may be necessary for ordinary domestic purposes.

(10) To comply with all laws, ordinances, and regulations affecting the property.

(11) To pay or reimburse the Government for expenses reasonably necessary or incidental to the protection of the lien and priority hereof and to the enforcement of or the compliance with the provisions hereof and of the note and any supplementary agreement (whether before or after default), including but not limited to costs of evidence of title to and survey of the property, costs of recording this and other instruments attorneys' fees, trustees' fees, court costs, and expenses of advertising, selling, and conveying the property. Upon termination of this mortgage, after payment in full, the mortgagee, at the mortgagor's expense, shall execute and file or record such instruments of release, satisfaction and termination in proper form pursuant to the requirements contained in KRS 382.365.

(12) Except as otherwise provided by Government regulations, neither the property nor any portion thereof or interest therein shall be leased, assigned, sold transferred, or encumbered voluntarily or otherwise, without the written consent of the Government. The Government shall have the sole and exclusive rights as mortgagee hereunder, including but not limited to the power to grant consents, partial releases, subordinations, and satisfaction, and no insured holder shall have any right, title or interest in or the lien or any benefits hereof.

(13) At all reasonable times the Government and its agents may inspect the property to ascertain whether the covenants and agreements contained herein or in any supplementary agreement are being performed.

(14) The Government may (a) adjust the interest rate, payment, terms or balance due on the loan, (b) increase the mortgage by an amount equal to deferred interest on the outstanding principal balance, (c) extend or defer the maturity of, and renew and reschedule the payments on, the debt evidenced by the note or any indebtedness to the Government secured by this instrument, (d) release any party who is liable under the note or for the debt from liability to the Government, (e) release portions of the property and subordinate its lien and (f) waive any other of its rights under this instrument. Any and all this can and will be done without affecting the lien or the priority of this instrument or Borrower's or any other party's liability to the Government for payment of the note or debt secured by this instrument unless the Government says otherwise in writing. HOWEVER, any forbearance by the Government—whether once or often—in exercising any right or remedy under this instrument, or otherwise afforded by applicable law, shall not be a waiver of or preclude the exercise of any such right or remedy.

(15) If at any time it shall appear to the Government that Borrower may be able to obtain a loan from a production credit association, a Federal land bank, or other responsible cooperative or private credit source, at reasonable rates and terms for loans for similar purposes and periods of time, Borrower will, upon the Government's request, apply for and accept such loan in sufficient amount to pay the note and any indebtedness secured hereby and to pay for any stock necessary to be purchased in a cooperative lending agency in connection with such loan.

(16) Default hereunder shall constitute default under any other real estate, or under any personal property, or other security instrument held by the Government and executed or assumed by Borrower, and default under any such other security instrument shall constitute default hereunder.

(17) SHOULD DEFAULT occur in the performance or discharge of any obligation in this instrument or secured by this instrument, or should any one of the parties named as Borrower die or be declared an incompetent, or should any one of the parties named as Borrower be discharged in bankruptcy or declared an insolvent, or make an assignment for the benefit of creditors, the Government, at its option, with or without notice, may: (a) declare the entire amount unpaid under the note and any indebtedness to the Government hereby secured immediately due and payable, (b) for the account of Borrower incur and pay reasonable expenses for repair or maintenance of and take possession of, operate or rent the property, (c) upon application by it and production of this instrument, without other evidence and without notice of hearing of said application, have a receiver appointed for the property, with the usual powers of receivers in like cases, (d) foreclose this instrument as provided herein or by law, and (e) enforce any and all other rights and remedies provided herein or by present or future law.

(18) The proceeds of foreclosure sale shall be applied in the following order to the payment of: (a) costs and expenses incident to enforcing or complying with the provisions hereof, (b) any prior liens required by law or a competent court to be so paid, (c) the debt evidenced by the note and all indebtedness to the Government secured hereby, (d) inferior liens of record required by law or a competent court to be so paid, (e) at the Government's option, any other indebtedness of Borrower owing to the Government, and (f) any balance to Borrower. At foreclosure or other sale of all or any part of the property, the Government and its agents may bid and purchase as a stranger and may pay the Government's share of the purchase price by crediting such amount on any debts of Borrower owing to the Government, in the order prescribed above.

(19) Borrower agrees that the Government will not be bound by any present or future State laws, (a) providing for valuation, appraisal, homestead or exemption of the property, (b) prohibiting maintenance of an action for a deficiency judgment or limiting the amount thereof or the time within which such action may be brought, (c) prescribing any other statute of limitations, (d) allowing any right of redemption or possession following any foreclosure sale, or (e) limiting the conditions which the Government may by regulation impose, including the interest rate it may charge, as a condition of approving a transfer of the property to a new Borrower. Borrower expressly waives the benefit of any such State law. Borrower hereby relinquishes, waives, and conveys all rights, inchoate or consummate, of descent, dower, and curtesy.

(20) If any part of the loan for which this instrument is given shall be used to finance the purchase, construction or repair of property to be used as an owner-occupied dwelling (herein called "the dwelling") and if Borrower intends to sell or rent the dwelling and has obtained the Government's consent to do so (a) neither Borrower nor anyone authorized to act for Borrower will, after receipt of a bona fide offer, refuse to negotiate for the sale or rental of the dwelling or will otherwise make unavailable or deny the dwelling to anyone because of race, color, religion, sex, handicap, familial status, age or national origin, and (b) Borrower recognizes as illegal and hereby disclaims, and will not comply with or attempt to enforce any restrictive covenants on the dwelling relating to race, color, religion, sex, handicap, familial status, age or national origin.

(21) Borrower further agrees that the loans secured by this instrument will be in default should any loan proceeds be used for a purpose that will contribute to excessive erosion of highly erodible land or to the conversion of wetlands to produce an agricultural commodity, as prohibited by 7 C.F.R. part 1940, subpart G.

(22) This instrument shall be subject to the present Government regulations and to its future regulations not inconsistent with the express provisions hereof.

(23) Notices given hereunder shall be sent by certified mail, unless otherwise required by law, and addressed, unless and until some other address is designated in a notice so given, in the case of the Government to, 100 Nami Plaza, Ste. 3, London, KY 40741 and in the case of Borrower to the address shown in the Government's Finance Office records (which normally will be the same as the post office shown above).

(24) If any provision of this instrument or application thereof to any person or circumstances is held invalid, such invalidity will not affect other provisions or applications of the instrument which can be given effect without the invalid provision or application, and to that end the provisions hereof are declared to be severable.

Given under the hands and seals of Borrower this 29th day of October, ~~19~~ XX2010.

Charles W Cassada (SEAL)

Eric Keith (SEAL)

STATE OF KENTUCKY }ss:

COUNTY OF Pulaski

Before me, Victoria Ramsey, a Notary Public in and for the County of Pulaski personally appeared Charles W Cassada and Eric Keith and Bronston Water Association, Inc., ~~XXXXX~~, who acknowledged that they executed the foregoing instrument on the 29th day of October, ~~19~~ XX2010, as their free act and deed.

WITNESS my hand and official seal this 29th day of October, ~~19~~ XX2010

Victoria Ramsey
Notary Public

(SEAL)
My commission expires: 12/17/13

PREPARER'S STATEMENT

The form of this instrument was drafted by the Office of the General Counsel of the United States Department of Agriculture, and the material in the blank spaces in the form was inserted by or under the direction of

Winter R. Huff
(name),
Law Offices of John G. Prather, P.O. Box 616, Somerset, KY 42502-0616
(address)

(Signature)

RECORDER'S SIGNATURE

STATE OF KENTUCKY }ss:

COUNTY OF Pulaski

I, _____, Clerk of the County Court for the County aforesaid, do certify that the foregoing mortgage was on the _____ day of _____, 19___, lodged for record at _____o'clock _____ M., whereupon the same, with the foregoing and this certificate, have been duly recorded in my office.

Given under my hand this _____ day of _____, 19___.

Clerk of *County Court*

By _____, D.C.

☆ U.S. GOVERNMENT PRINTING OFFICE: 1997—551-495

EXHIBIT "A"

TRACT ONE:

A certain tract or parcel of land lying and being in Pulaski County, Kentucky on the waters of the Big South Fork of the Cumberland River (Lake Cumberland). Approximately 1,500 feet north of the intersection of the Ader-Holt Road and the Echo Point Road.

All steel pins called for are 5/8 inch x 24" rebar with yellow plastic caps marked L.S. 2495, which were set this survey.

Beginning at steel pin which is the southwest corner of the herein described lot, said pin being located at North 36° 55' 28.4" latitude, West 084° 36' 59.9" longitude, and also being located North 81° 21' 37" East, 401.73 feet from an existing one inch steel pipe which was identified by John Palmer (Deed Book 481, Page 379) as being a common corner with the James K. Felkins property, and also being located South 08° 32' 28" East, 949.16 feet from an existing ½ inch rebar which was also identified by said Palmer as a common corner to the said Felkins property; thence from the point of beginning severing through the Felkins property North 03° 06' 43" East, 100.00 feet to steel pin; thence South 86° 56' 05" East, 100.00 feet to a steel pin; thence South 03° 06' 43" West, 100.00 feet to a steel pin; thence North 86° 56' 05" West, 100.00 feet to the beginning. Containing 0.23 acres.

There is also herein conveyed an easement which is more particularly described as follows:

A permanent easement thirty feet (30) in total width, fifteen feet (15) either side of a centerline described as follows:

Beginning at a point in the western boundary of the James K. Felkins property which is common to the John Palmer property (Deed Book 481, Page 379), said point being located North 14° 23' 04" East, 610.50 feet from an existing one inch steel pipe which is a common corner to the said properties, and also being located South 14° 23' 04" West, 420.13 feet from an existing ½ inch rebar which is also a common corner to the said properties; thence South 88° 43' 36" East, 11.72 feet to a point; thence South 81° 35' 39" East, 90.46 feet to a point; thence South 41° 36' 46" East, 88.59 feet to a point; thence South 14° 57' 04" East, 204.48 feet to a point; thence South 33° 03' 39" East, 131.34 feet to a point; thence South 37° 00' 29" East, 36.30 feet to a point; thence South 06° 54' 31" West, 17.80 feet to a point

in the northern boundary of the above described lot, said point being located North 86° 56' 05" West, 46.71 feet from the northeast corner of said lot and South 86° 56' 05" East, 53.29 feet from the northwest corner of said lot.

The above descriptions were prepared from a physical survey performed by Davis Engineering, Inc. under the direct supervision of James H. Davis, L.P.L.S. 2495, during July, 2002.

Being the same conveyed unto borrower by Deed dated the 17th day of November, 2002, of record in Deed Book 712, Page 19, Pulaski County Court Clerk's Office, Kentucky.

TRACT TWO:

A certain tract or parcel of land lying and being in Pulaski County, Kentucky on the waters of the Big South Fork of the Cumberland River (Lake Cumberland). Approximately 1,500 feet northwest of the intersection of the Ader-Holt Road and the Echo Point Road, and more particularly described as follows:

All steel pins called for are 5/8 inch x 24 inch rebar with yellow plastic caps marked L.S. 2495, which were set this survey. All bearings stated herein are based on the magnetic meridian as observed along a traverse line on the south side of the property during November of 2002.

Beginning at steel pin in the northern line of a proposed thirty (30) foot easement, which is the southwest corner of the herein described lot, said pin being located at North 36° 55' 25.5" latitude, West 084° 37' 14.2" longitude, and also being located North 20° 12' 10" East, 267.52 feet from an existing 3/4 inch steel pin on the east side of the Ader-Holt Road which was identified by John Palmer, and also being located North 37° 49' 26" East, 156.87 feet from an existing P.K. nail at the intersection of the centerline of the said Ader-Holt and the centerline of said 30' easement; thence from the point of beginning severing through the Palmer property North 20° 50' 03" West, 50.00 feet to a steel pin; thence North 69° 09' 57" East, 50.00 feet to a point, said point being located North 20° 50' 03" West 5.00 feet from a steel pin reference monument; thence South 20° 50' 03" East, 50.00 feet to a point in the northern line of said easement, said point being located North 20° 50' 03" West, 5.00 feet from a steel pin reference monument; thence with the northern line of said easement South 69° 09' 57" West, 50.00 feet to the beginning. Containing 0.06 acres.

There is also herein conveyed an easement which is more particularly described as follows:

A permanent easement thirty feet (30) in total width, fifteen feet (15) either side of a centerline described as follows:

Beginning at a point in the western right-of-way of Ader-Holt Road and in the center of the private road running through the Palmer property, said point also being located North 74° 09' 40" East, 15.00 feet from a P.K. nail at the intersection of the centerlines of the said roads; thence along the said private road as it meanders the following courses and distances: North 62° 50' 11" East, 18.93 feet to a point in the center of said road; thence North 37° 34' 59" East, 16.16 feet to a point in the center of said road; thence North 22° 21' 17" East, 21.15 feet to a point in the center of said road; thence North 25° 06' 14" East, 36.82 feet to a point in the center of said road; thence North 49° 44' 26" East, 49.07 feet to a point in the center of said road; thence North 69° 09' 57" East 49.24 feet to a point in the center of said road; thence North 57° 32' 03" East, 27.14 feet to a point in the center of said road; thence North 41° 07' 15" East, 109.08 feet to a point in the center of said road; thence North 49° 12' 25" East, 69.51 feet to a point in the center of said road; thence North 58° 57' 33" East, 110.82 feet to a point in the center of said road; thence North 52° 13' 56" East, 69.15 feet to a point in the center of said road; thence North 42° 10' 23" East, 58.83 feet to a point in the center of said road; thence North 13° 02' 11" East, 52.45 feet to a point in the center of said road; thence North 09° 47' 28" East, 86.09 feet to a point in the center of said road; thence North 29° 40' 50" East, 117.06 feet to a point in the center of said road; thence North 35° 18' 53" East, 66.55 feet to a point in the center of said road; thence North 51° 53' 09" East, 55.19 feet to a point in the center of said road; thence North 62° 18' 12" East, 99.33 feet to a point at the edge of said road; thence leaving said road North 73° 39' 57" East, 85.27 feet to a point; thence North 67° 42' 52" East, 94.84 feet to a point; thence South 88° 43' 36" East, 69.03 feet to a point in the eastern boundary line of the Palmer property, said point being located North 14° 23' 04" East, 610.50 feet from an existing 1 inch steel pipe identified by John Palmer as a corner to the Palmer property and the James K. Felkins property (Deed Book 571, Page 91), and also being located South 14° 23' 04" West, 420.18 feet from an existing ½ inch rebar which was also identified by John Palmer as a corner to the aforementioned parties.

Being the same conveyed unto the borrower by Deed dated the 3rd day of January, 2003, of record in Deed Book 712, Page 23, Pulaski County Court Clerk's Office, Kentucky.

EXHIBIT "B"

TRACT THREE:

A certain tract or parcel of land lying and being in Pulaski County, Kentucky, and being more particularly bounded and described as follows:

BEGINNING at an iron pin in line of Goad, Deed Book 503, Page 375, and being S 78 degrees 58' 44" W, 25.00 feet from the corner of Lot 20 of the Alton Blakley Subdivision, Cabinet B, Slide 598; thence with Goad, S 78 degrees 58' 44" W 100.00 feet to a new corner; thence N 03 degrees 44' 16" W, 234.42 feet to an iron pin in right of way of Ky. 90; thence with right of way, S 86 degrees 43' 27" E, 42.83 feet; N 80 degrees 50' 01" E 58.32 feet to an iron pin, said pin being S 80 degrees 50' 01" W 24.98 feet from the corner of Lot 20; thence S 08 degrees 39' 43" E 221.95 feet to the point of BEGINNING. Containing 0.5180 acres more or less. (Said property being part of Lot #18 and Lot #19 of the Alton Blakley Subdivision).

Being the same property conveyed to Bronston Water Association, inc., a Kentucky Corporation, by Deed of Conveyance from Sylvia Roberts and Timothy J. Roberts, her husband, by Deed dated October 12, 2005, of record in Deed Book 771, Page 013, Pulaski County Court Clerk's Office, Kentucky.

TRACT I

A certain tract or parcel of land lying and being in the community of Kidder, Wayne County, Kentucky, and being more particularly bounded and described as follows:

Beginning at the point, said point being located 550 feet north and along the Commonwealth of Kentucky Highway 790 Right-of-Way, from the southwest corner of the Grantors property, and also the Highway 790 Right-of-Way; thence a square, 15 feet by 15 feet, with the western boundary being common with the Highway 790 Right-of-Way. Each corner being marked with a steel post.

Being the same property conveyed to Mortgagor herein by Deed dated the 11th day of September, 1999, of record in Deed Book 276, page 197, Wayne County Court Clerk's Office, Kentucky.

TRACT II

Beginning at the northwest corner of the Lessor, Monticello Houseboats, Inc., said corner being along the Commonwealth of Kentucky Highway 90 right-of-way and marked by a concrete monument right-of-way, thence with the northern boundary of the Lessor and along the Highway 90 right-of-way north 66 degrees 23 minutes east a distance of 30.0 feet to a steel post, thence, south 23 degrees 37 minutes east a distance of 30.0 feet to a steel post, thence, south 66 degrees 23 minutes west a distance of 33.2 feet to a steel post, thence, with the western boundary north 17 degrees 10 minutes west a distance of 30.2 feet to the point of beginning.

Together with the right to use such additional land on either side of the above-described premises during the construction of a pump station, or as necessary for repairs and reconstruction, along with the right of ingress and egress to and upon and along said tract of land at such times and at such points as may be reasonably necessary for the construction, maintenance, repairs, and reconstruction if necessary of said pump station.

As further consideration for this lease, the Lessee does agree that the Lessee shall require the contractor to clean up in and around the pump station site after construction to the satisfaction of the Lessor, or, if the contractor fails to do so, then the Lessee shall be responsible for clean up of the site to Lessor's reasonable requirements. Also, Lessee agrees that it shall cause a 20 foot water line and valve to be installed along Lessor's property for the purpose of future connection to the system, which said water line shall be the same size as the main line.

IT IS AGREED AND UNDERSTOOD that Lessee shall place no appurtenances which extend over 36 inches above ground level (with the exception of necessary electrical services) on the above-described property.

Being the same property LEASED to Mortgagor herein by Lease dated the 4th day of October, 1999, of record in Lease Book 78, page 412, Wayne County Court Clerk's Office, Kentucky.

STATE OF KENTUCKY, COUNTY OF PULASKI, SCT. I RALPH TROXTELL, CLERK OF PULASKI COUNTY, DO CERTIFY THAT THE FOREGOING INSTRUMENT WAS ON THE 21 DAY OF Feb 20 08. AT 3:11p M. LODGED FOR RECORD. AND THAT IT HAS BEEN DULY RECORDED IN MY SAID OFFICE. TOGETHER WITH THIS AND THE CERTIFICATE THEREON ENDORSED. GIVEN UNDER MY HAND THIS 21 DAY OF Feb 20 08 BOOK 1 PAGE 203
RALPH TROXTELL CLERK

EXHIBIT "D"

A certain parcel or tract of land, lying and being in Pulaski County, Kentucky, located on new Kentucky Route #90, and more particularly described as follows:

Beginning at southwest corner of the tank site, said corner being located S 20 deg. 51' E, 2,340 feet from the common corner of John Gover, Richard Weaver and the south right-of-way line of Kentucky Route 90; thence N 03 deg. 57' W, 100 feet; thence N 86 deg. 03' E, 100 feet; thence S 03 deg. 57' E, 100 feet, thence S 86 deg. 03' W, 100 feet to the beginning, containing .23 acres. Said tank site being a portion of the Roy K. Gover estate with right to ingress and egress over adjacent property.

Being the same property conveyed to Bronston Water Association, Incorporated by Deed of Conveyance from Pauline Gover, widow, et al, dated March 24, 1971, of record in Deed Book 314, Page 159, Pulaski County Court Clerk's Office, Kentucky.

and

A certain access road being 16 feet in width granted to Bronston Water Association by John K. Gover and Ruth Gover, his wife, by Easement dated March 15, 1971, of record in Deed Book 314, Page 191, Pulaski County Court Clerk's Office, Kentucky, and the centerline described as follows,

Beginning at the intersection of the existing County Road and the Richard Weaver south property line; thence S 25 deg. 47' E 130 feet; S 18 deg. 27' E 60 feet; S 20 deg. 29' E 101 feet; S 25 deg. 46' E 422 feet; S 23 deg. 35' E 164 feet; S 66 deg. 25' W 250 feet; S 49 deg. 30' W 92 feet; S 76 deg. 28' W 115 feet; N 71 deg. 19' W 132 feet; N 81 deg. 32' W 32 feet to the Roy K. Gover Heirs' property line.

Being the same easement conveyed to Bronston Water Association, Incorporated by John K. Gover and Ruth Gover, his wife, dated March 15, 1971, of record in Deed Book 314, Page 191, Pulaski County Court Clerk's Office, Kentucky.

Filed: 11/12/2010 09:25:58 AM
Josephine Gregory, County Clerk
Wayne County, KY
Josephine Gregory

STATE OF KENTUCKY, COUNTY OF PULASKI, SCT.:
RALPH TROXTELL, CLERK OF PULASKI COUNTY, DO CERTIFY THAT THE FOREGOING INSTRUMENT WAS ON THE 29 DAY OF Oct 2010, AT 3:18 PM, LODGED FOR RECORD, AND THAT IT HAS BEEN DULY RECORDED IN MY SAID OFFICE, TOGETHER WITH THIS AND THE CERTIFICATE THEREON ENDORSED. GIVEN UNDER MY HAND THIS 29 DAY OF Oct 2010 BOOK 1252 PAGE 313
ATTEST RALPH TROXTELL, CLERK
BY J. Hughes D.C.

EXHIBIT H

Detailed List of Acquired Property

BRONSTON WATER ASSOCIATION
2022 WATER SYSTEM IMPROVEMENTS
CONTRACT NO. 1: WATER LINE REPLACEMENTS
BREAKDOWN OF PROJECT COSTS BY USOA
ACCOUNT NUMBER: 330

ITEM NO.	ITEM DESCRIPTION	QUANTITY	UNIT	UNIT PRICE	TOTAL COST
1	10-Inch HDPE DR9 Water Line via				
	Directional Bore	380	LF	$325.00	$123,500.00
2	8-Inch PVC SDR 17 Water Line	470	LF	50.00	23,500.00
3	6-Inch PVC SDR 17 Water Line	6,200	LF	46.00	285,200.00
4	3-Inch PVC SDR 17 Water Line	29,390	LF	36.00	1,058,040.00
5	3-Inch HDPE DR9 Water Line via				0.00
	Directional Bore	200	LF	100.00	20,000.00
6	2-Inch PVC SDR 17 Water Line	110	LF	35.00	3,850.00
7	Bore & Case for 8-Inch Water Line	80	LF	275.00	22,000.00
8	Bore & Case for 6-Inch Water Line	80	LF	225.00	18,000.00
9	Bore & Case for 3-Inch Water Line	390	LF	160.00	62,400.00
10	Open Cut & Case for 8-Inch Water Line	70	LF	25.00	1,750.00
11	Open Cut & Case for3-Inch Water Line	270	LF	24.00	6,480.00
12	Creek Crossing for 3-Inch Water Line	30	LF	125.00	3,750.00
13	Driveway (Free) Bore & Case for 3-Inch WL	330	LF	160.00	52,800.00
14	8-Inch Gate Valve	1	EA	5,000.00	5,000.00
15	6-Inch Gate Valve	1	EA	4,000.00	4,000.00
16	4-Inch Gate Valve	2	EA	2,500.00	5,000.00
17	3-Inch Gate Valve	26	EA	1,800.00	46,800.00
18	2-Inch Gate Valve	2	EA	1,300.00	2,600.00
19	Pressure Reducing Staion	1	LS	35,000.00	35,000.00
20	2-Way Flush Hydrant	3	EA	6,000.00	18,000.00
21	3-Inch Blowoff Assembly	10	EA	2,200.00	22,000.00
22	Connection	20	EA	2,000.00	40,000.00
23	Meter Reconnection	145	EA	200.00	29,000.00
24	Meter Setting	5	EA	2,750.00	13,750.00
25	3/4-Inch PE Service Tubing	8,800	LF	18.00	158,400.00
26	Cut & Cap Existing 6-Inch Water Line	1	EA	1,500.00	1,500.00
27	Cut & Cap Existing 4-Inch Water Line	2	EA	1,400.00	2,800.00
28	Cut & Cap Existing 3-Inch Water Line	5	EA	1,400.00	7,000.00
29	Cut & Cap Existing 2-Inch Water Line	4	EA	1,200.00	4,800.00
30	Pavement Replacement	1,640	LF	25.00	41,000.00
31	Full Width Pavement Replacement	300	LF	50.00	15,000.00
32	Telemetry	1	LS	30,000.00	30,000.00
33	Exploration	50	HR	200.00	10,000.00
CONSTRUCTION SUBTOTAL					**$2,172,920.00**

EXHIBIT I

Certified Bid Tabulations

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

BID TABULATIONS
BRONSTON WATER ASSOCIATION
2022 WATER SYSTEM IMPROVEMENTS
CONTRACT NO. 1: WATER LINE REPLACEMENTS
PULASKI & WAYNE COUNTIES, KENTUCKY
BID DATE: DECEMBER 1, 2023 @ 11:00 A.M. LOCAL TIME

			Flo-Line Contracting 189 Sunstar Blvd Monticello, KY 42633		Akins Excavating Co., Inc. 182 Busy Lane Corbin, KY 40701		Cumberland Pipeline, LLC 2909 Cane Valley Mill Road Columbia, KY 42728	
ITEM NO.	DESCRIPTION	QUANTITY	UNIT PRICE	TOTAL COST	UNIT PRICE	TOTAL COST	UNIT PRICE	TOTAL COST
	BASE BID CONTRACT							
1	10-Inch HDPE DR9 Water Line via							
	Directional Bore	380 LF	$325.00	$123,500.00	$250.00	$95,000.00	$377.00	$143,260.00
2	8-Inch PVC SDR 17 Water Line	470 LF	50.00	23,500.00	82.25	38,657.50	74.00	34,780.00
3	6-Inch PVC SDR 17 Water Line	6,200 LF	46.00	285,200.00	60.85	377,270.00	64.00	396,800.00
4	3-Inch PVC SDR 17 Water Line	29,390 LF	36.00	1,058,040.00	43.65	1,282,873.50	52.00	1,528,280.00
5	3-Inch HDPE DR9 Water Line via							
	Directional Bore	200 LF	100.00	20,000.00	180.00	36,000.00	105.00	21,000.00
6	2-Inch PVC SDR 17 Water Line	110 LF	35.00	3,850.00	53.00	5,830.00	28.00	3,080.00
7	Bore & Case for 8-Inch Water Line	80 LF	275.00	22,000.00	250.00	20,000.00	459.00	36,720.00
8	Bore & Case for 6-Inch Water Line	80 LF	225.00	18,000.00	200.00	16,000.00	376.00	30,080.00
9	Bore & Case for 3-Inch Water Line	390 LF	160.00	62,400.00	175.00	68,250.00	376.00	146,640.00
10	Open Cut & Case for 8-Inch Water Line	70 LF	25.00	1,750.00	180.00	12,600.00	96.00	6,720.00
11	Open Cut & Case for3-Inch Water Line	270 LF	24.00	6,480.00	145.00	39,150.00	55.00	14,850.00
12	Creek Crossing for 3-Inch Water Line	30 LF	125.00	3,750.00	350.00	10,500.00	136.00	4,080.00
13	Driveway (Free) Bore & Case for 3-Inch WL	330 LF	160.00	52,800.00	175.00	57,750.00	191.00	63,030.00
14	8-Inch Gate Valve	1 EA	5,000.00	5,000.00	3,885.00	3,885.00	2,901.00	2,901.00
15	6-Inch Gate Valve	1 EA	4,000.00	4,000.00	2,835.00	2,835.00	2,138.00	2,138.00
	BASE BID CONTRACT (cont'd)							

THE ABOVE IS A TRUE AND COMPLETE TABULATION OF BIDS RECEIVED AT 11:00 A.M. LOCAL TIME, FRIDAY, DECEMBER 1, 2023 AT THE BRONSTON WATER ASSOCIATION.
* DENOTES AN ARITHMETIC ERROR WAS MADE ON BASE BID, AMOUNT HAS BEEN CORRECTED TO REFLECT UNIT PRICE SUBMITTED.

BY: ___

Prc

STATE OF KENTUCKY
DERON S. BYRNE
23127
PROFESSIONAL ENGINEER
LICENSED

Digitally signed by Deron S. Byrne
DN: cn=Deron S. Byrne, o=Monarch Engineering, Inc., ou=Project Engineer, email=dbyrne@monarchengineering.net, c=US
Date: 2023.12.04 13:32:33 -05'00'

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

BID TABULATIONS
BRONSTON WATER ASSOCIATION
2022 WATER SYSTEM IMPROVEMENTS
CONTRACT NO. 1: WATER LINE REPLACEMENTS
PULASKI & WAYNE COUNTIES, KENTUCKY
BID DATE: DECEMBER 1, 2023 @ 11:00 A.M. LOCAL TIME

			Flo-Line Contracting 189 Sunstar Blvd Monticello, KY 42633		Akins Excavating Co., Inc. 182 Busy Lane Corbin, KY 40701		Cumberland Pipeline, LLC 2909 Cane Valley Mill Road Columbia, KY 42728	
ITEM NO.	DESCRIPTION	QUANTITY	UNIT PRICE	TOTAL COST	UNIT PRICE	TOTAL COST	UNIT PRICE	TOTAL COST
	BASE BID CONTRACT (cont'd)							
16	4-Inch Gate Valve	2 EA	$2,500.00	$5,000.00	$2,155.00	$4,310.00	$1,736.00	$3,472.00
17	3-Inch Gate Valve	26 EA	1,800.00	46,800.00	1,715.00	44,590.00	1,663.00	43,238.00
18	2-Inch Gate Valve	2 EA	1,300.00	2,600.00	1,450.00	2,900.00	1,234.00	2,468.00
19	Pressure Reducing Staion	1 LS	35,000.00	35,000.00	35,000.00	35,000.00	42,055.00	42,055.00
20	2-Way Flush Hydrant	3 EA	6,000.00	18,000.00	7,150.00	21,450.00	6,617.00	19,851.00
21	3-Inch Blowoff Assembly	10 EA	2,200.00	22,000.00	2,675.00	26,750.00	2,993.00	29,930.00
22	Connection	20 EA	2,000.00	40,000.00	2,450.00	49,000.00	1,935.00	38,700.00
23	Meter Reconnection	145 EA	200.00	29,000.00	815.00	118,175.00	820.00	118,900.00
24	Meter Setting	5 EA	2,750.00	13,750.00	2,100.00	10,500.00	1,386.00	6,930.00
25	3/4-Inch PE Service Tubing	8,800 LF	18.00	158,400.00	29.50	259,600.00	30.00	264,000.00
26	Cut & Cap Existing 6-Inch Water Line	1 EA	1,500.00	1,500.00	1,635.00	1,635.00	3,245.00	3,245.00
27	Cut & Cap Existing 4-Inch Water Line	2 EA	1,400.00	2,800.00	1,365.00	2,730.00	3,245.00	6,490.00
28	Cut & Cap Existing 3-Inch Water Line	5 EA	1,400.00	7,000.00	1,215.00	6,075.00	3,245.00	16,225.00
29	Cut & Cap Existing 2-Inch Water Line	4 EA	1,200.00	4,800.00	880.00	3,520.00	3,245.00	12,980.00
30	Pavement Replacement	1,640 LF	25.00	41,000.00	65.00	106,600.00	170.00	278,800.00
31	Full Width Pavement Replacement	300 LF	50.00	15,000.00	175.00	52,500.00	137.00	41,100.00
32	Telemetry	1 LS	30,000.00	30,000.00	30,000.00	30,000.00	30,000.00	30,000.00
33	Exploration	50 HR	200.00	10,000.00	200.00	10,000.00	300.00	15,000.00
	TOTAL BASE BID			**$2,172,920.00**		**$2,851,936.00**		**$3,407,743.00**

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

BID TABULATIONS
BRONSTON WATER ASSOCIATION
2022 WATER SYSTEM IMPROVEMENTS
CONTRACT NO. 1: WATER LINE REPLACEMENTS
PULASKI & WAYNE COUNTIES, KENTUCKY
BID DATE: DECEMBER 1, 2023 @ 11:00 A.M. LOCAL TIME

			Flo-Line Contracting 189 Sunstar Blvd Monticello, KY 42633		Akins Excavating Co., Inc. 182 Busy Lane Corbin, KY 40701		Cumberland Pipeline, LLC 2909 Cane Valley Mill Road Columbia, KY 42728	
ITEM NO.	DESCRIPTION	QUANTITY	UNIT PRICE	TOTAL COST	UNIT PRICE	TOTAL COST	UNIT PRICE	TOTAL COST
	ALTERNATE NO. 1 (PLAN SHEETS 8 & 9)							
1	8-Inch HDPE DR9 Water Line via							
	Directional Bore	400 LF	$400.00	$160,000.00	$350.00	$140,000.00	$319.00	$127,600.00
2	6-Inch PVC SDR 17 Water Line	5,400 LF	55.00	297,000.00	79.00	426,600.00	92.00	496,800.00
3	3-Inch PVC SDR 17 Water Line	550 LF	50.00	27,500.00	56.75	31,212.50	83.00	45,650.00
4	Bore & Case for 3-Inch Water Line	80 LF	275.00	22,000.00	230.00	18,400.00	396.00	31,680.00
5	6-Inch Gate Valve	2 EA	2,400.00	4,800.00	3,000.00	6,000.00	1,782.00	3,564.00
6	4-Inch Gate Valve	2 EA	2,300.00	4,600.00	2,200.00	4,400.00	1,677.00	3,354.00
7	3-Inch Gate Valve	2 EA	2,000.00	4,000.00	1,750.00	3,500.00	1,617.00	3,234.00
8	Isolation Check Valve Assemble	1 EA	7,500.00	7,500.00	5,000.00	5,000.00	2,640.00	2,640.00
9	3-Inch Blowoff Assembly	1 EA	2,500.00	2,500.00	3,000.00	3,000.00	2,750.00	2,750.00
10	Connection	3 EA	7,500.00	22,500.00	2,800.00	8,400.00	1,760.00	5,280.00
11	Meter Reconnection	7 EA	1,000.00	7,000.00	850.00	5,950.00	673.00	4,711.00
12	3/4-Inch PE Service Tubing	600 LF	35.00	21,000.00	40.00	24,000.00	50.00	30,000.00
13	Cut & Cap Existing 4-Inch Water Line	2 EA	1,200.00	2,400.00	1,500.00	3,000.00	3,245.00	6,490.00
14	Exploration	10 HR	250.00	2,500.00	300.00	3,000.00	300.00	3,000.00
	TOTAL ALTERNATE NO. 1			**$585,300.00**		**$682,462.50**		**$766,753.00**

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

BID TABULATIONS
BRONSTON WATER ASSOCIATION
2022 WATER SYSTEM IMPROVEMENTS
CONTRACT NO. 1: WATER LINE REPLACEMENTS
PULASKI & WAYNE COUNTIES, KENTUCKY
BID DATE: DECEMBER 1, 2023 @ 11:00 A.M. LOCAL TIME

			Flo-Line Contracting 189 Sunstar Blvd Monticello, KY 42633		Akins Excavating Co., Inc. 182 Busy Lane Corbin, KY 40701		Cumberland Pipeline, LLC 2909 Cane Valley Mill Road Columbia, KY 42728	
ITEM NO.	DESCRIPTION	QUANTITY	UNIT PRICE	TOTAL COST	UNIT PRICE	TOTAL COST	UNIT PRICE	TOTAL COST
	ALTERNATE NO. 2 (PLAN SHEET 16)							
1	3-Inch PVC SDR 17 Water Line	2,810 LF	$50.00	$140,500.00	$56.75	$159,467.50	$57.00	$160,170.00
2	3-Inch HDPE DR9 Water Line via							
	Directional Bore	100 LF	275.00	27,500.00	235.00	23,500.00	105.00	10,500.00
3	Bore & Case for 3-Inch Water Line	30 LF	275.00	8,250.00	230.00	6,900.00	374.00	11,220.00
4	Creek Crossing for 3-Inch Water Line	40 LF	275.00	11,000.00	450.00	18,000.00	107.00	4,280.00
5	Driveway (Free) Bore & Case for 3-Inch							
	Water Line	30 LF	275.00	8,250.00	230.00	6,900.00	184.00	5,520.00
6	3-Inch Gate Valve	5 EA	2,000.00	10,000.00	1,750.00	8,750.00	1,705.00	8,525.00
7	2-Inch Gate Valve	1 EA	2,700.00	2,700.00	1,550.00	1,550.00	1,265.00	1,265.00
8	3-Inch Blowoff Assembly	1 EA	2,500.00	2,500.00	3,000.00	3,000.00	1,925.00	1,925.00
9	Connection	3 EA	7,500.00	22,500.00	2,800.00	8,400.00	1,760.00	5,280.00
10	Meter Reconnection	23 EA	1,000.00	23,000.00	850.00	19,550.00	652.00	14,996.00
11	3/4-Inch PE Service Tubing	1,200 LF	35.00	42,000.00	40.00	48,000.00	50.00	60,000.00
12	Exploration	8 HR	250.00	2,000.00	300.00	2,400.00	300.00	2,400.00
	TOTAL ALTERNATE NO. 2			**$300,200.00**		**$306,417.50**		**$286,081.00**

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

BID TABULATIONS
BRONSTON WATER ASSOCIATION
2022 WATER SYSTEM IMPROVEMENTS
CONTRACT NO. 1: WATER LINE REPLACEMENTS
PULASKI & WAYNE COUNTIES, KENTUCKY
BID DATE: DECEMBER 1, 2023 @ 11:00 A.M. LOCAL TIME

			Weddle Enterprises Inc 25 Shanes Lane Somerset, KY 42501	
ITEM NO.	DESCRIPTION	QUANTITY	UNIT PRICE	TOTAL COST
	BASE BID CONTRACT			
1	10-Inch HDPE DR9 Water Line via			
	Directional Bore	380 LF	$455.00	$172,900.00
2	8-Inch PVC SDR 17 Water Line	470 LF	186.00	87,420.00
3	6-Inch PVC SDR 17 Water Line	6,200 LF	63.50	393,700.00
4	3-Inch PVC SDR 17 Water Line	29,390 LF	58.00	1,704,620.00
5	3-Inch HDPE DR9 Water Line via			
	Directional Bore	200 LF	350.00	70,000.00
6	2-Inch PVC SDR 17 Water Line	110 LF	40.00	4,400.00
7	Bore & Case for 8-Inch Water Line	80 LF	500.00	40,000.00
8	Bore & Case for 6-Inch Water Line	80 LF	420.00	33,600.00
9	Bore & Case for 3-Inch Water Line	390 LF	385.00	150,150.00
10	Open Cut & Case for 8-Inch Water Line	70 LF	115.00	8,050.00
11	Open Cut & Case for3-Inch Water Line	270 LF	80.00	21,600.00
12	Creek Crossing for 3-Inch Water Line	30 LF	130.00	3,900.00
13	Driveway (Free) Bore & Case for 3-Inch WL	330 LF	186.00	61,380.00
14	8-Inch Gate Valve	1 EA	3,500.00	3,500.00
15	6-Inch Gate Valve	1 EA	2,700.00	2,700.00
	BASE BID CONTRACT (cont'd)			

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

BID TABULATIONS
BRONSTON WATER ASSOCIATION
2022 WATER SYSTEM IMPROVEMENTS
CONTRACT NO. 1: WATER LINE REPLACEMENTS
PULASKI & WAYNE COUNTIES, KENTUCKY
BID DATE: DECEMBER 1, 2023 @ 11:00 A.M. LOCAL TIME

			Weddle Enterprises Inc 25 Shanes Lane Somerset, KY 42501	
ITEM NO.	DESCRIPTION	QUANTITY	UNIT PRICE	TOTAL COST
	BASE BID CONTRACT (cont'd)			
16	4-Inch Gate Valve	2 EA	$2,200.00	$4,400.00
17	3-Inch Gate Valve	26 EA	1,700.00	44,200.00
18	2-Inch Gate Valve	2 EA	1,400.00	2,800.00
19	Pressure Reducing Staion	1 LS	55,000.00	55,000.00
20	2-Way Flush Hydrant	3 EA	6,500.00	19,500.00
21	3-Inch Blowoff Assembly	10 EA	2,850.00	28,500.00
22	Connection	20 EA	2,750.00	55,000.00
23	Meter Reconnection	145 EA	650.00	94,250.00
24	Meter Setting	5 EA	1,200.00	6,000.00
25	3/4-Inch PE Service Tubing	8,800 LF	35.00	308,000.00
26	Cut & Cap Existing 6-Inch Water Line	1 EA	3,200.00	3,200.00
27	Cut & Cap Existing 4-Inch Water Line	2 EA	3,125.00	6,250.00
28	Cut & Cap Existing 3-Inch Water Line	5 EA	3,100.00	15,500.00
29	Cut & Cap Existing 2-Inch Water Line	4 EA	3,000.00	12,000.00
30	Pavement Replacement	1,640 LF	100.00	164,000.00
31	Full Width Pavement Replacement	300 LF	100.00	30,000.00
32	Telemetry	1 LS	30,000.00	30,000.00
33	Exploration	50 HR	500.00	25,000.00
	TOTAL BASE BID			**$3,661,520.00**

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

BID TABULATIONS
BRONSTON WATER ASSOCIATION
2022 WATER SYSTEM IMPROVEMENTS
CONTRACT NO. 1: WATER LINE REPLACEMENTS
PULASKI & WAYNE COUNTIES, KENTUCKY
BID DATE: DECEMBER 1, 2023 @ 11:00 A.M. LOCAL TIME

			Weddle Enterprises Inc 25 Shanes Lane Somerset, KY 42501	
ITEM NO.	DESCRIPTION	QUANTITY	UNIT PRICE	TOTAL COST
	ALTERNATE NO. 1 (PLAN SHEETS 8 & 9)			
1	8-Inch HDPE DR9 Water Line via			
	Directional Bore	400 LF	$445.00	$178,000.00
2	6-Inch PVC SDR 17 Water Line	5,400 LF	87.00	469,800.00
3	3-Inch PVC SDR 17 Water Line	550 LF	50.00	27,500.00
4	Bore & Case for 3-Inch Water Line	80 LF	385.00	30,800.00
5	6-Inch Gate Valve	2 EA	1,900.00	3,800.00
6	4-Inch Gate Valve	2 EA	2,200.00	4,400.00
7	3-Inch Gate Valve	2 EA	1,700.00	3,400.00
8	Isolation Check Valve Assemble	1 EA	3,200.00	3,200.00
9	3-Inch Blowoff Assembly	1 EA	3,000.00	3,000.00
10	Connection	3 EA	2,100.00	6,300.00
11	Meter Reconnection	7 EA	500.00	3,500.00
12	3/4-Inch PE Service Tubing	600 LF	30.00	18,000.00
13	Cut & Cap Existing 4-Inch Water Line	2 EA	2,500.00	5,000.00
14	Exploration	10 HR	500.00	5,000.00
	TOTAL ALTERNATE NO. 1			**$761,700.00**

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

BID TABULATIONS
BRONSTON WATER ASSOCIATION
2022 WATER SYSTEM IMPROVEMENTS
CONTRACT NO. 1: WATER LINE REPLACEMENTS
PULASKI & WAYNE COUNTIES, KENTUCKY
BID DATE: DECEMBER 1, 2023 @ 11:00 A.M. LOCAL TIME

			Weddle Enterprises Inc 25 Shanes Lane Somerset, KY 42501	
ITEM NO.	DESCRIPTION	QUANTITY	UNIT PRICE	TOTAL COST
	ALTERNATE NO. 2 (PLAN SHEET 16)			
1	3-Inch PVC SDR 17 Water Line	2,810 LF	$54.00	$151,740.00
2	3-Inch HDPE DR9 Water Line via			
	Directional Bore	100 LF	450.00	45,000.00
3	Bore & Case for 3-Inch Water Line	30 LF	350.00	10,500.00
4	Creek Crossing for 3-Inch Water Line	40 LF	120.00	4,800.00
5	Driveway (Free) Bore & Case for 3-Inch			
	Water Line	30 LF	100.00	3,000.00
6	3-Inch Gate Valve	5 EA	1,900.00	9,500.00
7	2-Inch Gate Valve	1 EA	1,300.00	1,300.00
8	3-Inch Blowoff Assembly	1 EA	2,350.00	2,350.00
9	Connection	3 EA	2,400.00	7,200.00
10	Meter Reconnection	23 EA	500.00	11,500.00
11	3/4-Inch PE Service Tubing	1,200 LF	30.00	36,000.00
12	Exploration	8 HR	500.00	4,000.00
	TOTAL ALTERNATE NO. 2			**$286,890.00**

EXHIBIT J

Bid Extension Letter of Contractor

Flo-Line Contracting LLC
189 Sunstar Blvd.
Monticello, KY 42633
Phone: (606) 340-8000
Fax: (606) 340-8009
Email: flolinecontracting@gmail.com

March 27, 2024

Mr. Eric Keith, President
Bronston Water Association
2013 Highway 90
PO Box 243
Bronston, Kentucky 42518

Re: Bronston Water Association
2022 Water System Improvements & Replacements Project
KIA Fund B 22-005

Mr. Keith:

Flo-Line Contracting, LLC will extend the specified bid validity by one hundred twenty (120) calendar days for the referenced project. Based on the bid date of December 1, 2023, an original ninety (90) day hold period, and this one hundred twenty (120) day extension, our records indicate that the bid is currently valid until July 1, 2024.

Thank you and we are looking forward to a successful project.

Regards,

Tim Humble
Owner

cc: Julie Bickers
Kentucky Infrastructure Authority

EXHIBIT K

Final Project Budget

FINAL PROJECT BUDGET
BRONSTON WATER ASSOCIATION
PULASKI COUNTY, KENTUCKY
2022 WATER SYSTEM IMPROVEMENTS & REPLACEMENTS
MARCH 7, 2024

PROJECT COSTS

DEVELOPMENT - BASE BID	$2,172,920.00
CONTINGENCY	260,080.00
ENGINEERING DESIGN	180,000.00
CONSTRUCTION INSPECTION	105,000.00
DVELOPMENT - ALTERNATES	625,420.00
LEGAL & ADMINISTRATION	25,000.00
TOTAL PROJECT COSTS	**$3,368,420.00**

PROJECT FUNDS

KENTUCKY INFRASTRUCTURE AUTHORITY (KIA) FUND B22-005	$2,743,000.00
SUPPLEMENTAL KIA LOAN FUNDS	$625,420.00
TOTAL PROJECT FUNDING	**$3,368,420.00**