COMMONWEALTH OF KENTUCKY

BEFORE THE KENTUCKY PUBLIC SERVICE COMMISSION

IN THE MATTER OF:

ELECTRONIC APPLICATION OF ALLEN COUNTY WATER DISTRICT FOR A CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY TO CONSTRUCT A SYSTEM IMPROVEMENTS PROJECT AND AN ORDER AUTHORIZING THE ISSUANCE OF SECURITIES PURSUANT TO 278.300	) **Case No. 2024-00118**

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

APPLICATION

The Applicant, Allen County Water District ("Allen District"), files this Electronic 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 Allen District a Certificate of Public Convenience and Necessity ("CPCN") to construct a 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, Allen District states as follows:

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

by reference. Allen District does not have any Articles of Incorporation due to the fact that it is a statutory entity.

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

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

Allen County Water District
c/o Mr. Adam Nunn, Manager
330 New Gallatin Road
Scottsville, Kentucky 42164
Telephone: (270) 662-3040
Fax: (270) 662-3041
Email: adamnacwd@nctc.com

4. A general description of Allen District's system property, together with a statement of the original cost, is contained in Allen District'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, Allen District hereby responds as follows:

(i) Section 15(2)(a): Facts Relied Upon to Show Public Necessity: The proposed Project and the need for the Project is described in **Exhibit "A"** attached hereto. The Project was bid on December 12, 2023 and the notice of award has been executed. The notice to proceed will not be delivered until the Commission has issued the CPCN.

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

(iii) Section 15(2)(c): Description of Proposed Location or Route. Construction of the Project is being performed within the boundaries of Allen District and is detailed in the location map referred to in paragraph 5(iv) below. The proposed Project will not compete with any other public utilities and will not result in any wasteful duplication.

(iv) Section 15(2)(d)(1): Maps to Suitable Scale: 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: Allen District is financing the Project with the proceeds of (i) a 20 year loan from the Kentucky Infrastructure Authority ("KIA") Infrastructure Revolving Loan Fund (B24-005) in the principal amount not to exceed $700,000 at an interest rate of 1.25% per annum (the "KIA Loan"); and (ii) a Cleaner Water Program ("CWP") grant (22CWW064) in the amount of $500,000 and an additional CWP grant in the amount of $100,000. The KIA Loan will be evidenced by an Assistance Agreement between Allen District and KIA and Allen District has received a conditional commitment letter from KIA dated November 3, 2023 (the "Commitment"). A copy of the Commitment is attached hereto as **Exhibit**

"C". The CWP grant Commitment Letter, as supplemented, is attached hereto as **Exhibit "D"**. The CWP Grant Assistance Agreement is attached hereto as **Exhibit "E"**.

(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 "F"**.

6. The detailed Statement of Net Position; Statement of Revenue, Expenses and Changes in Net Position; and Statement of Cash Flows for the twelve month periods ending on December 31, 2022 are attached hereto as **Exhibit "G"** respectively.

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

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

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

(iii) Section 12(2)(d) Mortgages: Allen District does not have any outstanding mortgages as of the date hereof.

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

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

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

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

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

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

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

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

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

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

(vii) Section 18(1)(g): Written notification of the proposed issuance of the KIA Loan is being provided to the State Local Debt Officer (see **Exhibit "H"** attached hereto).

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

(ix) Section 18(2)(b): Allen District does not have any outstanding trust deeds or mortgages.

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

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

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 Allen County Water District respectfully requests that the Commission take the following actions:

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

B. Authorize the issuance of securities pursuant to the KIA Assistance Agreement evidencing the KIA Loan in an amount not to exceed $700,000; and

C. Grant Allen District any other relief to which it is entitled.

Allen County Water District

By _____

Wayne Jackson, Chairman
330 New Gallatin Road
Scottsville, Kentucky 42164
Telephone: (270) 662-3040
Fax: (270) 662-3041
Email: adamnacwd@nctc.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 Allen County Water District
wrjones@rubinhays.com

STATE OF KENTUCKY)
) SS
COUNTY OF ALLEN)

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

IN TESTIMONY WHEREOF, witness the signature of the undersigned on the 9th day of May, 2024.

Wayne Jackson
Wayne Jackson, Chairman

SUBSCRIBED, SWORN TO AND ACKNOWLEDGED before me by Wayne Jackson, Chairman of the Allen County Water District on this the 9th day of May, 2024.

My Commission expires: 10/10/2024.

Notary Public

Notary ID#: KYNP 16192

CERTIFICATE OF SERVICE

The undersigned, in accordance with 807 KAR 5:001, Section 8, hereby certifies that Allen County Water District'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 May 13, 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
Counsel for Allen County Water District
wrjones@rubinhays.com

EXHIBIT A

Public Necessity and Project Description

Project Description – Project Necessity

Allen County Water District

Walkers Chapel Elevated Tank

The project is to replace an existing glass lined standpipe (installed in 1990s) that has significant corrosion and is cycling excessively per KDOW requirements. The project was bid on December 12, 2023. All of the received bids exceeded the available project funding. The project was funded by a $500,000 Cleaner Water Program (22CWW064) and $700,000 Kentucky Infrastructure Authority (KIA) Fund B Loan (B24-005). Per Kentucky Procurement and counsel from Local Counsel, ACWD entered into competitive negotiations which did not yield a project cost reduction from the three bidders. This attempt was sought to reduce the debt load to be added to the customers of ACWD. ACWD also requested and received an additional $100,000 from the Cleaner Water Program, for a total funding package of $1,300,000.00.

In order to seek cost savings on the project, ACWD's board elected to remove bid items #2 through #4 from the low bidder's bid, Caldwell Tanks, Inc. ACWD has sought bids for the electrical work, sole source the telemetry work and self-perform the site work. The electrical bids were received with two bid plan holders and only one submitting a bid. This determination is estimated to save ACWD approximately $300,000-400,000 dollars in additional debt.

This project will remove a liability that has significant signs of corrosion without a feasible corrective improvement being available to ACWD. The new elevated tank will provide improved pressure stabilization and an increased usable storage volume.

EXHIBIT B

Required Permits

Andy Beshear
GOVERNOR

ENERGY AND ENVIRONMENT CABINET
DEPARTMENT FOR ENVIRONMENTAL PROTECTION
300 Sower Boulevard
Frankfort, Kentucky 40601
Phone: (502) 564-2150
Fax: 502-564-4245

Rebecca W. Goodman
SECRETARY

Anthony R. Hatton
COMMISSIONER

November 9, 2023

Adam Nunn
Allen Co Water District
330 New Gallatin Rd
Scottsville, KY 42164

RE: Walkers Chapel Elevated Tank
Allen County, KY
Allen Co Water District
AI #: 33768, APE20230003
PWSID #: 0020956-23-003

Dear Adam Nunn:

We have reviewed the plans and specifications for the above referenced project. The plans include the construction of a 300,000-gallon elevated water storage tank. 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 Amanda Mikuski at 502-782-0450.

Sincerely,

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

TH:AM
Enclosures
c: Bluegrass Engineering PLLC
Allen County Health Department
Division of Plumbing

Distribution-Major Construction
Allen Co Water District
Facility Requirements

Activity ID No.:API:20230003

STOR0000000002 (Walkers Chapel Elevated Tank) 300000-gallon elevated water storage tank:

Narrative Requirements:

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

STOR0000000002 (Walkers Chapel Elevated Tank) 300000-gallon elevated water storage tank:

Narrative Requirements:

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

STOR0000000002 (Walkers Chapel Elevated Tank) 300000-gallon elevated water storage tank:

Narrative Requirements:

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

STOR0000000002 (Walkers Chapel Elevated Tank) 300000-gallon elevated water storage tank:

Narrative Requirements:

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

STOR0000000002 (Walkers Chapel Elevated Tank) 300000-gallon elevated water storage tank:

Narrative Requirements:

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

Distribution-Major Construction
Allen Co Water District
Facility Requirements

Activity ID No.:APE20230003

STOR0000000002 (Walkers Chapel Elevated Tank) 300000-gallon elevated water storage tank:

Narrative Requirements:

Condition No.	Condition
T-1	Construction of this project shall not result in the water system's inability to supply consistent water service in compliance wi 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.
T-3	A proposed change to the approved plans affecting sanitary features of design shall be submitted to the cabinet for approval i 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 perform 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 sl
T-6	Upon completion of construction, a professional engineer shall certify in writing that the project has been completed in accor 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 [Recommended Standards for Water Works 8.2.1, Drinking Water General Design Criteria IV.1.a]
T-8	Water storage tanks shall have a minimum 100% turnover rate of once per 72 hours. [Drinking Water General Design Criteri
T-9	Minimum water level for all gravity storage tanks shall maintain a minimum design pressure of 30 psi for all potential points Water General Design Criteria IV.6.b]
T-10	Separate inlet and outlet is required on storage tanks; and the inlet has to be in the upper half of the tank (unless there is a sep General Design Criteria IV.6.c]
T-11	The maximum variation between high and low levels in storage structures providing pressure to a distribution system should Standards for Water Works 7.3.1]
T-12	Finished water storage structures which provide pressure directly to the distribution system shall be designed so they can be i drained for cleaning or maintenance without causing a loss of pressure in the distribution system. [Recommended Standards f

Distribution-Major Construction
Allen Co Water District
Facility Requirements

Activity ID No.:APE20230003

STOR0000000002 (Walkers Chapel Elevated Tank) 300000-gallon elevated water storage tank:

Narrative Requirements:

Condition No.	Condition
T-13	The storage structure drain shall discharge to the ground surface with no direct connection to a sewer or storm drain. [Recom
T-14	Adequate controls shall be provided to maintain levels in distribution system storage structures. Level indicating devices shou [Recommended Standards for Water Works 7.3.3]
T-15	The minimum storage capacity (or equivalent capacity) for systems not providing fire protection shall be equal to the average Standards for Water Works 7.0.1.b]
T-16	The system should be designed to facilitate turnover of water in the reservoir. [Recommended Standards for Water Works 7.0
T-17	Excessive storage capacity should be avoided to prevent potential water quality deterioration problems. [Recommended Stanc
T-18	The overflow pipe shall be of sufficient diameter to permit waste of water in excess of the filling rate. [Recommended Standa
T-19	Finished water storage structures shall be designed with reasonably convenient access to the interior for cleaning and mainten Works 7.0.8]
T-20	Finished water storage structures shall be vented. Vents shall prevent the entrance of surface water, rainwater, bird, and anim considered a vent. Open construction between the sidewall and roof is not permissible. [Recommended Standards for Water V
T-21	Finished water storage structures and their appurtenances, especially the riser pipes, overflows, and vents, shall be designed tc freeze protection that will come into contact with the potable water shall meet ANSI/NSF Standard 61. [Recommended Stand
T-22	If a flapper valve is utilized, a screen shall be provide inside the valve. Provisions must be included to prevent the flapper fro for Water Works 7.0.7.e]
T-23	The roof and sidewalls of all water storage structures must be watertight with no openings except properly constructed vents, mountings, control ports, or piping for inflow and outflow. [Recommended Standards for Water Works 7.0.10]
T-24	Any pipes running through the roof or sidewall of a metal storage structure must be welded, or properly gasketed. In concrete standard wall castings which were poured in place during the forming of the concrete. [Recommended Standards for Water W

Distribution-Major Construction
Allen Co Water District
Facility Requirements

Activity ID No.:APE20230003

STOR0000000002 (Walkers Chapel Elevated Tank) 300000-gallon elevated water storage tank:

Narrative Requirements:

Condition No.	Condition
T-25	Openings in the roof of a storage structure designed to accommodate control apparatus or pump columns, shall be curbed anc prevent contamination from surface or floor drainage. [Recommended Standards for Water Works 7.0.10.b]
T-26	Valves and controls should be located outside the storage structure so that the valve stems and similar projections will not pa: [Recommended Standards for Water Works 7.0.10.c]
T-27	Every catwalk over finished water in a storage structure shall have a solid floor with sealed raised edges, designed to prevent dirt. [Recommended Standards for Water Works 7.0.14]
T-28	The discharge pipes from water storage structures shall be located in a manner that will prevent the flow of sediment into the Standards for Water Works 7.0.15]
T-29	Smooth-nosed sampling tap(s) shall be provided to facilitate collection of water samples for both bacteriological and chemica easily accessible. [Recommended Standards for Water Works 7.0.19]
T-30	Sewers, drains, standing water, and similar sources of possible contamination must be kept at least 50 feet from water storage water main quality pipe, pressure tested in place without leakage, may be used at distances greater than 20 feet but less than 5 Works 7.0.2.c]
T-31	The roof of the storage structure shall be well drained. Downspout pipes shall not enter or pass through the reservoir. [Recom 7.0.10.d]
T-32	Porous material, including wood and concrete block shall not be used for potable water contact applications. [Recommended
T-33	All finished water storage structures shall have suitable watertight roofs which exclude birds, animals, insects, and excessive Works 7.0.3]
T-34	Fencing, locks on access manholes, and other necessary precautions shall be provided to prevent trespassing, vandalism, and Water Works 7.0.4]
T-35	Ladders, ladder guards, balcony railings, and safely located entrance hatches shall be provided where applicable. [Recommen

Distribution-Major Construction
Allen Co Water District
Facility Requirements

Activity ID No.:APE20230003

STOR0000000002 (Walkers Chapel Elevated Tank) 300000-gallon elevated water storage tank:

Narrative Requirements:

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

Distribution-Major Construction
Allen Co Water District
Facility Requirements

Activity ID No.:APE20230003

STOR0000000002 (Walkers Chapel Elevated Tank) 300000-gallon elevated water storage tank:

Narrative Requirements:

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

EXHIBIT C

KIA Conditional Commitment Letter

KENTUCKY INFRASTRUCTURE AUTHORITY

Andy Beshear
Governor

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

Sandy Williams
Executive Director

November 3, 2023

Adam Nunn, General Manager
Allen County Water District
330 New Gallatin Road
Scottsville, KY 42164

KENTUCKY INFRASTRUCTURE AUTHORITY
INFRASTRUCTURE REVOLVING LOAN FUND
CONDITIONAL COMMITMENT LETTER (B24-005)

Dear Mr. Nunn:

The Kentucky Infrastructure Authority ("the Authority") commends your efforts to improve public service facilities in your community. On November 2, 2023, the Authority approved your loan for the Walkers Chapel Water Tank Project subject to the conditions stated in Attachment A to this letter. The total cost of the project shall not exceed $1,200,000, without prior authorization of the Authority, of which the Authority loan shall provide $700,000 of the funding. Other anticipated funding for the project is reflected in Attachment B. The final loan amount will be equal to the Authority's portion of estimated project cost applied to the actual project cost. Attachment B incorporated herein by reference fully describes the project.

An Assistance Agreement will be executed between the Authority and the Allen County Water District upon satisfactory performance of the conditions set forth in Attachment A. You must meet the conditions set forth in Attachment A and enter into an Assistance Agreement by November 3, 2024 (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: Matthew R. Curtis, Bluegrass Engineering, PLLC
Bluegrass Engineering, PLLC, Matthew Curtis, PE

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.

Wayne Jackson
Accepted

11-21-2023
Date

ATTACHMENT A

Conditions

Allen County Water District
B24-005

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

1. The Authority project loan shall not exceed $700,000.

2. The loan shall bear interest at the rate of 1.25% 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.

ATTACHMENT B

Executive Summary and Credit Analysis

Allen County Water District
B24-005

Reviewer: Sandy Sanders
Date: Nov. 2, 2023
Loan Number: B24-005

KENTUCKY INFRASTRUCTURE AUTHORITY
INFRASTRUCTURE REVOLVING LOAN FUND (FUND B)
ALLEN COUNTY WATER DISTRICT, ALLEN COUNTY
PROJECT REVIEW
WX21003029

I. PROJECT DESCRIPTION

The Allen County Water District is requesting a Fund B loan in the amount of $700,000 for the Walkers Chapel Water Tank Project. This project will construct a new 300,000-gallon elevated storage tank to replace an aging 170,000-gallon glass lined standpipe allowing for proper turnover of the tank and providing additional storage for existing customers. The existing standpipe has had its coating system compromised by prior repair attempts and shows further corrosion during inspections with the potential to create poor water quality. The project will also rehab the Halfway Booster Station with energy efficient upgrades to pumps, controls and VFDs allowing the District to have additional operational flexibility.

The Allen County Water District currently serves 6,006 residential customers, 442 commercial customers and 1 wholesale customer. The District purchases water from the Glasgow Water Company and sells to the City of Scottsville.

II. PROJECT BUDGET

	Total
Land, Easements	$ 10,000
Engineering Fees - Design	57,000
Engineering Fees - Construction	24,000
Engineering Fees - Inspection	51,000
Construction	925,000
Contingency	118,000
Total	**$ 1,200,000**

III. PROJECT FUNDING

	Amount	%
B24-005	$ 700,000	58%
22CWW064	500,000	42%
Total	**$ 1,200,000**	**100%**

IV. KIA DEBT SERVICE

Construction Loan	$ 700,000
Less: Principal Forgiveness	0
Amortized Loan Amount	$ 700,000
Interest Rate	1.25%
Loan Term (Years)	20
Estimated Annual Debt Service	$ 39,666
Administrative Fee (0.20%)	1,400
Total Estimated Annual Debt Service	**$ 41,066**

V. PROJECT SCHEDULE

Bid Opening:	January 16, 2024
Construction Start:	April 8, 2024
Construction Stop:	August 26, 2024

VI. RATE STRUCTURE

A. Customers

Customers	Current
Residential	6,006
Commercial	442
Wholesale	1
Total	6,449

B. Rates

WATER	Current	Prior
Date of Last Rate Increase	02/03/21	10/05/11
Minimum - First 2,000 gallons	$21.91	$19.29
Next 3,000 gallons, per gallon	0.00861	0.00758
Cost for 4,000 gallons	$39.13	$34.45
Increase %	13.6%	10.5%
Affordability Index (Rate/MHI)	0.9%	0.8%

VII. DEMOGRAPHICS

Based on current Census data from the American Community Survey 5-Year Estimate 2017-2021, the Utility's service area population was 13,790 with a Median Household Income (MHI) of $54,068. The MHI for the Commonwealth is $55,454. The project will qualify for a 1.25% 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. The non-cash impacts of GASB 68 – Accounting and Financial Reporting for Pensions and GASB 75 – Accounting and Financial Reporting for Other Postemployment Benefit have been removed from the operating expenses. Percentage references in the History section below are based on whole dollar amounts and not the rounded amounts presented.

HISTORY

Total water revenues increased 26.3% from $2.53 million in 2020 to $3.19 million in 2022 due to rate adjustments in 2021 and an increase in customer base. Operating expenses increased 24.0% from $2.58 million to $3.01 million during the same period due to an increase in customers and corresponding increase in purchased water usage. The debt coverage ratio was 1.6, 1.9, and 2.2 in 2020, 2021, and 2022.

The balance sheet reflects a current ratio of 7.6, a debt-to-equity ratio of 0.6, 28.5 days of sales in accounts receivable, and 2.4 months of operating expenses in unrestricted cash.

PROJECTIONS

Projections are based on the following assumptions:

1) Revenues will remain flat in projected years.
2) Operating expenses will increase 2% annually due to inflation.
3) Debt service coverage is 1.7 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 Allen County Water District 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 $700,000 loan and must receive a Certificate of Public Convenience and Necessity, pursuant to KRS 278.020.

REPLACEMENT RESERVE

The replacement reserve will be 5% ($36,000 total) of the final amount borrowed to be funded annually ($1,800 yearly) each December 1 for 20 years and maintained for the life of the loan.

IX. DEBT OBLIGATIONS

	Outstanding	Maturity
2006 Series Water Revenue Bonds	$ 1,295,000	2046
2012 Series Water Revenue Bonds	694,500	2052
KY Rural Water Loan	1,995,000	2038
KIA Loan #F19-025	2,349,566	2042
Total	**$ 6,334,066**	

X. CONTACTS

Legal Applicant	
Entity Name	Allen County Water District
Authorized Official	Adam Nunn (General Manager)
County	Allen
Email	adamnacwd@nctc.com
Phone	270-622-3040
Address	330 New Gallatin Road Scottsville, KY 42164

Applicant Contact	
Name	Matthew R. Curtis
Organization	Bluegrass Engineering, PLLC
Email	mcurtis@bluegrassengineering.net
Phone	502-370-6551
Address	222 E Main Street Ste 1 Georgetown, KY 40324

Project Administrator	
Name	Matthew R. Curtis
Organization	Bluegrass Engineering, PLLC
Email	mcurtis@bluegrassengineering.net
Phone	502-370-6551
Address	PO Box 1657 222 E Main Street Ste 1 Georgetown, KY 40324

Consulting Engineer	
PE Name	Matthew Curtis, PE
Firm Name	Bluegrass Engineering, PLLC
Email	mcurtis@bluegrassengineering.net
Phone	-
Address	222 E Main Street Ste 1 Georgetown, KY 40324

XI. RECOMMENDATIONS

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

ALLEN COUNTY WATER DISTRICT

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	3,720,538	3,706,491	3,470,070	3,510,225	3,578,063	3,635,110	3,685,416	3,728,915
Other Assets	15,514,382	15,664,194	15,651,915	15,342,908	16,190,899	15,765,721	15,313,582	14,834,215
Total	19,234,920	19,370,685	19,121,985	18,853,133	19,768,962	19,400,831	18,998,998	18,563,130
Liabilities & Equity								
Current Liabilities	325,336	276,603	456,148	445,939	498,112	509,261	520,454	537,890
Long Term Liabilities	6,774,593	6,792,326	6,488,548	6,221,224	6,603,727	6,277,081	5,941,243	5,590,068
Total Liabilities	7,099,929	7,068,929	6,944,696	6,667,163	7,101,839	6,786,342	6,461,696	6,127,958
Net Assets	12,134,991	12,301,756	12,177,289	12,185,970	12,667,123	12,614,488	12,537,302	12,435,172
Cash Flow								
Revenues	2,529,501	2,960,536	3,194,835	3,194,835	3,194,835	3,194,835	3,194,835	3,194,835
Operating Expenses	1,998,844	2,203,110	2,384,468	2,415,703	2,447,563	2,480,060	2,513,207	2,547,017
Other Income	67,506	37,975	71,029	71,029	71,029	71,029	71,029	71,029
Cash Flow Before Debt Service	598,163	795,401	881,396	850,161	818,301	785,804	752,657	718,847
Debt Service								
Existing Debt Service	378,966	429,482	406,364	457,216	458,575	459,506	460,060	460,286
Proposed KIA Loan	0	0	0	0	20,533	41,066	41,066	41,066
Total Debt Service	378,966	429,482	406,364	457,216	479,108	500,572	501,126	501,352
Cash Flow After Debt Service	219,197	365,919	475,032	392,945	339,193	285,232	251,531	217,495
Ratios								
Current Ratio	11.4	13.4	7.6	7.9	7.2	7.1	7.1	6.9
Debt to Equity	0.6	0.6	0.6	0.5	0.6	0.5	0.5	0.5
Days Sales in Accounts Receivable	35.5	32.4	28.5	28.5	28.5	28.5	28.5	28.5
Months Operating Expenses in Unrestricted Cash	2.8	2.4	2.4	2.8	3.1	3.3	3.5	3.7
Debt Coverage Ratio	1.6	1.9	2.2	1.9	1.7	1.6	1.5	1.4

ATTACHMENT C

Forms

Allen County Water District
B24-005

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.

KIA Loan # B24-005

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

AUTHORIZATION FOR ELECTRONIC DEPOSIT
OF BORROWER PAYMENT
KENTUCKY INFRASTRUCTURE AUTHORITY
KIA Loan # B24-005

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

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

EXHIBIT D

KIA CWP Grant Conditional Commitment Letter

KENTUCKY INFRASTRUCTURE AUTHORITY

Andy Beshear
Governor

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

Sandy Williams
Executive Director

November 21, 2022

Wayne Jackson
Chairman
Allen County Water District
330 New Gallatin Rd
Scottsville, KY 42164

KENTUCKY INFRASTRUCTURE AUTHORITY
CONDITIONAL COMMITMENT LETTER
KIA Grant Number 22CWW064
WRIS Project Number WX21003029

Dear Official,

Congratulations on receiving an award of Kentucky Cleaner Water Program (the "CWP") Round 2 grant funds for your Project! The Kentucky Infrastructure Authority (the "Authority") approved the grant request to the Allen County Water District (the "Grantee") in the amount of $500,000 for the Walkers Chapel Water Tank Project project. We look forward to working with you to successfully complete your Project!

Please be aware that these Round 2 CWP Grant Project funds are provided through the American Rescue Plan Act of 2021, Coronavirus State Fiscal Recovery Fund and must be obligated by December 31, 2024 and fully expended by December 31, 2026. Any funds not obligated by December 31, 2024 or expended by December 31, 2026 will be forfeited and will not be available for the project.

An Assistance Agreement will be executed between the Authority and the Grantee upon satisfactory performance of the conditions set forth in Attachment A. Funds will be available for disbursement only after execution of the Assistance Agreement.

During the course of implementing your project, please inform the Authority of any changes in the project scope and 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,

Sandy Williams

Sandy Williams,
Executive Director

Attachments

cc: Morgan Hershey, Project Administrator
Deann Marquez, Allen County Water District
Morgan Hershey, ADD Coordinator
Kelly Cunnagin, KIA Grant Analyst
File

Please sign and return a copy of this letter indicating your acknowledgement and acceptance of the commitment and its terms and conditions incorporated by reference and in the Attachments and Exhibits.

_____ _____

Accepted Date

ATTACHMENT A

GRANT TERMS AND CONDITIONS

Allen County Water District

The Conditional Commitment Letter and a subsequent Assistance Agreement between the Grantee and the Kentucky Infrastructure Authority shall be subject, but not limited, to the timely compliance with the following terms and conditions.

Terms

1. The grant award shall not exceed $500,000 and shall be used solely for the designated project, unless otherwise permitted in writing by the Authority. Any reallocation requests should request signature approval by the original consensus approval group.

2. The grant funds shall be obligated by December 31, 2024. Any grant funds not obligated by December 31, 2024 will not be available for use by the Grantee and will not be available for the project.

3. Grant funds obligated by December 31, 2024 must be expended by the Grantee by December 31, 2026. Any obligated funds not fully expended by December 31, 2026 will not be available for use by the Grantee and will not be available for the project.

4. The grant must be reviewed and approved by the Capital Projects and Bond Oversight Committee of the Kentucky Legislature prior to the Authority's execution of the Assistance Agreement.

5. The Assistance Agreement must be executed within six (6) months from project bid opening.

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

7. All approvals required by the Kentucky Division of Water (DOW), if any, shall be obtained by the Grantee prior to project bid. All approvals required by the Kentucky Public Service Commission, if any, shall be obtained prior to commencement of project construction.

8. All acquisitions of easements or purchases of land shall be completed prior to commencement of construction.

9. Cleaner Water Program grant funds are federal funds. If more than $750,000 of federal funds including all sources are disbursed to the Grantee in any one fiscal year, the Grantee is required to have a single or program-specific audit conducted

for that year in accordance with 2 CFR 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards.

10. If the grant funds are used in conjunction with any other federal funds including but not limited to programs of the EPA, USDA, HUD, CDBG, ARC or other federal agencies, the Cleaner Water Program funds shall comply with these agencies' program requirements, regulations, and laws such as compliance with the Davis-Bacon Act, the Federal Environmental Protection Act and others.

11. SAM.gov Requirements. Grantees are required to have an active registration with the System for Award Management (SAM) (https://www.sam.gov).

12. All correspondence and document sharing between the Authority and the Grantee shall be by email and portable document format (.pdf) attached to email.

Conditions

The following is a list of the standard conditions to be satisfied either prior to execution of the Assistance Agreement or incorporated in the Assistance Agreement. The Grantee shall provide completed documentation marked with the corresponding Exhibit Number related to each condition. Forms and document templates for each condition are provided in Attachment C. All required documentation must be submitted to the staff member of the Authority assigned to the Grantee.

1. The Project Profile (WX21003029) shall be updated to accurately reflect project data, including the budget and mapping information, effective as of the date certified in **Exhibit 1**.

   Documentation of final funding commitments from all parties other than the Authority as identified on the Project Budget (Attachment B) and in the Budget Tab of the updated Project Profile shall be provided prior to execution of the Assistance Agreement and disbursement of grant funds. Any subsequent changes in the anticipated project funding shall be immediately reported to the Authority and may cause this grant to be subject to further consideration.

2. The Grantee shall obtain a Vendor Number from the Finance and Administration Cabinet of the Commonwealth of Kentucky and provide that Vendor Number to the Authority as **Exhibit 2**.

3. The project shall comply with the reporting requirements of the Federal Funding Accountability and Transparency Act (FFATA). The Grantee shall complete the Transparency Act Reporting Information Form and return it to the Authority as **Exhibit 3**.

Exhibits 1 – 3 must be completed and returned to the Authority with this signed Conditional Commitment Letter.

After providing the Authority with the signed Conditional Commitment Letter and Exhibits 1 through 3, the Authority will forward to the Grantee the Grant Assistance Agreement. Upon completion by the Grantee of Exhibits 4, 5, and 7, the Authorized Official shall sign the Assistance Agreement and forward the Exhibits, with supporting documentation, and the signed Assistance Agreement to the Authority for execution. The Grantee shall continue to complete the remaining Exhibits (6 and 8 through 10).

4. After receiving the Grant Assistance Agreement: At an official meeting of its governing body, the Grantee shall approve acceptance of the Grant and the Assistance Agreement, amend its annual budget accordingly, and designate an Authorized Official to sign all appropriate documents. The resolution and the certificate of Recording Officer are submitted as **Exhibit 4**.

5. After receiving the Grant Assistance Agreement: Legal Counsel for the Grantee must provide an opinion to the Authority as to the legality of Grantee accepting the grant and approving the Assistance Agreement as **Exhibit 5**.

6. The Grantee shall contract with an Engineer licensed in Kentucky **Exhibit 6A** and agree to the fee amount limitation as determined by the most recent USDA Rural Development Utility Program Fee Guide by jointly signing **Exhibit 6B**.

   The Grantee may request 50% of the engineering design fee as budgeted in the Project Profile when the Project plans and specifications are submitted to the Kentucky Division of Water (DOW). The balance of that fee may be requested once the Grantee provides a copy of the plans approval letter from DOW to the Authority.

7. The Grantee shall provide documentation of Kentucky eClearinghouse Endorsement and eClearinghouse Comments as **Exhibit 7**.

   Any significant changes or additions to the Project, deviating from the original scope of work described in the Project Profile, may require a new or amended eClearinghouse Endorsement, as determined by the eClearinghouse or the Authority.

8. The Grantee shall submit the DOW Plans approval letter to the Authority as **Exhibit 8**.

9. The Grantee shall complete and submit the bid package **(Exhibit 9)** to the Authority within 14 days of bid opening, which bid package shall include:

   a. Engineer's Approval of "as-bid" project budget, with Engineer's signature;
   b. Affidavit of Publication with Tear Sheet of Advertisement;
   c. Certified Bid Tabs with Engineer's seal, number and signature;
   d. Clear Site Certificates for each parcel of real property and easements, with date and signatures of the Grantee **(Exhibit 9A)** and Title Counsel **(Exhibit 9B)**.

10. The Grantee shall certify that its accounting system for water treatment and distribution and sewer service is maintained separately from its accounting for all other operations, and that its service rates are based on the cost of providing the service and, that its utility operations are audited at least every two years as **Exhibit 10**.

11. Upon project completion, the Grantee shall submit, to the Authority, the Certificate of Project Completion, signed by the project Engineer, the Authorized Official and the Project Administrator as **Exhibit 11**.

ATTACHMENT B
PROJECT BUDGET

22CWW06

CWP PROJECT BUDGET

Project Title: Walkers Chapel Water Tank Project

WRIS#: WX21003029

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

Cost Classification		CWP Grant 22CWW06 4	Funding Source 1	Funding Source 2	Funding Source 3	Funding Source 4	Funding Source 5	Local Funds	Unfunded Costs	Total
1	Administrative Expenses									
2	Legal Expenses									
3	Land, Appraisals, Easements									
4	Relocation Expense & Payments									
5	Planning									
6	Engineering Fees - Design									
7	Engineering Fees - Construction									
8	Engineering Fees - Inspection									
9	Engineering Fees - Other									
10	Construction									
11	Equipment									
12	Miscellaneous									
13	Contingencies									
	Total									

Funding Sources		Amount	Date Committed
1			
2			
3			
4			
5			
	Total		

Local Funding Sources		Amount	Date Committed
1			
2			
	Total		

Total Funding -

Construction Cost Categories	Funding Source	Total Cost
Treatment		
Transmission and Distribution		
Transmission and Distribution – Lead Remediation		
Source		
Storage		
Purchase of Systems		
Restructuring		
Land Acquisition		
TOTAL CONSTRUCTION COSTS		

ATTACHMENT C

CWP GRANT CONDITIONS – COMPLIANCE FORMS & EXHIBITS

Note A: Exhibits 1 through 3 must be completed, signed electronically or manually, then scanned and emailed to THE AUTHORITY with the Grantee's signed Conditional Commitment Letter.

Exhibit 1 Notification to The Authority of completed Review / Update of Project Profile

Exhibit 2 Confirmation of Grantee Vendor Number – via KY Finance Cabinet Application

Exhibit 3 Transparency Act Reporting Information Form

Note B: Upon receipt of the signed Conditional Commitment Letter, the Authority's verification of Exhibits 1-3, and approval by the Capital Projects and Bond Oversight Committee (CPBOC), the Authority will forward to the Grantee the Grant Assistance Agreement. AFTER receiving the Grant Assistance Agreement, the Grantee should complete Exhibits 4, 5, and 7. Then the Authorized Official may sign the Agreement and email it to the Authority with Exhibits 4, 5, and 7.

Exhibit 4 Grantee Resolution (Accepting Grant, Approving Agreement, Amending Budget, Designating an Authorized Official) and Certificate of Recording Officer

Exhibit 5 Opinion of Legal Counsel Relating to the Grantee Resolution

Exhibit 7 Kentucky eClearinghouse Endorsement Letter with Comments.

Note C: The Grantee <u>may</u> request 50% of the engineering design fee (as budgeted in the Project Profile) upon receipt of Attachment B and Exhibits 1 thru 7 and may request the balance of the engineering design fee upon the Authority's receipt of Exhibit 8.

Attachment B CWP Project Budget

Exhibit 6A Copy of the Engineering Services Contract

Exhibit 6B Grantee & Engineer Fee Confirmation

Exhibit 8 Copy of the DOW Approval Letter of Engineering Plans & Specifications.

Exhibit 9 Bid Package: Engineer's Approval of "as-bid" project budget
Affidavit of Newspaper Publication with Tear Sheet
Certified Bid Tabs with Engineer's seal, number, and signature

Exhibit 9A Clear Site Certificate – CWP Grantee.
Exhibit 9B Clear Site Certificate – Title Attorney.

Exhibit 10 Certification Regarding Utility Accounting, Cost-Based Rates and Auditing.

Exhibit 11 Certificate of Project Completion.

EXHIBIT 1

CERTIFICATION OF PROJECT PROFILE REVIEW & UPDATE

The Project Profile was reviewed and updated in the Water Resource Information System as of _____ by the Grantee's Authorized Official and Project Administrator.

(date)

Project Administrator: _____

Grant Number: _____ **22CWW064** _____

EXHIBIT 2

EZ VENDOR REGISTRATION APPLICATION

A Vendor Number must be obtained on-line though the Kentucky Cabinet for Finance and Administration. This Vendor Number is r*equired for Grantee to receive payments from the Authority.*

Vendor Registration Guide

Link to the Vendor Self Service Site

The Grantee's Vendor Number is _____.

Project Administrator: _____

Grant Number: _____22CWW064_____

EXHIBIT 3
TRANSPARENCY ACT REPORTING INFORMATION FORM
CLEANER WATER PROGRAM GRANT

This form is required for all utility entities with projects funded in whole or in part from the Cleaner Water Program Grant Fund. Please complete this form if your entity has a Unique Entity ID or as soon as you receive your Unique Entity ID and return it with the signed Conditional Commitment Letter you received from the Authority.

Grantee Information:

Grantee Name:	Allen County Water District
Unique Entity ID (generated by SAM.gov)*:	
KIA Grant Number:	22CWW064
CWP WRIS Project Number	WX21003029
Street Address	
City, State and Zip (Zip must include 4 digit extension)	
Federal Congressional District(s) of Grantee Utility Service Area:	

*If the Unique Entity ID provided above is registered under a different name than the recipient of the grant 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 upon receipt of the Authority's Conditional Commitment letter and provide notification to the Authority of the number once issued. For instructions on the Unique Entity ID registration, please see the link at the bottom of this page.

Physical Location of Project (Primary Place of Performance)

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

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

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

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

EXHIBIT 4

RESOLUTION

RESOLUTION OF THE ALLEN COUNTY WATER DISTRICT ACCEPTING THE GRANT, APPROVING THE GRANT ASSISTENCE AGREEMENT, AUTHORIZING THE AMENDMENT OF THE ALLEN COUNTY WATER DISTRICT'S ANNUAL BUDGET, AND AUTHORIZING A REPRESENTATIVE TO SIGN ALL RELATED DOCUMENTS

WHEREAS, the Kentucky General Assembly has appropriated funds for infrastructure projects in House Bill 1 of the 2022 Regular Session of the Kentucky General Assembly for the Cleaner Water Program; and

WHEREAS, the Allen County Water District (the "Grantee") has previously determined that it is in the public interest to acquire and construct certain facilities and improvements to the Grantee's utility system (the "Project"); and

WHEREAS, the Grantee desires funding from the Kentucky Infrastructure Authority (the "Authority") for the purpose of acquisition and construction of the Project; and

WHEREAS, in order to obtain a grant from the Cleaner Water Program for the Project, and administered by the Authority, the Grantee is required to enter into an assistance agreement (the "Agreement") with the Authority.

NOW, THEREFORE, BE IT RESOLVED by the governing body of the Allen County Water District as follows:

SECTION 1. The Grantee hereby accepts the grant award and approves the Agreement between the Grantee and the Authority to provide the necessary funds to the Grantee for the Project.

SECTION 2. That _____ is hereby designated to be the Grantee's "Authorized Official" for this Project and is hereby directed and empowered by the Grantee to execute the Agreement, related documents and agreements, and to otherwise act on behalf of the Grantee to effect such grant award, and to engage a qualified Project Administrator.

SECTION 3. That the Grantee hereby agrees and commits to include, by amendment to its annual budget and audit process, the receipts and expenditures of funds subject to the Agreement up to and including the date of Project closeout.

SECTION 4. That this resolution shall take effect at the earliest time provided by law.

ADOPTED on_____, 202___.

ALLEN COUNTY WATER DISTRICT

_____
Authorized Signatory

CERTIFICATE OF RECORDING OFFICER

I, the undersigned, hereby certify that I am the duly qualified and acting Secretary/Clerk of the Grantee, and that the foregoing is a full, true and correct copy of a Resolution adopted by the governing body of said Grantee at a meeting duly held on _____ _____, 202___; and that this official action appears as a matter of public record in the official records or journal of the Grantee; and that said meeting was held in accordance with all applicable requirements of Kentucky law, including Sections 61.810, 61.815, 61.820 and 61.823 of the Kentucky Revised Statutes; and that a quorum was present at the meeting; and that this official action has not been modified, amended, revoked or repealed and is now in full force and effect.

IN TESTIMONY WHEREOF, witness my signature, below, on _____ _____, 202___.

_____
Secretary/Clerk

EXHIBIT 5

OPINION OF LEGAL COUNSEL
RELATING TO GRANTEE RESOLUTION

(Content below to be placed on letterhead of Legal Counsel for Grantee)

(Date)

Kentucky Infrastructure Authority
100 Airport Road, Third Floor
Frankfort, Kentucky 40601

RE: Grant Assistance Agreement by and between Kentucky Infrastructure Authority and Grantee, dated as of _____, 202__.

Ms. Sandy Williams:

The undersigned is an attorney at law duly admitted to the practice of law in the Commonwealth of Kentucky and serves as legal counsel to the Allen County Water District, hereinafter referred to as the "Grantee". I am familiar with the organizational structure and operations of the Grantee and the laws of the Commonwealth applicable thereto. Additionally, I am familiar with the utility infrastructure project (the "Project") for which the Grant Assistance Agreement (the "Agreement") between the Kentucky Infrastructure Authority (the "Authority") and the Grantee is being authorized, executed and delivered.

I have reviewed the form of Agreement by and between the Authority and the Grantee and the legislation of the governing body authorizing the execution and delivery of said Agreement.

Based upon my review I am of the opinion that:

1) The Grantee is a (unit of local government, or a special purpose governmental entity or a corporation) of the Commonwealth of Kentucky duly organized and validly existing under the Constitution and statutes of the Commonwealth of Kentucky.

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

3) The Grantee has all necessary power and authority (i) to enter into, perform and consummate all transactions contemplated by the Agreement, and (ii) to execute and deliver the documents and instruments to be executed and delivered by it in connection with the construction of the Project.

4) The execution and delivery of the Agreement and the performance by the Grantee of its obligations thereunder does not and will not conflict with, violate, or constitute a default under any court or administrative order, decree or ruling, or any law, statute, ordinance or regulation, or any agreement, indenture, mortgage, lease, note or other obligation or instrument, binding upon the Grantee, or any of its properties or assets.

5) To the best of my knowledge after due inquiry there is no action, suit, proceedings or investigation at law or in equity before any court, public board or body pending or threatened against, affecting or questioning (i) the valid existence of the Grantee, (ii) the right or title of the members and officers of Grantee to their respective positions, (iii) the authorization, execution, delivery or enforceability of the Agreement or the application of any monies or security therefore, (iv) the construction of the Project, or (v) that would have a material adverse impact on the ability of the Grantee to perform its obligations under the Agreement.

6) None of the proceedings or authority heretofore had or taken by the Grantee for the authorization, execution or delivery of the Agreement has or have been repealed, rescinded, or revoked.

7) All proceedings and actions of the Grantee with respect to which the Agreement is to be delivered were in place or taken at meetings properly convened and held in substantial compliance with the applicable provisions of Sections 61.805 to 61.850 of the Kentucky Revised Statutes.

Respectfully,

EXHIBIT 6A

ENGINEERING SERVICES

If the Grantee's Project requires professional engineering services, such services shall be properly procured in accordance with KRS 45A.730 to 45A.750.

A copy of the Engineering Contract between the Grantee and the Engineer shall be submitted to the Authority, marked as **Exhibit 6A**.

Please check the box below that most closely describes your project. If additional comments need to be made, please provide comments in the blank area below or attach a separate sheet.

☐ This project requires an engineer and will have an engineering contract.

☐ This project was designed by an in-house engineer and will not have an engineering contract.

☐ This project does not require design by an engineer and will not have an engineering contract.

EXHIBIT 6B

GRANTEE & ENGINEER FEE CONFIRMATION

The Authority requires that the Engineer's fee be calculated based on the Engineer's estimated net construction cost of the Project in conformance with the latest version of the USDA Rural Development Utility Program Fee Guide.

Consequently, when services of a professional engineer are required for the Grantee's Project, the Grantee and the Project Engineer must confirm, by signature below, that:

The Grantee and the Professional Engineer concur and hereby state that the total dollar amount for all professional engineering services provided to the Grantee by the Engineer relating to the Project, as set out in the Project Profile, to be paid in sum, cumulatively, over the course of Project implementation, shall be less than or not to exceed the fee amounts as set out in the approved Project Profile Budget, as determined by the Engineer. Higher amounts for materials costs and construction costs than those estimated as contained in the Project Profile, as may result from Project bidding, do not warrant an increase in Engineering Fees unless the Project must be re-bid or infrastructure components must be re-designed as a consequence of bid-price overages. Further, it is understood that any proposed amendment to the Engineering Contract, as relates to the Grantee's Project is subject to prior written approval of the Authority.

Grantee Authorized Official: _____
Signature

Professional Engineering Firm: _____

Professional Engineer: _____
Signature

Please check the box below if the project does not require a contract with an outside engineer. If additional comments need to be made, please provide comments in the blank area below or attach a separate sheet.

☐ This form does not apply because the project was designed by an in-house engineer or the project does not require design by an engineer.

EXHIBIT 7

COPY OF eCLEARINGHOUSE ENDORSEMENT LETTER WITH COMMENTS

Note: In submitting the Project to the Kentucky eClearinghouse, be advised that the source of the Kentucky Cleaner Water Program funds is the American Rescue Plan Act of 2021, which established the Coronavirus State Fiscal Recovery Fund, and were appropriated through House Bill 1 of the 2022 Regular Session of the Kentucky General Assembly.

For purposes of the KY eClearinghouse, these funds are listed in the Catalog of Federal Domestic Assistance as ALN 21.027

Link to eClearinghouse

EXHIBIT 8

**COPY OF KENTUCKY DIVISION OF WATER APPROVAL LETTER
FOR
ENGINEER'S PROJECT PLANS & SPECIFICATIONS**

Please check the box below that most closely describes your project. If additional comments need to be made, please provide comments in the blank area below or attach a separate sheet.

☐ This project requires DOW approval and the approval letter is attached.

☐ This project does not require DOW approval and the approval letter is not applicable.

EXHIBIT 9

THE BID PACKAGE

Provide a signed copy of each of the following elements of the Bid Package to the Authority within 14 days of bid opening:

1) Engineer's Approval of "as-bid" project budget, with Engineer's signature.

2) Affidavit of Newspaper Publication with Tear Sheet of Advertisement.

3) Certified Bid Tabs with Engineer's seal, number, and signature.

Please check the box below that most closely describes your project. If additional comments need to be made, please provide comments in the blank area below or attach a separate sheet.

☐ Procurement for this project requires the project to be bid. The bid package referred to above is attached.

☐ Procurement for this project falls under small purchase procurement and requires 3 quotes. The quotes are attached.

☐ Procurement for this project falls under a procurement master agreement. The master agreement is attached.

☐ Procurement for this project used another procurement type and is described below.

Other Procurement description: _____

EXHIBIT 9A

CLEAR SITE CERTIFICATE – CWP Grantee

I _____, the Authorized Official of the Allen County Water District, certifies that the Grantee has acquired all real property, including easements and rights-of-way, that are or will be required for construction, (erection, extension, modification, addition) operation and maintenance of the utility infrastructure project identified above.

I certify that the Grantee will not use Cleaner Water Program Funds for the purchase of real property (including easements) unless the purchase is from a willing seller.

I certify that, if another water or wastewater entity is served by the Project identified above, either the Grantee cited above or the entity to be served has acquired real property including easements and rights-of-way required for the proposed service.

I certify that the Title Attorney's Certification given on the attached certificate covers all real property including easements and rights-of way required for construction, operation and maintenance of the Grantee's project identified above.

I further certify that all real property, including easements required for the Grantee's project identified above, was acquired in accordance with the requirements of the Surface Transportation and Uniform Relocation Assistance Act of 1987 as set forth in 49 CFR Part 24.

Dated this____day of_____, 20___

_____

Grantee's Authorized Official

_____

Title (Chairman, Mayor, Commissioner, Manager, Superintendent, etc.)

EXHIBIT 9B

CLEAR SITE CERTIFICATE – Title Attorney

I, _____, an Attorney at Law, acting as Title Counsel to the Allen County Water District (the "Grantee"), the owner of the Project cited above, do hereby certify:

1. That I have investigated and ascertained the location of and am familiar with the legal description of the site or sites being provided by the Grantee for all elements of the Project identified above to be constructed (modified, extended, improved, altered) operated and maintained in and upon such site or sites.

2. That I have examined the deed records of the county or counties in which such Project is to be located, and in my opinion the Grantee has a legal and valid fee simple title or such other estate or interest in the site of the Project, including necessary easements and rights-of-way sufficient to assure undisturbed use and possession for the purpose of construction, operation and maintenance for the estimated life of the Project.

3. That any deeds or documents required to be recorded in order to protect the title of the owner and the interest of the Grantee have been duly recorded and filed of record wherever necessary.

4. If applicable, that the title to real property for which the Kentucky Infrastructure Authority funded the cost has been encumbered in accordance with the requirements of State and local law to adequately protect the interest of the Kentucky Infrastructure Authority.

5. Remarks:

Dated this _____day of _____, 20___.

Attorney at Law: _____

Address: _____

EXHIBIT 10

CERTIFICATION REGARDING UTILITY ACCOUNTING , COST-BASED RATES AND AUDITING

I, the Authorized Official of the Allen County Water District (the "Grantee"), hereby certify that the Grantee agrees, as a condition of its Cleaner Water Program fund award, as follows:

a) to establish and use a financial accounting system that accounts for the operations of water treatment and distribution separately from all other operations of the Grantee;

b) to establish service rates based upon the cost of providing the service; and

c) that the Authority may require an audit to be conducted of the Grantee's utility at least once every two (2) years.

Allen County Water District

_____

Printed Name of Authorized Official

_____

Signature of Authorized Official

_____

Date

EXHIBIT 11

CERTIFICATE OF PROJECT COMPLETION

Pursuant to the Grant Assistance Agreement between the Kentucky Infrastructure Authority (the "Authority") and the Allen County Water District (the "Grantee"), this certificate, signed by the Grantee's Engineer and the Grantee, confirms that the following Project implementation activities are complete.

1. The Project construction has been completed and payment in full has been made to all vendors and/or contractors for labor, services, materials, supplies, machinery, and equipment included in the Project, as appropriate.

2. The Project is complete and is available for the provision of services which are expected to commence on or about _____.

3. A set of Project construction plans, with hand-drawn illustrations and notations reflecting any changes and variances from the original plans, if any, has been delivered to the Project Administrator for use in updating the Water Resources Information System appropriately.

Project Engineer: _____

Date: _____

4. All lands, easements, rights of ways, temporary or permanent permits or other authorizations or clearances as well as necessary constructed structures or facilities in connection with the Project have been acquired, constructed, equipped, and installed and all costs and expenses incurred in connection therewith have been paid in full.

Authorized Official: _____

Project Administrator: _____

Date: _____

KENTUCKY INFRASTRUCTURE AUTHORITY

Andy Beshear
Governor

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

Sandy Williams
Executive Director

March 27, 2024

Wayne Jackson
Chairman
Allen County Water District
330 New Gallatin Rd
Scottsville, KY 42164

KENTUCKY INFRASTRUCTURE AUTHORITY
CONDITIONAL SUPPLEMENTAL COMMITMENT LETTER
KIA Grant Number 22CWW064
WRIS Project Number WX21003029

Dear Official,

Congratulations on receiving an increase to your existing Kentucky Cleaner Water Program (the "CWP") grant funds for your Project! The Kentucky Infrastructure Authority (the "Authority") approved the additional grant funds to the Allen County Water District (the "Grantee") in the amount of $100,000 for the Walkers Chapel Water Tank Project project. This brings your total grant award to $600,000. We look forward to working with you to successfully complete your Project! All terms, conditions, and Exhibits previously provided to the Authority by the Grantee for this Grant are incorporated herein by reference. Note that this Conditional Supplemental Commitment Letter, Attachments and Exhibits hereto do not include certain exhibits that were included in your original Conditional Commitment Letter because updated versions of those exhibits are not needed for this supplemental grant. We have left the original Exhibit numbers in place for clarity.

Please be aware that these CWP Grant Project funds are provided through the American Rescue Plan Act of 2021, Coronavirus State Fiscal Recovery Fund and must be obligated by December 31, 2024 and fully expended by December 31, 2026. Any funds not obligated by December 31, 2024 or expended by December 31, 2026 will be forfeited and will not be available for the project.

An Assistance Agreement (or Supplemental Assistance Agreement if your Assistance Agreement is already signed) will be executed between the Authority and the Grantee upon satisfactory performance of the conditions set forth in Attachment A. Funds will be available for disbursement only after execution of the Assistance Agreement and / or Supplemental Assistance Agreement.

During the course of implementing your project, please inform the Authority of any changes in the project scope and 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,

Sandy Williams

Sandy Williams,
Executive Director

Attachments

cc: Matthew R Curtis, Project Administrator
Adam Nunn, Allen County Water District
Morgan Hershey, ADD Coordinator
Julie Bickers, KIA Grant Analyst
File

Please sign and return a copy of this letter indicating your acknowledgement and acceptance of the commitment and its terms and conditions incorporated by reference and in the Attachments and Exhibits.

Wayne Jackson
Accepted

3-28-2024
Date

EXHIBIT E

CWP Grant Assistance Agreement

the Grant Assistance Agreement is being filed as a separate document

EXHIBIT F

Statement of Annual Cost of Operations

PROFORMA INCOME STATEMENT 2025-2029
ALLEN COUNTY WATER DISTRICT

	2022 Audit	2025 Proforma	2026 Proforma	2027 Proforma	2028 Proforma	2029 Proforma
Operating Revenues						
Total Metered Retail Sales	3,070,633	3,162,752	3,257,635	3,355,364	3,456,024	3,559,705
Other Water Revenues						
Forfeited Discounts	43,157	0	0	0	0	0
Pumping Charges for water returns to supplie	27,524	27,524	27,524	27,524	27,524	27,524
Miscellaneous service revenue	53,521	53,521	53,521	53,521	53,521	53,521
Total Operating Revenues	3,194,835	3,243,797	3,338,680	3,436,409	3,537,069	3,640,750
Operating Expenses						
Operation & Maintenance						
Source of supply & pumping	822,715	863,851	907,043	952,395	1,000,015	1,050,016
Transmission & distribution	753,328	753,328	753,328	753,328	753,328	753,328
Customer Accounts	87,326	87,326	87,326	87,326	87,326	87,326
Administrative & General	650,933	663,952	677,231	690,775	704,591	718,683
Taxes other than income	58,293	58,293	58,293	58,293	58,293	58,293
Total Operation & Maintenance Expenses	2,372,595	2,426,749	2,483,221	2,542,118	2,603,553	2,667,646
Current Depreciation Expense	623,363	647,386	671,736	696,086	720,436	744,786
New Depreciation Expense		28,000	28,000	28,000	28,000	28,000
Total Operating Expenses	2,995,958	3,102,135	3,182,957	3,266,204	3,351,989	3,440,432
Total Utility Operating Income	198,877	141,662	155,723	170,205	185,080	200,319
Non-Operating Income	-277,403	0	0	0	0	0
Current Interest Payments	-215,481	-183,076	-191,787	-162,845	-162,058	-161,260
Net Income	-294,007	-41,414	-36,064	7,360	23,023	39,058

EXHIBIT G

Financial Statements

ALLEN COUNTY WATER DISTRICT

STATEMENT OF NET POSITION
December 31, 2022

Assets and Deferred Outflows of Resources	
Current assets	
Cash and cash equivalents	$ 481,738
Investments	2,646,766
Accounts receivable from customers, net of allowance of $10,500	246,277
Inventory	73,274
Prepaid insurance	13,923
Prepaid expenses	4,759
Accrued interest receivable	3,333
Total current assets	3,470,070
Restricted assets	
Cash – customer's deposits	141,208
Cash – bond and interest redemption account	1,111,310
Cash – depreciation reserve account	572,389
Cash – bond reserve accounts	18,536
Cash – water loss surcharge	209,641
Total restricted assets	2,053,084
Capital assets not being depreciated	
Land and land rights	314,662
Capital assets being depreciated, net of accumulated depreciation of $10,541,379	
Water supply and distribution system	13,163,590
Total capital assets	13,478,252
Other assets	
Utility deposits	555
Deferred outflows of resources	
Deferred cost of pension	120,024
Total assets and deferred outflows of resources	$ 19,121,985

The accompanying notes are an integral part of the financial statements.

(cont.)

ALLEN COUNTY WATER DISTRICT

STATEMENT OF NET POSITION
December 31, 2022

Liabilities, Deferred Inflows of Resources, and Net Position

Current liabilities	
Current maturities of long-term debt	$ 258,258
Accounts payable, payroll taxes and other payables	96,099
Customer deposits	116,837
Accrued interest	80,615
Total current liabilities	551,809
Non-current liabilities	
Long-term debt, less current maturities	6,075,808
Net pension liability	189,153
Total non-current liabilities	6,264,961
Total liabilities	6,816,770
Deferred inflows of resources	
Pension, other deferrals	127,926
Net position	
Net investment in capital assets	7,144,186
Restricted for debt service and capital outlay	1,893,340
Unrestricted	3,139,763
Total net position	12,177,289
Total liabilities, deferred inflows of resources, and net position	$ 19,121,985

The accompanying notes are an integral part of the financial statements.

ALLEN COUNTY WATER DISTRICT

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
For the Year Ended December 31, 2022

Operating revenues	
Metered water sales	$ 3,070,633
Forfeited discounts	43,157
Pumping charges for water returns to supplier	27,524
Miscellaneous service revenue	53,521
Total operating revenues	3,194,835
Operating expenses	
Source of supply and pumping	822,715
Transmission and distribution	753,328
Customer accounts	87,326
Administrative and general	650,933
Depreciation	623,363
Taxes other than income	58,293
Total operating expenses	2,995,958
Operating income	198,877
Non-operating revenues and (expenses)	
Interest income	71,029
Interest expense	(215,481)
Unrealized loss on investments	(347,029)
Non-utility income	1,618
Debt issue fees	(3,021)
Net non-operating revenues and (expenses)	(492,884)
Loss before capital contributions	(294,007)
Capital contributions	169,540
Decrease in net position	(124,467)
Net position, beginning of year	12,301,756
Net position, end of year	$ 12,177,289

The accompanying notes are an integral part of the financial statements.

ALLEN COUNTY WATER DISTRICT

STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2022

CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers	$ 3,204,282
Salaries, wages and employee benefits	(967,721)
Purchased water	(792,221)
Other operating expenses	(666,575)
Net cash provided by operating activities	777,765
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
KIA loan proceeds	33,051
Purchase of capital assets	(296,045)
Principal paid on revenue bonds and notes payable	(235,476)
Interest paid on revenue bonds and other debt	(170,888)
Debt issue fees paid	(3,021)
Capital contributions	169,540
Net cash used in capital and related financing activities	(502,839)
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest received	78,304
Proceeds from sale, matured investments	31,563
Purchase of investments	(82,181)
Net cash provided by investing activities	27,686
Net increase in cash and cash equivalents	302,612
Cash and cash equivalents, beginning of year	2,232,210
Cash and cash equivalents, end of year	$ 2,534,822

RECONCILIATION OF CASH AND CASH EQUIVALENTS	
Cash and cash equivalents	$ 481,738
Restricted cash and cash equivalents	2,053,084
	$ 2,534,822

The accompanying notes are an integral part of the financial statements.

(cont.)

ALLEN COUNTY WATER DISTRICT

STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2022

RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES	
Operating income	$ 198,877
Adjustments to reconcile operating income to net cash provided by operating activities	
Depreciation	623,363
Other non-operating revenue	1,618
Increase in deferred outflows of resources	(59,722)
Decrease in deferred inflows of resources	(14,739)
Decrease in accounts receivable	6,261
Increase in inventory	(73,274)
Decrease in prepaid items	3,084
Increase in accounts payable and accrued expenses	28,018
Increase in customer deposits	1,691
Increase in pension liability	62,588
Net cash provided by operating activities	$ 777,765

SUPPLEMENTAL DISCLOSURES	
Non-Cash Investing, Capital and Financing Activities:	
Unrealized loss on investments, net	$ 347,029

The accompanying notes are an integral part of the financial statements.

EXHIBIT H

Notification to State Local Debt Officer

Rubin & Hays

ATTORNEYS AT LAW

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

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

May 13, 2024

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

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

Dear Commissioner Keene:

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

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

Very truly yours,

Rubin & Hays

By
W. Randall Jones

WRJ:jlm
Enclosures

EXHIBIT I

Detailed List of Acquired Property

Allen County Water District
Walkers Chapel Elevated Tank

Breakdown of Project Costs by USOA
Account # 330 Distribution, Reservoirs & Standpipes

Item Number	Bid Item Description	Quantity	Unit	Unit Price	Total Cost
1	300,000 Gallon Elevated Water Tank	1	LS	$ 1,323,700.00	$ 1,323,700.00
2	Electric & Telemetry Work	1	LS	$ 98,300.00	$ 98,300.00
3	Site Work, Valve Vault, Parking Area & Access Road	1	LS	$ 233,000.00	$ 233,000.00
4	Demolition of Existing Walkers Chapel Standpipe	1	LS	$ 39,000.00	$ 39,000.00
Construction Subtotal - As-Bid					**$ 1,694,000.00**

EXHIBIT J

Certified Bid Tabulations

BLUEGRASS PLLC

Certified Bid Tabulation for

Allen County Water District

Walkers Chapel Elevated Tank
Project # 22048
Tuesday December 12, 2023 3:00 pm (local time)

Basis of Bid				Caldwell Tanks, Inc.		Pheonix Fabricators & Erectors, LLC		Maguire Iron, Inc.	
Item #	Description	Quantity	Unit	Unit Price	Price	Unit Price	Price	Unit Price	Price
1	300,000 Gallon Elevated Water Tank	1	LS	$ 1,323,700.00	$ 1,323,700.00	$ 1,507,912.00	$ 1,507,912.00	$ 1,898,300.00	$ 1,898,300.00
2	Electric & Telemetry	1	LS	$ 98,300.00	$ 98,300.00	$ 89,454.00	$ 89,454.00	$ 150,000.00	$ 150,000.00
3	Site Work, Valve Vault, Parking Ara & Access Road	1	LS	$ 233,000.00	$ 233,000.00	$ 180,000.00	$ 180,000.00	$ 176,700.00	$ 176,700.00
4	Demolition of Existing Walkers Chapel Standpipe	1	LS	$ 39,000.00	$ 39,000.00	$ 29,700.00	$ 29,700.00	$ 40,000.00	$ 40,000.00
Total - Base Bid Calculated Amount					**$ 1,694,000.00**		**$ 1,807,066.00**		**$ 2,265,000.00**

Note: **(RED) Denotes Math Correction**

The above is a true and complete tabulation of the bids received at ACWD Office at 3:30 pm local time, Tuesday, December 12, 2023.

Bluegrass Engineering, PLLC

By: Matthew R. Curtis PE

Matthew R. Curtis, PE - Project Manager

I certify that this is true and accurate tabulation of the bids.

STATE OF KENTUCKY
MATTHEW RAY CURTIS
25716
LICENSED
PROFESSIONAL ENGINEER

BLUEGRASS ENGINEERING PLLC

Certified Bid Tabulation for

Allen County Water District

Walkers Chapel Elevated Tank - Electrical
Project # 22048
Wednesday March 27, 2024 1:00 pm (local time)

Basis of Bid				Young's Electrical Heating & Cooling, Inc.		Southern Kentucky Speciality Contracting, LLC	
Item #	Description	Quantity	Unit	Unit Price	Price	Unit Price	Price
1	Electrical Work	1	LS	$ 11,350.00	$ 11,350.00	No Bid	No Bid
Total - Base Bid Calculated Amount					**$ 11,350.00**		**$ -**

Note: **(RED) Denotes Math Correction**

The above is a true and complete tabulation of the bids received at ACWD Office at 1:00 pm local time, Wednesday, March 27, 2024.

Bluegrass Engineering, PLLC

By: _____
Matthew R. Curtis, PE - Project Manager
I certify that this is true and accurate tabulation of the bids.

STATE OF KENTUCKY
MATTHEW RAY CURTIS
25716
LICENSED
PROFESSIONAL ENGINEER

EXHIBIT K

Final Project Budget

Allen County Water District

Bid Budget Comparsion

Original Project As Bid			
Item #	**Description**	**Price**	**To be Removed from Contract**
1	300,000 Gallon Elevated Tank	$ 1,323,700.00	No
2	Electric & Telemetry	$ 98,300.00	Yes
3	Site Work, Valve Vault, Parking Area & Access Road	$ 233,000.00	Yes
4	Demolition of Existing Walkers Chapel Standpipe	$ 39,000.00	Yes
Total - Caldwell Base Bid Amount		**$ 1,694,000.00**	

Revised Project Scope			
Item #	**Contractors**	**Description of Work**	**Price**
1	Caldwell Tanks, Inc.	Tank Erection, painting & sterlization	$ 1,323,700.00
2a	Young's Electric & HVAC	Electrcial Work	$ 11,350.00
2b	JAGS Environmental	Telemetry Work	$ 19,200.00
3	Allen County Water District	Site Work[1]	$ 50,000.00
Total Project Construction Cost			**$ 1,404,250.00**

Note: [1] Materials Only.

Available Project Funding	
KIA Fund B B24-005	$ 700,000.00
22CWW064	$ 600,000.00
ACWD - Local Funds	$ 104,250.00
Total Funding	**$ 1,404,250.00**