

**COMMONWEALTH OF KENTUCKY**

**BEFORE THE KENTUCKY PUBLIC SERVICE COMMISSION**

IN THE MATTER OF:

**ELECTRONIC APPLICATION OF COLUMBIA/ADAIR )  
UTILITIES DISTRICT FOR A CERTIFICATE OF )  
PUBLIC CONVENIENCE AND NECESSITY TO )  
CONSTRUCT A SYSTEM IMPROVEMENTS PROJECT ) Case No. 2025-00394  
AND AN ORDER AUTHORIZING THE ISSUANCE )  
OF SECURITIES PURSUANT TO 278.300 )**

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

**APPLICATION**

**ORDER REQUESTED ON OR BEFORE FEBRUARY 16, 2026**

The Applicant, Columbia/Adair Utilities District ("Columbia/Adair 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 Columbia/Adair 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, Columbia/Adair District states as follows:

1. Columbia/Adair District, formerly known as the Adair County Water District, was established in accordance with the provisions of Chapter 74 of the Kentucky Revised Statutes pursuant to an Order of the Adair County Judge/Executive, which Order is on file in the County Court Order Books in the office of the Adair County Clerk. Columbia/Adair District is now, and has been since its inception, regulated by the Commission, and all records and proceedings of the

Commission with reference to Columbia/Adair District are incorporated in this Application by reference. Columbia/Adair District does not have any Articles of Incorporation due to the fact that it is a statutory entity.

2. The governing body of Columbia/Adair 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 Columbia/Adair District is as follows:

Columbia/Adair Utilities District  
c/o Mr. Bradley Miller, General Manager  
109 Grant Lane  
Columbia, Kentucky 42728  
Telephone: (270) 384-2181  
Fax: (270) 384-3437  
Email: [bradley.miller@caud.net](mailto:bradley.miller@caud.net)

4. A general description of Columbia/Adair District's system property, together with a statement of the original cost, is contained in Columbia/Adair District's Annual Report for 2024 which is on file with the Commission. The Annual Report is incorporated herein by reference.

5. Pursuant to 807 KAR 5:001, Section 15 - Applications for Certificates of Public Convenience and Necessity, Columbia/Adair 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 "A"** attached hereto.

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

- (iii) Section 15(2)(c): Description of Proposed Location or Route. Construction of the Project is being performed within the boundaries of Columbia/Adair District and is detailed in the location map referred to in paragraph 5(iv) below. The proposed Project will not compete with any other public utilities and will not result in any wasteful duplication.
- (iv) Section 15(2)(d)(1): Maps to Suitable Scale: one electronic storage medium map to suitable scale showing the location of the proposed Project, as well as the location of like facilities owned by others located anywhere within the map area is being filed with this Application.
- (v) Section 15(2)(d)(2): Plans and Specifications: The signed, sealed and dated Plans and Specifications in .pdf format on electronic storage medium are being filed with this Application.
- (vi) Section 15(2)(e) Financing: Columbia/Adair District is financing the Project with the proceeds of a 20 year Fund A loan from the Kentucky Infrastructure Authority ("KIA") Federally Assisted Clean Water Revolving Loan Fund (A24-007) in the aggregate principal amount not to exceed \$2,939,475 (original approved amount of \$2,672,250 and subsequent approved increase of \$267,225) at an interest rate of 1.25% per annum with a principal forgiveness of 23.7 % (the "KIA Loan"). The KIA Loan will be evidenced by an Assistance Agreement between Columbia/Adair District and KIA and Columbia/Adair District has received a original conditional commitment letter from KIA dated March 8, 2024 and a subsequent conditional

commitment letter for a loan increase dated November 21, 2025 (collectively, the "Commitment"). Copies of the original commitment letter and subsequent commitment letter are attached hereto as **Exhibit "C"**. The Commitment provides for principal forgiveness in an amount not to exceed \$695,218. A copy of the estimated repayment schedule is attached hereto as **Exhibit "D"**.

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

6. The detailed Statement of Net Position; Statement of Revenue, Expenses and Changes in Net Position; and Statement of Cash Flows for the twelve month period ending on December 31, 2024 are attached hereto as **Exhibit "F"** respectively. A statement of operations for the period ending not more than ninety (90) days prior to the date this Application is filed is attached hereto as **Exhibit "G"**.

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

- (i) Section 12(1)(a): Columbia/Adair District states that it had more than \$5,000,000 in gross annual revenue in the immediate past calendar year and accordingly files herewith a statement of operations ending not more than ninety (90) days prior to the date this Application is filed.

- (ii) Section 12(2)(a), (b) and (c) Stock: Columbia/Adair District does not have any authorized, issued or outstanding stock as of the date hereof.
- (iii) Section 12(2)(d) Mortgages: Columbia/Adair 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 Columbia/Adair District is contained in the financial statements which have been filed with the Commission and are incorporated herein by reference.
- (v) Section 12(2)(h) Dividends: Columbia/Adair District has no outstanding stock and therefore pays no dividends.
- (vi) Section 12(2)(i) Financial Statements: See **Exhibit "F"** attached hereto.

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

- (i) Section 18(1)(a): Columbia/Adair District has complied with the requirements of 807 KAR 5:001, Section 14.
- (ii) Section 18(1)(b): A general description of Columbia/Adair District's property, its field of operation and a statement of original cost of said property and the cost to Columbia/Adair District is contained in Columbia/Adair District's 2024 Annual Report on file with this Commission.
- (iii) Section 18(1)(c): Columbia/Adair District is not issuing any stock as part of this financing. The information concerning the proposed KIA Loan is contained in this Application and the supporting attachments. The KIA Loan

will be secured by and payable from the gross revenues of Columbia/Adair District's water and sewer system.

- (iv) Section 18(1)(d): Columbia/Adair District is not refunding any outstanding obligations in connection with this Project. The proceeds of the KIA Loan are being used for the construction of the Project described in **Exhibit "A"**.
- (v) Section 18(1)(e): See paragraph 5(i) above and paragraph 8(x) below.
- (vi) Section 18(1)(f): Columbia/Adair District is not refunding any outstanding obligations in connection with this Project.
- (vii) Section 18(1)(g): Written notification of the proposed issuance of the KIA Loan is being provided to the State Local Debt Officer (see **Exhibit "H"** attached hereto).
- (viii) Section 18(2)(a): See paragraph #7 above.
- (ix) Section 18(2)(b): Columbia/Adair District does not have any outstanding trust deeds or mortgages.
- (x) Section 18(2)(c): A detailed estimate of the acquired property, arranged according to the Uniform System of Accounts for Class A/B Water Districts and Associations is attached hereto as **Exhibit "I"**.

9. Copies of the bid tabulations as certified by the Engineers and the Engineer's letter of recommendation are attached hereto as **Exhibit "J"**.

10. The Estimated and As Bid Project Cost Summary is attached hereto as **Exhibit "K"**.

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

**WHEREFORE**, the Columbia/Adair Utilities District respectfully requests that the Commission take the following actions:

- A. Grant Columbia/Adair District a Certificate of Public Convenience and Necessity permitting Columbia/Adair District to construct the Project;
- B. Authorize the issuance of securities pursuant to the KIA Assistance Agreement evidencing the KIA Loan in an amount not to exceed \$2,939,475; and
- C. Grant Columbia/Adair District any other relief to which it is entitled.

Columbia/Adair Utilities District

By 

Tim Baker, Vice Chairman  
109 Grant Lane  
Columbia, Kentucky 42728  
Telephone: (270) 384-2181  
Fax: (270) 384-3437  
Email: [bradley.miller@caud.net](mailto:bradley.miller@caud.net)

Rubin & Hays

By 

W. Randall Jones, Esq.  
Kentucky Home Trust Building  
450 South Third Street  
Louisville, Kentucky 40202  
Phone: (502) 569-7534  
Fax: (502) 569-7555  
Counsel for Columbia/Adair Utilities District  
[wrijones@rubinhays.com](mailto:wrijones@rubinhays.com)

STATE OF KENTUCKY            )  
                                          ) SS  
COUNTY OF ADAIR            )

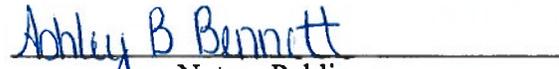
The affiant, Tim Baker, being first duly sworn, states: That is the Vice Chairman of the Columbia/Adair Utilities District, the Applicant in this case; that he has read the foregoing Application and has noted the contents thereof; that the same are true of his own knowledge and belief, except as to matters 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 4 day of December, 2025.

  
\_\_\_\_\_  
Tim Baker, Vice Chairman

SUBSCRIBED, SWORN TO AND ACKNOWLEDGED before me by Tim Baker, Vice Chairman of the Columbia/Adair Utilities District on this the 4 day of December, 2025.

My Commission expires: March 4, 2028.

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

Notary ID#: KYNP86189

**CERTIFICATE OF SERVICE**

The undersigned, in accordance with 807 KAR 5:001, Section 8, hereby certifies that Columbia/Adair Utilities 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 December 16, 2025; that there are currently no parties that the Kentucky Public Service Commission has excused from participation by electronic means in this proceeding.

  
\_\_\_\_\_

W. Randall Jones, Esq.

Rubin & Hays

Kentucky Home Trust Building

450 South Third Street

Louisville, Kentucky 40202

Phone: (502) 569-7534

Fax: (502) 569-7555

Counsel for Columbia/Adair Utilities District

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

## **LIST OF EXHIBITS**

<b><u>Exhibit</u></b>	<b><u>Description</u></b>
A	Project Narrative, Need and Alternatives
B	Permits
C	KIA Commitment Letters
D	Proposed KIA Repayment Schedule
E	Proposed Operating Budget
F	Financial Statements
G	Statement of Operations
H	Notification to State Local Debt Officer
I	Estimate of Property Acquired by USOA Classification
J	Certified Bid Tabulations and Letter of Recommendation
K	Estimated and As Bid Project Budget

# **EXHIBIT A**

## **Public Necessity, Need and Alternatives**

## COLUMBIA/ADAIR UTILITIES DISTRICT

### Phase 24 – Wastewater System Improvements and Upgrades

The Columbia/Adair Utilities District has received a low interest loan from the Clean Water State Revolving Fund, funded in part by a grant to Kentucky from the US Environmental Protection Agency (USEPA). This project will:

- eliminating the Burkesville Road lift station
- modify the Majestic Yacht lift station
- construct a gravity line from the original lift station site to the Majestic Yacht lift station and then construct a force main from the Majestic Yacht lift station to the main interceptor sewer near the original lift station location
- replace 1 individual grinder pump with duplex style lift station
- eliminate on existing individual grinder station
- replace the grit removal system at the WWTP

The Majestic Yacht lift station is relocated to a lower elevation than the existing Burkesville lift station. Currently, air accumulates in the force main going to the Burkesville lift station resulting in flow backing up into the force main until the air and blockages are removed manually. When originally installed this station was at the lowest point in the collection system but with a significant amount of growth, the system has changed significantly from a hydraulic point of view. The station has undergone one renovation in 20 years to increase the pumping capacity but not the wet well storage capacity. To achieve the two hours of emergency storage required by the KY Division of Water a larger wet well is required. Modifying the existing Majestic Yacht lift station will also require construction of a gravity sewer from the original lift station site to the existing Majestic Yacht site then a force main back to the interceptor sewer near the original location. An individual grinder station for an apartment building will be eliminated by connecting it's lateral to the new gravity line.

The individual grinder pump station will be replaced with a new wet well and pump. A developer installed the existing station that was taken into the system years ago. The new lift station will be properly sized for the flow and have a pump matching the others in the system for ease of maintenance.

The grit removal system is needed to remove grit from the incoming flow to the WWTP. The existing grit removal system has outlived its useful life. The grit is damaging to the pumping equipment so by removing the grit it will increase the life expectancy of the plant equipment.

#### Alternatives Considered:

The alternative considered to modifying the Majestic lift station was to construct an additional lift across the intersection. This would require the same amount of gravity sewer and force main. It is estimated this would add \$450,000 to the project as well as long term maintenance and power cost.

Another alternate considered was to replace the Burkesville lift station with a larger wet well, new generator, pumps and controls. This would not have resolved the air accumulation and blockages in the

low lying area nor would it allow for easy access to customers locating along the bypass as each would have to individual lift stations to connect to a force main feeding the Burkesville lift station.

The activities listed above do not include all that was proposed in the KY Infrastructure WRIS database. The original project also included some sewer main rehabilitation and 4 additional individual grinder lift stations being replaced. The sewer rehab would have eliminated some inflow and infiltration in the downtown area. After opening bids, there was not enough funds to complete all the work proposed so the rehabilitation portion of the improvements were deducted out of the construction contracts as well as the aeration diffusers at the WWTP.

# **EXHIBIT B**

## 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

September 11, 2025

Bradley Miller  
109 Grant Ln  
Columbia, KY 42728

RE: WWTP Improvements  
A24-007, Contract 1  
Adair County, KY  
Columbia WWTP  
AI #: 2, APE20240002/FGL20240005

Dear Mr. Miller:

The Kentucky Division of Water (DOW) has reviewed for completeness and adequacy the construction plans and specifications submitted for the above referenced contract(s). The DOW now approves these plans and specifications with respect to sanitary features of design in accordance with the requirements contained in the attached construction permit. The plans consist of replacement of existing grit removal system, digester air headers, and course bubble diffusers. Addition of PAA disinfection system. The approval conditions and a list of eligible/ineligible items are enclosed. Please note that ineligible items cannot be funded using State Revolving Fund (SRF) monies, and must be paid by other funding sources.

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

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

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

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

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

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

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

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

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

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

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

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

You are cautioned that the advertisement and award of this contract will be subject to the laws and regulations that govern the State Revolving Fund (SRF) and to the conditions of your loan agreement. If we can be of further assistance, please call Amanda Mikuski, Project Engineer, at (502) 782-0450.

Bradley Miller  
September 11, 2025  
Page 3 of 3

AI #: 2  
APE20240002/FGL20240005

Sincerely,



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Ken Melton, P.E.  
Supervisor, Clean Water Engineering Section  
Water Infrastructure Branch  
Division of Water

KM / AM  
Enclosures

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

C: Kentucky Engineering Group PLLC  
Kentucky Infrastructure Authority  
Cabinet for Economic Development  
Adair County Health Department  
Division of Plumbing

A24-007

**SRF ELIGIBLE ITEMS:**

Contract No. \_:

Contract No. \_:

Contract No. \_:

**SRF INELIGIBLE ITEMS:**

Contract No. \_:

Contract No. \_:

Contract No. \_:

**APPROVAL CONDITIONS:**

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

# PROJECT REVIEW AND COST SUMMARY

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

DRINKING WATER SRF

CLEAN WATER SRF

## SECTION 1.

1. Project Name \_\_\_\_\_ Project Number \_\_\_\_\_
2. Changes: Have there been any changes in the project since DOW's approval of the plans and specifications?
- Yes  No Construction Drawings. If yes, submit revised drawings and addenda. **See Note\***
- Yes  No Specifications. If yes, submit addenda. **See Note\***
- Yes  No Site Changes. If so, new Clear Site Certificates are required prior to start of construction.
- Yes  No Authorized Representative (Mayor, City Manager, etc.). If so, provide name and title.

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

## SECTION 2.

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

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

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

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

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

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

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

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

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

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

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

\_\_\_\_\_  
Date

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

# SRF Project Cost Summary

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

Project Budget: Estimated  As Bid  Revised

enter date

enter date

enter date

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

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

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

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

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





**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

September 22, 2025

Bradley Miller  
109 Grant Ln  
Columbia, KY 42728

RE: Ph 24 Wastewater System Improvements  
A24-007, Contract 2  
Adair County, KY  
Columbia WWTP  
AI #: 2, APE20250002/FGL20240009

Dear Mr. Miller:

The Kentucky Division of Water (DOW) has reviewed for completeness and adequacy the construction plans and specifications submitted for the above referenced contract(s). The DOW now approves these plans and specifications with respect to sanitary features of design in accordance with the requirements contained in the attached construction permit. The plans consist of 2575 LF of 8 inch PVC force main, 3050 LF of 8 inch PVC gravity line, a duplex submersible pump station capable of 315 gpm at 195 ft TDH, and five simplex grinder pump stations. The approval conditions and a list of eligible/ineligible items are enclosed. Please note that ineligible items cannot be funded using State Revolving Fund (SRF) monies, and must be paid by other funding sources.

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

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

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

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

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

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

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

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

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

You are cautioned that the advertisement and award of this contract will be subject to the laws and regulations that govern the State Revolving Fund (SRF) and to the conditions of your loan agreement. If we can be of further assistance, please call Amanda Mikuski, Project Engineer, at (502) 782-0450.

Bradley Miller  
September 22, 2025  
Page 3 of 3

AI #2  
APE20250002/FGL20240009

Sincerely,



---

Ken Melton, P.E.  
Supervisor, Clean Water Engineering Section  
Water Infrastructure Branch  
Division of Water

KM / AM  
Enclosures

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

C: Kentucky Engineering Group PLLC  
Kentucky Infrastructure Authority  
Cabinet for Economic Development  
Adair County Health Department  
Division of Plumbing

A24-007

**SRF ELIGIBLE ITEMS:**

Contract No. \_:

Contract No. \_:

Contract No. \_:

**SRF INELIGIBLE ITEMS:**

Contract No. \_:

Contract No. \_:

Contract No. \_:

**APPROVAL CONDITIONS:**

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

# PROJECT REVIEW AND COST SUMMARY

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

DRINKING WATER SRF

CLEAN WATER SRF

## SECTION 1.

1. Project Name \_\_\_\_\_ Project Number \_\_\_\_\_
2. Changes: Have there been any changes in the project since DOW's approval of the plans and specifications?
- Yes  No Construction Drawings. If yes, submit revised drawings and addenda. **See Note\***
- Yes  No Specifications. If yes, submit addenda. **See Note\***
- Yes  No Site Changes. If so, new Clear Site Certificates are required prior to start of construction.
- Yes  No Authorized Representative (Mayor, City Manager, etc.). If so, provide name and title.

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

## SECTION 2.

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

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

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

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

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

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

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

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

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

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

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

\_\_\_\_\_  
Date

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

**SRF Project Cost Summary**

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

Project Budget: Estimated  As Bid  Revised

enter date

enter date

enter date

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

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

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

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

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



# Wastewater Treatment Plant Construction Minor Modification

Columbia WWTP

Facility Requirements

Activity ID No.:APE20240002

**TRMT0000000003 (Phase 24 Wastewater System Improvements) replacement of existing grit removal system, digester air headers, and course bubble diffusers. Addition of PAA disinfection system.:**

## Limitation Requirements:

Condition No.	Parameter	Condition
L-1	Oxygen, Dissolved	Effluent: Oxygen, Dissolved $\geq 7$ mg/L. [401 KAR 10:031 Section 4] This requirement is applicable during the following months: All Year. Statistical basis: Monthly average (AV).

## Submittal/Action Requirements:

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

## Narrative Requirements:

Condition No.	Condition
T-1	Facilities, except extended aeration package WWTPs with an average daily design capacity less than 100,000 gpd, shall be designed in accordance with the "Recommended Standards for Wastewater Facilities" of the Great Lakes-Upper Mississippi River Board of State Public Health and Environmental Managers, commonly referred to as "Ten States' Standards", 2014 edition. [401 KAR 5:005 Section 7(1)(a)]
T-2	The permit is issued to the applicant and the permittee shall remain the responsible party for compliance with all applicable statutes and administrative regulations until a notarized applicable change in ownership certification is submitted and the transfer of ownership is acknowledged by the cabinet. [401 KAR 5:005 Section 24(3)]
T-3	Construction is limited to the following: replacement of the existing grit removal system, digester air headers, and course bubble diffusers. Addition of a PAA disinfection system. [401 KAR 5:005 Section 1]

## Wastewater Treatment Plant Construction Minor Modification

Columbia WWTP  
Facility Requirements

Activity ID No.:APE20240002

Page 2 of 2

**TRMT000000003 (Phase 24 Wastewater System Improvements) replacement of existing grit removal system, digester air headers, and course bubble diffusers. Addition of PAA disinfection system.:**

### Narrative Requirements:

Condition No.	Condition
T-4	There shall be no deviations from the plans and specifications submitted with the application or the conditions specified unless authorized in writing by the cabinet. [401 KAR 5:005 Section 24(4)(b)1]
T-5	The issuance of a permit by the cabinet does not convey any property rights of any kind or any exclusive privilege. [401 KAR 5:005 Section 24(6)]
T-6	All rights of inspection by representatives of the Division of Water are reserved. [401 KAR 5:005 Section 24(4)(a)]
T-7	Fencing and/or other adequate protection shall be provided around the wastewater treatment plant. [401 KAR 5:005 Section 10(7)]
T-8	Water quality standards govern the treatment requirements; the following standards apply: a. Dissolved Oxygen in the stream; 5 mg/l or higher. b. Un-ionized Ammonia in the stream; 0.05 mg/l or less. [401 KAR 10:031 Section 4]
T-9	The permittee shall ensure that the effluent is of satisfactory quality to prevent violations of the standards in 401 KAR Chapter 5. If violations of the standards of 401 KAR Chapter 5 result from the discharge of the treated effluent, the owner shall provide additional treatment or an extension of the effluent line. [401 KAR 5:005 Section 24(4)(c)1]
T-10	Issuance of this permit does not relieve the permittee from the responsibility of obtaining any other permits or licenses required by this Division of Water and other state, federal, and local agencies. [401 KAR 5:005 Section 24(4)(c)3]
T-11	Additional effluent limitations and water quality standards are contained in the Division of Water Regulations. [401 KAR 5:005 Section 24(4)(a)]
T-12	A permit to construct a facility shall be effective upon issuance unless otherwise conditioned. Construction shall be completed within twenty-four (24) months. If construction is not commenced within the twenty-four (24) months following a permit's issuance, a new permit shall be obtained before construction may begin. All construction related to this permit is to be completed within five (5) years of construction commencing. [401 KAR 5:005 Section 24(1)]
T-13	The Construction Permit is effective on September 11, 2025 and expires on September 11, 2027. [401 KAR 5:005 Section 24(1)]



**Sewer Line Construction**  
Columbia WWTP  
Facility Requirements

Activity ID No.:APE20250002

**GACT000000020 (Ph 24 Wastewater System Improvements) 2575 LF of 8 inch PVC force main, 3050 LF of 8 inch PVC gravity line, a duplex submersible pump station capable of 315 gpm at 195 ft TDH, and five simplex grinder pump stations:**

**Submittal/Action Requirements:**

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

**Narrative Requirements:**

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

**Sewer Line Construction**  
Columbia WWTP  
Facility Requirements

Activity ID No.:APE20250002

**GACT000000020 (Ph 24 Wastewater System Improvements) 2575 LF of 8 inch PVC force main, 3050 LF of 8 inch PVC gravity line, a duplex submersible pump station capable of 315 gpm at 195 ft TDH, and five simplex grinder pump stations:**

**Narrative Requirements:**

Condition No.	Condition
T-7	<p>For subfluvial pipe crossings, a floodplain construction permit will not be required pursuant to KRS 151.250, if the following requirements of 401 KAR 4:050 Section 2 are met:</p> <ol style="list-style-type: none"><li>1) During the construction of the crossing, no material may be placed in the stream or in the flood plain of the stream to form construction pads, coffer dams, access roads, etc., unless prior approval has been obtained from the cabinet.</li><li>2) The trench shall be backfilled as closely as possible to the original contour. All excess material from construction of the trench shall be disposed of outside of the flood plain, unless the applicant has received prior approval from the cabinet to fill within the flood plain.</li><li>3) For subfluvial crossings of erodible channels, there shall be at least thirty (30) inches of clear cover above the top of the pipe or conduit at all points.</li><li>4) For subfluvial crossings of nonerodible channels, there shall be at least six (6) inches of clear cover above the top of the pipe or conduit at all points, and the pipe or conduit shall be encased on all sides by at least six (6) inches of concrete.</li><li>5) The weight of a pipe and its contents during normal operating conditions at all points must exceed that of an equal volume of water, or the applicant must provide the division with sufficient information to show that the pipe and joints have sufficient strength.</li></ol> <p>Contact the Floodplain Management Section of the Surface Water Permits Branch at (502) 564-3410 with any question on these requirements. [KRS 151.250 &amp; 401 KAR 4:060]</p>
T-8	<p>If any portion of the sewer project will be constructed in or along a stream or wetland, contact the Water Quality Certification Section, located within the Water Quality Branch, at 502-564-3410, to determine if a 401 certification will be required. [KRS 224.16-050]</p>
T-9	<p>Facilities shall be designed and constructed in accordance with the "Recommended Standards for Wastewater Facilities" of the Great Lakes-Upper Mississippi River Board of State Public Health and Environmental Managers, commonly referred to as "Ten States' Standards", 2014 edition. [401 KAR 5:005 Section 7(1)(a)]</p>
T-10	<p>Gravity sewer lines and force mains shall be designed and constructed to give mean velocities, when flowing full, of not less than two (2) feet per second. Velocity calculations shall incorporate roughness coefficients pursuant to 401 KAR 5:005 Section 8(8). [401 KAR 5:005 Section 8(8)]</p>
T-11	<p>Sewer line pipe material, joints, fittings, and installation shall conform to the latest ASTM specifications. [Ten States (WW) 33.7-33.9]</p>
T-12	<p>Gravity sewer lines and force mains shall have a minimum of thirty (30) inches of cover or provide comparable protection. [401 KAR 5:005 Section 8(9)]</p>

**Sewer Line Construction**  
Columbia WWTP  
Facility Requirements

Activity ID No.:APE20250002

**GACT000000020 (Ph 24 Wastewater System Improvements) 2575 LF of 8 inch PVC force main, 3050 LF of 8 inch PVC gravity line, a duplex submersible pump station capable of 315 gpm at 195 ft TDH, and five simplex grinder pump stations:**

**Narrative Requirements:**

Condition No.	Condition
T-13	Sewer lines crossing water mains shall be laid to provide a vertical distance of eighteen (18) inches between the outside of the water main and the outside of the sewer line. This shall be the case where the water main is either above or below the sewer line. The crossing shall be arranged so that the sewer line joints are equidistant and as far as possible from the water main joints. Where a water main crosses under a sewer, adequate structural support shall be provided for the sewer line to prevent damage to the water main. [Ten States (WW) 38.32]
T-14	Sewer lines shall be laid at least ten (10) feet horizontally from any existing or proposed water main. The distance shall be measured from edge to edge. [Ten States (WW) 38.31]
T-15	If gravity sewer lines and force mains are to be constructed in fill areas, the fill areas shall be compacted to ninety-five (95) percent density as determined by the Standard Proctor Density test or to a minimum of ninety (90) percent density as determined by the Modified Proctor Density test prior to the installation of the sewer lines. [401 KAR 5:005 Section 8(10)]
T-16	An audible and visible alarm shall be provided at any proposed wastewater pump station. [Ten States (WW) 46]
T-17	All proposed pump station wetwells shall be sized such that, based on the average flow, the time to fill the wetwell from the pump-off elevation to the pump-on elevation shall not exceed thirty (30) minutes. [401 KAR 5:005 Section 8(16)]
T-18	All pump stations shall provide a minimum of two (2) hours of detention time, based on the average design flow, above the high level alarm elevation or provide an alternate source of power with wetwell storage providing sufficient time for the alternate power source to be activated. [401 KAR 5:005 Section 8(18)]

**Sewer Line Construction**  
Columbia WWTP  
Facility Requirements

Activity ID No.: APE20250002

**PORT0000000055 (Ph 24 Wastewater System Improvements) 3050 LF of 8 inch PVC gravity line:**

**Narrative Requirements:**

Condition No.	Condition
T-1	The integrity of a new gravity sewer line shall be verified by either the infiltration-exfiltration or low pressure air testing method, and a deflection test shall be performed, if using flexible pipe. The deflection test shall be performed after the final backfill has been in place for at least thirty (30) days with no pipe exceeding a deflection of five (5) percent. Additionally, each new manhole shall be tested for water tightness. [401 KAR 5:005 Section 8(6)(a)]
T-2	The entrance of groundwater into or loss of waste from a new gravity sewer line shall be limited to two-hundred (200) gpd per inch of diameter per mile of the gravity sewer line. This limitation includes manholes, gravity sewer lines, and appurtenances. [401 KAR 5:005 Section 8(5)]
T-3	Concrete anchors shall be provided, with a spacing not over thirty-six (36) feet center to center, on all gravity sewer lines having a slope greater than twenty (20) percent and up to thirty-five (35) percent. [Ten States (WW) 33.46]
T-4	A drop pipe shall be provided where the sewer enters the manhole at two (2) feet or more above the manhole invert. [Ten States (WW) 34.2]

**Sewer Line Construction**  
Columbia WWTP  
Facility Requirements

Activity ID No.:APE20250002

**PORT0000000056 (Ph 24 Wastewater System Improvements) 2575 LF of 8 inch PVC force main:**

**Narrative Requirements:**

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Condition No.	Condition
T-1	The integrity of any proposed force main shall be verified by leakage tests. The specifications shall include testing methods and leakage limits. [401 KAR 5:005 Section 8(6)(b)]
T-2	Each high point in the sewer force main shall have an automatic air release valve. [401 KAR 5:005 Section 8(19)]
T-3	Adequate thrust blocks shall be provided at all significant bends in any proposed sewer force main, in order to prevent movement of the main. [Ten States (WW) 49.4]

**Sewer Line Construction**  
Columbia WWTP  
Facility Requirements

Activity ID No.:APE20250002

**PORT0000000057 (Ph 24 Wastewater System Improvements) duplex submersible pump station capable of 315 gpm at 195 ft TDH:**

**Narrative Requirements:**

Condition No.	Condition
T-1	Pumps and force mains handling raw wastewater shall be capable of passing spheres of at least three (3) inches in diameter. Pump suction and discharge openings, as well as sewer force main pipe, shall be a minimum of four (4) inches in diameter. The above requirements do not apply to grinder pump stations or force mains directly connected to grinder pump stations. [Ten States (WW) 42.33, 49.1]

**Sewer Line Construction**  
Columbia WWTP  
Facility Requirements

Activity ID No.:APE20250002

**PORT0000000058 (Ph 24 Wastewater System Improvements) five simplex grinder pump stations capable of between 10 and 50 gpm at up to 90 ft TDH:**

**Narrative Requirements:**

Condition No.	Condition
T-1	Pumps and force mains handling raw wastewater shall be capable of passing spheres of at least three (3) inches in diameter. Pump suction and discharge openings, as well as sewer force main pipe, shall be a minimum of four (4) inches in diameter. The above requirements do not apply to grinder pump stations or force mains directly connected to grinder pump stations. [Ten States (WW) 42.33, 49.1]
T-2	A simplex design shall be used only for pump stations which serve an individual residence or business, and a spare pump shall be available for immediate installation. [401 KAR 5:005 Section 8]

# **EXHIBIT C**

**KIA Commitment Letters and Extension**



**KENTUCKY INFRASTRUCTURE AUTHORITY**

**Andy Beshear**  
Governor

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

**Sandy Williams**  
Executive Director

March 8, 2024

Lenny Stone, General Manager  
Adair County Water District  
PO Box 567 109 Grant Lane  
Columbia, KY 42728

**KENTUCKY INFRASTRUCTURE AUTHORITY  
FEDERALLY ASSISTED CLEAN WATER REVOLVING LOAN FUND  
CONDITIONAL COMMITMENT LETTER (A24-007)**

Dear Mr. Stone:

The Kentucky Infrastructure Authority ("the Authority") commends your efforts to improve public service facilities in your community. On March 7, 2024, the Authority approved your loan for the Phase 24 Wastewater System Improvements and Upgrades project subject to the conditions stated in Attachment A to this letter. The total cost of the project shall not exceed \$2,672,250, 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 Adair 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 March 8, 2025 (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™**

An Equal Opportunity Employer M/F/D

Lenny Stone  
March 8, 2024  
Page 2

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

Sincerely,

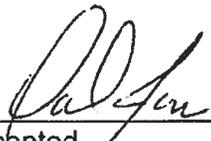


Milward Dedman  
Deputy Executive Director

Attachments

cc: Holly Nicholas, Kentucky Engineering Group, PLLC  
Kentucky Engineering Group, PLLC, James C. Thompson

Please sign and return a copy of this letter indicating your acceptance of this commitment and its terms along with the completed "Transparency Act Reporting Information Form". 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.

  
\_\_\_\_\_  
Accepted

5-2-2024  
\_\_\_\_\_  
Date

## ATTACHMENT A

### Conditions

#### Adair County Water District A24-007

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

1. The Authority project loan shall not exceed \$2,672,250 without prior authorization.
2. Principal forgiveness of 26.01% of the assistance amount, not to exceed \$695,218, will be credited to the loan balance upon the advance of the loan funds from time to time from the Authority to the Borrower.
3. The loan shall bear interest at the rate of 1.25% per annum commencing with the first draw of funds.
4. Interest shall be payable on the unforgiven amount of actual funds received. The first payment shall be due on June 1, or December 1, immediately succeeding the date of the initial draw of funds, provided that if such June 1, or December 1, shall be less than three months since the date of the initial draw of funds, then the first interest payment date shall be the June 1, or December 1, which is at least six months from the date of the initial draw of funds. Interest payments will be due each six months thereafter until the loan is repaid. KIA requires the use of Automated Clearing House (ACH) debits for payment of all balances due on the loan. This will ensure that payments are credited timely to your account without the risk of incurring late payment fees. If the due date falls on a weekend or holiday your account will be debited on the next business day. Please complete and return the "ACH Debit Authorization" form in Attachment C of this letter to U.S. Bank for processing.
5. Full principal payments will commence on the appropriate June 1, or December 1, within twelve months from initiation of operation. Full payments will be due each six months thereafter until the loan is repaid.
6. The loan shall be repaid over a period not to exceed 20 years from the date of initiation of operation for the project.
7. A loan servicing fee of 0.25% of the outstanding loan balance shall be payable to the Authority as a part of each interest payment.
8. Loan funds will only be disbursed after execution of the Assistance Agreement as project costs are incurred.

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

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

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

adoption of the service rate ordinance, order, or resolution. Any required approvals by the Kentucky Public Service Commission shall be obtained.

6. The Borrower must complete and return the "Authorization for Electronic Deposit of Borrower Payment" form in Attachment C of this letter to U.S. Bank.
7. The Borrower must provide documentation of Eclearinghouse Endorsement and Eclearinghouse Comments.
8. Prior to the project bid, an environmental review shall be conducted by the Division of Water for all construction projects receiving State Revolving Funds ("SRF") money.
9. Technical plans and specifications and a complete SRF specifications checklist shall be approved by the Division of Water prior to project bid.
10. All easements or purchases of land shall be completed prior to commencement of construction. Clear Site Certification of all land or easement acquisitions shall be provided to the Division of Water. DOW representatives shall be notified for attendance of the pre-construction conference.
11. Project changes or additions deviating from the original scope of work described in the Project Profile may require a new or amended environmental review and change order review before they can be included in the SRF loan project.
12. The Borrower must provide certification from their legal counsel stating that they have prepared construction specifications in accordance with all applicable state or federal wage rate laws, and that the procurement procedures, including those for construction, land, equipment and professional services that are a part of the project, are in compliance with applicable federal, state and local procurement laws.
13. The Borrower shall implement the Kentucky Uniform System of Accounting (KUSoA), or an alternative approved by the Authority and assure that rates and charges for services are based upon the cost of providing such service.
14. The Borrower shall comply with all Davis Bacon related monitoring and reporting and require all contractors to pay wages pursuant to applicable prevailing wage rates for all work relating to the subject Project.
15. The project shall comply with the reporting requirements of the Transparency Act, and shall complete the Transparency Act Reporting

Information Form in Attachment C of this letter and provide to the Authority no later than 30 days after the KIA Board approval date of your loan.

16. This project qualifies for Green Project Reserve (GPR) funding in the amount of \$410,000.
17. Based on the final "as-bid" project budget, the Borrower must provide satisfactory proof, based on then existing conditions, that the revenue projections in the attached descriptions are still obtainable and that the projections of operating expenses have not materially changed. The "as bid" project budget shall be reviewed and approved by the consulting engineer.
18. The Project shall comply with all federal requirements applicable to the Loan (including those imposed by P.L. 113-76, Consolidated Appropriations Act, 2014 (the "2014 Appropriations Act") and / or the Build America, Buy America Act ("BABA")) and related Program policy guidelines). The Borrower understands that, among other requirements, (a) all of the iron and steel products used in the Project are to be produced in the United States ("American Iron and Steel Requirement") unless (i) the Borrower has requested and obtained a waiver from the Authority and the United States Environmental Protection Agency pertaining to the Project or (ii) the Authority has otherwise advised the Borrower in writing that the American Iron and Steel Requirement is not applicable to the Project; and / or (b) (i) all iron and steel items used in projects must be produced in the United States pursuant to BABA, (ii) all manufactured products must be produced in the United States, and (iii) all construction materials must be manufactured in the United States ("BABA Requirements"); unless (y) the Borrower has requested and obtained a waiver from the Authority and the United States Environmental Protection Agency pertaining to the Project or (z) the Authority has otherwise advised the Borrower in writing that the BABA Requirements are not applicable to the Project
19. Pursuant to the Water Resources Reform and Development Act (WRRDA) of 2014, all CWSRF loan recipients must certify that they have a Fiscal Sustainability Plan for projects that involve the repair, replacement, or expansion of treatment works. Additionally, borrowers must also certify that they have studied and evaluated the cost and effectiveness of the processes, materials, techniques and technologies for the funded project and that they have selected, to the maximum extent practicable, a project that maximizes the potential for efficient water and energy conservation, taking into consideration capital cost, operation and maintenance, and replacement cost.

**ATTACHMENT B**

**Executive Summary and Credit Analysis**

**Adair County Water District  
A24-007**

<b>EXECUTIVE SUMMARY</b>		Reviewer	Sandy Sanders	
<b>KENTUCKY INFRASTRUCTURE AUTHORITY</b>		Date	March 7, 2024	
<b>FUND A, FEDERALLY ASSISTED WASTEWATER</b>		KIA Loan Number	A24-007	
<b>REVOLVING LOAN FUND</b>		WRIS Number	SX21001019	
<b>BORROWER</b>	ADAIR COUNTY WATER DISTRICT ADAIR COUNTY			
<b>BRIEF DESCRIPTION</b>				
The Adair County Water District is requesting a Fund A loan in the amount of \$2,672,250 for the Phase 24 Wastewater System Improvements and Upgrades Project. This project will replace the undersized Burkesville Road and Walmart lift stations, relocating the Burkesville station to a lower elevation for better operation, as well as installing a force main to run from the new location to the existing location (approximately 2,600 LF). Six (6) individual grinder pumps will be replaced with new duplex style lift stations as well as replacing the last two diffusers, converting the disinfection system to PAA and installing a grit removal system at the WWTP. Additionally, the collection system in the Fortune Street, Monroe Street and Young Street areas will be rehabbed requiring approximately 1,900 LF of manhole lining and lining 15-20 manholes.				
<b>PROJECT FINANCING</b>		<b>PROJECT BUDGET</b>		
KIA Loan A24-007	\$2,672,250	Administrative Expenses	\$20,000	
		Legal Expenses	2,500	
		Planning	10,000	
		Eng - Design / Const	163,000	
		Eng - Insp	97,000	
		Eng - Other	20,000	
		Construction	2,144,750	
		Contingency	215,000	
<b>TOTAL</b>	<b>\$2,672,250</b>	<b>TOTAL</b>	<b>\$2,672,250</b>	
<b>REPAYMENT</b>	Rate	1.25%	Est. Annual Payment \$116,972	
	Term	20 Years	1st Payment 6 Mo. after first draw	
<b>PROFESSIONAL SERVICES</b>	Engineer	Kentucky Engineering Group, PLLC		
	Bond Counsel			
<b>PROJECT SCHEDULE</b>	Bid Opening	Dec-24		
	Construction Start	Mar-25		
	Construction Stop	Mar-26		
<b>DEBT PER CUSTOMER</b>	Existing	\$13,319		
	Proposed	\$12,264		
<b>OTHER DEBT</b>	See Attached			
<b>RESIDENTIAL RATES</b>	Current	<u>Users</u>	<u>Avg. Bill</u>	
		1,769	\$54.46 (for 4,000 gallons)	
<b>REGIONAL COORDINATION</b>	This project is consistent with regional planning recommendations.			
<b>CASHFLOW</b>	Cash Flow Before Debt Service	Debt Service	Cash Flow After Debt Service	Coverage Ratio
Audited 2020	1,557,967	1,627,157	(69,190)	1.0
Audited 2021	2,152,762	1,632,291	520,471	1.3
Audited 2022	2,132,443	1,682,752	449,691	1.3
Projected 2023	2,641,459	1,678,323	963,136	1.6
Projected 2024	3,100,732	1,665,063	1,435,669	1.9
Projected 2025	3,020,979	1,661,967	1,359,012	1.8
Projected 2026	2,922,031	1,710,106	1,211,925	1.7
Projected 2027	2,839,056	1,776,445	1,062,611	1.6

Reviewer: Sandy Sanders  
Date: March 7, 2024  
Loan Number: A24-007

**KENTUCKY INFRASTRUCTURE AUTHORITY  
WASTEWATER REVOLVING LOAN FUND (FUND A)  
ADAIR COUNTY WATER DISTRICT, ADAIR COUNTY  
PROJECT REVIEW  
SX21001019**

**I. PROJECT DESCRIPTION**

The Adair County Water District is requesting a Fund A loan in the amount of \$2,672,250 for the Phase 24 Wastewater System Improvements and Upgrades Project. This project will replace the undersized Burkesville Road and Walmart lift stations, relocating the Burkesville station to a lower elevation for better operation, as well as installing a force main to run from the new location to the existing location (approximately 2,600 LF). Six (6) individual grinder pumps will be replaced with new duplex style lift stations as well as replacing the last two diffusers, converting the disinfection system to PAA and installing a grit removal system at the WWTP. Additionally, the collection system in the Fortune Street, Monroe Street and Young Street areas will be rehabbed requiring approximately 1,900 LF of manhole lining and lining 15-20 manholes.

The Water District currently serves 1,193 residential customer and 576 commercial and industrial customers.

**II. PROJECT BUDGET**

	<u>Total</u>
Administrative Expenses	\$ 20,000
Legal Expenses	2,500
Planning	10,000
Engineering Fees - Design	130,400
Engineering Fees - Construction	32,600
Engineering Fees - Inspection	97,000
Engineering Fees - Other	20,000
Construction	2,144,750
Contingency	215,000
<b>Total</b>	<b>\$ 2,672,250</b>

### III. PROJECT FUNDING

	<u>Amount</u>	<u>%</u>
KIA Loan A24-007	\$ 2,672,250	100%
<b>Total</b>	<b>\$ 2,672,250</b>	<b>100%</b>

### IV. KIA DEBT SERVICE

Construction Loan	\$ 2,672,250
Less: Principal Forgiveness	695,218
Amortized Loan Amount	\$ 1,977,032
Interest Rate	1.25%
Loan Term (Years)	20
Estimated Annual Debt Service	\$ 112,029
Administrative Fee (0.25%)	4,943
<b>Total Estimated Annual Debt Service</b>	<b>\$ 116,972</b>

### V. PROJECT SCHEDULE

Bid Opening:	December 2024
Construction Start:	March 2025
Construction Stop:	March 2026

### VI. CUSTOMER COMPOSITION AND RATE STRUCTURE

#### A) Customers

Customers	Current	Proposed	Total
Residential	1,193	0	1,193
Commercial	475	0	475
Industrial	101	0	101
Total	1,769	0	1,769

#### B) Rates

<b>Sewer</b>	Current	Prior	Prior
Date of Last Rate Increase	02/09/24	02/09/23	02/09/22
Minimum	\$10.66	\$9.44	\$8.22
Per Gallon	0.01095	0.00970	0.00845
Cost for 4,000 gallons	\$54.46	\$48.24	\$42.02
Increase %	12.9%	14.8%	
Affordability Index (Rate/MHI)	1.4%	1.3%	

<b>Water</b>	<u>Current</u>	<u>Prior</u>	<u>Prior</u>
Date of Last Rate Increase	02/09/24	02/09/23	02/09/22
First 1,000 gallons	\$25.76	\$23.80	\$21.85
Next 4,000 gallons (per 1,000)	9.06	8.38	7.69
Cost for 4,000 gallons	\$52.94	\$48.94	\$44.92
Increase %	8.2%	8.9%	
Affordability Index (Rate/MHI)	1.4%	1.3%	1.2%

## **VII. DEMOGRAPHICS**

Based on current Census data from the American Community Survey 5-Year Estimate 2017-2021, the Utility's service area population was 5,060 with a Median Household Income (MHI) of \$45,647. The MHI for the Commonwealth is \$55,454. The project will qualify for a 1.25% interest rate.

## **VIII. 2023 CAPITALIZATION GRANT EQUIVALENCIES**

- 1) Green Project Reserve - This project qualifies for Green Project Reserve funding for \$410,000.
- 2) Additional Subsidization – This project qualifies for additional subsidization. Principal forgiveness of \$695,218 will be credited to the loan balance.

## **IX. FINANCIAL ANALYSIS**

Financial information was obtained from the audited financial statements for the years ended June 30, 2020, through June 30, 2022. The non-cash impacts of GASB 68 – Accounting and Financial Reporting for Pensions and GASB 75 – Accounting and Financial Reporting for Other Postemployment Benefit have been removed from the operating expenses. Percentage references in the History section below are based on whole dollar amounts and not the rounded amounts presented.

### **HISTORY**

Total sewer and water revenues increased 31.6% from \$ 4.53 million in 2020 to \$5.95 million in 2022 due to rate increases. Operating expenses increased 28.0% from \$4.96 million to \$5.83 million during the same period largely due to an increase in the cost of materials along with availability. The debt coverage ratio was 1.0, 1.3, and 1.3 in 2020, 2021, and 2022.

The balance sheet reflects a current ratio of 1.4, a debt-to-equity ratio of 1.3, 32.5 days of sales in accounts receivable, and 3.7 months of operating expenses in unrestricted cash.

## PROJECTIONS

Projections are based on the following assumptions:

- 1) Sewer revenues will increase by approximately \$173,000 in FY2023 and \$173,000 in FY2024 due to rate increases.
- 2) Water Revenues will increase by approximately \$413,000 in FY2023 and \$414,000 in FY2024 due to rates increases.
- 3) Expenses for both sewer and water will increase 2% annually due to inflation.
- 4) Debt service coverage is 1.7 in 2026 when principal and interest repayments begin.

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

The Adair County Water District is regulated by the Public Service Commission (PSC) and will need to apply to the PSC, pursuant to KRS 278.300, for debt authorization for the \$2,672,250 loan and must receive a Certificate of Public Convenience and Necessity, pursuant to KRS 278.020.

## REPLACEMENT RESERVE

The replacement reserve will be 5% (\$134,000 total) of the final amount borrowed (prior to principal forgiveness, if any) to be funded annually (\$6,700 yearly) each December 1 for 20 years and maintained for the life of the loan.

**X. DEBT OBLIGATIONS**

	<u>Outstanding</u>	<u>Maturity</u>
2009 WD Water Revenue Bond	\$ 910,000	2050
2011 Water Revenue Bond	1,002,000	2051
2012 WD Water Revenue Bond	1,250,000	2052
2013-D WD Water Revenue Bond	1,900,000	2040
2020 Revenue Bonds	1,908,000	2061
2020-G PP Refunding and Improvement Revenue Bond	4,875,000	2045
KIA Loan F06-01	1,334,959	2028
KIA Loan F07-01	321,211	2032
KIA Loan F10-01	2,099,668	2032
KIA Loan F10-02	846,824	2032
KIA Loan F11-10	663,699	2034
KIA Loan F12-04	2,191,060	2044
KIA Loan F20-09	1,461,756	2052
2014 Revenue Bonds	614,500	2054
KIA Loan F23-006S (i.a.o. \$4,377,650)	0	0
<b>Total</b>	<b>\$21,378,677</b>	

**XI. CONTACTS**

<b>Legal Applicant</b>	
Entity Name	Adair County Water District
Authorized Official	Lenny Stone (General Manager)
County	Adair
Email	lenny.stone@caud.net
Phone	270-384-2181
Address	PO Box 567 109 Grant Lane Columbia, KY 42728

<b>Applicant Contact</b>	
Name	Lenny Stone
Organization	Columbia/Adair Utilities District
Email	lenny.stone@caud.net
Phone	270-384-2181
Address	PO Box 567 109 Grant Lane Columbia, KY 42728

**Project Administrator**

Name Holly Nicholas  
Organization Kentucky Engineering Group, PLLC  
Email hnicholas@kyengr.com  
Phone 859-251-4127  
Address PO Box 1034  
Versailles, KY 40383

**Consulting Engineer**

PE Name James C. Thompson  
Firm Name Kentucky Engineering Group, PLLC  
Email jthompson@kyengr.com  
Phone 859-251-4127  
Address 101 High Street  
Versailles, KY 40383

**XII. RECOMMENDATIONS**

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

**ADAIR COUNTY WATER DISTRICT  
FINANCIAL SUMMARY (DECEMBER YEAR END)**

	<u>Audited</u> <u>2020</u>	<u>Audited</u> <u>2021</u>	<u>Audited</u> <u>2022</u>	<u>Projected</u> <u>2023</u>	<u>Projected</u> <u>2024</u>	<u>Projected</u> <u>2025</u>	<u>Projected</u> <u>2026</u>	<u>Projected</u> <u>2027</u>
<b>Balance Sheet</b>								
<b>Assets</b>								
Current Assets	905,135	1,429,328	2,313,933	1,920,319	2,383,550	2,702,159	2,921,377	2,964,605
Other Assets	45,968,650	48,139,493	46,059,526	45,071,640	44,099,445	43,143,015	49,045,945	47,892,247
<b>Total</b>	<b>46,873,785</b>	<b>49,568,821</b>	<b>48,373,459</b>	<b>46,991,959</b>	<b>46,482,995</b>	<b>45,845,174</b>	<b>51,967,322</b>	<b>50,856,852</b>
<b>Liabilities &amp; Equity</b>								
Current Liabilities	1,799,984	1,801,734	1,629,910	1,665,946	1,689,753	1,634,332	1,832,118	1,556,816
Long Term Liabilities	23,710,634	26,169,738	26,005,825	24,725,028	23,424,523	22,183,640	23,953,990	22,799,123
<b>Total Liabilities</b>	<b>25,510,618</b>	<b>27,971,472</b>	<b>27,635,735</b>	<b>26,390,974</b>	<b>25,114,277</b>	<b>23,817,972</b>	<b>25,786,107</b>	<b>24,355,939</b>
<b>Net Assets</b>	<b>21,363,168</b>	<b>21,597,349</b>	<b>20,737,724</b>	<b>20,600,985</b>	<b>21,368,718</b>	<b>22,027,201</b>	<b>26,181,214</b>	<b>26,500,914</b>
<b>Cash Flow</b>								
Revenues	4,525,737	5,473,645	5,953,698	6,539,370	7,126,532	7,126,532	7,126,532	7,126,532
Operating Expenses	2,995,423	3,332,588	3,832,783	3,909,439	4,037,328	4,117,081	4,216,029	4,299,004
Other Income	27,653	11,705	11,528	11,528	11,528	11,528	11,528	11,528
<b>Cash Flow Before Debt Service</b>	<b>1,557,967</b>	<b>2,152,762</b>	<b>2,132,443</b>	<b>2,641,459</b>	<b>3,100,732</b>	<b>3,020,979</b>	<b>2,922,031</b>	<b>2,839,056</b>
<b>Debt Service</b>								
Existing Debt Service	1,627,157	1,632,291	1,682,752	1,678,323	1,665,063	1,661,967	1,710,106	1,776,445
Proposed KIA Loan	0	0	0	0	0	0	0	0
<b>Total Debt Service</b>	<b>1,627,157</b>	<b>1,632,291</b>	<b>1,682,752</b>	<b>1,678,323</b>	<b>1,665,063</b>	<b>1,661,967</b>	<b>1,710,106</b>	<b>1,776,445</b>
<b>Cash Flow After Debt Service</b>	<b>(69,190)</b>	<b>520,471</b>	<b>449,691</b>	<b>963,136</b>	<b>1,435,669</b>	<b>1,359,012</b>	<b>1,211,925</b>	<b>1,062,611</b>
<b>Ratios</b>								
Current Ratio	0.5	0.8	1.4	1.2	1.4	1.7	1.6	1.9
Debt to Equity	1.2	1.3	1.3	1.3	1.2	1.1	1.0	0.9
Days Sales in Accounts Receivable	42.4	37.2	32.5	32.5	32.5	32.5	32.5	32.5
Months Operating Expenses in Unrestricted Cash	0.6	2.3	3.7	3.5	4.7	5.5	6.0	6.0
Debt Coverage Ratio	1.0	1.3	1.3	1.6	1.9	1.8	1.7	1.6

ATTACHMENT C

Forms

Adair County Water District  
A24-007

## SRF LOAN CONDITIONS CHECKLIST

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

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

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

**Submit**

**To:**

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

**TRANSPARENCY ACT REPORTING INFORMATION FORM**  
**CLEAN WATER STATE REVOLVING FUND**  
**AND**  
**DRINKING WATER STATE REVOLVING FUND**

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

Borrower Information:

Name:	Columbia Adair Utilities District aka Adair County Water District
Unique Entity ID (generated by SAM.gov)*:	KWWHCNJUTVE8
KIA Loan Number:	A24-007
Street Address	120 Grant Lane
City, State and Zip (Zip must include 4 digit extension)	Columiba KY 42728
Federal Congressional District(s) of Borrower Utility Service Area:	1st

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

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

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

Physical Location of Project (Primary Place of Performance)

Street Address	various location
City, State and Zip (Zip must include 4 digit extension)	Columiba KY 42728
Federal Congressional District(s) of Project Location	1st

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

Did recipient receive 80% or more of its annual gross revenues from Federal procurement contracts (and subcontracts) and Federal financial assistance subject to the Transparency Act, as defined at 2 CFR 170.320 (and subawards) during the last fiscal year?	No
Did recipient receive \$25 million or more in annual gross revenues from Federal procurement contracts (and subcontracts) and Federal financial assistance subject to the Transparency Act, as defined at 2 CFR 170.320 (and subawards) during the last fiscal year?	No
Does the public have access to compensation of senior executives of the recipient through periodic reports filed under Section 13A or 15D of the Securities Exchange Act of 1934 or Section 6104 of the Internal Revenue Code of 1986?	No

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

Loan Repayment Deductions

KIA Loan # A24-007

**ACH DEBIT AUTHORIZATION FORM**

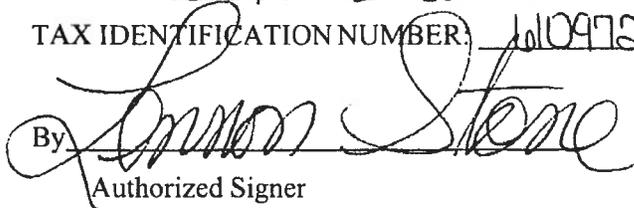
**AUTHORIZATION AGREEMENT FOR PRE-ARRANGED PAYMENTS  
(DEBITS)**

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 Bank of Columbia BRANCH Main  
CITY Columbia STATE KY ZIP CODE 40708  
BANK TRANSIT/ABA NO. 083903098 ACCOUNT NO. 2000512

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: Columbia Adair Utilities District  
ADDRESS 109 Grant Ln Columbia KY 40708  
TAX IDENTIFICATION NUMBER: 610972934

By  Dated 5-2-24  
Authorized Signer

Send to: U.S. Bank via Email

[KentuckyInfrastructureAuth@usbank.com](mailto:KentuckyInfrastructureAuth@usbank.com)

**AUTHORIZATION FOR ELECTRONIC DEPOSIT  
OF BORROWER PAYMENT  
KENTUCKY INFRASTRUCTURE AUTHORITY  
KIA Loan # A24-007**

**Borrower Information:**

Name: Columbia Adair Utilities District  
Address: 109 Grant Lane  
City: Columbia State: KY Zip: 40728  
Federal I.D. #: 61-0972934 Telephone: 270-384-2181  
Contact Name: Lennon Stone  
Email: utility@caud.net

**Financial Institution Information:**

Bank Name: First + Farmers National Bank  
Branch: 114 Will Walker Bld Telephone: 2703842361  
City: Columbia State: KY Zip: 40728  
Transit / ABA No: 083903108  
Account Name: GAUD Phase 25  
Account Number: 7661660703

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: Lennon Stone Date: 5-2-24  
Name Printed: Lennon Stone Job Title: General Manager

Send to: U.S. Bank via Email  
[KentuckyInfrastructureAuth@usbank.com](mailto:KentuckyInfrastructureAuth@usbank.com)

# SAMPLE LETTER

[Letterhead of Counsel for Water Utility]

[Date]

Kentucky Infrastructure Authority  
100 Airport Road  
Frankfort, Kentucky 40601

RE: SRF Loan#  
City of xxxxx

Ladies and Gentlemen:

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

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

Based upon my review I am of the opinion that:

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

Respectfully,

**COMPLETE AFTER BID OPENING**

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

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

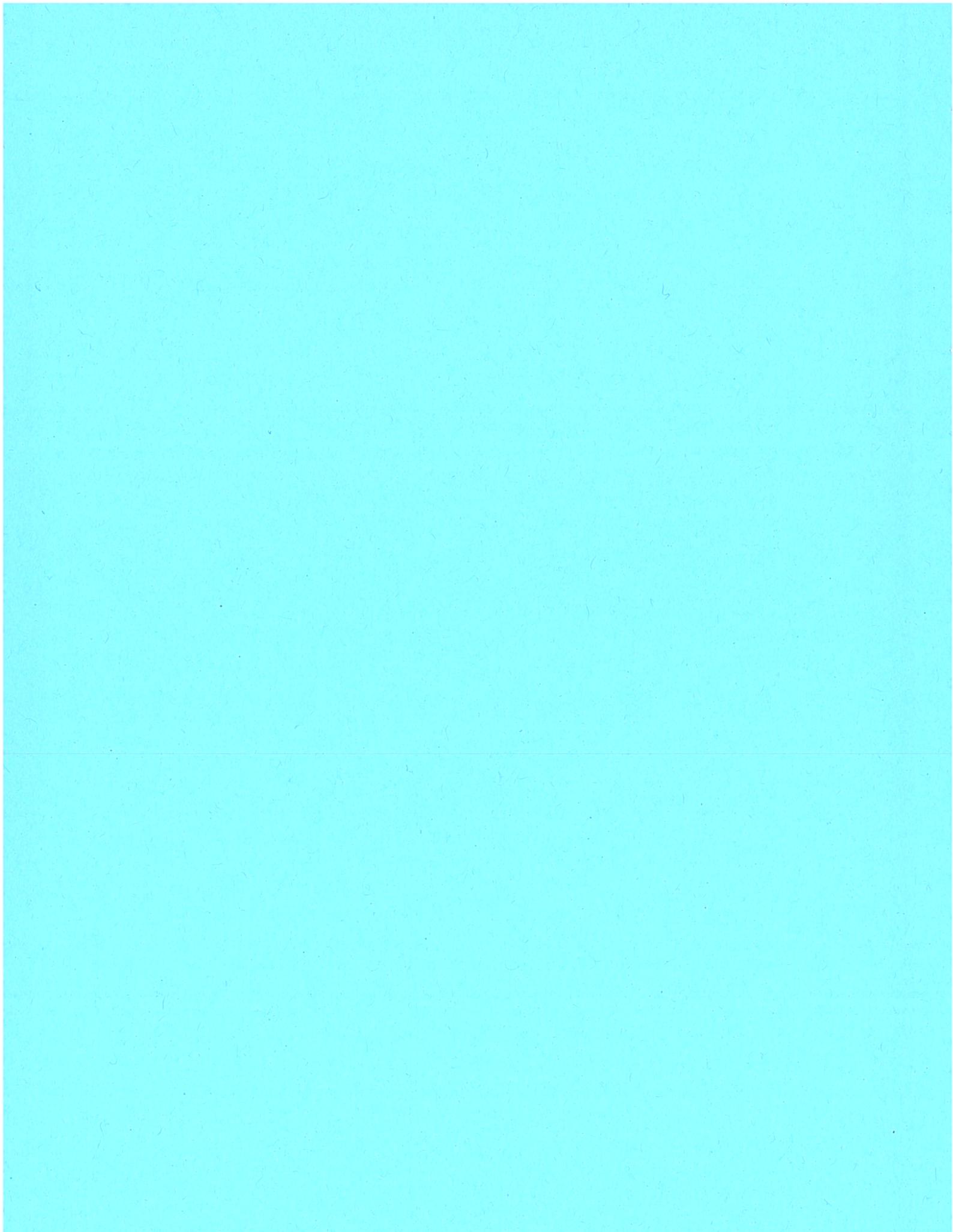
Loan No.: \_\_\_\_\_

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

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

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

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





## KENTUCKY INFRASTRUCTURE AUTHORITY

**Andy Beshear**  
Governor

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

**Sandy Williams**  
Executive Director

December 2, 2025

David Jones, Chairman  
Adair County Water District  
109 Grant Lae  
Columbia, KY 42728

KENTUCKY INFRASTRUCTURE AUTHORITY  
FEDERALLY ASSISTED CLEAN WATER REVOLVING LOAN FUND  
CONDITIONAL COMMITMENT LETTER (A24-007)  
EXTENSION

Dear Chairman Jones:

The Kentucky Infrastructure Authority ("the Authority") has approved an extension of the Clean Water State Revolving Fund (CWSRF) loan A24-007 for the Phase 24 Wastewater System Improvements and Upgrades Project. The Authority has extended the deadline for the District to meet the conditions set forth in the conditional commitment letter for a period of six (6) months. The original expiration date was March 8, 2025. The first extension expiration date was September 8, 2025. With the approval of the loan increase on November 3, 2025, the new expiration date will be May 21, 2026, 6 months from the date of that letter. If the project does not meet the conditions by the new expiration date, the commitment may be rescinded.

All original terms and conditions from the commitment letter dated March 8, 2024, shall remain in effect.

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

Sincerely,

A handwritten signature in cursive script that reads "Milward Dedman".

Milward Dedman  
Deputy Executive Director

TEAM   
KENTUCKY™

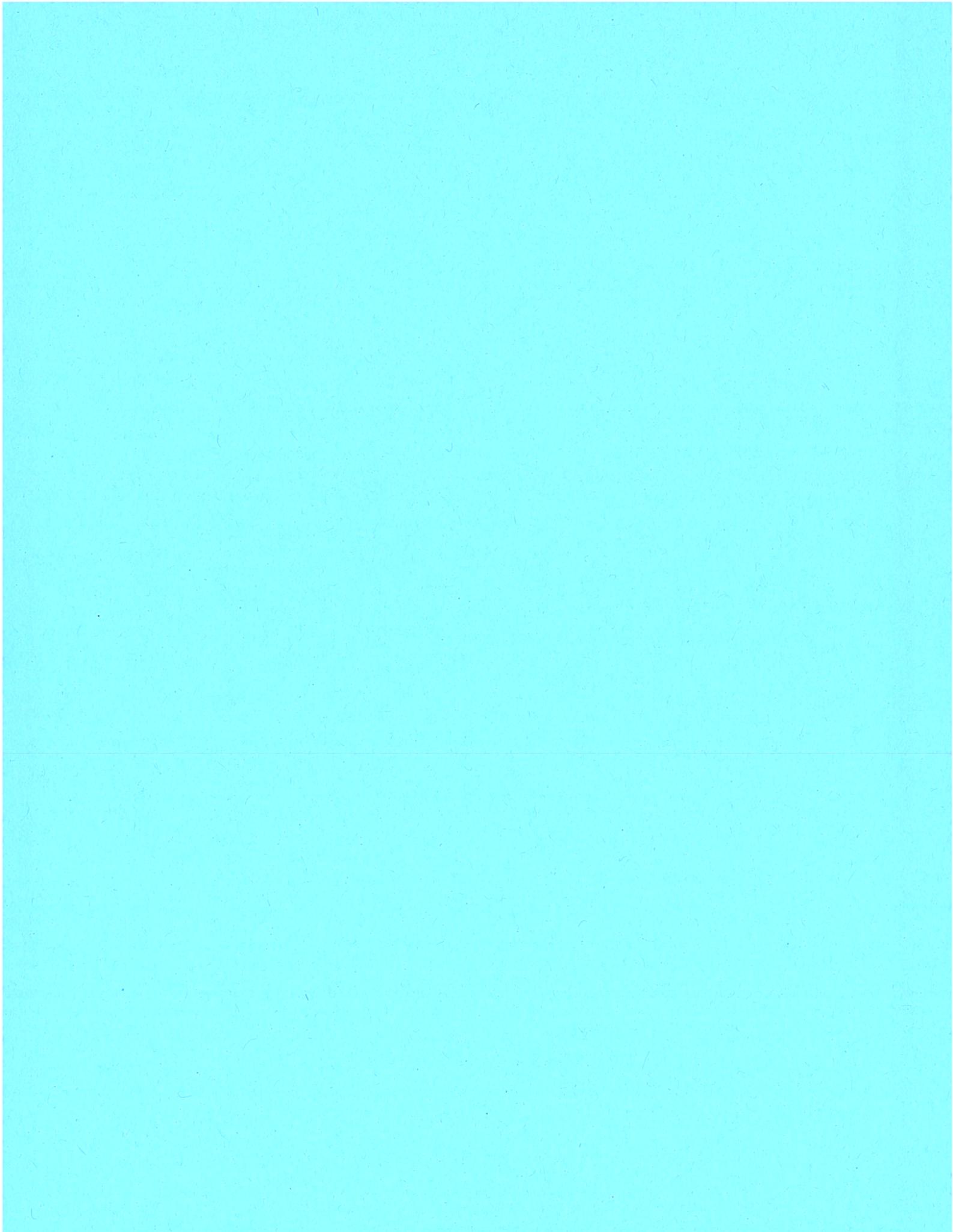
An Equal Opportunity Employer M/F/D

Commitment Letter Extension  
Adair County Water District  
December 2, 2025  
Page 2

Please sign and return a copy of this letter indicating your acceptance of this commitment letter extension and its terms.

Accepted  \_\_\_\_\_

12-2-2025  
Date \_\_\_\_\_





**KENTUCKY INFRASTRUCTURE AUTHORITY**

**Andy Beshear**  
Governor

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

**Sandy Williams**  
Executive Director

November 21, 2025

David Jones, Chairman  
Adair County Water District  
109 Grant Lane  
Columbia, KY 42728

**KENTUCKY INFRASTRUCTURE AUTHORITY  
FEDERALLY ASSISTED CLEAN WATER REVOLVING LOAN FUND  
CONDITIONAL COMMITMENT LETTER (A24-007 (Increase))  
INCREASE**

Dear Chairman Jones:

The Kentucky Infrastructure Authority (“the Authority”) commends your efforts to improve public service facilities in your community. On November 3, 2025, the Authority approved your request for a loan increase in the amount of \$267,225, subject to the conditions stated in Attachment A to this letter. The total cost of the project shall not exceed \$2,939,475, 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 Adair 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 May 21, 2026 (six months from the date of this letter). A one-time extension of up to six months may be granted for applicants that experience extenuating circumstances. Funds will be available for disbursement only after execution of the Assistance Agreement.

**TEAM**  
**KENTUCKY**

An Equal Opportunity Employer M/F/D

Chairman Jones  
November 21, 2025  
Page 2

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

Sincerely,



Milward Dedman  
Deputy Executive Director

Attachments

cc: Holly Nicholas, Kentucky Engineering Group  
Kentucky Engineering Group, Jim Thompson

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

  
\_\_\_\_\_  
Accepted

11-21-25  
\_\_\_\_\_  
Date

## ATTACHMENT A

### Conditions

Adair County Water District  
A24-007 (Increase)

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

1. The Authority project loan shall not exceed \$2,939,475 without prior authorization.
2. Principal forgiveness of 23.7% of the assistance amount, not to exceed \$695,218 will be credited to the loan balance upon release of liens on all contracts and disbursement of the final draw request by KIA to the borrower.
3. The loan shall bear interest at the rate of 1.25% per annum commencing with the first draw of funds.
4. Interest shall be payable on the unforgiven amount of actual funds received. The first payment shall be due on June 1, or December 1, immediately succeeding the date of the initial draw of funds, provided that if such June 1, or December 1, shall be less than three months since the date of the initial draw of funds, then the first interest payment date shall be the June 1, or December 1, which is at least six months from the date of the initial draw of funds. Interest payments will be due each six months thereafter until the loan is repaid. KIA requires the use of Automated Clearing House (ACH) debits for payment of all balances due on the loan. This will ensure that payments are credited timely to your account without the risk of incurring late payment fees. If the due date falls on a weekend or holiday your account will be debited on the next business day.
5. Full principal payments will commence on the appropriate June 1, or December 1, within twelve months from initiation of operation. Full payments will be due each six months thereafter until the loan is repaid.
6. The loan shall be repaid over a period not to exceed 20 years from the date of initiation of operation for the project.
7. A loan servicing fee of 0.25% of the outstanding loan balance shall be payable to the Authority as a part of each interest payment.
8. Loan funds will only be disbursed after execution of the Assistance Agreement as project costs are incurred.
9. The Authority loan funds must be expended within six months of the official date of initiation of operation.

10. Fund "A" loan funds may be considered to be federal funds. If more than \$1,000,000 of federal funds are disbursed during any one (borrower) fiscal year, the borrower is required to have a single or program-specific audit conducted for that year in accordance with 2 CFR 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards.
11. The Authority requires that an annual financial audit be provided for the life of the loan.
12. The final Assistance Agreement must be approved by ordinance or resolution, as applicable, of the city council or appropriate governing board.
13. The Borrower must maintain a 1.1 debt coverage ratio throughout the life of the KIA loan. All borrowers are subject to at least an annual financial review for compliance.

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

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

6. The Borrower must provide documentation of Eclearinghouse Endorsement and Eclearinghouse Comments.
7. Prior to the project bid, an environmental review shall be conducted by the Division of Water for all construction projects receiving State Revolving Funds (“SRF”) money.
8. Technical plans and specifications and a complete SRF specifications checklist shall be approved by the Division of Water prior to project bid.
9. All easements or purchases of land shall be completed prior to commencement of construction. Clear Site Certification of all land or easement acquisitions shall be provided to the Division of Water. DOW representatives shall be notified for attendance of the pre-construction conference.
10. Project changes or additions deviating from the original scope of work described in the Project Profile may require a new or amended environmental review and change order review before they can be included in the SRF loan project.
11. The Borrower must provide certification from their legal counsel stating that they have prepared construction specifications in accordance with all applicable state or federal wage rate laws, and that the procurement procedures, including those for construction, land, equipment and professional services that are a part of the project, are in compliance with applicable federal, state and local procurement laws.
12. The Borrower shall implement the Kentucky Uniform System of Accounting (KUSoA), or an alternative approved by the Authority and assure that rates and charges for services are based upon the cost of providing such service.
13. The Borrower shall comply with all Davis Bacon related monitoring and reporting and require all contractors to pay wages pursuant to applicable prevailing wage rates for all work relating to the subject Project.
14. The project shall comply with the reporting requirements of the Transparency Act.
15. This project qualifies for Green Project Reserve (GPR), the Borrower must submit a Business Case, if required.
16. Based on the final “as-bid” project budget, the Borrower must provide satisfactory proof, based on then existing conditions, that the revenue

projections in the attached descriptions are still obtainable and that the projections of operating expenses have not materially changed. The "as bid" project budget shall be reviewed and approved by the consulting engineer.

17. The project shall comply with American Iron and Steel requirements of The Consolidated Appropriations Act of 2014 (H.R. 3547), which became effective January 17, 2014, unless engineering plans and specifications were approved by the Division of Water prior to the effective date.
18. Pursuant to the Water Resources Reform and Development Act (WRRDA) of 2014, all CWSRF loan recipients must certify that they have a Fiscal Sustainability Plan for projects that involve the repair, replacement, or expansion of treatment works. Additionally, borrowers must also certify that they have studied and evaluated the cost and effectiveness of the processes, materials, techniques, and technologies for the funded project and that they have selected, to the maximum extent practicable, a project that maximizes the potential for efficient water and energy conservation, taking into consideration capital cost, operation and maintenance, and replacement cost.

ATTACHMENT B

Executive Summary and Credit Analysis

Adair County Water District  
A24-007 (Increase)

<b>EXECUTIVE SUMMARY</b> <b>KENTUCKY INFRASTRUCTURE AUTHORITY</b> <b>FUND A, FEDERALLY ASSISTED WASTEWATER</b> <b>REVOLVING LOAN FUND</b>		Reviewer Date KIA Loan Number WRIS Number	John Brady November 3, 2025 A24-007 (Increase) SX21001019	
<b>BORROWER</b>		ADAIR COUNTY WATER DISTRICT ADAIR COUNTY		
<b>BRIEF DESCRIPTION</b>				
The Adair County Water District is requesting a Fund A loan increase in the amount of \$267,225 for the Phase 24 Wastewater System Improvements and Upgrades project. The original loan was approved by the KIA Board on March 7, 2024. This will bring their total KIA loan amount up to \$2,939,475. The increase request is due to bids coming in higher than the amount originally budgeted. No additional work is being funded. This project will replace the undersized Burkesville Road and Walmart lift stations, relocating the Burkesville station to a lower elevation for better operation, as well as installing a force main to run from the new location to the existing location. The current pumps are inefficient and undersized to handle the existing flow. Work at the treatment plant will remove grit from the influent wastewater. The grit is damaging to the pumping equipment so this removal will increase the life expectancy of the equipment. Six individual grinder pumps will be replaced with new duplex style lift stations. Additionally, the collection system in the Fortune Street, Monroe Street and Young Street areas will be rehabbed, requiring approximately 1,900 LF of manhole lining and lining 15-20 manholes.				
<b>PROJECT FINANCING</b>		<b>PROJECT BUDGET</b>		
Fund A Loan	\$2,939,475	Administrative Expenses	\$20,000	
		Legal Expenses	2,500	
		Planning	10,000	
		Eng - Design / Const	163,000	
		Eng - Insp	97,000	
		Eng - Other	20,000	
		Construction	2,251,240	
		Contingency	375,735	
<b>TOTAL</b>	<b>\$2,939,475</b>	<b>TOTAL</b>	<b>\$2,939,475</b>	
<b>REPAYMENT</b>	Rate Term	1.25% 20 Years	Est. Annual Payment 1st Payment 6 Mo. after first draw \$132,782	
<b>PROFESSIONAL SERVICES</b>	Engineer Bond Counsel	Kentucky Engineering Group Dinsmore & Shohl, LLP		
<b>PROJECT SCHEDULE</b>	Bid Opening Construction Start Construction Stop	Sep-25 Jan-26 Sep-26		
<b>DEBT PER CUSTOMER</b>	Existing Proposed	\$2,132 \$2,286		
<b>OTHER DEBT</b>	See Attached			
<b>RESIDENTIAL RATES</b>	Current	<u>Users</u> 1,749	<u>Avg. Bill</u> \$54.46 (for 4,000 gallons)	
<b>REGIONAL COORDINATION</b>	This project is consistent with regional planning recommendations.			
<b>CASHFLOW</b>	Cash Flow Before Debt Service	Debt Service	Cash Flow After Debt Service	Coverage Ratio
Audited 2022	2,125,461	1,682,752	442,709	1.3
Audited 2023	2,576,960	1,693,138	883,822	1.5
Audited 2024	3,054,905	1,689,141	1,365,764	1.8
Projected 2025	2,870,382	1,661,968	1,208,414	1.7
Projected 2026	2,779,948	1,694,244	1,085,704	1.6
Projected 2027	2,687,705	1,831,878	855,827	1.5
Projected 2028	2,593,617	1,686,387	907,230	1.5
Projected 2029	2,497,647	1,456,517	1,041,130	1.7

Reviewer: John Brady  
Date: November 3, 2025  
Loan Number: A24-007 Increase

**KENTUCKY INFRASTRUCTURE AUTHORITY  
WASTEWATER REVOLVING LOAN FUND (FUND A)  
ADAIR COUNTY WATER DISTRICT, ADAIR COUNTY  
PROJECT REVIEW  
SX21001019**

**I. PROJECT DESCRIPTION**

The Adair County Water District is requesting a Fund A loan increase in the amount of \$267,225 for the Phase 24 Wastewater System Improvements and Upgrades project. The original loan was approved by the KIA Board on March 7, 2024. This will bring their total KIA loan amount up to \$2,939,475. The increase request is due to bids coming in higher than the amount originally budgeted. No additional work is being funded. This project will replace the undersized Burkesville Road and Walmart lift stations, relocating the Burkesville station to a lower elevation for better operation, as well as installing a force main to run from the new location to the existing location. The current pumps are inefficient and undersized to handle the existing flow. Work at the treatment plant will remove grit from the influent wastewater. The grit is damaging to the pumping equipment so this removal will increase the life expectancy of the equipment. Six individual grinder pumps will be replaced with new duplex style lift stations. Additionally, the collection system in the Fortune Street, Monroe Street and Young Street areas will be rehabbed, requiring approximately 1,900 LF of manhole lining and lining 15-20 manholes.

The Water District currently serves 1,492 residential customers and 257 commercial customers.

**II. PROJECT BUDGET**

	<u>Total</u>
Administrative Expenses	\$ 20,000
Legal Expenses	2,500
Planning	10,000
Engineering Fees - Design	130,400
Engineering Fees - Construction	32,600
Engineering Fees - Inspection	97,000
Engineering Fees - Other	20,000
Construction	2,251,240
Contingency	375,735
<b>Total</b>	<b>\$ 2,939,475</b>

### III. PROJECT FUNDING

	<u>Amount</u>	<u>%</u>
Fund A Loan	\$ 2,939,475	100%
<b>Total</b>	<b>\$ 2,939,475</b>	<b>100%</b>

### IV. KIA DEBT SERVICE

Construction Loan	\$ 2,939,475
Less: Principal Forgiveness	<u>695,218</u>
Amortized Loan Amount	\$ 2,244,257
Interest Rate	1.25%
Loan Term (Years)	<u>20</u>
Estimated Annual Debt Service	\$ 127,172
Administrative Fee (0.25%)	<u>5,611</u>
<b>Total Estimated Annual Debt Service</b>	<b>\$ 132,782</b>

### V. PROJECT SCHEDULE

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

### VI. CUSTOMER COMPOSITION AND RATE STRUCTURE

#### A) Customers

<u>Customers</u>	<u>Current</u>
Residential	1,492
Commercial	257
Industrial	<u>0</u>
<b>Total</b>	<b>1,749</b>

## B) Rates

<b>Sewer</b>	<u>Current</u>	<u>Prior</u>
Date of Last Rate Increase	02/09/24	02/09/23
Minimum Bill	\$10.66	\$9.44
Per 1,000 Gallons	10.95	9.70
Cost for 4,000 Gallons	\$54.46	\$48.24
Increase %	12.9%	
Affordability Index (Rate/MHI)	1.4%	1.3%

## VII. DEMOGRAPHICS

Based on current Census data from the American Community Survey 5-Year Estimate 2017-2021, the Utility's service area population was 5,060 with a Median Household Income (MHI) of \$45,647. The MHI for the Commonwealth was \$55,454. The loan will qualify for a 1.25% interest rate.

## VIII. 2023 CAPITALIZATION GRANT EQUIVALENCIES

- 1) Green Project Reserve - This project qualifies for Green Project Reserve funding for \$410,000.
- 2) Additional Subsidization – This project qualifies for additional subsidization. Principal forgiveness of 23.7% of the assistance amount, not to exceed \$695,218, will be credited to the loan balance.

## IX. FINANCIAL ANALYSIS

Financial information was obtained from the audited financial statements for the years ended December 31, 2022 through December 31, 2024. 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 revenues increased 24% from \$5.95 million in 2022 to \$7.38 million in 2024 due to rate adjustments and growth. Operating expenses increased 15.7% from \$3.83 million to \$4.43 million during the same period due to salary increases and system repair costs. The debt coverage ratio was 1.3, 1.5, and 1.8 in 2022, 2023, and 2024.

The balance sheet reflects a current ratio of 1.2, a debt-to-equity ratio of 1.1, 30.3

days of sales in accounts receivable, and 2.3 months of operating expenses in unrestricted cash.

## PROJECTIONS

Projections are based on the following assumptions:

- 1) Sewer revenues will increase 2.1% in 2025 due to an existing rate increase.
- 2) Water revenues will increase 1.4% in 2025 due to an existing rate increase.
- 3) Operating expenses will increase 2% annually due to inflation.
- 4) Debt service coverage is 1.5 in 2027 when principal and interest repayments begin.

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

The Adair County Water District is regulated by the Public Service Commission (PSC) and will need to apply to the PSC, pursuant to KRS 278.300, for debt authorization for the \$2,939,475 loan and must receive a Certificate of Public Convenience and Necessity, pursuant to KRS 278.020.

## REPLACEMENT RESERVE

The replacement reserve will be 5% (\$146,000 total) of the final amount borrowed (prior to principal forgiveness) to be funded annually (\$7,300 yearly) each December 1 for 20 years and maintained for the life of the loan.

## X. DEBT OBLIGATIONS

	<u>Outstanding</u>	<u>Maturity</u>
Series 2009 Bonds	\$ 865,400	2050
Series 2011 Bonds	952,500	2051
Series 2012 Bonds	1,191,500	2052
Series 2013D Bonds	1,475,000	2040
Series 2014 Bonds	586,000	2054
Series 2020 Bonds	1,832,500	2061
Series 2020G Bonds	4,550,000	2045
KIA Loan A20-016	1,814,826	2052
KIA Loan F06-01	857,971	2028
KIA Loan F07-01	216,269	2028
KIA Loan F10-01	1,696,320	2032
KIA Loan F10-02	675,152	2032
KIA Loan F11-10	609,199	2034
KIA Loan F12-04	2,037,239	2044

KIA Loan F20-009	768,043	2052
KIA Loan F23-006S (i.a.o. \$1,948,182)		TBD
<b>Total</b>	<b>\$20,127,919</b>	

## XI. CONTACTS

<b>Legal Applicant</b>	
Entity Name	Adair County Water District
Authorized Official	David Jones (Chairman)
County	Adair
Email	utility@caud.net
Phone	(270) 384-2181
Address	109 Grant Lane Columbia, KY 42728

<b>Applicant Contact</b>	
Name	Bradley Miller
Organization	Adair County Water District
Email	bradley.miller@caud.net
Phone	(270) 384-2181
Address	PO Box 567 Columbia, KY 42728

<b>Project Administrator</b>	
Name	Holly Nicholas
Organization	Kentucky Engineering Group
Email	hnicholas@kyengr.com
Phone	(859) 333-9742
Address	PO Box 1034 Versailles, KY 40383

**Consulting Engineer**

PE Name	Jim Thompson
Firm Name	Kentucky Engineering Group
Email	jthompson@kyengr.com
Phone	859-251-4127
Address	101 High Street Versailles, KY 40383

**XII. RECOMMENDATIONS**

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

ADAIR COUNTY WATER DISTRICT  
 FINANCIAL SUMMARY (DECEMBER YEAR END)

	Audited <u>2022</u>	Audited <u>2023</u>	Audited <u>2024</u>	Projected <u>2025</u>	Projected <u>2026</u>	Projected <u>2027</u>	Projected <u>2028</u>	Projected <u>2029</u>
<b>Balance Sheet</b>								
<b>Assets</b>								
Current Assets	2,313,933	2,838,240	2,423,076	2,664,771	2,881,912	3,053,077	3,234,523	3,442,749
Other Assets	46,059,526	44,603,905	44,494,903	48,783,771	50,336,297	48,649,990	47,004,805	45,466,740
<b>Total</b>	<b>48,373,459</b>	<b>47,442,145</b>	<b>46,917,979</b>	<b>51,448,542</b>	<b>53,218,209</b>	<b>51,703,067</b>	<b>50,239,328</b>	<b>48,909,489</b>
<b>Liabilities &amp; Equity</b>								
Current Liabilities	1,802,128	1,828,099	1,997,950	2,115,104	2,157,892	2,193,336	2,078,020	1,876,566
Long Term Liabilities	25,833,607	23,808,230	22,094,198	22,629,662	23,423,413	21,942,563	20,582,229	19,428,649
<b>Total Liabilities</b>	<b>27,635,735</b>	<b>25,636,329</b>	<b>24,092,148</b>	<b>24,744,766</b>	<b>25,581,305</b>	<b>24,135,899</b>	<b>22,660,249</b>	<b>21,305,215</b>
<b>Net Assets</b>	<b>20,737,724</b>	<b>21,805,816</b>	<b>22,825,831</b>	<b>26,703,776</b>	<b>27,636,903</b>	<b>27,567,168</b>	<b>27,579,079</b>	<b>27,604,274</b>
<b>Cash Flow</b>								
Revenues	5,953,698	6,591,506	7,382,029	7,382,029	7,382,029	7,382,029	7,382,029	7,382,029
Operating Expenses	3,832,783	4,042,222	4,433,060	4,557,699	4,648,133	4,740,376	4,834,464	4,930,434
Other Income	4,546	27,676	105,936	46,053	46,053	46,053	46,053	46,053
<b>Cash Flow Before Debt Service</b>	<b>2,125,461</b>	<b>2,576,960</b>	<b>3,054,905</b>	<b>2,870,382</b>	<b>2,779,948</b>	<b>2,687,705</b>	<b>2,593,617</b>	<b>2,497,647</b>
<b>Debt Service</b>								
Existing Debt Service	1,682,752	1,693,138	1,689,141	1,661,968	1,694,244	1,699,096	1,553,605	1,323,735
Proposed KIA Loan	0	0	0	0	0	132,782	132,782	132,782
<b>Total Debt Service</b>	<b>1,682,752</b>	<b>1,693,138</b>	<b>1,689,141</b>	<b>1,661,968</b>	<b>1,694,244</b>	<b>1,831,878</b>	<b>1,686,387</b>	<b>1,456,517</b>
<b>Cash Flow After Debt Service</b>	<b>442,709</b>	<b>883,822</b>	<b>1,365,764</b>	<b>1,208,414</b>	<b>1,085,704</b>	<b>855,827</b>	<b>907,230</b>	<b>1,041,130</b>
<b>Ratios</b>								
Current Ratio	1.3	1.6	1.2	1.3	1.3	1.4	1.6	1.8
Debt to Equity	1.3	1.2	1.1	0.9	0.9	0.9	0.8	0.8
Days Sales in Accounts Receivable	32.5	31.5	30.3	30.3	30.3	30.3	30.3	30.3
Months Operating Expenses in Unrestricted Cash	3.7	1.9	2.3	2.9	3.4	3.7	4.1	4.6
Debt Coverage Ratio	1.3	1.5	1.8	1.7	1.6	1.5	1.5	1.7

ATTACHMENT C

Forms

Adair County Water District  
A24-007 (Increase)

**COMPLETE AFTER BID OPENING**

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

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

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

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

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

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

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

# **EXHIBIT D**

## **Proposed KIA Repayment Schedule**

KENTUCKY INFRASTRUCTURE AUTHORITY  
 ESTIMATED REPAYMENT SCHEDULE  
 LOAN #A24-007  
 ADAIR COUNTY WATER DISTRICT

Original Loan Amount \$ 2,939,475.00  
 Principal Forgiveness \$ (695,218.00)  
 Repayment Amount \$ 2,244,257.00

1.25% Interest  
 \$63,585.89 P & I Calculation

Payment Date	Principal Due	Interest Due	Interest Rate	Principal & Interest	Servicing Fee	Credit Due	Total Payment	Principal Balance	R & M Reserve	Total Reserve
06/01/27	\$49,559.28	\$14,026.61	1.25%	\$63,585.89	\$2,805.32	\$0.00	\$66,391.21	\$2,244,257.00	\$0.00	\$0.00
12/01/27	\$49,869.03	\$13,716.86	1.25%	\$63,585.89	\$2,743.37	\$0.00	\$66,329.26	\$2,194,697.72	\$7,300.00	\$7,300.00
06/01/28	\$50,180.71	\$13,405.18	1.25%	\$63,585.89	\$2,681.04	\$0.00	\$66,266.93	\$2,094,647.98	\$0.00	\$7,300.00
12/01/28	\$50,494.34	\$13,091.55	1.25%	\$63,585.89	\$2,618.31	\$0.00	\$66,204.20	\$2,044,153.64	\$7,300.00	\$14,600.00
06/01/29	\$50,809.93	\$12,775.96	1.25%	\$63,585.89	\$2,555.19	\$0.00	\$66,141.08	\$1,993,343.71	\$0.00	\$14,600.00
12/01/29	\$51,127.49	\$12,458.40	1.25%	\$63,585.89	\$2,491.68	\$0.00	\$66,077.57	\$1,942,216.22	\$7,300.00	\$21,900.00
06/01/30	\$51,447.04	\$12,138.85	1.25%	\$63,585.89	\$2,427.77	\$0.00	\$66,013.66	\$1,890,769.18	\$0.00	\$21,900.00
12/01/30	\$51,768.58	\$11,817.31	1.25%	\$63,585.89	\$2,363.46	\$0.00	\$65,949.35	\$1,839,000.60	\$7,300.00	\$29,200.00
06/01/31	\$52,092.14	\$11,493.75	1.25%	\$63,585.89	\$2,298.75	\$0.00	\$65,884.64	\$1,786,908.46	\$0.00	\$29,200.00
12/01/31	\$52,417.71	\$11,168.18	1.25%	\$63,585.89	\$2,233.64	\$0.00	\$65,819.53	\$1,734,490.75	\$7,300.00	\$36,500.00
06/01/32	\$52,745.32	\$10,840.57	1.25%	\$63,585.89	\$2,168.11	\$0.00	\$65,754.00	\$1,681,745.43	\$0.00	\$36,500.00
12/01/32	\$53,074.98	\$10,510.91	1.25%	\$63,585.89	\$2,102.18	\$0.00	\$65,688.07	\$1,628,670.45	\$7,300.00	\$43,800.00
06/01/33	\$53,406.70	\$10,179.19	1.25%	\$63,585.89	\$2,035.84	\$0.00	\$65,621.73	\$1,575,263.75	\$0.00	\$43,800.00
12/01/33	\$53,740.49	\$9,845.40	1.25%	\$63,585.89	\$1,969.00	\$0.00	\$65,554.97	\$1,521,523.26	\$7,300.00	\$51,100.00
06/01/34	\$54,076.37	\$9,509.52	1.25%	\$63,585.89	\$1,901.90	\$0.00	\$65,487.79	\$1,467,446.89	\$0.00	\$51,100.00
12/01/34	\$54,414.35	\$9,171.54	1.25%	\$63,585.89	\$1,834.31	\$0.00	\$65,420.20	\$1,413,032.54	\$7,300.00	\$58,400.00
06/01/35	\$54,754.44	\$8,831.45	1.25%	\$63,585.89	\$1,766.29	\$0.00	\$65,352.18	\$1,358,278.10	\$0.00	\$58,400.00
12/01/35	\$55,096.65	\$8,489.24	1.25%	\$63,585.89	\$1,697.85	\$0.00	\$65,283.74	\$1,303,181.45	\$7,300.00	\$65,700.00
06/01/36	\$55,441.01	\$8,144.88	1.25%	\$63,585.89	\$1,628.98	\$0.00	\$65,214.87	\$1,247,740.44	\$0.00	\$65,700.00
12/01/36	\$55,787.51	\$7,798.38	1.25%	\$63,585.89	\$1,559.68	\$0.00	\$65,145.57	\$1,191,952.93	\$7,300.00	\$73,000.00
06/01/37	\$56,136.18	\$7,449.71	1.25%	\$63,585.89	\$1,489.94	\$0.00	\$65,075.83	\$1,135,816.75	\$0.00	\$73,000.00
12/01/37	\$56,487.04	\$7,098.85	1.25%	\$63,585.89	\$1,419.77	\$0.00	\$65,005.66	\$1,079,329.71	\$7,300.00	\$80,300.00
06/01/38	\$56,840.08	\$6,745.81	1.25%	\$63,585.89	\$1,349.16	\$0.00	\$64,935.05	\$1,022,489.63	\$0.00	\$80,300.00
12/01/38	\$57,195.33	\$6,390.56	1.25%	\$63,585.89	\$1,278.11	\$0.00	\$64,864.00	\$965,294.30	\$7,300.00	\$87,600.00
06/01/39	\$57,552.80	\$6,033.09	1.25%	\$63,585.89	\$1,206.62	\$0.00	\$64,792.51	\$907,741.50	\$0.00	\$87,600.00
12/01/39	\$57,912.51	\$5,673.38	1.25%	\$63,585.89	\$1,134.68	\$0.00	\$64,720.57	\$849,828.99	\$7,300.00	\$94,900.00
06/01/40	\$58,274.46	\$5,311.43	1.25%	\$63,585.89	\$1,062.29	\$0.00	\$64,648.18	\$791,554.53	\$0.00	\$94,900.00
12/01/40	\$58,638.67	\$4,947.22	1.25%	\$63,585.89	\$989.44	\$0.00	\$64,575.33	\$732,915.86	\$7,300.00	\$102,200.00
06/01/41	\$59,005.17	\$4,580.72	1.25%	\$63,585.89	\$916.14	\$0.00	\$64,502.03	\$673,910.69	\$0.00	\$102,200.00
12/01/41	\$59,373.95	\$4,211.94	1.25%	\$63,585.89	\$842.39	\$0.00	\$64,428.28	\$614,536.74	\$7,300.00	\$109,500.00
06/01/42	\$59,745.04	\$3,840.85	1.25%	\$63,585.89	\$768.17	\$0.00	\$64,354.06	\$554,791.70	\$0.00	\$109,500.00
12/01/42	\$60,118.44	\$3,467.45	1.25%	\$63,585.89	\$693.49	\$0.00	\$64,279.38	\$494,673.26	\$7,300.00	\$116,800.00
06/01/43	\$60,494.18	\$3,091.71	1.25%	\$63,585.89	\$618.34	\$0.00	\$64,204.23	\$434,179.08	\$0.00	\$116,800.00
12/01/43	\$60,874.27	\$2,713.62	1.25%	\$63,585.89	\$542.72	\$0.00	\$64,128.61	\$373,306.81	\$7,300.00	\$124,100.00
06/01/44	\$61,252.72	\$2,333.17	1.25%	\$63,585.89	\$466.63	\$0.00	\$64,052.52	\$312,054.09	\$0.00	\$124,100.00
12/01/44	\$61,630.55	\$1,950.34	1.25%	\$63,585.89	\$390.07	\$0.00	\$63,975.96	\$250,418.54	\$7,300.00	\$131,400.00
06/01/45	\$62,020.77	\$1,565.12	1.25%	\$63,585.89	\$313.02	\$0.00	\$63,898.91	\$188,397.77	\$0.00	\$131,400.00
12/01/45	\$62,408.40	\$1,177.49	1.25%	\$63,585.89	\$235.50	\$0.00	\$63,821.39	\$125,989.37	\$7,300.00	\$138,700.00
06/01/46	\$62,798.46	\$787.43	1.25%	\$63,585.89	\$157.49	\$0.00	\$63,743.38	\$63,190.91	\$0.00	\$138,700.00
12/01/46	\$63,190.91	\$394.98	1.25%	\$63,585.89	\$78.99	\$0.00	\$63,664.88	\$0.00	\$7,300.00	\$146,000.00
<b>Totals</b>	<b>\$2,244,257.00</b>	<b>\$299,178.60</b>		<b>\$2,543,435.60</b>	<b>\$59,835.71</b>	<b>\$0.00</b>	<b>\$2,603,271.31</b>		<b>\$146,000.00</b>	

# **EXHIBIT E**

## Proposed Operating Budget

**Columbia/Adair Utilities District**

**A24-007 - Phase 24 Wastewater System Improvements and Upgrades**

**Estimated Annual Cost of Operation after Project is in Service**

Personnel Services	\$ 310,000
Contractual Services	\$ 30,000
Supplies and Materials	\$ 42,500
Repairs and Maintenance	\$ 130,000
Operational	\$ 342,000
Depreciation and Amortization	<u>\$ 585,000</u>
	\$ 1,439,500

# **EXHIBIT F**

## **Financial Statements**

**ADAIR COUNTY WATER DISTRICT  
DBA COLUMBIA/ADAIR UTILITIES DISTRICT  
STATEMENT OF NET POSITION  
December 31, 2024**

	<u>Water</u>	<u>Sewer</u>	<u>Total</u>
<b>ASSETS</b>			
Current assets			
Cash and cash equivalents	\$ -	\$ 838,414	\$ 838,414
Investments	786,976	-	786,976
Customer accounts receivable, net	498,525	114,163	612,688
Due to (from) other funds	(287,357)	287,357	-
Inventory	143,882	7,573	151,455
Prepays	33,543	-	33,543
	<u>1,175,569</u>	<u>1,247,507</u>	<u>2,423,076</u>
Noncurrent assets			
Restricted cash and cash equivalents	898,545	-	898,545
Net OPEB asset	46,864	10,898	57,762
Capital assets			
Nondepreciable capital assets	851,919	95,901	947,820
Property, plant and equipment, net	<u>32,549,808</u>	<u>9,649,482</u>	<u>42,199,290</u>
	<u>34,347,136</u>	<u>9,756,281</u>	<u>44,103,417</u>
Total noncurrent assets	<u>35,522,705</u>	<u>11,003,788</u>	<u>46,526,493</u>
Total assets	<u>35,522,705</u>	<u>11,003,788</u>	<u>46,526,493</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred outflows - pension	213,222	49,569	262,791
Deferred outflows - OPEB	<u>104,422</u>	<u>24,273</u>	<u>128,695</u>
	<u>317,644</u>	<u>73,842</u>	<u>391,486</u>
Total deferred outflows of resources	<u>317,644</u>	<u>73,842</u>	<u>391,486</u>
Total assets and deferred outflows of resources	<u>\$ 35,840,349</u>	<u>\$ 11,077,630</u>	<u>\$ 46,917,979</u>
<b>LIABILITIES</b>			
Current liabilities			
Accounts payable	\$ 193,604	\$ 53,155	\$ 246,759
Accrued payroll	16,321	3,482	19,803
Accrued sick leave	163,654	32,996	196,650
Accrued expenses	37,681	12,130	49,811
Accrued interest	148,092	6,225	154,317
Customer deposits payable	30,105	-	30,105
Current portion of notes and bonds payable	<u>1,225,465</u>	<u>75,040</u>	<u>1,300,505</u>
	<u>1,814,922</u>	<u>183,028</u>	<u>1,997,950</u>
Total current liabilities	<u>1,814,922</u>	<u>183,028</u>	<u>1,997,950</u>
Noncurrent liabilities			
Noncurrent notes and bonds payable	16,825,843	2,325,786	19,151,629
Net pension liability	<u>1,618,620</u>	<u>376,269</u>	<u>1,994,889</u>
	<u>18,444,463</u>	<u>2,702,055</u>	<u>21,146,518</u>
Total noncurrent liabilities	<u>18,444,463</u>	<u>2,702,055</u>	<u>21,146,518</u>
Total liabilities	<u>20,259,385</u>	<u>2,885,083</u>	<u>23,144,468</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred inflows - pension	279,911	65,070	344,981
Deferred inflows - OPEB	<u>489,020</u>	<u>113,679</u>	<u>602,699</u>
	<u>768,931</u>	<u>178,749</u>	<u>947,680</u>
Total deferred inflows of resources	<u>768,931</u>	<u>178,749</u>	<u>947,680</u>
<b>NET POSITION</b>			
Net investment in capital assets	15,350,419	7,344,557	22,694,976
Restricted	898,545	-	898,545
Unrestricted	<u>(1,436,931)</u>	<u>669,241</u>	<u>(767,690)</u>
	<u>14,812,033</u>	<u>8,013,798</u>	<u>22,825,831</u>
Total net position	<u>14,812,033</u>	<u>8,013,798</u>	<u>22,825,831</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 35,840,349</u>	<u>\$ 11,077,630</u>	<u>\$ 46,917,979</u>

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

**ADAIR COUNTY WATER DISTRICT  
DBA COLUMBIA/ADAIR UTILITIES DISTRICT  
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION  
for the year ended December 31, 2024**

	<b>Water Fund</b>	<b>Sewer Fund</b>	<b>Total</b>
<b>OPERATING REVENUE</b>			
Water sales	\$ 5,667,648	\$ 1,547,687	\$ 7,215,335
Other revenue	<u>166,694</u>	<u>-</u>	<u>166,694</u>
Total operating revenue	<u>5,834,342</u>	<u>1,547,687</u>	<u>7,382,029</u>
<b>OPERATING EXPENSES</b>			
Personnel services	1,364,407	295,492	1,659,899
Contractual services	63,342	21,543	84,885
Supplies and materials	787,917	41,381	829,298
Repairs and maintenance	159,553	128,265	287,818
Operational	884,171	347,938	1,232,109
Depreciation and amortization	<u>1,676,418</u>	<u>579,095</u>	<u>2,255,513</u>
Total operating expenses	<u>4,935,808</u>	<u>1,413,714</u>	<u>6,349,522</u>
Operating income (loss)	898,534	133,973	1,032,507
Non-operating income (expenses)			
Other non-utility income	8,536	-	8,536
Interest income	105,813	123	105,936
Interest expenses	(379,794)	(20,423)	(400,217)
Amortization of bond premium	<u>10,836</u>	<u>-</u>	<u>10,836</u>
<b>INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS</b>	643,925	113,673	757,598
Capital contributions	111,387	2,000	113,387
KIA loan forgiveness	170,412	-	170,412
Grants	<u>70,600</u>	<u>-</u>	<u>70,600</u>
Change in net position	996,324	115,673	1,111,997
Net position, beginning of year as restated	<u>13,815,709</u>	<u>7,898,125</u>	<u>21,713,834</u>
<b>NET POSITION, END OF YEAR</b>	<u>\$ 14,812,033</u>	<u>\$ 8,013,798</u>	<u>\$ 22,825,831</u>

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

**ADAIR COUNTY WATER DISTRICT  
DBA COLUMBIA/ADAIR UTILITIES DISTRICT  
STATEMENT OF CASH FLOWS  
for the year ended December 31, 2024**

	Water Fund	Sewer Fund	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers	\$ 5,791,858	\$ 1,542,683	\$ 7,334,541
Payments to suppliers	(1,887,420)	(507,199)	(2,394,619)
Payments for employee services and benefits	<u>(1,602,784)</u>	<u>(383,891)</u>	<u>(1,986,675)</u>
Net cash provided (used) by operating activities	<u>2,301,654</u>	<u>651,593</u>	<u>2,953,247</u>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>			
Receipts (payments) on interfund loans	<u>287,357</u>	<u>(287,357)</u>	<u>-</u>
Net cash provided by (used) in non-capital financing activities	<u>287,357</u>	<u>(287,357)</u>	<u>-</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Principal paid on bonds and notes	(1,206,058)	(74,739)	(1,280,797)
Interest paid on bonds and notes	(387,735)	(20,609)	(408,344)
Purchases of capital assets	(2,027,171)	(176,573)	(2,203,744)
Proceeds from issuance of debt	258,200	-	258,200
Capital contributed - grants	70,600	-	70,600
Other capital contributions	<u>119,923</u>	<u>2,000</u>	<u>121,923</u>
Net cash provided (used) by capital and related financing activities	<u>(3,172,241)</u>	<u>(269,921)</u>	<u>(3,442,162)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of certificates of deposit	(323,322)	-	(323,322)
Redemption of certificates of deposit	500,000	500,000	1,000,000
Interest income	<u>105,813</u>	<u>123</u>	<u>105,936</u>
Net cash provided (used) by investing activities	<u>282,491</u>	<u>500,123</u>	<u>782,614</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	(300,739)	594,438	293,699
Cash and cash equivalents, beginning of year	<u>1,199,284</u>	<u>243,976</u>	<u>1,443,260</u>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<u>\$ 898,545</u>	<u>\$ 838,414</u>	<u>\$ 1,736,959</u>
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>			
Operating income (loss)	\$ 898,534	\$ 133,973	\$ 1,032,507
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation	1,676,418	579,095	2,255,513
Net pension liability activity	(122,184)	(55,167)	(177,351)
Net OPEB asset activity	(131,859)	(37,605)	(169,464)
Changes in assets and liabilities:			
(Increase) decrease in receivables	(38,954)	(5,004)	(43,958)
(Increase) decrease in inventory	(8,487)	(447)	(8,934)
(Increase) decrease in prepaids	(4,445)	-	(4,445)
Increase (decrease) in accounts payable	44,702	34,500	79,202
Increase (decrease) in customer deposits	(3,530)	-	(3,530)
Increase (decrease) in accrued payroll	(711)	-	(711)
Increase (decrease) in accrued sick leave	16,377	4,373	20,750
Increase (decrease) in accrued expenses	<u>(24,207)</u>	<u>(2,125)</u>	<u>(26,332)</u>
Net cash provided by operating activities	<u>\$ 2,301,654</u>	<u>\$ 651,593</u>	<u>\$ 2,953,247</u>

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

# **EXHIBIT G**

## Statement of Operations

**COLUMBIA/ADAIR UTILITIES DISTRICT**  
**Income Statement**  
For the Eleven Months Ending November 30, 2025

	MTD	YTD
<b>Charges for Services</b>		
<b>Charges for Services- Water</b>		
Metered Sales Residential City Customers	461150	\$539,265.69
Metered Sales Residential County Customers	461100	2,830,816.52
Metered Sales Commercial Customers	461200	395,059.79
Metered Sales Industrial Customers	461300	
Metered Sales Public Authorities	461400	24,810.32
Unmetered Revenue	460000	
<b>Total Charges for Services- Water</b>		<b>3,789,952.32</b>
<b>Charges for Services-Sewer</b>		
Sewer Revenue	474001	1,006,050.01
<b>Total Charges for Services-Sewer</b>		<b>1,006,050.01</b>
<b>Charges for Services-Garbage</b>		
Garbage Revenue	474002	
<b>Total Charges for Services-Garbage</b>		
<b>Total Charges for Services</b>		<b>4,796,002.33</b>
 <b>Service Charges &amp; Other</b>		
County Water Tap Fees	471100	93,900.00
City Water Tap Fees	471105	
Sewer Tap Fees	471110	2,500.00
Penalties	471120	94,667.90
County Connection Fees	471130	9,289.26
City Connection Fees	471135	12.88
County Reinstall Meter Fees	471150	1,424.80
City reinstall Meter Fees	471155	
County Meter Test Fees	471160	
City Meter Test Fees	471165	
County Reconnection Charge	471170	7,503.42
City Reconnection Charge	471175	
County Service Investigation	471190	
City Service Investigation	471195	
Return Check Fees	421100	257.40
Revenue- Insurance Operations	474200	2,549.45
Miscellaneous	474300	21,314.91
<b>Total Service Charges &amp; Other</b>	<b>46.20</b>	<b>233,420.02</b>
 <b>Operating Expenses</b>		
<b>Personal Service</b>		
Salaries and Wages-Employees	601000	1,086,386.83
Salaries and Wages- Officers	603000	119,476.89
Retirement Expense	604400	211,766.18
Insurance-Employers Health	604500	332,913.49
Insurance-Workers Comp	658000	16,468.58
Payroll Taxes	675320	94,775.34
<b>Total Personal Service</b>	<b>216,458.66</b>	<b>1,861,787.31</b>
 <b>Operational Expenses</b>		
Miscellaneous	675000	18,227.77
Bank Charges & Fees	675220	550.93
Dues	675300	2,150.75
Bad Debt Expense	670000	
Training/Continuing Education	675160	1,024.50
Uniforms	604300	5,945.58
Purchased Water	610000	119,194.46
Purchased Power	615000	464,768.58
Rental of Building/Real Property	641000	1,500.00

		MTD	YTD
Service Department Equipment	650100		190,252.99
Service Department-Transportation	650200	2,999.65	45,271.95
Insurance- Vehicles	656000	3,320.22	31,514.49
Insurance-General Liability	657000	7,584.14	72,214.12
Advertising Expense	660000		2,688.13
Meter Program	675120		
Office Equipment	675150		135,500.89
Telephone Mobile	675210	572.64	7,333.45
Telephone Office	675211	718.96	13,563.72
Merchant Charges- Credit Cards	675213		
Conference Expense	675310		8,727.37
Postage-Customers	620700		53,391.33
Postage-General & Admin	620800		1,930.80
Travel Expense	650700		313.68
Insurance- Other	659000		2,322.06
PSC Assessment	667100		11,774.34
Billing Expenses	675151	7,579.28	119,737.86
Software Upgrade	675155		
Refunds	675400	7,349.18	8,114.97
Chemicals	618000	34,452.10	329,689.22
Transportation Expenses-Sewer	929000	615.70	6,458.25
<b>Total Operational Expenses</b>		<b>116,155.84</b>	<b>1,654,162.19</b>
<b>Repairs &amp; Maintenance</b>			
Service Vehicle Repairs	650300	818.07	17,078.48
Service Equipment Repairs	650400		3,500.00
Maintenance	675100	15,510.23	287,635.92
Repair Pumps	675102	113.96	21,211.61
Repair Lines	675103		
Water Line Extension	675111		
Relocation Cost- Construction	675112		
<b>Total Repairs &amp; Maintenance</b>		<b>16,442.26</b>	<b>329,426.01</b>
<b>Contractual Services</b>			
Contractual Services- Engineering	631000		4,500.00
Contractual Services- Accounting	632000		33,953.00
Contractual Services- Water Testing	635000	4,163.48	22,679.12
Contractual Services- Other	636000	15,351.46	102,151.20
<b>Total Contractual Services</b>		<b>19,514.94</b>	<b>163,283.32</b>
<b>Supplies &amp; Materials</b>			
Service Materials & Supplies	620100	104,396.70	711,287.88
Office Supplies	620300	713.25	21,498.50
Miscellaneous Service Supplies	620200		47.22
<b>Total Supplies &amp; Materials</b>		<b>105,109.95</b>	<b>732,833.60</b>
<b>Total Operating Expenses</b>		<b>473,681.65</b>	<b>4,741,492.43</b>
<b>Depreciation &amp; Amortization Expense</b>			
Depreciation Expense	675403		
<b>Total Depreciation &amp; Amortization Expense</b>			
<b>Other Income &amp; Expenses</b>			
<b>Interest Income</b>			
Interest & Dividend Income	419000		153.96
Interest Income	474400	94.97	(6,116.74)
<b>Total Other Income &amp; Expenses</b>		<b>94.97</b>	<b>(5,962.78)</b>
<b>Interest Expense</b>			
Interest on Short Term Debt	684272		
Interest on Long Term Debt	684273		109,150.23
Service Fee on Long Term Debt	684276		45,362.54

		MTD	YTD
Interest on Customer Deposits	684274		974.80
<b>Total Interest Expense</b>			<u>155,487.57</u>
<b>Grant Income</b>			
RD Grant Funding	684322		
KIA Funding	684321	105,551.50	(2,338,865.34)
<b>Total Grant Funding</b>		<u>105,551.50</u>	<u>(2,338,865.34)</u>
<b>Contributed Capital</b>			
General Assembly Funds	224150		
Proceeds From Capital Contributions	432000		
Construction-Revenue	474100		
Construction- State Income	474120		
EDA Funding	684324		
General Assembly Funding	684325		
Proceeds From Capital Contributions	684320		
<b>Total Contributed Capital</b>			
<b>Contributions</b>			
Contributions	675901		
Transfer Out	675800		
<b>Total Contributions</b>			
<b>Miscellaneous Nonutility Expenses</b>			
Misc Nonutility Expenses	426000	2,145.00	2,964.75
<b>Miscellaneous Nonutility Expenses</b>		<u>2,145.00</u>	<u>2,964.75</u>
<b>Amortization of Bond Discount and Expense</b>			
Amortization of Debt Discount & Expense	428000		
Amortization of Premium of Debt	429000	902.98	9,029.80
<b>Total Amortization of Bond Discount and Expense</b>		<u>902.98</u>	<u>9,029.80</u>
<b>Total Other Income &amp; Expenses</b>		<u>108,694.45</u>	<u>(2,177,346.00)</u>
<b>Other Nonutility Income</b>			
Return Check Fee	141600		
Parts Sales	474800	675.00	47,826.83
Miscellaneous Nonutility Income	492600		
<b>Total Other Nonutility Income</b>		<u>675.00</u>	<u>47,826.83</u>
<b>Net (Income) Loss</b>		(364,171.03)	(2,003,039.60)

# **EXHIBIT H**

Notification to State Local Debt Officer

# RUBIN & HAYS

— ATTORNEYS AT LAW —

---

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

December 5, 2025

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

Re: Adair County Water District, d/b/a Columbia/Adair Utilities 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 Adair County Water District, d/b/a Columbia/Adair Utilities District (the "District") hereby notifies the State Local Debt Officer that the District intends on issuing securities in the form of a loan from the Kentucky Infrastructure Authority for the purpose of financing 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:jlm  
Enclosures

# **EXHIBIT I**

## Estimate of Property Acquired

**Columbia/Adair Utilities District**  
**A24-007 - Phase 24 Wastewater System Improvements and Upgrades**

**Cost of Acquired Property by USOA Account Number:**

	USOA #	Cost
Force Main	352.1	\$ 360,246
Gravity Sewer	352.2	\$ 850,850
Other Collection Plant Facilities	353	\$ 2,400
Services to Customers	354	\$ 86,360
Pumping Equipment - Electric	363A	\$ 572,320
Treatment & Disposal Equipment	373	\$ 406,000
		\$ 2,278,176

# **EXHIBIT J**

Certificated Bid Tabs and Letter of  
Recommendation



**BID TABULATION**

Phase 24 Wastewater System Improvements

Contract 1 - WWTP Improvements

Columbia-Adair Utilities District

Columbia, Kentucky

KEG Project No. 24006

BID OPENING: Tuesday, September 30, 2025, 10:00 am CST

Item No.	Description	Quantity	Unit	NAC Heavy Highway Inc. Lexington, KY		Herrick Company, Inc. Lexington, KY	
				Bid Amount	Bid Amount	Bid Amount	Bid Amount
1	Base Bid Contract Price	1	LS	\$ 815,000.00	\$	\$ 915,000.00	\$
<b>TOTAL CALCULATED BASE BID AMOUNT</b>				<b>\$ 815,000.00</b>	<b>\$</b>	<b>\$ 915,000.00</b>	<b>\$</b>

KENTUCKY ENGINEERING GROUP, PLLC

By: \_\_\_\_\_

Ryan Carr, PE  
Project Manager

# **≡≡≡NAC Heavy Highway, Inc.≡≡≡**

---

October 21, 2025

Mr. Ryan C. Carr, PE  
P.O. Box 1034  
Versailles, KY 40383

Re: Phase 24 Wastewater Systems Improvements  
Contract 1 – WWTP Improvements  
Columbia/Adair County Utilities District  
SX21001019  
KIA Loan No. A24-007

Mr. Carr

As requested, please deduct \$409,000.00 from the total bid price to remove the work associated with the diffuser system which includes all work on plan sheets C-2-01 & C-2-02. The work for the grit removal system will remain and the diffuser system work will be removed from the contract.

**Our revised total bid price, after the above listed modifications to the SOW, is \$406,000.00.**

Thank you for the opportunity, please do not hesitate to contact us should you have any questions or comments.

Sincerely,

*Brian Nash*

Brian Nash  
NAC Heavy Highway, Inc.



November 18, 2025

Mr. David Jones, Chairman  
Columbia-Adair Utilities District  
P.O. Box 567  
Columbia, KY 42728

RE: Recommendation of Award  
Phase 24 Wastewater System Improvements  
Contract No. 1 – WWTP Improvements  
KEG Project No. 24006

Dear Mr. Jones:

Bids for the above-mentioned project were opened Tuesday, September 30, 2025, at 10:00 am local time. Two (2) bidders submitted on the project. The lowest bidder was NAC Heavy Highway, Inc., Lexington, KY with a bid of \$815,000.

NAC was requested to propose a deduction for a portion of the work associated with the aeration diffusers for the project to be within budget. A proposal to deduct \$409,000 was provided. The revised total bid price is \$406,000. Upon review of the bid documents, references submitted, proposed deduction and previous project experience, Kentucky Engineering Group, PLLC recommends to the Columbia-Adair Utilities District that NAC Heavy Highway, Inc. be awarded the project contingent upon KIA approval.

Attached is the bid tabulation worksheet.

If you have any questions or need additional information, please contact me at your convenience.

Sincerely,

KENTUCKY ENGINEERING GROUP, PLLC

  
\_\_\_\_\_  
Ryan Carr, P.E.  
Project Manager

P.O. Box 1034  
Versailles, Kentucky 40383  
Phone: (859) 251.4127  
Fax: (859) 251.4137  
Email: info@kyengr.com  
www.kyengr.com





### BID TABULATION

Phase 24 - Wastewater System Improvements  
 Contract No. 2 - System Improvements  
 Columbia-Adair Utilities District  
 KEG Project No. 24006  
 BID OPENING: Tuesday, September 30, 2025, 10:00 am Local Time

Item No.	Description	Quantity	Unit	Cumberland Pipeline Columbia, Kentucky		Norris Brothers Excavating Crossville, TN		AVERAGE BID AMOUNTS	
				\$ / Unit	Bid Amount	\$ / Unit	Bid Amount	\$ / Unit	Bid Amount
1	8" Gravity Sewer	2,950	LF	\$259.00	\$764,050.00	\$285.00	\$840,750.00	\$272.00	\$802,400.00
2	8" HDPE Force Main	2,580	LF	\$85.00	\$219,300.00	\$185.00	\$477,300.00	\$135.00	\$348,300.00
3	16" Roadbore for 8" Gravity Sewer	225	LF	\$531.00	\$119,475.00	\$750.00	\$168,750.00	\$640.50	\$144,112.50
4	16" Roadbore for 8" Force Main	235	LF	\$531.00	\$124,785.00	\$750.00	\$176,250.00	\$640.50	\$150,517.50
5	Connection to Exist. Manhole	4	EA	\$7,865.00	\$31,460.00	\$5,500.00	\$22,000.00	\$6,682.50	\$26,730.00
6	Standard 4' Manhole	16	EA	\$9,734.00	\$155,744.00	\$8,950.00	\$143,200.00	\$9,342.00	\$149,472.00
7	Additional Verticle Foot 4' Manhole	14	LF	\$743.00	\$10,402.00	\$450.00	\$6,300.00	\$596.50	\$8,351.00
8	Residential FM Service Line Connection	4	EA	\$6,615.00	\$26,460.00	\$3,200.00	\$12,800.00	\$4,907.50	\$19,630.00
9	Reconnect Residential Service Laterals	38	EA	\$3,850.00	\$146,300.00	\$2,800.00	\$106,400.00	\$3,325.00	\$126,350.00
10	6" PVC Laterals	50	LF	\$66.00	\$3,300.00	\$120.00	\$6,000.00	\$93.00	\$4,650.00
11	Connection to Exist. 6" Force Main	1	EA	\$9,908.00	\$9,908.00	\$5,500.00	\$5,500.00	\$7,704.00	\$7,704.00
12	Cut & Plug Exist. 6" Force Main	1	EA	\$6,253.00	\$6,253.00	\$5,500.00	\$5,500.00	\$5,876.50	\$5,876.50
13	Clean, Quick Pull & TV Gravity Sewer	1,600	LF	\$9.00	\$14,400.00	\$10.00	\$16,000.00	\$9.50	\$15,200.00
14	Install 8" Pipe Liner	1,600	LF	\$75.00	\$120,000.00	\$135.00	\$216,000.00	\$105.00	\$168,000.00
15	Replace Exist. Manhole	5	EA	\$13,241.00	\$66,205.00	\$8,500.00	\$42,500.00	\$10,870.50	\$54,352.50
16	Majestic PS Rehabilitation & Upgrades	1	LS	\$526,320.00	\$526,320.00	\$650,000.00	\$650,000.00	\$588,160.00	\$588,160.00
17	Removal of Exist. Burkesville LS	1	LS	\$46,000.00	\$46,000.00	\$75,000.00	\$75,000.00	\$60,500.00	\$60,500.00
18	Grider Apartments Grinder - Convert to Manhole	1	LS	\$13,700.00	\$13,700.00	\$55,000.00	\$55,000.00	\$34,350.00	\$34,350.00
19	Replace Exist. Grinder - DOW Building	1	LS	\$46,200.00	\$46,200.00	\$55,000.00	\$55,000.00	\$50,600.00	\$50,600.00
20	Replace Exist. Grinder - El Maguey Bldging	1	LS	\$58,773.00	\$58,773.00	\$50,000.00	\$50,000.00	\$54,386.50	\$54,386.50
21	Replace Exist. Grinder - United Citizens Bank	1	LS	\$46,200.00	\$46,200.00	\$50,000.00	\$50,000.00	\$48,100.00	\$48,100.00
22	Replace Exist. Grinder - Adair Family Med Center	1	LS	\$47,773.00	\$47,773.00	\$50,000.00	\$50,000.00	\$48,886.50	\$48,886.50
23	Replace Exist. Grinder - Pyles Recycling	1	LS	\$46,200.00	\$46,200.00	\$50,000.00	\$50,000.00	\$48,100.00	\$48,100.00
24	Traffic Control	1	LS	\$19,360.00	\$19,360.00	\$75,000.00	\$75,000.00	\$47,180.00	\$47,180.00
25	12" PVC Casing for WM Crossing	40	LF	\$60.00	\$2,400.00	\$80.00	\$3,200.00	\$70.00	\$2,800.00
<b>Total Base Bid</b>					\$2,670,968.00		\$3,358,450.00		\$3,014,709.00

I certify that this is true and accurate tabulation of the bids.  
 The above is a true and complete tabulation of the bids received at 10:00 A.M. local time, Tuesday September 30, 2025  
 at CAUD Office

KENTUCKY ENGINEERING GROUP, PLLC

By: James C. Thompson

James C. Thompson, PE  
 Project Manager/Engineer





November 18, 2025

Mr. David Jones, Chairman  
Columbia-Adair Utilities District  
P.O. Box 567  
Columbia, KY 42728

RE: Recommendation of Award  
Phase 24 Wastewater System Improvements  
Contract No. 2 – System Improvements  
KEG Project No. 24006

Dear Mr. Jones:

Bids for the above-mentioned project were opened Tuesday, September 30, 2025, at 10:00 am local time. Two (2) bidders submitted on the project. The lowest bidder was Cumberland Pipeline, LLC, Columbia, KY with a bid of \$2,670,968.00.

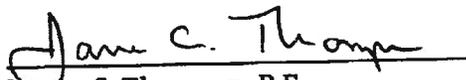
Cumberland Pipeline has agreed to our proposal to deduct items from the scope of work in order to reduce the amount bid. The revised amount is \$1,872,176.00. Upon review of the bid documents, references submitted, proposed deduction and previous project experience, Kentucky Engineering Group, PLLC recommends to the Columbia-Adair Utilities District that Cumberland Pipeline, LLC be awarded the project contingent upon KIA approval.

Attached is the bid tabulation worksheet.

If you have any questions or need additional information, please contact me at your convenience.

Sincerely,

KENTUCKY ENGINEERING GROUP, PLLC

  
James C. Thomson, P.E.  
Project Manager/Engineer

P.O. Box 1034  
Versailles, Kentucky 40383  
Phone: (859) 251.4127  
Fax: (859) 251.4137  
Email: info@kyengr.com  
www.kyengr.com

# **EXHIBIT K**

Estimated and As Bid Project Budget

**Clean Water SRF Project Cost Summary**

**WRIS# SX:21001019**

**Project Title: Phase 24 Wastewater System Improvements and Upgrades**

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

Cost Classification	12/7/2023		9/30/2025		12/4/2025		Total		
	CWSRF KIA Loan	Funding Source 1	Funding Source 2	Funding Source 3	Funding Source 4	Funding Source 5		Local Funds	Unfunded Costs
1 Administrative Expenses	20,000								20,000
2 Legal Expenses	6,000								6,000
3 Land, Appraisals, Easements									-
4 Relocation Expense & Payments									-
5 Planning	10,000								10,000
6 Engineering Fees - Design	130,400								130,400
7 Engineering Fees - Construction	32,600								32,600
8 Engineering Fees - Inspection	97,000								97,000
9 Engineering Fees - Other	20,000								20,000
10 Construction	2,278,176								2,278,176
11 Equipment									-
12 Miscellaneous									-
13 Contingencies	345,299								345,299
<b>Total</b>	<b>2,939,475</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,939,475</b>

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

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

Construction Cost Categories	Funding Source	Total Cost
(I) WWTP Secondary Portion	CWSRF	406000
(II) WWTP Advanced Portion		
(IIIA) Inflow and Infiltration Correction	CWSRF	18740
(IIIB) Major Sewer Rehabilitation	CWSRF	355500
(IIIV) Collector Sewers	CWSRF	556000
(IIVB) Interceptor Sewers including Pump Stations	CWSRF	915000
(V) Combined Sewer Overflow Correction		
<b>TOTAL CONSTRUCTION COSTS</b>		<b>2,251,240</b>

**Total Funding** 2,939,475