

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF)	
CANNONSBURG WATER DISTRICT)	
FOR A CERTIFICATE OF PUBLIC)	
CONVENIENCE AND NECESSITY)	CASE NO. 2025-00020
AND FINANCING OF THE SHOPES)	
CREEK ROAD AREA WATER)	
SYSTEM IMPROVEMENTS)	
PROJECT)	

VERIFIED APPLICATION

Pursuant to KRS 278.020(1), KRS 278.300, and 807 KAR 5:001, Cannonsburg Water District (“Cannonsburg District”) applies to the Public Service Commission (“Commission”) for an Order by **June 20, 2024**, authorizing Cannonsburg District to execute an Assistance Agreement with the Kentucky Infrastructure Authority (“KIA”) to borrow an amount not to exceed **\$2,304,263** and granting a certificate of public convenience and necessity (“CPCN”) for the Shopes Creek Road Area Water System Improvement Project (“Shopes Creek Road Project” or “the Project”), which consists of replacing approximately 17,000 total linear feet of older, leaking water lines. The total is comprised of 12,600 linear feet of 8-inch Asbestos Cement (“AC”) water line, approximately 2,800 linear feet of 3-inch polyvinyl chloride (“PVC”) water line, and approximately 2,000 linear feet of 12-

inch water line composed of a combination of AC pipe and cast-iron pipe. In addition to water line replacement, the Project includes the replacement of the original Midland Trail Pump Station that supplies water to approximately 90 percent of Cannonsburg District's distribution system, the installation of two flow monitor meters, and the replacement of approximately 180 water service connections. Because the bids to complete the Project will expire on Wednesday, June 25, 2025, the District respectfully requests that the Commission issue a decision in this matter by Friday, June 20, 2025. In support of its Application,¹ Cannonsburg District provides the following:

A. General Information

1. The full name and address of Cannonsburg District is Cannonsburg Water District, 1606 Cannonsburg Road, Ashland, Kentucky 41102, and its e-mail address is info@cannonsburgwater.com
2. Copies of all orders, pleadings and other communications related to this proceeding² should be directed to:

Tim Webb
District Manager
1606 Cannonsburg Road
Ashland, Kentucky 41102
(606) 928-9808
tim@cannonsburgwater.com

¹ To facilitate the Commission's initial review of this Application, Cannonsburg District has attached to this Application **Exhibit 1**, a "Filings Requirements List" that consists of four pages, lists each statutory and regulatory requirement for an application for a certificate of public convenience and necessity and authorization to issue evidence of indebtedness and identifies the exhibit or paragraph that satisfies the requirement.

² On January 27, 2025, pursuant to 807 KAR 5:001, Section 8, Cannonsburg District notified the Commission of its election of the use of electronic filing procedures for this proceeding.

Robert McGuire
Chairman
1606 Cannonsburg Road
Ashland, Kentucky 41102
(606) 928-9808
info@cannonsburgwater.com

Damon R. Talley
Stoll Keenon Ogden PLLC
112 North Lincoln Boulevard
P.O. Box 150
Hodgenville, Kentucky 42748
Telephone: (270) 358-3187
Fax: (270) 358-9560
damon.talley@skofirm.com

Tina C. Frederick
Stoll Keenon Ogden, PLLC
300 West Vine Street, Ste 2100
Lexington, KY 40507-1801
(859) 231-3951
Fax: (859) 259-3517
tina.frederick@skofirm.com

3. Cannonsburg District is not a corporation, limited liability company or limited partnership. It has no articles of incorporation or partnership agreements.
4. Cannonsburg District is a water district created under the provisions of KRS Chapter 74 by the Boyd County Fiscal Court.
5. As of December 31, 2024, Cannonsburg District provided retail water service to approximately 3,800 customers in Boyd and Greenup counties, Kentucky.³

³ Annual Report of Cannonsburg District Water District to the Kentucky Public Service Commission for the Calendar Year Ended December 31, 2024 (“2024 Annual Report”) at 12 and 49.

6. Cannonsburg District is engaged in the distribution and sale of water. Cannonsburg District does not produce its own water, but rather purchases water from the city of Ashland, Kentucky. The District owns and operates seven pumping stations, five water storage tanks, and 869,452 feet of distribution lines.

7. In its final Order in Case No. 2018-00376, the Commission approved a \$4.00 per meter monthly surcharge for Cannonsburg District for a period of 48 months or until \$680,000 had been assessed, whichever occurred first.⁴ The purpose of the surcharge was to provide funding for unaccounted-for water loss reduction efforts.⁵ Cannonsburg District has collected all of the Surcharge Funds it was authorized to collect and ceased billing its customers for the surcharge as of July 1, 2023.⁶

8. Cannonsburg District previously received Commission approval to utilize Surcharge Funds to redesign and expand its zone metering system and to

⁴ This was Cannonsburg District's second water loss surcharge to be approved by the Commission. The first surcharge was established in *Application of Cannonsburg Water District for (1) Approval of Emergency Rate Relief and (2) Approval of the Increase in Nonrecurring Charges*, Case No. 2011-00217 (Ky. PSC June 4, 2012), in which the Commission approved a \$5.53 per customer monthly surcharge for 36 month or until \$700,845 was assessed.

⁵ *Application of Cannonsburg Water District for Rate Adjustment for Small Utilities Pursuant to 807 KAR 5:076*, Case No. 2018-00376 (Ky. PSC May 13, 2019).

⁶ *Cannonsburg Water District's Unaccounted-for Water Loss Reduction Plan, Surcharge and Monitoring*, Case No. 2014-00267, Cannonsburg District's Response to Staff's Fourth Request, Item 1 (Ky PSC filed Dec. 7, 2023).

develop a hydraulic model of its system.⁷ Cannonsburg District has approximately **\$484,196** of remaining Surcharge Funds.⁸

9. The Commission monitors Cannonsburg District's use of its Surcharge Funds in the record of Case No. 2014-00267.⁹ Cannonsburg District will file a Motion into the record of Case No. 2014-00267 seeking Commission approval to use its remaining Surcharge Funds to partially fund the Shopes Creek Road Project. Cannonsburg District respectfully requests that the Commission **incorporate, by reference, the record of this proceeding into the record of Case No. 2014-00267.**

10. A copy of the resolution of Cannonsburg District's Board of Commissioners authorizing the filing of this application is attached as **Exhibit 2** of this Application.

B. The Shopes Creek Road Project

11. **Overview of the Project.** In order to continue its efforts to reduce unaccounted-for water loss, Cannonsburg District proposes to replace approximately 17,000 linear feet of waterline, which due to age and other factors have become

⁷ *Electronic Application of Cannonsburg Water District for an Order Authorizing the Issuance of Indebtedness and for a Certificate of Public Convenience and Necessity to Install a Zone Metering System Improvement and Other System Improvements, Authorization to Execute an Assistance Agreement with the Kentucky Infrastructure Authority and Authorization to Disburse Surcharge Proceeds*, Case No. 2020-00118 (Ky. PSC June 4, 2020).

⁸ *See*, March 2025 Surcharge Report, *Cannonsburg Water District's Unaccounted-for Water Loss Reduction Plan, Surcharge and Monitoring*, Case No. 2014-00267 (filed Apr. 30, 2025).

⁹ *Cannonsburg Water District's Unaccounted-for Water Loss Reduction Plan, Surcharge and Monitoring*, Case No. 2014-00267,

problematic and prone to leaks. The total is comprised of 12,600 linear feet of 8-inch AC water line, approximately 2,800 linear feet of 3-inch PVC water line, and approximately 2,000 linear feet of 12-inch water line composed of a combination of AC pipe and cast-iron pipe. In addition, the Project includes constructing a new pump station, adjacent to the existing Midland Trail Pump Station, to house an above-ground 1,000 gallon per minute 300 Total Dynamic Head (“1,000 gmp/300 TDH”) pump system; demolishing the existing pump station; installing two new flow monitor meters to replace the existing flow monitor meters located at the existing Midland Trail Pump Station and on Shopes Creek Road; and replacing approximately 180 service connections. The existing Midland Trail Pump Station and all of the water mains and service lines which are to be replaced are original to Cannonsburg District’s system and were installed in the early 1970’s.

12. **Location of the Project.** The 1970’s era AC lines, service lines, and pump station to be replaced are located in Boyd County, Kentucky, north of Interstate 64 and east of U.S. 60. The water mains and service connections along Midland Trail Road, Shopes Creek Road, Edgewood Drive, Whispering Oaks Drive, and Bayless Hill Road will be replaced, as will the Midland Trail Road Pump Station. Two new flow monitor meters will be installed, one at Shopes Creek Road and one at the new Midland Trail Road Pump Station. The deed to the real property upon which the pump station stands and a map showing the general areas where the

AC lines, service connections and pump station will be replaced are included as **Exhibit 3** to this Application. The new pump station will be located on the same parcel of land as the current pump station. The current pump station will be demolished.

13. Need for Replacement of the AC Lines and Service Connections.

Over time, the aging AC water mains in the Shopes Creek Road area have deteriorated and resulted in leaks needing repair. Aging service lines, which are water lines that connect Cannonsburg District's main line to the customer meter, were constructed of polyethylene pipe and Blue Max polybutene pipe and are also contributing to the problem. The typical service life of polyethylene pipe is 50 years. Blue Max pipe has a much shorter expected service life of 30 years, and it degrades quickly. The pipe in the Project area was installed in the very early 1970's, meaning the pipe has reached the end of its useful life.¹⁰ The service tap saddles used at the time the current service lines were installed are not made of rust resistant material and they are quite susceptible to corrosion.¹¹ All of these factors contribute to the number of main and service line breaks occurring in the Project area. Cannonsburg

¹⁰ See, *Application of Cannonsburg Water District for Rate Adjustment for Small Utilities Pursuant to 807 KAR 5:076*, Case No. 2018-00376, April 25, 2019 Hearing, HVT at 9:18:20 – 9:22:23. Cannonsburg District Manager, Tim Webb, testified to the short useful life of Blue Max pipe in Cannonsburg District's system and how the pipe degrades over time. An example of this pipe was produced for the Commission to examine.

¹¹ See, *Id* at 9:29:00 – 9:30:54, Cannonsburg District Manager, Tim Webb, testified to the degraded condition of many of the service tap saddles in Cannonsburg District's system because the material used to construct the bolts and other components was not rust resistant. Mr. Webb presented photographs as Cannonsburg District Hearing Exhibit 4 and explained that stainless steel and brass are the preferred materials today for service tap saddles and connection bolts.

District estimates that the Project area accounts for four large main line breaks and 10 service line breaks per year.

14. Cannonsburg District's records indicate that from January 2022 through December 2024 it repaired 60 leaks in the Project area. In January 2023 alone, Cannonsburg District repaired seven leaks in the Project area. Notably, two of the largest leaks in Cannonsburg District's system between 2022 and 2024 in terms of the estimated gallons of water lost occurred in the Project area, on Midland Trail Road in November 2023 and November 2024. An Excel spreadsheet containing the record of leaks and breaks repaired by Cannonsburg District from January 2022 through December 2024 is filed separately as **Exhibit 4**. The leaks and breaks occurring in the Project area are highlighted. Replacing the AC mains and other aging and leaking water lines in the Shopes Creek Road area will improve the reliability of Cannonsburg District's water service by eliminating one source of line breaks and leaks and reducing the likelihood of customer outages.

15. **Need to Replace Midland Trail Road Pump Station.** The pump station on Midland Trail Road is a vital component of Cannonsburg District's distribution system. This pump station supplies approximately 90 percent of all water delivered to Cannonsburg District. The alternating pump system currently installed at the Midland Trail Road Pump Station is at the end of its useful life. It is original to Cannonsburg District's system and has been in service since

approximately 1973. The variable frequency drive of the pump system is in almost constant need of repair. The alternating pump system has been rebuilt twice in the last ten years, and despite this it only pumps 800 gallons per minute. The time has come to replace the pump system entirely. The small building that houses the pump system is dilapidated. Chlorine is stored in a separate storage building adjacent to the pump station. It would be unwise to house a new pump system in a building in such poor condition. Therefore, the Project includes the construction of a new pump station and the removal of the old pump station.

16. **Part of Water Loss Reduction Efforts.** In its Response to Commission Staff's Third Request for Information in Case No. 2014-00267, the management of Cannonsburg District identified pump station rehabilitation and water main replacement as two of the top five priorities to be addressed in capital spending projects designed to address water loss.¹² The Shopes Creek Road Project addresses both of these priorities and was first introduced to Commission Staff by Cannonsburg District at an informal conference held on March 16, 2021.¹³ Cannonsburg District has regularly updated Commission Staff concerning the progress of the design, planning, and funding for the Project by including it in its

¹² *Cannonsburg Water District's Unaccounted-for Water Loss Reduction Plan, Surcharge and Monitoring*, Case No. 2014-00267, Response to Staff's Third Request, Item 29 (Ky. PSC filed Apr. 18, 2019).

¹³ Case No. 2014-00267, Informal Conference Memo (Ky. PSC Mar 24, 2021, and Apr. 12, 2021).

regular monthly filings in Case No. 2014-00267.¹⁴ On February 10, 2025, Commission Staff held an informal conference with Cannonsburg District at which Cannonsburg District provided an update on the Project and confirmed the District would file this Application and would seek to use all remaining Surcharge Proceeds to partially fund the Project.¹⁵ The Project involves replacing several infrastructure components such as AC pipe, Blue Max and polyethylene water lines, and non-rust-resistant service tap saddles, which are known to be the source of frequent leaks in the system. For this reason, Cannonsburg District considers the Project to be the next logical step in its continuing efforts to reduce its water loss.

17. Attached to this Application as **Exhibit 5** is the verified written direct testimony of Mr. Tim Webb, Manager of Cannonsburg District. Mr. Webb provides details concerning the necessity of the Project and its relationship to water loss reduction efforts and explains some alternatives considered by Cannonsburg District.

18. **Additional Benefits of Project.** Currently the water main bringing water into the Shopes Creek Road area is a dead end, meaning that water flows into

¹⁴ See, Case No. 2014-00267, Activity Reports (Ky. PSC filed June 29, 2021; July 30, 2021; August 31, 2021; Sep. 30, 2021; Oct. 29, 2021; Nov. 30, 2021; Jan. 4, 2022; Jan 31, 2022; Feb. 28, 2022; Mar. 31, 2022; Apr. 28, 2022; June 27, 2022; July 29, 2022; Sep. 1, 2022; Oct. 31, 2022; Nov. 30, 2022; Jan. 6, 2023; Jan. 31, 2023; Feb. 28, 2023; Mar. 30, 2023; May 1, 2023; May 31, 2023; July 31, 2023; Aug. 31, 2023; Oct. 31, 2023; Feb. 29, 2024; Mar. 28, 2024; June 3, 2024; June 28, 2024; July 30, 2024; Aug. 30, 2024; Sep. 30, 2024; Oct. 31, 2024; Dec. 2, 2024; Jan. 30, 2025).

¹⁵ Case No. 2014-00267, Informal Conference Memo (Ky. PSC February 18, 2025)

the system from a master meter and is delivered to end users along the main. The main is not connected to another main in the system. This requires frequent flushing to keep disinfectant byproducts within safe levels. The Project will create a looped main by connecting the Shopes Creek Road area main with the Cannonsburg Road main. This will reduce the amount of flushing that the area requires.

19. Additionally, Because the Project involves replacing AC pipe, it will also eliminate hazards associated with asbestos in future repairs that would likely occur if the AC lines were to remain in service. Maintenance and repair of AC pipe is more labor intensive and dangerous to Cannonsburg District's personnel than maintaining PVC pipe. This is because AC pipe weighs much more than PVC pipe and exposing the AC lines and repairing them can disturb the asbestos material from which the lines are constructed. Dry cutting AC line can result in asbestos, a recognized carcinogen, being released into the atmosphere. Therefore, a wet saw must be used when cutting into an AC line to repair it. Replacing the AC lines with PVC pipe will make future maintenance of the water lines in the Shopes Creek Road area much less labor intensive for Cannonsburg District personnel. The AC lines will be replaced with PVC lines. The new lines will be laid adjacent to the existing lines, and the existing AC lines will be capped and abandoned in place. All necessary easements have been acquired for the Project.

20. **Alternatives Considered.** Cannonsburg District has previously identified the Shopes Creek Road area as an area of its system that is contributing to excessive water loss. Therefore, Cannonsburg District did not consider any alternatives to replacing this aging and leaky infrastructure. However, Cannonsburg District did consider alternatives to the method of construction and the materials to be used.

A. *Alternative 1: Use 4-Inch Line Throughout*

Cannonsburg District considered constructing the Project with 4-inch distribution lines throughout. While the District could not replace the existing 12-inch line with smaller diameter line, it did consider replacing all of the existing 8-inch and 3-inch lines with 4-inch lines. The District's hydraulic model indicated that 4-inch lines were sufficient to serve the demand in the area. However, the fire department expressed concerns that 4-inch lines would not be sufficient to provide adequate fire protection in the area. In response to concerns raised by its customers and the local fire department, Cannonsburg District elected to construct the Project using 6-inch lines throughout.¹⁶ Doing so increased the cost of the Project by

¹⁶ Areas that must be constructed with directional drilling will use 8-inch line. This is because the high-density pipe used in directional drilling has a thicker inside wall than pipe used with traditional construction methods. It is necessary to use an 8-inch high-density line to carry the same amount of water carried by a standard 6-inch PVC line.

approximately 15 percent, but has the advantage of providing adequate infrastructure to support fire protection.

B. *Alternative 2: Construct Entire Project Using Directional Drilling*

Cannonsburg District considered constructing the Project exclusively with directional drilling and not utilizing any traditional trenching at all. The reason for this is that there is much less need to repair the site after construction when directional drilling is used. Directional drilling also requires much less traffic control when constructing near roadways and can result in projects being finished in less time than when traditional trenching methods are used. However, the bids to construct the Project using 100 percent directional drilling were cost prohibitive. The lowest bid to construct the Project using 100 percent directional drilling was over \$240,000 more than the lowest bid to construct the Project utilizing directional drilling only where absolutely necessary.¹⁷

21. **Engineering Report.** The Final Engineering Report for the proposed Shopes Creek Road Area Water System Improvement Project was developed by Bell

¹⁷ See Exhibit 6, Bid Tabulation, B.P. Pipeline LLC submitted a combined bid of \$3,425,774 to construct Division C (the pump station and master meter replacement) and Alternative 1 for Division A and Division B (installing all waterlines using directional drilling); ConnHurst submitted a combined bid of \$3,181,691.65 to construct Division A and Division B (Base bid for installing all water lines with a combination of traditional trenching and directional drilling) and Division C.

Engineering and is attached to this Application as **Exhibit 6**. No Preliminary Engineering Report was prepared for this project.

22. **Plans and Specifications.** The contract specifications are attached to this Application as **Exhibit 7**. A copy of the plans, specifications and drawings for the proposed Project signed, sealed and dated by an engineer registered in Kentucky are filed separately as **Exhibit 8**.

23. **Proposed Financing for Proposed Construction.** Cannonsburg District proposes to finance the Shopes Creek Road Project with Cleaner Water Program (“CWP”) grant funds from two grants, a KIA loan, and the remaining funds from Cannonsburg District’s Water-loss Reduction Surcharge. As stated above, Cannonsburg District proposes to use all of its remaining Surcharge Funds, approximately **\$484,196** to partially fund the Project. Cannonsburg District has secured **\$540,517** from CWP Grant 21CWW014, and **\$656,599** from CWP Grant 22CWW103.

Originally, KIA approved a \$1,685,083 State Revolving Fund loan to partially fund the Project. However, when the bids to complete the Project were higher than expected, KIA increased the loan amount by \$619,180 for a loan amount of \$2,304,263.¹⁸ Cannonsburg District seeks the Commission’s approval to execute an Assistance Agreement with KIA for a **\$2,304,263 KIA loan** having a 20-year

¹⁸ The KIA Conditional Commitment Letter, which discusses the original loan amount, the amount of the increase and the final amount of loan F22-030 is attached as **Exhibit 17**.

term, a 2.0 percent interest rate, and a 0.25 percent annual administration fee (“KIA Loan F22-030”).

24. **Division of Water.** The Kentucky Division of Water (“KDOW”) has reviewed the plans for the proposed Shopes Creek Project and has approved them with respect to sanitary features of design. A copy of the letter in which KDOW stated its approval is attached to this Application as **Exhibit 9**.

25. **Kentucky Department of Highways.** The Kentucky Department of Highways has issued Cannonsburg District an Encroachment Permit for the Project. It is attached to this Application as **Exhibit 10**.

26. **Easements.** Cannonsburg District has obtained all easements necessary to complete the Project.

27. **Advertisement for Bids.** In accordance with KRS 424.260, Cannonsburg District caused the publication of an advertisement for bids for construction of the Shopes Creek Road Project in the January 11, 2025 edition of the *The Daily Independent*. Proof of publication of this advertisement is attached to this Application as **Exhibit 11**.

28. **Bids Received.** The District received three (3) bids to complete the Shopes Creek Road Project. The **\$3,181,691.65** bid of ConnHurst, LLC, (“ConnHurst”) of Wallingford, Kentucky was selected as the lowest bid. A copy of the Project Engineer’s Recommendation of Award Letter is attached as **Exhibit 12**.

29. **Board Resolution.** On January 22, 2025, Cannonsburg District's Board of Commissioners adopted a resolution awarding a contract to construct the Project to ConnHurst contingent upon the Commission authorizing the District to execute an Assistance Agreement with KIA for KIA Loan F22-030 and issuing a CPCN for the Project. A copy of the Resolution is attached as **Exhibit 13**.

30. **Estimated Cost to Construct.** The estimated cost to construct the Project is **\$3,981,000** including administrative costs and contingencies. **Exhibit 14** contains a breakdown of the estimated costs.

31. **Estimated Annual Cost to Operate.** Cannonsburg District anticipates that the estimated annual cost to operate the new pump station will be \$83,551. A table depicting the break-down of current and estimated post-replacement costs to operate the Midland Trail Pump Station is attached to this Application as **Exhibit 15**. Cannonsburg District does not expect any additional operating costs associated with operating the replacement water lines.

32. **Competition with Other Public Utilities.** The proposed Project will not compete with the facilities of another public utility. There is no other water distribution system located in the area of the Project. Its construction will not result in wasteful duplication of utility facilities or inefficient investment.

C. Authorization to Execute Assistance Agreement

33. To finance the proposed Project, Cannonsburg District proposes to enter into an Assistance Agreement with KIA for KIA Loan F22-030 to borrow an amount not to exceed \$2,304,263 from the Drinking Water State Revolving Fund (“Fund F”). The proposed loan will bear interest at a rate of 2.0 percent per annum and must be repaid over a period not to exceed 20 years from the date of initiation of operation for the project. Interest on the proposed loan will accrue from the time Cannonsburg District begins drawing funds from KIA. The proposed loan will be secured by a pledge of Cannonsburg District’s revenues. A loan servicing fee of 0.25 percent of the outstanding loan balance will also be assessed semi-annually. An amortization schedule for the proposed loan is attached to this Application as **Exhibit 16**. Payments on the proposed loan will begin six months after funds are first drawn.

34. KIA originally approved Loan F22-030 for Cannonsburg District in the amount of \$1,685,083. When the bids for this Project came in higher than expected, KIA increased the loan amount by \$619,180, for a loan total of \$2,304,263. A copy of the KIA Conditional Commitment Letter issued April 4, 2025 in relation to the \$2,304,263 Fund F loan is attached as **Exhibit 17**. The Conditional Commitment Letter discusses the original loan amount, the increase, and the final loan amount.¹⁹

¹⁹ See, Exhibit 17, PDF page 9/23.

35. Cannonsburg District also plans to finance a portion of the proposed Project using \$656,599 of CWP grant funds from Grant 22CWW103, and \$540,517 of CWP grant funds from Grant 21CWW014. Copies of the Grant Assistance Agreements for 21CWW014 and 22CWW103 are attached to this Application as **Exhibit 18**.

36. The proposed loan will **not** require Cannonsburg District to seek an immediate rate adjustment.

37. Cannonsburg District does not propose to issue any stock or bonds.

38. No proceeds from the proposed Assistance Agreement will be used to refund any outstanding obligation.

39. In the immediate past calendar year (the 12-month period ending December 31, 2024), Cannonsburg District had less than \$5,000,000 in gross annual revenues.

40. Pursuant to 807 KAR 5:001, Section 12(1)(b), and Section 18, Cannonsburg District includes with this Application **Exhibit 19**, a copy of Cannonsburg District's most recent annual report on file with the Commission, the 2024 Annual Report.

41. **Exhibit 19**, the 2024 Annual Report contains a detailed income statement and balance sheet for the 12-month period ending December 31, 2024,

as required by 807 KAR 5:001, Section 12(2)(i), and the Bond information required by 807 KAR 5:001, Section 12(2)(e).

42. No material changes in Cannonsburg District's operations have occurred since December 31, 2024.

43. Since the amendment of 807 KAR 5:001, Section 12 in 2014,²⁰ the Commission has consistently accepted the use of a utility's most recently filed annual report as a financial exhibit provided that the utility had less than \$5,000,000 in gross annual revenue in the immediate past calendar year and the application contains a statement that no material changes have occurred since the end of that 12-month period.²¹

44. Cannonsburg District has no outstanding mortgages.

²⁰ 40 Ky. Admin. Reg. 686, 690 (Sept. 2013) (creating an exception to financial exhibit requirements for utilities with gross annual revenues of less than \$5,000,000); 40 Ky. Admin Reg 1109, 113 (final version of amended regulation)

²¹ See, e.g., *Electronic Application of Knox County Utility Commission for Authorization to Execute An Assistance Agreement with the Kentucky Infrastructure Authority and for A Certificate of Public Convenience and Necessity to Construct the Barbourville Connection-KY 225 Project*, Case No. 2023-00003 (Ky. PSC filed Jan. 30, 2023); *Electronic Application of McCreary County Water District for Authorization to Execute A Supplemental Assistance Agreement with the Kentucky Infrastructure Authority to Increase the Amount Borrowed Under An Existing Assistance Agreement and for Approval of Changes To A Plan of Construction*, Case No. 2022-00247 (Ky. PSC filed Aug. 18, 2022); *Electronic Application of Morgan County Water District for the Issuance of A Certificate of Public Convenience and Necessity to Construct A Water System Improvements Project and An Order Authorizing the Issuance of Securities Pursuant to the Provisions of KRS 278.020, KRS 278.300, and 807 KAR 5:001*, Case No. 202200245 (Ky. PSC filed Aug. 9, 2022); *Electronic Application of the Adair County Water District for the Issuance of A Certificate of Public Convenience and Necessity to Construct A Water System Improvements Project and An Order Authorizing the Issuance of Securities Pursuant to the Provisions of KRS 278.020, KRS 278.300 and 807 KAR 5:001*, Case No. 2021-00176 (Ky. PSC Apr. 27, 2021); *Electronic Application of the Adair County Water District for the Issuance of A Certificate of Public Convenience and Necessity to Construct Sewer System Improvements Project and An Order Authorizing the Issuance of Securities Pursuant to the Provisions of KRS 278.020, KRS 278.300 and 807 KAR 5:001*, Case No. 2021-00156 (Ky. PSC Apr. 14, 2021).

45. Cannonsburg District has three outstanding notes (KRWFC Bonds, USDA 2015 Bonds, and KIA B18-011 loan) as shown on the 2024 Annual Report pages 42 and 43.²²

46. Cannonsburg District has no authorized, issued, or outstanding stock.

47. Cannonsburg District has paid no dividends in the five previous fiscal years.

48. Cannonsburg District proposes to secure KIA Loan F22-030 with a pledge of revenues from its water operations.

49. A copy of Cannonsburg District's written notification to the State Local Debt Officer is included as **Exhibit 20**.

50. A detailed estimate of the acquired property, arranged according to the Uniform System of Accounts for Class A and B Water Districts and Associations is attached to this Application as **Exhibit 21**.

51. The execution of an Assistance Agreement with KIA to borrow \$2,304,263 is for a lawful objective within Cannonsburg District's corporate purposes; is necessary, appropriate for, and consistent with Cannonsburg District's proper performance of its service to the public; and will not impair Cannonsburg District's ability to perform that service; and is reasonably necessary and appropriate for such purpose.

²² Exhibit 19.

52. The bids to complete the Project expire on June 25, 2025. Therefore, Cannonsburg District respectfully requests a decision by **Friday, June 20, 2025**, to permit it time to prepare the Notice of Award and for the Bidder to obtain its Payment and Performance Bonds

Wherefore, Cannonsburg District Water District requests that the Commission:

1. Place this Application at the head of the Commission's docket, pursuant to KRS 278.300(2), and issue a decision in this matter by **June 20, 2025**.
2. Incorporate, by reference, the record of Case No. 2014-00267 into the record of this proceeding and approve the use of all remaining Surcharge Funds to partially fund this Project.
3. Grant Cannonsburg District a CPCN to construct the Shopes Creek Road Project.
4. Authorize Cannonsburg District to enter into and execute an Assistance Agreement with KIA to borrow a sum no greater than \$2,304,263.
5. Grant any and all such other relief to which Cannonsburg District may be entitled.

Dated: May 6, 2025

Respectfully submitted,

A handwritten signature in blue ink that reads "Damon R. Talley". The signature is fluid and cursive, with the first name "Damon" and last name "Talley" clearly legible.

Damon R. Talley
Stoll Keenon Ogden PLLC
112 North Lincoln Boulevard
P.O. Box 150
Hodgenville, Kentucky 42748
Telephone: (270) 358-3187
Fax: (270) 358-9560
damon.talley@skofirm.com


Tina C. Frederick
Stoll Keenon Ogden PLLC
300 West Vine Street, Ste 2100
Lexington, Kentucky 40507
Telephone: 859-231-3951
Fax: (859) 253-1093
Tina.frederick@skofirm.com

Counsel for Cannonsburg Water District

VERIFICATION

COMMONWEALTH OF KENTUCKY)
) SS:
COUNTY OF BOYD)

The undersigned, Robert McGuire, being duly sworn, deposes and states that he is the Chairman of the Board of Commissioners for Cannonsburg Water District, the Applicant in the above proceeding; that he has read this Application and has noted its contents; and that the same is true and correct to the best of his knowledge, information, and belief.


Robert McGuire, Chairman
Cannonsburg Water District

Subscribed, sworn to, and acknowledged before me, a Notary Public in and
for said county and state, this 6th day May of 2025.

Conni Hampton
Notary Public

My Commission Expires: 11/22/27

Notary ID: KYNP 82396

CERTIFICATE OF SERVICE

In accordance with the Commission's Order of July 22, 2021 in Case No. 2020-00085 (Electronic Emergency Docket Related to the Novel Coronavirus COVID-19), this is to certify that the electronic filing has been transmitted to the Commission on May 6, 2025; and that there are currently no parties in this proceeding that the Commission has excused from participation by electronic means.


Damon R. Talley

Table of Exhibits
Case No. 2025-00020

<u>Exhibit No.</u>	<u>Description</u>
1	Filings Requirements
2	Board Resolution Authorizing Application
3	Deed to Pump Station Property and Project Area Map
4	Record of Leaks 2022-2024 (Excel Spreadsheet Filed Separately)
5	Verified Written Direct Testimony of Tim Webb
6	Final Engineering Report
7	Contract Specifications
8	Plans, Specifications, and Drawings (Filed Separately)
9	Division of Water Approval
10	Department of Highways Encroachment Permit
11	Affidavit of Publication
12	Engineer's Recommendation of Award Letter
13	Board Resolution Awarding Contract
14	Estimated Cost to Construct the Project
15	Estimated Annual Cost to Operate
16	KIA Loan Amortization Schedule
17	KIA Loan Conditional Commitment Letter

<u>Exhibit No.</u>	<u>Description</u>
18	Assistance Agreements for 21CWW014 and 22CWW103
19	Cannonsburg District 2024 Annual Report
20	Written Notification to State Local Debt Officer
21	Estimate of Acquired Property

Exhibit 1

Filings Requirement List

FILING REQUIREMENTS

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

Shopes Creek Road Area Water System Improvement Project

2025-00020

Source Authority	Requirement	Location
807 KAR 5:001, § 14(1)	Applicant's name, mailing address and e-mail address	Page 2, Para 1
807 KAR 5:001, § 14(1)	Statutory Reference – KRS 278.020	Page 1
807 KAR 5:001, § 4(3)	Signature of Applicant's Attorney	Page 22
807 KAR 5:001, § 4(3)	Name, Address, Telephone Number, Fax Number, and e-mail address of Applicant's Attorney	Page 2-3, Para 2
807 KAR 5:001, § 14(2)	If Applicant is corporation: State and date of incorporation, attestation of good standing in state of incorporation, statement regarding authorization to transact business in Kentucky	Page 3, Para 3 Not Applicable
807 KAR 5:001, § 14(3)	If Applicant is a limited liability company: State and date of organization, attestation of good standing in state of incorporation, statement regarding authorization to transact business in Kentucky	Page 3, Para 3 Not Applicable
807 KAR 5:001, § 14(4)	If the Applicant is a limited partnership: a certified copy of limited partnership agreement and all amendments or statement identifying prior Commission proceedings in which limited partnership agreement and all amendments filed	Page 3, Para 3 Not Applicable
807 KAR 5:001, § 15(2)(a)	The facts relied upon to show that the public convenience and necessity requires the proposed construction	Pages 4&5, Paras 6-10 Pages 7-11, Paras 13-19 Exhibits 4 & 5
807 KAR 5:001, § 15(2)(b)	Copies of franchises or permits for the proposed construction or extension	Pages 15, Paras 24-25 Exhibits 9&10
807 KAR 5:001, § 15(2)(c)	A full description of the proposed location, route, or routes of the proposed construction or extension, including a description of the manner in which same will be constructed, and the names of all public utilities, corporations, or persons with whom the proposed construction or extension is likely to compete	Pages 6 & 7, Para 12 Page 16, Para 32 Exhibits 3 and 8

Source Authority	Requirement	Location
807 KAR 5:001, § 15(2)(d)(1)	Maps to suitable scale showing the location or route of the proposed construction or extension, as well as the location to scale of like facilities owned by others located anywhere within the map area with adequate identification as to the ownership of the other facilities (Only one copy submitted pursuant to Commission order of July 28, 2017)	Exhibits 3 and 8
807 KAR 5:001, § 15(2)(d)(2)	Plans and specifications and drawings of the proposed plant, equipment, and facilities	Exhibit 8
807 KAR 5:001, § 15(2)(e)	The manner in detail in which the Applicant proposes to finance the proposed construction or extension.	Page 14, Para 23 Exhibits 17 & 18
807 KAR 5:001, § 15(2)(f)	An estimated annual cost of operation after the proposed facilities are placed into service	Page 16, Para 31 Exhibit 15
KRS 322.340	Engineering plans, specifications, drawings, plats and reports for the proposed construction or extension prepared by a registered engineer, must be signed, sealed, and dated by an engineer registered in Kentucky	Page 14, Para 22 Exhibit 8

FILING REQUIREMENTS
FILING REQUIREMENTS FOR AN APPLICATION FOR
AUTHORITY TO ISSUE EVIDENCE OF INDEBTEDNESS

KIA Loan F22-030
Shopes Creek Road Area Water System Improvement Project

Source Authority	Requirement	Location
807 KAR 5:001, § 14(1)	Applicant's name, mailing address and e-mail address	Page 2, Para 1
807 KAR 5:001, § 14(1)	Statutory Reference – KRS 278.300	Page 1
807 KAR 5:001, § 4(3)	Signature of Applicant's Attorney	Page 22
807 KAR 5:001, § 4(3)	Name, Address, Telephone Number, Fax Number, and e-mail address of Applicant's Attorney	Pages 2-3 Para 2
807 KAR 5:001, § 14(2)	If Applicant is corporation: State and date of incorporation, attestation of good standing in state of incorporation, statement regarding authorization to transact business in Kentucky	Page 2, Para 3 Not Applicable
807 KAR 5:001, § 14(3)	If Applicant is a limited liability company: State and date of organization, attestation of good standing in state of incorporation, statement regarding authorization to transact business in Kentucky	Page 2, Para 3 Not Applicable
807 KAR 5:001, § 14(4)	If the Applicant is a limited partnership: a certified copy of limited partnership agreement and all amendments or statement identifying prior Commission proceedings in which limited partnership agreement and all amendments filed	Page 2, Para 3 Not Applicable
KRS 278.300(2)	Application is made under oath and signed on utility's behalf by its president, or by a vice president, auditor, comptroller or other executive officer having knowledge of the matters set forth and duly designated by the utility	Page 23
807 KAR 5:001, § 18(1)(a)	Information required by 807 KAR 5:001, § 14	See Above
807 KAR 5:001, § 18(1)(b)	Description of Applicant's property and the field of its operation	Page 3-4, Para 5-6
807 KAR 5:001, § 18(1)(c)	Description of amount and kinds of stock to be issued	Not Applicable
807 KAR 5:001, § 18(1)(c)	Description of amount, terms and interest rate of bond or note	Page 17, Para 33 and 34
807 KAR 5:001, § 18(1)(c)	Description of how bond or note will be secured	Page 20, Para 48
807 KAR 5:001, § 18(1)(d)	Statement of how proceeds are to be used	Page 5-11, Paras 11 & 19
807 KAR 5:001, § 18(1)(e)	If proceeds will be used to acquire, construct, improve, or extend property: a detailed description of property and all contracts	Pages 5-6, Para 11 Pages 14-15, Paras 22,27,28 Page 16, Para 29, Exhibits 6 and 8

Source Authority	Requirement	Location
807 KAR 5:001, § 18(1)(f)	Requirements if proceeds are to refund outstanding obligations	Page 18, Para 38 Not Applicable
807 KAR 5:001, § 18(1)(g)	Applicant's written notification to state local debt officer regarding proposed issuance	Page 20, Para 49 Exhibit 20
807 KAR 5:001, § 18(2)(a) 807 KAR 5:001, § 12(1)(b)	Financial Exhibit	Pages 18-20, Paras 40- 43 Exhibit 19
807 KAR 5:001, § 18(2)(b)	Copies of trust deeds or mortgages	Page 19, Para 44 Not Applicable
807 KAR 5:001, § 12(2)(c)	If property acquired: maps and plans of property	Exhibits 3 and 8
807 KAR 5:001, § 12(2)(c)	If property acquired: detailed estimates by USOA account number	Page 20, Para 50 Exhibit 21

Exhibit 2

Board Resolution

RESOLUTION NO. 2025-01-01

**RESOLUTION OF CANNONSBURG WATER DISTRICT
ACCEPTING LOWEST AND BEST BID, AWARDING
CONTRACT FOR SHOPE'S CREEK ROAD AREA WATER
SYSTEM IMPROVEMENT PROJECT, AUTHORIZING
DISTRICT CHAIRMAN TO APPLY TO THE KENTUCKY
PUBLIC SERVICE COMMISSION FOR A CERTIFICATE
OF PUBLIC CONVENIENCE AND NECESSITY TO
CONSTRUCT A WATER SYSTEM IMPROVEMENT
PROJECT AND AUTHORIZATION TO ISSUE AN
EVIDENCE OF INDEBTEDNESS, AND AUTHORIZING
DISTRICT CHAIRMAN TO EXECUTE AN ASSISTANCE
AGREEMENT**

WHEREAS, Cannonsburg Water District ("the District") is a water district organized pursuant to the provisions of KRS Chapter 74;

WHEREAS, the District proposes to replace approximately 15,000 linear feet of asbestos cement water line with polyvinylchloride pipe and to install additional sub-zone meters ("the Shopes Creek Road Area Water System Improvement Project" or the "Project");

WHEREAS, the District has engaged the services of Bell Engineering ("Bell") to serve as consulting engineers for the Project. Bell has designed the Project and will perform the usual and customary duties of consulting engineers, including Construction Administration and Inspection Services;

WHEREAS, The District caused to be published in the January 11, 2025 edition of *The Daily Independent* an advertisement for bids for the Shopes Creek Road Area Water System Improvement Project (the "Contract" or the "Project");

WHEREAS, three (3) firms submitted bids on the Contract in accordance with the terms of the advertisements and the Bid Specifications;

WHEREAS, ConnHurst, LLC (“ConnHurst”) of Wallingford, Kentucky submitted the lowest of the three bids with a bid of \$3,181,691.65 to construct the Project;

WHEREAS, Bell has recommended that the District award the Contract to ConnHurst to construct the Project;

WHEREAS, KRS 278.015 provides that a water district is a utility and is subject to the jurisdiction of the Kentucky Public Service Commission (the “Commission”) in the same manner and to the same extent as any other utility;

WHEREAS, KRS 278.020(1) prohibits any utility from commencing the construction of any plant or facility or installing any equipment to provide utility service, except for that in the ordinary course of business, until that utility has obtained a certificate of public convenience and necessity (the “CPCN”) from the Commission;

WHEREAS, KRS 278.300(1) requires a utility to obtain authorization from the Commission prior to issuing any evidence of indebtedness, including executing an Assistance Agreement with the Kentucky Infrastructure Authority (“KIA”);

WHEREAS, the District proposes to partially finance the Project with the proceeds of a loan from the Drinking Water State Revolving Fund (“KIA Loan F22-030”) from KIA;

WHEREAS, the District must execute an Assistance Agreement with KIA to obtain KIA Loan F22-030; and

WHEREAS, the District has, or soon will have, obtained all the necessary approvals to construct the Project, except for a CPCN and approval to execute the Assistance Agreement with KIA.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF CANNONBURG WATER DISTRICT AS FOLLOWS:

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

Section 2. The Board of Commissioners hereby declares that the bid of ConnHurst in the amount of \$3,181,691.65 to construct the Project to be lowest and best bid.

Section 3. ConnHurst is awarded the Contract for the Project in the amount of \$3,181,691.65, contingent upon receipt of a CPCN from the Commission to construct the Project and approval to execute the KIA Assistance Agreement.

Section 4. The Chairman is authorized and directed as follows: (a) to execute the Notice of Award; (b) to take any and all actions reasonably necessary to prepare, execute, and submit an application to the Commission for a CPCN to construct the Project and approval to issue an evidence of indebtedness; and (c) to execute the Assistance Agreement with KIA.


Section 5. This Resolution shall take effect upon its adoption

Adopted by the Board of Commissioners of Cannonsburg Water District at a meeting held on January 22, 2025, signed by the Chairman and attested by the Secretary.

CANNONSBURG WATER DISTRICT

By: 
Robert McGuire, Chairman

ATTEST:


Pam VanHoose, Secretary

CERTIFICATION

The undersigned Secretary of Cannonsburg Water District (the "District") does hereby certify that the foregoing is a true copy of a Resolution duly adopted by the District's Board of Commissioners at a meeting properly held on January 22, 2025, signed by the Chairman of the Board of Commissioners, attested by the Secretary of the Board of Commissioners, and now in full force and effect.

WITNESS my hand this the day of January 22, 2025



Pam VanHoose, Secretary

Exhibit 3

Deed to Pump Station Property
and
Map of Project Area

D E E D

271297

THIS DEED made and entered into this 12 day of JUNE 1971, by and between JOHNSON'S DAIRY, INC., a Kentucky corporation with its principal office at 2516 Carter Avenue, Ashland, Boyd County, Kentucky, party of the first part, hereinafter referred to as "Grantor", and THE CANNONSBURG WATER DISTRICT, created pursuant to Chapter 74 of the Kentucky Revised Statutes, Post Office Box 356, Ashland, Kentucky, 41101, party of the second part, hereinafter referred to as "Grantee",

WITNESSETH:

That for and in consideration of the sum of Ten (\$10.00) Dollars, the receipt of which is hereby acknowledged, Grantor has bargained and sold and does hereby grant and convey unto Grantee, its successors and assigns forever, the following described property, to-wit:

All that certain lot, piece or parcel of land situate near Rockdale, Boyd County, Kentucky, more particularly described as follows:

Being a parcel of land located in Boyd County, Kentucky near the intersection of Old U. S. Highway 60 and Summit Road and being more particularly described as follows:

Beginning at a point, said point being located N 9° 35' W, 24.5 feet; thence N 20° 00' E, 63.0 feet, from the south corner of the Johnson's Dairy property at the intersection of Old U. S. Highway 60 and Summit Road; thence along the westerly boundry of the property being conveyed N 26° 20' E, 63.0 feet; thence S 63° 40' E, 23.0 feet; thence S 26° 20' W, 63.0 feet; thence N 63° 40' W, 23.0 feet to the point of beginning, containing 1,449 sq. ft., together with the right of ingress and egress to the property for the purpose of operation and maintenance.

Being a portion of the same real estate conveyed to Grantor by Deed of Conveyance dated May 12, 1948 from Mary S. Johnson and Henderson Johnson, her husband, of record in Deed Book 242 at Page 373, Boyd County Court Clerk's Records of Deeds.

TO HAVE AND TO HOLD the above described property together with all appurtenances and improvements thereto belonging unto said Grantee, its successors and assigns forever, with covenant of General Warranty.

KENTUCKY
DOCUMENTARY TAX
\$ None

IN WITNESS WHEREOF, Grantor has caused its corporate name to be supplied by its proper officer thereunto, duly authorized on or as of the day and year first above written.

JOHNSON'S DAIRY, INC.

By:

Lloyd Cassidy
President

STATE OF KENTUCKY)
 { S C T
COUNTY OF BOYD)

I, the undersigned, a Notary Public in and for the county and state aforesaid, do hereby certify that the foregoing Deed was duly acknowledged before me on the aforementioned date by Lloyd Cassidy, President of Johnson's Dairy, Inc., a Kentucky Corporation, on behalf of the corporation.

Given under my hand this 1st day of June, 1971.

My commission expires Jul 10 1973.

Bryan S. Wilson
Notary Public, State of large Ky

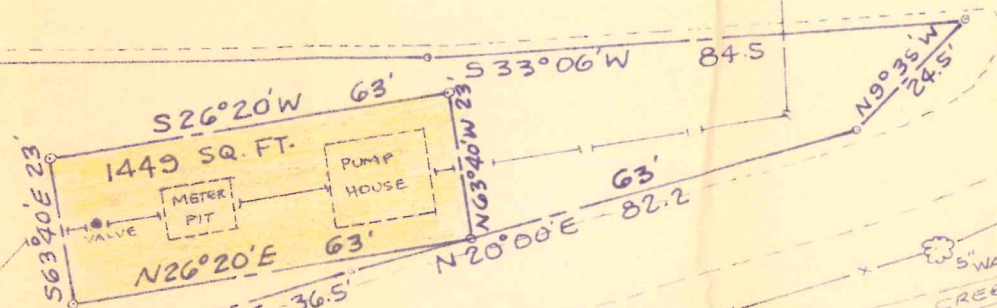
THIS INSTRUMENT PREPARED
IN THE LAW OFFICES OF
WILSON & STAVROS
ATTORNEYS AT LAW
216 KITCHEN BLDG.
ASHLAND, KENTUCKY 41101

BY: Bryan S. Wilson

OLD U.S. 60

S 35° 00' W

415.0'



N 19° 10' E 36.5'

N 20° 00' E 82.2

S 33° 06' W 84.5

S 26° 20' W 63'

N 26° 20' E 63'

N 9° 35' W 24.5'

10" SYC

20" SYC

POST

POST

5" WALNUT CREEK

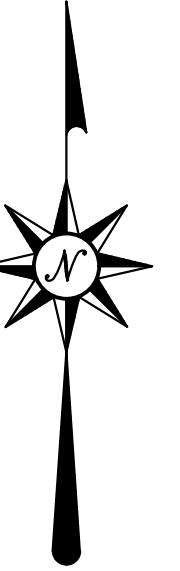
WATER LINE

12"

N 13° 15' W

350.0'

ON'S DAIRY



DIVISION	—
CONTRACT NO.	691-21-01
DATE	SEPTEMBER 2021
SHEET NO.	— OF 17

Exhibit 4
Record of Leaks and Breaks
Filed Separately

Exhibit 5

Written Direct Testimony
Of
Tim Webb, General Manager

VERIFICATION

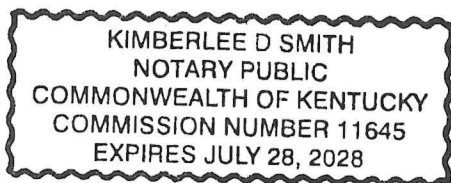
COMMONWEALTH OF KENTUCKY)
) SS:
COUNTY OF BOYD)

The undersigned, Tim Webb, being duly sworn, deposes and states: that he is the General Manager of the Cannonsburg Water District in Ashland, Kentucky; that he has personal knowledge of the matters set forth in the foregoing testimony; and the answers contained therein are true and correct to the best of his information, knowledge, and belief.

Tip

Tim Webb
General Manager
Cannonsburg Water District

Subscribed, sworn to, and acknowledged before me, a Notary Public in and
for said County and State, this 2nd day of May 2025.



Amber Lee O'Neil

Notary Public

Commission Number:

My Commission Expires:

7/8/2028

1 **Introduction**

2 **Q. Please state your name, business address, and position with Cannonsburg**
3 **Water District.**

4 A. My name is Tim Webb. My business address is 1606 Cannonsburg Road,
5 Ashland, Kentucky 41102. I am the General Manager of Cannonsburg Water
6 District. In my testimony I will refer to my employer as “Cannonsburg
7 District” or simply, “the District.”

8 **Q. How long have you been the General Manager of Cannonsburg Water**
9 **District?**

10 A. I have been the General Manager of Cannonsburg District for nine years. I
11 started work as General Manager of the District on January 4, 2016.

12 **Q. Other than your work for Cannonsburg Water District, what is your**
13 **vocational and professional background?**

14 A. Early in my career I worked in pipeline installation. I installed water, sewer,
15 and natural gas pipelines. I did that work for a number of years. After that I
16 worked for the City of Ashland, Kentucky for 15 years. I started as an
17 Engineering Technician and eventually became Senior Engineering Assistant.
18 I left that position to become General Manager for Cannonsburg District.

19 **Q. What is the purpose of your testimony?**

1 A. The purpose of my testimony is to provide information about the Shopes
2 Creek Road Area Water System Improvement Project, (the “Shopes Creek
3 Road Area Project”), explain why Cannonsburg District believes the project
4 is necessary, and provide information on some alternatives the District
5 considered when developing the plans for the Project.

6 **Q. What problem is the Shopes Creek Road Area Project intended to**
7 **address?**

8 A. The Project is a continuation of Cannonsburg District’s efforts to reduce our
9 unaccounted-for water loss. We have been working hard to get and to keep
10 our water loss below 15 percent, and we have had a great deal of success in
11 the last several years. In 2020 our annual water loss was 35.8 percent. In 2024
12 our annual water loss was down to 11.44 percent. We have gradually achieved
13 this by installing zone meters throughout our system and by placing an
14 emphasis on locating and repairing leaks. The zone meters that we installed
15 in the Shopes Creek Road area in 2021 have helped us identify this area as our
16 largest source of continuous leaks. By analyzing the data available from our
17 zone meters, we estimate we are losing **200-300 gallons of water per hour**
18 in the Shopes Creek Road area on a continuing basis. This is 3-5 gallons of
19 water lost every minute of every day. This slow, continuous loss of water is

1 contributing to the District's unaccounted-for water loss every month. The
2 only way to address this effectively is by replacing the leaky lines.

3 **Q. In your opinion why is this area contributing so excessively to your**
4 **overall water loss?**

5 A. The lines in the area are some of the oldest in our system. They are original
6 to the District. Most of the lines to be replaced are asbestos concrete pipe,
7 better known as "AC pipe." This type of pipe was popular from the late 1930's
8 until the late 1970's. As AC pipe ages it becomes more susceptible to
9 breakage. The AC pipe that will be replaced by this Project is over 50 years
10 old. It is prone to developing cracks and leaking. Leak detection listening
11 equipment and portable flow monitors do not work well on AC pipe, making
12 leaks that do not appear on the surface very difficult to locate. On average the
13 District responds to four large main breaks per year in this area.

14 The Project also involves the replacement of approximately 180 service
15 lines. The service lines that will be replaced in this Project are made of
16 polyethylene pipe and Blue Max polybutylene pipe, and again, most of these
17 are 50 years old. The typical service life of polyethylene pipe is 50 years and
18 polybutylene pipe has a shorter typical service life of 30 years. The service
19 lines in this area are old and leaky. Cannonsburg District repairs an average
20 of 10 service lines in this area every year due to leaks. Service tap saddles are

1 fittings used to connect the water main to the service line. The service tap
2 saddles in the Project area are older and were not made of rust-proof material.
3 This also leads to leaks occurring at the pipe connection. This Project will
4 replace those rusted connections with rust-proof fittings.

5 **Q. What do you mean by “service line?”**

6 A. I am referring to the distribution line that connects the District’s main to the
7 customer’s meter. There is another line that connects the customer meter to
8 the point of usage on the customer’s premises. That is usually called a
9 “customer service line” because that portion of the line is the responsibility of
10 the customer. This Project will not involve replacement of any customer
11 service lines.

12 **Q. Other than replacing water mains and service lines, will the Project**
13 **include any other construction?**

14 A, Yes, The Project includes replacing another very vital component of
15 Cannonsburg District’s system, the Midland Trail Road Pump Station. This
16 pump station was built when the District was established. It is original to the
17 system, and it supplies 90 percent of all water delivered to customers of
18 Cannonsburg District. The building in which the pumps are housed is a
19 dilapidated structure made of sheet metal. It is not in compliance with today’s
20 building code or the National Electrical Code. Attached to my testimony as

1 **Webb-Exhibit 1** are photographs I recently took of the current pump station.

2 There is no flooring in the electrical area of the pump station besides a metal
3 grate. The building leaks and it is secured only with a padlock. We have been
4 very fortunate that there have been no attempts at tampering with the pump
5 station. It would not be very difficult for someone, even a bored or curious
6 adolescent, to breach the sheet metal building and access the pump station.

7 Additionally, the current pump station does not have a dedicated
8 chlorine room. Chlorine is stored in a white-sided shed adjacent to the pump
9 station. The new pump station will be constructed of block and it will meet all
10 current building codes and the National Electric Code. It will have a dedicated
11 chlorine room.

12 The pumping system housed at the current pump station is a pair of
13 vertical stack pumps. Vertical stack pumps have piping that extends
14 approximately 20 feet underground. This makes it difficult to access the
15 pumps for repair. The current pumps were manufactured to pump 1,000
16 gallons per minute, but due to age and deteriorated condition they only pump
17 around 800 gallons per minute. The pumps leak and they have each been
18 rebuilt approximately four times. The pumps cannot be resealed because their
19 housings are too worn to completely seal. The new pump is a newer turbine

1 design and will be much more accessible. The master meter at the pump
2 station location will also be replaced.

3 **Q. Other than replacing aging, leaking, pipes and pumps is there any other**
4 **way this Project is expected to reduce water loss?**

5 A. Yes, currently the Shopes Creek Road area is a dead end in Cannonsburg
6 District's system. Water to serve the area comes into the system from a master
7 meter and it is carried to the water users in the area. The distribution system
8 in this area is not currently connected, or looped, to another area of the system.
9 The Project will connect the water main feeding the Shopes Creek Road area
10 with the water main on Cannonsburg Road to create a looped line. This is
11 important because dead end lines require frequent flushing to maintain water
12 quality. By tying into the Cannonsburg Road main and looping the system, the
13 Project will reduce the need to flush the lines in the Shopes Creek Road area
14 as often.

15 **Q. What alternatives did Cannonsburg Water District consider before**
16 **deciding to construct this Project?**

17 A. We knew the only way to address the leaks caused by the aging infrastructure
18 in this area was to replace the infrastructure. There is really no alternative to
19 replacement, but there **were** alternatives to some of the material and
20 construction methods we chose. We considered other methods of construction

1 and considered using a different size pipe before we settled on how to design
2 the Project and advertised for bids. The District must replace the 2,000 linear
3 feet of 12-inch water transmission line with 12-inch pipe, it is not really
4 possible to downsize a transmission line. However, the District had some
5 choices to consider when planning the replacement of the 15,000 linear feet
6 of smaller diameter water lines.

7 Cannonsburg District determined that it could meet the demand for
8 water by using 4-inch water distribution lines throughout. Our hydraulic
9 model indicated that 4-inch lines were sufficient to meet the customer demand
10 in the area. However, the fire department had concerns this would not provide
11 adequate water for fire suppression in the area. The District also received calls
12 from customers who were concerned about the risk of property loss due to fire
13 if water lines were to be downsized. Because of the concerns expressed by
14 Cannonsburg District's customers and local fire department officials,
15 Cannonsburg District decided to use 6-inch water lines throughout the
16 Project.¹ This will ensure adequate flow to the hydrants in the area and ensure
17 that water is available for fire protection purposes. There are seven fully
18 functioning hydrants in the Project area, and three missing hydrants. Two of

¹ Areas that must be constructed with directional drilling will use 8-inch line. This is because the high-density pipe used in directional drilling has a thicker inside wall than pipe used with traditional construction methods. It is necessary to use an 8-inch high-density line to carry the same amount of water carried by a standard 6-inch PVC line.

1 the missing hydrants were destroyed by hit-and-run vehicle collisions and one
2 hydrant blew out in 2024. The missing hydrants will be replaced in
3 conjunction with this Project. Using 6-inch water lines increased the overall
4 cost of the Project by approximately 15 percent, but using the larger diameter
5 lines ensures adequate flow to the hydrants.

6 Cannonsburg District solicited bids for the Project using all directional
7 drilling and no traditional trench excavation at all. The District did this
8 because there are advantages to directional drilling and if the cost to construct
9 the Project exclusively using directional drilling were only slightly higher
10 than using a combination of directional drilling and traditional excavation, the
11 District would have preferred exclusive directional drilling. Directional
12 drilling is far less intrusive than traditional excavation and restoring the site
13 to its original state is much easier. Also, there is far less need for traffic control
14 when directional drilling is used, and projects can sometimes be completed in
15 less time. The bids to construct the Project using exclusively directional
16 drilling were cost prohibitive. The lowest bid to construct the Project using
17 exclusively directional drilling was over \$240,000 more than the lowest bid
18 to construct the Project using traditional excavation and utilizing directional
19 drilling only where absolutely necessary.

20 **Q. What will happen to the existing AC pipe?**

1 A. It will be capped off and abandoned in place.

2 **Q. What is the total estimated cost to construct the Project?**

3 A. The total estimated cost including contingencies is \$3,981,000.

4 **Q, How does Cannonsburg Water District propose to fund the Project?**

5 A. The District plans to use the proceeds from two Cleaner Water grants, the
6 remainder of the water-loss reduction surcharge funds, and the proceeds of a
7 KIA loan to fund the Project. Cannonsburg Water District received \$540,517
8 from grant number 21CWW014, and \$656,599 from grant number
9 22CWW103. Cannonsburg District proposes to use the total combined
10 proceeds of these grants to partially fund the total cost of constructing the
11 Project. In addition, Cannonsburg District has approximately \$484,196
12 remaining of its water-loss reduction surcharge funds. Cannonsburg District
13 proposes to use all remaining surcharge funds to partially fund the Project.
14 Cannonsburg District proposes to fund the remainder of the cost of the Project
15 with a \$2,304,263 KIA Fund F loan (KIA Loan F22-030). KIA originally
16 approved a loan of \$1,685,083 for Cannonsburg District to use to partially
17 fund the Project. However, when the bids to construct the Project were higher
18 than originally anticipated, KIA increased the loan amount at its April 3, 2025
19 Board meeting.

20 **Q. Does this conclude your testimony?**

1 A. Yes, it does.

Webb-Exhibit 1
Photos of Pump Station

Green building is
the existing pump
station

White building
houses the chlorine
tank. Does not have
a containment area
in case of chlorine
spill.



The pumps in this picture are vertical stack pumps that have had their motors rebuilt approximately 4 times each and will not run at the full capacity of 1,000 gallons per minute due to wear. Both pumps also leak. We have tried resealing them, but the pump housings are too worn to seal completely.



This picture shows the electrical area. There is not enough room in the building to meet the requirement of a clear space around the electrical panels and equipment.

Also, because there is no floor, workers have to stand on metal grating to work on electrical components.



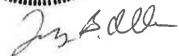
Exhibit 6

Final Engineering Report



WATER SYSTEM IMPROVEMENTS SHOPE'S CREEK RD. AREA

Final Engineering Report



02/12/2025

Larry "Ben" Allen



February 4, 2025

Mr. Tim Webb, District Manager
1606 Cannonsburg Road
Ashland, KY 41102

**Subject: Final Engineering Report
Contract 691-21-01
Water System Improvements Shopes Creek Rd. Area
Cannonsburg Water District
Cannonsburg, Kentucky**

Dear Mr. Webb:

We are pleased to submit our Final Engineering Report. Following the January 22, 2025 bid opening, we reviewed, mathematically checked, tabulated all bids received and contacted references.

Project Background

During the Cannonsburg Water District Phase -1 Zone Metering Project, a project to install zone metering, it was determined the Shopes Creek area as problematic and a significant contributor to unaccounted water in the system. The purpose of the project is to reduce unaccounted for water in the system through improved operating efficiency and capital planning. The project is consistent with the efforts of the District to reduce unaccounted for water and has been presented to, and has the support of, the Public Service Commission. The project includes replacement of existing AC water line in the Shopes Creek area along with upgrades to an existing pump station.

Project Bids

The project received 3 bids, the low bid totaled \$3,181,691.65 compared to Bell Engineering's Opinion of Probable Construction Cost of \$2,648,478.00. A summary table of bids is provided:





Bidder Rank	Bidder Name	Bid Amount	Difference Above Low
1	Conhurst LLC	*\$3,181,691.65	NA
2	B.P. Pipeline LLC	\$3,262,112.00	\$80,420.35
3	Southern Ohio Trenching and Excavating	\$6,043,387.00	\$2,861,695.35
Engineer's Opinion of Probable Construction Cost		\$2,648,478	(\$533,213.35)

**Corrected Math Error*

The low bidder, Conhurst LLC of Wellington KY, has been contacted and have informed us that they are satisfied with their bid and are capable of performing the work to a satisfactory level. References for the company indicates that they are capable of conducting the work. We believe them to be capable of completing Contract 691-21-01 and recommend Cannonsburg Water District board and council review this evaluation in their determination to award the bid.

Project Funding

Project is funding through the following:

- A. KIA SRF Fund F Loan, \$1,685,083
- B. Cleaner Water Program Grant FY 2022 \$540,517
- C. Cleaner Water Program Grant FY 2023 \$656,599

Additional Funding is being applied for through KIA to fund overage.

Sincerely,
Bell Engineering

Ben Allen, P.E.
Project Manager

Attachments

- 1. Certified Bid Tabulation
- 2. Bid Evaluation Letter



CONTRACT 691-21-01

WATER SYSTEM IMPROVEMENTS:
SHOPE'S CREEK ROAD AREA
CANNONBURG WATER DISTRICT
CANNONBURG, KENTUCKY

We certify that the following is a true and complete tabulation of all bids received by the Cannonburg Water District, Ashland, Kentucky, on January 22, 2025, for the titled project.

BELL ENGINEERING

DAVID E. BELL

20708

PROFESSIONAL ENGINEER

ConnHurst LLC
879 Wilson Run Road
Wellington, Kentucky 41093

B.P. Pipeline LLC
269 Pebbles Lane
Quincy, Kentucky 41166

Southern Ohio Trenching
and Excavating Inc.
3228 County Road 103
Ironton, Ohio 45638

Item No.	Description	Quantity	Unit	Unit Price	Total Cost	Unit Price	Total Cost	Unit Price	Total Cost
Bidders must bid all Divisions and Alternates as set forth in this proposal for the bid to be responsive. The low bidder will be determined based on the Total Base Bid not including the Alternates.									
DIVISION A BASE BID									
1.	12-Inch Class 250 (SDR 17) PVC Pipe, Furnishing, Trenching, Bedding, Laying, Backfilling, Fittings and Copper Tracer Wire, Unclassified Excavation, Complete	1,200	L.F.	\$107.00	\$128,400.00	\$136.00	\$163,200.00	\$168.00	\$201,600.00
2.	12-Inch Class 350 Ductile Iron Pipe, Furnishing, Trenching, Bedding, Laying and Backfilling Copper Tracer Wire, Unclassified Excavation, Complete	77	L.F.	\$116.00	\$8,932.00	\$270.00	\$20,790.00	\$187.00	\$14,399.00
3.	24-Inch x 0.375-Inch Steel Cover Pipe, Including Spacers and End Seals, Furnish and Install, Open Cut or Bore, Including Loading Carrier Pipe, Complete	40	L.F.	\$232.00	\$9,280.00	\$220.00	\$8,800.00	\$1,308.00	\$52,320.00
4.	Bore and Jack for 24-Inch Steel Cover Pipe, Complete	40	L.F.	\$223.00	\$8,920.00	\$400.00	\$16,000.00	\$1,308.00	\$52,320.00
5.	14-Inch Polyethylene DR9 Pipe (Sta. 9+42 ~ Sta. 12+25) Installed by Directional Drill, Including Transition Fittings, Complete	283	L.F.	\$245.00	\$69,335.00	\$350.00	\$99,050.00	\$471.00	\$133,293.00
6.	14-Inch Polyethylene DR9 Pipe (Sta. 7+66 ~ Sta. 9+42) Installed by Directional Drill, Including Transition Fittings, Complete	1	L.S.	\$42,369.00	\$42,369.00	\$61,000.00	\$61,000.00	\$81,000.00	\$81,000.00
7.	14-Inch Polyethylene DR9 Pipe (Sta. 12+25 ~ Sta. 15+44) Installed by Directional Drill, Including Transition Fittings, Complete	1	L.S.	\$66,810.00	\$66,810.00	\$112,000.00	\$112,000.00	\$153,900.00	\$153,900.00
8.	3/4-Inch Municepex Service Line Furnishing, Trenching, Laying, Bedding and Backfilling, Copper Trace Wire, Unclassified Excavation, Complete	1,030	L.F.	\$35.80	\$36,874.00	\$18.00	\$18,540.00	\$125.00	\$128,750.00
9.	12-Inch Mechanical Joint Resilient Seated Gate Valve and Box Including Concrete Collar, Furnish and Install, Unclassified Excavation, Complete	5	Each	\$5,177.00	\$25,885.00	\$5,500.00	\$27,500.00	\$7,272.00	\$36,360.00
10.	Flushing Hydrant Assembly, Furnish and Install, Unclassified Excavation, Complete per Detail	2	Each	\$13,134.00	\$26,268.00	\$8,000.00	\$16,000.00	\$10,058.00	\$20,116.00
11.	Meter Reconnect, Including Tap, Service Saddle, and Corporation Stop, Complete	16	Each	\$1,233.00	\$19,728.00	\$1,900.00	\$30,400.00	\$2,133.00	\$34,128.00

				ConnHurst LLC 879 Wilson Run Road Wellingford, Kentucky 41093		B.P. Pipeline LLC 269 Pebbles Lane Quincy, Kentucky 41166		Southern Ohio Trenching and Excavating Inc. 3228 County Road 103 Ironton, Ohio 45638	
Item No.	Description	Quantity	Unit	Unit Price	Total Cost	Unit Price	Total Cost	Unit Price	Total Cost
12.	Fiberglass Line Marker, Furnish and Install, Complete	3	Each	\$76.00	\$228.00	\$50.00	\$150.00	\$35.00	\$105.00
13.	Crushed Rock on Trench Surface, in Place (_____ L.F. x 225 lbs./2,000 lbs. = _____ Tons)	15	Ton	\$94.00	\$1,410.00	\$45.00	\$675.00	\$24.00	\$360.00
14.	Bituminous Surface Replacement, Trench Width as per Trench Detail, Typical Open Cut Crossing of County Roads and Driveways, Complete	50	L.F.	\$113.00	\$5,650.00	\$60.00	\$3,000.00	\$85.00	\$4,250.00
15.	Cut and Tie Into Existing 12-Inch PVC, Complete	1	Each	\$5,932.00	\$5,932.00	\$4,000.00	\$4,000.00	\$9,600.00	\$9,600.00
16.	No. 57 Crushed Stone for Trench Stabilization, Only on the Order of the Engineer	25	Ton	\$59.00	\$1,475.00	\$45.00	\$1,125.00	\$24.00	\$600.00
SUBTOTAL DIVISION A BASE BID					\$457,496.00		\$582,230.00		\$923,101.00
DIVISION B BASE BID									
1.	6-Inch Class 250 (SDR 17) PVC Pipe, Furnishing, Trenching, Bedding, Laying, Copper Trace Wire, Unclassified Excavation, Complete	13,352	L.F.	\$59.70	\$797,114.40	\$65.00	\$867,880.00	\$136.00	\$1,815,872.00
2.	3-Inch Class 250 (SDR 17) PVC Pipe, Furnishing, Trenching, Bedding, Laying, Backfilling, Fittings and Copper Tracer Wire, Unclassified Excavation, Complete	335	L.F.	\$49.45	\$16,565.75	\$55.00	\$18,425.00	\$128.00	\$42,880.00
3.	12-Inch Class 250 (SDR17) PVC Pipe, Furnishing, Trenching, Bedding, Laying, Backfilling, Copper Tracer Wire, Unclassified Excavation, Complete	55	L.F.	\$97.00	\$5,335.00	\$136.00	\$7,480.00	\$172.00	\$9,460.00
4.	20-Inch x 0.375-Inch Steel Cover Pipe, Including Spacers and End Seals, Furnish and Install, Open Cut or Bore, Including Loading Carrier Pipe, Complete	40	L.F.	\$233.00	\$9,320.00	\$220.00	\$8,800.00	\$1,308.00	\$52,320.00
5.	Bore and Jack for 20-Inch Steel Cover Pipe, Complete	40	L.F.	\$223.00	\$8,920.00	\$380.00	\$15,200.00	\$1,308.00	\$52,320.00
6.	12-Inch x 0.375-Inch Steel Cover Pipe, Including Spacers and End Seals, Furnish and Install, Open Cut or Bore, Including Loading Carrier Pipe, Complete	180	L.F.	\$119.00	\$21,420.00	\$200.00	\$36,000.00	\$1,308.00	\$235,440.00
7.	Bore and Jack for 12-Inch Steel Cover Pipe, Complete	180	L.F.	\$146.00	\$26,280.00	\$250.00	\$45,000.00	\$1,308.00	\$235,440.00
8.	8-Inch Polyethylene DR9 Pipe (Sta. 27+64 ~ Sta. 28+91) Installed by Directional Drill, Including Transition Fittings, Complete	1	L.S.	\$18,315.00	\$18,315.00	\$31,000.00	\$31,000.00	\$30,000.00	\$30,000.00
9.	8-Inch Polyethylene DR9 Pipe (Sta. 41+69 ~ Sta. 43+04) Installed by Directional Drill, Including Transition Fittings, Complete	1	L.S.	\$7,579.00	\$7,579.00	\$35,000.00	\$35,000.00	\$40,460.00	\$40,460.00
10.	8-Inch Polyethylene DR9 Pipe (Sta. 66+30 ~ Sta. 66+64) Installed by Directional Drill, Including Transition Fittings, Complete	1	L.S.	\$6,995.00	\$6,995.00	\$13,000.00	\$13,000.00	\$14,880.00	\$14,880.00
11.	8-Inch Polyethylene DR9 Pipe (Sta. 90+90 ~ Sta. 91+45) Installed by Directional Drill, Including Transition Fittings, Complete	1	L.S.	\$9,913.00	\$9,913.00	\$18,000.00	\$18,000.00	\$19,840.00	\$19,840.00

				ConnHurst LLC 879 Wilson Run Road Wellingford, Kentucky 41093		B.P. Pipeline LLC 269 Pebbles Lane Quincy, Kentucky 41166		Southern Ohio Trenching and Excavating Inc. 3228 County Road 103 Ironton, Ohio 45638	
Item No.	Description	Quantity	Unit	Unit Price	Total Cost	Unit Price	Total Cost	Unit Price	Total Cost
12.	8-Inch Polyethylene DR9 Pipe (Sta. 110+53 ~ Sta. 111+44) Installed by Directional Drill, Including Transition Fittings, Complete	1	L.S.	\$13,997.00	\$13,997.00	\$30,000.00	\$30,000.00	\$33,460.00	\$33,460.00
13.	8-Inch Polyethylene DR9 Pipe (Sta. 127+75 ~ Sta. 132+72) Installed by Directional Drill, Including Transition Fittings, Complete	1	L.S.	\$59,159.00	\$59,159.00	\$130,000.00	\$130,000.00	\$33,460.00	\$33,460.00
14.	8-Inch Polyethylene DR9 Pipe (Sta. 139+67 ~ Sta. 141+07) Installed by Directional Drill, Including Transition Fittings, Complete	1	L.S.	\$17,498.00	\$17,498.00	\$38,000.00	\$38,000.00	\$26,180.00	\$26,180.00
15.	8-Inch Polyethylene DR9 Pipe (Sta. 145+39 ~ Sta. 146+22) Installed by Directional Drill, Including Transition Fittings, Complete	1	L.S.	\$10,846.00	\$10,846.00	\$28,000.00	\$28,000.00	\$33,460.00	\$33,460.00
16.	8-Inch Polyethylene DR9 Pipe (Sta. 159+08 ~ Sta. 164+07) Installed by Directional Drill, Including Transition Fittings, Complete	1	L.S.	\$59,393.00	\$59,393.00	\$128,000.00	\$128,000.00	\$11,900.00	\$11,900.00
17.	8-Inch Polyethylene DR9 Pipe (Sta. 171+46 ~ Sta. 173+76) Installed by Directional Drill, Including Transition Fittings, Complete	1	L.S.	\$28,000.00	\$28,000.00	\$62,000.00	\$62,000.00	\$61,880.00	\$61,880.00
18.	12-Inch Mechanical Joint Resilient Seated Gate Valve and Box Including Concrete Valve Box Collar, Furnish and Install, Unclassified Excavation, Complete	2	Each	\$5,177.00	\$10,354.00	\$5,500.00	\$11,000.00	\$7,272.00	\$14,544.00
19.	6-Inch Mechanical Joint Resilient Seated Gate Valve and Box, Including Concrete Valve Box Collar, Furnish and Install, Unclassified Excavation, Complete	4	Each	\$1,969.00	\$7,876.00	\$2,300.00	\$9,200.00	\$5,353.00	\$21,412.00
20.	3-Inch Mechanical Joint Resilient Seated Gate Valve and Box, Including Concrete Valve Box Collar, Furnish and Install, Unclassified Excavation, Complete	2	Each	\$1,446.00	\$2,892.00	\$1,800.00	\$3,600.00	\$2,840.00	\$5,680.00
21.	Flushing Hydrant Assembly, Furnish and Install, Unclassified Excavation, Complete per Detail	6	Each	\$13,135.00	\$78,810.00	\$8,000.00	\$48,000.00	\$10,058.00	\$60,348.00
22.	Flush Hydrant Reconnects, Fittings, Unclassified Excavation, Complete	2	Each	\$1,983.00	\$3,966.00	\$3,000.00	\$6,000.00	\$4,884.00	\$9,768.00
23.	Remove Existing Hydrants and Turn Over to Owner, Complete	2	Each	\$1,072.00	\$2,144.00	\$2,000.00	\$4,000.00	\$1,400.00	\$2,800.00
24.	Cut/Cap and Block Existing 6-Inch, Complete	2	Each	\$668.00	\$1,336.00	\$1,500.00	\$3,000.00	\$3,850.00	\$7,700.00
25.	Cut/Cap and Block Existing 3-Inch, Complete	3	Each	\$435.00	\$1,305.00	\$1,500.00	\$4,500.00	\$3,800.00	\$11,400.00 *
26.	3-Inch Reconnect, Complete	2	Each	\$867.00	\$1,734.00	\$4,500.00	\$9,000.00	\$3,680.00	\$7,360.00
27.	Zone Meter Reconnect, Complete	1	Each	\$5,638.00	\$5,638.00	\$3,000.00	\$3,000.00	\$4,000.00	\$4,000.00
28.	Cut and Tie Into Existing 12-Inch PVC, Including Removing Plug, Complete	1	Each	\$5,422.00	\$5,422.00	\$2,500.00	\$2,500.00	\$2,388.00	\$2,388.00

				ConnHurst LLC 879 Wilson Run Road Wellingford, Kentucky 41093		B.P. Pipeline LLC 269 Pebbles Lane Quincy, Kentucky 41166		Southern Ohio Trenching and Excavating Inc. 3228 County Road 103 Ironton, Ohio 45638	
Item No.	Description	Quantity	Unit	Unit Price	Total Cost	Unit Price	Total Cost	Unit Price	Total Cost
29.	Cut and Tie Into Existing 6-Inch PVC, Including Removing Plug, Complete	1	Each	\$4,275.00	\$4,275.00	\$2,000.00	\$2,000.00	\$2,389.00	\$2,389.00
30.	3/4-Inch Municepex Service Line, Furnishing, Trenching, Laying, Bedding and Backfilling, Copper Tracer Wire, Unclassified Excavation, Complete	4,321	L.F.	\$36.25	\$156,636.25	\$18.00	\$77,778.00	\$125.00	\$540,125.00
31.	Meter Reconnect, Unclassified Excavation, Including Tap, Service Saddle, and Corporation Stop, Complete	109	Each	\$1,048.25	\$114,259.25	\$800.00	\$87,200.00	\$2,133.00	\$232,497.00 *
32.	Test Meter Assembly, Furnish and Install, Complete per Detail	1	Each	\$2,797.00	\$2,797.00	\$2,300.00	\$2,300.00	\$6,000.00	\$6,000.00
33.	Fiberglass Line Markers, Furnish and Install, Complete	2	Each	\$76.00	\$152.00	\$50.00	\$100.00	\$35.00	\$70.00
34.	Crushed Rock on Trench Surface, In Place (_____ LF x 225 lbs./2000 lbs. = _____ Tons)	330	Ton	\$94.00	\$31,020.00	\$45.00	\$14,850.00	\$24.00	\$7,920.00
35.	Bituminous Surface Replacement, Trench Width as per Trench Detail, Typical Open Cut Crossing of County Roads and Driveways, Complete	2,212	L.F.	\$113.00	\$249,956.00	\$60.00	\$132,720.00	\$85.00	\$188,020.00
36.	Concrete Surface Replacement, Trench Width on Drives and Roads, Minimum 4-Inch Thickness or Match Existing Thickness if Greater than 4 Inches, Complete	164	L.F.	\$98.00	\$16,072.00	\$16.00	\$2,624.00	\$70.00	\$11,480.00
37.	No. 57 Crushed Stone for Trench Stabilization, Only on the Order of the Engineer	25	L.F.	\$59.00	\$1,475.00	\$45.00	\$1,125.00	\$24.00	\$600.00
SUBTOTAL DIVISION B BASE BID					\$1,814,769.65 *		\$1,936,282.00		\$3,885,753.00 *
DIVISION C PUMP STATION AND MASTER METER REPLACEMENT—BASE BID									
Section 1									
1.	For the complete construction of a new aboveground 1000 gpm/300 TDH pump station adjacent to the existing pump station as depicted on the drawings, plans, and specifications, including demolition of existing facilities and relocation of the existing natural gas generator and telemetry instrumentation, but excluding items listed in other divisions, sections, or subsections, complete	1	L.S.	\$843,954.00	\$843,954.00	\$600,000.00	\$600,000.00	\$1,091,067.00	\$1,091,067.00
2.	For the complete construction of a new master meter adjacent to the existing master meter as depicted on the drawings, plans, and specifications, including demolition and safe loading of the existing facilities and connection of the proposed master meter to the proposed yard piping for the new pump station, but excluding items listed in other divisions, sections, or subsections, complete	1	L.S.	\$56,867.00	\$56,867.00	\$130,000.00	\$130,000.00	\$133,646.00	\$133,646.00
Subtotal Section 1					\$900,821.00		\$730,000.00		\$1,224,713.00

				ConnHurst LLC 879 Wilson Run Road Wellingford, Kentucky 41093		B.P. Pipeline LLC 269 Pebbles Lane Quincy, Kentucky 41166		Southern Ohio Trenching and Excavating Inc. 3228 County Road 103 Ironton, Ohio 45638	
Item No.	Description	Quantity	Unit	Unit Price	Total Cost	Unit Price	Total Cost	Unit Price	Total Cost
Section 2--Unit Price Items									
Payment for listed items shall be for actual quantities ordered by Engineer, authorized by Owner, and incorporated into the Work.									
1.	Compacted Dense Graded Aggregate, in Place, When Ordered by the Engineer	50	Ton	\$32.00	\$1,600.00	\$45.00	\$2,250.00	\$24.00	\$1,200.00
2.	Compacted #2 Stone, in Place, When Ordered by the Engineer	50	Ton	\$36.00	\$1,800.00	\$45.00	\$2,250.00	\$24.00	\$1,200.00
3.	Extra Earth Excavation When Ordered by the Engineer	40	C.Y.	\$32.00	\$1,280.00	\$60.00	\$2,400.00	\$24.00	\$960.00
4.	Compacted Earth Fill, in Place, When Ordered by the Engineer	40	C.Y.	\$32.00	\$1,280.00	\$80.00	\$3,200.00	\$24.00	\$960.00
5.	4,000 psi Concrete, in Place, Forms, and Reinforcing Included, When Ordered by the Engineer	5	C.Y.	\$294.00	\$1,470.00	\$350.00	\$1,750.00	\$500.00	\$2,500.00
6.	4,000 psi Concrete, in Place, When Ordered by the Engineer	5	C.Y.	\$235.00	\$1,175.00	\$350.00	\$1,750.00	\$600.00	\$3,000.00
Subtotal Section 2--Unit Price Items					\$8,605.00		\$13,600.00		\$9,820.00
SUBTOTAL DIVISION C (Sections 1 and 2)					\$909,426.00		\$743,600.00		\$1,234,533.00
SUMMARY									
DIVISION A BASE BID					\$457,496.00		\$582,230.00		\$923,101.00
DIVISION B BASE BID					\$1,814,769.65 *		\$1,936,282.00		\$3,885,753.00 *
DIVISION C PUMP STATION AND MASTER METER REPLACEMENT--BASE BID					\$909,426.00		\$743,600.00		\$1,234,533.00
TOTAL BASE BID, CONTRACT 691-21-01					\$3,181,691.65 *		\$3,262,112.00		\$6,043,387.00 *
ALTERNATE 1 DIVISION "A"									
1.	14-Inch Polyethylene DR9 Pipe, Installed by Directional Drill Method or Open Cut, Furnishing, Trenching, Bedding, Laying, Backfilling, Fittings and Copper Tracer Wire, Unclassified Excavation, Complete	1,200	L.F.	\$223.30	\$267,960.00	\$125.00	\$150,000.00	\$405.00	\$486,000.00
2.	12-Inch Class 350 Ductile Iron Pipe, Furnishing, Trenching, Bedding, Laying, Backfilling, Ductile Iron Mechanical Joint Fittings and Copper Tracer Wire, Unclassified Excavation, Complete	77	L.F.	\$115.00	\$8,855.00	\$270.00	\$20,790.00	\$187.00	\$14,399.00
3.	24-Inch x 0.375- Inch Steel Cover Pipe, Including Spacers and End Seals, Furnish and Install, Open Cut or Bore, Including Loading Carrier Pipe, Complete	40	L.F.	\$232.00	\$9,280.00	\$220.00	\$8,800.00	\$1,308.00	\$52,320.00
4.	Bore and Jack for 24-Inch Steel Cover Pipe, Complete	40	L.F.	\$223.00	\$8,920.00	\$400.00	\$16,000.00	\$1,308.00	\$52,320.00

				ConnHurst LLC 879 Wilson Run Road Wellingford, Kentucky 41093		B.P. Pipeline LLC 269 Pebbles Lane Quincy, Kentucky 41166		Southern Ohio Trenching and Excavating Inc. 3228 County Road 103 Ironton, Ohio 45638	
Item No.	Description	Quantity	Unit	Unit Price	Total Cost	Unit Price	Total Cost	Unit Price	Total Cost
5.	14- Inch Polyethylene DR9 Pipe (Sta. 9+42 ~ Sta. 12+25) Installed by Directional Drill, Complete	283	L.F.	\$255.00	\$72,165.00	\$350.00	\$99,050.00	\$471.00	\$133,293.00
6.	14-Inch Polyethylene DR9 Pipe (Sta. 7+66 ~ Sta. 9+42) Installed by Directional Drill, Including Transition Fittings, Complete	1	L.S.	\$42,590.00	\$42,590.00	\$61,000.00	\$61,000.00	\$81,000.00	\$81,000.00
7.	14- Inch Polyethylene DR9 Pipe (Sta. 12+25 ~ Sta. 15+44) Installed by Directional Drill, Including Transition Fittings, Complete	1	L.S.	\$66,810.00	\$66,810.00	\$112,000.00	\$112,000.00	\$153,900.00	\$153,900.00
8.	3/4-Inch Municepex Service Line, Furnishing, Trenching, Laying, Bedding and Backfilling, Copper Tracer Wire, Unclassified Excavation, Complete	1,030	L.F.	\$35.80	\$36,874.00	\$18.00	\$18,540.00	\$125.00	\$128,750.00
9.	12-Inch Mechanical Joint Resilient Seated Gate Valve and Box Including Concrete Collar, Furnish and Install, Unclassified Excavation, Complete	5	Each	\$6,681.00	\$33,405.00	\$5,500.00	\$27,500.00	\$7,272.00	\$36,360.00
10.	Flushing Hydrant Assembly, Furnish and Install, Unclassified Excavation, Complete per Detail	2	Each	\$13,354.00	\$26,708.00	\$8,000.00	\$16,000.00	\$10,058.00	\$20,116.00
11.	Meter Reconnect, Including Tap, Service Saddle, and Corporation Stop, Complete	16	Each	\$1,243.00	\$19,888.00	\$1,900.00	\$30,400.00	\$2,133.00	\$34,128.00
12.	Fiberglass Line Marker, Furnish and Install, Complete	3	Each	\$76.00	\$228.00	\$50.00	\$150.00	\$35.00	\$105.00
13.	Cut and Tie Into Existing 12-Inch PVC, Complete	1	Each	\$5,932.00	\$5,932.00	\$4,000.00	\$4,000.00	\$9,600.00	\$9,600.00
14.	No. 57 Crushed Stone for Trench Stabilization, Only on the Order of the Engineer	25	Ton	\$59.00	\$1,475.00	\$45.00	\$1,125.00	\$24.00	\$600.00
SUBTOTAL ALTERNATE 1 DIVISION "A"					\$601,090.00		\$565,355.00		\$1,202,891.00
ALTERNATE 1 DIVISION "B"									
1.	8-Inch Polyethylene DR9 Pipe, Installed by Directional Drill Method or Open Cut, Furnishing, Trenching, Bedding, Laying, Backfilling, Fittings and Copper Tracer Wire, Unclassified Excavation, Complete	13,352	L.F.	\$131.75	\$1,759,126.00	\$88.00	\$1,174,976.00	\$230.00	\$3,070,960.00
2.	4-Inch Polyethylene DR9 Pipe, Installed by Directional Drill Method or Open Cut, Furnishing, Trenching, Bedding, Laying, Backfilling, Fittings and Copper Tracer Wire, Unclassified Excavation, Complete	335	L.F.	\$105.25	\$35,258.75	\$58.00	\$19,430.00	\$130.00	\$43,550.00
3.	14-Inch Polyethylene DR9 Pipe, Installed by Directional Drill Method or Open Cut, Furnishing, Trenching, Bedding, Laying, Backfilling, Fittings and Copper Tracer Wire, Unclassified Excavation, Complete	55	L.F.	\$212.00	\$11,660.00	\$350.00	\$19,250.00	\$405.00	\$22,275.00
4.	20- Inch x 0.375-Inch Steel Cover Pipe, Including Spacers and End Seals, Furnish and Install, Open Cut or Bore, Including Loading Carrier Pipe, Complete	40	L.F.	\$232.00	\$9,280.00	\$220.00	\$8,800.00	\$1,308.00	\$52,320.00

				ConnHurst LLC 879 Wilson Run Road Wellingford, Kentucky 41093		B.P. Pipeline LLC 269 Pebbles Lane Quincy, Kentucky 41166		Southern Ohio Trenching and Excavating Inc. 3228 County Road 103 Ironton, Ohio 45638	
Item No.	Description	Quantity	Unit	Unit Price	Total Cost	Unit Price	Total Cost	Unit Price	Total Cost
5.	Bore and Jack for 20-Inch Steel Cover Pipe	40	L.F.	\$223.00	\$8,920.00	\$380.00	\$15,200.00	\$1,308.00	\$52,320.00
6.	14-Inch x 0.375-Inch Steel Cover Pipe, Including Spacers and End Seals, Furnish and Install, Open Cut or Bore, Including Loading Carrier Pipe, Complete	180	L.F.	\$126.00	\$22,680.00	\$220.00	\$39,600.00	\$1,308.00	\$235,440.00
7.	Bore and Jack for 14-Inch Steel Cover Pipe	180	L.F.	\$146.00	\$26,280.00	\$280.00	\$50,400.00	\$1,308.00	\$235,440.00
8.	8-Inch Polyethylene DR9 Pipe (Sta. 27+64 ~ Sta. 28+91) Installed by Directional Drill, Including Transition Fittings, Complete	1	L.S.	\$18,315.00	\$18,315.00	\$31,000.00	\$31,000.00	\$30,000.00	\$30,000.00
9.	8-Inch Polyethylene DR9 Pipe (Sta. 41+69 ~ Sta. 43+04) Installed by Directional Drill, Including Transition Fittings, Complete	1	L.S.	\$7,735.00	\$7,735.00	\$35,000.00	\$35,000.00	\$40,460.00	\$40,460.00
10.	8-Inch Polyethylene DR9 Pipe (Sta. 66+30 ~ Sta. 66+64) Installed by Directional Drill, Including Transition Fittings, Complete	1	L.S.	\$6,995.00	\$6,995.00	\$13,000.00	\$13,000.00	\$14,880.00	\$14,880.00
11.	8-Inch Polyethylene DR9 Pipe (Sta. 90+90 ~ Sta. 91+45) Installed by Directional Drill, Including Transition Fittings, Complete	1	L.S.	\$9,913.00	\$9,913.00	\$18,000.00	\$18,000.00	\$19,840.00	\$19,840.00
12.	8-Inch Polyethylene DR9 Pipe (Sta. 110+53 ~ Sta. 111+44) Installed by Directional Drill, Including Transition Fittings, Complete	1	L.S.	\$13,997.00	\$13,997.00	\$30,000.00	\$30,000.00	\$33,460.00	\$33,460.00
13.	8-Inch Polyethylene DR9 Pipe (Sta. 127+75 ~ Sta. 132+72) Installed by Directional Drill, Including Transition Fittings, Complete	1	L.S.	\$59,159.00	\$59,159.00	\$130,000.00	\$130,000.00	\$33,460.00	\$33,460.00
14.	8-Inch Polyethylene DR9 Pipe (Sta. 139+67 ~ Sta. 141+07) Installed by Directional Drill, Including Transition Fittings, Complete	1	L.S.	\$17,498.00	\$17,498.00	\$38,000.00	\$38,000.00	\$26,180.00	\$26,180.00
15.	8-Inch Polyethylene DR9 Pipe (Sta. 145+39 ~ Sta. 146+22) Installed by Directional Drill, Including Transition Fittings, Complete	1	L.S.	\$10,846.00	\$10,846.00	\$28,000.00	\$28,000.00	\$33,460.00	\$33,460.00
16.	8-Inch Polyethylene DR9 Pipe (Sta. 159+08 ~ Sta. 164+07) Installed by Directional Drill, Including Transition Fittings, Furnish, Complete	1	L.S.	\$59,393.00	\$59,393.00	\$128,000.00	\$128,000.00	\$11,900.00	\$11,900.00
17.	8-Inch Polyethylene DR9 Pipe (Sta. 171+46 ~ Sta. 173+76) Installed by Directional Drill, Including Transition Fittings, Complete	1	L.S.	\$28,000.00	\$28,000.00	\$62,000.00	\$62,000.00	\$61,880.00	\$61,880.00
18.	12-Inch Mechanical Joint Resilient Seated Gate Valve and Box, Including Concrete Valve Box Collar, Furnish and Install, Unclassified Excavation, Complete	2	Each	\$6,681.00	\$13,362.00	\$5,500.00	\$11,000.00	\$7,272.00	\$14,544.00
19.	6-Inch Mechanical Joint Resilient Seated Gate Valve and Box, Including Concrete Valve Box Collar, Furnish and Install, Unclassified Excavation, Complete	4	Each	\$2,127.00	\$8,508.00	\$2,300.00	\$9,200.00	\$5,353.00	\$21,412.00

				ConnHurst LLC 879 Wilson Run Road Wellingford, Kentucky 41093		B.P. Pipeline LLC 269 Pebbles Lane Quincy, Kentucky 41166		Southern Ohio Trenching and Excavating Inc. 3228 County Road 103 Ironton, Ohio 45638	
Item No.	Description	Quantity	Unit	Unit Price	Total Cost	Unit Price	Total Cost	Unit Price	Total Cost
20.	3-Inch Mechanical Joint Resilient Seated Gate Valve and Box, Including Concrete Valve Box Collar, Furnish and Install, Unclassified Excavation, Complete	2	Each	\$1,446.00	\$2,892.00	\$1,800.00	\$3,600.00	\$2,840.00	\$5,680.00
21.	Flushing Hydrant Assembly, Furnish, Install, Unclassified Excavation, Complete per Detail	6	Each	\$13,354.00	\$80,124.00	\$8,000.00	\$48,000.00	\$10,058.00	\$60,348.00
22.	Flush Hydrant Reconnects, Fittings, Unclassified Excavation, Complete	2	Each	\$1,984.00	\$3,968.00	\$3,000.00	\$6,000.00	\$4,884.00	\$9,768.00
23.	Remove Existing Hydrants and Turn Over To Owner	2	Each	\$1,072.00	\$2,144.00	\$2,000.00	\$4,000.00	\$1,400.00	\$2,800.00
24.	Cut/Cap and Block Existing 6-Inch	2	Each	\$668.00	\$1,336.00	\$1,500.00	\$3,000.00	\$3,850.00	\$7,700.00
25.	Cut/Cap and Block Existing 3-Inch	3	Each	\$435.00	\$1,305.00	\$1,500.00	\$4,500.00	\$3,800.00	\$11,400.00 *
26.	3-Inch Reconnect, Complete	2	Each	\$867.00	\$1,734.00	\$4,500.00	\$9,000.00	\$3,680.00	\$7,360.00
27.	Zone Meter Reconnect, Complete	1	Each	\$5,638.00	\$5,638.00	\$3,000.00	\$3,000.00	\$4,000.00	\$4,000.00
28.	Cut and Tie Into Existing 12-Inch PVC, Including Removing Plug, Complete	1	Each	\$5,422.00	\$5,422.00	\$2,500.00	\$2,500.00	\$2,388.00	\$2,388.00
29.	Cut and Tie Into Existing 6-Inch PVC, Including Removing Plug, Complete	1	Each	\$4,275.00	\$4,275.00	\$2,000.00	\$2,000.00	\$2,389.00	\$2,389.00
30.	3/4-Inch Municepex Service Line, Furnishing, Trenching, Laying, Bedding and Backfilling, Copper Tracer Wire, Unclassified Excavation, Complete	4,321	L.F.	\$36.25	\$156,636.25	\$18.00	\$77,778.00	\$125.00	\$540,125.00
31.	Meter Reconnect, Unclassified Excavation, Including Tap, Service Saddle, and Corporation Stop, Complete	109	Each	\$1,032.00	\$112,488.00	\$800.00	\$87,200.00	\$2,133.00	\$232,497.00 *
32.	Test Meter Assembly, Furnish and Install, Complete	1	Each	\$2,746.00	\$2,746.00	\$2,300.00	\$2,300.00	\$6,000.00	\$6,000.00
33.	Fiberglass Line Markers, Furnish and Install, Complete	2	Each	\$76.00	\$152.00	\$50.00	\$100.00	\$35.00	\$70.00
34.	Crushed Rock on Trench Surface, in Place (_____ LF x 225 lbs./2000 lbs. = _____ Tons)	33	Ton	\$94.00	\$3,102.00	\$45.00	\$1,485.00	\$24.00	\$792.00
35.	No. 57 Crushed Stone for Trench Stabilization, Only on the Order of the Engineer	25	Ton	\$59.00	\$1,475.00	\$60.00	\$1,500.00	\$24.00	\$600.00
SUBTOTAL ALTERNATE 1 DIVISION "B"					\$2,512,363.00		\$2,116,819.00		\$4,947,698.00 *
ALTERNATE SUMMARY									
ALTERNATE 1 DIVISION "A"					\$601,090.00		\$565,355.00		\$1,202,891.00
ALTERNATE 1 DIVISION "B"					\$2,512,363.00		\$2,116,819.00		\$4,947,698.00 *
TOTAL ALTERNATE 1					\$3,113,453.00		\$2,682,174.00		\$6,150,589.00 *

*Corrected math error.



January 22, 2025

Mr. Tim Webb, District Manager
1606 Cannonsburg Road
Ashland, KY 41102

Subject: Evaluation of bids for Award
Contract 691-21-01
Water System Improvements Shopes Creek Rd. Area
Cannonsburg Water District
Cannonsburg, Kentucky

Dear Mr. Webb:

We are pleased to submit our evaluations for award of the subject contract. Following the January 22, 2025 bid opening, we reviewed, mathematically checked, tabulated all bids received and contacted references. Enclosed please find the Bid Tabulation for your review and acceptance as desired.

Contractor interest in your project was good, with three (3) bids received. The project low bid totaled \$3,181,691.65 compared to Bell Engineering's Opinion of Probable Construction Cost of \$2,648,478. The low bid was \$533,213.35 above the Engineer's As-Designed Opinion of Probable Construction Cost.

Bidder Rank	Bidder Name	Bid Amount	Difference Above Low
1	Conhurst LLC	*\$3,181,691.65	NA
2	B.P. Pipeline LLC	\$3,262,112.00	\$80,420.35
3	Southern Ohio Trenching and Excavating	\$6,043,387.00	\$2,861,695.35
Engineer's Opinion of Probable Construction Cost		\$2,648,478	(\$533,213.35)

**Corrected Math Error*





The low bidder, Conhurst LLC of Wellington KY, has been contacted and have informed us that they are satisfied with their bid and are capable of performing the work to a satisfactory level. References for the company indicates that they are capable of conducting the work. We believe them to be capable of completing Contract 691-21-01 and recommend Cannonsburg Water District board and council review this evaluation in their determination to award the bid.

If the preceding is acceptable, we suggest the Board pass a resolution of award for the contract, and advise Bell Engineering to distribute contract documents for execution. We will be happy to meet with you to discuss bid results at your convenience, if desired. Should you have any questions about this or any other matter, please do not hesitate to call.

Sincerely,
Bell Engineering

A handwritten signature in blue ink that reads "Ben Allen".

Ben Allen, P.E.
Project Manager



Exhibit 7

Contract Specifications

**RE-ADVERTISEMENT FOR
BIDS CONTRACT 691-21-01
WATER SYSTEM IMPROVEMENTS:
SHOPES CREEK ROAD AREA
CANNONSBURG WATER DISTRICT
CANNONSBURG, KENTUCKY**

Sealed proposals for the following work will be received by the Cannonsburg Water District, Boyd County, Kentucky at Cannonsburg Water District, 1606 Cannonsburg Road, Ashland, Kentucky, 41102, until 11:00 a.m., local time, Wednesday, January 22nd, 2025, for furnishing labor and materials and performing all work as set forth by the Advertisement, General Conditions, Specifications and/or Drawings prepared by Bell Engineering. Immediately following the scheduled closing time for the reception of bids, all proposals which have been submitted in accordance with the above conditions will be publicly opened and read aloud.

The work to be bid is described as follows:

Contract 691-21-01, Water System Improvements: Shopes Creek Road Area

1. Replace existing 1000 GPM duplex booster pump station
2. Install approximately 2,000 LF 12-inch water line
3. Install approximately 15,000 LF 6-inch water line
4. Reconnect approximately 180 existing meters
5. Construction of a new booster pump station, pumps building, etc.

Drawings, Specifications and Contract Documents may be examined at the following places:

Cannonsburg Water District
1606 Cannonsburg Road
Ashland, Kentucky 41102

Bell Engineering
2480 Fortune Drive, Suite 350
Lexington, Kentucky 40509

or may be obtained from Lynn Imaging, 328 E. Vine Street, Lexington, Kentucky 40507, phone 859/255-1021, upon receipt of non-refundable deposit as follows:

CONTRACT 691-21-01--\$250.00

A non-mandatory pre-bid meeting was held at Cannonsburg Water District office, 1606 Cannonsburg Road, Ashland, Kentucky, 41102, at 11:00 a.m., local time, Friday, December 13, 2024.

Sealed proposals for this Contract shall be clearly marked on the outside of the envelope as follows:

“Sealed Proposal for Contract 691-21-01. Not to be opened until 11:00 a.m., local time, Wednesday, January 22nd, 2025.”

If forwarded by mail, the sealed envelope containing the proposal must be enclosed in another envelope and mailed to the Cannonsburg Water District, 1606 Cannonsburg Road, Ashland, Kentucky 41102, allowing sufficient time for such mailing to reach this address prior to the scheduled closing time for receipt of proposals.

Bids shall be accompanied by a certified check or bid bond made payable to the Cannonsburg Water District, Kentucky, in an amount not less than the percent of the base bid indicated in Specification Section 00200, Instructions to Bidders, Bid Security. No bidder may withdraw his bid for a period of 90 days after the date bids are opened. He may, however, withdraw his bid at any time prior to the time and date scheduled for opening of same or any authorized postponement thereof. Any bid received after the time and date specified shall not be considered and will be returned unopened to the bidder.

The attention of all contractors is called to the fact that any contract awarded under this Advertisement for Bids is expected to be funded in part by a loan from the Kentucky Infrastructure Authority.

This procurement will be subject to Division of Water procurement guidance including the Davis-Bacon Act.

The OWNER's share will be provided from current funds on hand and/or from revenue bonds.

Work to be performed by contractors involved in this project is subject to the minimum wage rates established by the U.S. Department of Labor under the provisions of the Davis-Bacon Act and the Kentucky Department of Labor, as set forth in Chapter 337 of the Kentucky Revised Statutes (per amendments adopted by the 1970 General Assembly). Contractors will be required to pay whichever minimum wage rate is higher for the individual crafts.

Federal wage rate determinations will be incorporated into the Specifications by an addendum issued prior to the scheduled bidding date.

Bidders must comply with the President's Executive Order Nos. 11246 and 11375, which prohibit discrimination in employment regarding race, creed, color, sex or national origin. Where the President's Executive Order No. 11246 is shown, Executive Order No. 11375 also applies.

Bidders must make positive efforts to secure small or minority owned business enterprise participation in this Project.

Bidders must comply with Title VI of the Civil Rights Act of 1964, the Anti-Kickback Act, the Contract Work Hours Standard Act, and the Davis-Bacon Act.

Bidders must certify that they do not and will not maintain or provide for their employees any facilities that are segregated or based on race, color, creed, or national origin.

Bidders must show a certification of prior work under Executive Order 11246 (Equal Employment Opportunity) as amended.

The award will be made to the lowest, responsive, responsible bidder.

All contractors and subcontractors must comply with 41 CFR 60-4, in regard to affirmative action. This is to ensure equal opportunity to females and minorities, and apply the time tables and goals set forth in 41 CFR 60-4.

Neither the United States nor any of its departments, agencies or employees is or will be a party to this Invitation for Bids or any resulting contract. This procurement is subject to the requirements outlined in the Kentucky Infrastructure Supplemental General Conditions.

The Cannonsburg Water District may consider informal any bid not prepared and submitted in accordance with the provisions of this advertisement and/or the Specifications and may waive any informalities or reject any and all bids.

CANNONSBURG WATER DISTRICT
Tim Webb, Manager

Exhibit 8

Plans, Drawings, and Specifications

Filed Separately

Exhibit 9

Division of Water Approval



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

June 30, 2024

Tim Webb
Cannonsburg Water District
1606 Cannonsburg Rd
Ashland, KY 41102

RE: WSI - Shopes Creek Road Area
Contract No. 691-21-01
F22-030
Boyd County, KY
Cannonsburg Water District
AI #: 33800, APE20230001/FGL20220006
And APE20230001

Dear Tim Webb:

The Kentucky Division of Water (DOW) has reviewed for completeness and adequacy the construction plans and specifications submitted for the above referenced contract(s). The DOW now approves these plans and specifications with respect to sanitary features of design in accordance with the requirements contained in the attached construction permit. The plans include the construction of one booster pump station capable of 1,000 gpm at 300 feet of head, and approximately 1,250 linear feet (LF) of 12-inch DI, 360 LF of 12-inch HDPE, 200 LF of 8-inch HDPE, 10,600 LF of 6-inch PVC, 6,258 LF of 6-inch HDPE, and 323 LF of 3-inch PVC waterline. The approval conditions and a list of eligible/ineligible items are enclosed. Please note that ineligible items cannot be funded using State Revolving Fund (SRF) monies, and must be paid by other funding sources.

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

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

project area.

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

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

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

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

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

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

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

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

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

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

WSI - Shopes Creek Road Area
F22-030
Cannonsburg Water District
AI #: 33800, APE20230001/FGL20220006
June 30, 2024
Page 3 of 3

You are cautioned that the advertisement and award of this contract will be subject to the laws and regulations that govern the State Revolving Fund (SRF) and to the conditions of your loan agreement. If we can be of further assistance, please call Cassie Campbell, Project Engineer, at (502) 782-6909.

Sincerely,



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

TH:CC
Enclosures

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

C: Water Infrastructure Branch - Infrastructure Section
Kentucky Infrastructure Authority
Cabinet for Economic Development
Boyd County Health Department
Division of Plumbing

F22-030
Cannonsburg Water Co

SRF ELIGIBLE ITEMS:

Contract No. 691-21-01: All

SRF INELIGIBLE ITEMS:

Contract No. 691-21-01: None

APPROVAL CONDITIONS:

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

PROJECT REVIEW AND COST SUMMARY

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

DRINKING WATER SRF ☐

CLEAN WATER SRF ☐

SECTION 1.

1. Project Name Project Number

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

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

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

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

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

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

SECTION 2.

Date Bids Opened: _____ Date Bids Expire: _____

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

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

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

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

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

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

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

4. **Comments:** _____

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

Signature of Authorized Representative

Date

Print Name and Title

SRF Project Cost Summary

Project Title: _____

WRIS#: _____

Project Budget: **Estimated** enter date

As Bid enter date

Revised enter date

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

Funding Sources	Amount	Date Committed
1		
2		
3		
4		
5		
Total		

Local Funding Sources	Amount	Date Committed
1		
2		
3		
Total		

Total Funding \$ _____

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

Exhibit 10
Encroachment Permit



Kentucky Transportation Cabinet
Department of Highways
Division of Maintenance
Permits Branch

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

ENCROACHMENT PERMIT

KYTC KEPT #: 09-2024-00236

Permittee: Cannonsburg Water District

Permit Type / Subtype: Utilities / Water

Work Completion Date: 6/30/2025

INDEMNITIES		
Type	Amount Required	Tracking Number
Performance Bond	\$21,000.00	999049423
Cash / Check	\$0.00	
Self-Insured	\$0.00	
Payment Bond	\$0.00	
Liability Insurance	\$0.00	

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

Vickie Griggs	D9 Traffic/Permits Supervisor	11/20/2024
SIGNATURE	TITLE	DATE

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

LOCATION(S)			
Description	County - Route	Latitude	Longitude
Proposed Utility Route	Boyd - KY 538	38.417947	-82.699058

Exhibit 11

Advertisement for Bids

Proof of Publication

CANNONSBURG WATER DISTRICT
1606 CANNONSBURG RD
ASHLAND KY 41102

NEWSPAPER AFFIDAVIT

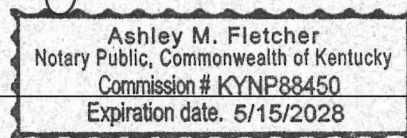
I, KIMBERLY PRATT, ADVERTISING COORDINATOR OF THE DAILY INDEPENDENT NEWSPAPER PUBLISHED IN ASHLAND, AND HAVING THE LARGEST CIRCULATION OF ANY NEWSPAPER IN THE BOYD COUNTY, KENTUCKY, DO HEREBY CERTIFY THAT FROM MY OWN KNOWLEDGE AND A CHECK OF THE FILES OF THIS NEWSPAPER THAT THE FOLLOWING ADVERTISEMENT WAS INSERTED IN THE DAILY INDEPENDENT.

SIGNATURE: Kimberly Pratt

SUBSCRIBED AND SWORN TO BEFORE ME BY THE ABOVE, THIS 13th DAY OF January, 2025

NOTARY PUBLIC Ashley M. Fletcher

MY COMMISSION EXPIRES



COMMENTS	EXPIRED DATE	AD CAPTION	#TIMES	AMOUNT
THE DAILY INDEPE 01/11/2025	01/11/2025	SHOPES CREEK BI	1	1056.00

tion's second-largest city on edge.

Officials expressed optimism that an easing of the punishing winds that had been stoking the flames will allow firefighters to make headway on the fires that have burned an area bigger than San Francisco and destroyed more than 10,000 homes and other structures since Tuesday.

"These fires are not out, though today we're going to make a lot of progress," California Gov. Gavin Newsom said Friday.

Metropolitan LA and its 13 million residents, who haven't seen rain in more than eight months, woke up Friday to another day of strong winds and the threat of new flareups. The gusts were expected to diminish by evening, however, and already have died down from earlier in the week, when hurricane-force winds blew embers that ignited hillsides.

But meteorologist Rich Thompson warned the break could be short-lived.

"We're looking for a little respite on Friday and Saturday from the Santa Ana winds but then they're going to pick up again Sunday through most of next week," he said Thursday evening.

LA Mayor Karen Bass, who faces a critical test of her leadership as her city endures its greatest crisis in decades, said

live on TV while she was at work, came back with her family "just to make it real."

They searched through charred debris of the house they bought 16 years ago, finding pottery and a piece of petrified wood handed down by her husband's grandmother.

"It's not like we just lost our house," she said. "Everybody lost their house."

No cause has been identified for the largest fires.

A firefighting plane had to be grounded Thursday after it was struck by a drone flown by a civilian, the Los Angeles County Fire Department said. Nobody was injured. It's a federal crime to fly a drone during firefighting.

Firefighters for the first time have made progress containing the Eaton Fire north of Pasadena, officials said Friday. It started Tuesday night and has burned more than 5,000 structures, a term that includes homes, apartment buildings, businesses, outbuildings and vehicles.

To the west, the fire in Pacific Palisades, the largest burning in the LA area, has destroyed over 5,300 structures. The blaze is already the most destructive in Los Angeles' history.

At least five churches, a synagogue, seven schools, two libraries, boutiques, bars, restaurants, banks and grocer-

landmarks dating to the 1920s.

A Queen Anne-style mansion in Altadena that dated back to 1887 and was commissioned for wealthy map-maker Andrew McNally was lost in the Eaton Fire.

The government has not yet released figures on the cost of the damage. AccuWeather, a private company that provides data on weather and its impact, on Thursday estimated the damage and economic loss would rise to between \$135 billion and \$150 billion.

Search for victims continues

Authorities have set up a center for people looking for missing loved ones.

Of the 10 deaths so far, Los Angeles Fire Chief Kristin Crowley confirmed two were in the Palisades Fire. County officials said the Eaton Fire had killed five.

Two of the dead were Anthony Mitchell, a 67-year-old amputee, and his son, Justin, who had cerebral palsy. They were waiting for an ambulance to come and did not make it to safety when the flames roared through, Mitchell's daughter, Hajime White, told The Washington Post.

Shari Shaw told KT-LA that she tried to get her 66-year-old brother, Victor Shaw, to evacuate Tuesday night but he wanted to stay and fight the fire. Crowley found his



in his hand.

Evacuations, school closures and arrests

Roughly 150,000 people remained under evacuation orders, and the fires have consumed about 56 square miles (145 square kilometers), larger than the size of San Francisco.

All schools in the Los Angeles Unified School District, the nation's second largest, were closed again Friday because of heavy smoke wafting over the city.

California National Guard troops arrived on the streets of Altadena before dawn Friday to help protect property in the fire evacuation zone and evening curfews were set to begin in those areas to prevent looting after several earlier arrests.

Actors among those who lost homes

Many celebrities live in areas devastated by fire. Actor Steve Guttenberg said his Pacific Palisades home was miraculously spared but found his once-picturesque neighborhood charred and unrecognizable. He returned to help with relief efforts.

of pain going on right now," he said. "I'm do-

ing whatever I can to help alleviate it."

PUBLIC NOTICE

PUBLIC NOTICE

RE-ADVERTISEMENT FOR BIDS CONTRACT 691-21-01 WATER SYSTEM IMPROVEMENTS: SHOPES CREEK ROAD AREA CANNONSBURG WATER DISTRICT CANNONSBURG, KENTUCKY

Sealed proposals for the following work will be received by the Cannonsburg Water District, Boyd County, Kentucky at Cannonsburg Water District, 1606 Cannonsburg Road, Ashland, Kentucky, 41102, until 11:00 a.m., local time, ednesday, January 22nd, 2025, for furnishing labor and materials and performing all work as set forth by the Advertisement, General Conditions, Specifications and/or Drawings prepared by Bell Engineering. Immediately following the scheduled closing time for the reception of bids, all proposals which have been submitted in accordance with the above conditions will be publicly opened and read aloud.

The work to be bid is described as follows:

Contract 691-21-01, Water System Improvements:
Shopes Creek Road Area

1. Replace existing 1000 GPM duplex booster pump station
2. Install approximately 2,000 LF 12-inch water line
3. Install approximately 15,000 LF 6-inch water line
4. Reconnect approximately 180 existing meters
5. Construction of a new booster pump station, pumps building, etc.

Drawings, Specifications and Contract Documents may be examined at the following places:

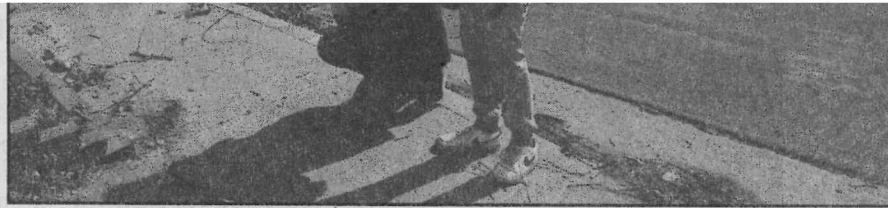
Cannonsburg Water District	Bell Engineering
1606 Cannonsburg Road	2480 Fortune Drive, Suite 350
Ashland, Kentucky 41102	Lexington, Kentucky 40509

or may be obtained from Lynn Imaging, 328 E. Vine Street, Lexington, Kentucky 40507, phone 859/255-1021, upon receipt of non-refundable deposit as follows:

CONTRACT 691-21-01--\$250.00

A non-mandatory pre-bid meeting was held at Cannonsburg Water District office, 1606 Cannonsburg Road, Ashland, Kentucky, 41102,

ties. DOZENS OF BLOCKS of scenic Pacific Palisades were flattened to smoldering rubble. In neighboring Malibu, oceanfront homes next to a fire station were in



85%



of Kentuckians think that publishing PUBLIC NOTICES in NEWSPAPERS should be required.

And for good reason...

Because Kentuckians rely on public notices for information about their communities that they just can't get anywhere else. When it comes to providing timely information about local events, legal announcements and government initiatives, your newspaper delivers.

To discover how public notices impact your community, visit the Kentucky Press Association at kypublicnotice.com



**Kentucky State Study 2023; conducted by Coda Ventures*

Section 00200, Instructions to Bidders, Bid Security. No bidder may withdraw his bid for a period of 90 days after the date bids are opened. He may, however, withdraw his bid at any time prior to the time and date scheduled for opening of same or any authorized postponement thereof. Any bid received after the time and date specified shall not be considered and will be returned unopened to the bidder.

The attention of all contractors is called to the fact that any contract awarded under this Advertisement for Bids is expected to be funded in part by a loan from the Kentucky Infrastructure Authority.

This procurement will be subject to Division of Water procurement guidance including the Davis-Bacon Act.

The OWNER's share will be provided from current funds on hand and/or from revenue bonds.

Work to be performed by contractors involved in this project is subject to the minimum wage rates established by the U.S. Department of Labor under the provisions of the Davis-Bacon Act and the Kentucky Department of Labor, as set forth in Chapter 337 of the Kentucky Revised Statutes (per amendments adopted by the 1970 General Assembly). Contractors will be required to pay whichever minimum wage rate is higher for the individual crafts.

Federal wage rate determinations will be incorporated into the Specifications by an addendum issued prior to the scheduled bidding date.

Bidders must comply with the President's Executive Order Nos. 11246 and 11375, which prohibit discrimination in employment regarding race, creed, color, sex or national origin. Where the President's Executive Order No. 11246 is shown, Executive Order No. 11375 also applies.

Bidders must make positive efforts to secure small or minority owned business enterprise participation in this Project.

Bidders must comply with Title VI of the Civil Rights Act of 1964, the Anti-Kickback Act, the Contract Work Hours Standard Act, and the Davis-Bacon Act.

Bidders must certify that they do not and will not maintain or provide for their employees any facilities that are segregated or based on race, color, creed, or national origin.

Bidders must show a certification of prior work under Executive Order 11246 (Equal Employment Opportunity) as amended.

The award will be made to the lowest, responsive, responsible bidder.

All contractors and subcontractors must comply with 41 CFR 60-4, in regard to affirmative action. This is to ensure equal opportunity to females and minorities, and apply the time tables and goals set forth in 41 CFR 60-4.

Neither the United States nor any of its departments, agencies or employees is or will be a party to this Invitation for Bids or any resulting contract. This procurement is subject to the requirements outlined in the Kentucky Infrastructure Supplemental General Conditions.

The Cannonsburg Water District may consider informal any bid not prepared and submitted in accordance with the provisions of this advertisement and/or the Specifications and may waive any informalities or reject any and all bids.

CANNONSBURG WATER DISTRICT
Tim Webb, Manager
Published: January 11, 2025

Exhibit 12

Engineer's Recommendation



January 22, 2025

Mr. Tim Webb, District Manager
1606 Cannonsburg Road
Ashland, KY 41102

Subject: Evaluation of bids for Award
Contract 691-21-01
Water System Improvements Shopes Creek Rd. Area
Cannonsburg Water District
Cannonsburg, Kentucky

Dear Mr. Webb:

We are pleased to submit our evaluations for award of the subject contract. Following the January 22, 2025 bid opening, we reviewed, mathematically checked, tabulated all bids received and contacted references. Enclosed please find the Bid Tabulation for your review and acceptance as desired.

Contractor interest in your project was good, with three (3) bids received. The project low bid totaled \$3,181,691.65 compared to Bell Engineering's Opinion of Probable Construction Cost of \$2,648,478. The low bid was \$533,213.35 above the Engineer's As-Designed Opinion of Probable Construction Cost.

Bidder Rank	Bidder Name	Bid Amount	Difference Above Low
1	Conhurst LLC	*\$3,181,691.65	NA
2	B.P. Pipeline LLC	\$3,262,112.00	\$80,420.35
3	Southern Ohio Trenching and Excavating	\$6,043,387.00	\$2,861,695.35
Engineer's Opinion of Probable Construction Cost		\$2,648,478	(\$533,213.35)

**Corrected Math Error*





The low bidder, Conhurst LLC of Wellington KY, has been contacted and have informed us that they are satisfied with their bid and are capable of performing the work to a satisfactory level. References for the company indicates that they are capable of conducting the work. We believe them to be capable of completing Contract 691-21-01 and recommend Cannonsburg Water District board and council review this evaluation in their determination to award the bid.

If the preceding is acceptable, we suggest the Board pass a resolution of award for the contract, and advise Bell Engineering to distribute contract documents for execution. We will be happy to meet with you to discuss bid results at your convenience, if desired. Should you have any questions about this or any other matter, please do not hesitate to call.

Sincerely,
Bell Engineering

A handwritten signature in blue ink that reads "Ben Allen".

Ben Allen, P.E.
Project Manager



Exhibit 13
Board Resolution

RESOLUTION NO. 2025-01-01

**RESOLUTION OF CANNONSBURG WATER DISTRICT
ACCEPTING LOWEST AND BEST BID, AWARDING
CONTRACT FOR SHOPE'S CREEK ROAD AREA WATER
SYSTEM IMPROVEMENT PROJECT, AUTHORIZING
DISTRICT CHAIRMAN TO APPLY TO THE KENTUCKY
PUBLIC SERVICE COMMISSION FOR A CERTIFICATE
OF PUBLIC CONVENIENCE AND NECESSITY TO
CONSTRUCT A WATER SYSTEM IMPROVEMENT
PROJECT AND AUTHORIZATION TO ISSUE AN
EVIDENCE OF INDEBTEDNESS, AND AUTHORIZING
DISTRICT CHAIRMAN TO EXECUTE AN ASSISTANCE
AGREEMENT**

WHEREAS, Cannonsburg Water District ("the District") is a water district organized pursuant to the provisions of KRS Chapter 74;

WHEREAS, the District proposes to replace approximately 15,000 linear feet of asbestos cement water line with polyvinylchloride pipe and to install additional sub-zone meters ("the Shopes Creek Road Area Water System Improvement Project" or the "Project");

WHEREAS, the District has engaged the services of Bell Engineering ("Bell") to serve as consulting engineers for the Project. Bell has designed the Project and will perform the usual and customary duties of consulting engineers, including Construction Administration and Inspection Services;

WHEREAS, The District caused to be published in the January 11, 2025 edition of *The Daily Independent* an advertisement for bids for the Shopes Creek Road Area Water System Improvement Project (the "Contract" or the "Project");

WHEREAS, three (3) firms submitted bids on the Contract in accordance with the terms of the advertisements and the Bid Specifications;

WHEREAS, ConnHurst, LLC (“ConnHurst”) of Wallingford, Kentucky submitted the lowest of the three bids with a bid of \$3,181,691.65 to construct the Project;

WHEREAS, Bell has recommended that the District award the Contract to ConnHurst to construct the Project;

WHEREAS, KRS 278.015 provides that a water district is a utility and is subject to the jurisdiction of the Kentucky Public Service Commission (the “Commission”) in the same manner and to the same extent as any other utility;

WHEREAS, KRS 278.020(1) prohibits any utility from commencing the construction of any plant or facility or installing any equipment to provide utility service, except for that in the ordinary course of business, until that utility has obtained a certificate of public convenience and necessity (the “CPCN”) from the Commission;

WHEREAS, KRS 278.300(1) requires a utility to obtain authorization from the Commission prior to issuing any evidence of indebtedness, including executing an Assistance Agreement with the Kentucky Infrastructure Authority (“KIA”);

WHEREAS, the District proposes to partially finance the Project with the proceeds of a loan from the Drinking Water State Revolving Fund (“KIA Loan F22-030”) from KIA;

WHEREAS, the District must execute an Assistance Agreement with KIA to obtain KIA Loan F22-030; and

WHEREAS, the District has, or soon will have, obtained all the necessary approvals to construct the Project, except for a CPCN and approval to execute the Assistance Agreement with KIA.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF CANNONBURG WATER DISTRICT AS FOLLOWS:

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

Section 2. The Board of Commissioners hereby declares that the bid of ConnHurst in the amount of \$3,181,691.65 to construct the Project to be lowest and best bid.

Section 3. ConnHurst is awarded the Contract for the Project in the amount of \$3,181,691.65, contingent upon receipt of a CPCN from the Commission to construct the Project and approval to execute the KIA Assistance Agreement.

Section 4. The Chairman is authorized and directed as follows: (a) to execute the Notice of Award; (b) to take any and all actions reasonably necessary to prepare, execute, and submit an application to the Commission for a CPCN to construct the Project and approval to issue an evidence of indebtedness; and (c) to execute the Assistance Agreement with KIA.


Section 5. This Resolution shall take effect upon its adoption

Adopted by the Board of Commissioners of Cannonsburg Water District at a meeting held on January 22, 2025, signed by the Chairman and attested by the Secretary.

CANNONSBURG WATER DISTRICT

By: 
Robert McGuire, Chairman

ATTEST:


Pam VanHoose, Secretary

CERTIFICATION

The undersigned Secretary of Cannonsburg Water District (the "District") does hereby certify that the foregoing is a true copy of a Resolution duly adopted by the District's Board of Commissioners at a meeting properly held on January 22, 2025, signed by the Chairman of the Board of Commissioners, attested by the Secretary of the Board of Commissioners, and now in full force and effect.

WITNESS my hand this the day of January 22, 2025



Pam VanHoose, Secretary

Exhibit 14

Estimated Cost to Construct



Lexington, KY | Hopkinsville, KY | Somerset, KY

AS-BID PROJECT BUDGET

Project: Water Systems Improvements: Shopes
Creek Road Area
Bid Date: January 22, 2025
Contractor: ConnHurst, LLC

Client: CANNONSBURG
WATER DISTRICT
Contract No.: 691-21-01
Budget By: LBA

☐ No Design Completed
☐ Preliminary
☒ Final Design

SHEET:

OF:

Drawing No.:

ITEM NO.	ITEM DESCRIPTION	QUANTITY		PRICE		TOTAL COST
		NO.	UNIT	PER UNIT	TOTAL	
CONSTRUCTION						
WATER						
1	DIVISION A - BASE BID	1	LS	\$1	\$457,496	\$457,496
2	DIVISION B - BASE BID	1	LS	\$1	\$1,814,770	\$1,814,770
3	DIVISION C - PUMP STATION & MASTER METER REPLACEMENT	1	LS	\$3,500	\$909,426	\$909,426
SUBTOTAL WATER						\$3,181,692
TOTAL AS-BID CONSTRUCTION COST						\$3,181,692
PROJECT COST						
	ADMINISTRATIVE EXPENSES					\$40,000
	LEGAL EXPENSES					\$50,000
	LAND, APPRAISALS, EASEMENTS					\$20,000
	RELOCATION EXPENSE & PAYMENTS					\$0
	PLANNING					\$0
	ENGINEERING FEES - DESIGN					\$160,000
	ENGINEERING FEES - BIDDING					\$23,000
	ENGINEERING FEES - CONSTRUCTION ADMINISTRATION					\$46,000
	ENGINEERING FEES - INSPECTION					\$126,000
	CONSTRUCTION					\$3,182,000
	EQUIPMENT					\$0
	CONTINGENCIES					\$319,000
	ENGINEERING FEES - OTHER					\$15,000
	OTHER ITEMS					\$0
TOTAL OPINION OF PROBABLE PROJECT COST						\$3,981,000



2/21/25

Exhibit 15

Estimated Cost to Operate

**Comparison of Annual Operating Costs
Midland Trail Road Pump Station**

	Current	Estimated Post-Construction
Electricity	\$ 46,111	\$ 80,551
Chlorine	\$ 1,800	\$ 1,800
Generator (Natural Gas)	\$ 1,200	\$ 1,200
Total	\$ 49,111	\$ 83,551

Cannonsburg District does not anticipate any change in the annual operating costs associated with the water lines that will be installed as part of the Project. This is a waterline replacement project, no significant upsizing of the lines is planned. Therefore, it will not cost Cannonsburg District more to provide water through the new lines than it does using the current lines. There may be a reduction in the cost to operate due to a decrease in unaccounted-for water loss and a decrease of water used for flushing, but any such calculations would be purely speculative.

Exhibit 16

Amortization Schedule

KENTUCKY INFRASTRUCTURE AUTHORITY

UNOFFICIAL SEMI-ANNUAL

LOAN #F22-030

CANNONSBURG WATER DISTRICT

2.00% Interest \$70,177.71 P & I Calculation

Payment Date	Principal Due	Interest Due	Interest Rate	Principal & Interest	Servicing Fee	Credit Due	Total Payment	Principal Balance	R & M Reserve	Total Reserve
								\$2,304,263.00		
12/01/25	\$47,135.08	\$23,042.63	2.00%	\$70,177.71	\$2,880.33	\$0.00	\$73,058.04	\$2,257,127.92	\$5,800.00	\$5,800.00
06/01/26	\$47,606.43	\$22,571.28	2.00%	\$70,177.71	\$2,821.41	\$0.00	\$72,999.12	\$2,209,521.49	\$0.00	\$5,800.00
12/01/26	\$48,082.50	\$22,095.21	2.00%	\$70,177.71	\$2,761.90	\$0.00	\$72,939.61	\$2,161,438.99	\$5,800.00	\$11,600.00
06/01/27	\$48,563.32	\$21,614.39	2.00%	\$70,177.71	\$2,701.80	\$0.00	\$72,879.51	\$2,112,875.67	\$0.00	\$11,600.00
12/01/27	\$49,048.95	\$21,128.76	2.00%	\$70,177.71	\$2,641.09	\$0.00	\$72,818.80	\$2,063,826.72	\$5,800.00	\$17,400.00
06/01/28	\$49,539.44	\$20,638.27	2.00%	\$70,177.71	\$2,579.78	\$0.00	\$72,757.49	\$2,014,287.28	\$0.00	\$17,400.00
12/01/28	\$50,034.84	\$20,142.87	2.00%	\$70,177.71	\$2,517.86	\$0.00	\$72,695.57	\$1,964,252.44	\$5,800.00	\$23,200.00
06/01/29	\$50,535.19	\$19,642.52	2.00%	\$70,177.71	\$2,455.32	\$0.00	\$72,633.03	\$1,913,717.25	\$0.00	\$23,200.00
12/01/29	\$51,040.54	\$19,137.17	2.00%	\$70,177.71	\$2,392.15	\$0.00	\$72,569.86	\$1,862,676.71	\$5,800.00	\$29,000.00
06/01/30	\$51,550.94	\$18,626.77	2.00%	\$70,177.71	\$2,328.35	\$0.00	\$72,506.06	\$1,811,125.77	\$0.00	\$29,000.00
12/01/30	\$52,066.45	\$18,111.26	2.00%	\$70,177.71	\$2,263.91	\$0.00	\$72,441.62	\$1,759,059.32	\$5,800.00	\$34,800.00
06/01/31	\$52,587.12	\$17,590.59	2.00%	\$70,177.71	\$2,198.82	\$0.00	\$72,376.53	\$1,706,472.20	\$0.00	\$34,800.00
12/01/31	\$53,112.99	\$17,064.72	2.00%	\$70,177.71	\$2,133.09	\$0.00	\$72,310.80	\$1,653,359.21	\$5,800.00	\$40,600.00
06/01/32	\$53,644.12	\$16,533.59	2.00%	\$70,177.71	\$2,066.70	\$0.00	\$72,244.41	\$1,599,715.09	\$0.00	\$40,600.00
12/01/32	\$54,180.56	\$15,997.15	2.00%	\$70,177.71	\$1,999.64	\$0.00	\$72,177.35	\$1,545,534.53	\$5,800.00	\$46,400.00
06/01/33	\$54,722.36	\$15,455.35	2.00%	\$70,177.71	\$1,931.92	\$0.00	\$72,109.63	\$1,490,812.17	\$0.00	\$46,400.00
12/01/33	\$55,269.59	\$14,908.12	2.00%	\$70,177.71	\$1,863.52	\$0.00	\$72,041.23	\$1,435,542.58	\$5,800.00	\$52,200.00
06/01/34	\$55,822.28	\$14,355.43	2.00%	\$70,177.71	\$1,794.43	\$0.00	\$71,972.14	\$1,379,720.30	\$0.00	\$52,200.00
12/01/34	\$56,380.51	\$13,797.20	2.00%	\$70,177.71	\$1,724.65	\$0.00	\$71,902.36	\$1,323,339.79	\$5,800.00	\$58,000.00
06/01/35	\$56,944.31	\$13,233.40	2.00%	\$70,177.71	\$1,654.17	\$0.00	\$71,831.88	\$1,266,395.48	\$0.00	\$58,000.00
12/01/35	\$57,513.76	\$12,663.95	2.00%	\$70,177.71	\$1,582.99	\$0.00	\$71,760.70	\$1,208,881.72	\$5,800.00	\$63,800.00
06/01/36	\$58,088.89	\$12,088.82	2.00%	\$70,177.71	\$1,511.10	\$0.00	\$71,688.81	\$1,150,792.83	\$0.00	\$63,800.00
12/01/36	\$58,669.78	\$11,507.93	2.00%	\$70,177.71	\$1,438.49	\$0.00	\$71,616.20	\$1,092,123.05	\$5,800.00	\$69,600.00
06/01/37	\$59,256.48	\$10,921.23	2.00%	\$70,177.71	\$1,365.15	\$0.00	\$71,542.86	\$1,032,866.57	\$0.00	\$69,600.00
12/01/37	\$59,849.04	\$10,328.67	2.00%	\$70,177.71	\$1,291.08	\$0.00	\$71,468.79	\$973,017.53	\$5,800.00	\$75,400.00
06/01/38	\$60,447.53	\$9,730.18	2.00%	\$70,177.71	\$1,216.27	\$0.00	\$71,393.98	\$912,570.00	\$0.00	\$75,400.00
12/01/38	\$61,052.01	\$9,125.70	2.00%	\$70,177.71	\$1,140.71	\$0.00	\$71,318.42	\$851,517.99	\$5,800.00	\$81,200.00
06/01/39	\$61,662.53	\$8,515.18	2.00%	\$70,177.71	\$1,064.40	\$0.00	\$71,242.11	\$789,855.46	\$0.00	\$81,200.00
12/01/39	\$62,279.16	\$7,898.55	2.00%	\$70,177.71	\$987.32	\$0.00	\$71,165.03	\$727,576.30	\$5,800.00	\$87,000.00
06/01/40	\$62,901.95	\$7,275.76	2.00%	\$70,177.71	\$909.47	\$0.00	\$71,087.18	\$664,674.35	\$0.00	\$87,000.00
12/01/40	\$63,530.97	\$6,646.74	2.00%	\$70,177.71	\$830.84	\$0.00	\$71,008.55	\$601,143.38	\$5,800.00	\$92,800.00
06/01/41	\$64,166.28	\$6,011.43	2.00%	\$70,177.71	\$751.43	\$0.00	\$70,929.14	\$536,977.10	\$0.00	\$92,800.00
12/01/41	\$64,807.94	\$5,369.77	2.00%	\$70,177.71	\$671.22	\$0.00	\$70,848.93	\$472,169.16	\$5,800.00	\$98,600.00
06/01/42	\$65,456.02	\$4,721.69	2.00%	\$70,177.71	\$590.21	\$0.00	\$70,767.92	\$406,713.14	\$0.00	\$98,600.00
12/01/42	\$66,110.58	\$4,067.13	2.00%	\$70,177.71	\$508.39	\$0.00	\$70,686.10	\$340,602.56	\$5,800.00	\$104,400.00
06/01/43	\$66,771.68	\$3,406.03	2.00%	\$70,177.71	\$425.75	\$0.00	\$70,603.46	\$273,830.88	\$0.00	\$104,400.00
12/01/43	\$67,439.40	\$2,738.31	2.00%	\$70,177.71	\$342.29	\$0.00	\$70,520.00	\$206,391.48	\$5,800.00	\$110,200.00
06/01/44	\$68,113.80	\$2,063.91	2.00%	\$70,177.71	\$257.99	\$0.00	\$70,435.70	\$138,277.68	\$0.00	\$110,200.00
12/01/44	\$68,794.93	\$1,382.78	2.00%	\$70,177.71	\$172.85	\$0.00	\$70,350.56	\$69,482.75	\$5,800.00	\$116,000.00
06/01/45	\$69,482.75	\$694.96	2.00%	\$70,177.71	\$86.85	\$0.00	\$70,264.56	\$0.00	\$0.00	\$116,000.00
Totals	\$2,304,263.00	\$502,845.40		\$2,807,108.40	\$62,855.64	\$0.00	\$2,869,964.04		\$116,000.00	

Exhibit 17

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

April 4, 2025

Mr. Robert McGuire, Chairman
Cannonsburg Water District
1606 Cannonsburg Rd
Ashland, KY 41102

KENTUCKY INFRASTRUCTURE AUTHORITY FEDERALLY ASSISTED WASTEWATER REVOLVING LOAN FUND CONDITIONAL COMMITMENT LETTER (F22-030 (Increase)) INCREASE

Dear Chairman McGuire:

The Kentucky Infrastructure Authority ("the Authority") commends your efforts to improve public service facilities in your community. On April 3, 2025, the Authority approved your request for a loan increase in the amount of \$619,180, subject to the conditions stated in Attachment A to this letter. The total cost of the project shall not exceed \$3,981,000, without prior authorization of the Authority, of which the Authority loan shall provide \$2,304,263 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 Cannonsburg 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 April 4, 2026 (six months from the date of this letter). A one-time extension of up to six months may be granted for applicants that experience extenuating circumstances. Funds will be available for disbursement only after execution of the Assistance Agreement.



Chairman McGuire
April 4, 2025
Page 2

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

Sincerely,



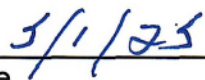
Milward Dedman
Deputy Executive Director

Attachments

cc: Jasper Ball, FIVCO ADD
Bell Engineering, Ben Allen

Please sign and return a copy of this letter indicating your acceptance of this commitment
and its terms. Also included in Attachment C of this letter is the "Statement of Approval
of Projections of Revenue and Expenses" for you to complete after bid opening.


Accepted


Date

ATTACHMENT A

Conditions

Cannonsburg Water District F22-030 (Increase)

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

1. The Authority project loan shall not exceed \$2,304,263 without prior authorization.
2. Principal forgiveness of 0.0% of the assistance amount, not to exceed \$0.00 will be credited to the loan balance upon release of liens on all contracts and disbursement of the final draw request by KIA to the borrower.
3. The loan shall bear interest at the rate of 2.0% per annum commencing with the first draw of funds.
4. Interest shall be payable on the unforgiven amount of actual funds received. The first payment shall be due on June 1, or December 1, immediately succeeding the date of the initial draw of funds, provided that if such June 1, or December 1, shall be less than three months since the date of the initial draw of funds, then the first interest payment date shall be the June 1, or December 1, which is at least six months from the date of the initial draw of funds. Interest payments will be due each six months thereafter until the loan is repaid. KIA requires the use of Automated Clearing House (ACH) debits for payment of all balances due on the loan. This will ensure that payments are credited timely to your account without the risk of incurring late payment fees. If the due date falls on a weekend or holiday your account will be debited on the next business day.
5. Full principal payments will commence on the appropriate June 1, or December 1, within twelve months from initiation of operation. Full payments will be due each six months thereafter until the loan is repaid.
6. The loan shall be repaid over a period not to exceed 20 years from the date of initiation of operation for the project.
7. A loan servicing fee of 0.25% of the outstanding loan balance shall be payable to the Authority as a part of each interest payment.
8. Loan funds will only be disbursed after execution of the Assistance Agreement as project costs are incurred.
9. The Authority loan funds must be expended within six months of the official date of initiation of operation.

10. Fund "F" loan funds may be considered to be federal funds. If more than \$750,000 of federal funds is disbursed during any one (borrower) fiscal year, the borrower is required to have a single or program-specific audit conducted for that year in accordance with 2 CFR 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards.
11. The Authority requires that an annual financial audit be provided for the life of the loan.
12. The final Assistance Agreement must be approved by ordinance or resolution, as applicable, of the city council or appropriate governing board.
13. The Borrower must maintain a 1.1 debt coverage ratio throughout the life of the KIA loan. All borrowers are subject to at least an annual financial review for compliance.

The following is a list of the standard conditions to be satisfied prior to execution of the Assistance Agreement or incorporated in the Assistance Agreement. Any required documentation must be submitted to the party designated.

1. The Authority to Award (bid) package must be submitted to the Division of Water for approval within 14 days of bid opening.
2. The Assistance Agreement must be executed within six (6) months from bid opening.
3. Documentation of final funding commitments from all parties other than the Authority as reflected in the credit analysis shall be provided prior to preparation of the Assistance Agreement and disbursement of the loan monies. Rejections of any anticipated project funding shall be immediately reported and may cause this loan to be subject to further consideration.
4. The loan must undergo review by the Capital Projects and Bond Oversight Committee of the Kentucky Legislature prior to the State's execution of the Assistance Agreement. The committee meets monthly. Any special conditions listed in Attachment B must be satisfied before the project is presented before the Committee.
5. Any required adjustment in utility service rates shall be adopted by ordinance, municipal order or resolution by the appropriate governing body of the Borrower. Public hearings as required by law shall be held prior to the adoption of the service rate ordinance, order, or resolution. Any required approvals by the Kentucky Public Service Commission shall be obtained.

6. The Borrower must provide documentation of Eclearinghouse Endorsement and Eclearinghouse Comments.
7. Prior to the project bid, an environmental review shall be conducted by the Division of Water for all construction projects receiving State Revolving Funds ("SRF") money.
8. Technical plans and specifications and a complete SRF specifications checklist shall be approved by the Division of Water prior to project bid.
9. All easements or purchases of land shall be completed prior to commencement of construction. Clear Site Certification of all land or easement acquisitions shall be provided to the Division of Water. DOW representatives shall be notified for attendance of the pre-construction conference.
10. Project changes or additions deviating from the original scope of work described in the Project Profile may require a new or amended environmental review and change order review before they can be included in the SRF loan project.
11. The Borrower must provide certification from their legal counsel stating that they have prepared construction specifications in accordance with all applicable state or federal wage rate laws, and that the procurement procedures, including those for construction, land, equipment and professional services that are a part of the project, are in compliance with applicable federal, state and local procurement laws.
12. The Borrower shall implement the Kentucky Uniform System of Accounting (KUSoA), or an alternative approved by the Authority and assure that rates and charges for services are based upon the cost of providing such service.
13. The Borrower shall comply with all Davis Bacon related monitoring and reporting and require all contractors to pay wages pursuant to applicable prevailing wage rates for all work relating to the subject Project.
14. The project shall comply with the reporting requirements of the Transparency Act.
15. Based on the final "as-bid" project budget, the Borrower must provide satisfactory proof, based on then existing conditions, that the revenue projections in the attached descriptions are still obtainable and that the projections of operating expenses have not materially changed. The "as bid" project budget shall be reviewed and approved by the consulting engineer.

16. The Project shall comply with all federal requirements applicable to the Loan (including those imposed by P.L. 113-76, Consolidated Appropriations Act, 2014 (the “2014 Appropriations Act”) and / or the Build America, Buy America Act (“BABA”)) and related Program policy guidelines). The Borrower understands that, among other requirements, (a) all of the iron and steel products used in the Project are to be produced in the United States (“American Iron and Steel Requirement”) unless (i) the Borrower has requested and obtained a waiver from the Authority and the United States Environmental Protection Agency pertaining to the Project or (ii) the Authority has otherwise advised the Borrower in writing that the American Iron and Steel Requirement is not applicable to the Project; and / or (b) (i) all iron and steel items used in projects must be produced in the United States pursuant to BABA, (ii) all manufactured products must be produced in the United States, and (iii) all construction materials must be manufactured in the United States (“BABA Requirements”); unless (y) the Borrower has requested and obtained a waiver from the Authority and the United States Environmental Protection Agency pertaining to the Project or (z) the Authority has otherwise advised the Borrower in writing that the BABA Requirements are not applicable to the Project.
17. If the Project includes a private-side lead pipe replacement component, the Borrower must obtain a final inspection from the Division of Plumbing of the Department of Housing, Building and Construction.

ATTACHMENT B

Executive Summary and Credit Analysis

Cannonsburg Water District
F22-030 (Increase)

EXECUTIVE SUMMARY			Reviewer	John Brady	
KENTUCKY INFRASTRUCTURE AUTHORITY			Date	April 3, 2025	
FUND F, FEDERALLY ASSISTED DRINKING WATER			KIA Loan Number	F22-030 (Increase)	
REVOLVING LOAN FUND			WRIS Number	WX21019057	
BORROWER		CANNONSBURG WATER DISTRICT BOYD COUNTY			
BRIEF DESCRIPTION					
The Cannonsburg Water District is requesting a Fund F loan increase in the amount of \$619,180 for the Shoppes Road Water Line Replacement Phase 2 project. The original loan was approved by the KIA Board on July 7, 2022. This will bring their total KIA loan amount up to \$2,304,263. The increase request is due to bids coming in higher than the amount originally budgeted. No additional work is being funded. The project is a continuation of the Water District's water loss reduction efforts established in Phase 1. Approximately 17,000 total linear feet (LF) of problematic asbestos cement water line will be replaced. This consists of 2,000 LF of 12" line and 15,000 LF of 6" line. A 1,000 gallon per minute booster pump station (BPS) will also be replaced. Approximately 180 service line connections will be installed due to aging service line material. The project will improve water service in the area and help reduce O&M costs associated with daily operations.					
PROJECT FINANCING			PROJECT BUDGET		
Fund F Loan	\$1,685,083	Administrative Expenses	\$40,000		
Fund F Loan Increase	619,180	Legal Expenses	50,000		
CWP Grant - 21CWW014	540,517	Land, Easements	20,000		
CWP Grant - 22CWW103	656,599	Eng - Design / Const	206,000		
Local	479,621	Eng - Insp	126,000		
		Eng - Other	38,000		
		Construction	3,182,000		
		Contingency	319,000		
		Other			
TOTAL	\$3,981,000	TOTAL	\$3,981,000		
REPAYMENT	Rate	2.00%	Est. Annual Payment	\$146,116	
	Term	20 Years	1st Payment	6 Mo. after first draw	
PROFESSIONAL SERVICES	Engineer	Bell Engineering			
	Bond Counsel	Dinsmore & Shohl, LLP			
PROJECT SCHEDULE	Bid Opening	Jan-25			
	Construction Start	Jun-25			
	Construction Stop	Jun-26			
DEBT PER CUSTOMER	Existing	\$494			
	Proposed	\$1,031			
OTHER DEBT	See Attached				
RESIDENTIAL RATES		Users	Avg. Bill		
	Current	3,662	\$48.01	(for 4,000 gallons)	
REGIONAL COORDINATION	This project is consistent with regional planning recommendations.				
CASHFLOW	Cash Flow Before Debt Service	Debt Service	Cash Flow After Debt Service	Coverage Ratio	
Audited 2021	362,474	110,286	252,188	3.3	
Audited 2022	596,418	279,313	317,105	2.1	
Audited 2023	564,510	280,740	283,770	2.0	
Projected 2024	532,661	282,941	249,720	1.9	
Projected 2025	501,775	109,469	392,306	4.6	
Projected 2026	605,181	69,957	535,224	8.7	
Projected 2027	382,360	216,347	166,013	1.8	
Projected 2028	347,885	216,547	131,338	1.6	

CANNONBURG WATER DISTRICT
FINANCIAL SUMMARY (DECEMBER YEAR END)

	Audited <u>2021</u>	Audited <u>2022</u>	Audited <u>2023</u>	Projected <u>2024</u>	Projected <u>2025</u>	Projected <u>2026</u>	Projected <u>2027</u>	Projected <u>2028</u>
Balance Sheet								
Assets								
Current Assets	1,162,301	1,472,693	1,861,692	1,961,558	2,146,180	2,398,770	2,465,175	2,517,710
Other Assets	6,762,074	7,251,750	6,902,792	6,786,127	6,755,014	10,691,126	10,424,712	10,137,493
Total	7,924,375	8,724,443	8,764,484	8,747,685	8,901,194	13,089,896	12,889,887	12,655,203
Liabilities & Equity								
Current Liabilities	299,905	475,003	512,746	345,091	310,615	427,399	428,922	430,472
Long Term Liabilities	3,408,516	3,699,809	3,375,004	3,331,937	3,299,256	5,454,554	5,304,566	5,153,528
Total Liabilities	3,708,421	4,174,812	3,887,750	3,677,028	3,609,871	5,881,953	5,733,488	5,584,000
Net Assets	4,215,954	4,549,631	4,876,734	5,070,657	5,291,323	7,207,943	7,156,399	7,071,203
Cash Flow								
Revenues	2,896,440	3,087,027	3,214,216	3,214,216	3,469,409	3,823,604	3,823,604	3,823,604
Operating Expenses	2,534,785	2,491,984	2,657,983	2,689,832	2,975,911	3,226,700	3,449,521	3,483,996
Other Income	819	1,375	8,277	8,277	8,277	8,277	8,277	8,277
Cash Flow Before Debt Service	362,474	596,418	564,510	532,661	501,775	605,181	382,360	347,885
Debt Service								
Existing Debt Service	110,286	279,313	280,740	282,941	109,469	69,957	70,231	70,431
Proposed KIA Loan	0	0	0	0	0	0	146,116	146,116
Total Debt Service	110,286	279,313	280,740	282,941	109,469	69,957	216,347	216,547
Cash Flow After Debt Service	252,188	317,105	283,770	249,720	392,306	535,224	166,013	131,338
Ratios								
Current Ratio	3.9	3.1	3.6	5.7	6.9	5.6	5.7	5.8
Debt to Equity	0.9	0.9	0.8	0.7	0.7	0.8	0.8	0.8
Days Sales in Accounts Receivable	39.0	41.0	39.7	39.7	39.7	39.7	39.7	39.7
Months Operating Expenses in Unrestricted Cash	3.4	4.7	6.0	6.4	6.4	6.7	6.5	6.6
Debt Coverage Ratio	3.3	2.1	2.0	1.9	4.6	8.7	1.8	1.6

Reviewer: John Brady
Date: April 3, 2025
Loan Number: F22-030 Increase

**KENTUCKY INFRASTRUCTURE AUTHORITY
DRINKING WATER STATE REVOLVING FUND (FUND F)
CANNONBURG WATER DISTRICT, BOYD COUNTY
PROJECT REVIEW
WX21019057**

I. PROJECT DESCRIPTION

The Cannonsburg Water District is requesting a Fund F loan increase in the amount of \$619,180 for the Shoppes Road Water Line Replacement Phase 2 project. The original loan was approved by the KIA Board on July 7, 2022. This will bring their total KIA loan amount up to \$2,304,263. The increase request is due to bids coming in higher than the amount originally budgeted. No additional work is being funded. The project is a continuation of the Water District's water loss reduction efforts established in Phase 1. Approximately 17,000 total linear feet (LF) of problematic asbestos cement water line will be replaced. This consists of 2,000 LF of 12" line and 15,000 LF of 6" line. A 1,000 gallon per minute booster pump station (BPS) will also be replaced. Approximately 180 service line connections will be installed due to aging service line material. The project will improve water service in the area and help reduce O&M costs associated with daily operations.

The Water District currently serves 3,359 residential customers and 253 commercial and other customers.

II. PROJECT BUDGET

	Total
Administrative Expenses	\$ 40,000
Legal Expenses	50,000
Land, Easements	20,000
Engineering Fees - Design	160,000
Engineering Fees - Construction	46,000
Engineering Fees - Inspection	126,000
Engineering Fees - Other	38,000
Construction	3,182,000
Contingency	319,000
Total	\$ 3,981,000

III. PROJECT FUNDING

	Amount	%
Fund F Loan	\$ 1,685,083	42%
Fund F Loan Increase	619,180	16%
CWP 1	540,517	14%
CWP 2	656,599	16%
Local	479,621	12%
Total	\$ 3,981,000	100%

IV. KIA DEBT SERVICE

Construction Loan	\$ 2,304,263
Less: Principal Forgiveness	0
Amortized Loan Amount	\$ 2,304,263
Interest Rate	2.00%
Loan Term (Years)	20
Estimated Annual Debt Service	\$ 140,355
Administrative Fee (0.25%)	5,761
Total Estimated Annual Debt Service	\$ 146,116

V. PROJECT SCHEDULE

Bid Opening:	January 2025
Construction Start:	June 2025
Construction Stop:	June 2026

VI. CUSTOMER COMPOSITION AND RATE STRUCTURE

A) Customers

Customers	Current
Residential	3,359
Commercial	253
Other	50
Total	3,662

B) Rates

	Current	Prior
Date of Last Rate Increase	02/01/25	05/13/19
Minimum (2,000 Gallons)	\$27.13	\$25.33
Next 3,000 Gallons (Per 1,000)	10.44	9.54
Cost for 4,000 gallons	\$48.01	\$44.41
Increase %	8.1%	
Affordability Index (Rate/MHI)	0.8%	0.7%

VII. DEMOGRAPHICS

Based on current Census data from the American Community Survey 5-Year Estimate 2018-2022, the Utility's service area population is 8,919 with a Median Household Income (MHI) of \$76,070. The MHI for the Commonwealth is \$60,183. When the original loan was approved the Utility's service area MHI was 59,708 and the State's MHI was 50,589. The loan will qualify for a 2.00% interest rate.

VIII. 2021 CAPITALIZATION GRANT EQUIVALENCIES

- 1) Green Project Reserve - The Drinking Water capitalization grant does not contain a "green" requirement.
- 2) Additional Subsidization – This project does not qualify for additional subsidization.

IX. FINANCIAL ANALYSIS

Financial information was obtained from the audited financial statements for the years ended December 31, 2021 through December 31, 2023. 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 11% from \$2.89 million in 2021 to \$3.21 million in 2023 due to water loss savings. Operating expenses increased 4.9% from \$2.5 million to \$2.65 million during the same period due to increased purchased water costs. The debt coverage ratio was 3.3, 2.1, and 2.0 in 2021, 2022, and 2023.

The balance sheet reflects a current ratio of 3.6, a debt-to-equity ratio of 0.8, 39.7 days of sales in accounts receivable, and 6.0 months of operating expenses in unrestricted cash.

PROJECTIONS

Projections are based on the following assumptions:

- 1) Water revenues will increase 8.1% in 2025 due to an existing rate increase previously approved by the Public Service Commission (PSC) and 10.4% in 2026 due to a proposed rate increase.
- 2) General operating expenses will increase 2% annually due to inflation.
- 3) Purchased water expenses will increase 23.8% in 2025, 16.5% in 2026, and 12.3% in 2027 due to rate increases from the City of Ashland, which have been approved by the PSC.
- 4) Debt service coverage is 1.8 in 2027 when principal and interest repayments begin.

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

The Water District is regulated by the PSC and will need to apply, pursuant to KRS 278.300, for debt authorization for the \$2,304,263 loan and must receive a Certificate of Public Convenience and Necessity, pursuant to KRS 278.020.

REPLACEMENT RESERVE

The replacement reserve will be 5% (\$116,000 total) of the final amount borrowed to be funded annually (\$5,800 yearly) each December 1 for 20 years and maintained for the life of the loan.

X. DEBT OBLIGATIONS

	Outstanding	Maturity
KRWFC Note	\$ 81,000	2025
USDA Note	1,519,000	2055
KIA Loan B18-011	47,355	2039
KIA Loan C20-001	160,173	2024
Total	\$ 1,807,528	

XI. CONTACTS

Legal Applicant

Entity Name	Cannonsburg Water District
Authorized Official	Robert McGuire (Chairman)
County	Boyd
Email	tim@cannonsburgwater.com
Phone	(606) 928-9808
Address	1606 Cannonsburg Rd Ashland, KY 41102

Applicant Contact

Name	Tim Webb
Organization	Cannonsburg Water District
Email	tim@cannonsburgwater.com
Phone	(606) 928-9808
Address	1606 Cannonsburg Rd Ashland, KY 41102

Project Administrator

Name	Jasper Ball
Organization	FIVCO ADD
Email	jasper@fivco.org
Phone	(606) 929-1366
Address	32 FIVCO Ct Grayson, KY 41143

Consulting Engineer

PE Name	Ben Allen
Firm Name	Bell Engineering
Email	ballen@hkbell.com
Phone	(859) 278-5412
Address	2480 Fortune Dr, Ste 350 Lexington, KY 40509

XII. RECOMMENDATIONS

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

ATTACHMENT C

Forms

Cannonsburg Water District
F22-030 (Increase)

SRF LOAN CONDITIONS CHECKLIST

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

- Julie Bickers (Julie.Bickers@ky.gov, 502-892-3455): Purchase, Pennyrite, Green River, Barren River, Lake Cumberland, Big Sandy, Cumberland Valley, KY 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 Compliance Analyst/DOW Contact:

Submit To:		
KIA	<input type="checkbox"/>	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	<input type="checkbox"/>	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 directly to US Bank via Email: KentuckyInfrastructureAuth@usbank.com)
KIA	<input type="checkbox"/>	Transparency Form (this form is attached to the loan commitment letter sent after KIA board approval)
DOW	<input type="checkbox"/>	Fiscal Sustainability Plan Certification and Cost and Effectiveness Certification (required for "A" loans only, prior to plans approval)
DOW	<input type="checkbox"/>	Environmental review (Kentucky Division of Water will review and is required prior to plans approval. KIA will need copy of approval letter)
DOW	<input type="checkbox"/>	Plans and specifications (Kentucky Division of Water will review and KIA will need copy of approval letter)
KIA	<input type="checkbox"/>	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 Compliance Analyst/DOW Contact. It is imperative that the remaining standard conditions are fulfilled by the deadlines set forth in the Conditional Commitment Letter.

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

TRANSPARENCY ACT REPORTING INFORMATION FORM

CLEAN WATER STATE REVOLVING FUND

AND

DRINKING WATER STATE REVOLVING FUND

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

Borrower Information:

Name:	
Unique Entity ID (generated by SAM.gov)*:	
KIA Loan Number:	
Street Address	
City, State and Zip (Zip must include 4 digit extension)	
Federal Congressional District(s) of Borrower Utility Service Area:	

*If the Unique Entity ID provided above is registered under a different name than the recipient of funding, please provide the registration name below:

Unique Entity ID Name	
-----------------------	--

*If the recipient has not yet obtained a Unique Entity ID, please do so no later than 30 days after the KIA Board approval date of your loan request and provide notification to KIA of the number once issued.

Physical Location of Project (Primary Place of Performance)

Street Address	
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>

KIA Loan # _____

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 # _____**

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

EZ VENDOR REGISTRATION APPLICATION

A Vendor Number must be obtained on-line through the Kentucky Cabinet for Finance and Administration. This Vendor Number is *required 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/Loan Number: _____

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

SAMPLE LETTER

[Letterhead of Counsel for Water Utility]

[Date]

Kentucky Infrastructure Authority
1024 Capital Center Drive, Suite 340
Frankfort, Kentucky 40601

RE: SRF Loan#
City of xxxxx

Ladies and Gentlemen:

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

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

Based upon my review I am of the opinion that:

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

Respectfully,

Exhibit 18

Grant Assistance Agreements

GRANT ASSISTANCE AGREEMENT

This Grant Assistance Agreement (the "Agreement") is made and entered into by and between the Kentucky Infrastructure Authority (the "Authority"), a body corporate and politic, constituting a public corporation and governmental agency and instrumentality of the Commonwealth of Kentucky, and the Cannonsburg Water District (the "Grantee"), acting herein through its Authorized Official, each a party to this Agreement, which shall be effective upon the date of signing by the Executive Director of the Authority,

WITNESSETH:

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

WHEREAS, the Authority, attached to the Governor's Office, is charged pursuant to Section 224A.300 of the Act with coordinating the funding and implementation of infrastructure projects and to this end maintains the Water Resource Information System (the "WRIS") a comprehensive database of community water and wastewater projects across Kentucky; and

WHEREAS, House Bill 1 of the 2022 Regular Session of the Kentucky General Assembly approved a \$250,000,000 allocation in Federal Funds for Fiscal Year 2023 from the American Rescue Plan Act of 2021/Coronavirus State Fiscal Recovery Fund to the Authority for the Drinking Water and Wastewater Grant Program, known as the Kentucky Cleaner Water Program (the "CWP"), a portion of which funds are the subject of this Agreement; and

WHEREAS, the Grantee now seeks to acquire and construct a project as described in the Grantee's Project Profile in the WRIS (the "Project") and the Authority has determined that the Project meets the guidelines of the Cleaner Water Program and the directives of the General Assembly; and

WHEREAS, the Grantee and the Authority desire to enter into this Agreement which sets forth their respective duties, rights, covenants, and obligations with respect to the acquisition and construction of the Project and the application of the proceeds of a grant from the Cleaner Water Program as administered by the Authority.

NOW THEREFORE, in consideration of the mutual covenants and conditions contained herein, the grant hereby effected, and for other good and valuable consideration, the receipt, mutuality and sufficiency of which is hereby acknowledged by the parties hereto, the Authority and the Grantee each agree as follows:

SECTION 1 – DEFINITIONS

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

Act shall mean Chapter 224A of the Kentucky Revised Statutes, as amended (the "KRS").

Agreement shall mean this Grant Assistance Agreement made and entered into by and between the Grantee and the Authority, as authorized by the Act, providing for a Grant to be made to the Grantee or its approved agent, subject to approval by the Authority.

Area Water Management Council shall mean the entity designated as the regional planning body for the respective counties within an Area Development District in Kentucky, which shall prepare and maintain an **Area Water Management Plan**, listing and prioritizing Project Profiles for water and wastewater projects within that region.

Engineer(s) shall mean the professional engineer or firm of professional engineers properly procured in accord with KRS Chapter 45A and 2 CFR 200.317 through 2 CFR 200.327 (where applicable), as amended, by the Grantee in connection with the Project, as identified in the WRIS Cleaner Water Program Database.

Exhibit shall refer to a specific document, or to the completion of a process or procedure to be accomplished as a prerequisite to release of funds to the Grantee by the Authority.

Grant shall mean that portion of the Kentucky CWP funds made available to the Commonwealth by the American Recovery Program Act and allocated by the Kentucky General Assembly in its 2022 Regular Session, which shall be incrementally transferred under this Agreement from the Commonwealth to the Grantee through Grant Number 22CWW103 in the principal amount of \$656,599 for the purpose of defraying the costs incidental to the Project.

Grantee shall mean any unit of local government, or its designated agent, as approved by the Authority, or any special purpose governmental entity within the Commonwealth eligible for funds under the CWP in accordance with the Act, now having been or hereafter being granted the funds for the Project; and for the purposes of this Agreement shall mean the Grantee identified on the front page of this Agreement.

Project shall mean, when used generally, a water, wastewater or other infrastructure project authorized pursuant to the Act, and when used in specific reference to the Grantee's Project funded by the Authority through the CWP, it shall refer to that

project as described in the Grantee's Project Profile in the WRIS, which has an 8 digit number following the designation WX or SX.

Project Administrator shall mean that individual designated in the Project Profile by that title, who has the capacity and responsibility of supervising the Project and coordinating the preparation of all related documentation on behalf of the Grantee with respect to the Project.

Project Budget shall mean a list of Project expenses and funding sources, in the form set forth in the current Project Profile as set forth in the WRIS.

Project Profile shall mean those specific details of the Project, presented by the Grantee to the respective Area Water Management Council for review and incorporation into the Area Water Management Plan and the WRIS.

System shall mean the utility system owned and operated by the Grantee or the agent of the Grantee, as approved by the Authority, to which the Project shall become a part, and any revenues generated by the Project, which are used to operate and maintain the utility system in the typical manner of a local public utility in Kentucky.

SECTION 2 - OBLIGATIONS OF THE AUTHORITY

The Authority covenants and agrees, conditioned upon the timely performance by the Grantee of its respective obligations, to undertake the following obligations:

- A. The Authority shall review and approve Project related documentation provided by the Grantee. Once the Project is under construction, the Authority shall review requests for payment submitted for payment of costs of the Project. Any deficiencies found in said requests will be reported immediately to the Grantee. If there are no deficiencies in said requests or deficiencies have been resolved satisfactorily by the Grantee, the Authority will approve the requests and disburse grant funds to the Grantee in an amount not to exceed, cumulatively, the approved grant amount for the Project.
- B. The Authority will communicate and cooperate with the Grantee to best assist the Grantee in meeting its obligations set out in this Agreement.

SECTION 3 - OBLIGATIONS OF THE GRANTEE

The Grantee covenants and agrees to undertake the following obligations:

- A. The Grantee shall complete and submit executed copies of all required Exhibits to the Authority, in accordance with the Conditional Commitment Letter instructions.

- B. The Grantee may consider utilizing the option for partial funding set out in Section 6, below. Over the course of the acquisition and construction of the Project, the Grantee shall provide such status reports as may be requested by the Authority, and once the Project is under construction submit periodic requests for payment to the Authority accompanied by copies of invoices for costs incurred in accordance with the Authority's standard draw-down request format.
- C. The Grantee shall perform and/or cause to be performed all necessary acts consistent with all federal and state labor and procurement laws in connection with the planning, design, acquisition and construction of the Project, including: the proper procurement of land, easements and rights of way; professional services, including but not limited to architectural and engineering services; construction contractor(s) services; and the acquisition of necessary equipment and/or materials.
- D. The Grantee shall obtain and keep on file all required permits, licenses and approvals from the appropriate federal, state, and/or local governmental agencies prior to starting construction of the Project.
- E. The Grantee shall comply with all applicable federal and state statutes, executive orders, regulatory requirements, and policies relating to the planning and construction of the Project.
- F. The Grantee shall cooperate fully with the Authority and provide any documentation requested by the Authority in order to facilitate completing the obligations set out in this Agreement.
- G. The Grantee will proceed expeditiously to complete the Project in accordance with the approved final engineering plans and specifications or amendments thereto, prepared by the Project Engineer for the Grantee, if required and as approved by the Authority and other state and federal agencies, as appropriate.
- H. The Grantee agrees that throughout the reasonable life of the infrastructure facilities developed under the Project it will retain ownership of, operate, and maintain these facilities, and all appurtenances thereto, keeping them in good and sound repair and good operating condition at its own expense so that the completed Project will continue to provide the services for which it was designed. Change of ownership or disposal of the Project facilities during their useful life may occur only with written approval of the Authority.
- I. If the Grantee is a local unit of government, city or county, and determines that it is in the best interest of its citizens, it may enter into a memorandum of agreement with a Kentucky corporation to serve as its agent for the implementation and long-term operation and management of the Project, subject to the Agreement. The form and content of such a memorandum of agreement is subject to the prior approval of the Authority.

- J. General Compliance with all Duties. The Grantee shall faithfully and punctually perform all duties with reference to the System required by the American Rescue Plan Act of 2021, and by the terms and provisions of the Act, and this Assistance Agreement.
- K. Further Covenants under the American Rescue Plan Act of 2021. The Grantee shall comply with all further requirements or conditions which may arise from time to time in order to assure compliance with the American Rescue Plan Act of 2021, including but not limited to the following:
1. Records Retention. The Grantee shall provide to the Authority access to all records related to the Project for review in determining compliance with this Agreement and all applicable laws and regulations, including the American Rescue Plan Act of 2021/Coronavirus State Fiscal Recovery Fund. The Grantee shall retain all records, including all invoices, relating to the Project for five (5) years after full execution of the Certificate of Completion.
 2. Single Audit Requirements. Grantees that expend more than \$750,000 in Federal awards during their fiscal year will be subject to an audit under the Single Audit Act and its implementing regulation at 2 CFR Part 200, Subpart F regarding audit requirements. Grantees may also refer to the Office of Management and Budget (OMB) Compliance Supplements for audits of federal funds and related guidance and the Federal Audit Clearinghouse to see examples and single audit submissions.
 3. Civil Rights Compliance. The Grantee is required to meet legal requirements relating to nondiscrimination and nondiscriminatory use of Federal funds. Those requirements include ensuring that entities receiving Federal financial assistance from the U.S. Department of the Treasury do not deny benefits or services, or otherwise discriminate on the basis of race, color, national origin (including limited English proficiency), disability, age, or sex (including sexual orientation and gender identity), in accordance with the following authorities: Title VI of the Civil Rights Act of 1964 (Title VI) Public Law 88-352, 42 U.S.C. 2000d-1 et seq., and the Department's implementing regulations, 31 CFR part 22; Section 504 of the Rehabilitation Act of 1973 (Section 504), Public Law 93-112, as amended by Public Law 93-516, 29 U.S.C. 794; Title IX of the Education Amendments of 1972 (Title IX), 20 U.S.C. 1681 et seq., and the Department's implementing regulations, 31 CFR part 28; Age Discrimination Act of 1975, Public Law 94-135, 42 U.S.C. 6101 et seq., and the Department implementing regulations at 31 CFR part 23.
- L. General. The Grantee shall do and perform or cause to be done and performed all acts and things required to be done or performed by or on behalf of the Grantee under the provisions of the American Rescue Plan Act of 2021 and this Assistance Agreement in accordance with the terms of such provisions.

SECTION 4 - MUTUALITY OF OBLIGATIONS

- A. The parties agree that the funds granted by the Commonwealth to the Grantee are to be used solely for the purposes of the acquisition and construction of the Project. Further, the parties agree that the obligations imposed upon them are for their respective benefit and the timely fulfillment of the obligations set herein are necessary for the Project.
- B. Except as may otherwise be provided herein, the parties to this Agreement shall be solely responsible for any incidental costs incurred in fulfilling their respective obligations under this Agreement and neither party shall have any claim against the other party for reimbursement of incidental costs whether or not a party is in default.

SECTION 5 - TERMS OF AGREEMENT

- A. This Agreement shall be valid only after both parties have duly signed and provided the executed document to the other.
- B. This Agreement may be terminated by either party at any time for cause and may be terminated by either party without cause upon 30 days written notice to the other party. Termination of this Agreement shall not diminish or in any other manner affect any other remedy that may be available to the parties for any breach of the Agreement that occurs prior to the termination.
- C. If, after execution of this Agreement, additional financial assistance is found to be required for the acquisition and construction of the Project and the required additional assistance does or does not become available to the Grantee from any source, the Project may be modified so long as any change in scope and budget is mutually agreed to by the parties to this Agreement, and clearly documented in a revision of the Project Budget within the Project Profile.

SECTION 6 - ADVANCE FUNDING FOR PROJECT PLANNING AND DESIGN

- A. The Grantee may request, in writing, that a portion of the grant funds be disbursed prior to Project bidding to pay up to 50% of the budgeted engineering fee for Project planning and design to the Project Engineer to expedite submission of the Project plans and specifications for review by the Kentucky Division of Water. The balance of the budgeted engineering fee for project planning and design may be paid only after approval of the plans by the Kentucky Division of Water.
- B. It is specifically understood and agreed by the Grantee in the event that the Project has not been advertised for bids within twenty-four (24) months from the date of

signing of this Agreement, for whatever reason, any funds disbursed for Project planning and design are subject to full and immediate repayment by the Grantee to the Authority.

- C. No funds shall be released under this Section until the requirements of Exhibits 1 through 7 of this Agreement have been completed.

SECTION 7. - EVENTS OF DEFAULT AND REMEDIES.

Section 7.1. Events of Default Defined.

The following will be "Events of Default" under this Agreement and the term "Event of Default" or "Default" will mean, whenever it is used in this Agreement, any one or more of the following events:

- A. Any unauthorized or improper expenditure of funds by the Grantee, or expenditure of funds by the Grantee other than in accordance with the terms of this Agreement.
- B. Failure by the Grantee to observe or perform any covenant, condition or agreement on its part to be observed or performed, other than as referred to in subsection (A) of this Section, for a period of thirty (30) days after written notice specifying such failure and requesting that it be remedied will have been given to the Grantee by the Authority unless the Authority agrees in writing to an extension of such time prior to its expiration; provided, however, if the failure stated in the notice cannot be corrected within the applicable period, the Authority will not unreasonably withhold its consent to an extension of such time if corrective action is instituted by the Grantee within the applicable period and diligently pursued until such failure is corrected.
- C. The dissolution or liquidation of the Grantee, or the voluntary initiation by the Grantee of any proceeding under any federal or Kentucky law relating to bankruptcy, insolvency, arrangement, reorganization, readjustment of debt or any other form of debtor relief, or the initiation against the Grantee of any such proceeding which remain undismissed for sixty (60) days, or the entry by the Grantee into an agreement of composition with creditors or the failure generally by the Grantee to pay its debts as they become due.
- D. A default by the Grantee under the provisions of any agreements relating to its debt obligations.

Section 7.2. Remedies on Default.

Whenever any Event of Default referred to in Section 7.1 has occurred and is continuing, the Authority may, without any further demand or notice, take one or any combination of the following remedial steps:

- A. Declare this Agreement void from the beginning without further obligation to the Grantee and may commence appropriate legal action to enforce its rights under this Agreement including action for recovery of funds expended hereunder.
- B. Terminate any remaining grant payments to the Grantee.
- C. Exercise all the rights and remedies of the Authority set forth in the Act.
- D. Take whatever action at law or in equity may appear necessary or desirable to enforce its rights under this Agreement.
- E. Submit a formal referral to the appropriate federal agency.

Section 7.3. No Remedy Exclusive.

No remedy herein conferred upon or reserved to the Authority is intended to be exclusive, and every such remedy will be cumulative and will be in addition to every other remedy given hereunder and every remedy now or hereafter existing at law or in equity. No delay or omission to exercise any right or power accruing upon any default will impair any such right or power and any such right and power may be exercised from time to time and as often as may be deemed expedient.

Section 7.4. Consent to Powers of Authority Under Act.

The Grantee hereby acknowledges to the Authority its understanding of the provisions of the Act, vesting in the Authority certain powers, rights and privileges in respect of the Project upon the occurrence of an Event of Default, and the Grantee hereby covenants and agrees that if the Authority should in the future have recourse to said rights and powers, the Grantee shall take no action of any nature whatsoever calculated to inhibit, nullify, void, delay or render nugatory such actions of the Authority in the due and prompt implementation of this Agreement.

Section 7.5. Waivers.

In the event that any agreement contained herein should be breached by either party and thereafter waived by the other party, such waiver will be limited to the particular breach so waived and will not be deemed to waive any other breach hereunder.

Section 7.6. Agreement to Pay Attorneys' Fees and Expenses.

In the event that either party hereto defaults under any of the provisions hereof and the non-defaulting party employs attorneys or incurs other expenses for the enforcement of

performance or observance of any obligation or agreement on the part of the defaulting party herein contained, the defaulting party agrees that it will pay on demand therefor to the non-defaulting party the fees of such attorneys and such other expenses so incurred by the non-defaulting party.

SECTION 8 - MISCELLANEOUS PROVISIONS

- A. The Grantee may sign this Agreement electronically via a program subject to the approval by the Authority, or manually on a paper copy that is scanned to the portable document format (.pdf) and emailed to the Authority. Transmittal of all other correspondence or documentation, including the required Exhibits identified in the Attachment shall be scanned and attached as a file to email. The Authority and the Grantee, working through the Project Administrator, shall assist each other in securing and maintaining a complete, current Project document file for reference, records, and audit purposes.
- B. The headings set forth in this Agreement are for convenience and the terms contained therein shall in no way be held to explain, modify, amplify or aid in the interpretation, construction or meaning of the provisions of this Agreement.
- C. The terms and conditions of this Agreement shall be binding upon and shall inure to the benefit of the successor and assigns, respectively, of the parties. Except for the limited use of a memorandum of agreement (as provided in Section 3 herein), this provision shall not be construed to permit an assignment by any party of any of its rights and duties under this Agreement which assignment shall be prohibited except with the prior written consent of the parties hereto.
- D. This Agreement sets forth the entire understanding of the parties with respect to the subject matter hereof and may be modified only by a written instrument duly executed by each of the parties hereto.
- E. Timely and accurate performance of all actions by the respective parties are mutually recognized by the parties of this Agreement to be of importance to the citizens of the Commonwealth generally, and particularly to those citizens directly affected by the Project.
- F. This Agreement will be governed by and construed in accordance with the laws of the Commonwealth of Kentucky.
- G. The Authority may audit or review all documentation and records of the Grantee relating to this Project pursuant to the provisions of Section 45A.150 of the KRS or any other applicable federal or state law.
- H. The Grantee agrees that the Authority, the Finance and Administration Cabinet, the Auditor of Public Accounts, and the Legislative Research Commission, or their duly authorized representatives, shall have access to any books, documents, papers, records, or other documentation or evidence, which are directly pertinent to this Agreement for the purpose of financial audit or program review.

Furthermore, any books, documents, papers records, or other evidence provided to the Commonwealth, the Finance and Administration Cabinet, the Auditor of Public Accounts, or the Legislative Research Commission, which are directly pertinent to this Agreement, shall be subject to public disclosure regardless of the proprietary nature of the information, unless specific information is identified and exempted and agreed to by the Secretary of the Finance and Administration Cabinet as meeting the provisions of KRS 61.878(1)(c) prior to the execution of this Agreement. The Secretary of the Finance and Administration Cabinet shall not restrict the public release of any information which would otherwise be subject to public release if a state government agency was providing the services.

- I. During the performance of this contract, the Grantee agrees to the following Appendix II to 2 CFR Part 200 contract provisions, as amended:

Equal Employment Opportunity

1. The Grantee will not discriminate against any employee or applicant for employment because of race, color, religion, sex, sexual orientation, gender identity, or national origin. The Grantee will take affirmative action to ensure that applicants are employed and that employees are treated during employment without regard to their race, color, religion, sex, sexual orientation, gender identity, or national origin. Such action shall include, but not be limited to the following:
 - a. Employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided setting forth the provisions of this nondiscrimination clause.
 - b. The Grantee will, in all solicitations or advertisements for employees placed by or on behalf of the contractor, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, sexual orientation, gender identity, or national origin.
 - c. The Grantee will not discharge or in any other manner discriminate against any employee or applicant for employment because such employee or applicant has inquired about, discussed, or disclosed the compensation of the employee or applicant or another employee or applicant. This provision shall not apply to instances in which an employee who has access to the compensation information of other employees or applicants as a part of such employee's essential job functions discloses the compensation of such other employees or applicants to individuals who do not otherwise have access to such information, unless such disclosure is in response to a formal complaint or charge, in furtherance of an investigation, proceeding, hearing, or action, including an investigation conducted by the employer, or is consistent with the contractor's legal duty to furnish information.

- d. The Grantee will send to each labor union or representative of workers with which he has a collective bargaining agreement or other contract or understanding a notice to be provided advising the said labor union or workers' representatives of the contractor's commitments under this section and shall post copies of the notice in conspicuous places available to employees and applicants for employment.
- e. The Grantee will comply with all provisions of Executive Order 11246 of September 24, 1965, and of the rules, regulations, and relevant orders of the Secretary of Labor.
- f. The Grantee will furnish all information and reports required by Executive Order 11246 of September 24, 1965, and by rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and will permit access to his books, records, and accounts by the administering agency and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations, and orders.
- g. In the event of the Grantee's noncompliance with the nondiscrimination clauses of this contract or with any of the said rules, regulations, or orders, this contract may be canceled, terminated, or suspended in whole or in part, and the contractor may be declared ineligible for further government contracts or federally assisted construction contracts in accordance with procedures authorized in Executive Order 11246 of September 24, 1965, and such other sanctions may be imposed and remedies invoked as provided in Executive Order 11246 of September 24, 1965, or by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.
- h. The Grantee will include the portion of the sentence immediately preceding paragraph (1) and the provisions of paragraphs (1) through (8) in every subcontract or purchase order unless exempted by rules, regulations, or orders of the Secretary of Labor issued pursuant to section 204 of Executive Order 11246 of September 24, 1965, so that such provisions will be binding upon each subcontractor or vendor. The contractor will take such action with respect to any subcontract or purchase order as the administering agency may direct as a means of enforcing such provisions, including sanctions for noncompliance: Provided, however, that in the event a Grantee becomes involved in or is threatened with litigation with a subcontractor or vendor as a result of such direction by the administering agency, the contractor may request the United States to enter into such litigation to protect the interests of the United States.

Contract Work Hours and Safety Standards Act

All contracts that are in excess of \$100,000 and involve the employment of mechanics or laborers must include provisions requiring compliance with the Contract Work Hours and Safety Standards Act as follows:

1. Overtime requirements: No contractor or subcontractor contracting for any part of the Agreement work which may require or involve the employment of laborers or mechanics shall require or permit any such laborer or mechanic in any workweek in which he or she is employed on such work to work in excess of forty hours in such a workweek unless such laborer or mechanic receives compensation at a rate not less than one and one-half times the basic rate of pay for all hours worked in excess of forty hours in such a workweek.
2. Violation: liability for unpaid wages; liquidated damages. In the event of any violation of the clause set forth in paragraph (1) of this section, the contractor and any subcontractor responsible therefor shall be liable for the unpaid wages. In addition, such contractor and subcontractor shall be liable to the United States (in the case of work done under contract for the District of Columbia or a territory, to such District or to such territory) for liquidated damages. Such liquidated damages shall be computed with respect to each individual laborer or mechanic, including watchmen and guards, employed in violation of the clause set forth in paragraph (1) of this section, in the sum of \$10 for each calendar day on which such individual was required or permitted to work in excess of the standard workweek of forty hours without payment of the overtime wages required by the clause set forth in paragraph (1) of this section.
3. Withholding for unpaid wages and liquidated damages. The Grantee shall upon its own action or upon written request of an authorized representative of the Department of Labor withhold or cause to be withheld, from any moneys payable on account of work performed by the contractor or subcontractor under any such contract or any other federal contract with the same prime contractor, or any other federally-assisted contract subject to the Contract Work Hours and Safety Standards Act, which is held by the same prime contractor, such sums as may be determined to be necessary to satisfy any liabilities of such contractor or subcontractor for unpaid wages and liquidated damages as provided in the clause set forth in paragraph (2) of this section.
4. Subcontracts. The contractor or subcontractor shall insert in any subcontracts the clauses set forth in paragraph (1) through (4) of this section and also a clause requiring the subcontractors to include these clauses in any lower-tier subcontracts. The prime contractor shall be responsible for compliance by any subcontractor or lower-tier subcontractor with the clauses set forth in paragraphs (1) through (4) of this section.

Clean Air Act

1. The Grantee agrees to comply with all applicable standards, orders, or regulations issued pursuant to the Clean Air Act, as amended, 42 U.S.C. § 7401 et seq.
2. The Grantee agrees to report each violation to the Authority and understands and agrees that the Authority will, in turn, report each violation as required to assure notification to the Treasury Department and the appropriate Environmental Protection Agency Regional Office.

3. The Grantee agrees to include these requirements in each subcontract exceeding \$100,000 financed in whole or in part with American Rescue Plan Act funding.

Federal Water Pollution Control Act

1. The Grantee agrees to comply with all applicable standards, orders, or regulations issued pursuant to the Federal Water Pollution Control Act, as amended, 33 U.S.C. 1251 et seq.
2. The Grantee agrees to report each violation to the Authority and understands and agrees that the Authority will, in turn, report each violation as required to assure notification to the Treasury Department and the appropriate Environmental Protection Agency Regional Office.
3. The Grantee agrees to include these requirements in each subcontract exceeding \$100,000 financed in whole or in part with American Rescue Plan Act funds.

Debarment and Suspension

Contracts shall not be awarded to parties listed on the governmentwide exclusions in the System for Award Management (SAM) listed at www.sam.gov.

Byrd Anti-Lobbying Amendment

Contractors who apply or bid for an award of \$100,000 or more shall file the required certification. Each tier certifies to the tier above that it will not and has not used federal appropriated funds to pay any person or organization for influencing or attempting to influence an officer or employee of any agency, a member of Congress, officer or employee of Congress, or an employee of a member of Congress in connection with obtaining any federal contract, grant, or any other award covered by 31 U.S.C. § 1352. Each tier shall also disclose any lobbying with non-federal funds that takes place in connection with obtaining any federal award. Such disclosures are forwarded from tier to tier, up to the recipient.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their respective duly authorized officials as of the day and year above written.

**KENTUCKY INFRASTRUCTURE
AUTHORITY**

By:  For Sandy Williams
Sandy Williams, Executive Director

Date: 06/20/2024

CANNONSBURG WATER DISTRICT

By: 
Authorized Official

Print Name: TIM WEBB

**THIS AGREEMENT HAS BEEN EXAMINED
BY:**

By: 
LEGAL COUNSEL TO THE KENTUCKY
INFRASTRUCTURE AUTHORITY

CWP GRANT CONDITIONS – COMPLIANCE FORMS & EXHIBITS

Note A: Exhibits 1 through 3 must be completed, scanned, and emailed to the Authority on or before the date the Grantee signs the Conditional Commitment Letter. The Conditional Commitment Letter may be signed electronically or manually, then scanned and emailed to the Authority.

- 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 Copy of the Transparency Act Reporting Information Form

Note B: Upon receipt of the signed Conditional Commitment Letter and the Authority's verification of Exhibits 1-3, the Authority will forward to the Grantee the Grant Assistance Agreement. The Grantee should proceed to complete Exhibits 4 through 7, scan and send each Exhibit to the Authority by email; and then the Authorized Official may sign the Assistance Agreement, either electronically or by scanning and send attached to email.

- Exhibit 4 A) Grantee Resolution (Accepting Grant, Approving Agreement, Amending Budget, Designating an Authorized Official)
B) Certificate of Recording Officer
- Exhibit 5 Opinion of Legal Counsel Relating to the Grantee Resolution
- Exhibit 6 A) Copy of the Engineering Services Contract; and
B) Grantee & Engineer Fee Confirmation

Note C: The Grantee may request 50% of the engineering design fee (as budgeted in the Project Profile) at this point and may request the balance of the engineering design fee once Exhibit 8 has been sent to the Authority.

- Exhibit 7 Copy of the Kentucky eClearinghouse Endorsement Letter with Comments.
- Exhibit 8 Copy of the DOW Approval Letter of Project Engineering Plans & Specifications.
- Exhibit 9 Copy of the bid package signed by (A) Engineer, (B1) Authorized Official, and (B2) Title Attorney, as appropriate.
- Exhibit 10 Certification Regarding Utility Accounting, Cost-Based Rates and Auditing.
- Exhibit 11 Certificate of Project Completion.

GRANT ASSISTANCE AGREEMENT

This Grant Assistance Agreement (the "Agreement") is made and entered into by and between the Kentucky Infrastructure Authority (the "Authority"), a body corporate and politic, constituting a public corporation and governmental agency and instrumentality of the Commonwealth of Kentucky, and the Cannonsburg Water District (the "Grantee"), acting herein through its Authorized Official, each a party to this Agreement, which shall be effective upon the date of signing by the Executive Director of the Authority,

WITNESSETH:

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

WHEREAS, the Authority, attached to the Governor's Office, is charged pursuant to Section 224A.300 of the Act with coordinating the funding and implementation of infrastructure projects and to this end maintains the Water Resource Information System (the "WRIS") a comprehensive database of community water and wastewater projects across Kentucky; and

WHEREAS, Senate Bill 36 of the 2021 Regular Session of the Kentucky General Assembly approved a \$250,000,000 allocation in Federal Funds for Fiscal Year 2021 from the American Rescue Plan Act of 2021/Coronavirus State Fiscal Recovery Fund to the Authority for the Drinking Water and Wastewater Grant Program, known as the Kentucky Cleaner Water Program (the "CWP"), a portion of which funds are the subject of this Agreement; and

WHEREAS, the Grantee now seeks to acquire and construct a project as described in the Grantee's Project Profile in the WRIS (the "Project") and the Authority has determined that the Project meets the guidelines of the Cleaner Water Program and the directives of the General Assembly; and

WHEREAS, the Grantee and the Authority desire to enter into this Agreement which sets forth their respective duties, rights, covenants, and obligations with respect to the acquisition and construction of the Project and the application of the proceeds of a grant from the Cleaner Water Program as administered by the Authority.

NOW THEREFORE, in consideration of the mutual covenants and conditions contained herein, the grant hereby effected, and for other good and valuable consideration, the receipt, mutuality and sufficiency of which is hereby acknowledged by the parties hereto, the Authority and the Grantee each agree as follows:

SECTION 1 – DEFINITIONS

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

Act shall mean Chapter 224A of the Kentucky Revised Statutes, as amended (the "KRS").

Agreement shall mean this Grant Assistance Agreement made and entered into by and between the Grantee and the Authority, as authorized by the Act, providing for a Grant to be made to the Grantee or its approved agent, subject to approval by the Authority.

Area Water Management Council shall mean the entity designated as the regional planning body for the respective counties within an Area Development District in Kentucky, which shall prepare and maintain an **Area Water Management Plan**, listing and prioritizing Project Profiles for water and wastewater projects within that region.

Engineer(s) shall mean the professional engineer or firm of professional engineers properly procured in accord with KRS Chapter 45A and 2 CFR 200.317 through 2 CFR 200.327 (where applicable), as amended, by the Grantee in connection with the Project, as identified in the WRIS Cleaner Water Program Database.

Exhibit shall refer to a specific document, or to the completion of a process or procedure to be accomplished as a prerequisite to release of funds to the Grantee by the Authority.

Grant shall mean that portion of the Kentucky CWP funds made available to the Commonwealth by the American Recovery Program Act and allocated by the Kentucky General Assembly in its 2021 Regular Session, which shall be incrementally transferred under this Agreement from the Commonwealth to the Grantee through Grant Number 21CWW014 in the principal amount of \$540,517 for the purpose of defraying the costs incidental to the Project.

Grantee shall mean any unit of local government, or its designated agent, as approved by the Authority, or any special purpose governmental entity within the Commonwealth eligible for funds under the CWP in accordance with the Act, now having been or hereafter being granted the funds for the Project; and for the purposes of this Agreement shall mean the Grantee identified on the front page of this Agreement.

Project shall mean, when used generally, a water, wastewater or other infrastructure project authorized pursuant to the Act, and when used in specific reference to the Grantee's Project funded by the Authority through the CWP, it shall refer to that

project as described in the Grantee's Project Profile in the WRIS, which has an 8 digit number following the designation WX or SX.

Project Administrator shall mean that individual designated in the Project Profile by that title, who has the capacity and responsibility of supervising the Project and coordinating the preparation of all related documentation on behalf of the Grantee with respect to the Project.

Project Budget shall mean a list of Project expenses and funding sources, in the form set forth in the current Project Profile as set forth in the WRIS.

Project Profile shall mean those specific details of the Project, presented by the Grantee to the respective Area Water Management Council for review and incorporation into the Area Water Management Plan and the WRIS.

System shall mean the utility system owned and operated by the Grantee or the agent of the Grantee, as approved by the Authority, to which the Project shall become a part, and any revenues generated by the Project, which are used to operate and maintain the utility system in the typical manner of a local public utility in Kentucky.

SECTION 2 - OBLIGATIONS OF THE AUTHORITY

The Authority covenants and agrees, conditioned upon the timely performance by the Grantee of its respective obligations, to undertake the following obligations:

- A. The Authority shall review and approve Project related documentation provided by the Grantee. Once the Project is under construction, the Authority shall review requests for payment submitted for payment of costs of the Project. Any deficiencies found in said requests will be reported immediately to the Grantee. If there are no deficiencies in said requests or deficiencies have been resolved satisfactorily by the Grantee, the Authority will approve the requests and disburse grant funds to the Grantee in an amount not to exceed, cumulatively, the approved grant amount for the Project.
- B. The Authority will communicate and cooperate with the Grantee to best assist the Grantee in meeting its obligations set out in this Agreement.

SECTION 3 - OBLIGATIONS OF THE GRANTEE

The Grantee covenants and agrees to undertake the following obligations:

- A. The Grantee shall complete and submit executed copies of all required Exhibits to the Authority, in accordance with the Conditional Commitment Letter instructions.

- B. The Grantee may consider utilizing the option for partial funding set out in Section 6, below. Over the course of the acquisition and construction of the Project, the Grantee shall provide such status reports as may be requested by the Authority, and once the Project is under construction submit periodic requests for payment to the Authority accompanied by copies of invoices for costs incurred in accordance with the Authority's standard draw-down request format.
- C. The Grantee shall perform and/or cause to be performed all necessary acts consistent with all federal and state labor and procurement laws in connection with the planning, design, acquisition and construction of the Project, including: the proper procurement of land, easements and rights of way; professional services, including but not limited to architectural and engineering services; construction contractor(s) services; and the acquisition of necessary equipment and/or materials.
- D. The Grantee shall obtain and keep on file all required permits, licenses and approvals from the appropriate federal, state, and/or local governmental agencies prior to starting construction of the Project.
- E. The Grantee shall comply with all applicable federal and state statutes, executive orders, regulatory requirements, and policies relating to the planning and construction of the Project.
- F. The Grantee shall cooperate fully with the Authority and provide any documentation requested by the Authority in order to facilitate completing the obligations set out in this Agreement.
- G. The Grantee will proceed expeditiously to complete the Project in accordance with the approved final engineering plans and specifications or amendments thereto, prepared by the Project Engineer for the Grantee, if required and as approved by the Authority and other state and federal agencies, as appropriate.
- H. The Grantee agrees that throughout the reasonable life of the infrastructure facilities developed under the Project it will retain ownership of, operate, and maintain these facilities, and all appurtenances thereto, keeping them in good and sound repair and good operating condition at its own expense so that the completed Project will continue to provide the services for which it was designed. Change of ownership or disposal of the Project facilities during their useful life may occur only with written approval of the Authority.
- I. If the Grantee is a local unit of government, city or county, and determines that it is in the best interest of its citizens, it may enter into a memorandum of agreement with a Kentucky corporation to serve as its agent for the implementation and long term operation and management of the Project, subject to the Agreement. The form and content of such a memorandum of agreement is subject to the prior approval of the Authority.

- J. General Compliance with all Duties. The Grantee shall faithfully and punctually perform all duties with reference to the System required by the American Rescue Plan Act of 2021, and by the terms and provisions of the Act, and this Assistance Agreement.
- K. Further Covenants under the American Rescue Plan Act of 2021. The Grantee shall comply with all further requirements or conditions which may arise from time to time in order to assure compliance with the American Rescue Plan Act of 2021, including but not limited to the following:
1. Records Retention. The Grantee shall provide to the Authority access to all records related to the Project for review in determining compliance with this Agreement and all applicable laws and regulations, including the American Rescue Plan Act of 2021/Coronavirus State Fiscal Recovery Fund. The Grantee shall retain all records, including all invoices, relating to the Project for five (5) years after full execution of the Certificate of Completion.
 2. Single Audit Requirements. Grantees that expend more than \$750,000 in Federal awards during their fiscal year will be subject to an audit under the Single Audit Act and its implementing regulation at 2 CFR Part 200, Subpart F regarding audit requirements. Grantees may also refer to the Office of Management and Budget (OMB) Compliance Supplements for audits of federal funds and related guidance and the Federal Audit Clearinghouse to see examples and single audit submissions.
 3. Civil Rights Compliance. The Grantee is required to meet legal requirements relating to nondiscrimination and nondiscriminatory use of Federal funds. Those requirements include ensuring that entities receiving Federal financial assistance from the U.S. Department of the Treasury do not deny benefits or services, or otherwise discriminate on the basis of race, color, national origin (including limited English proficiency), disability, age, or sex (including sexual orientation and gender identity), in accordance with the following authorities: Title VI of the Civil Rights Act of 1964 (Title VI) Public Law 88-352, 42 U.S.C. 2000d-1 et seq., and the Department's implementing regulations, 31 CFR part 22; Section 504 of the Rehabilitation Act of 1973 (Section 504), Public Law 93-112, as amended by Public Law 93-516, 29 U.S.C. 794; Title IX of the Education Amendments of 1972 (Title IX), 20 U.S.C. 1681 et seq., and the Department's implementing regulations, 31 CFR part 28; Age Discrimination Act of 1975, Public Law 94-135, 42 U.S.C. 6101 et seq., and the Department implementing regulations at 31 CFR part 23.
- L. General. The Grantee shall do and perform or cause to be done and performed all acts and things required to be done or performed by or on behalf of the Grantee under the provisions of the American Rescue Plan Act of 2021 and this Assistance Agreement in accordance with the terms of such provisions.

SECTION 4 - MUTUALITY OF OBLIGATIONS

- A. The parties agree that the funds granted by the Commonwealth to the Grantee are to be used solely for the purposes of the acquisition and construction of the Project. Further, the parties agree that the obligations imposed upon them are for their respective benefit and the timely fulfillment of the obligations set herein are necessary for the Project.
- B. Except as may otherwise be provided herein, the parties to this Agreement shall be solely responsible for any incidental costs incurred in fulfilling their respective obligations under this Agreement and neither party shall have any claim against the other party for reimbursement of incidental costs whether or not a party is in default.

SECTION 5 - TERMS OF AGREEMENT

- A. This Agreement shall be valid only after both parties have duly signed and provided the executed document to the other.
- B. This Agreement may be terminated by either party at any time for cause and may be terminated by either party without cause upon 30 days written notice to the other party. Termination of this Agreement shall not diminish or in any other manner affect any other remedy that may be available to the parties for any breach of the Agreement that occurs prior to the termination.
- C. If, after execution of this Agreement, additional financial assistance is found to be required for the acquisition and construction of the Project and the required additional assistance does or does not become available to the Grantee from any source, the Project may be modified so long as any change in scope and budget is mutually agreed to by the parties to this Agreement, and clearly documented in a revision of the Project Budget within the Project Profile.

SECTION 6 - ADVANCE FUNDING FOR PROJECT PLANNING AND DESIGN

- A. The Grantee may request, in writing, that a portion of the grant funds be disbursed prior to Project bidding to pay up to 50% of the budgeted engineering fee for Project planning and design to the Project Engineer to expedite submission of the Project plans and specifications for review by the Kentucky Division of Water. The balance of the budgeted engineering fee for project planning and design may be paid only after approval of the plans by the Kentucky Division of Water.
- B. It is specifically understood and agreed by the Grantee in the event that the Project has not been advertised for bids within twenty-four (24) months from the date of

signing of this Agreement, for whatever reason, any funds disbursed for Project planning and design are subject to full and immediate repayment by the Grantee to the Authority.

- C. No funds shall be released under this Section until the requirements of Exhibits 1 through 7 of this Agreement have been completed.

SECTION 7. - EVENTS OF DEFAULT AND REMEDIES.

Section 7.1. Events of Default Defined.

The following will be "Events of Default" under this Agreement and the term "Event of Default" or "Default" will mean, whenever it is used in this Agreement, any one or more of the following events:

- A. Any unauthorized or improper expenditure of funds by the Grantee, or expenditure of funds by the Grantee other than in accordance with the terms of this Agreement.
- B. Failure by the Grantee to observe or perform any covenant, condition or agreement on its part to be observed or performed, other than as referred to in subsection (A) of this Section, for a period of thirty (30) days after written notice specifying such failure and requesting that it be remedied will have been given to the Grantee by the Authority unless the Authority agrees in writing to an extension of such time prior to its expiration; provided, however, if the failure stated in the notice cannot be corrected within the applicable period, the Authority will not unreasonably withhold its consent to an extension of such time if corrective action is instituted by the Grantee within the applicable period and diligently pursued until such failure is corrected.
- C. The dissolution or liquidation of the Grantee, or the voluntary initiation by the Grantee of any proceeding under any federal or Kentucky law relating to bankruptcy, insolvency, arrangement, reorganization, readjustment of debt or any other form of debtor relief, or the initiation against the Grantee of any such proceeding which remain undismissed for sixty (60) days, or the entry by the Grantee into an agreement of composition with creditors or the failure generally by the Grantee to pay its debts as they become due.
- D. A default by the Grantee under the provisions of any agreements relating to its debt obligations.

Section 7.2. Remedies on Default.

Whenever any Event of Default referred to in Section 7.1 has occurred and is continuing, the Authority may, without any further demand or notice, take one or any combination of the following remedial steps:

- A. Declare this Agreement void from the beginning without further obligation to the Grantee and may commence appropriate legal action to enforce its rights under this Agreement including action for recovery of funds expended hereunder.
- B. Terminate any remaining grant payments to the Grantee.
- C. Exercise all the rights and remedies of the Authority set forth in the Act.
- D. Take whatever action at law or in equity may appear necessary or desirable to enforce its rights under this Agreement.
- E. Submit a formal referral to the appropriate federal agency.

Section 7.3. No Remedy Exclusive.

No remedy herein conferred upon or reserved to the Authority is intended to be exclusive, and every such remedy will be cumulative and will be in addition to every other remedy given hereunder and every remedy now or hereafter existing at law or in equity. No delay or omission to exercise any right or power accruing upon any default will impair any such right or power and any such right and power may be exercised from time to time and as often as may be deemed expedient.

Section 7.4. Consent to Powers of Authority Under Act.

The Grantee hereby acknowledges to the Authority its understanding of the provisions of the Act, vesting in the Authority certain powers, rights and privileges in respect of the Project upon the occurrence of an Event of Default, and the Grantee hereby covenants and agrees that if the Authority should in the future have recourse to said rights and powers, the Grantee shall take no action of any nature whatsoever calculated to inhibit, nullify, void, delay or render nugatory such actions of the Authority in the due and prompt implementation of this Agreement.

Section 7.5. Waivers.

In the event that any agreement contained herein should be breached by either party and thereafter waived by the other party, such waiver will be limited to the particular breach so waived and will not be deemed to waive any other breach hereunder.

Section 7.6. Agreement to Pay Attorneys' Fees and Expenses.

In the event that either party hereto defaults under any of the provisions hereof and the non-defaulting party employs attorneys or incurs other expenses for the enforcement of

performance or observance of any obligation or agreement on the part of the defaulting party herein contained, the defaulting party agrees that it will pay on demand therefor to the non-defaulting party the fees of such attorneys and such other expenses so incurred by the non-defaulting party.

SECTION 8 - MISCELLANEOUS PROVISIONS

- A. The Grantee may sign this Agreement electronically via a program subject to the approval by the Authority, or manually on a paper copy that is scanned to the portable document format (.pdf) and emailed to the Authority. Transmittal of all other correspondence or documentation, including the required Exhibits identified in the Attachment shall be scanned and attached as a file to email. The Authority and the Grantee, working through the Project Administrator, shall assist each other in securing and maintaining a complete, current Project document file for reference, records, and audit purposes.
- B. The headings set forth in this Agreement are for convenience and the terms contained therein shall in no way be held to explain, modify, amplify or aid in the interpretation, construction or meaning of the provisions of this Agreement.
- C. The terms and conditions of this Agreement shall be binding upon and shall inure to the benefit of the successor and assigns, respectively, of the parties. Except for the limited use of a memorandum of agreement (as provided in Section 3 herein), this provision shall not be construed to permit an assignment by any party of any of its rights and duties under this Agreement which assignment shall be prohibited except with the prior written consent of the parties hereto.
- D. This Agreement sets forth the entire understanding of the parties with respect to the subject matter hereof and may be modified only by a written instrument duly executed by each of the parties hereto.
- E. Timely and accurate performance of all actions by the respective parties are mutually recognized by the parties of this Agreement to be of importance to the citizens of the Commonwealth generally, and particularly to those citizens directly affected by the Project.
- F. This Agreement will be governed by and construed in accordance with the laws of the Commonwealth of Kentucky.
- G. The Authority may audit or review all documentation and records of the Grantee relating to this Project pursuant to the provisions of Section 45A.150 of the KRS or any other applicable federal or state law.
- H. The Grantee agrees that the Authority, the Finance and Administration Cabinet, the Auditor of Public Accounts, and the Legislative Research Commission, or their duly authorized representatives, shall have access to any books, documents, papers, records, or other documentation or evidence, which are directly pertinent to this Agreement for the purpose of financial audit or program review.

Furthermore, any books, documents, papers records, or other evidence provided to the Commonwealth, the Finance and Administration Cabinet, the Auditor of Public Accounts, or the Legislative Research Commission, which are directly pertinent to this Agreement, shall be subject to public disclosure regardless of the proprietary nature of the information, unless specific information is identified and exempted and agreed to by the Secretary of the Finance and Administration Cabinet as meeting the provisions of KRS 61.878(1)(c) prior to the execution of this Agreement. The Secretary of the Finance and Administration Cabinet shall not restrict the public release of any information which would otherwise be subject to public release if a state government agency was providing the services.

- I. During the performance of this contract, the Grantee agrees to the following Appendix II to 2 CFR Part 200 contract provisions, as amended:

Equal Employment Opportunity

1. The Grantee will not discriminate against any employee or applicant for employment because of race, color, religion, sex, sexual orientation, gender identity, or national origin. The Grantee will take affirmative action to ensure that applicants are employed and that employees are treated during employment without regard to their race, color, religion, sex, sexual orientation, gender identity, or national origin. Such action shall include, but not be limited to the following:
 - a. Employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided setting forth the provisions of this nondiscrimination clause.
 - b. The Grantee will, in all solicitations or advertisements for employees placed by or on behalf of the contractor, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, sexual orientation, gender identity, or national origin.
 - c. The Grantee will not discharge or in any other manner discriminate against any employee or applicant for employment because such employee or applicant has inquired about, discussed, or disclosed the compensation of the employee or applicant or another employee or applicant. This provision shall not apply to instances in which an employee who has access to the compensation information of other employees or applicants as a part of such employee's essential job functions discloses the compensation of such other employees or applicants to individuals who do not otherwise have access to such information, unless such disclosure is in response to a formal complaint or charge, in furtherance of an investigation, proceeding, hearing, or action, including an investigation conducted by the employer, or is consistent with the contractor's legal duty to furnish information.

- d. The Grantee will send to each labor union or representative of workers with which he has a collective bargaining agreement or other contract or understanding a notice to be provided advising the said labor union or workers' representatives of the contractor's commitments under this section and shall post copies of the notice in conspicuous places available to employees and applicants for employment.
- e. The Grantee will comply with all provisions of Executive Order 11246 of September 24, 1965, and of the rules, regulations, and relevant orders of the Secretary of Labor.
- f. The Grantee will furnish all information and reports required by Executive Order 11246 of September 24, 1965, and by rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and will permit access to his books, records, and accounts by the administering agency and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations, and orders.
- g. In the event of the Grantee's noncompliance with the nondiscrimination clauses of this contract or with any of the said rules, regulations, or orders, this contract may be canceled, terminated, or suspended in whole or in part, and the contractor may be declared ineligible for further government contracts or federally assisted construction contracts in accordance with procedures authorized in Executive Order 11246 of September 24, 1965, and such other sanctions may be imposed and remedies invoked as provided in Executive Order 11246 of September 24, 1965, or by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.
- h. The Grantee will include the portion of the sentence immediately preceding paragraph (1) and the provisions of paragraphs (1) through (8) in every subcontract or purchase order unless exempted by rules, regulations, or orders of the Secretary of Labor issued pursuant to section 204 of Executive Order 11246 of September 24, 1965, so that such provisions will be binding upon each subcontractor or vendor. The contractor will take such action with respect to any subcontract or purchase order as the administering agency may direct as a means of enforcing such provisions, including sanctions for noncompliance: **Provided**, however, that in the event a Grantee becomes involved in or is threatened with litigation with a subcontractor or vendor as a result of such direction by the administering agency, the contractor may request the United States to enter into such litigation to protect the interests of the United States.

Contract Work Hours and Safety Standards Act

All contracts that are in excess of \$100,000 and involve the employment of mechanics or laborers must include provisions requiring compliance with the Contract Work Hours and Safety Standards Act as follows:

1. Overtime requirements: No contractor or subcontractor contracting for any part of the Agreement work which may require or involve the employment of laborers or mechanics shall require or permit any such laborer or mechanic in any workweek in which he or she is employed on such work to work in excess of forty hours in such a workweek unless such laborer or mechanic receives compensation at a rate not less than one and one-half times the basic rate of pay for all hours worked in excess of forty hours in such a workweek.
2. Violation: liability for unpaid wages; liquidated damages. In the event of any violation of the clause set forth in paragraph (1) of this section, the contractor and any subcontractor responsible therefor shall be liable for the unpaid wages. In addition, such contractor and subcontractor shall be liable to the United States (in the case of work done under contract for the District of Columbia or a territory, to such District or to such territory) for liquidated damages. Such liquidated damages shall be computed with respect to each individual laborer or mechanic, including watchmen and guards, employed in violation of the clause set forth in paragraph (1) of this section, in the sum of \$10 for each calendar day on which such individual was required or permitted to work in excess of the standard workweek of forty hours without payment of the overtime wages required by the clause set forth in paragraph (1) of this section.
3. Withholding for unpaid wages and liquidated damages. The Grantee shall upon its own action or upon written request of an authorized representative of the Department of Labor withhold or cause to be withheld, from any moneys payable on account of work performed by the contractor or subcontractor under any such contract or any other federal contract with the same prime contractor, or any other federally-assisted contract subject to the Contract Work Hours and Safety Standards Act, which is held by the same prime contractor, such sums as may be determined to be necessary to satisfy any liabilities of such contractor or subcontractor for unpaid wages and liquidated damages as provided in the clause set forth in paragraph (2) of this section.
4. Subcontracts. The contractor or subcontractor shall insert in any subcontracts the clauses set forth in paragraph (1) through (4) of this section and also a clause requiring the subcontractors to include these clauses in any lower-tier subcontracts. The prime contractor shall be responsible for compliance by any subcontractor or lower-tier subcontractor with the clauses set forth in paragraphs (1) through (4) of this section.

Clean Air Act

1. The Grantee agrees to comply with all applicable standards, orders, or regulations issued pursuant to the Clean Air Act, as amended, 42 U.S.C. § 7401 et seq.
2. The Grantee agrees to report each violation to the Authority and understands and agrees that the Authority will, in turn, report each violation as required to assure notification to the Treasury Department and the appropriate Environmental Protection Agency Regional Office.

3. The Grantee agrees to include these requirements in each subcontract exceeding \$100,000 financed in whole or in part with American Rescue Plan Act funding.

Federal Water Pollution Control Act

1. The Grantee agrees to comply with all applicable standards, orders, or regulations issued pursuant to the Federal Water Pollution Control Act, as amended, 33 U.S.C. 1251 et seq.
2. The Grantee agrees to report each violation to the Authority and understands and agrees that the Authority will, in turn, report each violation as required to assure notification to the Treasury Department and the appropriate Environmental Protection Agency Regional Office.
3. The Grantee agrees to include these requirements in each subcontract exceeding \$100,000 financed in whole or in part with American Rescue Plan Act funds.

Debarment and Suspension

Contracts shall not be awarded to parties listed on the governmentwide exclusions in the System for Award Management (SAM) listed at www.sam.gov.

Byrd Anti-Lobbying Amendment

Contractors who apply or bid for an award of \$100,000 or more shall file the required certification. Each tier certifies to the tier above that it will not and has not used federal appropriated funds to pay any person or organization for influencing or attempting to influence an officer or employee of any agency, a member of Congress, officer or employee of Congress, or an employee of a member of Congress in connection with obtaining any federal contract, grant, or any other award covered by 31 U.S.C. § 1352. Each tier shall also disclose any lobbying with non-federal funds that takes place in connection with obtaining any federal award. Such disclosures are forwarded from tier to tier, up to the recipient.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their respective duly authorized officials as of the day and year above written.

**KENTUCKY INFRASTRUCTURE
AUTHORITY**

By: *Richard Detman* For Sandy Williams
Sandy Williams, Executive Director

Date: 06/05/2024

CANNONSBURG WATER DISTRICT

By: *Tim Webb*
Authorized Official

Print Name: Tim Webb

**THIS AGREEMENT HAS BEEN EXAMINED
BY:**

By: *Natalie Lile*
**LEGAL COUNSEL TO THE KENTUCKY
INFRASTRUCTURE AUTHORITY**

CWP GRANT CONDITIONS – COMPLIANCE FORMS & EXHIBITS

Note A: Exhibits 1 through 3 must be completed, scanned, and emailed to the Authority on or before the date the Grantee signs the Conditional Commitment Letter. The Conditional Commitment Letter may be signed electronically or manually, then scanned and emailed to the Authority.

- 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 Copy of the Transparency Act Reporting Information Form

Note B: Upon receipt of the signed Conditional Commitment Letter and the Authority's verification of Exhibits 1-3, the Authority will forward to the Grantee the Grant Assistance Agreement. The Grantee should proceed to complete Exhibits 4 through 7, scan and send each Exhibit to the Authority by email; and then the Authorized Official may sign the Assistance Agreement, either electronically or by scanning and send attached to email.

- Exhibit 4 A) Grantee Resolution (Accepting Grant, Approving Agreement, Amending Budget, Designating an Authorized Official)
 B) Certificate of Recording Officer
- Exhibit 5 Opinion of Legal Counsel Relating to the Grantee Resolution
- Exhibit 6 A) Copy of the Engineering Services Contract; and
 B) Grantee & Engineer Fee Confirmation

Note C: The Grantee may request 50% of the engineering design fee (as budgeted in the Project Profile) at this point and may request the balance of the engineering design fee once Exhibit 8 has been sent to the Authority.

- Exhibit 7 Copy of the Kentucky eClearinghouse Endorsement Letter with Comments.
- Exhibit 8 Copy of the DOW Approval Letter of Project Engineering Plans & Specifications.
- Exhibit 9 Copy of the bid package signed by (A) Engineer, (B1) Authorized Official, and (B2) Title Attorney, as appropriate.
- Exhibit 10 Certification Regarding Utility Accounting, Cost-Based Rates and Auditing.
- Exhibit 11 Certificate of Project Completion.

Exhibit 19
2024 Annual Report

19500 Cannonsburg Water District 01/01/2024 - 12/31/2024

Title Page

Name of Respondent		Addr Line 1	Addr Line 2	City	State	Zip
Water Districts/Associations						
Annual Report of						
Respondent	Cannonsburg Water District	1606 Cannonsburg Road		Ashland	KY	41102

19500 Cannonsburg Water District 01/01/2024 - 12/31/2024

Principal Payment and Interest Information

Amount		Yes/No	PSC Case No.
Amount of Principal Payment During Calendar Year		\$235,762.00	
Is Principal Current?		y	
Is Interest Current?		y	
Has all long-term debt been approved by the Public Service Commission?		y	

Services Performed by Independent CPA

Yes/No	A/C/R	Audit Date
Are your financial statements examined by a Certified Public Accountant?		
Enter Y for Yes or N for No	y	
If yes, which service is performed?		
Enter an X on each appropriate line		
Audit	x	
Compilation		
Review		
Date of Audit		4/30/2025
Please enclose a copy of the accountant's report with annual report.		

19500 Cannonsburg Water District 01/01/2024 - 12/31/2024

Additional Requested Information

Name		Electronic Info
Name of Utility and Web Address	Cannonsburg Water District	www.cannonsburgwater.com
Contact Name and Email Address		
	Tim Webb	tim@cannonsburgwater.com
	Sherry Gallion	sherry@cannonsburgwater.com

Additional Information Required

Case Num	Date	Explain

Major Water Projects

Provide details about each major water project which is planned but has not yet been submitted for approval to the Public Service commission.

For the limited purpose of this report, a "Major Project" is defined as one which is not in the ordinary course of business, and will increase your current utilityplant by at least 20 percent.

Brief Project Description: (improvement, replacement,building construction, expansion. If expansion, provide the estimated number of new customers):

Projected Costs and Funding Sources/Amounts:

Approval Status: (Application for financial assistance filed, but not approved; or application approved, but have not advertised for construction bids)

Location: (community, area or nearby roads)

19500 Cannonsburg Water District 01/01/2024 - 12/31/2024

History-Legal Name (Ref Page: 4)

1. Exact name of utility making this report.

(Use the words "The", "Company" or "Incorporated" only when part of the corporate name.)

Cannonsburg Water District

19500 Cannonsburg Water District 01/01/2024 - 12/31/2024

History-Location (Ref Page: 4)

	Name	Address	City	State	Zip	Phone
Give the location, including street and number, and TELEPHONE NUMBER of the principal office in KY.						
principal office in KY	Cannonsburg Water District	1606 Cannonsburg Road	Ashland	KY	41102	
Give name, title, address and TELEPHONE NUMBER of the officer to whom correspondence concerning this report should be addressed.						
	Tim Webb	1606 Cannonsburg Road	Ashland	KY	41102	
Location where books are located	Sherry Gallion	1606 Cannonsburg Road	Ashland	KY	41102	
Name of the Headquartered County	Boyd					

History-Date Organized (Ref Page: 4)

Date	
Date of Organization	6/10/1966

History-Laws of Organization (Ref Page: 4)

List
If a consolidated or merger company, name all contingent and all merged companies. Give reference to charters or general laws governing each, and all amendments of same
Date and Authority for each consolidation and each merger.

19500 Cannonsburg Water District 01/01/2024 - 12/31/2024

History-Departments (Ref Page: 4)

List
State whether respondent is a water district or association
Name all operating departments other than water

Boyd, Greenup

19500 Cannonsburg Water District 01/01/2024 - 12/31/2024

History - Number of Employees (Ref Page: 5)

		Count
Number of Full-time employees	10	
Number of Part-time employees	0	

19500 Cannonsburg Water District 01/01/2024 - 12/31/2024

Contacts (Ref Page: 6)

	Title	Last Name	First Name	Bus. Addr.	Salary	Term Expires	County of Residence
Person to send correspondence:	Treasurer	Hunt	Sam	1606 Cannonsburg Road, Ashland, KY 41102			
Person who prepared this report	CPA	Lane	Joel	219 Young Lane, Mount Sterling, KY 40353			
Managers							
	Manager	Webb	Tim	1606 Cannonsburg Road, Ashland, KY 41102	\$83,689.00		

19500 Cannonsburg Water District 01/01/2024 - 12/31/2024

Commissioners (Water Districts Only)

Item	Explain
Have visited the Water Commissioner site using the link provided below.	y
Attest Commissioners listed below are correct for the report period and current commissioner details are up to date.	y

Commissioners during Report						
Title	First Name	Last Name	Appointment	TermExpires	County Of Residence	Salary
Member	Marty	Bays	11/17/2020	11/17/2024	Boyd	6000.00
Treasurer	Sam	Hampton Jr.	11/17/2020	11/17/2024	Boyd	6000.00
Secretary	Mark	Kazee	11/17/2020	11/17/2024	Boyd	6000.00
Chair	Robert	McGuire	2/9/2021	2/9/2025	Boyd	6000.00
Commissioner	Tim	Smith	11/12/2024	11/12/2029	Boyd	6000.00
Member	Pam	Vanhoose	10/11/2022	10/11/2026	Boyd	6000.00

19500 Cannonsburg Water District 01/01/2024 - 12/31/2024

Balance Sheet - Assets and Other Debits (Ref Page: 7)

	Previous Year	Current Year
UTILITY PLANT		
Utility Plant (101-106)	\$10,843,710.00	\$10,899,283.00
Less: Accumulated Depreciation and Amortization (108-110)	\$5,478,494.00	\$5,740,558.00
Net Plant	\$5,365,216.00	\$5,158,725.00
Utility Plant Acquisition Adjustments (Net) (114-115)		
Other Utility Plant Adjustments (116)		
Total Net Utility Plant	\$5,365,216.00	\$5,158,725.00
OTHER PROPERTY AND INVESTMENTS		
Nonutility Property (121)		
Less: Accumulated Depreciation and Amortization (122)		
Net Nonutility Property		
Investment in Associated Companies (123)		
Utility and Other Investments (124-125)		
Sinking Funds (126)		
Other Special Funds (127)		
Total Other Property and Investments		
CURRENT AND ACCRUED ASSETS		
Cash (131)	\$1,339,254.00	\$1,318,998.00
Special Deposits (132)	\$1,101,147.00	\$933,246.00
Other Special Deposits (133)		
Working Funds (134)		
Temporary Cash Investments (135)		
Accounts and Notes Receivable, Less Accumulated Provision for Uncollectible Accounts (141-144)	\$349,222.00	\$376,258.00
Accounts Receivable from Associated Companies (145)		
Notes Receivable from Associated Companies (146)		
Materials and Supplies (151-153)	\$150,602.00	\$150,602.00
Stores Expense (161)		
Prepayments (162)	\$22,614.00	\$25,321.00
Accrued Interest and Dividends Receivable (171)		
Rents Receivable (172)		
Accrued Utility Revenues (173)		

19500 Cannonsburg Water District 01/01/2024 - 12/31/2024

Balance Sheet - Assets and Other Debits (Ref Page: 7)

	Previous Year	Current Year
Misc. Current and Accrued Assets (174)	\$436,427.00	\$293,346.00
Total Current and Accrued Assets	\$3,399,266.00	\$3,097,771.00
DEFERRED DEBITS		
Unamortized Debt Discount and Expense (181)		
Extraordinary Property Losses (182)		
Preliminary Survey and Investigation Charges (183)		
Clearing Accounts (184)		
Temporary Facilities (185)		
Misc. Deferred Debits (186)		
Research and Development Expenditure (187)		
Total Deffered Debits		
TOTAL ASSETS AND OTHER DEBITS	\$8,764,482.00	\$8,256,496.00

19500 Cannonsburg Water District 01/01/2024 - 12/31/2024

Balance Sheet - Equity Capital and Liabilities (Ref Page: 9)

	Previous Year	Current Year
EQUITY CAPITAL		
Appropriated Retained Earnings (214)		
Retained Earnings From Income before contributions (215.1)	\$1,319,044.00	\$1,253,058.00
Donated Capital (215.2)	\$3,557,688.00	\$3,586,959.00
Total Equity Capital	\$4,876,732.00	\$4,840,017.00
LONG-TERM DEBT		
Bonds (221)	\$1,600,000.00	\$1,527,000.00
Reaquired Bonds (222)		
Advances from Associated Companies (223)		
Other Long-Term Debt (224)		
Total Long Term Debt	\$1,600,000.00	\$1,527,000.00
CURRENT AND ACCRUED LIABILITIES		
Accounts Payable (231)	\$217,054.00	\$216,467.00
Notes Payable (232)	\$207,528.00	\$44,766.00
Accounts Payable to Associated Co. (233)		
Notes Payable to Associated Co (234)		
Customer Deposits (235)	\$22,150.00	\$22,150.00
Accrued Taxes (236)	\$11,384.00	\$16,076.00
Accrued Interest (237)	\$2,111.00	\$13,382.00
Matured Long-Term Debt (239)		
Matured Interest (240)		
Tax Collections Payable (241)		
Misc. Current and Accrued Liabilities (242)	\$1,827,523.00	\$1,576,638.00
Total Current and Accrued Liabilities	\$2,287,750.00	\$1,889,479.00
DEFFERRED CREDITS		
Unamortized Premium on Debt (251)		
Advances for Construction (252)		
Other Deferred Credits (253)		
Total Deferred Credits		
OPERATING RESERVES		
Accumulated Provision For:		
Property Insurance (261)		

19500 Cannonsburg Water District 01/01/2024 - 12/31/2024

Balance Sheet - Equity Capital and Liabilities (Ref Page: 9)

	Previous Year	Current Year
Injuries and Damages (262)		
Pensions and Benefits (263)		
Miscellaneous Operating Reserves (265)		
Total Operating Reserves		
Total Equity Capital and Liabilities	\$8,764,482.00	\$8,256,496.00

19500 Cannonsburg Water District 01/01/2024 - 12/31/2024

Comparative Operating Statement (Ref Page: 11)

	Previous Year	Current Year
UTILITY OPERATING INCOME		
Operating Revenues (400)	\$3,214,216.00	\$2,978,422.00
Operating Expenses (401)	\$2,545,924.00	\$2,699,888.00
Depreciation Expenses (403)	\$266,497.00	\$262,064.00
Amortization of Utility Plant Acquisition Adjustment (406)		
Amortization Expense (407)		
Taxes Other Than Income (408.10-408.13)	\$57,209.00	\$41,548.00
Utility Operating Expenses	\$2,869,630.00	\$3,003,500.00
Utility Operating Income	\$344,586.00	(\$25,078.00)
Income From Utility Plant Leased to Others (413)		
Gains (Losses) from Disposition of Utility Property (414)		
Total Utility Operating Income	\$344,586.00	(\$25,078.00)
OTHER INCOME AND DEDUCTIONS		
Revenues From Merchandising, Jobbing and contract work (415)		
Costs and Expenses of Merchandising, Jobbing and Contract Work (416)		
Interest and Dividend Income (419)	\$8,277.00	\$11,968.00
Allowance for funds Used During Constructions (420)		
Nonutility Income (421)	\$25,336.00	\$32,050.00
Miscellaneous Nonutility Expenses (426)		
Total Other Income and Deductions	\$33,613.00	\$44,018.00
TAXES APPLICABLE TO OTHER INCOME		
Taxes Other Than Income (408.20)		
Total Taxes Applic. to Other Income		
INTEREST EXPENSE		
Interest Expense (427)	\$51,098.00	\$55,655.00
Amortization of Debt Discount and Exp. (428)		
Amortization of Premium on Debt (429)		
Total Interest Expense	\$51,098.00	\$55,655.00
EXTRAORDINARY ITEMS		
Extraordinary Income (433)		
Extraordinary Deductions (434)		

19500 Cannonsburg Water District 01/01/2024 - 12/31/2024

Comparative Operating Statement (Ref Page: 11)

	Previous Year	Current Year
Total Extraordinary Items		
NET INCOME BEFORE CONTRIBUTIONS	\$327,101.00	(\$36,715.00)

19500 Cannonsburg Water District 01/01/2024 - 12/31/2024

Statement of Retained Earnings (Ref Page: 12)

Description		Total
Appropriated Retained earnings (214)		
(state balance and purpose of each appropriated amount at year end:)		
Total Appropriated Retained Earnings		
Retained Earnings From Income Before Contributions (215.1)		
Balance beginning of year		\$1,319,044.00
Balance transferred from Net Income Before Contributions (435)		(\$36,715.00)
Changes to account:		
Appropriations of Retained Earnings (436)		
Adjustments to Retained Earnings (439)		
(requires Commission approval prior to use):		
Credits		
		\$0.00
Debits		
	Adjust to GASB 34	\$29,271.00
Balance End of Year		\$1,253,058.00

19500 Cannonsburg Water District 01/01/2024 - 12/31/2024

Statement of Retained Earnings (cont. 215.2) (Ref Page: 12)

Description	Tapping Fees	Grants	Other	Total
Donated Capital (215.2)				
Balance Beginning of the Year	\$0.00	\$0.00	\$3,557,688.00	\$3,557,688.00
Credits				
Proceeds from capital contributions (432)				
Other Credits (explain)				
adjust to actual per GASB 34	\$0.00	\$0.00	\$29,271.00	\$29,271.00
Debits (explain - requires Commission Approval)				
Balance End of Year	\$0.00	\$0.00	\$3,586,959.00	\$3,586,959.00

19500 Cannonsburg Water District 01/01/2024 - 12/31/2024

Net Utility Plant (Accts. 101-106) (Ref Page: 13)

Total	
Utility Plant in Service (101)	\$10,843,710.00
Utility Plant Leased to Others (102)	
Property Held for Future Use (103)	
Utility Plant Purchased or Sold (104)	
Construction Work in Progress (105)	\$55,573.00
Completed Construction Not Classified (106)	
Total Utility Plant	\$10,899,283.00

19500 Cannonsburg Water District 01/01/2024 - 12/31/2024

Accumulated Depreciation (Acct. 108) (Ref Page: 13)

Description	Total
Balance First of Year	\$5,478,494.00
Credit during year	
Accruals Charged to Account 108.1	\$262,064.00
Accruals Charged to Account 108.2	
Accruals Charged to Account 108.3	
Accruals Charged to Other Acccounts (specify)	
(specify)	
Salvage Value Recovered on Plant Retired	
Other Credits	
(specify)	
Total Credits	\$262,064.00
Debits during year:	
Book Cost of Plant Retired	
Cost of Removal	
Other Debits	
(specify)	
Total Debits	
Balance at End of Year	\$5,740,558.00

19500 Cannonsburg Water District 01/01/2024 - 12/31/2024

Water Utility Plant Accounts (Ref Page: 14)

	Prev Year (c)	Additions (d)	Retirement (e)	Current Yr(f)	Intngble. Plant (g)	Supply & Pump.	Water Treatmnt.	Trans. and Distr.	General Plant
Organization (301)									
Franchises (302)									
Land and Land Rights (303)	\$20,810.00	\$0.00	\$0.00	\$20,810.00	\$0.00	\$0.00	\$0.00	\$12,254.00	\$8,556.00
Structures and Improvements (304)	\$183,350.00	\$0.00	\$0.00	\$183,350.00	\$0.00	\$0.00	\$0.00	\$4,393.00	\$178,957.00
Collecting and Impounding Reservoirs (305)									
Lakes, Rivers and Other Intakes (306)									
Wells and Springs (307)									
Infiltration Galleries and Tunnels (308)									
Supply Mains (309)									
Power Generation Equipment (310)									
Pumping Equipment (311)	\$461,266.00	\$0.00	\$0.00	\$461,266.00	\$0.00	\$0.00	\$0.00	\$461,266.00	\$0.00
Water Treatment Equipment (320)									
Distribution Reservoirs and Standpipes (330)	\$617,973.00	\$0.00	\$0.00	\$617,973.00	\$0.00	\$0.00	\$0.00	\$617,973.00	\$0.00
Transmission and Distribution Mains (331)	\$7,359,208.00	\$0.00	\$0.00	\$7,359,208.00	\$0.00	\$0.00	\$0.00	\$7,359,208.00	\$0.00
Services (333)									
Meters and Meter Installations (334)	\$1,474,180.00	\$0.00	\$0.00	\$1,474,180.00	\$0.00	\$0.00	\$0.00	\$1,474,180.00	\$0.00
Hydrants (335)	\$83,391.00	\$0.00	\$0.00	\$83,391.00	\$0.00	\$0.00	\$0.00	\$83,391.00	\$0.00
Backflow Prevention Devices (336)									

19500 Cannonsburg Water District 01/01/2024 - 12/31/2024

Water Utility Plant Accounts (Ref Page: 14)

	Prev Year (c)	Additions (d)	Retirement (e)	Current Yr(f)	Intngble. Plant (g)	Supply & Pump.	Water Treatmnt.	Trans. and Distr.	General Plant
Other Plant and Misc. Equipment (339)									
Office Furniture and Equip. (340)	\$90,288.00	\$0.00	\$0.00	\$90,288.00	\$0.00	\$0.00	\$0.00	\$0.00	\$90,288.00
Transportation Equipment (341)	\$127,267.00	\$0.00	\$0.00	\$127,267.00	\$0.00	\$0.00	\$0.00	\$0.00	\$127,267.00
Stores Equipment (342)									
Tools, Shop and Garage Equip (343)	\$80,570.00	\$0.00	\$0.00	\$80,570.00	\$0.00	\$0.00	\$0.00	\$0.00	\$80,570.00
Laboratory Equipment (344)									
Power Operated Equipment (345)	\$306,505.00	\$0.00	\$0.00	\$306,505.00	\$0.00	\$0.00	\$0.00	\$306,505.00	\$0.00
Communication Equipment (346)	\$38,902.00	\$0.00	\$0.00	\$38,902.00	\$0.00	\$0.00	\$0.00	\$0.00	\$38,902.00
Miscellaneous Equipment (347)									
Other Tangible Plant (348)									
Total Water Plant	\$10,843,710.00	\$0.00	\$0.00	\$10,843,710.00	\$0.00	\$0.00	\$0.00	\$10,319,170.00	\$524,540.00

19500 Cannonsburg Water District 01/01/2024 - 12/31/2024

Analysis of Accumulated Depreciation and Amortization by Primary Acct (Ref Page: 15)

	Balance Beg	Yr(c)	Cr-Chg Dep Exp(d)	Other Credits (e)	Charges-Plant Ret(f)	Other Charges (g)	Balance End Yr (h)
Organization (301)							
Franchises (302)							
Land and Land Rights (303)							
Structures and Improvements (304)	\$164,031.00		\$4,735.00	\$0.00	\$0.00	\$0.00	\$168,766.00
Collecting and Impounding Reservoirs (305)							
Lake, River and Other Intakes (306)							
Wells and Springs (307)							
Infiltration Galleries and Tunnells (308)							
Supply Mains (309)							
Power Generating Equipment (310)							
Pumping Equipment (311)	\$433,397.00		\$6,515.00	\$0.00	\$0.00	\$0.00	\$439,912.00
Water Treatment Equipment (320)							
Distributions Reservoirs and Standpipes (330)	\$490,725.00		\$9,609.00	\$0.00	\$0.00	\$0.00	\$500,334.00
Transmission and Distribution Mains (331)	\$3,130,835.00		\$147,150.00	\$0.00	\$0.00	\$0.00	\$3,277,985.00
Services (333)							
Meters and Meter Installations (334)	\$671,719.00		\$72,374.00	\$0.00	\$0.00	\$0.00	\$744,093.00
Hydrants (335)	\$75,465.00		\$687.00	\$0.00	\$0.00	\$0.00	\$76,152.00
Backflow Prevention Devices (336)							
Other Plant and Miscellaneous Equipment (339)							
Office Furniture and Equip. (340)	\$90,291.00		\$0.00	\$0.00	\$0.00	\$0.00	\$90,291.00
Transportation Equipment (341)	\$127,268.00		\$0.00	\$0.00	\$0.00	\$0.00	\$127,268.00
Stores Equipment (342)							

19500 Cannonsburg Water District 01/01/2024 - 12/31/2024

Analysis of Accumulated Depreciation and Amortization by Primary Acct (Ref Page: 15)

	Balance Beg Yr(c)	Cr-Chg Dep Exp(d)	Other Credits (e)	Charges-Plant Ret(f)	Other Charges (g)	Balance End Yr (h)
Tools, Shop and Garage Equip (343)	\$80,570.00	\$0.00	\$0.00	\$0.00	\$0.00	\$80,570.00
Laboratory Equipment (344)						
Power Operated Equipment (345)	\$175,291.00	\$20,994.00	\$0.00	\$0.00	\$0.00	\$196,285.00
Communication Equipment (346)	\$38,902.00	\$0.00	\$0.00	\$0.00	\$0.00	\$38,902.00
Miscellaneous Equipment (347)						
Other Tangible Plant (348)						
Totals	\$5,478,494.00	\$262,064.00	\$0.00	\$0.00	\$0.00	\$5,740,558.00

19500 Cannonsburg Water District 01/01/2024 - 12/31/2024

Accumulated Amortization (Acct. 110) (Ref Page: 16)

Description	Total
Balance First of Year	
Credit during year	
Accruals Charged to Account 110.1	
Accruals Charged to Account 110.2	
Other Credits	
(specify)	
Total Credits	
Debits during year:	
Book Cost of Plant Retired	
Other Debits	
(specify)	
Total Debits	
Balance end of Year	

19500 Cannonsburg Water District 01/01/2024 - 12/31/2024

Utility Plant Acquisition Adjustments (Accts. 114-115) (Ref Page: 16)

Description	Total
Acquisition Adjustments (114)	
(specify)	
Total Plant Acquisition Adjustments	
Accumulated Amortization (115)	
(specify)	
Total Accumulated Amortization	
Net Aquisition Adjustments	

19500 Cannonsburg Water District 01/01/2024 - 12/31/2024

Accounts and Notes Receivable - Net (Accts 141-144) (Ref Page: 18)

Description	Total
Accounts and Notes Receivable	
Customer Accounts Receivable (141)	\$418,064.00
Other Accounts Receivable (142)	
Total Other Accounts Receivable	
Notes Receivable (144)	
Total Notes Receivable	
Total Accounts and Notes Receivable	\$418,064.00
Accumultated Provision for Uncollectible Accounts (143)	
Balance First of Year	\$38,802.00
Add:	
Provision for uncollectibles for current year	\$3,004.00
Collections of accountst previously written off	
Other	
(specify)	
Total Additions	\$3,004.00
Deduct accounts written off during year:	
Other	
(specify)	
Total Deductions	
Balance end of Year	\$41,806.00
Total Accounts and Notes Receivable - Net	\$376,258.00

Investments and Special Funds (Ref Page: 17)

Description (a)	Face or Par Value (b)	Year End Book Cost
Investment in Associated Companies (123)		
Total Investment in Associated Companies		
Utility Investments (124)		
Total Utility Investments		
Other Investments (125)		
Total Other Investments		
Sinking Funds (126)		
Total Sinking Funds		
Other Special Funds (127)		
Total Other Special Funds		

19500 Cannonsburg Water District 01/01/2024 - 12/31/2024

Materials and Supplies (151-153) (Ref Page: 19)

Total	
Plant Materials and Supplies (151)	\$150,602.00
Merchandise (152)	
Other Materials and Supplies (153)	
Total Materials and Supplies	\$150,602.00

19500 Cannonsburg Water District 01/01/2024 - 12/31/2024

Prepayments (Acct. 162) (Ref Page: 19)

Description	Total
Prepaid Insurance	\$25,321.00
Prepaid Rents	
Prepaid Interest	
Prepaid Taxes	
Other Prepayments	
(Specify)	
Total Prepayments	\$25,321.00

19500 Cannonsburg Water District 01/01/2024 - 12/31/2024

Miscellaneous Deferred Debits (Acct. 186) (Ref Page: 20)

Total	
Miscellaneous Deferred Debits (186)	
Deferred Rate Case Expense (186.1)	
Other Deferred Debits (186.2)	
Regulatory Assets (186.3)	
Total Miscellaneous Deferred Debits	

Unamortized Debt Discount and Expense and Premium on Debt (Accts 181 and 251) (Ref Page: 20)

Description	Amt Written Off during year	Year End Balance
Unamortized Debt Discount and Expense (181)		
Total Unamortized Debt Discount and Expense		
Unamortized Premium on Debt (251)		
Total Unamortized Premium on Debt		

19500 Cannonsburg Water District 01/01/2024 - 12/31/2024

Extraordinary Property Losses (Acct. 182) (Ref Page: 21)

Description	Total
Extraordinary Property Losses (182)	
(Specify)	
Total Extraordinary Property Losses	

19500 Cannonsburg Water District 01/01/2024 - 12/31/2024

Advances for Construction (Acct. 252) (Ref Page: 21)

Total	
Balance First of Year	
Add credits during year	
Deduct charges during year	
Balance end of year	

19500 Cannonsburg Water District 01/01/2024 - 12/31/2024

Long Term Debt (Ref Page: 22)

Description of Obligation (a)	Issue Date (b)	Mature Date (c)	Interest Expense for Year Rate (d)	Interest Expense for Year Amount(e)	Principal per Balance Sheet Date (f)
Total					

19500 Cannonsburg Water District 01/01/2024 - 12/31/2024

Bonds - Account 221 (Ref Page: 23)

	Par Value of Actual Issue (1)	Cash Realized on Actual Issue (2)	Par Val of Amt. Held by or for Respondent (3)	Actually Outstanding at Close of Year (4)	Interest During Year Accrued (5)	Interest During Year Actually Paid (6)
	\$416,000.00	\$416,000.00	\$0.00	\$36,000.00	\$3,064.00	\$4,222.00
	\$1,668,000.00	\$1,668,000.00	\$0.00	\$1,491,000.00	\$52,591.00	\$36,938.00
Total	\$2,084,000.00	\$2,084,000.00	\$0.00	\$1,527,000.00	\$55,655.00	\$41,160.00

19500 Cannonsburg Water District 01/01/2024 - 12/31/2024

Schedule of Bond Maturities (Ref Page: 23)

Bond Numbers (7)	Maturity Date (8)	Interest Rate (9)	Principal Amt (10)	Amounts Paid (11)	Remaing Bonds Outstanding (12)
KRWFC	01/01/2029	7.0000	\$81,000.00	\$45,000.00	\$36,000.00
USDA 2015	01/01/2055	3.2500	\$1,519,000.00	\$28,000.00	\$1,491,000.00
Total			\$1,600,000.00	\$73,000.00	\$1,527,000.00

(The total of Column 12 must agree with the total of col 4)

19500 Cannonsburg Water District 01/01/2024 - 12/31/2024

Notes Payable (Accts 232 and 234) (Ref Page: 24)

Description	Nominal Date of Issue	Date of Maturity	Int. Rate	Int. Payment	Principal Amt Per Bal Sheet
Account 232 - Notes Payable					
KIA B18-011	06/01/2020	12/01/2039	1.7500	\$817.00	\$44,766.00
KIA C290991	06/01/2021	12/01/2024	2.0000	\$2,407.00	\$0.00
Total Account 232				\$3,224.00	\$44,766.00
Account 234 - Notes Payable to Associated Companies					
Total Account 234					

Accounts Payable to Associated Companies (Acct. 233) (Ref Page: 24)

Description	Total
Show Payable to Each Associated Company Seperately	
(Specify)	
Total	

19500 Cannonsburg Water District 01/01/2024 - 12/31/2024

Taxes Accrued (Acct. 236) (Ref Page: 25)

	Total
Balance First of Year	\$11,384.00
Accruals Charged:	
Utility regulatory assessment fees (408.10)	
Property taxes (408.11)	
Payroll taxes (employer`s portion) (408.12)	\$32,009.00
Other taxes and licenses (408.13)	\$9,539.00
Taxes other than income, other income and deductions (408.20)	
Total taxes accrued	\$41,548.00
Taxes paid during year:	
Utility regulatory assessment fees (408.10)	
Property taxes (408.11)	
Payroll taxes (employer`s portion) (408.12)	\$32,009.00
Other taxes and licenses (408.13)	\$4,847.00
Taxes other than income, other income and deductions (408.20)	
Total Taxes Paid	\$36,856.00
Balance end of year	\$16,076.00

19500 Cannonsburg Water District 01/01/2024 - 12/31/2024

Accrued Interest (Account 237) (Ref Page: 25)

Description of Debt (a)	Balance Beg of Year (b)	Interest Accrued(c)	Interest Paid (d)	Balance End of Year (e)
Long Term Debt:				
	\$2,111.00	\$3,064.00	\$4,222.00	\$953.00
	\$0.00	\$49,367.00	\$36,938.00	\$12,429.00
	\$0.00	\$817.00	\$817.00	\$0.00
	\$0.00	\$2,407.00	\$2,407.00	\$0.00
Notes Payable:				
Customer Deposits:				
Other				
Total Acct. No 237	\$2,111.00	\$55,655.00	\$44,384.00	\$13,382.00

19500 Cannonsburg Water District 01/01/2024 - 12/31/2024

Miscellaneous Current and Accrued Liabilities (Acct. 242) (Ref Page: 26)

Description		Balance End Year
	Accrued compensated absences	\$35,487.00
	NPL	\$1,050,162.00
	OPEB	(\$30,405.00)
	Deferred inflows	\$521,394.00
Total Miscellaneous Current and Accrued Liabilities		\$1,576,638.00

19500 Cannonsburg Water District 01/01/2024 - 12/31/2024

Regulatory Commission Expense(Acct 666 and 667) (Ref Page: 26)

Description of Case (Docket No.) (a)	Total Incurred During Year (b)	Amt Transferred to Acct 186.1 (c)	Expensed During Year (d)	Acct	Expensed During Year Amount (e)
Total					

19500 Cannonsburg Water District 01/01/2024 - 12/31/2024

Water Operating Revenue (Ref Page: 27)

	Beginning Year Customers	Year End Customers	Amount
Operating Revenues			
Unmetered Water Revenue (460)			
Metered Water Revenue (461)			
Sales to Residential Customers (461.1)	3,454	3,517	\$1,471,494.00
Sales to Commercial Customers (461.2)	277	279	\$886,527.00
Sales to Industrial Customers (461.3)	2	2	\$160,128.00
Sales to Public Authorities (461.4)			
Sales to Multiple Family Dwellings (461.5)			
Sales through Bulk Loading Stations (461.6)			
Total Metered Sales	3,733	3,798	\$2,518,149.00
Fire Protection Revenue (462)			
Public Fire Protection (462.1)			
Private Fire Protection (462.2)			
Total Fire Protection Revenue			
Other Sales to Public Authorities (464)			
Sales to Irrigation Customers (465)			
Sales for Resale (466)	2	2	\$388,771.00
Interdepartmental Sales (467)			
Total Sales of Water	3,735	3,800	\$2,906,920.00
Other Water Revenues			
Guaranteed Revenues (469)			
Forfeited Discounts (470)			
Miscellaneous Service Revenues (471)			\$45,386.00
Rents from Water Property (472)			\$15,795.00
Interdepartments Rents (473)			
Other Water Revenues (474)			\$10,321.00
Total Other Water Revenues			\$71,502.00
Total Water Operating Revenues			\$2,978,422.00

19500 Cannonsburg Water District 01/01/2024 - 12/31/2024

Water Utility Expense Accounts (Ref Page: 28)

	Current Year (c)	Supply and Exp- Op. (d)	Supply and Exp- Maint. (e)	Water Treatmnt. Exp-Op. (f)	Water Treatmnt Exp-Maint. (g)	Trans and Dist. Exp- Op (h)	Trans and Dist. Exp- Maint. (i)	Customer Accts Exp. (j)	Admin and Gen Exp.
Salaries and Wages-Employees (601)	\$593,010.00	\$0.00	\$0.00	\$0.00	\$386,264.00	\$0.00	\$0.00	\$35,719.00	\$171,027.00
Salaries and Wages-Officers, Directors and Majority Stockholders (603)	\$29,001.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$29,001.00
Employee Pensions and Benefits (604)	\$373,177.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$373,177.00
Purchased Water (610)	\$1,076,157.00	\$1,076,157.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Purchased Power (615)	\$70,701.00	\$67,101.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$3,600.00
Fuel for Power Production (616)	\$725.00	\$725.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Chemicals (618)									
Materials and Supplies (620)	\$161,795.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$161,795.00	\$0.00	\$0.00
Contractual Services - Eng. (631)									
Contractual Services - Acct. (632)	\$8,950.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$8,950.00
Contractual Services - Legal (633)	\$9,673.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$9,673.00
Contractual Services - Management Fees (634)									
Contractual Serves - Water Testing (635)									
Contractual Services - Other (636)	\$165,294.00	\$0.00	\$0.00	\$0.00	\$165,294.00	\$0.00	\$0.00	\$0.00	\$0.00
Rental of Bld./Real Property (641)									

19500 Cannonsburg Water District 01/01/2024 - 12/31/2024

Water Utility Expense Accounts (Ref Page: 28)

	Current Year (c)	Supply and Exp- Op. (d)	Supply and Exp- Maint. (e)	Water Treatmnt. Exp-Op. (f)	Water Treatmnt Exp-Maint. (g)	Trans and Dist. Exp- Op (h)	Trans and Dist. Exp- Maint. (i)	Customer Accts Exp. (j)	Admin and Gen Exp.
Rental of Equipment (642)									
Transportation Expenses (650)	\$25,480.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$25,480.00	\$0.00	\$0.00
Insurance - Vehicle (656)									
Insurance - General Liability (657)	\$44,157.00	\$44,157.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Insurance - Worker's Compensation (658)	\$12,087.00	\$0.00	\$0.00	\$0.00	\$12,087.00	\$0.00	\$0.00	\$0.00	\$0.00
Insurance - Other (659)									
Advertising Expenses (660)									
Regulatory Commission Exp.									
- Amortization of Rate Case (666)									
-Other (667)									
Water Resource Conservation Expense (668)									
Bad Debt (670)									
Miscellaneous Expenses (675)	\$129,681.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$129,681.00
Total	\$2,699,888.00	\$1,188,140.00	\$0.00	\$0.00	\$563,645.00	\$0.00	\$187,275.00	\$35,719.00	\$725,109.00

19500 Cannonsburg Water District 01/01/2024 - 12/31/2024

Pumping and Water Statistics - part one (Ref Page: 29)

	Water Purchased For Resale (Omit 000' s) (b)	Water Pumped from Wells (Omit 000' s) (c)	Total Water Pumped and Purchased (Omit 000' s) (d)	Water Sold To Customers (Omit 000' s) (e)
January	32,323	0	32,323	26,025
February	28,897	0	28,897	23,905
March	26,097	0	26,097	21,806
April	28,897	0	28,897	24,930
May	31,618	0	31,618	29,098
June	30,434	0	30,434	28,738
July	32,266	0	32,266	29,185
August	32,696	0	32,696	29,556
September	29,203	0	29,203	26,845
October	29,026	0	29,026	24,481
November	26,635	0	26,635	23,424
December	26,900	0	26,900	23,677
Total for the year	354,992	0	354,992	311,670

19500 Cannonsburg Water District 01/01/2024 - 12/31/2024

Pumping and Water Statistics - part two (Ref Page: 29)

Gallons	Date
Maximum Gallons pumped by all methods in any one day (Omit 000's)	
Minimum Gallons pumped by all methods in any one day (Omit 000's)	

19500 Cannonsburg Water District 01/01/2024 - 12/31/2024

Pumping and Water Statistics - part three (Ref Page: 29)

List	
If water is purchased indicate the following:	
Vendor	City of Ashland, Kentucky
Point of Delivery	Cannonsburg Water District

19500 Cannonsburg Water District 01/01/2024 - 12/31/2024

Pumping and Water Statistics - part four (Ref Page: 29)

Entity Receiving Water	Maximum Daily	Maximum Monthly
If water is sold to other water utilities for redistribution, identify all entities with whom the utility has a water sales contract and the maximum quantity the utility is under contract		
to provide daily and monthly. If unlimited then list "unlimited" otherwise list in thousands of gallons.		

19500 Cannonsburg Water District 01/01/2024 - 12/31/2024

Sales For Resale (466) (Ref Page: 30)

Company	Gallons (Omit 000`s)	Avg. Rate Per 1000 Gallons (Cents)	Amount
Big Sandy	1,057	\$229.54	\$4,607.51
Greenup	86,049	\$223.99	\$384,163.94
Total	87,106		\$388,771.45

19500 Cannonsburg Water District 01/01/2024 - 12/31/2024

Water Statistics (Ref Page: 30)

Description		Gallons (Omit 000`'s)	Percent
1. Water Produced, Purchased and Distributed			
2. Water Produced			
3. Water Purchased		354,992	
4. Total Produced and Purchased		354,992	
6. Water Sales:			
7. Residential		148,932	
8. Commercial		54,159	
9. Industrial		20,622	
10. Bulk Loading Stations			
11. Wholesale		87,106	
12. Public Authorities			
13. Other Sales (explain)	Other Sales	851	
14. Total Water Sales		311,670	
16. Other Water Used			
17. Utility/water treatment plant			
18. Wastewater plant			
19. System flushing		2,169	
20. Fire department		45	
21. Other Usage (explain)	Office, Shop, Sampling	482	
22. Total Other Water Used		2,696	
24. Water Loss			
25. Tank Overflows			
26. Line Breaks		3,431	
27. Line Leaks			
28. Excavation Damages			
29. Theft			
30. Other Loss (Explain)	Unknown	37,195	
31. Total Water Loss		40,626	
Note: Line 14 + Line 22 + Line 31 must equal Line 4			
Water Loss Percentage			
Line 31 divided by Line 4			11.4442

19500 Cannonsburg Water District 01/01/2024 - 12/31/2024

Plant Statistics (Ref Page: 31)

Give the following information	
Number of fire hydrants, by size	240 6"
Number of private fire hydrants, by size	10 6"
If produced whether water supply is river, impounded streams, well,springs,artificial lake,or collector well	n/a
If produced whether supply is by gravity, pumping or a combination	n/a
Type, capacity, and elevation of reservoirs at overflow and ground level	1 – 1,000,000 Standpipe Tank, 917' Elevation, 1 – 300,000 Standpipe Tank, 917' Elevation, 1 – 141,000 Standpipe Tank, 1,068' Elevation, 1 – 50,000 Standpipe Tank, 1,068' Elevation, 1 – 30,000 Standpipe Tank, 946' Elevation
Miles of main by size and kind	0.1 Miles 16", 15 Miles 12", 1.0 Miles 19", 21.0 Miles 8", 50.0 Miles 6", 3.0 Miles 4", 90.0 Miles 3"
Types of filters: gravity or pressure, number of units and total rated in capacity in gal. per min.	water is purchased already filtered
Type of disinfectant, number of units and capacity in pounds per 24 hours	water is purchased already filtered
Station Equipment. List each pump,giving type and capacity, HP of driving unit and character of driving unit(steam/electric/int. combustion) also whether pump is high/ low duty	1– 100 H.P. Heavy Duty Electric Motor & Vertical Pumps, 2 – 7 ½ H.P. Heavy Duty Electric Motor & Horizontal Pumps, 2 – 30 H.P. Heavy Duty Electric Motor & Vertical Pumps, 2 – 50 H.P. Heavy Duty Electric Motor & Horizontal Pumps, 2 – 7 ½ H.P. Heavy Duty Electric Motor & Vertical Pumps
Quantity of fuel used: coal in lbs., gas in cu.ft., oil in gals.,and electric in KWH	508,063 kwh, 153.mcf
Give description and total cost of any sizable additions or retirements to plant and service outside the normal system of growth for the period covered by this report	n/a
Capacity of clear well	n/a
Peak month, in gallons of water sold	unknown
Peak day, in gallons of water sold	unknown

Plant Statistics - Part B (Ref Page: 31)

Type	
Choose one to indicate the type of Water Supply	Purchase

Plant Statistics - Part C (Ref Page: 31)

Type	
Choose one to indicate the type of Water Supply Method	Combination

19500 Cannonsburg Water District 01/01/2024 - 12/31/2024

CheckList

Item	Value 1	Value 2	Agree	Explain
------	---------	---------	-------	---------

NOTE: Any mention of page numbers or Line items refers to the annual report published and distributed for the 2002 report period.

Identifications pages (ref 4-6) have been completed.

Balance Sheet - Assets and Other Debts (ref. pg 7)

Utility Plant (Accts 101-106) agrees with Sched: Net Utility Plants Accts 101-106 (ref pg 13) Line: Total Utility Plant	10899283.00	10899283.00	OK	
---	-------------	-------------	----	--

Accts 108-110 Acc. Depreciation and Amort. agrees with Sched: Analysis of Acc. Dep. and Amort. (ref pg 15) Line: Total 301-348 Col h	5740558.00	5740558.00	OK	
--	------------	------------	----	--

Accts 114-115 Utility Plant Acquisition Adjustments agrees with Sched: Utility Plant Acquisition Adjustments (ref pg 16) Line: Net Acquisition Adjustments (114-115)	0	0	OK	
---	---	---	----	--

Accts 123 Investment in Assoc. Companies agrees with Sched: Investments and Spec. Funds (ref pg 17) Line: Total Investment in Associated Companies	0	0	OK	
--	---	---	----	--

Accts 124-125 Utility Investments agrees with Sched: Investments and Spec. Funds (ref pg 17) Sum of Lines: 124 Total Utility Investments and 125 Total Other Investments	0	0	OK	
---	---	---	----	--

Accts 126 Sinking Funds agrees with Sched: Investments and Spec. Funds (ref pg 17) Line: 126 Total Sinking Funds	0	0	OK	
--	---	---	----	--

Accts 127 Other Special Funds agrees with Sched: Investments and Spec. Funds (ref pg 17) Line: Total 127 Other Special Funds	0	0	OK	
--	---	---	----	--

Accts 141-144 Accounts and Notes Receivable agrees with Sched: Accts and Notes Receivable (ref pg 18) Line: Net Balance 141-144	376258.00	376258.00	OK	
---	-----------	-----------	----	--

Accts 151-153 Material and Supplies agrees with Sched: Material and Supplies (ref pg 19) Line: Total 151-153	150602.00	150602.00	OK	
--	-----------	-----------	----	--

19500 Cannonsburg Water District 01/01/2024 - 12/31/2024

CheckList

Item	Value 1	Value 2	Agree	Explain
Accts 162 Prepayments agrees with Sched: Prepayments (ref pg 19) Line: Total 162	25321.00	25321.00	OK	
Accts 181 Unamortized Debt Discount and Expense agrees with Sched: Unamortized Debt Discount and Exp. (ref pg 20) Line: Total 181	0	0	OK	
Accts 182 Extraordinary Prop. losses agrees with Sched: Extraordinary Property Losses (ref pg 21) Line: Total 182	0	0	OK	
Accts 186 Misc. Deferred Debits agrees with Sched: Misc. Deferred Debits (ref pg 20) Line: Total 186	0	0	OK	
Balance Sheet - Equity Capitol and Liabilities (ref. pg 9)				
Accts 214 Appropriated Retained Earnings agrees with Sched: Statement of Retained Earnings (ref pg 12) Line: Total Appropriated Retained Earnings 214	0	0	OK	
Accts 215.1 Retained Earnings from Income before Contributions with Sched: Statement of Retained Earnings (ref pg 12) Line: Balance End of Year 215.1	1253058.00	1253058.00	OK	
Accts 215.2 Donated Capital with Sched: Statement of Retained Earnings (cont. 215.2) (ref pg 12) Line: Balance End of Year 215.2	3586959.00	3586959.00	OK	
Accts 221 Bonds agrees with Sched: Account 221 (ref pg 23) Line: Total Outstanding Bonds Col 4	1527000.00	1527000.00	OK	
Accts 221 Bonds agrees with Sched: Schedule of Bond Maturities (ref pg 23) Line: Total Remaining Bonds (Col 12)	1527000.00	1527000.00	OK	
Accts 224 Other Long Term Debt agrees with Sched: Long Term Debt (ref pg 22) Line: Total Acct 224 col f	0	0	OK	
Accts 232 Notes Payable agrees with Sched: Notes Payable (Accts 232 and 234) (ref pg 24) Line: Total Acct 232	44766.00	44766.00	OK	

19500 Cannonsburg Water District 01/01/2024 - 12/31/2024

CheckList

Item	Value 1	Value 2	Agree	Explain
Accts 233 Accounts Payable to Associated Co. agrees with Sched: Accounts Payable to Assoc. Companies (Accts 233) (ref pg 24) Line: Total Acct 233	0	0	OK	
Accts 234 Notes Payable agrees with Sched: Notes Payable (Accts 232 and 234) (ref pg 24) Line: Total Acct 234	0	0	OK	
Accts 236 Taxes Accrued Balance First of Year agrees with Sched: Taxes Accrued (Accts 236) (ref pg 25) Line: Beginning Balance	11384.00	11384.00	OK	
Accts 236 Taxes Accrued agrees with Sched: Taxes Accrued (Accts 236) (ref pg 25) Line: Ending Balance	16076.00	16076.00	OK	
Accts 237 Accrued Interest Balance from Prev Year agrees with Sched: Accrued Interest (Accts 237) (ref pg 25) Line: Total 237 Balance Beginning of Year -Col b	2111.00	2111.00	OK	
Accts 237 Accrued Interest agrees with Sched: Accrued Interest (Accts 237) (ref pg 25) Line: Total 237 Balance End of Year -Col e	13382.00	13382.00	OK	
Accts 242 Misc. Current and Accrued Liabilities agrees with Sched: Misc current and Accrued Liabilities (Accts 242) (ref pg 26) Line: Total Miscellaneous and Current Accrued Liabilities	1576638.00	1576638.00	OK	
Accts 251 Unamortized Premium on Debt agrees with Sched: Unamorted Debt Discount and Expense and Premium on Debt (Accts 181 - 251) (ref pg 20) Line: Total 251	0	0	OK	
Accts 252 Advances for Contruction agrees with Sched: Advances for Contstruction (Accts 252) (ref pg 21) Line: Total 252	0	0	OK	
Total Equity Capital and Liabilities agrees with Balance Sheet - Assets and Other Debits: Total Assets and Other Debits	8256496.00	8256496.00	OK	
Comparitive Operating Statement (ref pg 10)				

19500 Cannonsburg Water District 01/01/2024 - 12/31/2024

CheckList

Item	Value 1	Value 2	Agree	Explain
Accts 400 Operating Revenues agrees with Sched: Water Operating Revenue (Accts 400) (ref pg 27) Line: Total Water Operating Revenues - Col e	2978422.00	2978422.00	OK	
Accts 401 Operating Expenses agrees with Sched: Water Utility Expense Accounts (ref pg 28) Line: Total Accts (601-675) - Col c	2699888.00	2699888.00	OK	
Accts 408.1 Taxes Other than Income agrees with Schedule Taxes Accrued (Acct 236) (ref pg 26) Sum of Accts 408.10 - 408.13	41548.00	41548.00	OK	
Sum of Accts 408.1 and 408.2 agrees with Sched: Taxes Accrued (Acct 236) (ref pg 25) Line: Total taxes Accrued	41548.00	41548.00	OK	
Accts 427 Interest Expense agrees with Sched: Accrued Interest (Acct 237) (ref pg 25) Line: Total Acct No 237 Col c - Interest Accrued	55655.00	55655.00	OK	
Net Income agrees with Sched: Retained Earnings (Acct 237) (ref pg 12) Line: Balance Transferred from Income (Acct 435)	-36715.00	-36715.00	OK	
Miscellaneous				
Schedule Net Utility Plant Accts 101 - 106 (ref pg 13) Utility Plant (101) agrees with Sched: Water Utility Plant Accounts (ref pg 14) Line: Total Water Plant Col f - Current Year	10843710.00	10843710.00	OK	
The analysis of water utility plant accounts Cols c though k has been completed (Ref pg 14)				
The analysis of accumulated depreciation and amortization by primary account has been completed. (Ref pg 14)				
Sched: Misc. Defferred Debits (Acct 186) Deferred Rate Case (Acct 186.1) agrees with Sched: Amort. of Rate Case (Acct 665 and 667) (ref pg 26) Line: Total Col c - Amt Transferred to 186.1	0	0	OK	
Schedule of Long Term Debt has been completed (ref pg 22)				

19500 Cannonsburg Water District 01/01/2024 - 12/31/2024

CheckList

Item	Value 1	Value 2	Agree	Explain
Schedule of Bond Maturities has been completed (ref pg 23)				
Taxes collected (example: school tax, sales tax, franchise tax) have been excluded from Operating Revenue (Ref pg 29)				
The analysis of water opertating revenue Cols c,d and e have been completed. (Ref pg 28)				
The analysis of water utility expense accounts Cols c through k have been completed. (Ref pg 28)				
Schedule of Pumping and Purchased Water Statistics has been completed (Ref pg 29)				
Sched Pumping and Water Statistics - part one (ref pg 29) Line Total for the year - Col Total (d) agrees with Sched Water Statistics (ref pg 30) Line 4. Total Produced and Purchased Col Gallons	354992	354992	OK	
Sched Pumping and Water Statistics - part one (ref pg 29) Line Total for the year - Col Water Sold(e) agrees with Sched Water Statistics (ref pg 30) Line Total Water Sales Col Gallons	311670	311670	OK	
Sched Sales for Resale (ref pg 30) 466 Total Gal agrees with Sched Water Statistics (ref pg 30) Total Water Sales	87106	87106	OK	
Schedule Water Statistics (ref pg 30) Lines 14,22 and 31 must equal Line 4	354992	354992	OK	
Have visited the Water Commissioner site. (Water Districts ONLY)				y
Attest Commissioners listed on the Commissioner Schedule are correct for the report period and current commissioner details are up to date. (Water Districts ONLY)				y
Oath Page Has been Completed				

19500 Cannonsburg Water District 01/01/2024 - 12/31/2024

Upload supporting documents

Document	Description	Supports
SD_19500_2024_1.pdf	(Describe File)	Audit Report

OATH

Commonwealth of Kentucky)
) ss:
 County of Boyd)

Robert McGuire makes oath and says
 (Name of Officer)

that he/she is Chair of
 (Official title of officer)

Cannonsburg Water District
 (Exact legal title or name of respondent)

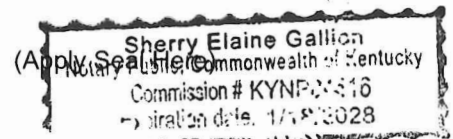
that it is his/her duty to have supervision over the books of account of the respondent and to control the manner in which such books are kept; that he/she knows that such books have, during the period covered by the foregoing report, been kept in good faith in accordance with the accounting and other orders of the Public Service Commission of Kentucky, effective during the said period; that he/she has carefully examined the said report and to have the best of his/her knowledge and belief the entries contained in the said report have, so far as they relate to matters of account, been accurately taken from the said books of account and are in exact accordance therewith; that he/she believes that all other statements of fact contained in the said report are true; and that the said report is a correct and complete statement of the business and affairs of the above-named respondent during the period of time from and including

January 1, 2024, to and including December 31, 2024

Robert McGuire
 (Signature of Officer)

subscribed and sworn to before me, a Notary Public, in and for

the State and County named in the above this May 1, 2025



My Commission expires

11/18/2028
Sherry Elaine Gallion
 (Signature of officer authorized to administer oath)

Exhibit 20

Notification to Local Debt Officer

Page 1

NOTIFICATION OF INTENT TO FINANCE AND APPLICATION FOR DEBT APPROVAL

Form # SLDO-1
Revised 1/1/2011

For DLG staff use only:

File # _____

Received _____

Completion and delivery of this form to the address below shall satisfy the requirements of KRS 65.117, which prohibits any city, county, urban-county, consolidated local government, charter county, special district, or taxing district from entering into any financing obligation of any nature, except leases under \$200,000, without first notifying the state local debt officer in writing. This form shall also serve as application for approval of debt issuance when applicable. An electronic version of the form is available at www.dlg.ky.gov.

✓ **Type of debt to be issued (must check one):** **SLDO Approval Required** **Complete Sections**

<input type="checkbox"/> Short Term Borrowing - KRS 65.7701 et seq.	No	A, B, C
<input type="checkbox"/> Lease from \$200,000 - \$500,000 - KRS 65.940 et seq.	No	A, B, D
<input type="checkbox"/> Lease exceeding \$500,000 - KRS 65.940 et seq.	Yes (Counties only)	A, B, D
<input type="checkbox"/> General Obligation Bond - KRS Chapter 66	Yes (Counties only)	A, B, E
<input type="checkbox"/> Public Project Rev. Bond - KRS Chapter 58	No	A, B, E
<input type="checkbox"/> Public Project Rev. Bond w/Lease - KRS 66.310(2)	Yes (Counties only)	A, B, D, E
<input type="checkbox"/> Industrial Revenue Bond - KRS Chapter 103	Yes (All Borrowers)	A, B, F
<input type="checkbox"/> Other Bonds (True Revenue, Utility Assessment, TIF)	No	A, B, E

X Assistance Agreement/Long Term Borrowing

Section A - Borrower Information

Agency Name Cannonsburg Water District	
Governing Body Cannonsburg Water District Board of Commissioners	
Street Address 1606 Cannonsburg Road	
P.O. Box #	City Ashland
County Boyd	Zip 41102
Authorized Official Robert McGuire, Chairman, Board of Commissioners	

Section B - Terms of Financial Obligation

Please provide all relevant information. Fields in **bold** are mandatory.

Principle Amount: \$2,304,263	Date of Issue: 07/01/2025
Maturity Date(s): 07/01/2045	Payment Schedule: (must attach schedule)
Term: 20 years	Number of Renewal Periods:
Interest Rate(s): 2.00	Type of Interest (fixed or variable): Fixed
Retirement Method: Annual Principal Payment & Semi-Annual Interest Payments	
Lender's Name: Kentucky Infrastructure Authority	
Lender's Address: 100 airport Road, Frankfort, Kentucky 40601	
Right of Termination: None	
Termination Penalties: None	
Prepayment Provisions: District may Prepay without Penalty	
Trustee or Paying Agent:	
AOC Funded Percentage: 0.00	

Page 2

NOTIFICATION OF INTENT TO FINANCE AND APPLICATION FOR DEBT APPROVAL

Form # SLDO-1
Revised 1/1/2011

Section C - Note (Loan) Information/Documentation

Purpose - Briefly explain the documented need that necessitates this note (loan) and the public purpose it is intended to address. (Attach additional information if necessary):

The loan funds will be used to replace approximately 17,000 total linear feet (LF) of problematic asbestos cement water line consisting of 2,000 LF of 12" line and 15,000 LF of 6" line. A 1,000 gallon per minute booster pump station will also be replaced. Approximately 180 service line connections will be installed due to aging service line material. The project will improve water service in the area and help reduce O&M costs associated with daily operations. See attached KIA Staff Analysis.

Pledge of Taxes/Description:

None

Pledge of Revenue/Description:

Revenues from water operations pledged as security; rates will produce 1.2X debt service plus O&M expenses

Pledge of Project Revenues (Attach documentation which substantiates the revenue projections):

See Attached KIA Staff Analysis

Have bids been sought by the local governments to determine the financial and programmatic competitiveness of the note (loan) proposal? ☐ Yes ☒ No

If No, explain what steps were taken to ensure adequate competition.

Loan was secured from Kentucky Infrastructure Authority through the Kentucky State Revolving Fund. KIA is an entity of the Commonwealth of Kentucky. Its rates are below market rates

Required Attachments

1. Certification from local government attesting to the ability to meet additional financial commitments necessitated by the note and statement as to taxes and revenues to be collected during the term of the note.

Section D - Lease Information/Documentation

Describe the real or personal property to be acquired or constructed:

Not applicable. No lease will be executed.

Type of Lease : ☐ General Obligation ☐ Revenue

Is Lease Annually Renewable? ☒ Yes ☐ No

Does Agency seek approval without a hearing? ☐ Yes ☐ No Justification: ☐ Revenue ☐ Refunding

If yes, must attach certification from counsel regarding county obligation.

Does this lease refund a prior lease? ☒ Yes ☐ No

If yes, please state the name, date and principal amount of original issue(s) being refunded:

Required Attachments (If lease requires SLDO approval)

1. Minutes from the local public hearing
2. Affidavit of publication of SLDO hearing (if hearing is required) and newspaper advertisement tear sheet
3. Copy of lease
4. Executed copy of ordinance/resolution of fiscal court authorizing the lease
5. Certification from local government attesting to the ability to meet additional financial commitments necessitated by the lease and statement as to taxes and revenues to be collected during the term of the lease.

Page 3

**NOTIFICATION OF INTENT TO FINANCE
AND APPLICATION FOR DEBT APPROVAL**

Form # SLDO-1

Revised 1/1/2011

Section E - Bond Information/DocumentationPlease provide all relevant information. Fields in **bold** are mandatory**Describe the purpose of the bond:**

Not Applicable. No bonds will be issued.

Bond Counsel:

Counsel Address:

Financial Advisor:

Advisor Address:

Bond Series:**Call Date:**Does this bond refund a prior bond? ☐ Yes ☐ No

If yes, please state the name, date and principal amount of original issue(s) being refunded:


Required Attachments (If SLDO Approval is Required)

1. Minutes from the local public hearing
2. Affidavit of publication of SLDO hearing and newspaper advertisement tear sheet
3. Executed copy of ordinance/resolution of fiscal court authorizing financial plan for the issuance of the bonds
4. Proposed plan of financing
5. Preliminary official statement (if applicable)
6. Sources and uses table

Additional Required Attachments for KRS Chapter 103 Bonds

1. Documentation in an appropriate form substantiating the project's eligibility under KRS 103.2101(1)(a)-(e).
2. If the project requires approval of the reduction in property taxes, attach any documentation provided to agency responsible for approval.

By signing below, the Authorized Official certifies that the foregoing is true and accurate to the best of his or her knowledge.

Name (please print)	Robert McGuire	Date:	05/01/2025
Title:	Chairman	Signature:	

Mail to:

Department for Local Government
Attn: State Local Debt Officer
1024 Capital Center Drive, Suite 340
Frankfort, KY 40601

Fax to: 502-573-3712

KENTUCKY INFRASTRUCTURE AUTHORITY

UNOFFICIAL SEMI-ANNUAL

LOAN #F22-030

CANNONSBURG WATER DISTRICT

2.00% Interest \$70,177.71 P & I Calculation

Payment Date	Principal Due	Interest Due	Interest Rate	Principal & Interest	Servicing Fee	Credit Due	Total Payment	Principal Balance	R & M Reserve	Total Reserve
								\$2,304,263.00		
12/01/25	\$47,135.08	\$23,042.63	2.00%	\$70,177.71	\$2,880.33	\$0.00	\$73,058.04	\$2,257,127.92	\$5,800.00	\$5,800.00
06/01/26	\$47,606.43	\$22,571.28	2.00%	\$70,177.71	\$2,821.41	\$0.00	\$72,999.12	\$2,209,521.49	\$0.00	\$5,800.00
12/01/26	\$48,082.50	\$22,095.21	2.00%	\$70,177.71	\$2,761.90	\$0.00	\$72,939.61	\$2,161,438.99	\$5,800.00	\$11,600.00
06/01/27	\$48,563.32	\$21,614.39	2.00%	\$70,177.71	\$2,701.80	\$0.00	\$72,879.51	\$2,112,875.67	\$0.00	\$11,600.00
12/01/27	\$49,048.95	\$21,128.76	2.00%	\$70,177.71	\$2,641.09	\$0.00	\$72,818.80	\$2,063,826.72	\$5,800.00	\$17,400.00
06/01/28	\$49,539.44	\$20,638.27	2.00%	\$70,177.71	\$2,579.78	\$0.00	\$72,757.49	\$2,014,287.28	\$0.00	\$17,400.00
12/01/28	\$50,034.84	\$20,142.87	2.00%	\$70,177.71	\$2,517.86	\$0.00	\$72,695.57	\$1,964,252.44	\$5,800.00	\$23,200.00
06/01/29	\$50,535.19	\$19,642.52	2.00%	\$70,177.71	\$2,455.32	\$0.00	\$72,633.03	\$1,913,717.25	\$0.00	\$23,200.00
12/01/29	\$51,040.54	\$19,137.17	2.00%	\$70,177.71	\$2,392.15	\$0.00	\$72,569.86	\$1,862,676.71	\$5,800.00	\$29,000.00
06/01/30	\$51,550.94	\$18,626.77	2.00%	\$70,177.71	\$2,328.35	\$0.00	\$72,506.06	\$1,811,125.77	\$0.00	\$29,000.00
12/01/30	\$52,066.45	\$18,111.26	2.00%	\$70,177.71	\$2,263.91	\$0.00	\$72,441.62	\$1,759,059.32	\$5,800.00	\$34,800.00
06/01/31	\$52,587.12	\$17,590.59	2.00%	\$70,177.71	\$2,198.82	\$0.00	\$72,376.53	\$1,706,472.20	\$0.00	\$34,800.00
12/01/31	\$53,112.99	\$17,064.72	2.00%	\$70,177.71	\$2,133.09	\$0.00	\$72,310.80	\$1,653,359.21	\$5,800.00	\$40,600.00
06/01/32	\$53,644.12	\$16,533.59	2.00%	\$70,177.71	\$2,066.70	\$0.00	\$72,244.41	\$1,599,715.09	\$0.00	\$40,600.00
12/01/32	\$54,180.56	\$15,997.15	2.00%	\$70,177.71	\$1,999.64	\$0.00	\$72,177.35	\$1,545,534.53	\$5,800.00	\$46,400.00
06/01/33	\$54,722.36	\$15,455.35	2.00%	\$70,177.71	\$1,931.92	\$0.00	\$72,109.63	\$1,490,812.17	\$0.00	\$46,400.00
12/01/33	\$55,269.59	\$14,908.12	2.00%	\$70,177.71	\$1,863.52	\$0.00	\$72,041.23	\$1,435,542.58	\$5,800.00	\$52,200.00
06/01/34	\$55,822.28	\$14,355.43	2.00%	\$70,177.71	\$1,794.43	\$0.00	\$71,972.14	\$1,379,720.30	\$0.00	\$52,200.00
12/01/34	\$56,380.51	\$13,797.20	2.00%	\$70,177.71	\$1,724.65	\$0.00	\$71,902.36	\$1,323,339.79	\$5,800.00	\$58,000.00
06/01/35	\$56,944.31	\$13,233.40	2.00%	\$70,177.71	\$1,654.17	\$0.00	\$71,831.88	\$1,266,395.48	\$0.00	\$58,000.00
12/01/35	\$57,513.76	\$12,663.95	2.00%	\$70,177.71	\$1,582.99	\$0.00	\$71,760.70	\$1,208,881.72	\$5,800.00	\$63,800.00
06/01/36	\$58,088.89	\$12,088.82	2.00%	\$70,177.71	\$1,511.10	\$0.00	\$71,688.81	\$1,150,792.83	\$0.00	\$63,800.00
12/01/36	\$58,669.78	\$11,507.93	2.00%	\$70,177.71	\$1,438.49	\$0.00	\$71,616.20	\$1,092,123.05	\$5,800.00	\$69,600.00
06/01/37	\$59,256.48	\$10,921.23	2.00%	\$70,177.71	\$1,365.15	\$0.00	\$71,542.86	\$1,032,866.57	\$0.00	\$69,600.00
12/01/37	\$59,849.04	\$10,328.67	2.00%	\$70,177.71	\$1,291.08	\$0.00	\$71,468.79	\$973,017.53	\$5,800.00	\$75,400.00
06/01/38	\$60,447.53	\$9,730.18	2.00%	\$70,177.71	\$1,216.27	\$0.00	\$71,393.98	\$912,570.00	\$0.00	\$75,400.00
12/01/38	\$61,052.01	\$9,125.70	2.00%	\$70,177.71	\$1,140.71	\$0.00	\$71,318.42	\$851,517.99	\$5,800.00	\$81,200.00
06/01/39	\$61,662.53	\$8,515.18	2.00%	\$70,177.71	\$1,064.40	\$0.00	\$71,242.11	\$789,855.46	\$0.00	\$81,200.00
12/01/39	\$62,279.16	\$7,898.55	2.00%	\$70,177.71	\$987.32	\$0.00	\$71,165.03	\$727,576.30	\$5,800.00	\$87,000.00
06/01/40	\$62,901.95	\$7,275.76	2.00%	\$70,177.71	\$909.47	\$0.00	\$71,087.18	\$664,674.35	\$0.00	\$87,000.00
12/01/40	\$63,530.97	\$6,646.74	2.00%	\$70,177.71	\$830.84	\$0.00	\$71,008.55	\$601,143.38	\$5,800.00	\$92,800.00
06/01/41	\$64,166.28	\$6,011.43	2.00%	\$70,177.71	\$751.43	\$0.00	\$70,929.14	\$536,977.10	\$0.00	\$92,800.00
12/01/41	\$64,807.94	\$5,369.77	2.00%	\$70,177.71	\$671.22	\$0.00	\$70,848.93	\$472,169.16	\$5,800.00	\$98,600.00
06/01/42	\$65,456.02	\$4,721.69	2.00%	\$70,177.71	\$590.21	\$0.00	\$70,767.92	\$406,713.14	\$0.00	\$98,600.00
12/01/42	\$66,110.58	\$4,067.13	2.00%	\$70,177.71	\$508.39	\$0.00	\$70,686.10	\$340,602.56	\$5,800.00	\$104,400.00
06/01/43	\$66,771.68	\$3,406.03	2.00%	\$70,177.71	\$425.75	\$0.00	\$70,603.46	\$273,830.88	\$0.00	\$104,400.00
12/01/43	\$67,439.40	\$2,738.31	2.00%	\$70,177.71	\$342.29	\$0.00	\$70,520.00	\$206,391.48	\$5,800.00	\$110,200.00
06/01/44	\$68,113.80	\$2,063.91	2.00%	\$70,177.71	\$257.99	\$0.00	\$70,435.70	\$138,277.68	\$0.00	\$110,200.00
12/01/44	\$68,794.93	\$1,382.78	2.00%	\$70,177.71	\$172.85	\$0.00	\$70,350.56	\$69,482.75	\$5,800.00	\$116,000.00
06/01/45	\$69,482.75	\$694.96	2.00%	\$70,177.71	\$86.85	\$0.00	\$70,264.56	\$0.00	\$0.00	\$116,000.00
Totals	\$2,304,263.00	\$502,845.40		\$2,807,108.40	\$62,855.64	\$0.00	\$2,869,964.04		\$116,000.00	

EXECUTIVE SUMMARY KENTUCKY INFRASTRUCTURE AUTHORITY FUND F, FEDERALLY ASSISTED DRINKING WATER REVOLVING LOAN FUND			Reviewer Date KIA Loan Number WRIS Number	John Brady April 3, 2025 F22-030 (Increase) WX21019057
BORROWER		CANNONSBURG WATER DISTRICT BOYD COUNTY		
BRIEF DESCRIPTION				
The Cannonsburg Water District is requesting a Fund F loan increase in the amount of \$619,180 for the Shoppes Road Water Line Replacement Phase 2 project. The original loan was approved by the KIA Board on July 7, 2022. This will bring their total KIA loan amount up to \$2,304,263. The increase request is due to bids coming in higher than the amount originally budgeted. No additional work is being funded. The project is a continuation of the Water District's water loss reduction efforts established in Phase 1. Approximately 17,000 total linear feet (LF) of problematic asbestos cement water line will be replaced. This consists of 2,000 LF of 12" line and 15,000 LF of 6" line. A 1,000 gallon per minute booster pump station (BPS) will also be replaced. Approximately 180 service line connections will be installed due to aging service line material. The project will improve water service in the area and help reduce O&M costs associated with daily operations.				
PROJECT FINANCING		PROJECT BUDGET		
Fund F Loan	\$1,685,083	Administrative Expenses	\$40,000	
Fund F Loan Increase	619,180	Legal Expenses	50,000	
CWP Grant - 21CWW014	540,517	Land, Easements	20,000	
CWP Grant - 22CWW103	656,599	Eng - Design / Const	206,000	
Local	479,621	Eng - Insp	126,000	
		Eng - Other	38,000	
		Construction	3,182,000	
		Contingency	319,000	
		Other		
TOTAL	\$3,981,000	TOTAL	\$3,981,000	
REPAYMENT	Rate Term	2.00% 20 Years	Est. Annual Payment 1st Payment	\$146,116 6 Mo. after first draw
PROFESSIONAL SERVICES	Engineer Bond Counsel	Bell Engineering Dinsmore & Shohl, LLP		
PROJECT SCHEDULE	Bid Opening Construction Start Construction Stop	Jan-25 Jun-25 Jun-26		
DEBT PER CUSTOMER	Existing Proposed	\$494 \$1,031		
OTHER DEBT		See Attached		
RESIDENTIAL RATES		Users	Avg. Bill	
	Current	3,662	\$48.01 (for 4,000 gallons)	
REGIONAL COORDINATION This project is consistent with regional planning recommendations.				
CASHFLOW	Cash Flow Before Debt Service	Debt Service	Cash Flow After Debt Service	Coverage Ratio
Audited 2021	362,474	110,286	252,188	3.3
Audited 2022	596,418	279,313	317,105	2.1
Audited 2023	564,510	280,740	283,770	2.0
Projected 2024	532,661	282,941	249,720	1.9
Projected 2025	501,775	109,469	392,306	4.6
Projected 2026	605,181	69,957	535,224	8.7
Projected 2027	382,360	216,347	166,013	1.8
Projected 2028	347,885	216,547	131,338	1.6

CANNONSBURG WATER DISTRICT
FINANCIAL SUMMARY (DECEMBER YEAR END)

	Audited	Audited	Audited	Projected	Projected	Projected	Projected	Projected
	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>
Balance Sheet								
Assets								
Current Assets	1,162,301	1,472,693	1,861,692	1,961,558	2,146,180	2,398,770	2,465,175	2,517,710
Other Assets	6,762,074	7,251,750	6,902,792	6,786,127	6,755,014	10,691,126	10,424,712	10,137,493
Total	<u>7,924,375</u>	<u>8,724,443</u>	<u>8,764,484</u>	<u>8,747,685</u>	<u>8,901,194</u>	<u>13,089,896</u>	<u>12,889,887</u>	<u>12,655,203</u>
Liabilities & Equity								
Current Liabilities	299,905	475,003	512,746	345,091	310,615	427,399	428,922	430,472
Long Term Liabilities	3,408,516	3,699,809	3,375,004	3,331,937	3,299,256	5,454,554	5,304,566	5,153,528
Total Liabilities	<u>3,708,421</u>	<u>4,174,812</u>	<u>3,887,750</u>	<u>3,677,028</u>	<u>3,609,871</u>	<u>5,881,953</u>	<u>5,733,488</u>	<u>5,584,000</u>
Net Assets	<u>4,215,954</u>	<u>4,549,631</u>	<u>4,876,734</u>	<u>5,070,657</u>	<u>5,291,323</u>	<u>7,207,943</u>	<u>7,156,399</u>	<u>7,071,203</u>
Cash Flow								
Revenues	2,896,440	3,087,027	3,214,216	3,214,216	3,469,409	3,823,604	3,823,604	3,823,604
Operating Expenses	2,534,785	2,491,984	2,657,983	2,689,832	2,975,911	3,226,700	3,449,521	3,483,996
Other Income	819	1,375	8,277	8,277	8,277	8,277	8,277	8,277
Cash Flow Before Debt Service	<u>362,474</u>	<u>596,418</u>	<u>564,510</u>	<u>532,661</u>	<u>501,775</u>	<u>605,181</u>	<u>382,360</u>	<u>347,885</u>
Debt Service								
Existing Debt Service	110,286	279,313	280,740	282,941	109,469	69,957	70,231	70,431
Proposed KIA Loan	0	0	0	0	0	0	146,116	146,116
Total Debt Service	<u>110,286</u>	<u>279,313</u>	<u>280,740</u>	<u>282,941</u>	<u>109,469</u>	<u>69,957</u>	<u>216,347</u>	<u>216,547</u>
Cash Flow After Debt Service	<u>252,188</u>	<u>317,105</u>	<u>283,770</u>	<u>249,720</u>	<u>392,306</u>	<u>535,224</u>	<u>166,013</u>	<u>131,338</u>
Ratios								
Current Ratio	3.9	3.1	3.6	5.7	6.9	5.6	5.7	5.8
Debt to Equity	0.9	0.9	0.8	0.7	0.7	0.8	0.8	0.8
Days Sales in Accounts Receivable	39.0	41.0	39.7	39.7	39.7	39.7	39.7	39.7
Months Operating Expenses in Unrestricted Cash	3.4	4.7	6.0	6.4	6.4	6.7	6.5	6.6
Debt Coverage Ratio	3.3	2.1	2.0	1.9	4.6	8.7	1.8	1.6

Reviewer: John Brady
Date: April 3, 2025
Loan Number: F22-030 Increase

**KENTUCKY INFRASTRUCTURE AUTHORITY
DRINKING WATER STATE REVOLVING FUND (FUND F)
CANNONSBURG WATER DISTRICT, BOYD COUNTY
PROJECT REVIEW
WX21019057**

I. PROJECT DESCRIPTION

The Cannonsburg Water District is requesting a Fund F loan increase in the amount of \$619,180 for the Shoppes Road Water Line Replacement Phase 2 project. The original loan was approved by the KIA Board on July 7, 2022. This will bring their total KIA loan amount up to \$2,304,263. The increase request is due to bids coming in higher than the amount originally budgeted. No additional work is being funded. The project is a continuation of the Water District's water loss reduction efforts established in Phase 1. Approximately 17,000 total linear feet (LF) of problematic asbestos cement water line will be replaced. This consists of 2,000 LF of 12" line and 15,000 LF of 6" line. A 1,000 gallon per minute booster pump station (BPS) will also be replaced. Approximately 180 service line connections will be installed due to aging service line material. The project will improve water service in the area and help reduce O&M costs associated with daily operations.

The Water District currently serves 3,359 residential customers and 253 commercial and other customers.

II. PROJECT BUDGET

	Total
Administrative Expenses	\$ 40,000
Legal Expenses	50,000
Land, Easements	20,000
Engineering Fees - Design	160,000
Engineering Fees - Construction	46,000
Engineering Fees - Inspection	126,000
Engineering Fees - Other	38,000
Construction	3,182,000
Contingency	319,000
Total	\$ 3,981,000

III. PROJECT FUNDING

	<u>Amount</u>	<u>%</u>
Fund F Loan	\$ 1,685,083	42%
Fund F Loan Increase	619,180	16%
CWP 1	540,517	14%
CWP 2	656,599	16%
Local	479,621	12%
Total	\$ 3,981,000	100%

IV. KIA DEBT SERVICE

Construction Loan	\$ 2,304,263
Less: Principal Forgiveness	0
Amortized Loan Amount	\$ 2,304,263
Interest Rate	2.00%
Loan Term (Years)	20
Estimated Annual Debt Service	\$ 140,355
Administrative Fee (0.25%)	5,761
Total Estimated Annual Debt Service	\$ 146,116

V. PROJECT SCHEDULE

Bid Opening:	January 2025
Construction Start:	June 2025
Construction Stop:	June 2026

VI. CUSTOMER COMPOSITION AND RATE STRUCTURE

A) Customers

<u>Customers</u>	<u>Current</u>
Residential	3,359
Commercial	253
Other	50
Total	3,662

B) Rates

	Current	Prior
Date of Last Rate Increase	02/01/25	05/13/19
Minimum (2,000 Gallons)	\$27.13	\$25.33
Next 3,000 Gallons (Per 1,000)	10.44	9.54
Cost for 4,000 gallons	\$48.01	\$44.41
Increase %	8.1%	
Affordability Index (Rate/MHI)	0.8%	0.7%

VII. DEMOGRAPHICS

Based on current Census data from the American Community Survey 5-Year Estimate 2018-2022, the Utility's service area population is 8,919 with a Median Household Income (MHI) of \$76,070. The MHI for the Commonwealth is \$60,183. When the original loan was approved the Utility's service area MHI was 59,708 and the State's MHI was 50,589. The loan will qualify for a 2.00% interest rate.

VIII. 2021 CAPITALIZATION GRANT EQUIVALENCIES

- 1) Green Project Reserve - The Drinking Water capitalization grant does not contain a "green" requirement.
- 2) Additional Subsidization – This project does not qualify for additional subsidization.

IX. FINANCIAL ANALYSIS

Financial information was obtained from the audited financial statements for the years ended December 31, 2021 through December 31, 2023. 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 11% from \$2.89 million in 2021 to \$3.21 million in 2023 due to water loss savings. Operating expenses increased 4.9% from \$2.5 million to \$2.65 million during the same period due to increased purchased water costs. The debt coverage ratio was 3.3, 2.1, and 2.0 in 2021, 2022, and 2023.

The balance sheet reflects a current ratio of 3.6, a debt-to-equity ratio of 0.8, 39.7 days of sales in accounts receivable, and 6.0 months of operating expenses in unrestricted cash.

PROJECTIONS

Projections are based on the following assumptions:

- 1) Water revenues will increase 8.1% in 2025 due to an existing rate increase previously approved by the Public Service Commission (PSC) and 10.4% in 2026 due to a proposed rate increase.
- 2) General operating expenses will increase 2% annually due to inflation.
- 3) Purchased water expenses will increase 23.8% in 2025, 16.5% in 2026, and 12.3% in 2027 due to rate increases from the City of Ashland, which have been approved by the PSC.
- 4) Debt service coverage is 1.8 in 2027 when principal and interest repayments begin.

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

The Water District is regulated by the PSC and will need to apply, pursuant to KRS 278.300, for debt authorization for the \$2,304,263 loan and must receive a Certificate of Public Convenience and Necessity, pursuant to KRS 278.020.

REPLACEMENT RESERVE

The replacement reserve will be 5% (\$116,000 total) of the final amount borrowed to be funded annually (\$5,800 yearly) each December 1 for 20 years and maintained for the life of the loan.

X. DEBT OBLIGATIONS

	Outstanding	Maturity
KRWFC Note	\$ 81,000	2025
USDA Note	1,519,000	2055
KIA Loan B18-011	47,355	2039
KIA Loan C20-001	160,173	2024
Total	\$ 1,807,528	

XI. CONTACTS

Legal Applicant

Entity Name	Cannonsburg Water District
Authorized Official	Robert McGuire (Chairman)
County	Boyd
Email	tim@cannonsburgwater.com
Phone	(606) 928-9808
Address	1606 Cannonsburg Rd Ashland, KY 41102

Applicant Contact

Name	Tim Webb
Organization	Cannonsburg Water District
Email	tim@cannonsburgwater.com
Phone	(606) 928-9808
Address	1606 Cannonsburg Rd Ashland, KY 41102

Project Administrator

Name	Jasper Ball
Organization	FIVCO ADD
Email	jasper@fivco.org
Phone	(606) 929-1366
Address	32 FIVCO Ct Grayson, KY 41143

Consulting Engineer

PE Name	Ben Allen
Firm Name	Bell Engineering
Email	ballen@hkbell.com
Phone	(859) 278-5412
Address	2480 Fortune Dr, Ste 350 Lexington, KY 40509

XII. RECOMMENDATIONS

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

From: Brown, Robert O (DLG) <RobertO.Brown@ky.gov>
Sent: Friday, May 2, 2025 8:41 AM
To: Tina Frederick; Dale, Lisa A (DLG)
Cc: Damon R. Talley; Abney, Jefferson (DLG)
Subject: RE: Notification of Issuance of Debt Instrument - Cannonsburg Water District



Good morning, Tina. We are in receipt of this notification. An official acknowledgement letter will be forthcoming.

FYI – In the future please send all your notifications to Mr. Jefferson Abney. His email is Jefferson.Abney@ky.gov

Thank you.



Robert O. Brown
Executive Director
State Local Finance Officer
Office of the Governor
Department for Local Government
Financial Mgt. & Administration
100 Airport Road, 3rd Floor
Frankfort, Kentucky 40601
(502) 892-3433

From: Tina Frederick <tina.frederick@skofirm.com>
Sent: Friday, May 2, 2025 7:17 AM
To: Brown, Robert O (DLG) <RobertO.Brown@ky.gov>; Dale, Lisa A (DLG) <lisa.dale@ky.gov>
Cc: Damon R. Talley <Damon.Talley@skofirm.com>
Subject: Notification of Issuance of Debt Instrument - Cannonsburg Water District

****CAUTION** PDF attachments may contain links to malicious sites. Please contact the COT Service Desk ServiceCorrespondence@ky.gov for any assistance.**

Mr. Brown and Ms. Dale:

Good morning.

Stoll Keenon Ogden PLLC represents Cannonsburg Water District (“the District”) in its efforts to secure funding for certain water system improvements.

The Kentucky Infrastructure Authority (“KIA”) has agreed to lend to the District \$2,304,263 to finance those improvements to be repaid over a 20-year period. This loan will be evidenced by an Assistance Agreement between the two entities. In accordance with KRS 65.117(1), the District hereby gives notice of its intent to execute such an Assistance Agreement and enter a long-term debt obligation with KIA. Attached is a completed Notification of Intent to Finance Form containing specific information regarding the proposed long-term debt obligation.

I respectfully request that receipt of this electronic mail message and its attachment be acknowledged by separate email message.

Please contact me if there are any questions regarding the proposed long-term debt obligation.

Sincerely,

Tina Frederick



Tina Frederick
Attorney

tina.frederick@skofirm.com
Direct: 859.231.3951
Main: 859.231.3000

Stoll Keenon Ogden PLLC
300 W. Vine St., Suite 2100
Lexington, KY 40507

Louisville | Lexington | Indianapolis | Evansville | Frankfort | Jeffersonville

Stoll Keenon Ogden PLLC is Mansfield Certified. skofirm.com

Confidentiality Notice: This e-mail message is for the sole use of the recipient(s) and may contain confidential and privileged information. Any unauthorized review, use, disclosure or distribution is prohibited. If you are not the intended recipient(s), please contact the sender by reply e-mail and destroy all copies of the original message.

If you are a client of this firm, we respectfully remind you that to avoid waiver of the attorney-client privilege, you should not send, forward, or show this e-mail or attachments to anyone else. Thank you.

Exhibit 21

Detailed Estimate of Acquired Property
by
Account

**Detailed Estimate of Acquired Property Classified According
To The Uniform System of Accounts for
Class A/B Water Districts and Associations**

**Cannonsburg Water District
Shopes Creek Road Area Water System Improvement Project**

Account No.	Account Description	Estimate
304	Structures & Improvements	\$ 721,426
311	Pumping Equipment	\$ 180,000
331	Transmission and Distribution Mains	\$2,753,020
333	Services	\$ 193,510
334	Meters	\$ 24,000
335	Hydrants	\$ 109,044
	TOTAL	\$3,981,000