

Rubin & Hays

ATTORNEYS AT LAW

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

CHARLES S. MUSSON
W. RANDALL JONES
CHRISTIAN L. JUCKETT

May 27, 2009

RECEIVED

JUN 01 2009

PUBLIC SERVICE
COMMISSION

2009-00201

Mr. Jeff Derouen
Executive Director
Public Service Commission
P.O. Box 615
Frankfort, Kentucky 40602

Re: Fountain Run Water District No. 1 - USDA, Rural Development Project

Dear Mr. Derouen:

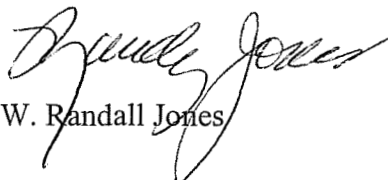
Enclosed please find the original and ten (10) copies of the Application of the Fountain Run Water District No. 1 for a Certificate of Public Convenience and Necessity to construct, finance and increase rates pursuant to KRS 278.023.

Also enclosed are eleven (11) copies of the exhibits required pursuant to 807 KAR 5.069, with the **exception of the Preliminary and Final Engineering Reports, of which two copies are enclosed.**

If you need any additional information or documentation, please let us know.

Sincerely,

Rubin & Hays

By 
W. Randall Jones

WRJ:jkm
Enclosures
cc: Distribution List

DISTRIBUTION LIST

Account No. 0331.0000

Re: Fountain Run Water District #1 Waterworks Revenue Bonds, Series 2009, in the principal amount of \$689,000

Mr. Vernon Brown
Acting State Director
USDA, Rural Development
771 Corporate Drive, Suite 200
Lexington, Kentucky 40503-5477

Telephone: (859) 224-7336
Fax: (859) 224-7340

Mr. Kevin Antle
USDA, Rural Development
957 Campbellsville Road
Columbia, Kentucky 42728-1901

Telephone: (270) 384-4759
Fax: (270) 384-6351

Ms. Louise Veach, Office Manager
Fountain Run Water District #1
P.O. Box 118
Fountain Run, Kentucky 42133

Telephone: (270) 434-4080
Fax: (270) 434-4080

Mr. Travis S. Farmer
HMB Engineers, Inc.
3 HMB Circle, US 460
Frankfort, Kentucky 40601

Telephone: (502) 695-9800
Fax: (502) 695-9810

Catherine Brown Capps, Esq.
Capps Law Office, PSC
P.O. Box 779
Burkesville, Kentucky 42717

Telephone: (270) 864-3306
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W. Randall Jones, Esq.
Rubin & Hays
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450 South Third Street
Louisville, Kentucky 40202

Telephone: (502) 569-7525
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COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

RECEIVED
JUN 01 2009
PUBLIC SERVICE
COMMISSION

In the Matter of:

THE APPLICATION OF FOUNTAIN RUN)
WATER DISTRICT NO. 1 FOR A)
CERTIFICATE OF PUBLIC CONVENIENCE)
AND NECESSITY TO CONSTRUCT,)
FINANCE AND INCREASE RATES)
PURSUANT TO KRS 278.023.)

Case No. 2009- 00201

APPLICATION

This Application of the Fountain Run Water District No. 1 of Monroe, Barren and Allen Counties, Kentucky ("Applicant") respectfully shows:

1. That Applicant is a water district created and existing under and by virtue of Chapter 74 of the Kentucky Revised Statutes.

2. That the post office address of Applicant is:

Fountain Run Water District No. 1
c/o Joe Cornwell, Chairman
P.O. Box 118
Fountain Run, Kentucky 42133

3. That Applicant, pursuant to the provisions of KRS 278.023, seeks (i) a Certificate of Public Convenience and Necessity, permitting Applicant to construct a waterworks construction project, consisting of extensions, additions, and improvements (the "Project") to the existing waterworks system of Applicant; (ii) an Order approving increased rates; and (iii) approval of the proposed plan of financing said Project.

4. The project consists of the construction and installation of (i) approximately 13,500 linear feet of 6 inch water line; (ii) a 200,000 gallon elevated water storage tank; (iii) a new booster pumping station; (iv) SCADA system; and (v) a new master meter.

5. That Applicant proposes to finance the construction and installation of the Project through (i) the issuance of \$689,000 of its Waterworks Revenue Bonds, (ii) a USDA, Rural Development ("RD") grant in the amount of \$436,000; and (iii) an Appalachian Regional

Commission ("ARC") grant in the amount of \$100,000. Applicant has a commitment from RD to purchase said \$689,000 of bonds maturing over a 40-year period, at an interest rate of not exceeding 2.75% per annum, as set out in the RD Letter of Conditions, as amended, filed herewith as an Exhibit.

6. That Applicant does not contemplate having the Project constructed with any deviation from minimum construction standards of this Public Service Commission.

7. That Applicant files herewith the following Exhibits pursuant to 807 KAR 5:069 in support of this Application:

- A. Copy of RD Letter of Conditions, as amended.
- B. Copy of RD Letter of Concurrence in Bid Award.
- C. Certified statement from the Chairman of Applicant, based upon statements of the Engineers for Applicant, concerning the following:
 - (1) The proposed plans and specifications for the Project have been designed to meet the minimum construction and operating requirements set out in 807 KAR 5:066 Section 4(3) and (4); Section 5(1); Sections 6 and 7; Section 8(1) through (3); Section 9(1) and Section 10;
 - (2) All other state approvals or permits have already been obtained;
 - (3) The proposed rates of Applicant shall produce the total revenue requirements set out in the engineering reports; and
 - (4) Setting out the dates when it is anticipated that construction will begin and end.
- D. Copies of Preliminary and Final Engineering Reports.

8. That Applicant has arranged for the publication, prior to or at the same time this Application is filed, of a Notice of Proposed Rate Change pursuant to Section 2 of 807 KAR 5:069, in the newspapers of general circulation in Applicant's service area. Said Notice sets out the current rates and the proposed rates of Applicant and a short description of the Project. A copy of said Notice is filed herewith as an Exhibit.

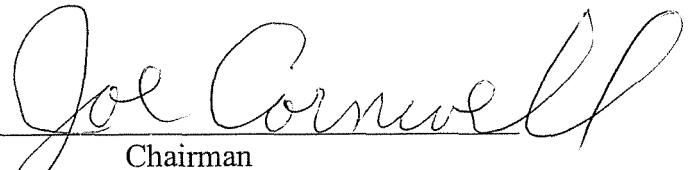
9. That the foregoing constitutes the documents necessary to obtain the approval of the Kentucky Public Service Commission in accordance with Section 278.023 of the Kentucky Revised Statutes and in accordance with the "Filing Requirements" specified in 807 KAR 5:069, Section 1.

WHEREFORE, Applicant, the Fountain Run Water District No. 1, asks that the Public Service Commission of the Commonwealth of Kentucky grant to Applicant the following:

- a. A Certificate of Public Convenience and Necessity permitting Applicant to construct a waterworks project consisting of extensions, additions, and improvements to the existing waterworks system of Applicant.
- b. An Order approving the financing arrangements made by Applicant, viz., the issuance of (i) \$689,000 of Fountain Run Water District No. 1 Waterworks Revenue Bonds at an interest rate of not exceeding 2.75% per annum, (ii) an RD grant in the amount of \$436,000; and (iii) an ARC grant in the amount of \$100,000.
- c. An Order approving the proposed increased rates as set out in Section 27 of the RD Letter of Conditions filed herewith as an Exhibit.

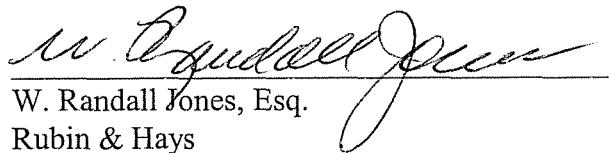
Fountain Run Water District No. 1

By: _____



Chairman

Board of Water Commissioners



W. Randall Jones, Esq.

Rubin & Hays

Counsel for Applicant

Kentucky Home Trust Building

450 South Third Street

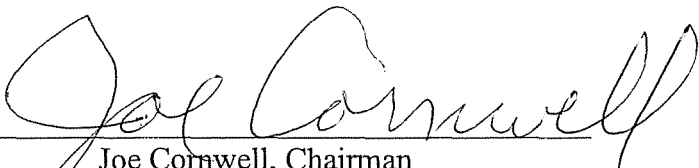
Louisville, Kentucky 40202

(502) 569-7534

COMMONWEALTH OF KENTUCKY)
 MONROE) SS:
COUNTY OF ~~BARREN~~)

The undersigned, Joe Cornwell, being duly sworn, deposes and states that he is the Chairman of the Board of Commissioners of the Fountain Run Water District No. 1, Applicant, in the above proceedings; that he has read the foregoing Application and has noted the contents thereof; that the same is true of his own knowledge, except as to matters which are therein stated on information or belief, and as to those matters, he believes same to be true.

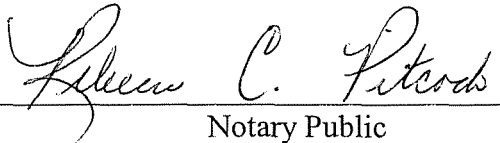
IN TESTIMONY WHEREOF, witness the signature of the undersigned on this May 19, 2009.



Joe Cornwell, Chairman
Fountain Run Water District No. 1

Subscribed and sworn to before me by Joe Cornwell, Chairman of the Board of Commissioners of the Fountain Run Water District No. 1, on this May 19, 2009.

My Commission expires: ~~My Commission Expires Nov 26 2009~~



Notary Public



United States Department of Agriculture
Rural Development
Kentucky State Office

June 16, 2008

Joe Cornwell, Chairman
Fountain Run Water District
P.O. Box 118
Fountain Run, Kentucky 42133

Dear Mr. Cornwell:

This letter establishes conditions which must be understood and agreed to by you before further consideration may be given to the application. The loan/grant will be administered on behalf of the Rural Utilities Service (RUS) by the State and Area office staff of USDA Rural Development. Any changes in project cost, source of funds, scope of services or any other significant changes in the project or applicant must be reported to and approved by USDA Rural Development, by written amendment to this letter. Any changes not approved by Rural Development shall be cause for discontinuing processing of the application. It should also be understood that Rural Development is under no obligation to provide additional funds to meet an overrun in construction costs.

This letter is not to be considered as loan/grant approval or as a representation as to the availability of funds. The docket may be completed on the basis of a RUS loan not to exceed \$689,000 and a RUS grant not to exceed \$436,000.

If Rural Development makes the loan, the interest rate will be the lower of the rate in effect at the time of loan approval or the rate in effect at the time of loan closing, unless the applicant otherwise chooses. The loan will be considered approved on the date a signed copy of Form RD 1940-1, "Request for Obligation of Funds," is mailed to you.

Please complete and return the attached Form RD 1942-46, "Letter of Intent to Meet Conditions," if you desire that further consideration be given to your application.

The "Letter of Intent to Meet Conditions" must be executed within three weeks from the date of this letter or it becomes invalid unless a time extension is granted by Rural Development.

If the conditions set forth in this letter are not met within 240 days from the date hereof, Rural Development reserves the right to discontinue the processing of the application.

In signing Form RD 1942-46, "Letter of Intent to Meet Conditions," you are agreeing to complete the following as expeditiously as possible:

771 Corporate Drive • Suite 200 • Lexington, KY 40503
Phone: (859) 224-7336 • Fax: (859) 224-7444 • TDD: (859) 224-7422 • Web: <http://www.rurdev.usda.gov/ky>

Committed to the future of rural communities.

"USDA is an equal opportunity provider, employer and lender."
To file a complaint of discrimination write USDA, Director, Office of Civil Rights,
1400 Independence Avenue, SW, Washington, DC 20250-9410
or call (800) 795-3272 (voice) or (202) 720-6382 (TDD)

1. Number of Users and Their Contribution:

There shall be 523 water users, of which all are existing users. The Area Director will review and authenticate the number of users prior to advertising for construction bids.

2. Grant Agreement:

Attached is a copy of RUS Bulletin 1780-12, "Water and Waste System Grant Agreement," for your review. You will be required to execute a completed form at the time of grant closing.

3. Drug-Free Work Place:

Prior to grant closing, the District will be required to execute Form AD-1049, "Certification Regarding Drug-Free Workplace Requirements (Grants) Alternative I - For Grantees Other Than Individuals."

4. Repayment Period:

The loan will be scheduled for repayment over a period not to exceed 40 years from the date of the Bond. Principal payment will not be deferred for a period in excess of two years from the date of the Bond. Payments will be in accordance with applicable KRS, which requires interest to be paid semi-annually (January 1st and July 1st) and principal will be due on or before the first of January. Rural Development may require the District to adopt a supplemental payment agreement providing for monthly payments of principal and interest so long as the bond is held or insured by RUS. Monthly payments will be approximate amortized installments.

5. Recommended Repayment Method:

Payments on this loan shall be made using the Preauthorized Debit (PAD) payment method. This procedure eliminates the need for paper checks and ensures timely receipt of RD loan payments. To initiate PAD payments, Form SF 5510, "Authorization Agreement for Preauthorized Payments," should be signed by the District to authorize the electronic withdrawal of funds from your designated bank account on the exact installment payment due date. The Area Director will furnish the necessary forms and further guidance on the PAD procedure.

6. Reserve Accounts:

Reserves must be properly budgeted to maintain the financial viability of any operation. Reserves are important to fund unanticipated emergency maintenance, pay for repairs, and assist with debt service should the need arise.

The District will be required to deposit \$250 per month into a "Funded Depreciation Reserve Account" until the account reaches \$30,000. The deposits are to be resumed any time the account falls below the \$30,000.

The required monthly deposits to the Reserve Account and required Reserve Account levels are in addition to the requirements of the District's prior bond resolutions.

The monthly deposits to the Reserve Account are required to commence with the first month of the first full fiscal year after the facility becomes operational.

The District also needs to fund an account for short-lived assets by depositing a sum of \$150 monthly into the account. The funds in the short-lived asset account may be used by the District as needed to replace or add short-lived assets in the District's water system. This short-lived asset reserve amount replaces any previous short-lived assets requirements previously set with any prior RUS loan.

7. Security Requirements:

A pledge of gross water revenue will be provided in the Bond Resolution. Bonds shall rank on a parity with existing bonds, if possible.

If this is not possible, the bond will be subordinate and junior to the existing bonds, in which case the District will be required to abrogate its right to issue additional bonds ranking on a parity with the existing bonds, so long as any unpaid indebtedness remains on this bond issue.

8. Land Rights and Real Property:

The District will be required to furnish satisfactory title, easements, etc., necessary to install, maintain and operate the facility to serve the intended users. The pipelines will be on private rights-of-way where feasible. Easements and options are to be secured prior to advertising for construction bids.

9. Organization:

The District will be legally organized under applicable KRS which will permit them to perform this service, borrow and repay money.

10. Business Operations:

The District will be required to operate the system under a well-established set of resolutions, rules and regulations. A budget must be established annually and adopted by the District after review by Rural Development. At no later than loan pre-closing, the District will be required to furnish a prior approved management plan to include, as a minimum, provisions for management, maintenance, meter reading, miscellaneous services, billing, collecting, delayed payment penalties, disconnect/reconnect fees, bookkeeping, making and delivering required reports and audits.

11. Accounts, Records and Audits:

The District will be required to maintain adequate records and accounts and submit annual budgets and year-end reports (annual audits), in accordance with subsection 1780.47 of RUS Instruction 1780.

The enclosed audit booklet will be used as a guide for preparation of audits. The District shall be required to submit a copy of its audit agreement for review and concurrence by Rural Development prior to pre-closing the loan.

The District will be required to establish and maintain separate accounts for each system. Annual audits, budgets, and reports will be submitted to Rural Development showing separate accounts.

12. Accomplish Audits for Years in Which Federal Financial Assistance is Received:

The District will accomplish audits in accordance with OMB Circular A-133, during the years in which federal funds are received. The District will provide copies of the audits to the Area Office and the appropriate Federal cognizant agency as designated by OMB Circular A-133.

13. Insurance and Bonding:

The following insurance and bonding will be required:

- A. Adequate Liability and Property Damage Insurance including vehicular coverage, if applicable, must be obtained and maintained by the District. The District should obtain amounts of coverage as recommended by its attorney, consulting engineer and/or insurance provider.
- B. Worker's Compensation - The District will carry worker's compensation insurance for employees in accordance with applicable state laws.
- C. Fidelity Bond - The District will provide Fidelity Bond Coverage for all persons who have access to funds. Coverage may be provided either for all individual positions or persons, or through "blanket" coverage providing protection for all appropriate employees and/or officials. The amount of coverage required for all RUS loans is \$56,000.
- D. Real Property Insurance - The District will obtain and maintain adequate fire and extended coverage on all structures including major items of equipment or machinery located in the structures. The amounts of coverage should be based on recommendations obtained by the District from its attorney, consulting engineer and/or insurance provider. Subsurface lift stations do not have to be covered except for the value of electrical and pumping equipment therein.
- E. Flood Insurance - The District will obtain and maintain adequate coverage on any facilities located in a special flood and mudslide prone areas.

14. Planning and Performing Development:

- A. The engineer should not be authorized to commence work on final plans and specifications until a determination has been made that the project can be planned and constructed within the estimated cost shown in paragraph "24" of this letter. The engineer may then proceed to develop final plans and specifications to be completed no later than 210 days from this date, and prepare bid documents. The Area Director is prepared to furnish the necessary guide to follow so as to keep the project plans and documents within our guidelines and requirements. The project should not be advertised for construction bids until all easements and

enforceable options have been obtained, and total funds are committed or available for the project.

B. The following documents will be submitted to Rural Development for review and must be concurred in by Rural Development prior to advertisement for construction bids:

1. Final plans, specifications and bid documents.
2. Applicant's letter on efforts to encourage small business and minority-owned business participation.
3. Legal Service Agreements.
4. Engineering Agreements.

Revision in these documents will be subject to Rural Development concurrence. Any agreements, contracts, etc. not reviewed and approved by Rural Development will not be eligible for payment from project funds or revenues from facilities financed by this Agency.

Prior to receipt of an authorization to advertise for construction bids, the District will obtain advance clearance from Bond Counsel regarding compliance with KRS 424 pertaining to publishing of the advertisement for construction bids in local newspapers and the period of time the notice is required to be published.

15. Civil Rights & Equal Opportunity:

You should be aware of and will be required to comply with other federal statute requirements including but not limited to:

A. Section 504 of the Rehabilitation Act of 1973:

Under Section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. 794), no handicapped individual in the United States shall, solely by reason of their handicap, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving Rural Development financial assistance.

B. Civil Rights Act of 1964:

All borrowers are subject to, and facilities must be operated in accordance with, Title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d *et seq.*) and Subpart E of Part 1901 of this Title, particularly as it relates to conducting and reporting of compliance reviews. Instruments of conveyance for loans and/or grants subject to the Act must contain the covenant required by paragraph 1901.202(e) of this Title.

C. The Americans with Disabilities Act (ADA) of 1990:

This Act (42 U.S.C. 12101 *et seq.*) prohibits discrimination on the basis of disability in employment, state and local government services, public transportation, public accommodations, facilities, and telecommunications. Title

II of the Act applies to facilities operated by state and local public entities that provide services, programs, and activities. Title III of the Act applies to facilities owned, leased, or operated by private entities that accommodate the public.

D. Age Discrimination Act of 1975:

This Act (42 U.S.C. 6101 et seq.) provides that no person in the United States shall, on the basis of age, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving federal financial assistance.

Rural Development financial programs must be extended without regard to race, color, religion, sex, national origin, marital status, age, or physical or mental handicap.

16. Closing Instructions:

The Office of General Counsel, our Regional Attorney, will be required to write closing instructions in connection with this loan. Conditions listed therein must be met by the District.

17. Compliance with Special Laws and Regulations:

The District will be required to conform to any and all state and local laws and regulations affecting this type project.

18. System Operator:

The District is reminded that the system operator must have an Operator's Certificate issued by the State.

19. Prior to Pre-Closing the Loan, the District Will Be Required to Adopt:

- A. Form RUS Bulletin 1780-27, "Loan Resolution (Public Bodies)."
- B. Form RD 400-1, "Equal Opportunity Agreement."
- C. Form RD 400-4, "Assurance Agreement."
- D. Form AD-1047, "Certification Regarding Debarment, Suspension, and Other Responsibility Matters - Primary Covered Transaction."
- E. Form RD 1910-11, "Applicant Certification Federal Collection Policies for Consumer or Commercial Debts."
- F. RD Instruction 1940-Q, Exhibit A-1, "Certification for Contracts, Grants and Loans."
- G. RUS Bulletin 1780-22, "Eligibility Certification."

20. Refinancing and Graduation Requirements:

The District is reminded that if at any time it shall appear to the Government that the District is able to refinance the amount of the RUS indebtedness then outstanding, in whole or in part, by obtaining a loan from commercial sources at reasonable rates and terms, upon the request of the Government, the District will apply for and accept such loan in sufficient amount to repay the Government.

21. Commercial Interim Financing:

The District will be required to use commercial interim financing for the project during construction for the RUS loan portion of the financing, if available at reasonable rates and terms.

Before the loan is closed, the District will be required to provide Rural Development with statements from the contractor, engineer and attorneys that they have been paid to date in accordance with their contract or other agreements and, in the case of the contractor, that he has paid his suppliers and sub-contractors.

22. Disbursement of Project Funds:

A construction account for the purpose of disbursement of project funds (RUS) will be established by the District prior to start of construction. The position of officials entrusted with the receipt and disbursement of RUS project funds will be covered by a "Fidelity Bond," with USDA Rural Development as Co-Obligee, in the amount of construction funds on hand at any one time during the construction phase.

For each "construction account" as established, if the amount of RUS loan and grant funds plus any applicant contributions or funds from other sources to be deposited into the account are expected to exceed \$100,000 at any time, the financial institution will secure the amount in excess of \$100,000 by pledging collateral with the Federal Reserve Bank in an amount not less than the excess in accordance with 7 CFR, 1902.7(a).

During construction, the District shall disburse project funds in a manner consistent with subsection 1780.76 (e) of RUS Instruction 1780. Form RD 1924-18, "Partial Payment Estimate," or similar form approved by Rural Development, shall be used for the purpose of documenting periodic construction estimates, and shall be submitted to Rural Development for review and acceptance. Prior to disbursement of funds by the District, the Board of Directors shall review and approve each payment estimate. All bills and vouchers must be approved by Rural Development prior to payment by the District.

Form RD 440-11, "Estimate of Funds Needed for 30-Day Period Commencing _____," will be prepared by the District and submitted to Rural Development in order that a periodic advance of federal cash may be requested.

Borrowers receiving federal loan and/or grant funds by EFT will have funds directly deposited to a specified account at a financial institution with funds being available to the recipient on the date of payment. The borrower should complete Form SF-3881, "Electronic Funds Transfer Payment Enrollment Form," for each account where funds will be electronically received. The

completed form(s) must be received by Rural Development at least thirty (30) days prior to the first advance of funds.

Monthly audits of the District's construction account records shall be made by Rural Development.

23. Disbursement of Grant Funds:

The RUS funds will be advanced as they are needed in the amount(s) necessary to cover the RUS proportionate share of obligations due and payable by the District. Grant funds, upon receipt, must be deposited in an interest bearing account in accordance with 7 CFR part 3016 (as applicable). Interest earned on grant funds in excess of \$100 (as applicable) per year will be submitted to RUS at least quarterly.

24. Cost of Facility:

Breakdown of Costs:

Development	\$ 822,000
Land and Rights	16,000
Legal and Administrative	15,000
Engineering	150,000
Interest	27,500
Other	12,500
Contingencies	<u>82,000</u>
TOTAL	\$ 1,125,000

Financing:

RUS Loan	\$ 689,000
RUS Grant	<u>436,000</u>
TOTAL	\$ 1,125,000

25. Use of Remaining Project Funds:

After providing for all authorized costs, any remaining project funds will be considered to be RUS grant funds and refunded in proportion to participation in the project. If the amount of unused project funds exceeds the grants, that part would be RUS loan funds.

26. Proposed Operating Budget:

You will be required to submit to Rural Development a copy of your proposed annual operating budget that supports the proposed loan repayment prior to this agency giving you written authorization to proceed with the bidding phase. The operating budget should be based on a typical year cash flow, subject to completion of this project in the first full year of operation. Form RD 442-7, "Operating Budget," or similar form may be utilized for this purpose.

27. Rates and Charges:

Rates and charges for facilities and services rendered by the District must be at least adequate to meet cost of maintaining, repairing and operating the water system and meeting required principal and interest payments and the required deposits to debt service and/or depreciation reserve.

Water rates will be at least:

First	2,000	gallons @ \$	15.50. - Minimum Bill.
Next	3,000	gallons @ \$	5.23. - per 1,000 gallons.
Next	5,000	gallons @ \$	4.82. - per 1,000 gallons.
Next	10,000	gallons @ \$	4.05. - per 1,000 gallons.
All Over	20,000	gallons @ \$	3.37. - per 1,000 gallons.

28. Water Purchase Contract:

The District will submit a Water Purchase Contract for approval by Rural Development before advertising for construction bids. If the contract is not on Form RD 442-30, "Water Purchase Contract," the contract will require approval by our Regional Attorney. The contract must meet the requirements of subsection 1780.62 of RUS Instruction 1780.

29. Compliance with the Bioterrorism Act:

Prior to pre-closing the loan, the District will provide a certification they have completed a Vulnerability Assessment (VA) and prepared an emergency response plan (ERP) as required by the Safe Drinking Water Act (SDWA).

30. Floodplain Construction:

The District will be required to pass and adopt a Resolution or amend its By-Laws whereby the District will deny any water service to any future customer wishing to build on or develop property located within a designated floodplain. If a customer or developer requests service for construction in a designated floodplain, the customer or developer must provide evidence and a justification for approval by the District and Rural Development officials that there are no other alternatives to construction or development within the designated floodplain. The community must be a participant in the National Flood Insurance Program (NFIP) and the customer or developer must obtain the required permits prior to the tap on restrictions being waived.

31. Tank Site:

The Water District must obtain State Historical Preservation Office/archaeological clearance and approval on the proposed tank site, once a specific location is chosen. This archaeological survey and SHPO approval must be complete and the environmental assessment updated prior to authorization to advertise being granted.

32. Mitigation Measures:

- A. The project shall be in compliance with all requirements noted in the Governor's Office for Local Development letter dated January 24, 2008, from Ms. Lee Nalley.
- B. The line design and construction shall be accomplished in a way that will leave flood plains and farmland without effect after construction is complete. The Army Corps of Engineers Nationwide Permit No. 12 applies to all floodplain and wetland utility line construction.
- C. Any excavation by Contractor that uncovers a historical or archaeological artifact shall be immediately reported to Owner and a representative of Agency. Construction shall be temporarily halted pending the notification process and further directions issued by Agency after consultation with the State Historic Preservation Officer (SHPO).
- D. The design and construction shall be in compliance with all local, state and federal environmental statutes, regulations and executive orders applicable to the project.
- E. Best Management Practices shall be incorporated into the project design, construction, and maintenance.
- F. Clearance from the Kentucky Heritage Council must be obtained when the tank site is determined.

33. Final Approval Conditions:

Final approval of this assistance will depend on your willingness, with the assistance of all your co-workers, to meet the conditions of this letter in an orderly and systematic manner. Then too, final approval will depend on funds being available.

If you desire to proceed with your application, the Area Director will allot a reasonable portion of time to provide guidance in application processing.

Sincerely,


KENNETH SLONE
State Director

Enclosures

cc: Area Director - Columbia, Kentucky
Barren River ADD – Bowling Green, Kentucky
Rubin & Hays - Louisville, Kentucky
Catherine Brown Capps - Burkesville, Kentucky
HMB Engineers - Frankfort, Kentucky
PSC - ATTN: Dennis Jones - Frankfort, Kentucky



**United States Department of Agriculture
Rural Development
Kentucky State Office**

May 12, 2009

Joe Cornwell, Chairman
Fountain Run Water District
PO Box 118
Fountain Run, Kentucky 42133

Re: Letter of Conditions Dated June 16, 2008

Dear Mr. Cornwell:

This letter shall serve as Amendment No. 1 to the Letter of Conditions dated June 16, 2008. The purpose of this amendment is to revise project costs after bidding and to provide for additional funding through an ARC grant.

The Second Paragraph on Page 1 is revised to read as follows:

“ This letter is not to be considered as loan and/or grant approval or as a representation as to the availability of funds. The docket may be completed on the basis of a RUS loan not to exceed \$689,000, a RUS grant not to exceed \$436,000, an Appalachian Regional Commission (ARC) grant of \$100,000.”

Paragraph numbered “24” is revised to read as follows:

“ 24. Cost of Facility:

Breakdown of Costs:

Development	\$ 918,278
Land and Rights	5,000
Legal and Administrative	15,000
Engineering	157,300
Interest	30,000
Other	35,000
Contingencies	<u>64,422</u>
TOTAL	\$ 1,225,000

Financing:

RUS Loan	\$ 689,000
RUS Grant	436,000
ARC Grant	<u>100,000</u>
TOTAL	\$ 1,225,000 ”

Paragraph numbered “34” is added to read as follows:

“ 34. Commitment of Other Project Funds:

This Letter of Conditions is issued contingent upon a firm commitment being in effect prior to advertising for construction bids for the ARC grant in the amount of \$100,000.”


Paragraph numbered “25” is revised to read as follows:

“ 25. Use of Remaining Project Funds:

After providing for all authorized costs, any remaining project funds will be considered to be RUS/ARC grant funds and refunded in proportion to participation in the project. If the amount of unused project funds exceeds the grants, that part would be RUS loan funds. ”

All other provisions of the referenced Letter of Conditions remain in full force and unchanged.

Sincerely,


VERNON C. BROWN
Acting State Director

- cc: Area Director - Columbia, Kentucky
- Barren River ADD – Bowling Green, Kentucky
- Catherine B. Capps - Burkesville, Kentucky
- Rubin & Hays - Louisville, Kentucky
- HMB Engineers - Frankfort, Kentucky
- PSC - ATTN: Dennis Jones - Frankfort, Kentucky



**United States Department of Agriculture
Rural Development**
Kentucky State Office

May 21, 2009

SUBJECT: Fountain Run Water District
Water System Improvements
Contract Award Concurrence

TO: Area Director
Columbia, Kentucky

Based on the bids received and the recommendation of the consulting engineer, Rural Development concurs in the award of subject contract to the low bidder on Contract 1, Conley H. Gregory, Inc., in the amount of \$281,816.50, the low bidder on Contract 2, HTI, Inc., in the amount of \$72,937.50, and the low bidder on Contract 3, Phoenix Fabricators and Erectors, Inc., in the amount of \$563,524.00.

If you have any questions, please contact Julie Anderson, State Engineer, at (859) 224-7348.

for Julie Anderson
VERNON BROWN
Acting State Director
Rural Development

cc: HMB Engineers, Inc.
Frankfort, Kentucky

Rubin and Hays
Louisville, Kentucky

771 Corporate Drive • Suite 200 • Lexington, KY 40503
Phone: (859) 224-7300 • Fax: (859) 224-7425 • TDD: (859) 224-7422 • Web: <http://www.rurdev.usda.gov/ky>

Committed to the future of rural communities.

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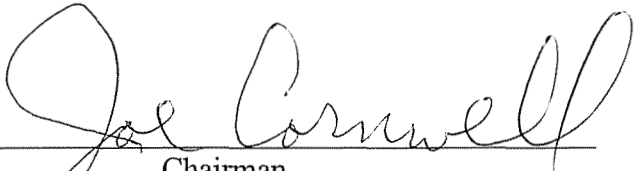
**CERTIFICATE OF CHAIRMAN OF FOUNTAIN RUN WATER DISTRICT
NO. 1 AS TO STATEMENT REQUIRED BY SECTION 1(5) OF 807 KAR 5:069**

I, the undersigned, hereby certify that I am the duly qualified and acting Chairman of the Fountain Run Water District No. 1, and that said District is in the process of arranging to finance the construction of extensions, additions and improvements to the existing waterworks system of the District (the "Project"), in cooperation with HMB Professional Engineers, Inc., Frankfort, Kentucky, the Engineers for the District (the "Engineers").

Based on information furnished to me by said Engineers for the District, I hereby certify as follows:

1. That the proposed plans and specifications for the Project have been designed to meet the minimum construction and operating requirements set out in 807 KAR 5:066 Section 4(3) and (4); Section 5(1); Sections 6 and 7; Section 8(1) through (3); Section 9(1) and Section 10.
2. That all other state approvals and/or permits have already been obtained.
3. That the proposed rates of the District shall produce the total revenue requirements set out in the engineering reports.
4. That it is now contemplated that construction of the Project will begin on or about July 1, 2009, and will end on or about March 1, 2010.

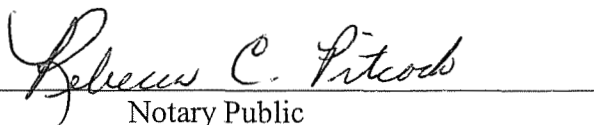
IN TESTIMONY WHEREOF, witness my signature this May 19, 2009.



Chairman
Fountain Run Water District No. 1

STATE OF KENTUCKY)
) SS
)
COUNTY OF ~~BARREN~~ ^{MONROE})

Subscribed and sworn to before me by Joe Cornwell, Chairman of the Board of Commissioners of the Fountain Run Water District No. 1, on this ~~October~~ ^{May} 19, 2009.



Notary Public
In and For Said State and County

(Seal of Notary)

NOTICE OF PROPOSED RATE CHANGE

In accordance with the requirements of the Public Service Commission of the Commonwealth of Kentucky as set out in 807 KAR 5:069, Section 2, notice is hereby given to the customers of the Fountain Run Water District No. 1, of a change to the District's rate schedule as set forth herein. The proposed rate change is required by USDA, Rural Development ("RD"), in connection with a loan by RD to the District to be evidenced by the issuance by the District of its Waterworks Revenue Bonds, which RD has agreed to purchase provided the District meets certain conditions of RD, including changing the water rates as set forth below:

Current Monthly Water Rates

First 2,000 gallons	\$13.02 minimum bill
Next 3,000 gallons	4.51 per 1,000 gallons
Next 5,000 gallons	4.11 per 1,000 gallons
Next 10,000 gallons	3.67 per 1,000 gallons
All over 20,000 gallons	3.31 per 1,000 gallons

Proposed Monthly Water Rates

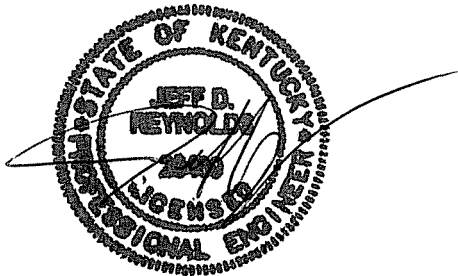
First 2,000 gallons	\$15.50 minimum bill
Next 3,000 gallons	5.23 per 1,000 gallons
Next 5,000 gallons	4.82 per 1,000 gallons
Next 10,000 gallons	4.05 per 1,000 gallons
All over 20,000 gallons	3.37 per 1,000 gallons

The RD loan proceeds will be used in conjunction with various other monies to finance the cost of extensions, additions and improvements to the waterworks system of the District, consisting of the construction and installation of (i) approximately 13,500 linear feet of 6 inch water line; (ii) a 200,000 gallon elevated water storage tank; (iii) a new booster pumping station; (iv) SCADA system; and (v) a new master meter. Signed: Joe Cornwell, Chairman, Fountain Run Water District No. 1.

PRELIMINARY ENGINEERING REPORT

**Water System Improvements
Fountain Run Water District #1**

February 2008



**Prepared by:
HMB Professional Engineers, Inc.
3 HMB Circle
Frankfort, KY 40601**

TABLE OF CONTENTS

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Household Income Information2

Financial Considerations.....2

Project Budget.....3

Estimated Construction Cost4

Appendix A

Exhibit 1 – Tank Site Location of 200,000 Gallon Elevated Tank

Exhibit 2 – KY 87 (South) Water Line Extension

Exhibit 3 – Fountain Run Water District #1 Existing System

INTRODUCTION

The City of Fountain Run, Kentucky is a small rural community, located in Western Monroe County. The service area of the Fountain Run Water District #1 (District) includes portions of Monroe County, Allen County and Barren County and serves 525 customers (See Appendix A). The Fountain Run Water District #1 has a contract to purchase water from the Glasgow Water Company, with a not to exceed limit of 3,750,000 gallons per month and from the Monroe County Water District with no maximum or minimum usage stated.

The District is applying to Rural Development (RD) for funds to construct a new 200,000 gallon elevated water storage tank and to extend a 6" water line along KY 87 South approximately 5,300 feet. The information provided in this report more fully describes these proposed improvements, emphasizes the need for the construction, and supplies appropriate financial summaries.

SUMMARY AND CONCLUSIONS

The new storage tank and water line extensions referred to as Water System Improvements, and as illustrated by the enclosed maps, are greatly needed as the District is currently in violation of KAR regulations with regard to 24 hour storage and are under PSC order to remedy the situation (PSC Order 2003-00312). Aside from providing the District with adequate (24 hour) storage this project will provide much needed increased pressure in the Akersville area. With the proposed tank, Fountain Run should be able to provide back feed to Monroe County Water District during emergency conditions.

The proposed project is to enhance 525 underserved households and 8-10 unserved households. A general rate increase will most likely be required to make the project economically feasible. The magnitude of such a rate increase will be examined in the Summary Addendum to this report, which will be forwarded under a separate cover. The Board of Commissioners of the Fountain Run Water District #1 are requesting 40/60 grant/loan funding package; however, understands the final eligibility of the project must be determined by the RD staff.

PROJECT DESCRIPTION

The proposed project consists of a new 200,000 gallon elevated water storage tank that should provide the district with adequate 24 hour storage per KAR regulations and approximately 5,300 feet of 6" PVC water line extending an existing line on KY 87 (south of town). There are currently several tank site locations being considered and researched, those locations are detailed on the enclosed maps (Appendix A – Exhibit 1) as well as the water line extension along KY 87 South (Appendix A – Exhibit 2).

The Project Budget, which includes estimates of various costs and funding sources for the project, is also presented herein.

HEALTH HAZARDS

As stated previously, the PSC has sanctioned the Fountain Run Water District #1 for their lack of required capacity for 24 hour storage based on number of customers within their district. This issue, along with low pressures in the Akersville area presents various health hazards.

HOUSEHOLD INCOME INFORMATION

Qualifications for funding from RD are based in part on the median income level of the households affected by the project. In order to qualify for the lowest interest rate available, the median income level for households in the project area must be below \$17,785. An examination of U.S. Census data indicates that the median household income in the area of Fountain Run is \$11,591. Since this income level is below the required amount, the project qualifies for the poverty level interest rate of 4.5 percent on RD loan funds.

FINANCIAL CONSIDERATIONS AND PROPOSED WATER RATES

The methodology used in developing the District's existing rate schedule was taken from the American Water Works Association, Manual M-1, Water Rates, Section 5, "Rate Design for Small Utilities" , published by the AWWA in 1991. Basic philosophy and methodology presented in other sections of that manual were also incorporated into the rate design.

It appears that, with the additional debt service and operating expenses resulting from the proposed project, a general rate increase will be required. As previously stated, the final determination of a rate increase will be made in the Summary Addendum.

**PRELIMINARY PROJECT BUDGET
WATER SYSTEM IMPROVEMENTS
FOUNTAIN RUN WATER DISTRICT #1
DECEMBER 20, 2007**

PROJECT COSTS

Estimated Construction Cost		\$822,000
Engineering		\$150,000
Preliminary	\$20,000	
Design/Bid/CA	\$76,000	
Inspection	\$49,000	
PSC		\$2,000
RD Environmental		\$3,000
Hydraulic Study		\$20,000
Geotechnical		\$15,000
Property Surveys		\$5,000
Archaeological Survey		\$5,000
Land Rights		\$11,000
Legal & Administrative Expenses		\$15,000
Contingency		<u>\$82,000</u>
TOTAL ESTIMATED PROJECT COST		\$1,125,000

PROJECT FUNDING

RD Loan (60%)		\$675,000
RD Grant (40%)		<u>\$450,000</u>

TOTAL FUNDING \$1,125,000



3 HMB Circle
 U.S. 460
 Frankfort, KY 40601
 Office: (502) 695-9800
 Fax: (502) 695-9810
www.hmbpe.com

April 22, 2009

Mr. Kevin Antle
 Rural Development
 957 Campbellsville Rd.
 Columbia, KY 42728



RE: Final Engineering Report
 Water System Improvements
 Fountain Run Water District No. 1
 HMB Project # 4124.01

Dear Mr. Antle:

As you are aware, the above referenced project consisting of Contract I – Water Line Upgrade and Pump Station, Contract II – 200,000 Gallon Elevated Water Storage Tank, and Contract III – SCADA System, was bid on April 14, 2009. The low bidder for each contract, their bid amount as well as a summary of project costs and funding is attached to this letter.

Going into the bid opening we anticipated the need for additional funding due to the expansion of the project scope during design. While we were pleased with the bids received for each contract, we did indeed exceed the loan/grant funding package awarded to Fountain Run Water District No. 1 in the Letter of Conditions from Rural Development. In total, as shown on the attached project cost breakdown, the water district was short \$100,000.00. We have since contacted ARC and have been preliminarily approved for a \$100,000.00 grant and are in the process of finishing the grant application. With this additional grant the FRWD #1 should be able to complete the project as bid. We recommend that a revised Letter of Conditions be issued to include the ARC grant. A breakdown of costs comparing the project budget as issued in the original Letter of Conditions to the As Bid is below:

	<u>Project Budget</u>	<u>Letter of Conditions</u>	<u>As Bid</u>
Development		\$822,000.00	\$918,278.00
Land & Rights		\$16,000.00	\$5,000.00
Legal & Administrative		\$15,000.00	\$15,000.00
Engineering		\$150,000.00	\$157,300.00
Interest		\$27,500.00	\$30,000.00
Other		\$12,500.00	\$35,000.00
<u>Contingencies</u>		<u>\$82,000.00</u>	<u>\$64,422.00</u>
Total Project Cost		\$1,125,000.00	\$1,225,000.00

Financing:

	<u>Letter of Conditions</u>	<u>As Bid</u>
<u>Funding Source</u>		
RUS Loan	\$689,000.00	\$689,000.00
RUS Grant	\$436,000.00	\$436,000.00
ARC Grant	\$0.00	\$100,000.00
Total Project Financing	\$1,125,000.00	\$1,225,000.00

- Highway Engineering
- Structural Engineering
- Water & Wastewater
- Right-of-Way
- Master Planning
- Environmental Planning
- Abandoned Mine Lands
- Surveying
- Project Management
- Cost Estimation
- Stream Restoration
- Construction Inspection
- Aviation Services
- Environmental Remediation



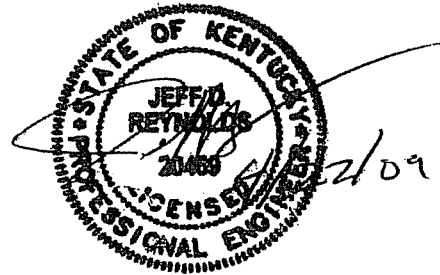
Please find attached a copy of the Bid Tabulations for all three (3) contracts. Should you have any questions regarding this report or need additional information please call this office, (502) 695-9800.

Sincerely,
HMB Professional Engineers, Inc.

A handwritten signature in black ink, appearing to read 'Jeff Reynolds', is written over a horizontal line.

Jeff Reynolds, PE
Project Manager

Cc: Joe Cornwell – Chairman FRWD #1
Chris Stewart, PE – HMB
Bob Blankenship, PE – HMB
Travis Farmer, EIT – HMB
File



P:\engr\4124 01\RD App\Final Engineering Report.doc



3 HMB Circle
 U.S. 460
 Frankfort, KY 40601
 Office: (502) 695-9800
 Fax: (502) 695-9810
 www.hmbpe.com

**Fountain Run Water District #1
 Water System Improvements Project
 As Bid Project Cost
 April 14, 2009**

Contract I:	Conley H. Gregory Construction, Inc.	\$281,816.50
Contract II:	HTI, Inc.	\$64,742.53
	Additive Alternate	\$8,194.97
	<i>Total</i>	<u>\$72,937.50</u>
Contract III:	Phoenix Fabricators & Erectors, Inc.	
	200,000 Gallon	\$563,524.00
	Construction Total	\$918,278.00

Engineering:

Prelim	\$15,000.00
Design/Ad/CA	\$82,400.00
Inspection	\$52,900.00
	\$150,300.00

PSC	\$2,000
RD Environmental	\$5,000
Geotechnical	\$10,000
Archaeological Survey	\$5,000
Land Rights	\$5,000
Legal/Admin	\$15,000
Interest during Construction	\$30,000
Construction Contingencies*	\$64,422

Glasgow Master Meter (Estimate) \$20,000

Total Project Cost \$1,225,000.00

RD Funding (federal) \$1,125,000.00

Loan: \$689,000.00
 Grant: \$436,000.00

ARC Grant (federal) \$100,000.00

Total Funding \$1,225,000.00

- Highway Engineering
- Structural Engineering
- Water & Wastewater
- Right-of-Way
- Master Planning
- Environmental Planning
- Abandoned Mine Lands
- Surveying
- Project Management
- Cost Estimation
- Stream Restoration
- Construction Inspection
- Aviation Services
- Environmental Remediation



Bid Tabulation
Fountain Run Water District No. 1
Contract I - Water Line Replacement
Bid Date: April 14, 2009 @ 2:00 PM local time

Project: 4124.01
 Date: 4.14.09
 Engineer: TSF
 Page: 1 of 2

ITEM No.	ITEM DESCRIPTION	QUANTITY	UNIT	Conley H. Gregory Construction, Inc.		Cleary Construction, Inc.		Southern Backhoe, Inc.		WHF, Inc.		Twin States Utilities, Inc.		United Pipeline, Inc.	
				UNIT PRICE	TOTAL	UNIT PRICE	TOTAL	UNIT PRICE	TOTAL	UNIT PRICE	TOTAL	UNIT PRICE	TOTAL	UNIT PRICE	TOTAL
1	6" PVC, Class 200 Pipe, DR-14, AWWA C-900 Furnishing, Trenching, Laying and Backfilling (Unclassified Excavation)	2,950	LF	\$8.36	\$24,662.00	\$9.20	\$27,140.00	\$9.50	\$28,025.00	\$10.69	\$31,535.60	\$11.50	\$33,925.00	\$15.00	\$44,250.00
2	6" PVC, Class 250 Pipe, SDR-17 Furnishing, Trenching, Laying and Backfilling (Unclassified Excavation)	5,700	LF	\$7.51	\$42,807.00	\$8.10	\$46,170.00	\$9.00	\$51,300.00	\$12.00	\$68,400.00	\$10.70	\$60,990.00	\$14.50	\$82,650.00
3	6" PVC, Class 200 Pipe, SDR-21 Furnishing, Trenching, Laying and Backfilling (Unclassified Excavation)	4,900	LF	\$7.06	\$34,594.00	\$7.46	\$36,554.00	\$8.50	\$41,650.00	\$12.75	\$62,475.00	\$10.20	\$49,980.00	\$14.00	\$68,600.00
4	Open Cut Furnishing and Installing 12" PVC Casing Pipe (Water Pipe Not Included)	30	LF	\$60.00	\$1,800.00	\$42.00	\$1,260.00	\$30.00	\$900.00	\$20.00	\$600.00	\$28.00	\$840.00	\$15.00	\$450.00
5	6" C.I. AWWA N.R.S. Gate Valve and Box, Concrete Pad, Complete in Place	7	EA	\$750.00	\$5,250.00	\$750.00	\$5,250.00	\$750.00	\$5,250.00	\$585.00	\$4,095.00	\$650.00	\$4,550.00	\$800.00	\$5,600.00
6	3" C.I. AWWA N.R.S. Gate Valve and Box, Concrete Pad, Complete in Place	1	EA	\$532.84	\$532.84	\$600.00	\$600.00	\$600.00	\$600.00	\$600.00	\$600.00	\$475.00	\$475.00	\$600.00	\$600.00
7	Furnish and Install 6" Tapping Tee and Valve, Complete in Place	6	EA	\$2,199.04	\$13,194.24	\$2,000.00	\$12,000.00	\$1,600.00	\$9,600.00	\$1,800.00	\$10,800.00	\$2,100.00	\$12,600.00	\$1,500.00	\$9,000.00
8	Existing Service Connection to Proposed Line, 20 feet service tubing (maximum)	5	EA	\$508.00	\$2,540.00	\$600.00	\$3,000.00	\$550.00	\$2,750.00	\$450.00	\$2,250.00	\$500.00	\$2,500.00	\$500.00	\$2,500.00
9	Additional 3/4" PE Service Tubing Furnishing, Laying, Trenching and Backfilling. Where Required in Addition to Maximum Lengths Included in Item 8	100	LF	\$8.00	\$800.00	\$5.22	\$522.00	\$5.00	\$500.00	\$6.00	\$600.00	\$6.00	\$600.00	\$2.00	\$200.00
10	6" Directional Bore Creek Crossing, Including 6" PE SDR-9 Pipe and Fittings. Complete in Place as shown on the detail sheet	375	LF	\$55.00	\$20,625.00	\$110.00	\$41,250.00	\$80.00	\$30,000.00	\$60.00	\$22,500.00	\$80.00	\$33,750.00	\$175.00	\$65,625.00
11	Crushed Stone on trench, full depth on driveways, roadway crossings and streets	500	LF	\$18.00	\$9,000.00	\$3.00	\$1,500.00	\$6.00	\$3,000.00	\$10.00	\$5,000.00	\$7.00	\$3,500.00	\$40.00	\$20,000.00
12	Biluminous Paving Replacement on State maintained roads, streets County Roads and Driveways. Including gravel backfill	50	LF	\$28.00	\$1,400.00	\$25.00	\$1,250.00	\$20.00	\$1,000.00	\$25.00	\$1,250.00	\$25.00	\$1,250.00	\$125.00	\$6,250.00
13	Mainline Pressure Reducing Station including but not limited to valves, piping, fittings, vault as shown on plans, complete in place.	1	LS	\$12,376.56	\$12,376.56	\$10,000.00	\$10,000.00	\$20,000.00	\$20,000.00	\$15,859.51	\$15,859.51	\$16,000.00	\$16,000.00	\$20,000.00	\$20,000.00
14	Booster Pump Station including but not limited to furnishing and installing 2-150 gpm pumps, all piping, valves, controls, concrete, site work, power pole, access road, etc. (Complete in Place)	1	LS	\$112,234.86	\$112,234.86	\$105,000.00	\$105,000.00	\$115,000.00	\$115,000.00	\$108,020.30	\$108,020.30	\$115,000.00	\$115,000.00	\$150,000.00	\$150,000.00
BID TOTALS:					\$281,816.50		\$291,496.00		\$309,575.00		\$333,886.31		\$336,980.00		\$475,725.00

Denotes Error in Bid Calculation

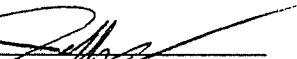


Bid Tabulation
Fountain Run Water District No. 1
Contract I - Water Line Replacement
Bid Date: April 14, 2009 @ 2:00 PM local time

Project: 4124.01
 Date: 4.14.09
 Engineer: TSF
 Page: 2 of 2

		Norris Bros. Excavating, LLC													
ITEM No.	ITEM DESCRIPTION	QUANTITY	UNIT	UNIT PRICE	TOTAL	UNIT PRICE	TOTAL	UNIT PRICE	TOTAL	UNIT PRICE	TOTAL	UNIT PRICE	TOTAL	UNIT PRICE	TOTAL
1	6" PVC, Class 200 Pipe, DR-14, AWWA C-900 Furnishing, Trenching, Laying and Backfilling (Unclassified Excavation)	2,950	LF	\$19.00	\$56,050.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00
2	6" PVC, Class 250 Pipe, SDR-17 Furnishing, Trenching, Laying and Backfilling (Unclassified Excavation)	5,700	LF	\$18.00	\$102,600.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00
3	6" PVC, Class 200 Pipe, SDR-21 Furnishing, Trenching, Laying and Backfilling (Unclassified Excavation)	4,900	LF	\$17.00	\$83,300.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00
4	Open Cut Furnishing and Installing 12" PVC Casing Pipe (Water Pipe Not Included)	30	LF	\$100.00	\$3,000.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00
5	6" C.I. AWWA N.R.S. Gate Valve and Box, Concrete Pad, Complete in Place	7	EA	\$900.00	\$6,300.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00
6	3" C.I. AWWA N.R.S. Gate Valve and Box, Concrete Pad, Complete in Place	1	EA	\$500.00	\$500.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00
7	Furnish and Install 6" Tapping Tee and Valve, Complete in Place	6	EA	\$3,000.00	\$18,000.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00
8	Existing Service Connection to Proposed Line, 20 feet service tubing (maximum)	5	EA	\$600.00	\$3,000.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00
9	Additional 3/4" PE Service Tubing Furnishing, Laying, Trenching and Backfilling. Where Required in Addition to Maximum Lengths Included in Item 8	100	LF	\$12.00	\$1,200.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00
10	6" Directional Bore Creek Crossing, including 6" PE SDR-9 Pipe and Fittings. Complete in Place as shown on the detail sheet	375	LF	\$275.00	\$103,125.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00
11	Crushed Stone on trench, full depth on driveways, roadway crossings and streets	500	LF	\$10.00	\$5,000.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00
12	Bituminous Paving Replacement on State maintained roads, streets County Roads and Driveways. Including gravel backfill	50	LF	\$30.00	\$1,500.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00
13	Mainline Pressure Reducing Station including but not limited to valves, piping, fittings, vault as shown on plans, complete in place.	1	LS	\$22,000.00	\$22,000.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00
14	Booster Pump Station including but not limited to furnishing and installing 2-150 gpm pumps, all piping, valves, controls, concrete, site work, power pole, access road, etc. (Complete in Place)	1	LS	\$168,000.00	\$168,000.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00
BID TOTALS:					\$673,676.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00

Denotes Error In Bid Calculation

Signed: 
 Jeff Reynolds, PE
 Kentucky PE No. 20469



Bid Tabulation
Fountain Run Water District No. 1
Contract II - 150,000 Gallon Elevated Water Storage Tank
Bid Date: April 14, 2009 @ 2:00 PM local time

Project: 4124.01
 Date: 4.14.09
 Engineer: TSF
 Page: 1 of 1

ITEM No.	ITEM DESCRIPTION	QUANTITY	UNIT	Phoenix Fabricators and Erectors, Inc.		Caldwell Tanks, Inc.							
				UNIT PRICE	TOTAL	UNIT PRICE	TOTAL	UNIT PRICE	TOTAL	UNIT PRICE	TOTAL	UNIT PRICE	TOTAL
1	150,000 Gallon Elevated Water Storage Tank, including tank, tank foundation, valve vault, pipe, site preparation, excavation, access road, fencing and all appurtenances as shown on the Plans and Specifications, complete in place.	1	LS		\$613,936.00		\$553,900.00		\$0.00		\$0.00		\$0.00
AB - 1	200,000 Gallon Elevated Water Storage Tank, including tank, tank foundation, valve vault, pipe, site preparation, excavation, access road, fencing and all appurtenances as shown on the Plans and Specifications, complete in place.	1	LS		\$563,524.00		\$612,100.00						

Denotes Error in Bid Calculation

Signed:
 Jeff Reynolds, PE
 Kentucky PE No. 20469



Bid Tabulation
Fountain Run Water District No. 1
Contract III - SCADA System
Bid Date: April 14, 2009 @ 2:00 PM local time

Project: 4124.01
 Date: 4.14.09
 Engineer: TSF
 Page: 1 of 1

ITEM No.	ITEM DESCRIPTION	QUANTITY	UNIT	HTI, Inc.		The C.I. Thornburg Co., Inc.		Micro-Comm, Inc.		Engineered Fluid, Inc.					
				UNIT PRICE	TOTAL	UNIT PRICE	TOTAL	UNIT PRICE	TOTAL	UNIT PRICE	TOTAL	UNIT PRICE	TOTAL	UNIT PRICE	TOTAL
1	Furnish, install and place into operation a SCADA System including PLC-based Master, testing, operator training, etc., as specified in the Specifications, complete in place.	1	LS		\$64,742.53		\$69,455.00		\$76,388.00		\$88,292.70		\$0.00		\$0.00
AB - 1	Additional Price for furnishing and installing a master PC, HMI software, remote control software, alarm dialing software, and peripherals, connected to the PLC included in the Base Bid. Additive Alternate Bid shall reflect deletion of chard recorders and alarm dialer in Base Bid.	1	LS		\$8,194.97		\$15,300.00		\$3,567.00		\$35,454.88				

Denotes Error in Bid Calculation

Signed:
 Jeff Reynolds, PE
 Kentucky PE No. 20469