

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

IN THE MATTER OF:

<b>ELECTRONIC APPLICATION OF WESTERN</b>	)
<b>PULASKI COUNTY WATER DISTRICT FOR A</b>	)
<b>CERTIFICATE OF PUBLIC CONVENIENCE AND</b>	)
<b>NECESSITY TO CONSTRUCT A SYSTEM</b>	)
<b>IMPROVEMENTS PROJECT AND AN ORDER</b>	)
<b>AUTHORIZING THE ISSUANCE OF SECURITIES</b>	)
<b>PURSUANT TO 278.300</b>	)

**Case No. 2025-00179**

\*\*      \*\*\*      \*\*\*\*      \*\*\*\*\*      \*\*\*\*\*      \*\*\*      \*\*

**APPLICATION**

**ORDER REQUESTED ON OR BEFORE AUGUST 15, 2025**

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

1.        Western Pulaski District was established in accordance with the provisions of Chapter 74 of the Kentucky Revised Statutes pursuant to an Order of the Pulaski County Judge/Executive, which Order is on file in the County Court Order Books in the office of the Pulaski County Clerk. Western Pulaski District is now, and has been since its inception, regulated by the Commission, and

all records and proceedings of the Commission with reference to Western Pulaski District are incorporated in this Application by reference. Western Pulaski District does not have any Articles of Incorporation due to the fact that it is a statutory entity.

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

3. The mailing address of Western Pulaski District is as follows:

Western Pulaski County Water District  
c/o Ms. Tammy Vaught, Office Manager  
2128 West Highway 80  
Somerset, Kentucky 42503  
Telephone: (606) 679-1569  
Fax: (606) 677-9449  
Email: [tamora.vaught@gmail.com](mailto:tamora.vaught@gmail.com)

4. A general description of Western Pulaski District's system property, together with a statement of the original cost, is contained in Western Pulaski District's Annual Report for 2024 which is on file with the Commission. For convenience purposes, a copy of the 2024 Annual Report is attached hereto as **Exhibit "A"**.

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

(i) **Section 15(2)(a):** Facts Relied Upon to Show Public Necessity: The proposed Project, the need for the Project and the alternatives considered are described in **Exhibit "B"** attached hereto. The Project was bid on May 23, 2025 and the bids expire on August 23, 2025. The bid solicitation process and contractor selection process are described in detail in **Exhibit "C"**

attached hereto along with an affidavit of publication of the Advertisement for Bids and tearsheet. The recommendation letter of Monarch Engineering, Inc., dated May 28, 2025 is attached hereto as **Exhibit "D"**. The notice to proceed with the Project will not be delivered until the Commission has issued the CPCN.

- (ii) **Section 15(2)(b):** Copies of Permits: Required permits are attached hereto as **Exhibit "E"**. The Kentucky Transportation Cabinet highway permit is in process but not yet been received. Said permit will be filed with the Commission as soon as same is released.
- (iii) **Section 15(2)(c):** Description of Proposed Location or Route. Construction of the Project is being performed within the boundaries of Western Pulaski District and is detailed in the location map referred to in paragraph 5(iv) below. The proposed Project will not compete with any other public utilities and will not result in any wasteful duplication.
- (iv) **Section 15(2)(d)(1):** Maps to Suitable Scale: one electronic storage medium map suitable to scale showing the location of the proposed Project, as well as the location of like facilities owned by others located anywhere within the map area is being electronically filed with this Application.
- (v) **Section 15(2)(d)(2):** Plans and Specifications: The signed, sealed and dated Plans and Specifications in .pdf format on electronic storage medium are being electronically filed with this Application.

- (vi) **Section 15(2)(e):** Financing: Western Pulaski District is financing the Project with the proceeds of a 20 year loan from the Kentucky Infrastructure Authority Infrastructure Revolving Loan Fund (B25-006), approved by KIA on February 6, 2025, in the principal amount not to exceed \$4,000,000 at an interest rate of 1.25% per annum (the "KIA Loan"). The KIA Loan will be evidenced by an Assistance Agreement between Western Pulaski District and KIA and Western Pulaski District has received a conditional commitment letter from KIA dated February 7, 2025 (the "Commitment"). A copy of the Commitment is attached hereto as **Exhibit "F"**. The proposed amortization schedule on the KIA Loan is attached hereto as **Exhibit "G"**. A special condition of the KIA Loan (see Attachment B, paragraph XI - Recommendations to the Commitment) provides that Western Pulaski District adopt a resolution demonstrating their intention to increase rates to meet KIA's required 1.1 debt coverage ratio. A copy of the signed Resolution is attached hereto as **Exhibit "H"**.
- (vii) **Section 15(2)(f):** Statement of Estimated Annual Cost of Operation: a statement of the estimated annual cost of operation after the Project is placed in service is attached hereto as **Exhibit "I"**.

6. The detailed Statements of Net Position; Statements of Revenue, Expenses and Changes in Net Position; and Statements of Cash Flows for the twelve month periods ending on December 31, 2022 and 2023 are attached hereto as **Exhibit "J"** respectively.

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

- (i) **Section 12(1)(a):** Western Pulaski District states that it had less than \$5,000,000 in gross annual revenue in the immediate past calendar year and that no material changes have occurred since December 31, 2023.
- (ii) **Section 12(2)(a), (b) and (c) Stock:** Western Pulaski District does not have any authorized, issued or outstanding stock as of the date hereof.
- (iii) **Section 12(2)(d) Mortgages:** Western Pulaski District does not have any outstanding mortgages as of the date hereof.
- (iv) **Section 12(2)(e), (f) and (g) Indebtedness:** The information concerning the outstanding indebtedness of Western Pulaski District is contained in Note 3 to the financial statements which is attached hereto as **Exhibit "K"**.
- (v) **Section 12(2)(h) Dividends:** Western Pulaski District has no outstanding stock and therefore pays no dividends.
- (vi) **Section 12(2)(i) Financial Statements:** See **Exhibit "J"** attached hereto.

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

- (i) **Section 18(1)(a):** Western Pulaski District has complied with the requirements of 807 KAR 5:001, Section 14.
- (ii) **Section 18(1)(b):** A general description of Western Pulaski District's property, its field of operation and a statement of original cost of said

property and the cost to Western Pulaski District is contained in Western Pulaski District's 2024 Annual Report filed herewith as **Exhibit "A"**.

- (iii) **Section 18(1)(c):** Western Pulaski District is not issuing any stock as part of this financing. The information concerning the proposed KIA Loan is contained in this Application, the Commitment and the supporting exhibits. The KIA Loan will be secured by and payable from the gross revenues of Western Pulaski District's water system.
- (iv) **Section 18(1)(d):** Western Pulaski District is not refunding any outstanding obligations in connection with this Project. The proceeds of the KIA Loan are being used for the construction of the Project described in **Exhibit "B"**.
- (v) **Section 18(1)(e):** See paragraph 5(i) above and paragraph 8(x) below.
- (vi) **Section 18(1)(f):** Western Pulaski District is not refunding any outstanding obligations in connection with this Project.
- (vii) **Section 18(1)(g):** Written notification of the proposed issuance of the KIA Loan is being provided to the State Local Debt Officer (see **Exhibit "L"** attached hereto).
- (viii) **Section 18(2)(a):** See paragraph #7 above.
- (ix) **Section 18(2)(b):** Western Pulaski District does not have any outstanding trust deeds or mortgages.
- (x) **Section 18(2)(c):** A detailed estimate of the acquired property, arranged according to the Uniform System of Accounts for Class A/B Water Districts and Associations is attached hereto as **Exhibit "M"**.

9. Copies of the bid tabulations as certified by the Engineers for the Project are attached hereto as **Exhibit “N”**.

10. The Final Project Budget is attached hereto as **Exhibit “O”**.


11. No rate adjustment is being requested in connection with this Application. Western Pulaski District is under a mandate to file an Alternate Rate Adjustment case on or before July 31, 2026 using 2025 test year numbers pursuant to Case No. 2024-00348.

12. As stated in Paragraph 5(i), the Project was bid on May 23, 2025 and said bids expire on August 23, 2025. Accordingly, Western Pulaski District respectfully requests that the Commission issue its Order on or before **August 15, 2025** in order to provide Western Pulaski District with sufficient time to finalize the contract with Weddle Enterprises, Inc. prior to the bid expiration date.


**WHEREFORE**, the Western Pulaski County Water District respectfully requests that the Commission take the following actions:

- A. Grant Western Pulaski District a Certificate of Public Convenience and Necessity to construct the Project on or before **August 15, 2025**;
- B. Authorize the issuance of securities and execution of the KIA Assistance Agreement evidencing the KIA Loan in the principal amount not to exceed \$4,000,000; and
- C. Grant Western Pulaski District any other relief to which it is entitled.

Western Pulaski County Water District

By   
Joel L. Wilson, Chairman  
2128 West Highway 80  
Somerset, Kentucky 42503  
Telephone: (606) 679-1569  
Fax: (606) 677-9449  
Email: [tamora.vaught@gmail.com](mailto:tamora.vaught@gmail.com)

Rubin & Hays

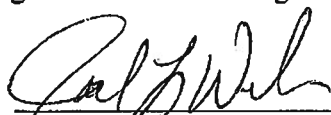
By   
W. Randall Jones  
Kentucky Home Trust Building  
450 South Third Street  
Louisville, Kentucky 40202  
Phone: (502) 569-7534  
Fax: (502) 569-7555  
Counsel for Western Pulaski County Water District  
[wrjones@rubinhays.com](mailto:wrjones@rubinhays.com)



STATE OF KENTUCKY                    )  
  ) SS  
COUNTY OF PULASKI                )

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

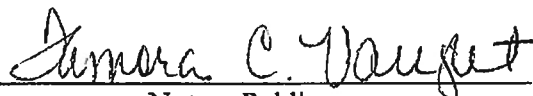
IN TESTIMONY WHEREOF, witness the signature of the undersigned on the 10<sup>th</sup> day of June, 2025.



Joel L. Wilson, Chairman

SUBSCRIBED, SWORN TO AND ACKNOWLEDGED before me by Joel L. Wilson, Chairman of the Western Pulaski County Water District on this the 10<sup>th</sup> day of June, 2025.

My Commission expires: 12/27/25.

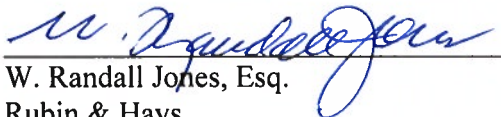


Notary Public

Notary ID#: KYNP41388

### **CERTIFICATE OF SERVICE**

The undersigned, in accordance with 807 KAR 5:001, Section 8, hereby certifies that Western Pulaski County Water District's electronic filing of the foregoing Application is a true and accurate copy of the same document being transmitted via electronic filing to the Kentucky Public Service Commission on June 11, 2025; that there are currently no parties that the Kentucky Public Service Commission has excused from participation by electronic means in this proceeding.

A handwritten signature in blue ink, appearing to read "W. Randall Jones", is written over a horizontal line.

W. Randall Jones, Esq.

Rubin & Hays

Kentucky Home Trust Building

450 South Third Street

Louisville, Kentucky 40202

Phone: (502) 569-7534

Fax: (502) 569-7555

Counsel for Western Pulaski County Water District

[wrjones@rubinhays.com](mailto:wrjones@rubinhays.com)

## **LIST OF EXHIBITS**

<b><u>Exhibit</u></b>	<b><u>Description</u></b>
A	2024 Annual Report
B	Project Narrative, Need and Alternatives
C	Bid Solicitation and Contractor Selection Process
D	Engineers Letter of Recommendation
E	Permits
F	KIA Commitment Letter
G	Proposed KIA Amortization Schedule
H	Rate Resolution
I	Estimated Annual Cost of Operation
J	Financial Statements
K	Note 3 to Financial Statements
L	Notification to State Local Debt Officer
M	Estimate of Property Acquired
N	Certified Bid Tabulation
O	Final Project Budget

# **EXHIBIT A**

## **2024 Annual Report**

**The 2024 Annual Report is being electronically  
filed as a separate document**

## **EXHIBIT B**

### **Project Narrative, Need and Alternatives**

**PROGRAM NARRATIVE – PROJECT NECESSITY  
WESTERN PULASKI COUNTY WATER DISTRICT  
FAUBUSH/NANCYAREA WATER TRANSMISSION MAIN – PHASE 2**

**PROJECT DESCRIPTION**

The Western Pulaski County Water District is proposing to replace approximately 18,250 LF of existing 6-inch water line along KY Highway 80 and a portion along KY Highway 196 with new 12-inch ductile water main. The new 12-inch water transmission main will be installed from Gover Lane to just past the intersection KY Highway 80 and KY Highway 196 going towards the Faubush Community. The new 12-inch water main will be installed parallel with an existing 8-inch water line and the existing 6-inch water line that is to be abandoned. This project is the continuation of an ongoing project to extend the new 12-inch water transmission main from a recently installed 1200 GPM Lees Ford water pump station which lies adjacent to the Fishing Creek Bridge on Lake Cumberland to the Faubush Community.

**NEED FOR THE PROJECT**

The necessity of the project is due to the pressing deficiencies related to the demand of the water system in the Faubush and Jabez Communities in the western and southwestern portions of Pulaski County, Kentucky. Problems related to the water quantity threaten the reliability and safety of the distribution system and could lead to major problems if left unaddressed.

This portion of the project is a second phase of a three-phase project. The existing 6-inch water line that lies along Kentucky Highway 80 from Gover Lane to KY Highway 196 to Faubush is undersized to carry the flow and demand of the growth around Lake Cumberland in the Faubush and Jabez Communities. Demand has increased tremendously over the past five years and is continually growing around the lake community with new lake homes and tiny homes being developed continuously over the past year. Therefore, the new 12-inch water main to replace the existing 6-inch water line is vital to the operation of the system. If a full-scale replacement of the existing water line is not completed in the near future, the District will be faced with water supply demands and stress on the system. This will leave a large portion of the system with severely inadequate flow. When adequate flow isn't available, situations of extremely low pressures are likely to occur, presenting a potential health risk to area residents.

**PROJECT ALTERNATIVES**

The only alternative considered to meet the need for the project was to construct a new larger tank in a location in the vicinity of an existing tank and construct a new 8-inch water transmission main to replace the existing 6-inch water line and run parallel with an existing 8-inch water main. There are three issues with this proposal; (1) the tank alone cost as much as the proposed funded development, (2) the existing 6-inch to be abandoned that runs parallel with an existing 8-inch eventually transitions into just one 6-inch water line and a 6-inch water line will not carry the flow necessary to reach the goal of the project, and (3) when applying for funding for this project, KIA indicated that the District would probably only receive \$4,000,000 through a Fund B Loan. Therefore, the District applied for this amount and will construct a new 12-inch water main as far as the funds will allow, thence a third phase to be applied for using Fund B, if available, next year. Below is a cost estimate comparison of the proposed project versus the alternative:

	<b>FUNDED PROJECT</b>	
	<b><u>AS-BID (12")</u></b>	<b><u>ALTERNATE (8"/TANK)</u></b>
Development (Water Main Only)	\$2,740,711	\$2,412,211
Development (Tank)		\$2,566,000
Contingency	\$ 274,071	\$ 497,789
Engineering Fees	\$ 389,000	\$ 554,000
Other Engineer	\$ 10,000	\$ 10,000
Legal & Administration	\$ 15,000	\$ 15,000
Land Acquisition	\$ 0	\$ 50,000
Remaining Funds – Portion of Phase 3	<u>\$ 571,218</u>	
TOTALS	\$4,000,000	\$6,105,000

See the Final Project Budget for the As-Bid 12-Inch water main and the attached Preliminary Cost Estimate for the Alternative.

The Western Pulaski County Water District will own and operate the proposed new water main. The Western Pulaski County Water District purchases all of its water from the City of Somerset, which has more than sufficient water treatment capacity to serve the proposed area.

The project is being funded with a loan in the amount of \$4,000,000 Kentucky Infrastructure Authority (KIA) Fund B25-006 Loan Program.

**PRELIMINARY COST ESTIMATE  
WESTERN PULASKI COUNTY WATER DISTRICT  
PULASKI COUNTY, KENTUCKY  
FAUBUSH/NANCY AREA WATER TRANSMISSION MAIN - PHASE 2  
ALTERNATIVE  
DECEMBER 2024**

ITEM			UNIT	TOTAL
NO.	DESCRIPTION	QUANTITY	COST	COST
1	8-Inch CL350 Ductile Iron Water Line	18,250 LF	\$65.00	\$1,186,250.00
2	Bore & Case for 8-Inch Water Line	1,600 LF	390.00	624,000.00
3	Directional Bore for 12-Inch HDPE DR11 WL	120 LF	370.00	44,400.00
4	Open Cut & Pavement Replacement for 8" W	1,200 LF	50.00	60,000.00
5	8-Inch Gate Valve	13 EA	4,700.00	61,100.00
6	6-Inch Gate Valve	2 EA	2,550.00	5,100.00
7	3-Inch Gate Valve	10 EA	2,000.00	20,000.00
8	8-Inch Nitrile (NBR) Gasket	84 EA	54.00	4,536.00
9	Connection	13 EA	5,800.00	75,400.00
10	2-Way Flush Hydrant	7 EA	7,600.00	53,200.00
11	Meter Reconnection	99 LF	625.00	61,875.00
12	3/4-Inch Service Tubing	4,950 EA	25.00	123,750.00
13	Cut & Cap Existing 6-Inch Water Line	5 EA	1,800.00	9,000.00
14	Cut & Cap Existing 3-Inch Water Line	8 EA	1,700.00	13,600.00
15	Master Meter	1 EA	50,000.00	50,000.00
16	Exploration	40 HR	500.00	20,000.00
	<b>TOTAL</b>			<b>\$2,412,211.00</b>



**PRELIMINARY COST ESTIMATE  
WESTERN PULASKI COUNTY WATER DISTRICT  
PULASKI COUNTY, KENTUCKY  
ALTERNATIVE  
DECEMBER 2024**

**PROJECT COSTS**

DEVELOPMENT	\$4,978,211.00
CONTINGENCY	497,789.00
ENGINEERING DESIGN	367,000.00
CONSTRUCTION INSPECTION	187,000.00
LEGAL & ADMINISTRATION	15,000.00
GEOTECHNICAL INVESTIGATION	10,000.00
LAND ACQUISITION	<u>50,000.00</u>
<b>TOTAL PROJECT COSTS</b>	<b>\$6,105,000.00</b>

## **EXHIBIT C**

### **Bid Solicitation and Contractor Selection Process**

## **BID SOLICITATION PROCESS**

The following is an explanation of how bids were solicited for the Western Pulaski County Water District (District) – Faubush/Nancy Area Water Transmission Main – Phase 2:

1. The District requested an advertisement for bids in the local newspaper publication of the Commonwealth Journal on May 14, 2025, and was ran once in the local paper ten (10) days prior to the opening of bids. Attached is a tear sheet and affidavit from the local paper, Commonwealth Journal.
2. The Engineer, Monarch Engineering, Inc., solicited bids by emailing invitations, plans and bid documents to perspective contractors. Approximately six (6) contractors were solicited and one (1) requested plans and bid documents. Of the seven (7) plan holders (contractors), five (5) submitted bids. See attached email correspondence to each contractor.

## **CONTRACTOR SELECTION**

The following is an explanation of how contractor was selected for the Western Pulaski County Water District (District) – Faubush/Nancy Area Water Transmission Main – Phase 2:

1. Weddle Enterprises, Inc was not only the low bidder but was selected based on previous project experience and recommendations from other utilities. In addition, contract documents require that the Bidding Contractors shall provide at least three (3) previously completed projects of similar scope with utility name and contacts. The Engineer, Monarch Engineering, Inc., then contacts the previous project utility to get a recommendation on the contractor's performance and quality of work.

**AFFIDAVIT OF PUBLICATION**

I, Bethany Dawes of the Commonwealth Journal, a legal newspaper holding a second-class permit, published daily except for Sundays, Mondays, and Thursdays in Somerset, county of Pulaski, Commonwealth of Kentucky do swear that the attached proof of publication of a

✓ Legal notice, as required and prescribed by KRS

✓ Paid advertisement

Was published in said newspaper in the issue of May 14<sup>th</sup> 2025  
for which the sum \$ 249.00 is due and payable

Signed: Bethany Dawes  
Title: District Manager

Subscribed and sworn to before me, a notary public for the county of Pulaski, Commonwealth of Kentucky this 28<sup>th</sup> day of May 2025.

Rhonda K Ramsey

My commission expires Jan 4, 2029  
KYNP 21034

WST PC Water

**WESTERN PULASKI COUNTY WATER DISTRICT  
PULASKI COUNTY, KENTUCKY  
FAUBUSH/NANCY AREA KY HIGHWAY 80 WATER TRANSMISSION  
MAIN – PHASE 2  
ADVERTISEMENT FOR BIDS**

Separate Sealed BIDS for construction of the FAUBUSH/NANCY AREA KY HIGHWAY 80 WATER TRANSMISSION MAIN – PHASE 2, consisting of the construction of approximately 18,250 L.F of 12-Inch Ductile Iron CL350 Water Line, and other associated appurtenances will be received by the Western Pulaski County Water District, 2128 W. Highway 80, Somerset, Kentucky until 11:00 a.m., local time, May 23, 2025, and then at said Office publicly opened and read aloud.

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

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

Printed copies of the Bidding Documents may be obtained from the Issuing Office, during the hours indicated above, upon payment of a deposit of \$100.00, non-refundable, for each set. Checks for Bidding Documents shall be payable to “Monarch Engineering, Inc.”. Upon request and receipt of the document deposit indicated above, the Issuing Office will transmit the Bidding Documents via delivery service. The date that the Bidding Documents are transmitted by the Issuing Office will be considered the Bidder's date of receipt of the Bidding Documents. Partial sets of Bidding Documents will not be available from the Issuing Office. Neither Owner nor Engineer will be responsible for full or partial sets of Bidding Documents, including Addenda if any, obtained from sources other than the Issuing Office. Plans purchased by one party and bid by another party will not be accepted. Plans will be available for purchase until 4:00 p.m., (E.D.T.), May 21, 2025.

Section 746 of Title VII of the Consolidated Appropriations Act of 2017 (Division A-Agriculture, Rural Development, Food and Drug Administration, and Related Agencies, Appropriations Act, 2017) and subsequent statutes mandating domestic preference applies the American Iron and Steel requirement to this project. All listed iron and steel products used in this project must be produced in the United States. The term “iron and steel products” means the following products made primarily of iron and steel: lined or unlined pipes and fittings, manhole covers and other municipal castings, hydrants, tanks, flanges, pipe clamps and restraints, valves, structural steel, reinforced precast concrete, and construction materials. The de minimis and minor components waiver apply to this contract.

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

Owner: **WESTERN PULASKI COUNTY WATER DISTRICT**  
By: **JOEL L. WILSON**  
Title: **CHAIRMAN**  
Date: **MAY 2025**

**Jessica**

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**From:** Jessica  
**Sent:** Wednesday, May 14, 2025 11:56 AM  
**To:** Flo-Line Contracting LLC  
**Subject:** Revised P/S WPCWD-2505  
**Attachments:** 2505 Bid Docs & Specifications.pdf

Attached are REVISED Bid Docs for 2505 and link below for Plans:

<https://www.dropbox.com/scl/fi/xt0u8b92walntyn40oizv/2505-Bid-Plans-5.14.2025.pdf?rlkey=6c8ztxqemuf16y8x1ifily5ft&st=sp9bxxjk&dl=0>

If you have any questions, please contact the office. The engineer's estimate is \$3,274,000.00.

*Jessica Sutherland  
Monarch Engineering, Inc.  
556 Carlton Drive  
Lawrenceburg, KY 40342  
(502) 839-1310*

**Jessica**

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**From:** Jessica  
**Sent:** Wednesday, May 14, 2025 11:56 AM  
**To:** Weddle Enterprises (Eric)  
**Subject:** Revised P/S WPCWD-2505  
**Attachments:** 2505 Bid Docs & Specifications.pdf

Attached are REVISED Bid Docs for 2505 and link below for Plans:

<https://www.dropbox.com/scl/fi/xt0u8b92walntyn40oizv/2505-Bid-Plans-5.14.2025.pdf?rlkey=6c8ztxqemuf16y8x1ifily5ft&st=sp9bxxjk&dl=0>

If you have any questions, please contact the office. The engineer's estimate is \$3,274,000.00.

*Jessica Sutherland  
Monarch Engineering, Inc.  
556 Carlton Drive  
Lawrenceburg, KY 40342  
(502) 839-1310*

**Jessica**

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**From:** Jessica  
**Sent:** Wednesday, May 14, 2025 11:55 AM  
**To:** Akins Excavating  
**Subject:** Revised P/S WPCWD-2505  
**Attachments:** 2505 Bid Docs & Specifications.pdf

Attached are REVISED Bid Docs for 2505 and link below for Plans:

<https://www.dropbox.com/scl/fi/xt0u8b92walntyn40oizv/2505-Bid-Plans-5.14.2025.pdf?rlkey=6c8ztxqemuf16y8x1ifily5ft&st=sp9bxxjk&dl=0>

If you have any questions, please contact the office. The engineer's estimate is \$3,274,000.00.

*Jessica Sutherland  
Monarch Engineering, Inc.  
556 Carlton Drive  
Lawrenceburg, KY 40342  
(502) 839-1310*



**Jessica**

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**From:** Jessica  
**Sent:** Wednesday, May 14, 2025 11:54 AM  
**To:** United Pipeline  
**Subject:** Revised P/S WPCWD-2505  
**Attachments:** 2505 Bid Docs & Specifications.pdf

Attached are REVISED Bid Docs for 2505 and link below for Plans:

<https://www.dropbox.com/scl/fi/xt0u8b92walntyn40oizv/2505-Bid-Plans-5.14.2025.pdf?rlkey=6c8ztxqemuf16y8x1ifily5ft&st=sp9bxxjk&dl=0>

If you have any questions, please contact the office. The engineer's estimate is \$3,274,000.00.

*Jessica Sutherland  
Monarch Engineering, Inc.  
556 Carlton Drive  
Lawrenceburg, KY 40342  
(502) 839-1310*

**Jessica**

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**From:** Jessica  
**Sent:** Wednesday, May 14, 2025 11:53 AM  
**To:** Cumberland Pipeline  
**Subject:** Revised P/S WPCWD-2505  
**Attachments:** 2505 Bid Docs & Specifications.pdf

Attached are REVISED Bid Docs for 2505 and link below for Plans:

<https://www.dropbox.com/scl/fi/xt0u8b92walntyn40oizv/2505-Bid-Plans-5.14.2025.pdf?rlkey=6c8ztxqemuf16y8x1ifily5ft&st=sp9bxxjk&dl=0>

If you have any questions, please contact the office. The engineer's estimate is \$3,274,000.00.

*Jessica Sutherland  
Monarch Engineering, Inc.  
556 Carlton Drive  
Lawrenceburg, KY 40342  
(502) 839-1310*

**Jessica**

---

**From:** Jessica  
**Sent:** Wednesday, May 14, 2025 11:50 AM  
**To:** office@stottsco.com  
**Subject:** Revised P/S WPCWD-2505  
**Attachments:** 2505 Bid Docs & Specifications.pdf

Attached are REVISED Bid Docs for 2505 and link below for Plans:

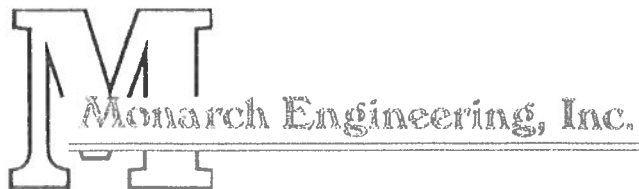
<https://www.dropbox.com/scl/fi/xt0u8b92walntyn40oizv/2505-Bid-Plans-5.14.2025.pdf?rlkey=6c8ztxqemuf16y8x1ifily5ft&st=sp9bxxjk&dl=0>

The following link are the plans and specifications for the Western Pulaski County Water District project that bids on 5/23/25 @ 11:00 A.M. local time. If you have any questions, please contact the office. The engineer's estimate is \$3,274,000.00.

*Jessica Sutherland  
Monarch Engineering, Inc.  
556 Carlton Drive  
Lawrenceburg, KY 40342  
(502) 839-1310*

## **EXHIBIT D**

Engineers Letter of Recommendation



May 28, 2025

Mr. Joel L. Wilson, Chairman  
Western Pulaski County Water District  
2128 West Highway 80  
Somerset, Kentucky 42503

Re: Western Pulaski County Water District  
Faubush/Nancy Area KY Highway 80 Water Transmission Main – Phase 2  
KIA Fund B25-006

Dear Mr. Wilson:

On May 23, 2025, bids were received by the Western Pulaski County Water District for the Faubush/Nancy Area KY Highway 80 Water Transmission Main Project Phase 2. Five (5) bids were submitted on the project and the lowest base bid was submitted by Weddle Enterprises, Inc. located in Somerset, Kentucky for an amount of \$2,740,711.00. A copy of the summarized bid tabulation of all bids received is attached along with a final project budget.

As indicated in the Final Project Budget, the amount of allocated project funds exceeds the associated cost for the project by the amount of \$571,218. Given the substantial amount of remaining funds, the inclusion of an additional project phase is recommended. Therefore, it appears that the best option for a third phase would be to proceed with the development of a transmission main towards Faubush, utilizing the available excess funds. A preliminary cost estimate has been completed for this proposed third phase and is included as part of the Final Project Budget.

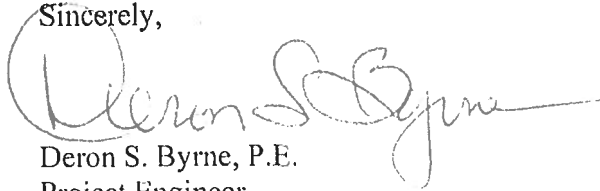
Based on the availability of funds and the competitive nature of the bids received, we recommend that the District consider awarding a contract to Weddle Enterprises, Inc., in the amount of \$2,740,711.00. Furthermore, we urge the District to move forward with the recommended third phase of the project. Once District approval is given, our office will then proceed with preparing that phase for construction. This and all recommendations are contingent upon approval from the Kentucky Infrastructure Authority (KIA) and the Kentucky Public Service Commission.

# M

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May 28, 2025  
Page Two

Sincerely,

A handwritten signature in dark ink, appearing to read "Deron S. Byrne", with a long horizontal flourish extending to the right.

Deron S. Byrne, P.E.  
Project Engineer

/dsb.

cc: Julie Bickers  
Kentucky Infrastructure Authority

# **EXHIBIT E**

## Permits



Andy Beshear  
GOVERNOR

**ENERGY AND ENVIRONMENT CABINET**  
**DEPARTMENT FOR ENVIRONMENTAL PROTECTION**

300 Sower Boulevard  
Frankfort, Kentucky 40601  
Phone: (502) 564-2150  
Fax: 502-564-4245

Rebecca W. Goodman  
SECRETARY

Anthony R. Hatton  
COMMISSIONER

May 9, 2025

Joel Wilson  
Western Pulaski Co Water District  
2128 West Highway 80  
Somerset, KY 42503

RE: Faubush/Nancy Area Water Transmission  
Main Phase 2  
Pulaski County, KY  
Western Pulaski Co Water District  
AI #: 34092, APE20250001  
PWSID #: 1000363-25-001

Dear Mr. Wilson:

We have reviewed the plans and specifications for the above referenced project. The plans include the construction of approximately 18,250 linear feet of 12-inch ductile iron water line. This is to advise that plans and specifications for the above referenced project are APPROVED with respect to sanitary features of design, as of this date with the requirements contained in the attached construction permit.

If you have any questions concerning this project, please contact Brett Thompson at 502-782-4143.

Sincerely,

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

TH:BT

Enclosures

c: Monarch Engineering, Inc.  
Pulaski County Health Department  
Division of Plumbing



## Distribution-Major Construction

Western Pulaski Co Water District

Facility Requirements

Activity ID No.:APE20250001

Page 1 of 4

**PORT0000000144 (Faubush and Nancy Area Water Main - Phase 2) 18,250 linear feet of 12-inch ductile iron water line:**

### Narrative Requirements:

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

## Distribution-Major Construction

Western Pulaski Co Water District

Facility Requirements

Activity ID No.: APE20250001

Page 2 of 4

**PORT0000000144 (Faubush and Nancy Area Water Main - Phase 2) 18,250 linear feet of 12-inch ductile iron water line:**

### Narrative Requirements:

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

## Distribution-Major Construction

Western Pulaski Co Water District

Facility Requirements

Activity ID No.:APE20250001

Page 3 of 4

**PORT0000000144 (Faubush and Nancy Area Water Main - Phase 2) 18,250 linear feet of 12-inch ductile iron water line:**

### Narrative Requirements:

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

## Distribution-Major Construction

Western Pulaski Co Water District

Facility Requirements

Activity ID No. APE20250001

Page 4 of 4

**PORT0000000144 (Faubush and Nancy Area Water Main - Phase 2) 18,250 linear feet of 12-inch ductile iron water line:**

### Narrative Requirements:

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

# **EXHIBIT F**

## KIA Commitment Letter





## KENTUCKY INFRASTRUCTURE AUTHORITY

**Andy Beshear**  
Governor

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

**Sandy Williams**  
Executive Director

February 7, 2025

Joel Wilson, Chairman  
Western Pulaski County Water District  
2128 W Hwy 80  
Somerset, KY 42503

### KENTUCKY INFRASTRUCTURE AUTHORITY INFRASTRUCTURE REVOLVING LOAN FUND CONDITIONAL COMMITMENT LETTER (B25-006)

Dear Chairman Wilson:

The Kentucky Infrastructure Authority ("the Authority") commends your efforts to improve public service facilities in your community. On February 6, 2025, the Authority approved your loan for the Faubush/Nancy Area Water Transmission Main - Phase 2 project subject to the conditions stated in Attachment A to this letter. The total cost of the project shall not exceed \$4,000,000, without prior authorization, of which the Authority is the sole source of the funding. The final loan amount will be equal to the amount of funds disbursed for the project. Attachment B incorporated herein by reference fully describes the project.

An Assistance Agreement will be executed between the Authority and the Western Pulaski County Water District upon satisfactory performance of the conditions set forth in Attachment A. You must meet the conditions set forth in Attachment A and enter into an Assistance Agreement by February 7, 2026 (twelve months from the date of this letter). A one-time extension of up to six months may be granted for applicants that experience extenuating circumstances. Funds will be available for disbursement only after execution of the Assistance Agreement.

TEAM  
**KENTUCKY**<sup>TM</sup>

An Equal Opportunity Employer M/F/D

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

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

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Accepted

---

Date

## ATTACHMENT A

### Conditions

Western Pulaski County Water District  
B25-006

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

1. The Authority project loan shall not exceed \$4,000,000.
2. The loan shall bear interest at the rate of 1.25% per annum commencing with the first draw of funds.
3. The loan shall be repaid over a period not to exceed 20 years from the date of the last draw of funds.
4. Interest shall be payable on the amount of actual funds received. The first payment shall be due on June 1, or December 1, immediately succeeding the date of the initial draw of funds, provided that if such June 1, or December 1, shall be less than three months since the date of the initial draw of funds, then the first interest payment date shall be the June 1, or December 1, which is at least six months from the date of the initial draw of funds. Interest payments will be due each six months thereafter until the loan is repaid. KIA requires the use of Automated Clearing House (ACH) debits for payment of all balances due on the loan. This will ensure that payments are credited timely to your account without the risk of incurring late payment fees. If the due date falls on a weekend or holiday your account will be debited on the next business day. Please complete and return the authorization form in Attachment C of this letter to U.S. Bank for processing.
5. Full principal payments will commence on June 1, or December 1, immediately succeeding the date of the last draw of funds, provided that if such June 1, or December 1, shall be less than three months since the date of the last draw of funds, then the first principal payment date shall be the June 1, or December 1, which is at least six months from the date of the last draw of funds. Full payments will be due each six months thereafter until the loan is repaid.
6. A loan servicing fee of 0.20% of the outstanding loan balance shall be payable to the Authority as a part of each interest payment.
7. Loan funds will only be disbursed after execution of the Assistance Agreement as project costs are incurred.



8. The Authority loan funds must be expended within six months of the official date of initiation of operation.
9. The Authority requires that an annual financial audit be provided for the life of the loan.
10. The final Assistance Agreement must be approved by ordinance or resolution, as applicable, of the city council or appropriate governing board.
11. The borrower must maintain a 1.1 debt coverage ratio throughout the life of the KIA loan. All borrowers are subject to at least an annual financial review for compliance.

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

1. Upon completion of final design of the facilities in the attached project description, favorable approval shall be obtained of such design by all appropriate parties as required by Kentucky statute or administrative regulation.
2. The Borrower must provide certification from their legal counsel stating that the procurement procedures, including those for construction, land, equipment and professional services that are a part of the project, are in compliance with applicable state and local procurement laws.
3. Documentation of final funding commitments from all parties other than the Authority as reflected in the Attachment B description shall be provided prior to preparation of the Assistance Agreement and disbursement of the loan monies. Rejections of any anticipated project funding, or any new funding sources not reflected in Attachment B shall be immediately reported and may cause this loan to be subject to further consideration.
4. Upon receipt of construction bids a tabulation of such bids and engineer's recommendations on compliance with bid specifications and recommendation for award, shall be forwarded to the Authority for final approval and sizing of this loan and the project.

5. The loan must undergo review by the Capital Projects and Bond Oversight Committee of the Kentucky Legislature prior to the state's execution of the Assistance Agreement. The Committee meets monthly. Any special conditions listed in Attachment B must be satisfied before the project is presented before the Committee.
6. Any required adjustment in utility service rates shall be adopted by ordinance, municipal order or resolution by the appropriate governing body of the Borrower. Public hearings as required by law shall be held prior to the adoption of the service rate ordinance, order, or resolution. Any required approvals by the Kentucky Public Service Commission shall be obtained.
7. Based on the final "as bid" project budget, the borrower must provide satisfactory proof, based on then existing conditions, that the revenue projections in the attached descriptions are still obtainable and that the projections of operating expenses have not materially changed. The "as bid" project budget shall be reviewed and approved by your consultant engineer.
8. All easements or purchases of land shall be completed prior to commencement of construction. Certification of all land or easement acquisitions shall be provided to the Authority.
9. The Borrower must provide documentation of Clearinghouse Endorsement and Clearinghouse Comments.
10. The Borrower must complete and return the "Authorization for Electronic Deposit of Borrower Payment" form in Attachment C of this letter to U.S. Bank.
11. The Borrower will implement the Kentucky Uniform System of Accounting (KUSoA), or an alternative approved by the Authority and assure that rates and charges for services are based upon the cost of providing such service.
12. The Borrower will provide Final Design Plans in an AutoCAD Drawing File Format (DWG), referenced to the appropriate (North, South or Single) Kentucky State Plane Coordinate System (NAD83-Survey Feet) on a Compact Disc (CD). The recipient shall provide the Authority a digital copy (pdf) of the record drawings from the project within three months of construction completion.

Any special conditions listed in Attachment B must be resolved.

**ATTACHMENT B**

**Executive Summary and Credit Analysis**

**Western Pulaski County Water District  
B25-006**

EXECUTIVE SUMMARY		Reviewer		John Brady	
KENTUCKY INFRASTRUCTURE AUTHORITY		Date		February 6, 2025	
FUND B, INFRASTRUCTURE		KIA Loan Number		B25-006	
REVOLVING LOAN FUND		WRIS Number		WX21199156	
BORROWER		WESTERN PULASKI COUNTY WATER DISTRICT PULASKI COUNTY			
BRIEF DESCRIPTION					
The Western Pulaski County Water District is requesting a Fund B loan in the amount of \$4,000,000 for Phase 2 of the Faubush/Nancy Area Water Transmission project. This is a continuation of a project to extend and replace existing water lines from the new Lees Ford Pump Station along Highway 80 through Nancy, then along Highway 196 to Faubush. The project will consist of the installation of approximately 21,500 linear feet (LF) of 12" PVC water transmission main. The new 12" line will replace approximately 17,000 LF of existing 8" line and 4,500 LF of existing 6" line that runs parallel with each other along Highway 80 and onto Highway 196. The purpose of the project is to meet the demands and growth in the western portion of the system near Lake Cumberland. The existing lines are undersized to carry a flow of 1,200 gallons per minute, which the new Lees Ford Pump Station is rated.					
PROJECT FINANCING		PROJECT BUDGET			
Fund B Loan	\$4,000,000	Administrative Expenses		\$7,500	
		Legal Expenses		7,500	
		Eng - Design / Const		252,000	
		Eng - Insp		137,000	
		Eng - Other		10,000	
		Construction		3,259,150	
		Contingency		326,850	
TOTAL	\$4,000,000	TOTAL		\$4,000,000	
REPAYMENT	Rate	1.25%	Est. Annual Payment	\$234,662	
	Term	20	1st Payment	6 mo. After first draw	
PROFESSIONAL SERVICES					
	Bond Counsel	Dinsmore & Shohl, LLP			
	Engineer	Monarch Engineering, Inc.			
DEBT PER CUSTOMER	Existing	\$1,405			
	Proposed	\$2,109			
RESIDENTIAL RATES					
	Current	Users	Avg. Bill		
		9,748	\$38.77	(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	905,851	700,196	205,655	1.3	
Audited 2022	568,050	494,340	73,710	1.1	
Audited 2023	999,932	867,562	132,370	1.2	
Projected 2024	1,277,099	704,362	572,737	1.8	
Projected 2025	1,418,874	932,331	486,543	1.5	
Projected 2026	1,324,789	1,058,900	265,889	1.3	
Projected 2027	1,454,835	1,176,044	278,791	1.2	
Projected 2028	1,367,586	1,291,512	76,074	1.1	

Reviewer: John Brady  
Date: February 6, 2025  
Loan Number: B25-006

**KENTUCKY INFRASTRUCTURE AUTHORITY  
INFRASTRUCTURE REVOLVING LOAN FUND (FUND B)  
WESTERN PULASKI COUNTY WATER DISTRICT  
PROJECT REVIEW  
WX21199156**

**I. PROJECT DESCRIPTION**

The Western Pulaski County Water District is requesting a Fund B loan in the amount of \$4,000,000 for Phase 2 of the Faubush/Nancy Area Water Transmission project. This is a continuation of a project to extend and replace existing water lines from the new Lees Ford Pump Station along Highway 80 through Nancy, then along Highway 196 to Faubush. The project will consist of the installation of approximately 21,500 linear feet (LF) of 12" PVC water transmission main. The new 12" line will replace approximately 17,000 LF of existing 8" line and 4,500 LF of existing 6" line that runs parallel with each other along Highway 80 and onto Highway 196. The purpose of the project is to meet the demands and growth in the western portion of the system near Lake Cumberland. The existing lines are undersized to carry a flow of 1,200 gallons per minute, which the new Lees Ford Pump Station is rated.

The Water District currently serves 9,685 residential customers and 63 commercial customers.

**II. PROJECT BUDGET**

	<u>Total</u>
Administrative Expenses	\$ 7,500
Legal Expenses	7,500
Engineering Fees - Design	252,000
Engineering Fees - Inspection	137,000
Engineering Fees - Other	10,000
Construction	3,259,150
Contingency	326,850
<b>Total</b>	<b>\$ 4,000,000</b>

**III. PROJECT FUNDING**

	<u>Amount</u>	<u>%</u>
Fund B Loan	\$ 4,000,000	100%
<b>Total</b>	<b>\$ 4,000,000</b>	<b>100%</b>

#### IV. KIA DEBT SERVICE

Construction Loan	\$ 4,000,000
Less: Principal Forgiveness	0
Amortized Loan Amount	\$ 4,000,000
Interest Rate	1.25%
Loan Term (Years)	20
Estimated Annual Debt Service	\$ 226,662
Administrative Fee (0.20%)	8,000
<b>Total Estimated Annual Debt Service</b>	<b>\$ 234,662</b>

#### V. PROJECT SCHEDULE

Bid Opening:	October 2025
Construction Start:	December 2025
Construction Stop:	July 2026

#### VI. RATE STRUCTURE

##### A. Customers

Customers	Current
Residential	9,685
Commercial	63
Industrial	0
Total	9,748

##### B. Rates

	Current	Prior	Prior
Date of Last Rate Increase	09/27/24	01/25/24	09/27/23
Minimum (2,000 gallons)	\$22.43	\$21.11	\$20.21
Over 2,000 gallons (per 1,000)	8.17	7.70	7.25
Cost for 4,000 gallons	\$38.77	\$36.51	\$34.71
Increase %	6.2%	5.2%	6.9%
Affordability Index (Rate/MHI)	0.8%	0.8%	0.8%

## **VII. DEMOGRAPHICS**

Based on current Census data from the American Community Survey 5-Year Estimate 2018-2022, the Utility's service area population is 17,482 with a Median Household Income (MHI) of \$55,246. The MHI for the Commonwealth is \$60,183. The loan will qualify for a 1.25% interest rate.

## **VIII. FINANCIAL ANALYSIS**

Financial information was obtained from the audited financial statements for the years ended December 31, 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 15.3% from \$3.54 million in 2021 to \$4.08 million in 2023 due to rate increases. Operating expenses increased 16.9% from \$3.17 million to \$3.71 million during the same period primarily due to employee salaries and benefits. The debt coverage ratio was 1.3, 1.1, and 1.2 in 2021, 2022, and 2023.

The balance sheet reflects a current ratio of 1.8, a debt-to-equity ratio of 1.6, 40.4 days of sales in accounts receivable, and 8.4 months of operating expenses in unrestricted cash.

### **PROJECTIONS**

Projections are based on the following assumptions:

- 1) Water revenues will increase 12% in 2024 and 5.2% in 2025 due to existing rate increases previously approved by the Public Service Commission (PSC).
- 2) Water revenues will increase \$225,000 annually starting in 2027 to maintain the 1.1 debt coverage ratio requirement.
- 3) Operating expenses will increase 3% annually due to inflation and general expense increases.
- 4) Debt service coverage is 1.1 in 2028 when the first full year of principal and interest repayments begin.

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

The Water District is regulated by the PSC and will need to apply, pursuant to KRS 278.300, for debt authorization for the \$4,000,000 loan and must receive a Certificate of Public Convenience and Necessity, pursuant to KRS 278.020.

#### REPLACEMENT RESERVE

The replacement reserve will be 5% (\$200,000 total) of the final amount borrowed to be funded annually (\$10,000 yearly) each December 1 for 20 years and maintained for the life of the loan.

#### IX. DEBT OBLIGATIONS

	<u>Outstanding</u>	<u>Maturity</u>
Series 2002A Bonds	\$ 628,000	2042
Series 2002B Bonds	381,000	2042
Series 2010 Bonds	715,000	2049
Series 2012E Bonds	760,000	2035
Series 2013 Bonds	1,195,000	2053
Series 2018 Bonds	2,076,500	2057
KIA Loan B20-004	1,033,760	2041
KIA Loan F16-003	3,032,427	2041
KIA Loan B22-004 (i.a.o. \$4,500,000)		TBD
<b>Total</b>	<b>\$ 9,821,687</b>	

#### X. CONTACTS

<b>Legal Applicant</b>	
Entity Name	Western Pulaski County Water District
Authorized Official	Joel Wilson (Chairman)
County	Pulaski
Email	cedarpointfarm@aol.com
Phone	(606) 679-3793
Address	2128 W Hwy 80 Somerset, KY 42503



**Applicant Contact**

Name	Joe McClendon
Organization	Western Pulaski County Water District
Email	joe-mcclendon@hotmail.com
Phone	(606) 679-1569
Address	1059 W Hwy 80 Somerset, KY 42503

**Project Administrator**

Name	David Bowles
Organization	Monarch Engineering, Inc.
Email	dbowles@monarchengineering.net
Phone	(502) 859-1310
Address	556 Carlton Dr Lawrenceburg, KY 40342

**Consulting Engineer**

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

**XI. RECOMMENDATIONS**

KIA staff recommends approval of the loan with the standard conditions and the following special condition:

The Water District will pass a resolution demonstrating their intention to increase revenues as necessary to maintain KIA's required 1.1 debt coverage ratio. KIA staff review indicates that revenues will need to increase approximately \$225,000, or 5%, by FY2027 to meet the loan requirement.

**WESTERN PULASKI COUNTY WATER DISTRICT  
FINANCIAL SUMMARY (DECEMBER YEAR END)**

	<u>Audited 2021</u>	<u>Audited 2022</u>	<u>Audited 2023</u>	<u>Projected 2024</u>	<u>Projected 2025</u>	<u>Projected 2026</u>	<u>Projected 2027</u>	<u>Projected 2028</u>
<b>Balance Sheet</b>								
<b>Assets</b>								
Current Assets	3,005,446	2,230,945	2,574,433	3,187,843	3,698,986	3,964,875	4,268,566	4,344,640
Other Assets	20,052,789	22,078,124	25,359,238	24,759,816	28,660,394	31,948,472	31,136,550	30,324,628
<b>Total</b>	<b>23,058,235</b>	<b>24,309,069</b>	<b>27,933,671</b>	<b>27,947,659</b>	<b>32,359,380</b>	<b>35,913,347</b>	<b>35,405,116</b>	<b>34,669,268</b>
<b>Liabilities &amp; Equity</b>								
Current Liabilities	990,677	2,027,886	1,463,853	1,541,582	1,669,943	1,892,135	1,913,260	1,934,166
Long Term Liabilities	11,286,550	11,773,378	15,669,488	15,139,476	18,992,203	22,134,038	21,266,348	20,389,552
<b>Total Liabilities</b>	<b>12,277,227</b>	<b>13,801,264</b>	<b>17,133,341</b>	<b>16,681,058</b>	<b>20,662,146</b>	<b>24,026,173</b>	<b>23,179,608</b>	<b>22,323,718</b>
<b>Net Assets</b>	<b>10,781,008</b>	<b>10,507,805</b>	<b>10,800,330</b>	<b>11,266,601</b>	<b>11,697,234</b>	<b>11,887,174</b>	<b>12,225,508</b>	<b>12,345,550</b>
<b>Cash Flow</b>								
Revenues	3,542,581	3,537,999	4,083,161	4,450,099	4,672,589	4,672,589	4,897,647	4,897,647
Operating Expenses	2,663,258	2,989,653	3,114,601	3,204,371	3,285,087	3,379,172	3,474,184	3,561,433
Other Income	26,528	19,704	31,372	31,372	31,372	31,372	31,372	31,372
<b>Cash Flow Before Debt Service</b>	<b>905,851</b>	<b>568,050</b>	<b>999,932</b>	<b>1,277,099</b>	<b>1,418,874</b>	<b>1,324,789</b>	<b>1,454,835</b>	<b>1,367,586</b>
<b>Debt Service</b>								
Existing Debt Service	700,196	494,340	867,562	704,362	932,331	1,058,900	1,058,713	1,056,850
Proposed KIA Loan	0	0	0	0	0	0	117,331	234,662
<b>Total Debt Service</b>	<b>700,196</b>	<b>494,340</b>	<b>867,562</b>	<b>704,362</b>	<b>932,331</b>	<b>1,058,900</b>	<b>1,176,044</b>	<b>1,291,512</b>
<b>Cash Flow After Debt Service</b>	<b>205,655</b>	<b>73,710</b>	<b>132,370</b>	<b>572,737</b>	<b>486,543</b>	<b>265,889</b>	<b>278,791</b>	<b>76,074</b>
<b>Ratios</b>								
Current Ratio	3.0	1.1	1.8	2.1	2.2	2.1	2.2	2.2
Debt to Equity	1.1	1.3	1.6	1.5	1.8	2.0	1.9	1.8
Days Sales in Accounts Receivable	39.6	38.6	40.4	40.4	40.4	40.4	40.4	40.4
Months Operating Expenses in Unrestricted Cash	11.5	6.5	6.4	8.4	9.9	10.6	11.3	11.3
Debt Coverage Ratio	1.3	1.1	1.2	1.8	1.5	1.3	1.2	1.1

ATTACHMENT C

Forms

Western Pulaski County Water District  
B25-006

## Fund B/C LOAN CONDITIONS CHECKLIST

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

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

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

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

**Submit**

**To:**

- |        |                          |   |
|--------|--------------------------|---|
| KIA    | <input type="checkbox"/> | <b>Conditional Commitment Letter</b> (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"/> | <b>Authorization for Electronic Deposit/Debit of Borrower Disbursements/ Payment</b> (these forms are attached to the loan commitment letter sent after KIA board approval and are to be signed by the authorizing official and forwarded to US Bank) |
| KIA    | <input type="checkbox"/> | <b>Ecclearinghouse Endorsement</b> (if not already submitted with loan application)   |
| DOW    | <input type="checkbox"/> | <b>Plans and specifications</b> (Kentucky Division of Water will review and KIA will need copy of approval letter)  |
| KIA    | <input type="checkbox"/> | <b>Proof of compliance with any special condition identified in the Conditional Commitment Letter</b> (e.g. adopted ordinance).   |

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

**Submit**

**To:**

- |     |                          |   |
|-----|--------------------------|---|
| KIA | <input type="checkbox"/> | <b>Bid Advertisement</b>  |
| KIA | <input type="checkbox"/> | <b>Bid Tabulation and Engineer's Recommendation</b>   |
| KIA | <input type="checkbox"/> | <b>As-Bid Budget</b>  |
| KIA | <input type="checkbox"/> | <b>Procurement Certification</b> (KIA sends to borrower after bid opening for signature.)                       |
| KIA | <input type="checkbox"/> | <b>Certification of obtainable revenue projections</b> (KIA sends to borrower after bid opening for signature.) |
| KIA | <input type="checkbox"/> | <b>Certification of clear site</b> (KIA sends to borrower after bid opening for signature.)                     |
| KIA | <input type="checkbox"/> | <b>Plans and specifications approval</b> from the Kentucky Division of Water                                    |
| KIA | <input type="checkbox"/> | <b>Public Service Commission (PSC) approval</b> , (CPCN and Authorization to Incur Debt) if applicable.         |

KIA Loan # B25-006

**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 CITIZENS NATIONAL BANK BRANCH DOWNTOWN  
CITY SOMERSET, KENTUCKY STATE            ZIP CODE 42503  
BANK TRANSIT/ABA NO. 042101446 ACCOUNT NO. 75120891

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: WESTERN PULASKI COUNTY WATER DISTRICT  
ADDRESS 2128 W. HIGHWAY 80, SOMERSET, KENTUCKY 42503  
TAX IDENTIFICATION NUMBER: 61-1367132

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 # B25-006**

**Borrower Information:**

**Name:** WESTERN PULASKI COUNTY WATER DISTRICT

**Address:** 2128 W. HIGHWAY 80

**City:** SOMERSET, KENTUCKY **State:** KY **Zip:** 42503

**Federal I.D. #:** 61-1367132 **Telephone:** 606-679-1569

**Contact Name:** JOEL L. WILSON (TAMMY VAUGHT)

**Email:** cedarpointfarm@aol.com (tamora.vaught@gmail.com)

**Financial Institution Information:**

**Bank Name:** CITIZEN NATIONAL BANK

**Branch:** DOWNTOWN **Telephone:** 606-679-1569

**City:** SOMERSET, KENTUCKY **State:** KY **Zip:** 42503

**Transit / ABA No:** 042101446

**Account Name:** CHECKING

**Account Number:** 75120891

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:** JOEL L. WILSON **Job Title:** CHAIRMAN

**Send to: U.S. Bank via Email**

KentuckyInfrastructureAuth@usbank.com

# SAMPLE LETTER

[Letterhead of Counsel for Water Utility]

[Date]

Kentucky Infrastructure Authority  
100 Airport Road  
Frankfort, Kentucky 40601

RE:     Loan#  
          City of xxxxx

Ladies and Gentlemen:

The undersigned is an attorney at law duly admitted to the practice of law in the Commonwealth of Kentucky and is legal counsel to the 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 procurement with respect to the Project.

Based upon my review I am of the opinion that:

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

Respectfully,

## **COMPLETE AFTER BID OPENING**

### **STATEMENT OF APPROVAL OF PROJECTIONS OF REVENUE AND EXPENSES**

Borrower Name: \_\_\_\_\_

Loan No.: \_\_\_\_\_

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

**Signed:** \_\_\_\_\_

\_\_\_\_\_  
**Borrower**

\_\_\_\_\_  
**Date**



## SITE CERTIFICATE

I certify that the loan recipient, the \_\_\_\_\_, of \_\_\_\_\_  
County, KY, has acquired all real property including easements and rights-of-way that are or will  
be required for the construction, (erection, extension, modification, addition) operation and  
maintenance of the \_\_\_\_\_ project.

Date this \_\_\_\_ day of \_\_\_\_\_, 20\_\_.

\_\_\_\_\_, \_\_\_\_\_

Borrower

Title

# **EXHIBIT G**

## **Proposed KIA Amortization Schedule**

KENTUCKY INFRASTRUCTURE AUTHORITY  
 REPAYMENT SCHEDULE  
 FUND B25-006 LOAN  
 WESTERN PULASKI COUNTY WATER DISTRICT

Loan Amount	\$4,000,000
Interest Rate	1.25%
Term	20
Payment	\$113,330.85 Per 6 Months

Payment Date	Principal Due	Interest Due	Interest Rate	Principal & Interest	Servicing Fee	Total Payment	Principal Balance	R&M Reserve	Total Reserve
							\$4,000,000.00		
06/01/26	\$88,330.85	\$25,000.00	1.25%	\$113,330.85	\$4,000.00	\$117,330.85	\$3,911,669.15	\$10,000.00	\$10,000.00
12/01/26	\$88,882.92	\$24,447.93	1.25%	\$113,330.85	\$3,911.67	\$117,242.52	\$3,822,786.23	\$0.00	\$10,000.00
06/01/27	\$89,438.44	\$23,892.41	1.25%	\$113,330.85	\$3,822.79	\$117,153.64	\$3,733,347.79	\$10,000.00	\$20,000.00
12/01/27	\$89,997.43	\$23,333.42	1.25%	\$113,330.85	\$3,733.35	\$117,064.20	\$3,643,350.36	\$0.00	\$20,000.00
06/01/28	\$90,559.91	\$22,770.94	1.25%	\$113,330.85	\$3,643.35	\$116,974.20	\$3,552,790.45	\$10,000.00	\$30,000.00
12/01/28	\$91,125.91	\$22,204.94	1.25%	\$113,330.85	\$3,552.79	\$116,883.64	\$3,461,664.54	\$0.00	\$30,000.00
06/01/29	\$91,695.45	\$21,635.40	1.25%	\$113,330.85	\$3,461.66	\$116,792.52	\$3,369,969.09	\$10,000.00	\$40,000.00
12/01/29	\$92,268.54	\$21,062.31	1.25%	\$113,330.85	\$3,369.97	\$116,700.82	\$3,277,700.55	\$0.00	\$40,000.00
06/01/30	\$92,845.22	\$20,485.63	1.25%	\$113,330.85	\$3,277.70	\$116,608.55	\$3,184,855.33	\$10,000.00	\$50,000.00
12/01/30	\$93,425.51	\$19,905.35	1.25%	\$113,330.85	\$3,184.86	\$116,515.71	\$3,091,429.82	\$0.00	\$50,000.00
06/01/31	\$94,009.41	\$19,321.44	1.25%	\$113,330.85	\$3,091.43	\$116,422.28	\$2,997,420.41	\$10,000.00	\$60,000.00
12/01/31	\$94,596.97	\$18,733.88	1.25%	\$113,330.85	\$2,997.42	\$116,328.27	\$2,902,823.43	\$0.00	\$60,000.00
06/01/32	\$95,188.20	\$18,142.65	1.25%	\$113,330.85	\$2,902.82	\$116,233.67	\$2,807,635.23	\$10,000.00	\$70,000.00
12/01/32	\$95,783.13	\$17,547.72	1.25%	\$113,330.85	\$2,807.64	\$116,138.49	\$2,711,852.10	\$0.00	\$70,000.00
06/01/33	\$96,381.78	\$16,949.08	1.25%	\$113,330.85	\$2,711.85	\$116,042.70	\$2,615,470.32	\$10,000.00	\$80,000.00
12/01/33	\$96,984.16	\$16,346.69	1.25%	\$113,330.85	\$2,615.47	\$115,946.32	\$2,518,486.16	\$0.00	\$80,000.00
06/01/34	\$97,590.31	\$15,740.54	1.25%	\$113,330.85	\$2,518.49	\$115,849.34	\$2,420,895.85	\$10,000.00	\$90,000.00
12/01/34	\$98,200.25	\$15,130.60	1.25%	\$113,330.85	\$2,420.90	\$115,751.75	\$2,322,695.59	\$0.00	\$90,000.00
06/01/35	\$98,814.00	\$14,516.85	1.25%	\$113,330.85	\$2,322.70	\$115,653.55	\$2,223,881.59	\$10,000.00	\$100,000.00
12/01/35	\$99,431.59	\$13,899.26	1.25%	\$113,330.85	\$2,223.88	\$115,554.73	\$2,124,450.00	\$0.00	\$100,000.00
06/01/36	\$100,053.04	\$13,277.81	1.25%	\$113,330.85	\$2,124.45	\$115,455.30	\$2,024,396.96	\$0.00	\$100,000.00
12/01/36	\$100,678.37	\$12,652.48	1.25%	\$113,330.85	\$2,024.40	\$115,355.25	\$1,923,718.59	\$0.00	\$100,000.00
06/01/37	\$101,307.61	\$12,023.24	1.25%	\$113,330.85	\$1,923.72	\$115,254.57	\$1,822,410.98	\$0.00	\$100,000.00
12/01/37	\$101,940.78	\$11,390.07	1.25%	\$113,330.85	\$1,822.41	\$115,153.26	\$1,720,470.20	\$0.00	\$100,000.00
06/01/38	\$102,577.91	\$10,752.94	1.25%	\$113,330.85	\$1,720.47	\$115,051.32	\$1,617,892.29	\$0.00	\$100,000.00
12/01/38	\$103,219.02	\$10,111.83	1.25%	\$113,330.85	\$1,617.89	\$114,948.74	\$1,514,673.26	\$0.00	\$100,000.00
06/01/39	\$103,864.14	\$9,466.71	1.25%	\$113,330.85	\$1,514.67	\$114,845.52	\$1,410,809.12	\$0.00	\$100,000.00
12/01/39	\$104,513.29	\$8,817.56	1.25%	\$113,330.85	\$1,410.81	\$114,741.66	\$1,306,295.82	\$0.00	\$100,000.00
06/01/40	\$105,166.50	\$8,164.35	1.25%	\$113,330.85	\$1,306.30	\$114,637.15	\$1,201,129.32	\$0.00	\$100,000.00
12/01/40	\$105,823.79	\$7,507.06	1.25%	\$113,330.85	\$1,201.13	\$114,531.98	\$1,095,305.53	\$0.00	\$100,000.00
06/01/41	\$106,485.19	\$6,845.66	1.25%	\$113,330.85	\$1,095.31	\$114,426.16	\$988,820.34	\$0.00	\$100,000.00
12/01/41	\$107,150.72	\$6,180.13	1.25%	\$113,330.85	\$988.82	\$114,319.67	\$881,669.61	\$0.00	\$100,000.00
06/01/42	\$107,820.42	\$5,510.44	1.25%	\$113,330.85	\$881.67	\$114,212.52	\$773,849.20	\$0.00	\$100,000.00
12/01/42	\$108,494.29	\$4,836.56	1.25%	\$113,330.85	\$773.85	\$114,104.70	\$665,354.90	\$0.00	\$100,000.00
06/01/43	\$109,172.38	\$4,158.47	1.25%	\$113,330.85	\$665.35	\$113,996.21	\$556,182.52	\$0.00	\$100,000.00
12/01/43	\$109,854.71	\$3,476.14	1.25%	\$113,330.85	\$556.18	\$113,887.03	\$446,327.81	\$0.00	\$100,000.00
06/01/44	\$110,541.30	\$2,789.55	1.25%	\$113,330.85	\$446.33	\$113,777.18	\$335,786.51	\$0.00	\$100,000.00
12/01/44	\$111,232.19	\$2,098.67	1.25%	\$113,330.85	\$335.79	\$113,666.84	\$224,554.32	\$0.00	\$100,000.00
06/01/45	\$111,927.39	\$1,403.46	1.25%	\$113,330.85	\$224.55	\$113,555.41	\$112,626.93	\$0.00	\$100,000.00
12/01/45	\$112,626.93	\$703.92	1.25%	\$113,330.85	\$112.63	\$113,443.48	\$0.00	\$0.00	\$100,000.00
<b>Totals</b>	<b>\$4,000,000.00</b>	<b>\$533,234.05</b>		<b>\$4,533,234.05</b>	<b>\$85,317.45</b>	<b>\$4,618,551.50</b>		<b>\$100,000.00</b>	

# **EXHIBIT H**

## **Rate Resolution**

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

## RESOLUTION OF AUTHORIZATION

The Western Pulaski County Water District, Somerset, Kentucky hereby intends to increase their revenues based on an alternative water rate adjustment based on the 2025 test year and as authorized by the Kentucky Public Service Commission for the water system improvements project as financed by the Kentucky Infrastructure Authority – Fund B25-006 Loan in the amount of \$4,000,000.

Action herein ordered shall be duly recorded in the minutes of this public meeting of the Western Pulaski County Water District held on this 22<sup>nd</sup> of May 2025.

Ordered this the 22<sup>nd</sup> of May 2025.

Signed:

  
Chairman

Attest:

  
Secretary

# **EXHIBIT I**

## **Estimated Annual Cost of Operation**

ESTIMATED ANNUAL COST OF OPERATION (Cost after Construction Completion)  
Year Ending 2027

A. Operating Income:	
Water Sales	\$5,020,543
Disconnect/Reconnect/Late Charge Fees	
Other (Describe) Tap Fees & Supplies	150,000
Less Allowances and Deductions	
Total Operating Income	\$5,170,543
B. Operation and Maintenance Expenses:	
(Based on Uniform System of Accounts prescribed by National Association of Regulatory Utility Commissioners)	
Source of Supply Expense	\$1,478,653
Pumping Expense	112,260
Water Treatment Expense	
Transmission and Distribution Expense	108,740
Customer Accounts Expense	165,501
Administrative and General Expense	1,713,843
Total Operating Expenses	\$3,578,997
Net Operating Income	\$1,591,546
C. Non-Operating Income:	
Interest on Deposits	\$30,000
Other (Identify)	0
Total Non-Operating Income	\$30,000
D. Net Income	\$1,677,220
E. Debt Repayment:	
RUS Interest	\$404,090
RUS Principal	284,429
Non-RUS Interest	143,295
Non-RUS Principal	592,387
Total Debt Repayment	\$1,428,060
F. Balance Available for Coverage	\$204,071
G. Reserve Accounts	
Short Lived Assets Replacement Reserves	\$128,462
Debt Reserve	75,609
Total Reserve	\$204,071

# **EXHIBIT J**

## **Financial Statements**



**WESTERN PULASKI COUNTY WATER DISTRICT**  
**Statements of Net Position**  
**December 31, 2023 and 2022**

<b>Assets</b>	<u>2023</u>	<u>2022</u>
<b>Current Assets</b>		
Cash	\$ 1,651,299	\$ 1,616,486
Accounts receivable	452,327	373,971
Grant receivable	237,296	-
Prepaid assets	821	7,798
Inventory	232,690	232,690
Total Current Assets	<u>2,574,433</u>	<u>2,230,945</u>
<b>Non-current Assets</b>		
Restricted Assets		
Cash - Surcharge fund	166,258	-
Cash - Depreciation fund	260,450	514,890
Cash - Bond and interest	643,249	520,452
Total Restricted Assets	<u>1,069,957</u>	<u>1,035,342</u>
Capital Assets		
Construction in progress	4,266,339	1,332,389
Land and land rights	331,066	494,938
Utility plant in service	29,329,787	28,519,173
Equipment	902,943	797,658
Accumulated depreciation	(11,222,003)	(10,677,031)
Net Capital Assets	<u>23,608,132</u>	<u>20,467,127</u>
Total Non-current Assets	<u>24,678,089</u>	<u>21,502,469</u>
Total Assets	<u>27,252,522</u>	<u>23,733,414</u>
Deferred Outflows		
Outflows relating to net pension and OPEB liabilities	<u>681,149</u>	<u>575,655</u>

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

**WESTERN PULASKI COUNTY WATER DISTRICT**  
**Statements of Net Position, Concluded**  
**December 31, 2023 and 2022**

<b>Liabilities</b>	<u>2023</u>	<u>2022</u>
<b>Current Liabilities</b>		
Accounts payable	\$ 248,083	\$ 273,237
Construction accounts payable	296,191	895,745
Customer deposits	315,035	280,669
Accrued liabilities	38,782	45,826
Accrued interest	102,553	80,542
Current maturities of long-term debt	463,209	451,867
Total Current Liabilities	<u>1,463,853</u>	<u>2,027,886</u>
<b>Long-term Liabilities</b>		
Customer advances for construction	125,806	65,780
Accrued compensated absences	42,367	34,422
Long-term debt, less current maturities	13,232,354	9,688,077
Net OPEB liability	404,116	363,592
Net pension liability	1,480,574	1,211,144
Total Long-term Liabilities	<u>15,285,217</u>	<u>11,363,015</u>
 Total Liabilities	 <u>16,749,070</u>	 <u>13,390,901</u>
 Deferred Inflows		
Inflows relating to net pension and OPEB liabilities	<u>384,271</u>	<u>410,363</u>
 <b>Net Position</b>		
<b>Net Position</b>		
Invested in capital assets, net of related debt	9,853,674	9,431,438
Restricted for equipment replacement	260,450	514,890
Restricted for debt retirement	643,249	520,452
Restricted for water loss reduction	166,258	-
Unrestricted	<u>(123,301)</u>	<u>41,025</u>
 Total Net Position	 <u>\$ 10,800,330</u>	 <u>\$ 10,507,805</u>

**WESTERN PULASKI COUNTY WATER DISTRICT**  
**Statements of Revenues, Expenses, and Changes in Net Position**  
**For the Years Ended December 31, 2023 and 2022**

	<u>2023</u>	<u>2022</u>
<b>Operating revenues:</b>		
Residential water sales	\$ 3,493,987	\$ 3,184,765
Commercial water sales	326,248	227,278
Miscellaneous service revenues	<u>262,926</u>	<u>125,956</u>
Total operating revenues	<u>4,083,161</u>	<u>3,537,999</u>
<b>Operating expenses:</b>		
Water purchases	1,478,653	1,420,890
Utilities	98,150	113,864
Transmission and distribution expense	20,148	120,938
Meter readers	74,924	89,005
Office expense	70,933	92,272
Transportation expenses	73,766	48,185
Insurance	99,874	60,762
Directors' fees	12,000	12,000
Employees' salaries and wages	727,324	600,881
Employees' pensions and benefits	293,040	249,500
Actuarial pension and OPEB expense	178,368	161,618
Payroll taxes	50,303	51,467
Depreciation and amortization	599,422	584,358
PSC tax assessment	4,606	5,289
Professional fees	65,207	58,226
Bad debts	9,457	12,586
Miscellaneous	<u>36,216</u>	<u>53,788</u>
Total operating expenses	<u>3,892,391</u>	<u>3,735,629</u>
Operating income (loss)	<u>190,770</u>	<u>(197,630)</u>
<b>Non-operating revenue (expenses):</b>		
Rents from water property	-	6,665
Gain (Loss) on sale of property	(40,586)	-
Interest income	31,372	13,039
Interest expense on long-term debt	<u>(414,709)</u>	<u>(241,834)</u>
Total non-operating revenue (expenses)	<u>(423,923)</u>	<u>(222,130)</u>
Income/(loss) before capital contributions	<u>(233,153)</u>	<u>(419,760)</u>
<b>Capital contributions</b>		
Grant revenue	310,596	-
Tap fees	<u>215,082</u>	<u>146,557</u>
Total capital contributions	<u>525,678</u>	<u>146,557</u>
Increase (decrease) in net position	292,525	(273,203)
<b>Net position:</b>		
Beginning of year	10,507,805	10,781,008
End of year	<u>\$ 10,800,330</u>	<u>\$ 10,507,805</u>

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

**WESTERN PULASKI COUNTY WATER DISTRICT**  
**Statement of Cash Flows**  
**December 31, 2023 and 2022**

	<u>2023</u>	<u>2022</u>
<b>Cash flows from operating activities:</b>		
Cash receipts from customers	\$ 4,039,171	\$ 3,551,550
Cash payments to suppliers for goods and services	(2,107,458)	(2,262,942)
Cash payments to employees for services	(1,024,419)	(865,386)
Net cash provided by (used) in operating activities	<u>907,294</u>	<u>423,222</u>
<b>Cash flows from capital and related financing activities:</b>		
Principal paid on long-term debt	(474,864)	(310,163)
Proceeds from debt	4,030,483	559,027
Interest paid on long-term debt	(392,698)	(184,177)
Proceeds from sale of property	123,286	-
Additions to capital assets	(3,904,299)	(2,122,004)
Increase (decrease) in construction payable	(599,554)	796,161
Increase (decrease) in customer advances	60,026	65,780
Grant proceeds	73,300	-
Tap fees	215,082	146,557
Net cash provided by (used) in financing activities	<u>(869,238)</u>	<u>(1,048,819)</u>
<b>Cash flows from investing activities:</b>		
Rental income	-	6,665
Interest income	31,372	13,039
Net cash provided by (used) in investing activities	<u>31,372</u>	<u>19,704</u>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>69,428</b>	<b>(605,893)</b>
Cash and cash equivalents, beginning of year	<u>2,651,828</u>	<u>3,257,721</u>
<b>Cash and cash equivalents, end of year</b>	<b>\$ <u>2,721,256</u></b>	<b>\$ <u>2,651,828</u></b>
<b>Reconciliation of operating income to</b>		
<b>net cash provided by operating activities:</b>		
Operating income (loss)	\$ 190,770	\$ (197,630)
Adjustments to reconcile operating income to		
net cash provided by operating activities:		
Depreciation and amortization	599,422	584,358
Changes in assets and liabilities:		
(Increase) decrease in accounts receivable	(78,356)	10,780
(Increase) decrease in prepaid assets	6,977	-
(Increase) decrease in inventory	-	(163,922)
Increase (decrease) in actuarial pension/OPEB	178,368	161,618
Increase (decrease) in accounts payable	(25,154)	15,904
Increase (decrease) in customer deposits	34,366	2,771
Increase (decrease) in accrued liabilities	901	9,343
Net cash provided (used) by operating activities	<u>\$ 907,294</u>	<u>\$ 423,222</u>

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

**WESTERN PULASKI COUNTY WATER DISTRICT**  
**Notes to Financial Statements**  
**December 31, 2023 and 2022**

**Note 2 – Capital Assets**

Capital asset activity for the years ended December 31, 2023 and 2022 was as follows:

<u>2023</u>	Beginning Balance	Additions	Deletions	Ending Balance
<i>Capital Assets not being depreciated</i>				
Land and rights	\$ 494,938	\$ -	\$ (163,872)	\$ 331,066
Construction in progress	1,332,389	3,540,665	(606,715)	4,266,339
<i>Total Non-Depreciable Capital Assets</i>	1,827,327	3,540,665	(770,587)	4,597,405
<i>Capital Assets being depreciated</i>				
Transmission and distribution lines	9,481,326	563,011	-	10,044,337
Line extensions	11,522,765	-	-	11,522,765
Meter installations	3,698,001	302,053	(54,450)	3,945,604
Services	568,482	-	-	568,482
Communication radios	9,106	-	-	9,106
Office equipment	223,590	-	-	223,590
Equipment and tools	107,831	65,738	-	173,569
Office building	255,572	-	-	255,572
Buildings	227,695	-	-	227,695
Distribution reservoir	1,262,945	-	-	1,262,945
Hydrants	20,147	-	-	20,147
Electric pumping equipment	1,482,240	-	-	1,482,240
Vehicles	457,131	39,547	-	496,678
<i>Total Depreciable Capital Assets</i>	29,316,831	970,349	(54,450)	30,232,730
Less: Accumulated depreciation	(10,677,031)	(599,422)	54,450	(11,222,003)
Total Net Capital Assets	\$ 20,467,127			\$ 23,608,132
<u>2022</u>	Beginning Balance	Additions	Deletions	Ending Balance
<i>Capital Assets not being depreciated</i>				
Land and rights	\$ 494,938	\$ -	\$ -	\$ 494,938
Construction in progress	19,232	1,546,682	(233,525)	1,332,389
<i>Total Non-Depreciable Capital Assets</i>	514,170	1,546,682	(233,525)	1,827,327
<i>Capital Assets being depreciated</i>				
Transmission and distribution lines	10,168,004	233,525	(920,203)	9,481,326
Line extensions	11,522,765	-	-	11,522,765
Meter installations	3,236,474	559,477	(97,950)	3,698,001
Services	568,482	-	-	568,482
Communication radios	9,106	-	-	9,106
Office equipment	223,590	-	-	223,590
Equipment and tools	91,986	15,845	-	107,831
Office building	255,572	-	-	255,572
Buildings	227,695	-	-	227,695
Distribution reservoir	1,262,945	-	-	1,262,945
Hydrants	20,147	-	-	20,147
Electric pumping equipment	1,513,042	-	(30,802)	1,482,240
Vehicles	457,131	-	-	457,131
<i>Total Depreciable Capital Assets</i>	29,556,939	808,847	(1,048,955)	29,316,831
Less: Accumulated depreciation	(11,141,628)	(584,358)	1,048,955	(10,677,031)
Total Net Capital Assets	\$ 18,929,481			\$ 20,467,127

# **EXHIBIT K**

## **Note 3 to Financial Statements**

**WESTERN PULASKI COUNTY WATER DISTRICT**  
**Notes to Financial Statements**  
**December 31, 2023 and 2022**

**Note 3 – Long-Term Debt**

Long-term debt consists of the following bonds payable at December 31, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Series 2002A Water Revenue Bonds issued through Rural Development of the USDA in the amount of \$900,000; due in annual installments on January 1, through 2042; interest rate of 4.5% due semi-annually on January 1 and July 1.	\$ 628,000	\$ 649,000
Series 2002B Water Revenue Bonds issued through Rural Development of the USDA in the amount of \$550,000; due in annual installments on January 1, through 2042; interest rate of 4.5% due semi-annually on January 1 and July 1.	381,000	394,000
Series 2010 Water Revenue Bonds issued through Rural Development of the USDA in the amount of \$911,000; due in annual installments on January 1, through 2049; interest rate of 2.25% due semi-annually on January 1 and July 1.	715,000	734,000
Series 2012E Water Revenue Bonds issued through Kentucky Rural Water Finance Corporation in the amount of \$2,080,000; (to refund Series 2001A and 2001B revenue bonds) due in annual installments on July 1, through 2035; interest rate of 2.2 - 3.7% due semi-annually on January 1 and July 1.	760,000	900,000
Series 2013 Water Revenue Bonds issued through Rural Development of the USDA in the amount of \$1,400,000; due in annual installments on January 1, through 2053; interest rate of 2.25% due semi-annually on January 1 and July 1.	1,195,000	1,222,500
Series 2018 Water Revenue Bonds issued through Rural Development of the USDA in the amount of \$2,225,000; due in annual installments on January 1, through 2057; interest rate of 2.50% due semi-annually on January 1 and July 1.	<u>2,076,500</u>	<u>2,115,000</u>
Total Bonds Payable:	<u>\$ 5,755,500</u>	<u>\$ 6,014,500</u>

**WESTERN PULASKI COUNTY WATER DISTRICT**  
**Notes to Financial Statements**  
**December 31, 2023 and 2022**

**Note 3 – Long-Term Debt, Continued**

Long-term debt consists of the following notes not yet finalized at December 31, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
KIA B20-004 Loan issued through Kentucky Infrastructure Authority for Water System Improvements project not to exceed \$1,146,000; interest of 1.50% due monthly succeeding date of initial draw of funds. A loan servicing fee of .20% of the annual outstanding balance shall be payable as part of each interest payment. Principal payments are due June 1 and December 1 beginning December 2021.	\$ 1,033,760	\$ 997,048
KIA F16-003 Loan issued through Kentucky Infrastructure Authority of the Federally Assisted Drinking Water Revolving Loan Fund for Water System Improvements project not to exceed \$3,304,000; interest of 1.75% due monthly succeeding date of initial draw of funds. A loan servicing fee of .25% of the annual outstanding balance shall be payable as part of each interest payment. Principal payments due June 1 and December 1 beginning June 2022.	3,032,427	3,128,396
Citizens National Bank issued interim financing for the Water System Improvements project not to exceed \$4,472,000; interest of 6.95% due monthly succeeding date of initial draw of funds. The loan was refinanced with USDA Rural Development Revenue Bonds in February 2024.	<u>3,873,876</u>	<u>-</u>
Total Notes Payable:	<u>\$ 7,940,063</u>	<u>\$ 4,125,444</u>

Principal and interest maturities of long-term debt (excluding interim financing) are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 463,209	\$ 241,153	\$ 704,362
2025	481,535	229,029	710,564
2026	371,918	216,406	588,324
2027	380,859	207,278	588,137
2028	388,357	197,917	586,274
2029-2033	2,096,379	839,412	2,935,791
2034-2038	2,188,680	565,502	2,754,182
2039-2043	1,684,750	302,679	1,987,429
2044-2048	745,500	168,864	914,364
2049-2053	677,500	82,619	760,119
2054-2057	343,000	17,364	360,364
	<u>\$ 9,821,687</u>	<u>\$ 3,068,223</u>	<u>\$ 12,889,910</u>



**WESTERN PULASKI COUNTY WATER DISTRICT**  
**Notes to Financial Statements**  
**December 31, 2023 and 2022**

**Note 3 – Long-Term Debt, Concluded**

Long-term debt activity for the years ended December 31, 2023 and 2022 was as follows:

Debt	Balance January 1, 2023	Additions	Debt Payments and Reductions	Balance December 31, 2023	Amount Due within One Year
RD 2002A	\$ 649,000	\$ -	\$ (21,000)	\$ 628,000	\$ (21,000)
RD 2002B	394,000	-	(13,000)	381,000	(13,000)
RD 2010	734,000	-	(19,000)	715,000	(19,500)
KRWFC 2012E	900,000	-	(140,000)	760,000	(145,000)
RD 2013	1,222,500	-	(27,500)	1,195,000	(28,500)
KIA F16-003	3,128,396	45,647	(141,616)	3,032,427	(144,686)
RD 2018	2,115,000	-	(38,500)	2,076,500	(39,500)
KIA B20-004	997,048	87,988	(51,276)	1,033,760	(52,023)
CNB-Interim Financing	-	3,896,848	(22,972)	3,873,876	-
	<u>\$ 10,139,944</u>	<u>\$ 4,030,483</u>	<u>\$ (474,864)</u>	<u>\$ 13,695,563</u>	<u>\$ (463,209)</u>

Debt	Balance January 1, 2022	Additions	Debt Payments and Reductions	Balance December 31, 2022	Amount Due within One Year
RD 2002A	\$ 649,000	\$ -	\$ -	\$ 649,000	\$ (21,000)
RD 2002B	394,000	-	-	394,000	(13,000)
RD 2010	734,000	-	-	734,000	(19,000)
KRWFC 2012E	1,040,000	-	(140,000)	900,000	(140,000)
RD 2013	1,222,500	-	-	1,222,500	(27,500)
KIA F16-003	2,897,348	361,005	(129,957)	3,128,396	(141,616)
RD 2018	2,115,000	-	-	2,115,000	(38,500)
KIA B20-004	839,232	198,022	(40,206)	997,048	(51,251)
	<u>\$ 9,891,080</u>	<u>\$ 559,027</u>	<u>\$ (310,163)</u>	<u>\$ 10,139,944</u>	<u>\$ (451,867)</u>

**Arbitrage**

The Tax Reform Act of 1986 instituted certain arbitrage restrictions with respect to the issuance of tax-exempt bonds after August 31, 1986. Arbitrage regulations deal with the investment of all tax-exempt bond proceeds at an interest yield greater than the interest yield paid to bondholders. Generally, all interest paid to bondholders can be retroactively rendered taxable if applicable rebates are not reported and paid to the Internal Revenue Service (IRS) at least every five years. The District performed calculations of excess investment earnings on various bonds and at December 31, 2022 and does not expect to incur a liability.

**Note 4 – Commitments**

The Water System Improvements and Replacements Project began in 2017. During 2023 the District continued Phase III of the project with work to finish at Fishing Creek Area as of year end. The USDA Rural Development approved bonds of \$4,472,000 and grant funds in the amount of \$725,000 to be used for the Fishing Creek Area project, none of these funds had been expended as of December 31, 2023. Kentucky Infrastructure Authority also committed Cleaner Water grant funds in the amount of \$1,075,699 for the Nancy/Faubush Water Improvements Project Budget, the District had a grant receivable of \$237,296 at December 31, 2023.

**Note 5 – Subsequent Events**

Management has evaluated subsequent events through May 21, 2024, the date which the financial statements were available to be issued.

# **EXHIBIT L**

Notification to State Local Debt Officer

# RUBIN & HAYS

— ATTORNEYS AT LAW —

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KENTUCKY HOME TRUST BUILDING  
450 South Third Street,  
Louisville, Kentucky 40202  
(502) 569-7525

June 11, 2025

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

Re: Western Pulaski County Water District Notice of Intent to Issue Securities

Dear Commissioner Sawyers:

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

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

Very truly yours,

Rubin & Hays

By   
W. Randall Jones

WRJ:jl  
Enclosures

## **EXHIBIT M**

Estimate of Property to be Acquired (USOA)

**WESTERN PULASKI COUNTY WATER DISTRICT**  
**FAUBUSH/NANCY AREA WATER TRANSMISSION MAIN - PHASE 2**  
**BREAKDOWN OF PROJECT COSTS BY USOA**  
**ACCOUNT NUMBER: 330**

ITEM NO.	ITEM DESCRIPTION	QUANTITY	UNIT	UNIT PRICE	TOTAL COST
1	12-Inch CL350 Ductile Iron Water Line	18,250	LF	\$83.00	\$1,514,750.00
2	Bore & Case for 12-Inch Water Line	1,600	LF	390.00	624,000.00
3	Directional Bore for 16-Inch HDPE DR11 WL	120	LF	370.00	44,400.00
4	Open Cut & Pavement Replacement for 12" WL	1,200	LF	50.00	60,000.00
5	12-Inch Gate Valve	13	EA	4,700.00	61,100.00
6	6-Inch Gate Valve	2	EA	2,550.00	5,100.00
7	3-Inch Gate Valve	10	EA	2,000.00	20,000.00
8	12-Inch Nitrile (NBR) Gasket	84	EA	54.00	4,536.00
9	Connection	13	EA	5,800.00	75,400.00
10	2-Way Flush Hydrant	7	EA	7,600.00	53,200.00
11	Meter Reconnection	99	EA	625.00	61,875.00
12	3/4-Inch Service Tubing	4,950	LF	25.00	123,750.00
13	Cut & Cap Existing 6-Inch Water Line	5	EA	1,800.00	9,000.00
14	Cut & Cap Existing 3-Inch Water Line	8	EA	1,700.00	13,600.00
15	Master Meter	1	LS	50,000.00	50,000.00
16	Exploration	40	HR	500.00	20,000.00
<b>CONSTRUCTION SUBTOTAL</b>					<b>\$2,740,711.00</b>

# **EXHIBIT N**

## **Certified Bid Tabulations**

MONARCH ENGINEERING, INC.

556 Carlton Drive

Lawrenceburg, KY 40342

Phone (502) 839-1310

Fax (502) 839-1373

BID TABULATIONS

WESTERN PULASKI COUNTY WATER DISTRICT  
FAUBUSH/NANCY AREA KY HIGHWAY 80 - PHASE 2

WATER TRANSMISSION MAIN

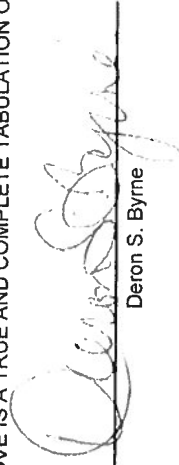
PULASKI COUNTY, KENTUCKY

BID DATE: MAY 23, 2025 @ 11:00 A.M. LOCAL TIME

ITEM NO.	DESCRIPTION	QUANTITY	Weddle Enterprises, Inc.		Flo-Line Contracting, LLC		Akins Excavating Co., Inc.	
			UNIT PRICE	TOTAL COST	UNIT PRICE	TOTAL COST	UNIT PRICE	TOTAL COST
	<b>BASE BID CONTRACT</b>							
1	12-Inch CL350 Ductile Iron Water Line	18,250 LF	\$83.00	\$1,514,750.00	\$100.00	\$1,825,000.00	\$94.00	\$1,715,500.00
2	Bore & Case for 12-Inch Water Line	1,600 LF	390.00	624,000.00	360.00	576,000.00	400.00	640,000.00
3	Directional Bore for 16-Inch HDPE DR11 Water Line	120 LF	370.00	44,400.00	250.00	30,000.00	300.00	36,000.00
4	Open Cut & Pavement Replacement for 12-Inch Water Line	1,200 LF	50.00	60,000.00	120.00	144,000.00	90.00	108,000.00
5	12-Inch Gate Valve	13 EA	4,700.00	61,100.00	5,350.00	69,550.00	6,420.00	83,460.00
6	6-Inch Gate Valve	2 EA	2,550.00	5,100.00	2,350.00	4,700.00	450.00	900.00
7	3-Inch Gate Valve	10 EA	2,000.00	20,000.00	1,650.00	16,500.00	300.00	3,000.00
8	12-Inch Nitrile (NBR) Gasket	84 EA	54.00	4,536.00	100.00	8,400.00	400.00	33,600.00
9	Connection	13 EA	5,800.00	75,400.00	5,800.00	75,400.00	9,000.00	117,000.00
10	2-Way Flush Hydrant	7 EA	7,600.00	53,200.00	7,700.00	53,900.00	9,850.00	68,950.00
11	Meter Reconnection	99 EA	625.00	61,875.00	750.00	74,250.00	1,345.00	133,155.00
12	3/4-Inch Service Tubing	4,950 LF	25.00	123,750.00	20.00	99,000.00	35.00	173,250.00
13	Cut & Cap Existing 6-Inch Water Line	5 EA	1,800.00	9,000.00	1,500.00	7,500.00	2,715.00	13,575.00
14	Cut & Cap Existing 3-Inch Water Line	8 EA	1,700.00	13,600.00	1,200.00	9,600.00	1,435.00	11,480.00
15	Master Meter	1 LS	50,000.00	50,000.00	22,500.00	22,500.00	33,850.00	33,850.00
16	Exploration	40 HR	500.00	20,000.00	350.00	14,000.00	375.00	15,000.00
	<b>TOTAL BASE BID</b>			<b>\$2,740,711.00</b>		<b>\$3,030,300.00</b>		<b>\$3,186,720.00</b>

THE ABOVE IS A TRUE AND COMPLETE TABULATION OF BIDS RECEIVED AT 11:00 A.M. LOCAL TIME, FRIDAY, MAY 23, 2025 AT THE WESTERN PULASKI COUNTY WATER DISTRICT.

BY:

  
Deron S. Byrne



5/27/2025  
Date

## MONARCH ENGINEERING, INC.

556 Carlton Drive

Lawrenceburg, KY 40342

Phone (502) 839-1310

Fax (502) 839-1373

**BID TABULATIONS**  
**WESTERN PULASKI COUNTY WATER DISTRICT**  
**FAUBUSH/NANCY AREA KY HIGHWAY 80 - PHASE 2**  
**WATER TRANSMISSION MAIN**  
**PULASKI COUNTY, KENTUCKY**  
**BID DATE: MAY 23, 2025 @ 11:00 A.M. LOCAL TIME**

ITEM NO.	DESCRIPTION	QUANTITY	Twin States Utilities, Inc.		Cumberland Pipeline, LLC	
			UNIT PRICE	TOTAL COST	UNIT PRICE	TOTAL COST
	<b>BASE BID CONTRACT</b>					
1	12-Inch CL350 Ductile Iron Water Line	18,250 LF	\$120.00	\$2,190,000.00	\$132.00	\$2,409,000.00
2	Bore & Case for 12-Inch Water Line	1,600 LF	416.00	665,600.00	465.00	744,000.00
3	Directional Bore for 16-Inch HDPE DR11 Water Line	120 LF	312.00	37,440.00	681.00	81,720.00
4	Open Cut & Pavement Replacement for 12-Inch Water Line	1,200 LF	103.00	123,600.00	208.00	249,600.00
5	12-Inch Gate Valve	13 EA	5,500.00	71,500.00	5,113.00	66,469.00
6	6-Inch Gate Valve	2 EA	3,200.00	6,400.00	2,069.00	4,138.00
7	3-Inch Gate Valve	10 EA	2,700.00	27,000.00	1,554.00	15,540.00
8	12-Inch Nitrile (NBR) Gasket	84 EA	76.00	6,384.00	46.00	3,864.00
9	Connection	13 EA	4,900.00	63,700.00	6,050.00	78,650.00
10	2-Way Flush Hydrant	7 EA	8,900.00	62,300.00	7,672.00	53,704.00
11	Meter Reconnection	99 EA	1,700.00	168,300.00	1,445.00	143,055.00
12	3/4-Inch Service Tubing	4,950 LF	16.00	79,200.00	6.00	29,700.00
13	Cut & Cap Existing 6-Inch Water Line	5 EA	2,700.00	13,500.00	1,713.00	8,565.00
14	Cut & Cap Existing 3-Inch Water Line	8 EA	2,600.00	20,800.00	1,441.00	11,528.00
15	Master Meter	1 LS	35,000.00	35,000.00	41,000.00	41,000.00
16	Exploration	40 HR	500.00	20,000.00	165.00	6,600.00
	<b>TOTAL BASE BID</b>			<b>\$3,590,724.00</b>		<b>\$3,947,133.00</b>



# **EXHIBIT O**

## **Final Project Budget**

**FINAL PROJECT BUDGET  
WESTERN PULASKI COUNTY WATER DISTRICT  
PULASKI COUNTY, KENTUCKY  
FAUBUSH/NANCY AREA WATER TRANSMISSION MAIN - PHASE 2  
MAY 28, 2025**

**PROJECT COSTS**

DEVELOPMENT	\$2,740,711.00
CONTINGENCY (10%)	274,071.00
ENGINEERING DESIGN (9.23%)	252,000.00
CONSTRUCTION INSPECTION (5.04%)	137,000.00
OTHER ENGINEERING	10,000.00
LEGAL & ADMINISTRATION	15,000.00
PHASE 3 PROJECT (SEE ATTACHMENT)	<u>571,218.00</u>
<b>TOTAL PROJECT COSTS</b>	<b>\$4,000,000.00</b>

**PRELIMINARY COST ESTIMATE  
WESTERN PULASKI COUNTY WATER DISTRICT  
PULASKI COUNTY, KENTUCKY  
FAUBUSH/NANCY AREA WATER TRANSMISSION MAIN - PHASE 3  
MAY 28, 2025**

**PROJECT COSTS**

DEVELOPMENT- PHASE 3	\$460,049.41
CONTINGENCY (10%)	45,804.94
ENGINEERING DESIGN (9.23%)	42,277.96
ENGINEERING INSPECTION (5.04%)	<u>23,085.69</u>
<b>TOTAL PROJECT COSTS</b>	<b>\$571,218.00</b>

**PROJECT FUNDING**

2008 KENTUCKY GENERAL ASSEMBLY GRANT	<u>\$4,000,000.00</u>
<b>TOTAL PROJECT FUNDING</b>	<b>\$4,000,000.00</b>