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PUBLIC SERVICE
COMMISSION

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

APPLICATION OF THE GRANT COUNTY SANITARY SEWER DISTRICT

FOR

**CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY TO CONSTRUCT
PROPOSED SANITARY SEWER LINE IMPROVEMENTS**

AND

APPROVAL OF THE PROPOSED PLAN TO FINANCE THE IMPROVEMENTS

CASE NO. 2009-00488

Comes now the Grant County Sanitary Sewer District ("District") by and through its Chairman, Bobby Burgess, and pursuant to duly authorized and adopted resolution of its Commissioners submits the following Application for a Certificate of Public Convenience and Necessity and Approval of the Proposed Plan to Finance the Improvements ("Application") pursuant to KRS 278.300 et seq.

1. The full name and post office address of the Applicant is:

Grant County Sanitary Sewer District
One Farrell Drive
P.O. Box 460
Crittenden, KY 41030

2. This Application is made pursuant to the provisions of KRS 278.300; and 807 KAR 5:001 Section 8(8) and (9).

3. The District is a non-profit sanitary sewer district organized under the provisions of KRS Chapter 74 and KRS Chapter 67 and has no separate Articles of Incorporation.

4. The District was created by Ordinance of the Grant County Fiscal Court on October 7, 2002, Ordinance No. 26-2002-453 (Exhibit "1").

5. Pursuant to 807 KAR 5:001, the District states:

- (a) The District provides sanitary sewer collection and treatment for approximately 1,500 customers within its territory. The majority of these customers are residential in nature with a limited number of commercial and industrial customers.
 - (b) The territories served by the District are comprised principally of the geographical boundaries of the City of Crittenden, Kentucky and the immediate outlying areas. A map of the District facilities is attached as Exhibit "2". Also included in Exhibit "2" is a Depreciation Schedule outlining the District's assets.
 - (c) Currently, the District has approximately 30 miles of combined sanitary sewer lines within its territory.
 - (d) The District is serviced by a sanitary sewer treatment plant with the maximum treatment capacity of 300,000 gallons per day. Currently, the District's treatment plant is operating at approximately 60% capacity calculated on an average daily basis.
6. A full description of the proposed sanitary sewer line extension project follows:
- (a) The project will include the construction of 8,935 feet of gravity sanitary sewer lines; 20,450 feet of force main sewer lines; and 7,571 feet of small diameter force main.
 - (b) A total of 1 submersible pump station; 5 submersible grinder pump stations; and 22 individual grinder pumps will be constructed.
 - (c) It is anticipated that the Project will service approximately 84 individual residences; provide service to the Grant Mobile Home Park which is currently serviced by an on-site package sewer treatment plant (56 mobile home pads); and Cincinnati South Campground, a Recreational Vehicle destination (approximately 12 acres in size). In addition to the residential customers, there will also be a limited number of commercial/industrial customers which will include 2 churches and approximately 5 businesses.
 - (d) The exact location and description of lines to be constructed are particularly identified on the attached project map (Exhibit "3") with supporting documentation, plans and specifications.
 - (e) Attached to this Application are three (3) maps of suitable scale indicating the location of the new construction and sanitary sewer extensions and pump stations required (Exhibit "3").

- (f) A more detailed description of the sanitary sewer line extension project is contained in the attached engineering plans, specifications, plats and report of the proposed project (“Preliminary Engineering Report”). The Preliminary Engineering Report is identified as Exhibit “4”.
- (g) The Project will also make available sanitary sewer service to 3 mobile home parks located southeast of Sherman near the terminus of the Phase I Project. A manhole will be installed adjacent to Countryside Mobile Home Park to provide for future hookup to the District’s sanitary sewer system by the 3 mobile home parks. By accepting Alternate No. 2 in the bid, a pump station and force main will be upsized to accept the 3 existing mobile home parks located to the south of the Project. It is anticipated that in hooking the 3 mobile home parks to the Phase I Project, an additional 300 mobile home units will be added to the Project. Currently, the 3 mobile home parks are located within the City of Williamstown 201 Study Area. Counsel for the 3 mobile home parks, in conjunction with the Park Owners, are making application with the City of Williamstown/City of Dry Ridge to accommodate and permit the 3 mobile home parks to hook into the District’s Phase I Project. When and if the 3 mobile parks hook into the Project, the District will have sufficient capacity at its treatment plant to handle the additional sanitary sewer generated.

The District has received a preliminary Agreement from the 3 mobile home parks to enter into a Sanitary Sewer Services Agreement similar to that Agreement between the Grant Mobile Home Park and the District as approved by the Commission and attached hereto as Exhibit “8”.

A very small portion of the Project encroaches in the City of Williamstown/City of Dry Ridge 201 Study Area. The District has received permission allowing that encroachment (Exhibit “12”).

7. The project will be financed as follows:

- (a) The District has received a \$900,000.00 grant from the Kentucky Infrastructure Authority (“KIA”). A grant commitment letter is attached hereto as Exhibit “5”.
- (b) The District has received a second \$650,000.00 grant from the Kentucky Infrastructure Authority. A grant commitment letter is attached hereto as Exhibit “6”.
- (c) The District has received a Fund A Loan in the amount of \$300,000.00 from the American Recovery and Reinvestment Act of 2009 (“ARRA”) of which \$156,300.00 of the principal \$300,000.00 loan will be forgiven. The amortized loan amount of \$143,700.00 shall bear interest at the rate of 3% per annum over a loan term of 20 years with an estimated annual debt

service of \$9,600.00 and \$300.00 annual administrative fee (see attached Exhibit "7").

(d) The District anticipates collecting \$1,000.00 per residential tap in fee from new customers to be serviced by the construction project. In addition, it is budgeted that the District will receive \$45,000.00 from the Grant Mobile Home Park representing its contribution to the construction of a pump station pursuant to the terms and condition of the District's Agreement with the Grant Mobile Home Park dated December 26, 2008. A copy of that Agreement (without Exhibits) is attached hereto as Exhibit "8".

(e) The funds identified in paragraph 7(a); 7(b), 7(c) and 7(d) represent the sole source of funds for the project.

8. The District will not need a rate increase to fund the proposed project.

9. The estimated cost of operation of the project after the proposed line and facilities are completed is contained in the attached Financial Report identified as Exhibit "9".

10. The facts relied upon to indicate that the proposed construction project will be required by public convenience and necessity are:

(a) US Highway 25 is the main transportation corridor in Grant County (excluding I-75). As such, this corridor represents the most significant area for growth development in Grant County. There are currently no sanitary sewer services and facilities available to businesses and residential customers in and along that portion of the US 25 corridor between the Cities of Crittenden and Dry Ridge. Additionally, there is currently a large mobile home park and overnight recreational vehicle park located in that area currently not served with public sanitary sewer services. The primary focus of the Project is to provide sanitary sewer service along this US 25 corridor in an effort to encourage development and growth and to provide public sanitary sewer service to two (2) major existing operations (mobile home park and recreational vehicle park) requiring sanitary sewer service. In doing so, the package treatment plants now providing sanitary sewage treatment can be taken out of service. It is also anticipated that the Project will service 3 additional mobile home parks currently serviced by on-site package treatment plants.

11. The District has entered into a Special Contract with the owner/operator of the Grant Mobile Home Park. A copy of that Special Contract (without Exhibits) is attached hereto

as Exhibit “8”. That Special Contract was previously submitted to the PSC for review and approved.

12. A detailed map of the sewage treatment facilities currently operated by the District indicating the location of the plant, effluent discharge, collection mains, manholes and utility service areas is attached hereto as Exhibit “2”.

13. A detailed estimated cost of construction for the Project is contained in the Preliminary Engineering Report, Exhibit “4”. The Final Engineering Report (Exhibit “11”) contains all construction cost as bid on November 19, 2009.

14. The District requests a deviation pursuant to 807 KAR 5:001 § 14 from the requirements of 807 KAR 5:001, § 6 and all other financial reporting requiring that financial data filed with the Application be for a 12 month period ending within 90 days of the filing of the Application. The District states that there has been no change that is material in nature in the financial condition of the utility since December 31, 2008 as represented by the Audited Financial Statement attached hereto as Exhibit “10”. Exhibit “10” represents the most recent published financial data available for the District. Additionally, the District would state that the funds to be borrowed for the financing of the Improvements in this Project represents less than 8% of the overall Project costs.

15. The Energy and Environment Cabinet, Department for Environmental Protection, Division of Water has certified the District’s entitlement to receive priority for funding for the Project and is eligible to receive \$300,000.00 from the Clean Water State Revolving Fund, funding in part by the ARRA by letter dated September 17, 2009 (Exhibit “7”).

16. The District would request that the Commission expedite its review and approval of the proposed Project, and Application in that time limitations have been imposed upon the

District by ARRA to wit: That construction of the Project must be underway and in progress no later than February 9, 2010. In order to meet this deadline, the District will require immediate approval of the Project and Application.

17. The District does not plan to support the Application with prepared testimony.

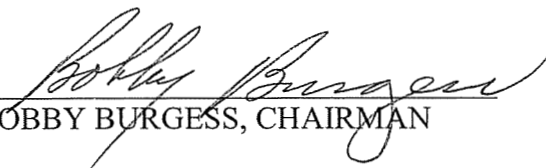
18. As of the filing of this Application, the District has not received a Final Permit from the Energy and Environmental Cabinet, Department for Environmental Protection, Division of Water. Application for that Permit was made in May, 2009 in which to receive comments on the environmental issues expires December 15, 2009. The District is filing this Application in order to begin the review process. Immediately upon receipt of the issued Final Permit from the Energy and Environmental Cabinet, Department for Environmental Protection Division of Water, a copy will be filed of record herein.

19. Only 3 copies of Exhibit "2" and Exhibit "3" are attached.

20. The District attaches hereto as Exhibit "11" the Final Engineer Report.

Dated at Crittenden, Kentucky this 9th of December, 2009.


GRANT COUNTY SANITARY SEWER
DISTRICT

BY: 
BOBBY BURGESS, CHAIRMAN

COMMONWEALTH OF KENTUCKY

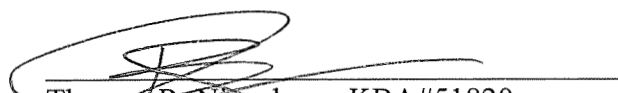
COUNTY OF GRANT

SUBSCRIBED, SWORN TO AND ACKNOWLEDGED before me by the said Bobby Burgess, Chairman, Grant County Sanitary Sewer District, this 9th day of December, 2009.


Notary Public
My Commission: 3/24/12

Respectfully submitted,

BERGER, COX & NIENABER, P.S.C.


Thomas R. Nienaber - KBA#51820
401 Madison Avenue
Covington, KY 41011
(859) 491-9088

APPENDIX OF EXHIBITS

<u>Exhibit No.</u>	<u>Description</u>
1	Grant County Fiscal Court Ordinance No. 26-2002-453
2	Map outlining the District's existing Facilities
3	Maps of suitable scale outlining location of new construction and sanitary sewer extensions/improvements with supporting documentation, plans and specifications
4	Preliminary Engineering Report
5	Kentucky Infrastructure Authority Grant Assistance Agreement for \$900,000.00
6	Kentucky Infrastructure Authority Grant Assistance Agreement for \$650,000.00
7	Kentucky Infrastructure Authority American Recovery and Reinvestment Act Revolving Loan Fund Commitment Letter for \$300,000.00
8	Grant Mobile Home Park Sanitary Sewer Services Agreement
9	Financial Report
10	Audited Financial Statement
11	Final Engineering Report
12	City of Williamstown/City of Dry Ridge 201 Study Area Encroachment Authorization

EXHIBIT “1”

**(Grant County Fiscal Court
Ordinance No. 26-2002-453)**

**AN ORDINANCE CREATING
THE GRANT COUNTY SANITARY SEWER DISTRICT**

BE IT ORDAINED BY THE FISCAL COURT OF GRANT COUNTY.

SECTION I:

WHEREAS, the General Assembly of the Commonwealth of Kentucky has enacted KRS 67.715 (2) which permits the County Judge/Executive, with the approval of the Fiscal Court, to create any special district; and

WHEREAS, the fiscal court of Grant County desires to protect and safeguard the property, health, safety, and welfare of the citizens and the environment of Grant County; and

WHEREAS, KRS 67.083 (3) (r) provides that a fiscal court may make provision for water and sewage and garbage disposal service, including management of onsite sewage disposal systems; and

WHEREAS, there presently exists within Grant County a public water district known as Bullock Pen Water District, same having been established and currently operated pursuant to KRS Chapter 74; and

WHEREAS, KRS 74.407 provides that a water district is authorized to acquire, develop, maintain and operate sewage disposal systems within the confines of their districts except operation of same within a municipal area having authority to provide sewer services must be with municipal consent; and

WHEREAS, KRS 74.407 provides that water district commissioners shall have all of the powers and authority as regards sewer systems that are conferred upon them for the purpose of furnishing a water supply under KRS 74.010 to 74.415; and

WHEREAS, the fiscal court of Grant County is of the opinion that the Grant County Sanitary Sewer District should be operated by and in conjunction with Bullock Pen Water District;

NOW, THEREFORE, the fiscal court of Grant County enacts this ordinance which shall be known and may be cited as the "Grant County Sanitary Sewer District Ordinance".

SECTION II:

There is hereby created the Grant County Sanitary Sewer District pursuant to KRS 67.715 (2), 67.083 (3) (r) and the applicable provisions of KRS Chapter 74, which shall serve in the interest of public safety, health and welfare within unincorporated areas of the territorial boundaries of Grant County;

The Grant County Sanitary Sewer District shall develop, implement, and maintain local sanitary sewer management for Grant County in accordance with the provisions of KRS Chapter 74, applicable administrative regulations promulgated by the Commonwealth of Kentucky, and the resolutions, orders or ordinances of the fiscal court of Grant County.

The Grant County Sanitary Sewer District shall be an organizational unit of county government attached to the Office of County Judge/Executive and shall have primary jurisdiction, responsibility, and authority for all matters pertaining to the management and operation of a sanitary sewer district within Grant County.

SECTION III.

The Grant County Sanitary Sewer District shall be managed by Bullock Pen Water District pursuant to the applicable provisions of KRS Chapter 74, applicable administrative regulations of the Commonwealth of Kentucky and applicable orders or ordinances of the Grant County Fiscal Court.

SECTION IV

The Grant County Sanitary Sewer District created hereby shall be a political subdivision of the County of Grant but same shall not be a special taxing district. The Grant County Sanitary Sewer District may make charges for service and land assessments for capital improvements.

SECTION V

The provisions of this ordinance are severable and if any provisions shall be held invalid or unconstitutional or inapplicable to any person or circumstance, such invalidity, unconstitutionality, or inapplicability shall not affect or impair the remaining provisions of this ordinance. This ordinance shall be in full force and effect from and after its approval, adoption and publication, and all ordinances or parts of ordinances in conflict herewith are hereby repealed and held for naught.

Approved on first reading and ordered published on the 16th day of September, 2002.

Approved on second reading on the 07th day of October, 2002.

Grant County Fiscal Court

By: 
Judge/Executive

ATTEST:


Clerk, Grant County Fiscal Court

EXHIBIT “2”

**(Map outlining the District’s
existing Facilities)**

12/08/09

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No.	Description	Date Acquired	Date Sold	Cost/ Basis	Bus. Pct.	Cur 179 Bonus	Special Depr. Allow	Prior 179/ Bonus/ Sp. Depr.	Prior Dec. Bal. Depr.	Salvage /Basis Reductn	Depr. Basis	Prior Depr.	Method	Life	Rate	Current Depr.
Form 1120																
<u>EQUIPMENT</u>																
5	ISC 4 GAS MONITOR	6/22/04		2,044							2,044	918	S/L	10		204
6	AIR VENTALATION SYSTEM	6/24/04		1,189							1,189	535	S/L	10		119
7	CONFINED RESCUE EQUIPMENT	6/24/04		1,753							1,753	788	S/L	10		175
117	SEWER CAMERA	2/27/07		8,852							8,852	3,245	S/L	5		1,770
118	HAMMER DRILL	11/19/07		533							533	116	S/L	5		107
139	TORO MOWER & VELKE ATTACH	7/10/08		4,270							4,270	267	S/L	8		534
140	PORTABLE FLO METER	7/15/08		4,065							4,065	254	S/L	8		508
	Total EQUIPMENT			22,706		0	0	0	0	0	22,706	6,123				3,417
<u>Land</u>																
39	5.3791 ACRES-DONATED-CITY	4/23/04		25,000							25,000					0
	Total Land			25,000		0	0	0	0	0	25,000	0				0
<u>MAINS</u>																
17	290--8" GRAVIY-DOWNTN PS	4/23/04		13,528							13,528	1,264	S/L	50		271
18	2,100--4" FORCE-DOWNTN PS	4/23/04		44,528							44,528	4,158	S/L	50		891
19	AIR RE VALVE-DOWNTN P S	4/23/04		1,272							1,272	117	S/L	50		25
20	3 MANHOLES-DOWNTN P S	4/23/04		5,725							5,725	536	S/L	50		115
21	10--8" GRAVITY-491 P S	4/23/04		2,650							2,650	247	S/L	50		53
22	46--6" FORCE- 491 P S	4/23/04		1,463							1,463	136	S/L	50		29
23	AIR RELEASE VALVES-491 PS	4/23/04		4,453							4,453	415	S/L	50		89
24	4,576-12" GRAVITY-SCH T L	4/23/04		203,760							203,760	19,017	S/L	50		4,075

12/31/09

2009 Federal Depreciation Schedule

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Client 2604

GRANT COUNTY SANITARY SEWER DISTRICT

30-0216082

12/08/09

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No.	Description	Date Acquired	Date Sold	Cost/ Basis	Bus. Pct.	Cur 179 Bonus	Special Depr. Allow.	Prior 179/ Bonus/ Sp. Depr.	Prior Dec. Bal. Depr.	Salvage /Basis Reductn	Depr. Basis	Prior Depr.	Method	Life	Rate	Current Depr.
25	18 MANHOLES & 59 RISERS	4/23/04		40,462							40,462	3,775	S/L	50		809
30	2,249--10" GRAVITY MAIN	4/23/04		35,373							35,373	4,545	S/L	36.3		974
31	28,739--8" GRAVITY MAIN	4/23/04		430,217							430,217	55,262	S/L	36.3		11,842
32	510--6" SEWER LATERALS	4/23/04		5,013							5,013	644	S/L	36.3		138
33	3,405--4" SEWER LATERALS	4/23/04		30,125							30,125	3,869	S/L	36.3		829
34	147 MANHOLES	4/23/04		138,506							138,506	17,789	S/L	36.3		3,812
35	15,822--6" FORCEMAIN	4/23/04		85,542							85,542	10,989	S/L	36.3		2,355
36	7,618--4" FORCEMAIN	4/23/04		33,698							33,698	4,330	S/L	36.3		928
37	5--AIR RELEASE VALVES	4/23/04		2,458							2,458	317	S/L	36.3		68
38	PIPE ENCASEMENT	4/23/04		66,796							66,796	8,581	S/L	36.3		1,839
40	464' OF 8" G -S RIDGE APT	4/23/04		7,792							7,792	952	S/L	38.2		204
41	594' OF 2" F -S RIDGE APT	4/23/04		2,040							2,040	247	S/L	38.2		53
42	1 MANHOLE-S RIDGE APT	4/23/04		955							955	117	S/L	38.2		25
43	9,700' OF 8"G-GREENVW-NEW	4/23/04		209,843							209,843	19,917	S/L	49.2		4,268
44	2,100' OF 4"F-GREENVW-NEW	4/23/04		11,358							11,358	1,078	S/L	49.2		231
45	68 MANHOLES-GREENVW-NEW	4/23/04		83,583							83,583	7,933	S/L	49.2		1,700
47	3,700' OF 8" G-GREENVW II	4/23/04		75,159							75,159	7,597	S/L	46.2		1,628
48	14 MANHOLES-GREENVW II	4/23/04		16,158							16,158	1,633	S/L	46.2		350
49	4,400' OF 8" G-GREENVW I	4/23/04		87,443							87,443	9,035	S/L	45.2		1,936
50	10 MANHOLES-GREENVW I	4/23/04		11,292							11,292	1,167	S/L	45.2		250
51	500' OF 8" G-KYLEY	4/23/04		9,589							9,589	1,027	S/L	43.6		220
52	700' OF 3" F - KYLEY	4/23/04		3,051							3,051	327	S/L	43.6		70
53	3 MANHOLES - KYLEY	4/23/04		3,269							3,269	350	S/L	43.6		75
55	3,000' OF 6" G - MILLER	4/23/04		58,300							58,300	6,160	S/L	44.2		1,320
56	1,600' OG 6" F - MILLER	4/23/04		9,187							9,187	971	S/L	44.2		208
57	20 MANHOLES-MILLER	4/23/04		22,083							22,083	2,333	S/L	44.2		500
59	600' OF 6" G - BRIDGEVIEW	4/23/04		11,441							11,441	1,232	S/L	43.3		264

No.	Description	Date Acquired	Date Sold	Cost/ Basis	Bus. Pct.	Cur 179 Bonus	Special Depr. Allow.	Prior 179/ Bonus/ Sp. Depr.	Prior Dec. Bal. Depr.	Salvage /Basis /Reductn	Depr. Basis	Prior Depr.	Method	Life	Rate	Current Depr.
60	240' OF 3" F- BRIDGEVIEW	4/23/04		1,040							1,040	112	S/L	43.3		24
61	6 MANHOLES - BRIDGEVIEW	4/23/04		6,501							6,501	700	S/L	43.3		150
63	1,400' of 6" G-DALTON PL	4/23/04		26,745							26,745	2,875	S/L	43.4		616
64	2,500' OF 8" F-DALTON PL	4/23/04		16,281							16,281	1,750	S/L	43.4		375
65	14 MANHOLES-DALTON PL	4/23/04		15,196							15,196	1,633	S/L	43.4		350
66	1,200 ' OF 6" G-INDIAN HI	4/23/04		13,832							13,832	1,568	S/L	41.2		336
67	2462' OF 8" G-INDIAN HILL	4/23/04		44,595							44,595	5,054	S/L	41.2		1,083
68	600' OF 3" F-INDIAN HILL	4/23/04		2,470							2,470	280	S/L	41.2		60
69	700' OF 8" F-INDIAN HILL	4/23/04		4,322							4,322	490	S/L	41.2		105
70	38 MANHOLES	4/23/04		39,108							39,108	4,433	S/L	41.2		950
72	800' OF 6" G - PINHOOK	4/23/04		9,221							9,221	1,045	S/L	41.2		224
73	5,300' OF 8" G - PINHOOK	4/23/04		96,001							96,001	10,883	S/L	41.2		2,332
74	3,000' OF 3" F - PINHOOK	4/23/04		12,350							12,350	1,400	S/L	41.2		300
75	58 MANHOLES - PINHOOK	4/23/04		59,692							59,692	6,767	S/L	41.2		1,450
76	400' OF 3" F - PINHOOK II	4/23/04		3,293							3,293	373	S/L	41.2		80
77	900' OF 8" F -PINHOOK II	4/23/04		5,557							5,557	630	S/L	41.2		135
79	1,200' OF 4" F-LEE HI	4/23/04		4,906							4,906	616	S/L	37.2		132
80	3 MANHOLES - LEE HI	4/23/04		2,787							2,787	350	S/L	37.2		75
82	1,400' OF 6" F-SO COURT	4/23/04		8,781							8,781	849	S/L	48.3		182
83	6 MANHOLES-SO COURT	4/23/04		7,237							7,237	700	S/L	48.3		150
85	2,800' OF 8" F-CLAIBORNE	4/23/04		20,020							20,020	1,960	S/L	47.7		420
86	6 MANHOLES-CLAIBORNE	4/23/04		7,150							7,150	700	S/L	47.7		150
88	88' OF 8" G-BULL PEN AC	4/23/04		1,407							1,407	182	S/L	36.3		39
89	96' OF 4" F- BULL PEN AC	4/23/04		383							383	51	S/L	36.3		11
90	298' OF 8" F-BULL PEN AC	4/23/04		1,624							1,624	210	S/L	36.3		45
91	4 MANHOLES-BULL PEN AC	4/23/04		3,634							3,634	467	S/L	36.3		100
92	4,800' OF 3" F - BRADFORD	4/23/04		19,760							19,760	2,240	S/L	41.2		480

12/08/09

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No.	Description	Date Acquired	Date Sold	Cost/ Basis	Bus. Pct	Cur 179 Bonus	Special Depr. Allow.	Prior 179/ Bonus/ Sp. Depr.	Prior Dec. Bal. Depr.	Salvage /Basis Reductn	Depr. Basis	Prior Depr.	Method	Life	Rate	Current Depr.
93	12 MANHOLES-BRADFORD	4/23/04		12,350							12,350	1,400	S/L	41.2		300
95	11,500' OF 6" G-HARVESTOR	4/23/04		10,417							10,417	1,167	S/L	41.7		250
96	2,500' OF 3" F-HARVESTORS	4/23/04		36,458							36,458	4,083	S/L	41.7		875
100	11,500' OF 6" G-HARVESTOR	4/23/04		134,167							134,167	15,027	S/L	41.7		3,220
101	3,600' OF 8"G-MAPLE RIDGE	7/22/04		115,200							115,200	10,176	S/L	50		2,304
102	22 MANHOLES-MAPLE RIDGE I	7/22/04		33,000							33,000	2,915	S/L	50		660
103	3,387'- 8"G-CLAIBORN III	7/01/04		108,384							108,384	9,756	S/L	50		2,168
104	18 MANHOLES-CLAIBORN III	7/01/04		27,000							27,000	2,430	S/L	50		540
108	3425' -8" G -EAGLE CRK II	8/01/06		133,575							133,575	6,457	S/L	50		2,672
109	12 MANHOLES-E CREEK II	8/01/06		24,000							24,000	1,160	S/L	50		480
110	7146'-8" G-MAPLE RIDGE II	2/06/06		278,694							278,694	16,257	S/L	50		5,574
111	33 MANHOLES-M RIDGE II	2/06/06		66,000							66,000	3,850	S/L	50		1,320
112	3100'-8" G-EAGLE CRK III	12/31/06		120,900							120,900	4,836	S/L	50		2,418
113	20 MANHOLES E CRK III	12/31/06		40,000							40,000	1,600	S/L	50		800
Total MAINS				3,342,150		0	0	0	0	0	3,342,150	327,499				76,379
PUMP STATIONS																
2	491 PUMP STATIONS	4/23/04		75,804							75,804	8,843	S/L	40		1,895
4	EADS PUMP STATION	4/23/04		27,162							27,162	4,815	S/L	26.3		1,032
16	SAYERS PUMP STATION	4/23/04		37,107							37,107	4,330	S/L	40		928
27	BINGHAM PUMP STATION	4/23/04		26,717							26,717	4,737	S/L	26.3		1,015
28	RUSSELL ST PUMP STATION	4/23/04		22,264							22,264	3,947	S/L	26.3		846
29	CASE PUMP STATION	4/23/04		23,155							23,155	4,102	S/L	26.3		879
46	25 HP PUMP STA -GREENVIEW	4/23/04		39,167							39,167	4,777	S/L	39.2		1,000
54	3 HP PUMP S-130 KYLEY ST	4/23/04		20,992							20,992	2,917	S/L	33.6		625
58	5 HP PUMP S-104 MILLER D	4/23/04		25,625							25,625	3,500	S/L	34.2		750

12/31/09

2009 Federal Depreciation Schedule

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Client 2604

GRANT COUNTY SANITARY SEWER DISTRICT

30-0216082

12/08/09

12:54PM

No.	Description	Date Acquired	Date Sold	Cost/ Basis	Bus. Pct.	Cur 179 Bonus	Special Depr. Allow.	Prior 179/ Bonus/ Sp. Depr.	Prior Dec. Bal. Depr.	Salvage /Basis Reductn	Depr. Basis	Prior Depr.	Method	Life	Rate	Current Depr.
62	5 HP PUMP S - BRIDGEVIEW	4/23/04		25,002							25,002	3,500	S/L	33.3		750
71	5 HP PS-8 DOVE LANE	4/23/04		23,375							23,375	3,500	S/L	31.2		750
78	5HP PS - PINHOOK	4/23/04		23,375							23,375	3,500	S/L	31.2		750
81	3HP PS - 250 LEE HI ST	4/23/04		16,980							16,980	2,917	S/L	27.2		625
84	5HP PS - VINCENT	4/23/04		28,729							28,729	3,421	S/L	38.3		751
87	15HP PS -CLAIBORNE	4/23/04		32,958							32,958	4,083	S/L	37.7		875
94	2HP PS-355 OAKWOOD DRIVE	4/23/04		19,480							19,480	2,917	S/L	31.2		625
97	15 HP PUMP STA - WALLER	4/23/04		27,708							27,708	4,083	S/L	31.7		875
98	5HP PS-200 BARLEY CT	4/23/04		23,750							23,750	3,500	S/L	31.7		750
99	5HP PS-255 WHEAT CT	4/23/04		23,750							23,750	3,500	S/L	31.7		750
106	REBUILD MG50 PUMP-WHEAT C	7/28/05		1,995							1,995	683	S/L	10		200
115	REBUILD 5HP PUMP - SPARE	2/27/07		1,547							1,547	946	S/L	3		516
119	REBUILD SAYERS PUMP	1/29/07		3,113							3,113	1,989	S/L	3		1,038
120	REBUILD GREENVIEW PUMP	7/06/07	4/03/09	3,689							3,689	1,845	S/L	3		307
121	REBUILD KYLEY 5 HP PUMP	2/27/07		1,572							1,572	961	S/L	3		524
122	REBUILD BINGHAM LN 15 HP	8/16/07		1,521							1,521	676	S/L	3		507
123	REBUILD BINGHAM LN 15 HP	9/07/07		1,385							1,385	616	S/L	3		462
124	REBUILD CASE LANE 15 HP	9/12/07		2,470							2,470	1,097	S/L	3		823
125	REBUILD WHEAT CT 5 HP	11/19/07		1,564							1,564	564	S/L	3		521
126	VINCENT LANE CONSOLIDATIO	9/17/07		6,433							6,433	224	S/L	36		179
128	REBUILD BRIDGEVIEW 3 HP	12/10/07		1,290							1,290	466	S/L	3		430
132	15 HP MTR - RUSSELL DR #1	1/29/08		3,492							3,492	1,067	S/L	3		1,164
133	REBUILD 15HP PUMP WHEAT C	1/02/08		1,035							1,035	345	S/L	3		345
134	REBUILD PUMP SAYERS	6/30/08		3,859							3,859	643	S/L	3		1,286
135	REBUILD PUMP BINGHAM	7/31/08		1,108							1,108	154	S/L	3		369
136	REBUILD 15HP PUMP WALLER	10/14/08		4,037							4,037	336	S/L	3		1,346
141	REBUILD 25HP PUMP-GREENVI	4/03/09		3,752							3,752		S/L	3		938

12/31/09

2009 Federal Depreciation Schedule

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Client 2604

GRANT COUNTY SANITARY SEWER DISTRICT

30-0216082

12/08/09

12:54PM

No.	Description	Date Acquired	Date Sold	Cost/ Basis	Bus. Pct.	Cur 179 Bonus	Special Depr. Allow.	Prior 179/ Bonus/ Sp. Depr.	Prior Dec. Bal. Depr.	Salvage /Basis Reductn	Depr. Basis	Prior Depr.	Method	Life	Rate	Current Depr.
142	REBUILD 50HP PUMP-CASE LN	4/21/09		1,836							1,836		S/L	3		408
143	1/2 HP VACUUM PUMP-BINGHA	7/24/09		752							752		S/L	3		104
144	REBUILD 15HP PUMP-BINGHAM	8/28/09		1,346							1,346		S/L	3		150
145	REBUILD 25HP PUMP-GREENVI	5/12/09		4,106							4,106		S/L	3		912
146	REBUILD PUMP-MILLER DRIVE	8/20/09		2,091							2,091		S/L	3		232
149	REBUILD 15HP PUMP-BINGHAM	9/29/09		1,397							1,397		S/L	3		116
Total PUMP STATIONS				598,490		0	0	0	0	0	598,490	89,501				29,348
SEWER PLANT EQUIPMENT																
9	MONOFLO GRINDER (MUNCHER)	9/30/04		13,265							13,265	5,640	S/L	10		1,327
114	CHLORINE PUMP	8/10/06		1,007							1,007	244	S/L	10		101
116	NEW TRI-LOBE SEWER BLOWER	4/26/07		6,473							6,473	2,158	S/L	5		1,295
129	REBUILD TRI-LOBE BLOWER	8/17/07		3,351							3,351	893	S/L	5		670
130	REBUILD TRI-LOBE BLOWER	11/27/07		3,380							3,380	732	S/L	5		676
131	NEW MOTOR FOR SWR BLOWER	7/24/07		2,554							2,554	724	S/L	5		511
137	1/2 OF DETROIT GENERATOR	3/28/08		19,800							19,800	743	S/L	20		990
138	REBUILD TRI-LOBE BLOWER	5/03/08		5,726							5,726	763	S/L	5		1,145
147	INFLUENT FLOW METER	6/24/09		6,135							6,135		S/L	10		307
Total SEWER PLANT EQUIPMENT				61,691		0	0	0	0	0	61,691	11,897				7,022
STRUCTURES & IMPROVEMENTS																
1	WASTE WATER TREAT PLANT	4/23/04		768,545							768,545	89,665	S/L	40		19,214
3	WASTE WATER TREAT PLANT	4/23/04		133,586							133,586	23,678	S/L	26.3		5,074
10	OFFICE & BLOWER BUILDING	4/23/04		111,320							111,320	12,987	S/L	40		2,783
11	RELOCATE & REP OLD WWTP	4/23/04		101,929							101,929	11,891	S/L	40		2,548

12/08/09

12:54PM

No.	Description	Date Acquired	Date Sold	Cost/ Basis	Bus. Pct.	Cur 179 Bonus	Special Depr. Allow	Prior 179/ Bonus/ Sp. Depr.	Prior Dec. Bal. Depr.	Salvage /Basis Reductn	Depr. Basis	Prior Depr.	Method	Life	Rate	Current Depr.
12	ADD'L PARK AREA WWTP	4/23/04		6,645							6,645	1,550	S/L	20		332
13	GRAVEL ACCESS AREA WWTP	4/23/04		5,439							5,439	1,269	S/L	20		272
14	ACCESS ROAD WWTP	4/23/04		19,872							19,872	4,638	S/L	20		994
15	CHAIN LINK FENCE - WWTP	4/23/04		15,516							15,516	3,621	S/L	20		776
26	GRAVEL RD & CULV-SCH TR L	4/23/04		1,590							1,590	373	S/L	20		80
105	CONCRETE SEWER PLANT RD	5/31/05		30,223							30,223	5,415	S/L	20		1,511
Total STRUCTURES & IMPROVEM				1,194,665		0	0	0	0	0	1,194,665	155,087				33,584
TRANSPORTATION EQUIPMENT																
8	VECTOR TRUCK	5/20/04		11,624							11,624	10,656	S/L	5		968
107	NEW TRANSMISSION-VECTOR T	10/25/05		4,502							4,502	2,850	S/L	5		900
127	1999 DODGE TRUCK	10/02/07		16,000							16,000	4,000	S/L	5		3,200
148	TRAILER FOR MOWER	3/20/09		1,000							1,000		S/L	10		75
Total TRANSPORTATION EQUIPME				33,126		0	0	0	0	0	33,126	17,506				5,143
Total Depreciation				5,277,828		0	0	0	0	0	5,277,828	607,613				154,893
Grand Total Depreciation				5,277,828		0	0	0	0	0	5,277,828	607,613				154,893
Depreciation Assets Sold				3,689		0	0	0	0	0	3,689	1,845				307
Depr Remaining Assets				5,274,139		0	0	0	0	0	5,274,139	605,768				154,586

EXHIBIT “3”

(Maps of suitable scale outlining location of new construction and sanitary sewer extensions/improvements with supporting documentation, plans and specifications)

EXHIBIT “4”

(Preliminary Engineering Report)

Preliminary Engineering Report

Grant County Sewer Extension – Phase I

Grant County

Grant County Sanitary Sewer District

By

**CMW, Inc.
400 E. Vine Street, Suite E
Lexington, KY 40507**

**November, 2003
Revised October, 2009**


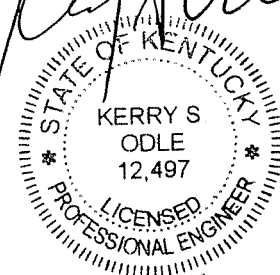


10/13/09

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1. Project Description
2. Project Profile
3. Project Map (Aerial Photo)
4. Project Map (USGS)
5. Preliminary Project Cost
6. Preliminary Construction Estimate

Project Description
for
Grant County Sanitary Sewer District – Phase 1
Grant County of Kentucky
(Sherman Community, Claiborne Estates and sector of Hwy. 25)
State Application Identifier No. KY20081020-0997

Grant County Sanitary Sewer District (GCSSD) Phase 1 project consist of construction of 8,940 feet of 8" gravity sewer, 20,450 feet of force main, 7,880 feet of small diameter force main, 43 manholes, a railroad bore, an Interstate-75 road bore, 4 submersible pump stations, 2 submersible grinder pump stations, 22 individual grinder pumps to serve customers from south of Crittenden to Sherman. The portion of Kentucky Highway 25-Sherman Road will include connections to Grant County Mobile Home Park and KOA Campground and will eliminate their package sewer plant. The project will eliminate approximately 65 private septic systems and 2 privately owned/operated package WWTP's. A connection will be made available for the Blackwell Mobile Home Park. GCSSD staff consists of 5 commissioners, 5 administrative, 10 field-plant employees and one being a Class 4 Kentucky certified waste water operator. The name of this operator is Carl Crone.

KENTUCKY WASTEWATER PROJECT PROFILE

Areas indicated with (*) are required fields.

1.* Project Title (use title which will be identifiable by local community):

Grant County Sewer Extension, Phase I

2.* Project Description:

Provide a brief narrative denoting if project relates to source, distribution, treatment, storage or other)

Construction of 14,080 LF of gravity sewer main with manholes, 2 sewer pump stations, 3 grinder pump stations, and 16,000 LF of force main to serve customers on Highway 25 from City of Crittenden sewer system to Sherman including connection to public system and elimination of Grant MHP, Blackwell MHP and KOA wastewater treatment plants serving a total of 190 new customers.

* Project Descriptor: sewerline extension

* WRIS Project Number (PNUM): SX21081303

This number is assigned by an ADD through the respective Area Water Management Planning Council once the project profile is approved by the Council. This number ties each project to mapped/spatial information in the Water Resource Information System (WRIS). Project profiles without this number AND the required corresponding mapped/spatial information will NOT be accepted

* Project County: Grant

* Is it a multi-county project: Yes No

* Project Submitted By: Northern Kentucky

* If wastewater project, KPDES#(s):

Available:

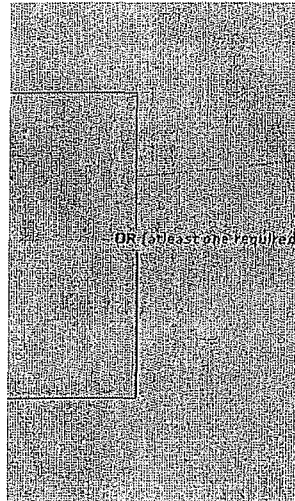
KY0002801
KY0020001
KY0020010
KY0020036
KY0020044
KY0020044
KY0020061
KY0020079
KY0020087
KY0020095

Include >

< Remove

Selected:

KY0091634



* If wastewater collection project, KIMOP#(s)

Available:

KYP000015
KYP000032
KYP000034
KYP000035
KYP000036
KYP000037
KYP000038
KYP000039
KYP000040
KYP000041

Include >

< Remove

Selected:

None Selected..

3. Legal Applicant

* Legal Applicant: Grant County Sanitary Sewer District

Wastewater Utility which will own proposed improvements:
(if different from Legal Applicant)

* Organizational Structure: Sanitation District

Authorized Official Information

* First Name: Bobby * Last Name: Burgess M.I.:
* Title: Chairman
* Street Address Line 1: Grant Co. Sanitary Sewer District
Street Address Line 2:
* P.O. Box: 460
* City: Crittenden * State: KY * Zip: 41030
* County: Grant
* Telephone: (859) 428-2112 Ext:
Fax: 859-428-1293
Email: bullockpen@fuse.net

Contact Person Information

* First Name: Paula * Last Name: Massie M.I.:
* Title: Office Manager
* Street Address Line 1:
Street Address Line 2:
* P.O. Box: 460
* City: Crittenden * State: KY * Zip: 41030
* County: Grant
* Telephone: 859-428-2112 Ext:
Fax: 859-428-1293
Email: bullockpen@fuse.net

Project Administrator Information

* First Name: Kerry * Last Name: Odle M.I.:
Title: Project Engineer
Street Address Line 1: 138 N. Keeneland Dr.
Street Address Line 2: Suite E
P.O. Box: 831
City: Richmond State: KY Zip: 40475
County: Madison
* Telephone: 859-623-2966 Ext:
Fax:
Email: kodle@cmwaec.com

Consulting Engineer Information

* First Name: Kerry * Last Name: Odle M.I.:
Firm: CMW, Inc.
Street Address Line 1: 138 N. Keeneland Drive
Street Address Line 2: Suite E
P.O. Box: 831
City: Richmond State: KY Zip: 40475
County: Madison
* Telephone: 859-623-2966 Ext:
Fax: 859-623-0886
Email: kodle@cmwaec.com

4.* Project Type (atleast one required/check all that apply):

- Facilities Planning
- Sewer System Evaluation Survey Report
- Design
- Construction
- Management

5. Project Alternatives: Please list a minimum of three:

- a.* No action.
- b.* Pressurized sewer system.
- c.* Vacuum sewer system.

6. Special Impact(s) of Proposed Wastewater Project:

- a.* New service/improve service to 190 unserved 0 underserved households
- b. Number of new jobs: 0 Number of retained jobs: 0
- c. Other beneficial technical, managerial, fiscal impacts: (20 words or less)
3 small wastewater treatment plants are taken out of service.
- d.* Does proposed activity relate to public health protection emergency: Yes No
- e.* Does project involve regionalization: Yes No
- f. Number of systems affected/involved: 3

7.* Median Household Income of Service Area:

\$ 38438

8.* Project Start Schedule:

- Years 0-2 Years 3-10 Years 11-20

9. Estimated Funding Sources:

- * Estimated Local Funding Amount \$ 268700
- * Estimated Other Funding Amount (all sources) \$ 2601300
- Total Estimated Project Cost \$ 2870000

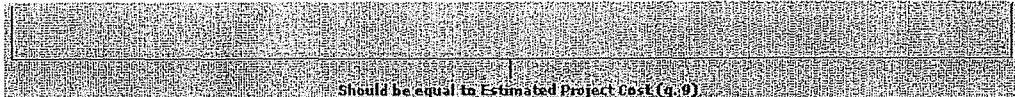
10. Project Data - Wastewater (complete all items which apply to this discrete project)

- a.* Is project related to modifications to treatment plant? Yes No
- b.* Is project related to new collector sewer construction? Yes No
Total linear feet 30080
- c.* Is project related to new interceptor sewer construction? Yes No
- d.* Is project related to sewer rehab? Yes No
Total linear feet 1500
- e. Number of lift stations required 5
- f. Management (describe)
- g.* Does your agency currently provide sewer service Yes No

TABLE 1: COST

	Category			
	Secondary	Advanced	Sewer Collector	Interceptor Combined

Treatment	Treatment	I/I Removal	Rehab	Sewers	Sewers	Sewer Overflows	NPS Urban
0	0	0	0	2870000	0	0	0



Should be equal to Estimated Project Cost (q.9)

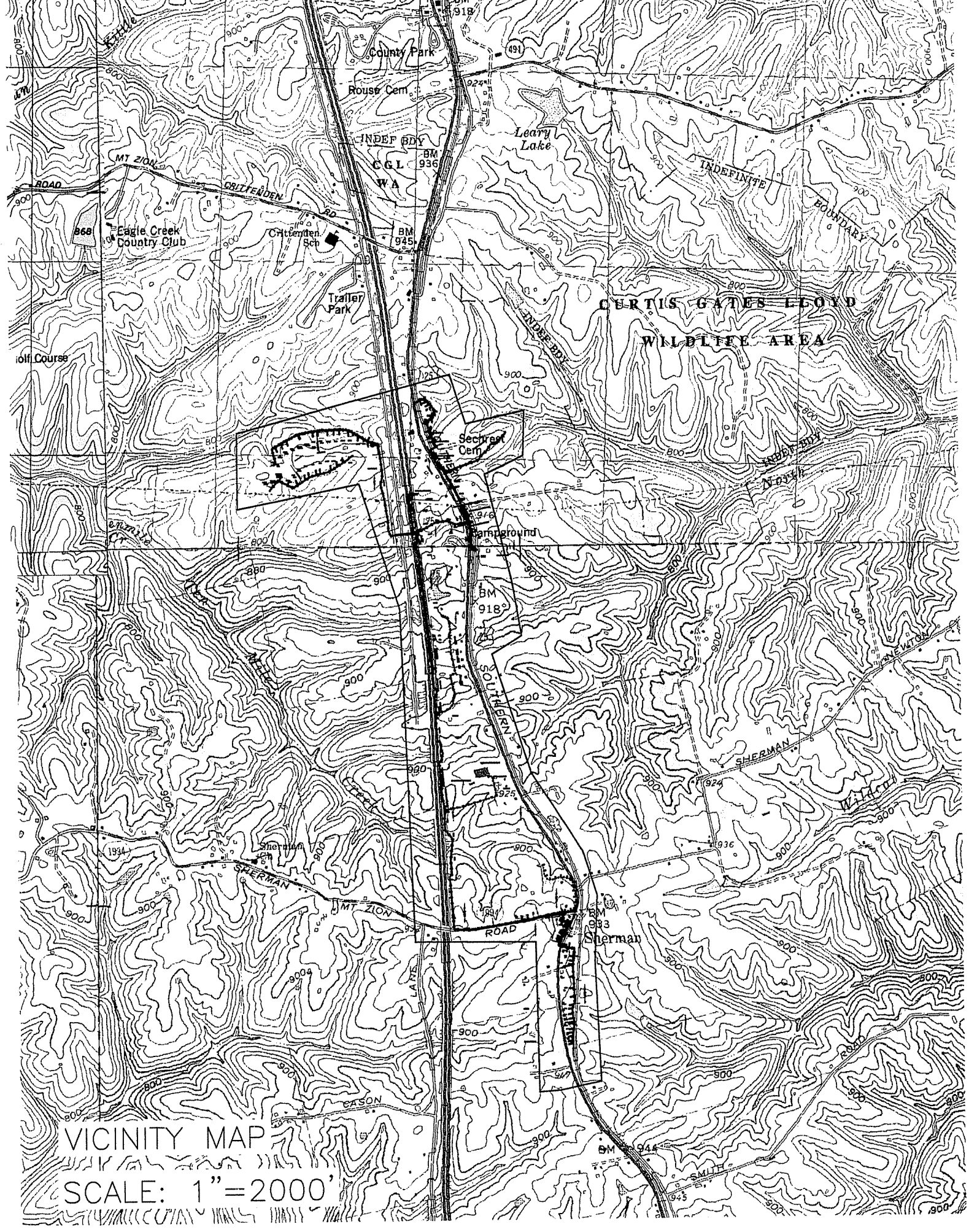
Estimated Project Cost: \$ 2870000
 Allocated: \$ 2870000
 Remaining Funds: \$ 0

TABLE 2: NEEDS
Public Health Concerns
as a results of this Project

Number of Raw Sewage Discharges Eliminated	Number of Failing Septic Systems Eliminated	Septic Systems to be Eliminated	Total No. of WWTPs to be Eliminated	Total Average Design Flow from Eliminated WWTPs (MGD)
0	15	35	3	0.058
KPDES No.	Name of Plant Eliminated		Average Design Flow (MGD)	
			0	
			0	
KY0083631	Grant Mobile Home Park		0.012	
			0	
KY0080080	K.O.A.		0.005	
KY0091031	Blackwell Mobile Home Park		0.041	

* Date Project was approved by the Area Water Management Planning Council: 02/09/2004





VICINITY MAP
SCALE: 1"=2000'

PRELIMINARY PROJECT COST
GRANT COUNTY SANITARY SEWER EXTENSION PHASE I

May 19, 2009

1. Construction Cost	\$1,372,018.00
2. Legal	\$ 25,000.00
3. Acquisition	\$ 75,000.00
4. Easements	\$ 35,000.00
5. Preliminary Engineering	\$ 10,000.00
6. Engineering Design (8.40%)	\$ 115,250.00
7. Resident Inspection (5.23%)	\$ 71,757.00
8. SSES Study	\$ 10,000.00
9. Staking	\$ 15,000.00
10. Grant Administration	\$ 15,000.00
11. Railroad Permit	\$ 20,000.00
12. Environmental	\$ 10,000.00
13. Archeologist	\$ 6,000.00
14. Biologist	\$ 7,000.00
15. Contingencies	\$ 137,975.00

TOTAL PROJECT COST **\$1,925,000.00**

FUNDING

1. KIA 2005 Grant	\$ 900,000.00
2. KIA 2008 Grant	\$ 400,000.00
3. KIA 2008 Grant	\$ 250,000.00
4. Grant MHP (Cost of Pump Station)	\$ 45,000.00
5. Tap-on Fees 76	\$ 30,000.00
6. Stimulus Grant	\$ 300,000.00

TOTAL FUNDING **\$1,925,000.00**

PRELIMINARY CONSTRUCTION ESTIMATE
GRANT COUNTY SEWER EXTENSION PHASE I

May 19, 2009

1.	8" PVC Sanitary Sewer 8,935 LF @ \$34/LF	\$ 303,790.00
2.	4" PVC Sanitary Sewer Laterals 945 LF @\$28/LF	\$ 26,460.00
3.	PVC Force Main 20,452 LF @\$10/LF	\$ 204,520.00
4.	Small Diameter Force Main 7,883 LF @ \$6/LF	\$ 47,298.00
5.	Connection to Existing Manhole 2 EA @ \$2,000/EA	\$ 4,000.00
6.	Connecting to Grant MHP w/Master Meter 1 EA @\$12,000	\$ 12,000.00
7.	Connection to Campground w/Master Meter 1 EA @ \$10,000	\$ 10,000.00
8.	Manholes 43 EA @ \$2400/EA	\$ 103,200.00
9.	Drop Manhole 3 EA @ \$800/EA	\$ 2,400.00
10.	Clean Outs 71 EA @ \$250/EA	\$ 17,750.00
11.	Railroad Bore 210 LF @ \$210/LF	\$ 44,100.00
12.	I-75' Force Main Bore 250 LF @ \$160/LF	\$ 40,000.00
13.	Road Bore for Gravity Sewer 35 LF @ \$160/LF	\$ 5,600.00
14.	Open Cut Bore for Force Main 40 LF @ \$80/LF	\$ 3,200.00
15.	Concrete Caps over Sewer Main 460 LF @ \$75/LF	\$ 34,500.00
16.	Sewage Combination Air Valve 13 EA @ \$1800/EA	\$ 23,400.00
17.	2" Gate Valve 2 EA @ \$400/EA	\$ 800.00
18.	2" Check Valve 2 EA @ \$500/EA	\$ 1,000.00
19.	Submersible Pump Station 2 EA @ \$70,000/EA	\$ 140,000.00

20. Submersible Grinder Pump Station 4 EA @ \$45,000/EA	\$ 180,000.00
21. Individual Grinder Pumps 22 EA @ \$6,500/EA	\$ 143,000.00
22. Miscellaneous Valves on Small Diameter FM 1 LUMP SUM @ \$25,000	\$ 25,000.00
<hr/>	
TOTAL CONSTRUCTION COST	\$1,372,018.00

EXHIBIT “5”

**(Kentucky Infrastructure Authority
Grant Assistance Agreement for
\$900,000.00)**

KENTUCKY INFRASTRUCTURE AUTHORITY

RECEIVED

INFRASTRUCTURE FOR ECONOMIC DEVELOPMENT FUND FOR
TOBACCO/COAL PRODUCING COUNTIES

2005 SEP 19 A 10:40

GRANT ASSISTANCE AGREEMENT

KENTUCKY INFRASTRUCTURE
AUTHORITY

PROJECT NUMBER: SX21081303

GRANT AMOUNT: \$900,000

GRANTEE: Grant County Sanitation District

DATE OF AGREEMENT: 12-8-08

GRANT ASSISTANCE AGREEMENT

This Grant Assistance Agreement ("Agreement") is made and entered into this date, 12-8, 2008, by and between the KENTUCKY INFRASTRUCTURE AUTHORITY ("Authority"), a body corporate and politic, constituting a public corporation and governmental agency and instrumentality of the Commonwealth of Kentucky, and the Grant County Sanitation District ("Grantee").

WITNESS

WHEREAS, the General Assembly of the Commonwealth of Kentucky, at its 1988 Regular Session, amended Chapter 224A of the Kentucky Revised Statutes (the "Act"), creating the "Kentucky Infrastructure Authority" to serve the public purposes identified in the Act; and

WHEREAS, the Authority, an agency of the Commonwealth attached to the Governor's Office, is charged pursuant to KRS 224A.300 with coordinating the implementation of infrastructure projects and to this end maintains within the Water Resource Information System, a comprehensive database of profiles of each community's water and wastewater projects; and

WHEREAS, the 2005 General Assembly included in the Commonwealth's 2004-2006 biennial Budget funding for the Grantee's infrastructure project, the subject of this Agreement; and

WHEREAS, the Grantee now seeks to implement the Project as identified in the 2004-2006 Budget of the Commonwealth and the Authority has determined that the Project is a Project within the meaning of the Act, and has been shown to be consistent with the Area Water Management Plan where applicable; and

WHEREAS, the Grantee and the Authority desire to enter into this Agreement which sets forth their respective duties, rights, covenants, and obligations with respect to the acquisition, construction and financing of the Project described in the Grantee's Project Profile.

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

SECTION 1 – DEFINITIONS

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

Act shall mean Chapter 224A of the Kentucky Revised Statutes, as amended.

Agreement shall mean this Agreement made and entered into by and between the Grantee and the Authority, as authorized by the Act, providing for a Grant to the governmental agency, unit of government, or private, investor-owned water system by the Authority.

Area Water Management Council shall mean the council designated as the planning body for the area, which shall prepare the Area Water Management Plan and approve all Project Profiles for water and wastewater projects.

Area Water Management Plan shall mean the plan that identifies current and future water supply, drinking water, and wastewater service needs of the area.

Authority shall mean the Kentucky Infrastructure Authority created by the Act as amended, a body corporate and politic, constituting a public corporation and a governmental agency and instrumentality of the Commonwealth of Kentucky, or such other designation as may be effected by future amendments to the Act.

Engineer(s) shall mean the professional engineer or firm of professional engineers properly procured by the Grantee in connection with the Project identified in the Project Profile Database.

Grantee shall mean any governmental agency or unit of government or any private, investor owned utility within the Commonwealth eligible for funding under the Program in accordance with the Act, now having been or hereafter being granted the authority and power to finance, acquire, construct, and operate a Project, and for the purposes of this Agreement shall mean that entity identified in the Project Profile.

Grant shall mean the funds effected under this Agreement from the Authority to the Grantee in the principal amount set forth in the 2004-2006 Budget of the Commonwealth, for the purpose of defraying the costs incidental to the Project.

Kentucky Water Management Plan shall mean the guide and strategy that incorporates and analyzes each Area Water Management Plan and provides an assessment of future needs and allocation of funding for water and wastewater services throughout the Commonwealth.

Program shall mean the program authorized by KRS 224A.035 for the Authority to engage in a program of assistance to designated entities with respect to the construction and acquisition of water and wastewater infrastructure projects.

Project shall mean, when used generally, water, wastewater or other infrastructure project authorized pursuant to the Act, and when used in specific reference to the Grantee, the Project described in the Project Profile.

Project Administrator shall mean that individual designated in writing to the Authority by the Grantee, who has the responsibility of supervising the Project and coordinating the preparation of all documentation with respect to the Project.

Project Budget shall mean a list of Project expenses and funding sources, in the form set forth in Exhibit 1.

Project Profile shall mean those specific details of the Project, approved by the Area Water Management Council as being consistent with the Area Water Management Plan.

Rates and Charges shall mean an approved schedule of charges, based on actual cost of service, to adequately provide for retirement of any related debt obligation and to provide for proper operation of the Project.

System shall mean the utility system owned and operated by the Grantee of which the Project shall become a part and from the earnings of which System shall be operated, maintained and insured.

SECTION 2 - OBLIGATIONS OF THE AUTHORITY

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

- A. The Authority shall pay to the Grantee the grant sum in an amount not to exceed \$900,000.
- B. The Authority may make periodic reviews of the Project progress and may make inspections of the Project and send inspection reports to the Grantee. Deficiencies identified in the inspection report shall be corrected by the Grantee and the correction reported in writing to the Authority within two weeks of receipt of the Authority's inspection report.
- C. The Authority shall cooperate with the Grantee in order to facilitate the obligations set out in this Agreement.

SECTION 3 - OBLIGATIONS OF THE GRANTEE

The Grantee covenants and agrees to undertake the following obligations:

- A. The Grantee shall, before any funds are released, sign and submit the Agreement, and complete and include the following Exhibits which are incorporated herein and made a part hereof:
1. **Before the Project is bid**, the Grantee shall complete and submit to the Authority the following:
 - a) A Project description in the form of a Project Profile together with the estimated Project Budget, as **Exhibit 1**.
 - b) A copy of the Grantee's resolution, as **Exhibit 2**, accepting the grant award, amending its budget to allow for receipt and expenditures of these funds, and authorizing a designated individual to execute the Agreement and all other documentation related to the Project.
 - c) The opinion of legal counsel substantially in the form set forth in **Exhibit 3** hereto.
 - d) A Statement of Agreement to adopt and use the Kentucky Uniform System of Accounting (KUSoA) and assure that rates and charges for water service are based upon the cost of providing such service as **Exhibit 4**, if applicable.
 - e) A schedule of current rates and charges. If there will be a change in the current rate structure as a result of this project, provide the proposed schedule of rates and charges.
 - f) Documentation of Clearinghouse Endorsement and Clearinghouse Comments.
 - g) An Application for Electronic Transfer of Funds, as **Exhibit 6**.
 - h) A Certification of Funding as **Exhibit 11**.
 - i) Any additional covenants or agreements that may be required included in **Exhibit 7**.
 2. **After Project is bid**, the Grantee shall complete and submit to the Authority the following:
 - a) A revised Project Budget based on Project bids, as **Exhibit 1**.
 - b) The opinion of legal counsel substantially in the form set forth in **Exhibit 5** hereto.

- B. The Grantee may request receipt of Grant funds after completion of items in Sections 3. A. 1. and 2. above and full execution of the Agreement. The Authority, upon receipt of Request for Payment and Project Status Report **Exhibit 8**, will release funds. The Request for Payment and Project Status Report must include copies of invoices for costs incurred. The Authority may withhold release of funds until receipt of Administrative Fee pursuant to Section 7.
- C. The Grantee shall perform and/or cause to be performed all necessary acts (consistent with KRS 45A and in accordance with applicable laws) to plan, design and construct the Project including: the procurement of land, easements and rights of way; professional services, including but not limited to architectural and engineering services; construction contractor(s); and equipment and/or materials.
- D. The Grantee shall obtain all necessary permits, licenses and approvals from the appropriate federal, state, and/or local governmental entities prior to construction of the Project. Further, the Grantee shall require all construction contractors to pay wages pursuant to applicable prevailing wage rates (federal or state) for all work relating to the subject Project.
- E. The Grantee shall include **Exhibit 10** in the engineer's contract for this project and remuneration of engineering services will be based on the fee **schedule included in the exhibit**.
- F. The Grantee shall comply with all applicable federal and state statutes, executive orders, regulatory requirements, and policies relating to the planning and construction of the Project.
- G. The Grantee shall provide to the Authority access to all records related to the Project for review in determining compliance with the Grant Agreement and all applicable laws and regulations. The Grantee shall retain all records, including all invoices, relating to the Project for three years after full execution of **Exhibit 9** - Certificate of Completion.
- H. The Grantee shall cooperate fully with the Authority and provide any documentation requested by the Authority in order to facilitate the obligations set out in this Agreement.
- I. Any unauthorized or improper expenditure of funds, or expenditure of funds other than in accordance with the terms of this Agreement, shall be deemed a default of this Agreement by the Grantee.
- J. The Grantee will proceed expeditiously with and complete the Project in accordance with the approved final design, plans and specifications or amendments thereto, prepared by the Project Engineer for the Grantee and as approved by the appropriate state and federal agencies.

- K. The Grantee agrees that throughout the reasonable life of the infrastructure facilities developed under this Project it will retain ownership of, operate, and maintain these facilities, and all appurtenances thereto, keeping them in good and sound repair and good operating condition at its own expense so that the completed Project will continue to provide the services for which it was designed. Change of ownership or disposal of the Project facilities may occur only with written approval of the Authority.
- L. The Grantee agrees that it will at all times impose, charge and collect sufficient customer Rates and Charges.
- M. The Grantee shall, within 3 months of initiation of construction of the Project, submit to the Authority, Final Design Plans in an AutoCAD Drawing File Format (DWG), referenced to the appropriate (North or South) Kentucky State Plane Coordinate System (NAD83-Survey Feet) on a Compact Disc (CD). If there is a significant deviation from the Final Design Plan during construction, As-built plans shall also be provided to the Authority, within three months of construction completion, in the same format.
- N. The Grantee shall submit the fully executed Certificate of Completion once all Project construction related activities are complete. Exhibit 9.

SECTION 4 - MUTUALITY OF OBLIGATIONS

- A. The parties agree that the funds granted by the Commonwealth to the Grantee are to be used solely for the purposes of implementing the Project. Further the parties agree that the obligations imposed upon them are for their respective benefit and the timely fulfillment of each and every obligation in accordance with this Agreement is necessary. The failure of either party to fulfill its obligations under this Agreement shall constitute a breach of same.
- B. In the event of default by the Grantee, including the failure to take actions directed herein and/or to comply with time deadlines set out in this Agreement, the Authority may declare this Agreement void from the beginning without further obligation to the Grantee and may commence appropriate legal action to enforce its rights under this Agreement including action for recovery of funds expended hereunder.
- C. Except as may otherwise be provided herein, the parties to this Agreement shall be solely responsible for any costs incurred in fulfilling their respective obligations under this Agreement and neither party shall have any claim against the other party for reimbursement of costs whether or not a party is in default.

SECTION 5 - TERMS OF AGREEMENT

- A. All funds made available under this Agreement are subject to reauthorization by subsequent General Assemblies of the Commonwealth of Kentucky. Should funding for the Project not be reauthorized this agreement shall terminate.
- B. This Agreement shall be valid only after all signatories have signed.
- C. This Agreement may be terminated by either party at any time for cause and may be terminated by either party without cause upon 30 days written notice to the other party. Termination of this Agreement shall not diminish or in any other manner affect any other remedy that may be available to the parties for any breach of the Agreement that occurs prior to the termination.
- D. If additional financial assistance for this project becomes available to the Grantee after execution of this agreement, the amount of the assistance from the Authority shall be recalculated with the inclusion of the additional assistance, and the Grantee shall pay to the Authority the amount, if any, by which the grant actually made, exceeds the grant as determined by the recalculation.

SECTION 6 - ADVANCE FUNDING FOR PROJECT PLANNING AND DESIGN

- A. The Grantee may request, in writing, that a portion of the grant funds be disbursed prior to Project bidding to pay a portion of the cost of Project planning and design directly related to submission of the Project plans and specifications for review by the Division of Water and the Public Service Commission, as may be required.
- B. It is specifically understood and agreed by the Grantee, in the event that the Project has not commenced construction by June 30, 2009, for whatever reason, all grant funds disbursed for Project planning and design are subject to full and immediate repayment to the Authority.
- C. Funds disbursed under this Section of the Agreement shall not exceed 50% of the Project planning and design amount as established in the guidelines as set forth in Exhibit 10.
- D. Funds received under provisions of this Section shall be used solely for planning and design costs of the Project.
- E. No funds shall be released under this Section until the requirements of Section 3. A. 1. of this Agreement have been met.

SECTION 7 - ADMINISTRATIVE FEE

The Grantee agrees to pay to the Authority an administrative fee (the "Administrative Fee") equal to $\frac{1}{2}$ of 1% of the principal amount of the Grant. The Administrative Fee shall be due and payable on the date the Grantee's initial Request for Payment and Project Status Report is submitted to the Authority.

SECTION 8 - MISCELLANEOUS PROVISIONS

- A. This Agreement may be signed by each party on a separate copy, and in such case one counterpart of this Agreement shall consist of a sufficient number of such copies to reflect the signature of each party hereto. This Agreement may be executed in two or more counterparts each of that shall be deemed an original, and it shall not be necessary in making proof of this Agreement or the terms and conditions hereof to produce or account for more than one of such counterparts.
- B. The headings set forth in this Agreement are only for convenience or reference and the words contained therein shall in no way be held to explain, modify, amplify or aid in the interpretation, construction or meaning of the provisions of this Agreement.
- C. The terms and conditions of this Agreement shall be binding upon and shall inure to the benefit of the successor and assigns, respectively, of the parties. This provision shall not be construed to permit an assignment by any party of any of its rights and duties under this Agreement which assignment shall be prohibited except with the prior written consent of the parties hereto.
- D. This Agreement sets forth the entire understanding of the parties with respect to the subject matter hereof, and may be modified only by a written instrument duly executed by each of the parties hereto.
- E. Timely and accurate performance of all actions by the respective parties are mutually recognized by the parties hereto to be of great importance to the citizens of the Commonwealth generally, and particularly to those citizens directly affected by the Project subject of this Agreement.
- F. The parties agree that any suit, action or proceeding with respect to this Agreement may only be brought into or entered by, as the case may be, the courts of the Commonwealth of Kentucky situated in Frankfort, Franklin County, Kentucky or the United States District Court for the Eastern District of Kentucky, Frankfort Division.
- G. The Authority may audit or review all documentation and records of the Grantee relating to this Project pursuant to the provisions of KRS 45A.150.

H. The Grantee agrees that the Authority, the Finance and Administration Cabinet, the Auditor of Public Accounts, and the Legislative Research Commission, or their duly authorized representatives, shall have access to any books, documents, papers, records, or other evidence, which are directly pertinent to this contract for the purpose of financial audit or program review. Furthermore, any books, documents, papers records, or other evidence provided to the Commonwealth, the Finance and Administration Cabinet, the Auditor of Public Accounts, or the Legislative Research Commission which are directly pertinent to the contract shall be subject to public disclosure regardless of the proprietary nature of the information, unless specific information is identified and exempted and agreed to by the Secretary of the Finance and Administration Cabinet as meeting the provisions of KRS 61.878(1)(c) prior to the execution of the contract. The Secretary of the Finance and Administration Cabinet shall not restrict the public release of any information which would otherwise be subject to public release if a state government agency was providing the services.

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

KENTUCKY INFRASTRUCTURE AUTHORITY

By: [Signature]

Title: Executive Director

ATTEST

By: [Signature]

Title: Secretary

GRANT COUNTY SANITATION DISTRICT

By: [Signature]

Title: Chairman

ATTEST

By: [Signature]

Title: Office Mgr.

EXAMINED

LEGAL COUNSEL TO THE
KENTUCKY INFRASTRUCTURE AUTHORITY

By: [Signature] 1-23-09

Title: Staff Attorney

REQUIRED EXHIBITS

- Exhibit 1 - Project Profile and Project Budget
- Exhibit 2 - Resolution
- Exhibit 3 - Opinion of Counsel Relating to Agreement Execution
- Exhibit 4 - Statement of Agreement Regarding KUSoA & Cost-Based Rates
- Exhibit 5 - Opinion of Counsel Regarding Agreement Obligations
- Exhibit 6 - Application for Electronic Transfer of Funds
- Exhibit 7 - Additional Covenants and Agreements (when applicable)
- Exhibit 8 - Request for Payment and Project Status Report
- Exhibit 9 - Certificate of Completion
- Exhibit 10 - Fees For Professional Engineering Services Percentage Of Construction Cost
- Exhibit 11 - Funding Certification

EXHIBIT 1

PROJECT PROFILE & PROJECT BUDGET

SX21081303

GRANT COUNTY SANITATION DISTRICT

KENTUCKY WASTEWATER PROJECT PROFILE

Areas indicated with (*) are required fields.

1.* Project Title (use title which will be identifiable by local community):

Grant County Sewer Extension, Phase I

2.* Project Description:

Provide a brief narrative denoting if project relates to source, distribution, treatment, storage

Construction of 14,080 LF of gravity sewer main with manholes, 2 sewer pump stations, 3 grinder pump stations, and 16,000 LF of force main to serve customers on Highway 25 from City of Crittenden sewer system to Sherman including connection to public system and elimination of Grant MHP, Blackwell MHP and KOA wastewater treatment plants serving a total of 190 new customers.

* Project Descriptor: sewerline extension

* WRIS Project Number (PNUM): SX21081303

This number is assigned by an ADD through the respective Area Water Management Planning Council once the project profile is submitted. This number ties each project to mapped/spatial information in the Water Resource Information System (WRIS) profiles without this number AND the required corresponding mapped/spatial information will NOT be accepted.

* Project County: Grant

* Is it a multi-county project: Yes No

* Project Submitted By: Northern Kentucky

* If wastewater project, KPDES#(s):

Available:

- KY0002801
- KY0020001
- KY0020010
- KY0020036
- KY0020044
- KY0020061
- KY0020079
- KY0020087
- KY0020095
- KY0020117

Include >

< Remove

Selected:

KY0091634

* If wastewater collection project, KIMOP#(s)

Available:

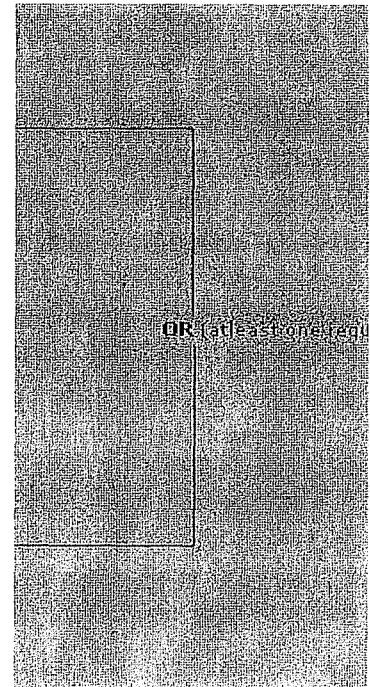
Selected:

- KYP000015
- KYP000032
- KYP000034
- KYP000035
- KYP000036
- KYP000037
- KYP000038
- KYP000039
- KYP000040
- KYP000041

Include >

< Remove

None Selected..



3. Legal Applicant

* Legal Applicant: Grant County Sanitary Sewer Dis

Wastewater Utility which will own proposed improvements: (if different from Legal Applicant)

* Organizational Structure: Water District

Authorized Official Information

* First Name: Bobby * Last Name: Burgess M.I.:

* Title: Chairman

* Street Address Line 1: Bullock Pen Water District

Street Address Line 2:

* P.O. Box: 460

* City: Crittenden * State: KY * Zip: 41030

* County: Grant

* Telephone: (859) 428-2112 Ext:

Fax: 859-428-1293

Email: bullockpen@fuse.net

Contact Person Information

* First Name: Bill * Last Name: Catlett M.I.:

* Title:

* Street Address Line 1:

Street Address Line 2:

* P.O. Box:

* City: * State: * Zip:

* County:

* Telephone: Ext:

Fax:

Email:

Project Administrator Information

* First Name: * Last Name: M.I.:

Title:

Street Address Line 1:

Street Address Line 2:

P.O. Box:

City: State: Zip:

County:

* Telephone: Ext:

Fax:

Email:

Consulting Engineer Information

* First Name: * Last Name: M.I.:

Firm:

Street Address Line 1:

Street Address Line 2:

P.O. Box:

City: State: Zip:

County:

* Telephone: Ext:

Fax:

Email:

4.* Project Type (atleast one required/check all that apply):

- Facilities Planning
- Sewer System Evaluation Survey Report
- Design
- Construction
- Management

5. Project Alternatives: Please list a minimum of three:

- a.* No action.
- b.* Pressurized sewer system.
- c.* Vacuum sewer system.

6. Special Impact(s) of Proposed Wastewater Project:

- a.* New service/improve service to unserved underserved households
- b. Number of new jobs: Number of retained jobs:
- c. Other beneficial technical, managerial, fiscal impacts: (20 words or less)
- d.* Does proposed activity relate to public health protection emergency: Yes No
- e.* Does project involve regionalization: Yes No
- f. Number of systems affected/involved:

7.* Median Household Income of Service Area:

\$

8.* Project Start Schedule:

- Years 0-2 Years 3-10 Years 11-20

9. Estimated Funding Sources:

* Estimated Local Funding Amount \$

* Estimated Other Funding Amount (all sources) \$

Total Estimated Project Cost \$

10. Project Data - Wastewater (complete all items which apply to this discrete project)

- a.* Is project related to modifications to treatment plant? Yes No
- b.* Is project related to new collector sewer construction? Yes No
Total linear feet
- c.* Is project related to new interceptor sewer construction? Yes No

d.* Is project related to sewer rehab? Yes No

Total linear feet

e. Number of lift stations required

f. Management (describe)

g.* Does your agency currently provide sewer service Yes No

TABLE 1: COST

Category						
Secondary Treatment	Advanced Treatment	I/I Removal	Sewer Rehab	Collector Sewers	Interceptor Sewers	Combine Sewer Overf
<input type="text" value="0"/>	<input type="text" value="0"/>	<input type="text" value="566829"/>	<input type="text" value="0"/>	<input type="text" value="1403171"/>	<input type="text" value="0"/>	<input type="text" value="0"/>
<i>Should be equal to Estimated Project Cost (q. 9)</i>						

Estimated Project Cost: \$

Allocated: \$

Remaining Funds: \$

TABLE 2: NEEDS

Public Health Concerns as a results of this Project

Number of Raw Sewage Discharges Eliminated	Number of Failing Septic Systems Eliminated	Septic Systems to be Eliminated	Total No. of WWTPs to be Eliminated	De El
<input type="text" value="0"/>	<input type="text" value="15"/>	<input type="text" value="35"/>	<input type="text" value="3"/>	<input type="text" value="0"/>

KPDES No.	Name of Plant Eliminated	Average Design Flow (MGD)
<input type="text" value="KY0091031"/>	<input type="text" value="Blackwell Mobile Home Park"/>	<input type="text" value="0.041"/>
<input type="text" value="KY0080080"/>	<input type="text" value="K.O.A."/>	<input type="text" value="0.005"/>
<input type="text" value=""/>	<input type="text" value=""/>	<input type="text" value="0"/>
<input type="text" value=""/>	<input type="text" value=""/>	<input type="text" value="0"/>

KY0083631	Grant Mobile Home Park	0.012
		0

* Date Project was approved by the Area Water Management Planning Council: 02/09/2004

PRELIMINARY PROJECT COST
GRANT COUNTY SANITARY SEWER EXTENSION PHASE I
December 15, 2008

1. Construction Cost	\$1,300,548.00
2. Legal	\$ 20,000.00
3. Acquisition	\$ 25,000.00
4. Easements	\$ 25,000.00
5. Preliminary Engineering	\$ 10,000.00
6. Engineering Design (8.5%)	\$ 110,547.00
7. Resident Inspection (5.3%)	\$ 68,929.00
8. SSES Study	\$ 10,000.00
9. Staking	\$ 10,000.00
10. Railroad Permit	\$ 20,000.00
11. Archeologist	\$ 10,000.00
12. Contingencies	\$ 129,976.00

TOTAL PROJECT COST **\$1,740,000.00**

FUNDING

1. KIA 2005 Grant	\$ 900,000.00
2. KIA 2008 Grant	\$ 400,000.00
3. KIA 2008 Grant	\$ 250,000.00
4. Grant MHP (Cost of Pump Station)	\$ 70,000.00
5. Tap-on Fees 76 @ \$1,000/Ea	\$ 76,000.00
6. GCSSD Contribution	\$ 44,000.00

TOTAL FUNDING **\$1,740,000.00**

PRELIMINARY CONSTRUCTION ESTIMATE
GRANT COUNTY SEWER EXTENSION PHASE I

December 15, 2008

1. 8" PVC Sanitary Sewer 8,980 LF @ \$34/LF	\$ 305,320.00
2. 4" PVC Sanitary Sewer Laterals 1456 LF @\$28/LF	\$ 40,768.00
3. PVC Force Main 18,170 LF @\$10/LF	\$ 181,700.00
4. Small Diameter Force Main 5,910 LF @ \$6/LF	\$ 35,460.00
5. Connection to Existing Manhole 2 EA @ \$2,000/EA	\$ 4,000.00
6. Connecting to Grant MHP w/Master Meter 1 EA @\$12,000	\$ 12,000.00
7. Connection to Campground w/Master Meter 1 EA @ \$10,000	\$ 10,000.00
8. Manholes 32 EA @ \$2400/EA	\$ 76,800.00
9. Railroad Bore 120 LF @ \$210/LF	\$ 25,200.00
10. I-75' Force Main Bore 350 LF @ \$160/LF	\$ 56,000.00
11. Road Bore for Gravity Sewer 100 LF @ \$160/LF	\$ 16,000.00
12. Road Bore for Force Main 90 LF @ \$120/LF	\$ 10,800.00
13. Concrete Caps over Sewer Main 200 LF @ \$75/LF	\$ 15,000.00
14. Sewage Combination Air Valve 10 EA @ \$1800/EA	\$ 18,000.00
15. Submersible Pump Station 3 EA @ \$70,000/EA	\$ 210,000.00
16. Submersible Grinder Pump Station 3 EA @ \$45,000/EA	\$ 135,000.00
17. Individual Grinder Pumps 19 EA @ \$6,500/EA	\$ 123,500.00
18. Miscellaneous Valves on Small Diameter FM 1 LUMP SUM @ \$25,000	\$ 25,000.00
TOTAL CONSTRUCTION COST	\$1,300,548.00

**KENTUCKY INFRASTRUCTURE AUTHORITY
GRANT COUNTY SANITATION DISTRICT**

Project Budget **SX21081303**

Estimated

As Bid

Revised

Cost Classification		IEDF Grant	KIA Grant	Funding Source 1	Funding Source 2	Funding Source 3	Funding Source 4	Local Funds	Unfunded Costs	Total
1	Administrative Expenses (1)			20,000						20,000 -
2	Legal Expenses			20,000						20,000 -
3	Land, Appraisals, Easements							20,000		20,000 -
4	Relocation Expense & Payments									-
5	Planning (2)							45,000		45,000 -
6	Engineering Fees - Design		69,172	41,503						110,675 -
7	Engineering Fees - Construction			27,669						27,669 -
8	Engineering Fees - Inspection			84,460						84,460 -
9	Construction		770,072	777,912				188,700		1,736,684
10	Equipment									-
11	Contingency		60,756	60,756						121,512 -
12	Other			20,000						20,000 -
Total		-	900,000	1,052,300	-	-	-	253,700	-	2,206,000

Funding Sources		Amount	Date Committed
1	Rural Development	1,052,300	
2			
3			
4			
Total		-	

Local Funding Sources		Amount	Date Committed
1	Tap-on Fees	236,000	
2			
3			
Total		-	

Total Funding 2,206,000

(1) Include Interim Financing

(2) Include in this category, all negotiated fees not included in the RD fee scale calculation



 Signature
 Chairman
 Title
 September 15, 2005
 Date

EXHIBIT 2

RESOLUTION
SX21081303

RESOLUTION OF THE GRANT COUNTY SANITATION DISTRICT
(GRANTEE) ACCEPTING THE GRANT, APPROVING THE GRANT
AGREEMENT, AUTHORIZING THE AMENDMENT OF LOCAL BUDGET,
AND AUTHORIZING A REPRESENTATIVE TO SIGN ALL RELATED
DOCUMENTS

WHEREAS, the General Assembly has appropriated funds for infrastructure projects in the 2004-2006 Budget of the Commonwealth; and

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

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

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners of the Grant County Sanitary Sewer District as follows:

SECTION 1. That the Grantee hereby accepts the grant award and approves the Agreement between the Grantee and the Authority substantially in the form on file with the Grantee for the purpose of providing a portion of the necessary financing to the Grantee for the acquisition and construction of the Project.

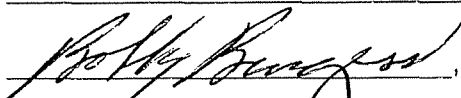
SECTION 2. That Bobby Burgess is hereby authorized, directed and empowered by the Grantee to execute the Agreement and all other necessary documents or agreements, and to otherwise act on behalf of the Grantee to implement the Project.

SECTION 3. That the Grantee hereby includes in its annual budget the receipt and expenditures of funds subject to the Agreement with the Authority.

SECTION 4. This Agreement shall take effect immediately upon passage.

ADOPTED on August 17, 2005.

GRANT COUNTY SANITATION DISTRICT, (Grantee)

 (Representative)

Title Chairman

CERTIFICATE

SX21081303

GRANT COUNTY SANITATION DISTRICT

I, the undersigned, hereby certify that I am the duly qualified and acting Secretary of the Grant County Sanitary Sewer District; that the foregoing is a full, true and correct copy of a Resolution adopted by the governing authority of said Grantee at a meeting duly held on August 17, 2005; that said official action appears as a matter of public record in the official records or journal of the governing authority; that said meeting was held in accordance with all applicable requirements of Kentucky law, including KRS 61.810, 61.815, 61.820 and 61.825; that a quorum was present at said meeting; that said official action has not been modified, amended, revoked or repealed and is now in full force and effect.

IN TESTIMONY WHEREOF, witness by me this 17th day of August, 2005.


Secretary/Clerk/Recording Officer

THE HORWITZ LAW FIRM, P.S.C.

ATTORNEYS AND COUNSELORS AT LAW

MARTIN J. HORWITZ * †
THOMAS R. NIENABER ◊
CHAD S. LEVIN *
J. THOMAS MELLOTT •
JENNIFER M. GATHERWRIGHT *
JOY L. HALL ◊
TIMOTHY J. BYLAND ◊

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www.hflaw.com

* ADMITTED IN KENTUCKY AND OHIO
◊ ADMITTED IN KENTUCKY
• ADMITTED IN OHIO
† LL.M. TAXATION

August 26, 2005

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

Re: Agreement by and between Kentucky Infrastructure Authority and
Grant County Sanitation District, (Grantee), dated as of August ____, 2005

Greetings:

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 Grant County Sanitation District, hereinafter referred to as the "Grantee". I am familiar with the organization and existence of the Grantee and the laws of the Commonwealth applicable thereto. Additionally, I am familiar with the Project (the "Project") with respect to which the Agreement by and between the Kentucky Infrastructure Authority ("Authority") and the Grantee is being authorized, executed and delivered.

I have reviewed the form of Agreement by and between the Authority and the Grantee and the resolution or ordinance of the governing authority authorizing the execution and delivery of said Grant Agreement.

Based upon my review, I am of the opinion that:

- 1) The Grantee is a sanitary sewer district of the Commonwealth of Kentucky duly organized and validly existing under the Constitution and statutes of the Commonwealth of Kentucky.
- 2) The Agreement has been duly executed and delivered by the Grantee and is a valid and binding obligation in accordance with its terms, except to the extent that the enforceability thereof may be limited by equitable principles and by bankruptcy, reorganization, moratorium, insolvency or similar laws heretofore or hereafter enacted relating to or affecting the enforcement of creditors' rights or remedies generally.

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

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

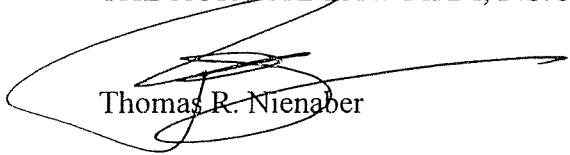
5) To the best of my knowledge after due inquiry there is no action, suit, proceedings or investigation at law or in equity before any court, public board or body pending or threatened against, affecting or questioning (i) the valid existence of the Grantee, (ii) the right or title of the members and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

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

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

Very truly yours,

THE HORWITZ LAW FIRM, P.S.C.



Thomas R. Nienaber

TRN/csb

EXHIBIT 4

**STATEMENT OF AGREEMENT
TO UTILIZE
KENTUCKY UNIFORM SYSTEM OF ACCOUNTING AND COST-BASED RATES
SX21081303**

I hereby certify that the Grantee cited below agrees, as a condition of fund award, to adopt and use, within 12 months of the end of the Grantee's current fiscal year, the Kentucky Uniform System of Accounting or an alternative process (to be approved by the Kentucky Infrastructure Authority) unless grantee has previously certified adoption by an earlier date, if that being the case I certify that grantee is in compliance with the previously executed agreement. I also certify that rates and charges for water service will be based upon the cost of providing such service. The Kentucky Uniform System of Accounting may be viewed at: <http://wris.state.ky.us/kia/KUSoA.htm>.

Signed:

GRANT COUNTY SANITATION DISTRICT
Name of Grantee

Bobby Burgess
Name of Representative


Signature

August 17, 2005
Date

EXHIBIT 11

FUNDING CERTIFICATION

SX21081303

GRANT COUNTY SANITATION DISTRICT

I hereby certify that the Grantee cited below has identified and applied for all available sources of funding for the project cited above.

Signed:

GRANT COUNTY SANITATION DISTRICT
Name of Grantee

Bobby Burgess, Chairman
Name of Representative


Signature

August 17, 2005
Date



RECEIVED

OFFICE OF THE GOVERNOR
DEPARTMENT FOR LOCAL GOVERNMENT

2008 DEC -3 P 3: 21

Steven L. Beshear
Governor

1024 Capital Center Drive, Suite 340
Frankfort, Kentucky 40601
Phone (502) 573-2382
Fax (502) 573-2939
Toll Free (800) 346-5606
www.dlg.ky.gov

KENTUCKY INFRASTRUCTURE
AUTHORITY

Tony Wilder
Commissioner

December 1, 2008

Mr. Kerry Odle
CMW, Inc.
138 North Keeneland
Richmond, KY 40475

RE: Grant County Sewer Extension, Phase I
SX21081303
SAI# KY20081020-0997 *1057-2005*

Dear Mr. Odle:

The Kentucky State Clearinghouse, which has been officially designated as the Commonwealth's Single Point of Contact (SPOC) pursuant to Presidential Executive Order 12372, has completed its evaluation of your proposal. The clearinghouse review of this proposal indicates there are no identifiable conflicts with any state or local plan, goal, or objective. Therefore, the State Clearinghouse recommends this project be approved for assistance by the cognizant federal agency.

Although the primary function of the State Single Point of Contact is to coordinate the state and local evaluation of your proposal, the Kentucky State Clearinghouse also utilizes this process to apprise the applicant of statutory and regulatory requirements or other types of information which could prove to be useful in the event the project is approved for assistance. Information of this nature, if any, concerning this particular proposal will be attached to this correspondence.

You should now continue with the application process prescribed by the appropriate funding agency. This process may include a detailed review by state agencies that have authority over specific types of projects.

This letter signifies only that the project has been processed through the State Single Point of Contact. It is neither a commitment of funds from this agency or any other state or federal agency.

The results of this review are valid for one year from the date of this letter.
Continuation or renewal applications must be submitted to the State Clearinghouse annually.
An application not submitted to the funding agency, or not approved within one year after completion of this review, must be re-submitted to receive a valid intergovernmental review.

If you have any questions regarding this letter, please feel free to contact my office at 502-573-2382.

Sincerely,

A handwritten signature in black ink, appearing to read "Lee Nalley". The signature is fluid and cursive, with the first name "Lee" and last name "Nalley" clearly distinguishable.

Lee Nalley
Kentucky State Clearinghouse

Attachments

Cc: Northern KY ADD
KIA

The Heritage Council has made the following advisory comment pertaining to State Application Identifier Number KY200810200997

New sewer lines within the existing right-of-way do not require an archaeological survey, however, new sewer lines not with the existing right-of-way must be surveyed by a professional archaeologist to determine if sites eligible for listing in the National Register of Historic Places will be affected by the undertaking. New pump stations and new grinder pump stations project areas must be surveyed by a professional archaeologist to determine if sites eligible for listing in the National Register of Historic Places will be affected by the undertaking. Where a given project area or portions thereof have been disturbed by prior construction, the applicant may file documentation of that disturbance with the State Historic Preservation Officer and may request an opinion concerning the need of an archaeological survey. The State Historic Preservation Officer must review and approve the survey report.

The Northern Kentucky ADD has made the following advisory comment pertaining to State Application Identifier Number KY200810200997
no comments

The Office of State Budget Director has made the following advisory comment pertaining to State Application Identifier Number KY200810200997
no comments

The Fish & Wildlife has made the following advisory comment pertaining to State Application Identifier Number KY200810200997

To minimize impacts to the aquatic environment the Kentucky Dept. of Fish & Wildlife Resources recommends that erosion control measures be developed and implemented prior to construction to reduce siltation into waterways located within the project area. Such erosion control measures may include, but are not limited to silt fences, staked straw bales, brush barriers, sediment basins, and diversion ditches. Erosion control measures will need to be installed prior to construction and should be inspected and repaired regularly as needed.

Additionally, KDFWR recommends the following for the portions of the project that crosses intermittent or perennial streams: Development/excavation in streams should be done during low flow periods to minimize disturbances. When crossing a stream, the pipe should be laid perpendicular to the stream bank to minimize the direct impacts to the streambed. We recommend that all instream disturbances be returned to a stable condition upon completion of stream pipeline crossing.

The Transportation has made the following advisory comment pertaining to State Application Identifier Number KY200810200997
Bezold (D6), Mike: No comments

The Kentucky Housing Corporation has made the following advisory comment pertaining to State Application Identifier Number KY200810200997
No Comments

The Housing, Building, Construction has made the following advisory comment pertaining to State Application Identifier Number KY200810200997
no comment

The Labor Cabinet has made the following advisory comment pertaining to State Application Identifier Number KY200810200997

Prevailing Wage Rates are applicable please contact the Kentucky Labor Cabinet at 502-564-1523 to obtain the proper rates

The Natural Resources has made the following advisory comment pertaining to State Application Identifier Number KY200810200997

The proposed project may require a facility plan update. The applicant is encouraged to contact the Division of Water, Water Infrastructure Branch to discuss facility planning status. Contact Corrine Mulberry of the Wastewater Planning Section at (502) 564-3410 x 4805 or at corrine.mulberry@ky.gov.

This review was based upon the information that was provided by the applicant through the Clearinghouse for this project. An endorsement of this project does not satisfy, or imply, the acceptance or issuance of any permits, certifications or approvals that may be required from this agency under Kentucky Revised Statutes or Kentucky Administrative Regulations. Such endorsement means this agency has found no major concerns from the review of the proposed project as presented other than those stated as conditions or comments.

The proposed project is subject to Division of Water (DOW) jurisdiction because the following are or appear to be involved: sewer lines and appurtenances. Prior approval must be obtained from the DOW before construction can begin. The applicant must cite the State Application Identifier (SAI #KY200810200997) when submitting plans and specifications.

This project consists of the construction of 14,080 linear feet (LF) of gravity sewer main with manholes, 2 sewer pump stations, 3 grinder pump stations, and 16,000 LF of force main to serve customers on Highway 25 from City of Crittenden sewer system to Sherman including connection to public system and elimination of Grant (Mobile Home Park (MHP), Blackwell MHP and Kampgrounds of America (KOA) wastewater treatment plants serving a total of 190 new customers, 1 commercial entities, and 2 miscellaneous entities (schools, churches, etc.). According to recent Discharge Monitoring Report (DMR) data, maximum flows continue to exceed the design capacity of the plant. Efforts to eliminate Inflow and Infiltration should be continued. Aside from this, the Water Infrastructure Branch is not opposed to this project. The receiving Wastewater Treatment Plant (WWTP) is not under a sewer sanction. The applicant is a Regional Planning Agency under 401 KAR 5:006. Therefore the Water Infrastructure Branch of DOW endorses the proposed project.

Best management practices should be used to minimize runoff from the site.

From the application data, DOW ascertains that a 'stream construction permit application' needs to be submitted to the Division of Water for further review of this project.

If the construction area disturbed is equal to or greater than 1 acre, the applicant will need to apply for a Kentucky Pollutant Discharge Elimination System (KPDES) storm water discharge permit.

Utility line projects that cross a stream will require a Section 404 permit from the US Army Corps of Engineers and a 401 Water Quality Certification from DOW.

The Kentucky Division of Water supports the goals of EPA's Sustainable Infrastructure Initiative. This Initiative seeks to promote sustainable practices that will help to reduce the potential gap between funding needs and spending at the local and national level. The Sustainable Infrastructure Initiative will guide our efforts in changing how Kentucky views, values, manages, and invests in its water infrastructure. This website, www.epa.gov/waterinfrastructure/, contains information that will help you ensure your facility and operations are consistent with and can benefit from the aims of the Sustainable Infrastructure Initiative.

The Health and Family Services has made the following advisory comment pertaining to State Application Identifier Number KY200810200997

The Cabinet for Health and Family Services supports projects that improve the lives of Kentuckians, this project should be coordinated with the Department of Public Health, Division of Public Health Protection & Safety to ensure that activities and funding are not duplicative.

ATTACHMENT A
STAFF REPORT CASE NO. 2005-00314
STAFF'S RECOMMENDED RATES

Monthly Sewer Rates

5/8"X3/4" Water Meter

First	2,000 gallons	\$21.06	Minimum bill
Next	3,000 gallons	8.25	per 1,000 gallons
Next	5,000 gallons	6.76	per 1,000 gallons
All Over	10,000 gallons	5.31	per 1,000 gallons

1" Water Meter

First	5,000 gallons	\$45.81	Minimum bill
Next	5,000 gallons	6.76	per 1,000 gallons
All Over	10,000 gallons	5.31	per 1,000 gallons

1 1/2" Water Meter

First	10,000 gallons	\$79.61	Minimum bill
All Over	10,000 gallons	5.31	per 1,000 gallons

2" Water Meter

First	20,000 gallons	\$132.71	Minimum bill
All Over	20,000 gallons	5.31	per 1,000 gallons

EXHIBIT 6

**AUTHORIZATION FOR ELECTRONIC DEPOSIT
OF GRANTEE PAYMENT
KENTUCKY INFRASTRUCTURE AUTHORITY
INFRASTRUCTURE FOR ECONOMIC DEVELOPMENT FUND FOR TOBACCO/COAL
PRODUCING COUNTIES**

Project #: SX21081303

Grantee Information:

Water Utility: **GRANT COUNTY SANITATION DISTRICT**
 Address: P O Box 460
 City: Crittenden State: KY Zip: 41030
 Telephone: 859 428-4060 Contact: Gail Bowling
 E-mail address: bullockpen@fuse.net
 Federal I.D. #: 30-0216082

Financial Institution Information:

Bank Name: Integra Bank
 Branch: Crittenden Phone No: 859 428-2500
 City: Crittenden State: KY Zip: 41030
 Transf / ABA No.: 086300025
 Account Name: GCSSD Phase I Construction & Tap on fee
 Account Number: 7810201298

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: J. Gail Bowling Date: 11/21/08
 Name Printed: J. Gail Bowling Job Title: Office Manager

Please return completed form to: **Kentucky Infrastructure Authority
 1024 Capital Center Drive, Suite 340
 Frankfort, KY 40601
 phone: 502-573-0260
 fax: 502-573-0157**

KENTUCKY INFRASTRUCTURE AUTHORITY

2008 GENERAL ASSEMBLY
HOUSE BILL 608

GRANT ASSISTANCE AGREEMENT

WRIS NUMBER: SX21081303

PROJECT ID #: 157N-2008 & 158N-2008

GRANT AMOUNT: \$650,000

GRANTEE: GRANT COUNTY SANITARY SEWER DISTRICT

DATE OF AGREEMENT: 2-17-09

RECEIVED
KENTUCKY INFRASTRUCTURE
AUTHORITY
2009 MAR 16 A 11:38

GRANT ASSISTANCE AGREEMENT

This Grant Assistance Agreement ("Agreement") is made and entered into this date, 2-17, 2009, by and between the KENTUCKY INFRASTRUCTURE AUTHORITY ("Authority"), a body corporate and politic, constituting a public corporation and governmental agency and instrumentality of the Commonwealth of Kentucky, and the «Grant County Sanitary Sewer District» ("Grantee").

WITNESS

WHEREAS, the General Assembly of the Commonwealth of Kentucky, at its 1988 Regular Session, amended Chapter 224A of the Kentucky Revised Statutes (the "Act"), creating the "Kentucky Infrastructure Authority" to serve the public purposes identified in the Act; and

WHEREAS, the Authority, an agency of the Commonwealth attached to the Governor's Office, is charged pursuant to KRS 224A.300 with coordinating the implementation of infrastructure projects and to this end maintains within the Water Resource Information System, a comprehensive database of profiles of each community's water and wastewater projects; and

WHEREAS, the 2008-1010 Budget enacted by the 2008 General Assembly included funding for the Infrastructure for Economic Development Fund – Non-Coal Counties and the Infrastructure for Economic Development Fund – Coal Counties and charged the Authority with administrating the program;

WHEREAS, THE 2008 General Assembly included in the Commonwealth's 2008-2010 biennial Budget funding for the Grantee's Infrastructure project, the subject of this Agreement; and

WHEREAS, the Grantee now seeks to implement the Project as identified in the 2008-2010 Budget of the Commonwealth and the Authority has determined that the Project is a Project within the meaning of the Act, and has been shown to be consistent with the Area Water Management Plan where applicable; and

WHEREAS, the Grantee and the Authority desire to enter into this Agreement which sets forth their respective duties, rights, covenants, and obligations with respect to the acquisition, construction and financing of the Project described in the Grantee's Project Profile.

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

SECTION 1 – DEFINITIONS

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

Act shall mean Chapter 224A of the Kentucky Revised Statutes, as amended.

Agreement shall mean this Agreement made and entered into by and between the Grantee and the Authority, as authorized by the Act, providing for a Grant to the governmental agency, unit of government, or private, investor-owned water system by the Authority.

Area Water Management Council shall mean the council designated as the planning body for the area, which shall prepare the Area Water Management Plan and approve all Project Profiles for water and wastewater projects.

Area Water Management Plan shall mean the plan that identifies current and future water supply, drinking water, and wastewater service needs of the area.

Authority shall mean the Kentucky Infrastructure Authority created by the Act as amended, a body corporate and politic, constituting a public corporation and a governmental agency and instrumentality of the Commonwealth of Kentucky, or such other designation as may be effected by future amendments to the Act.

Engineer(s) shall mean the professional engineer or firm of professional engineers properly procured by the Grantee in connection with the Project identified in the Project Profile Database.

Grantee shall mean the Grant County Sanitary Sewer District or the Grant County Sanitary Sewer District's designee that is a governmental agency or unit of government or any private, investor owned utility within the Commonwealth eligible for funding under the Program in accordance with the Act, now having been or hereafter being granted the authority and power to finance, acquire, construct, or operate a Project, and for the purposes of this Agreement shall mean that Grant County Sanitary Sewer District identified in the Project Profile or the 2008 Budget of the Commonwealth.

Grant shall mean the funds effected under this Agreement from the Authority to the Grantee in the principal amount set forth in the 2008-2010 Budget of the Commonwealth, for the purpose of defraying the costs incidental to the Project.

Kentucky Water Management Plan shall mean the guide and strategy that incorporates and analyzes each Area Water Management Plan and provides an assessment of future needs and allocation of funding for water and wastewater services throughout the Commonwealth.

Program shall mean the program authorized by KRS 224A.035 for the Authority to engage in a program of assistance to designated entities with respect to the construction and acquisition of water and wastewater infrastructure projects.

Project shall mean, when used generally, water, wastewater or other infrastructure project authorized pursuant to the Act, and when used in specific reference to the Grantee, the Project described in the Project Profile.

Project Administrator shall mean that individual designated in writing to the Authority by the Grantee, who has the responsibility of supervising the Project and coordinating the preparation of all documentation with respect to the Project.

Project Budget shall mean a list of Project expenses and funding sources, in the form set forth in Exhibit 1.

Project Profile shall mean those specific details of the Project, approved by the Area Water Management Council as being consistent with the Area Water Management Plan, as applicable.

Rates and Charges shall mean an approved schedule of charges, based on actual cost of service, to adequately provide for retirement of any related debt obligation and to provide for proper operation of the Project.

System shall mean the utility system owned and operated by the Grantee of which the Project shall become a part and from the earnings of which System shall be operated, maintained and insured.

SECTION 2 - OBLIGATIONS OF THE AUTHORITY

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

- A. The Authority shall pay to the Grantee the grant sum in an amount not to exceed \$650,000 subject to the availability of appropriate funding, to complete the Project in accordance with the Project Profile attached hereto as Exhibit 1, which is hereby incorporated herein and made a part of this Agreement. No payments shall be made until after the Project has received Clearinghouse endorsement.
- B. The Authority may make periodic reviews of the Project progress and may make inspections of the Project and send inspection reports to the Grantee. Deficiencies identified in the inspection report shall be corrected by the Grantee and the correction reported in writing to the Authority within two weeks of receipt of the Authority's inspection report.
- C. The Authority shall cooperate with the Grantee in order to facilitate the obligations set out in this Agreement.

SECTION 3 - OBLIGATIONS OF THE GRANTEE

The Grantee covenants and agrees to undertake the following obligations:

A. The Grantee shall, before any funds are released, sign and submit the Agreement, and complete and include the following Exhibits which are incorporated herein and made a part hereof:

1. **Before the Project is bid**, the Grantee shall complete and submit to the Authority the following:
 - a) A Project description in the form of a Project Profile together with the estimated Project Budget, as **Exhibit 1**.
 - b) Original copy of the Grantee's resolution, as **Exhibit 2**, accepting the grant award, amending its budget to allow for receipt and expenditures of these funds, and authorizing a designated individual to execute the Agreement and all other documentation related to the Project.
 - c) A schedule of current rates and charges, as **Exhibit 3**. If there will be a change in the current rate structure as a result of this project, provide the proposed schedule of rates and charges.
 - d) Documentation of Clearinghouse Endorsement.
 - e) An Application for Electronic Transfer of Funds, as **Attachment B**.
 - f) Any additional covenants or agreements that may be required.
2. **After Project is bid**, the Grantee shall complete and submit to the Authority the following:
 - a) A revised Project Budget based on Project bids, as **Exhibit 4**.
 - b) Documentation of Clearinghouse Comments.

The Grantee may request receipt of Grant funds after completion of items of Exhibits 1-4 by executing a Request for Payment and Project Status Report, as provided by the Authority, and attaching appropriate documentation, concluding, but not limited to , invoices and receipts. The Authority may withhold release of funds until receipt of Administrative Fee pursuant to Section 7.

- B. The Grantee agrees to adopt and use the Kentucky Uniform System of Accounting and Cost-Based Rates (KUSoA) and assure that rates and charges for service are based upon the cost of providing such service. If applicable to the Project. These rates and charges shall be in place no later than within 12 months of the end of the Grantee's current fiscal year.
- C. The Grantee shall receive Project funds via Electronic Fund Transfer (EFT) with the EFT to be implemented by use of the form provided by the Authority.

- D. The Grantee shall perform and/or cause to be performed all necessary acts (consistent with KRS 45A and in accordance with applicable laws) to plan, design and construct the Project including: the procurement of land, easements and rights of way; professional services, including but not limited to architectural and engineering services; construction contractor(s); and equipment and/or materials.
- E. The Grantee shall obtain all necessary permits, licenses and approvals from the appropriate federal, state, and/or local governmental entities prior to construction of the Project. Further, the Grantee shall require all construction contractors to pay wages pursuant to applicable prevailing wage rates (federal or state) for all work relating to the subject Project.
- F. The Grantee shall utilize the "Fees for Professional Engineering Services – Percentage of Construction Cost", in the engineers's contract for this project, as provided by the Authority.
- G. The Grantee shall comply with all applicable federal and state statutes, executive orders, regulatory requirements, and policies relating to the planning and construction of the Project.
- H. The Grantee shall provide to the Authority access to all records related to the Project for review in determining compliance with the Grant Agreement and all applicable laws and regulations. The Grantee shall retain all records, including all invoices, relating to the Project for three years after full execution of **Exhibit 5** - Certificate of Completion.
- I. The Grantee shall cooperate fully with the Authority and provide any documentation requested by the Authority in order to facilitate the obligations set out in this Agreement.
- J. Any unauthorized or improper expenditure of funds, or expenditure of funds other than in accordance with the terms of this Agreement, shall be deemed a default of this Agreement by the Grantee.
- K. The Grantee will proceed expeditiously with and complete the Project in accordance with the approved final design, plans and specifications or amendments thereto, prepared by the Project Engineer for the Grantee and as approved by the appropriate state and federal agencies.
- L. The Grantee agrees that throughout the reasonable life of the infrastructure facilities developed under this Project it will retain ownership of, operate, and maintain these facilities, and all appurtenances thereto, keeping them in good and sound repair and good operating condition at its own expense so that the completed Project will continue to provide the services for which it was designed. Change of ownership or disposal of the Project facilities may occur only with written approval of the Authority.
- M. The Grantee agrees that it will at all times impose, charge and collect sufficient customer Rates and Charges.
- N. The Grantee shall, within 3 months of initiation of construction of the Project, submit to the Authority, Final Design Plans in an AutoCAD Drawing File Format (DWG), referenced to the appropriate (North or South) Kentucky State Plane Coordinate System (NAD83-Survey Feet) on a Compact Disc (CD). If there is a significant deviation from the Final Design Plan during construction, As-built plans shall also be provided to the Authority, within three months of construction completion, in the same format.

- O. The Grantee shall submit the fully executed Certificate of Completion once all Project construction related activities are complete. Exhibit 5.

SECTION 4 - MUTUALITY OF OBLIGATIONS

- A. The parties agree that the funds granted by the Commonwealth to the Grantee are to be used solely for the purposes of implementing the Project. Further the parties agree that the obligations imposed upon them are for their respective benefit and the timely fulfillment of each and every obligation in accordance with this Agreement is necessary. The failure of either party to fulfill its obligations under this Agreement shall constitute a breach of same.
- B. In the event of default by the Grantee, including the failure to take actions directed herein and/or to comply with time deadlines set out in this Agreement, the Authority may declare this Agreement void from the beginning without further obligation to the Grantee and may commence appropriate legal action to enforce its rights under this Agreement including action for recovery of funds expended hereunder.
- C. Except as may otherwise be provided herein, the parties to this Agreement shall be solely responsible for any costs incurred in fulfilling their respective obligations under this Agreement and neither party shall have any claim against the other party for reimbursement of costs whether or not a party is in default.

SECTION 5 - TERMS OF AGREEMENT

- A. All funds made available under this Agreement are subject to reauthorization by subsequent General Assemblies of the Commonwealth of Kentucky. Should funding for the Project not be reauthorized this agreement shall terminate.
- B. This Agreement shall be valid only after all signatories have signed.
- C. This Agreement may be terminated by either party at any time for cause and may be terminated by either party without cause upon 30 days written notice to the other party. Termination of this Agreement shall not diminish or in any other manner affect any other remedy that may be available to the parties for any breach of the Agreement that occurs prior to the termination.
- D. If additional financial assistance for this project becomes available to the Grantee after execution of this agreement, the amount of the assistance from the Authority shall be recalculated with the inclusion of the additional assistance, and the Grantee shall pay to the Authority the amount, if any, by which the grant actually made, exceeds the grant as determined by the recalculation.

SECTION 6 - ADVANCE FUNDING FOR PROJECT PLANNING AND DESIGN

- A. The Grantee may request, in writing, that a portion of the grant funds be disbursed prior to Project bidding to pay a portion of the cost of Project planning and design directly related to

submission of the Project plans and specifications for review by the Division of Water and the Public Service Commission, as may be required.

- B. It is specifically understood and agreed by the Grantee, in the event that the Project has not commenced construction by June 30, 2010, for whatever reason, all grant funds disbursed for Project planning and design are subject to full and immediate repayment to the Authority.
- C. Funds disbursed under this Section of the Agreement shall not exceed 50% of the Project planning and design amount.
- D. Funds received under provisions of this Section shall be used solely for planning and design costs of the Project.
- E. No funds shall be released under this Section until the requirements of Section 3. A. 1. of this Agreement have been met.

SECTION 7 - ADMINISTRATIVE FEE

The Grantee agrees to pay to the Authority an administrative fee (the "Administrative Fee") equal to ½ of 1% of the principal amount of the Grant. The Administrative Fee shall be due and payable on the date the Grantee's initial Request for Payment and Project Status Report is submitted to the Authority. Administrative fees are applicable for Grantees identified under the Sections of the 2008-2010 Budget of the Commonwealth as Coal Producing Counties and Non-Coal Producing Counties only.

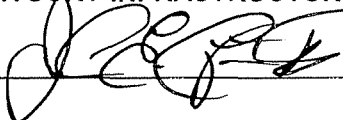
SECTION 8 - MISCELLANEOUS PROVISIONS

- A. This Agreement may be signed by each party on a separate copy, and in such case one counterpart of this Agreement shall consist of a sufficient number of such copies to reflect the signature of each party hereto. This Agreement may be executed in two or more counterparts each of that shall be deemed an original, and it shall not be necessary in making proof of this Agreement or the terms and conditions hereof to produce or account for more than one of such counterparts.
- B. The headings set forth in this Agreement are only for convenience or reference and the words contained therein shall in no way be held to explain, modify, amplify or aid in the interpretation, construction or meaning of the provisions of this Agreement.
- C. The terms and conditions of this Agreement shall be binding upon and shall inure to the benefit of the successor and assigns, respectively, of the parties. This provision shall not be construed to permit an assignment by any party of any of its rights and duties under this Agreement which assignment shall be prohibited except with the prior written consent of the parties hereto.
- D. This Agreement sets forth the entire understanding of the parties with respect to the subject matter hereof, and may be modified only by a written instrument duly executed by each of the parties hereto.

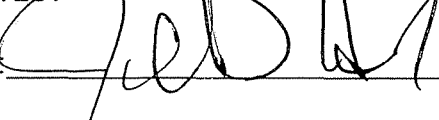
- E. The parties agree that any suit, action or proceeding with respect to this Agreement may only be brought into or entered by, as the case may be, the courts of the Commonwealth of Kentucky situated in Frankfort, Franklin County, Kentucky or the United States District Court for the Eastern District of Kentucky, Frankfort Division.
- F. The Authority may audit or review all documentation and records of the Grantee relating to this Project pursuant to the provisions of KRS 45A.150.
- G. The Grantee agrees that the Authority, the Finance and Administration Cabinet, the Auditor of Public Accounts, and the Legislative Research Commission, or their duly authorized representatives, shall have access to any books, documents, papers, records, or other evidence, which are directly pertinent to this contract for the purpose of financial audit or program review. Furthermore, any books, documents, papers records, or other evidence provided to the Commonwealth, the Finance and Administration Cabinet, the Auditor of Public Accounts, or the Legislative Research Commission which are directly pertinent to the contract shall be subject to public disclosure regardless of the proprietary nature of the information, unless specific information is identified and exempted and agreed to by the Secretary of the Finance and Administration Cabinet as meeting the provisions of KRS 61.878(1)(c) prior to the execution of the contract. The Secretary of the Finance and Administration Cabinet shall not restrict the public release of any information which would otherwise be subject to public release if a state government agency was providing the services.

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

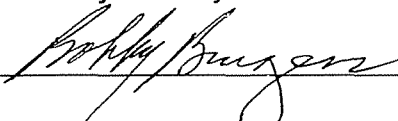
KENTUCKY INFRASTRUCTURE AUTHORITY

By: 
 Title: Executive Director

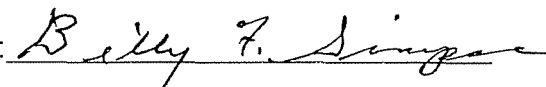
ATTEST

By: 
 Title: Secretary

Grant County Sanitary Sewer District

By: 
 Title: Chairman

ATTEST

By: 
 Title: Secretary

EXAMINED

LEGAL COUNSEL TO THE
 KENTUCKY INFRASTRUCTURE AUTHORITY

By:  3/17/09

REQUIRED EXHIBITS

Exhibit 1 – Project Profile and Estimated Project Budget

Exhibit 2 – Resolution/Certificate

Exhibit 3 – Schedule of Current (and Proposed if applicable) Rates & Charges

Exhibit 4 – Revised Project Profile (if applicable) and As-bid Budget

Exhibit 5 – Certificate of Completion

ATTACHMENTS

Attachment A – Checklist

Attachment B – Application for Electronic Transfer of Funds

Attachment C – Fees for Professional Services

Attachment D – Request for Payment Forma and Project Status Report

Grantee: Grant County Sanitation District
WRIS: SX21081303
Project ID#: 157N-2008
Project Admin: Kerry Odle
Email: kodle@cmwaec.com

Project Amount: 250,000 of 250,000

CHECKLIST

Step 1, Before Project is Bid:

- | | |
|--|------------|
| 1- Executed Grant Assistance Agreement | 03/16/2009 |
| 2- Exhibit 1 - Project Profile and Estimated Project Budget | 03/16/2009 |
| 3- Exhibit 2 - Resolution | 03/16/2009 |
| 4- Exhibit 3 - Schedule for Current (and proposed if applicable) Rates and Charges | 03/16/2009 |
| 5- Clearinghouse State Applicator Identifier # (SAI) | 03/16/2009 |
| 6- Application for Electronic Transfer of Funds Form | 03/16/2009 |
| 7- Capital Projects and Bond Oversight Committee Review | 01/20/2009 |

Step 2, After Project is Bid:

- | | |
|---|------------|
| 1- Exhibit 4 - Revised Project Profile (if applicable) and Project Budget based on Project Bids | |
| 2- Additional Covenants and Agreements (if applicable) | |
| 3- Other Funding Commitment (if applicable) | 03/16/2009 |
| 4- Documentation of Clearinghouse Endorsement and Comments | 03/16/2009 |

Step 3, Project Closeout:

- 1- Final Design Plan is an AutoCAD Drawing File Format (DWG), referenced to the appropriate (North and South) Kentucky State Plane Coordinate System (NAD83-Survey Feet) on a Compact Disc (CD) to be submitted within 3 months of initiation of construction.
- 2- If there is a significant deviation from the Final Design Plan during construction, As-built Plans shall also be provided to the Authority, within three months of construction completion.
- 3- Exhibit 5 - Fully executed Certificate of Completion

Note: Administrative Fee

Per Section 7 of the Grant Agreement, the Grantee agrees to pay to the Authority a fee equal to 1/2 of 1% of the principal amount of the Grant. The Administrative Fee shall be and payable on the date the Grantee's initial Request for Payment and Project Status Report submitted to the Authority.

Grantee: Grant County Sanitation District
WRIS: SX21081303
Project ID#: 158N-2008
Project Admin: Kerry Odle
Email: kodle@cmwaec.com

Project Amount: 400,000 of 400,000

CHECKLIST

Step 1, Before Project is Bid:

- | | |
|--|------------|
| 1- Executed Grant Assistance Agreement | 03/16/2009 |
| 2- Exhibit 1 - Project Profile and Estimated Project Budget | 03/16/2009 |
| 3- Exhibit 2 - Resolution | 03/16/2009 |
| 4- Exhibit 3 - Schedule for Current (and proposed if applicable) Rates and Charges | 03/16/2009 |
| 5- Clearinghouse State Applicator Identifier # (SAI) | 03/16/2009 |
| 6- Application for Electronic Transfer of Funds Form | 03/16/2009 |
| 7- Capital Projects and Bond Oversight Committee Review | 01/20/2009 |

Step 2, After Project is Bid:

- | | |
|---|------------|
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| 2- Additional Covenants and Agreements (if applicable) | |
| 3- Other Funding Commitment (if applicable) | 03/16/2009 |
| 4- Documentation of Clearinghouse Endorsement and Comments | 03/16/2009 |

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- 2- If there is a significant deviation from the Final Design Plan during construction, As-built Plans shall also be provided to the Authority, within three months of construction completion.
- 3- Exhibit 5 - Fully executed Certificate of Completion

Note: Administrative Fee

Per Section 7 of the Grant Agreement, the Grantee agrees to pay to the Authority a fee equal to 1/2 of 1% of the principal amount of the Grant. The Administrative Fee shall be and payable on the date the Grantee's initial Request for Payment and Project Status Report submitted to the Authority

EXHIBIT 1

PROJECT PROFILE & PROJECT BUDGET

Please attach the SX/WX Project Profile and Project Budget

SX21081303

PROJECT ID # 157N-2008 & 158N-2008

GRANT COUNTY SANITARY SEWER DISTRICT

KENTUCKY INFRASTRUCTURE AUTHORITY

Project Budget: HB 608
GRANT COUNTY SANITARY SEWER DISTRICT
SX21081303
Project ID# 157N-2008 & 158N-2008

Estimated

As Bid

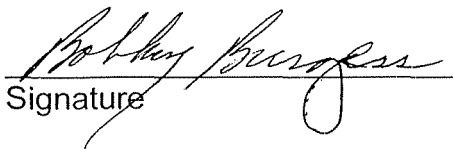
Revised

Cost Classification		Amount
1	Administrative Expenses (1)	
2	Legal Expenses	\$20,000
3	Land, Appraisals, Easements	\$50,000
4	Relocation Expense & Payments	
5	Planning (2)	\$30,000
6	Engineering Fees - Design	\$110,547
7	Engineering Fees - Construction	
8	Engineering Fees - Inspection	\$68,929
9	Construction	\$1,300,548
10	Equipment	
11	Contingency	\$129,976
12	Other	\$30,000
Total		\$1,740,000

Funding Sources		Amount	Date Committed
1	2008 HB 608	\$650,000	2-5-09
2	Economic Dev Fund for Tobacco Produci Counties	\$900,000	12-18-08 <i>1/20/09</i>
3	Grant MHP (Cost of Pump Station)	\$70,000	
4	Tap-on fees	\$76,000	
5	Gcssd Contribution	\$44,000	
6			
Total		\$1,740,000	

(1) Include Interim Financing

(2) Include in this category, all negotiated fees not included in the RD fee scale calculation


 Signature

Chairman
 Title

2-17-09
 Date

EXHIBIT 2

RESOLUTION

SX21081303

PROJECT ID # 157N-2008 & 158N-2008

RESOLUTION OF THE GRANT COUNTY SANITARY SEWER DISTRICT (GRANTEE) ACCEPTING THE GRANT, APPROVING THE GRANT AGREEMENT, AUTHORIZING THE AMENDMENT OF LOCAL BUDGET, AND AUTHORIZING A REPRESENTATIVE TO SIGN ALL RELATED DOCUMENTS

WHEREAS, the General Assembly has appropriated funds for infrastructure projects in the 2008-2010 Budget of the Commonwealth; and

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

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

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners of the Grantee as follows:

SECTION 1. That the Grantee hereby accepts the grant award and approves the Agreement between the Grantee and the Authority substantially in the form on file with the Grantee for the purpose of providing a portion of the necessary financing to the Grantee for the acquisition and construction of the Project.

SECTION 2. That Bobby Burgess, Chairman, is hereby authorized, directed and empowered by the Grantee to execute the Agreement and all other necessary documents or agreements, and to otherwise act on behalf of the Grantee to implement the Project.

SECTION 3. That the Grantee hereby includes in its annual budget the receipt and expenditures of funds subject to the Agreement with the Authority.

SECTION 4. This Agreement shall take effect immediately upon passage.

ADOPTED on February 17, 2009.

GRANT COUNTY SANITARY SEWER DISTRICT

BY: 
BOBBY BURGESS, CHAIRMAN

CERTIFICATE

SX21081303

GRANT COUNTY SANITARY SEWER DISTRICT

I, the undersigned, hereby certify that I am the duly qualified and acting Chairman of the Grant County Sanitary Sewer District; that the foregoing is a full, true and correct copy of a Resolution adopted by the governing authority of said Grantee at a meeting duly held on February 17, 2009; that said official action appears as a matter of public record in the official records or journal of the governing authority; that said meeting was held in accordance with all applicable requirements of Kentucky law, including KRS 61.810, 61.815, 61.820 and 61.825; that a quorum was present at said meeting; that said official action has not been modified, amended, revoked or repealed and is now in full force and effect.

IN TESTIMONY WHEREOF, witness by me this 17th day of February, 2009.

GRANT COUNTY SANITARY SEWER DISTRICT

BY: Billy F Simpson
BILLY FRANK SIMPSON, Secretary

ATTACHMENT A
STAFF REPORT CASE NO. 2005-00314
STAFF'S RECOMMENDED RATES

Monthly Sewer Rates

5/8"X3/4" Water Meter

First	2,000 gallons	\$21.06	Minimum bill
Next	3,000 gallons	8.25	per 1,000 gallons
Next	5,000 gallons	6.76	per 1,000 gallons
All Over	10,000 gallons	5.31	per 1,000 gallons

1" Water Meter

First	5,000 gallons	\$45.81	Minimum bill
Next	5,000 gallons	6.76	per 1,000 gallons
All Over	10,000 gallons	5.31	per 1,000 gallons

1 1/2" Water Meter

First	10,000 gallons	\$79.61	Minimum bill
All Over	10,000 gallons	5.31	per 1,000 gallons

2" Water Meter

First	20,000 gallons	\$132.71	Minimum bill
All Over	20,000 gallons	5.31	per 1,000 gallons



RECEIVED

OFFICE OF THE GOVERNOR
DEPARTMENT FOR LOCAL GOVERNMENT

700 DEC -3 P 3: 21

Steven L. Beshear
Governor

1024 Capital Center Drive, Suite 340
Frankfort, Kentucky 40601
Phone (502) 573-2382
Fax (502) 573-2939
Toll Free (800) 346-5606
www.dlg.ky.gov

KENTUCKY INFRASTRUCTURE
AUTHORITY
Tony Wilder
Commissioner

December 1, 2008

Mr. Kerry Odle
CMW, Inc
138 North Keeneland
Richmond, KY 40475

RE: Grant County Sewer Extension, Phase I
SX21081303
SAI# KY20081020-0997
1057-2005

Dear Mr. Odle:

The Kentucky State Clearinghouse, which has been officially designated as the Commonwealth's Single Point of Contact (SPOC) pursuant to Presidential Executive Order 12372, has completed its evaluation of your proposal. The clearinghouse review of this proposal indicates there are no identifiable conflicts with any state or local plan, goal, or objective. Therefore, the State Clearinghouse recommends this project be approved for assistance by the cognizant federal agency.

Although the primary function of the State Single Point of Contact is to coordinate the state and local evaluation of your proposal, the Kentucky State Clearinghouse also utilizes this process to apprise the applicant of statutory and regulatory requirements or other types of information which could prove to be useful in the event the project is approved for assistance. Information of this nature, if any, concerning this particular proposal will be attached to this correspondence.


You should now continue with the application process prescribed by the appropriate funding agency. This process may include a detailed review by state agencies that have authority over specific types of projects.

This letter signifies only that the project has been processed through the State Single Point of Contact. It is neither a commitment of funds from this agency or any other state or federal agency.

The results of this review are valid for one year from the date of this letter.
Continuation or renewal applications must be submitted to the State Clearinghouse annually.
An application not submitted to the funding agency, or not approved within one year after
completion of this review, must be re-submitted to receive a valid intergovernmental review

If you have any questions regarding this letter, please feel free to contact my office at
502-573-2382.

Sincerely,



Lee Nalley
Kentucky State Clearinghouse

Attachments

Cc Northern KY ADD
KIA

The Heritage Council has made the following advisory comment pertaining to State Application Identifier Number KY200810200997

New sewer lines within the existing right-of-way do not require an archaeological survey, however, new sewer lines not with the existing right-of-way must be surveyed by a professional archaeologist to determine if sites eligible for listing in the National Register of Historic Places will be affected by the undertaking. New pump stations and new grinder pump stations project areas must be surveyed by a professional archaeologist to determine if sites eligible for listing in the National Register of Historic Places will be affected by the undertaking. Where a given project area or portions thereof have been disturbed by prior construction, the applicant may file documentation of that disturbance with the State Historic Preservation Officer and may request an opinion concerning the need of an archaeological survey. The State Historic Preservation Officer must review and approve the survey report

The Northern Kentucky ADD has made the following advisory comment pertaining to State Application Identifier Number KY200810200997
no comments

The Office of State Budget Director has made the following advisory comment pertaining to State Application Identifier Number KY200810200997
no comments

The Fish & Wildlife has made the following advisory comment pertaining to State Application Identifier Number KY200810200997

To minimize impacts to the aquatic environment the Kentucky Dept. of Fish & Wildlife Resources recommends that erosion control measures be developed and implemented prior to construction to reduce siltation into waterways located within the project area. Such erosion control measures may include, but are not limited to silt fences, staked straw bales, brush barriers, sediment basins, and diversion ditches. Erosion control measures will need to be installed prior to construction and should be inspected and repaired regularly as needed.

Additionally, KDFWR recommends the following for the portions of the project that crosses intermittent or perennial streams: Development/excavation in streams should be done during low flow periods to minimize disturbances. When crossing a stream, the pipe should be laid perpendicular to the stream bank to minimize the direct impacts to the streambed. We recommend that all instream disturbances be returned to a stable condition upon completion of stream pipeline crossing.

The Transportation has made the following advisory comment pertaining to State Application Identifier Number KY200810200997
Bezold (D6), Mike: No comments

The Kentucky Housing Corporation has made the following advisory comment pertaining to State Application Identifier Number KY200810200997
No Comments

The Housing, Building, Construction has made the following advisory comment pertaining to State Application Identifier Number KY200810200997
no comment

The Labor Cabinet has made the following advisory comment pertaining to State Application Identifier Number KY200810200997

Prevailing Wage Rates are applicable please contact the Kentucky Labor Cabinet at 502-564-1523 to obtain the proper rates

The Natural Resources has made the following advisory comment pertaining to State Application Identifier Number KY200810200997

The proposed project may require a facility plan update. The applicant is encouraged to contact the Division of Water, Water Infrastructure Branch to discuss facility planning status. Contact Corrine Mulberry of the Wastewater Planning Section at (502) 564-3410 x 4805 or at corrine.mulberry@ky.gov.

This review was based upon the information that was provided by the applicant through the Clearinghouse for this project. An endorsement of this project does not satisfy, or imply, the acceptance or issuance of any permits, certifications or approvals that may be required from this agency under Kentucky Revised Statutes or Kentucky Administrative Regulations. Such endorsement means this agency has found no major concerns from the review of the proposed project as presented other than those stated as conditions or comments.

The proposed project is subject to Division of Water (DOW) jurisdiction because the following are or appear to be involved: sewer lines and appurtenances. Prior approval must be obtained from the DOW before construction can begin. The applicant must cite the State Application Identifier (SAI #KY200810200997) when submitting plans and specifications.

This project consists of the construction of 14,080 linear feet (LF) of gravity sewer main with manholes, 2 sewer pump stations, 3 grinder pump stations, and 16,000 LF of force main to serve customers on Highway 25 from City of Crittenden sewer system to Sherman including connection to public system and elimination of Grant (Mobile Home Park (MHP), Blackwell MHP and Kampgrounds of America (KOA) wastewater treatment plants serving a total of 190 new customers, 1 commercial entities, and 2 miscellaneous entities (schools, churches, etc.). According to recent Discharge Monitoring Report (DMR) data, maximum flows continue to exceed the design capacity of the plant. Efforts to eliminate Inflow and Infiltration should be continued. Aside from this, the Water Infrastructure Branch is not opposed to this project. The receiving Wastewater Treatment Plant (WWTP) is not under a sewer sanction. The applicant is a Regional Planning Agency under 401 KAR 5:006. Therefore the Water Infrastructure Branch of DOW endorses the proposed project.

Best management practices should be used to minimize runoff from the site.

From the application data, DOW ascertains that a 'stream construction permit application' needs to be submitted to the Division of Water for further review of this project.

If the construction area disturbed is equal to or greater than 1 acre, the applicant will need to apply for a Kentucky Pollutant Discharge Elimination System (KPDES) storm water discharge permit.

Utility line projects that cross a stream will require a Section 404 permit from the US Army Corps of Engineers and a 401 Water Quality Certification from DOW.

The Kentucky Division of Water supports the goals of EPA's Sustainable Infrastructure Initiative. This Initiative seeks to promote sustainable practices that will help to reduce the potential gap between funding needs and spending at the local and national level. The Sustainable Infrastructure Initiative will guide our efforts in changing how Kentucky views, values, manages, and invests in its water infrastructure. This website, www.epa.gov/waterinfrastructure/, contains information that will help you ensure your facility and operations are consistent with and can benefit from the aims of the Sustainable Infrastructure Initiative.

The Health and Family Services has made the following advisory comment pertaining to State Application Identifier Number KY200810200997

The Cabinet for Health and Family Services supports projects that improve the lives of Kentuckians, this project should be coordinated with the Department of Public Health, Division of Public Health Protection & Safety to ensure that activities and funding are not duplicative.

EXHIBIT 6

**AUTHORIZATION FOR ELECTRONIC DEPOSIT
OF GRANTEE PAYMENT
KENTUCKY INFRASTRUCTURE AUTHORITY**

HB608

WRIS #: SX21081303

Project ID#: 157N-2008 & 158N-2008

GRANT COUNTY SANITARY SEWER DISTRICT

Address: P O Box 460
City: Crittenden State: Ky Zip: 41030
Telephone: 859 428-3060 Contact: Gail Bowling
E-mail address: bullockpen@fuse.net
Federal I.D. #: 30-0216082

Financial Institution Information:

Bank Name: Integra Bank
Branch: Crittenden Phone No: 859 428-2500
City: Crittenden State: KY Zip: 41030
Transit / ABA No.: 086300025
Account Name: PH 1 CONSTRUCTION & TAP ON FEES
Account Number: 7810201298

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: *Bobby Burgess* Date: 2/17/09
Name Printed: Bobby Burgess Job Title: CHAIRMAN

Please return completed form to: **Kentucky Infrastructure Authority**
1024 Capital Center Drive, Suite 340
Frankfort, KY 40601
phone: 502-573-0260
fax: 502-573-0157

EXHIBIT “7”

**(Kentucky Infrastructure Authority
American Recovery and
Reinvestment Act Revolving Loan
Fund Commitment Letter for
\$300,000.00)**

**KENTUCKY INFRASTRUCTURE AUTHORITY
REPAYMENT SCHEDULE
GRANT COUNTY SANITARY SEWER DISTRICT
AMERICAN RECOVERY AND REINVESTMENT ACT OF 2009 - FUND A LOAN
INTEREST RATE - 3.00%
P & I CALCULATION- \$4,803.47 Semiannually \$9,606.94 Annually**

Payment Date	Principal Due	Interest Due	Principal & Interest	Servicing Fee	Total Payment	Principal Balance
						143,700.00
6/1/2011	2,647.97	2,155.50	4,803.47	179.63	4,983.10	141,052.03
12/1/2011	2,687.69	2,115.78	4,803.47	176.32	4,979.79	138,364.34
6/1/2012	2,728.00	2,075.47	4,803.47	172.96	4,976.43	135,636.34
12/1/2012	2,768.92	2,034.55	4,803.47	169.55	4,973.02	132,867.41
6/1/2013	2,810.46	1,993.01	4,803.47	166.08	4,969.55	130,056.95
12/1/2013	2,852.62	1,950.85	4,803.47	162.57	4,966.04	127,204.34
6/1/2014	2,895.40	1,908.07	4,803.47	159.01	4,962.48	124,308.93
12/1/2014	2,938.84	1,864.63	4,803.47	155.39	4,958.86	121,370.10
6/1/2015	2,982.92	1,820.55	4,803.47	151.71	4,955.18	118,387.18
12/1/2015	3,027.66	1,775.81	4,803.47	147.98	4,951.45	115,359.51
6/1/2016	3,073.08	1,730.39	4,803.47	144.20	4,947.67	112,286.44
12/1/2016	3,119.17	1,684.30	4,803.47	140.36	4,943.83	109,167.26
6/1/2017	3,165.96	1,637.51	4,803.47	136.46	4,939.93	106,001.30
12/1/2017	3,213.45	1,590.02	4,803.47	132.50	4,935.97	102,787.85
6/1/2018	3,261.65	1,541.82	4,803.47	128.48	4,931.95	99,526.20
12/1/2018	3,310.58	1,492.89	4,803.47	124.41	4,927.88	96,215.62
6/1/2019	3,360.24	1,443.23	4,803.47	120.27	4,923.74	92,855.39
12/1/2019	3,410.64	1,392.83	4,803.47	116.07	4,919.54	89,444.75
6/1/2020	3,461.80	1,341.67	4,803.47	111.81	4,915.28	85,982.95
12/1/2020	3,513.73	1,289.74	4,803.47	107.48	4,910.95	82,469.22
6/1/2021	3,566.43	1,237.04	4,803.47	103.09	4,906.56	78,902.79
12/1/2021	3,619.93	1,183.54	4,803.47	98.63	4,902.10	75,282.86
6/1/2022	3,674.23	1,129.24	4,803.47	94.10	4,897.57	71,608.64
12/1/2022	3,729.34	1,074.13	4,803.47	89.51	4,892.98	67,879.30
6/1/2023	3,785.28	1,018.19	4,803.47	84.85	4,888.32	64,094.02
12/1/2023	3,842.06	961.41	4,803.47	80.12	4,883.59	60,251.96
6/1/2024	3,899.69	903.78	4,803.47	75.31	4,878.78	56,352.26
12/1/2024	3,958.19	845.28	4,803.47	70.44	4,873.91	52,394.08
6/1/2025	4,017.56	785.91	4,803.47	65.49	4,868.96	48,376.52
12/1/2025	4,077.82	725.65	4,803.47	60.47	4,863.94	44,298.70
6/1/2026	4,138.99	664.48	4,803.47	55.37	4,858.84	40,159.71
12/1/2026	4,201.07	602.40	4,803.47	50.20	4,853.67	35,958.63
6/1/2027	4,264.09	539.38	4,803.47	44.95	4,848.42	31,694.54
12/1/2027	4,328.05	475.42	4,803.47	39.62	4,843.09	27,366.49
6/1/2028	4,392.97	410.50	4,803.47	34.21	4,837.68	22,973.52
12/1/2028	4,458.87	344.60	4,803.47	28.72	4,832.19	18,514.65
6/1/2029	4,525.75	277.72	4,803.47	23.14	4,826.61	13,988.90
12/1/2029	4,593.64	209.83	4,803.47	17.49	4,820.96	9,395.27
6/1/2030	4,662.54	140.93	4,803.47	11.74	4,815.21	4,732.72
12/1/2030	4,732.72	70.99	4,803.71	5.92	4,809.63	0.00
Totals	143,700.00	48,439.04	192,139.04	4,036.59	196,175.63	

**KENTUCKY INFRASTRUCTURE AUTHORITY**

1024 Capital Center Drive, Suite 340
Frankfort, Kentucky 40601
Phone (502) 573-0260
Fax (502) 573-0157
<http://kia.ky.gov>

Steven L. Beshear
Governor

John E. Covington III
Executive Director

October 1, 2009

The Honorable Bobby Burgess, Chairman
Grant County Sanitary Sewer District
P.O. Box 460
Crittenden, KY 41030

**KENTUCKY INFRASTRUCTURE AUTHORITY
AMERICAN RECOVERY AND REINVESTMENT ACT
FEDERALLY ASSISTED WASTEWATER REVOLVING LOAN FUND
CONDITIONAL COMMITMENT LETTER (A2 09-35)**

Dear Chairman Burgess:

The Kentucky Infrastructure Authority ("the Authority") commends your efforts to improve public service facilities in your community. On October 1, 2009, the Authority approved your American Recovery and Reinvestment Act ("ARRA") loan for the Sanitary Sewer Extension Phase I project subject to the conditions stated below. The total cost of the project shall not exceed \$1,925,000 of which the Authority loan shall provide \$300,000 of the funding. Other anticipated funding for the project is reflected in Attachment A. The final loan amount will be equal to the Authority's portion of estimated project cost applied to the actual project cost. Attachment A incorporated herein by reference fully describes the project.

An Assistance Agreement will be executed between the Authority and the Grant County Sanitary Sewer District upon satisfactory performance of the conditions set forth in this letter. A period of three months from the date of this letter (January 7, 2010) will be allowed for you to meet the conditions set forth in this letter and enter into an Assistance Agreement. No extensions shall be granted. Funds will be available for disbursement only after execution of the Assistance Agreement.

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

1. The Authority project loan shall not exceed \$300,000.
2. The loan shall contain principal forgiveness in the amount of 52.1%.

Chairman Burgess
10/7/2009
Page 2

3. The loan shall bear interest at the rate of 3.0% per annum commencing with the first draw of funds.
4. The loan shall be repaid over a period not to exceed 20 years from the date the loan is closed.
5. 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.
6. 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.
7. A loan servicing fee of 0.20% of the annual outstanding loan balance shall be payable to the Authority as a part of each interest payment.
8. Loan funds will 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 are considered to be federal funds. OMB Circular A-133, "Audits of States, Local Governments and Non-Profit Organizations, requires that all recipients and subrecipients **expending \$500,000 or more in a year in federal awards must have a single or program-specific audit conducted for that year** in accordance with the Circular. If the federal amount expended plus all other federal funds expended exceeds the threshold, you are required to arrange for an A-133 audit to be performed by an independent, licensed CPA, or in special cases, the Auditor of Public Accounts of the Commonwealth of Kentucky. The Authority requires an annual audit to be preformed for the life of the loan.

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.

Chairman Burgess

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Page 3

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 (3) months from bid opening.
3. The Borrower must agree to expend all Authority loan funds within six months of the date of initiation of operation.
4. 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.
5. The loan must undergo review by the Capital Projects and Bond Oversight Committee of the Kentucky Legislature prior to the state's execution of the Assistance Agreement. The committee typically meets monthly on the third Tuesday. At this time we know of no further submission required for their review; however, they may request information as needed.
6. Any required adjustment in utility service rates shall be adopted by ordinance, municipal order or resolution by the appropriate governing body of the Borrower. Public hearings as required by law shall be held prior to the adoption of the service rate ordinance, order, or resolution. Any required approvals by the Kentucky Public Service Commission shall be obtained.
7. All easements or purchases of land shall be completed prior to commencement of construction. Certification of all land or easement acquisitions shall be provided to the Division of Water.
8. The Borrower must complete and return to the Authority the attached "Authorization For Electronic Deposit of Vendor Payment" Form.
9. The Authority to Award Package documentation shall be submitted to and approved by DOW.
10. An environmental review, shall be conducted by the Division of Water for all construction projects receiving CWSRF funds, within the term of this binding commitment and prior to project bid.

Chairman Burgess

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Page 4

11. Technical plans and specifications and a complete CWSRF specifications checklist shall be approved by the Division of Water prior to project bid.
12. A clear site certificate shall be obtained and DOW representatives shall be notified for attendance of the pre-construction conference.
13. Project changes or additions shall require a complete environmental and change order review before they can be included in the CWSRF loan project.

The following is a list of American Recovery and Reinvestment Act 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. A sign shall be erected at the construction site in a form as prescribed by the Authority. The sign shall indicate that project funding has been provided in whole or in part by ARRA.
2. The project specifications must include the ARRA supplemental general conditions.
3. The project shall comply with the Buy American requirements of ARRA.
4. The project shall use federal wage rates as described in the Davis/Bacon Act.
5. The project shall comply with the reporting requirements of ARRA.
6. If the project has a "Green Reserve" component, the Borrower must submit a Business Case, if required.
7. The project shall be under construction contract by February 10, 2010. If this deadline is not met, the funding commitment will be rescinded.

Any special conditions listed below and/or stated in Attachment A must be resolved.

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,



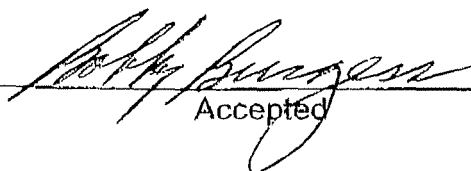
Sandy Williams
Financial Analyst

Chairman Burgess
10/7/2009
Page 5

Attachments

cc: Scott Hogue, CMW, Inc.
Division of Water
Dirk Bedarff, Peck, Shaffer & Williams LLP
State and Local Debt Office, DLG
Borrower File - Grant County Sanitary Sewer District - A2 09-35

Please sign and return a copy of this letter indicating your acceptance of this commitment and its terms. Also attach the completed "Authorization For Electronic Deposit of Vendor Payment" Form.


Accepted


Date

EXHIBIT “8”

**(Grant Mobile Home Park Sanitary
Sewer Services Agreement)**

Steve L. Beshear
Governor



David L. Armstrong
Chairman

Leonard K. Peters
Secretary
Energy and Environment Cabinet

James Gardner
Vice-Chairman

Commonwealth of Kentucky
Public Service Commission

John W. Clay
Commissioner

211 Sower Blvd.
P.O. Box 615
Frankfort Kentucky 40602-0615
Telephone: (502) 564-3940
Fax: (502) 564-3460
psc.ky.gov

February 02, 2009

Thomas Nienaber
Berger and Cox
401 Madison Avenue
Covington, KY 41011

RE: Filing No. **TFS2009-00009**
Special contract between Grant County Sanitary Sewer District and Daugherty
Higdon and Griffith.

Dear Thomas Nienaber:

The above referenced filing has been received and reviewed. An accepted copy is enclosed for your files. You may also use the following link to access documents related to this filing.

<http://psc.ky.gov/trf/TRFListFilings.aspx?ID=TFS2009-00009>

Sincerely,


Dennis Brent Kirtley
Tariff Review Branch Manager

RECEIVED

JAN 5 2009

PUBLIC SERVICE
COMMISSION

SANITARY SEWER SERVICES AGREEMENT

This Sanitary Sewer Services Agreement ("Agreement") is made and entered into this 26 day of December, 2008 by and between Grant County Sanitary Sewer District, One Farrell Drive, Crittenden, Kentucky 41030 ("District") and Daugherty Higdon and Griffith, a Kentucky General Partnership, c/o 7730 U.S. Highway 42, Suite C and B, Florence, Kentucky 41042 ("Owner").

WITNESSETH:

WHEREAS, the District is a duly authorized and established Sanitary Sewer District created by Ordinance of the Grant County Fiscal Court (Ordinance No. 26-2002-453) pursuant to the provisions of KRS 67.083 and KRS 67.715 which provides public sanitary sewage and wastewater collection and treatment in Grant County, Kentucky and,

WHEREAS, Owner is the fee title holder to a 56 pad mobile home park located on US Highway 25, Crittenden, Grant County, Kentucky and more particularly described in the attached Deed and Plat identified as Exhibit "A". Owner's mobile home park is generally known as Grant Mobile Home Park ("MHP") and,

WHEREAS, the Owner's tenants within the MHP are currently receiving sanitary sewage and wastewater services by a package sanitary sewage and wastewater treatment plant owned, maintained and operated by Owner and located at the MHP and,

WHEREAS, the District intends to extend sanitary sewage and wastewater service lines to the general vicinity of the MHP through its Phase I Expansion Project to provide Owner public sanitary sewer service and thereby remove from service the Owner's package sanitary sewage and wastewater treatment plant and,

WHEREAS, the parties hereto have agreed upon terms and conditions to provide for continuous sanitary sewage and wastewater treatment service to the MHP and Owner's tenants as set forth herein.

NOW, THEREFORE, in consideration of the foregoing premises and mutual promises and undertakings hereinafter specified, the parties agree as follows:

1. PURPOSE

The purpose of this Agreement is as follows:

- (a) To provide for the removal of Owner's package sanitary sewage and wastewater treatment plant currently providing sanitary sewage and wastewater treatment for residents and tenants of Owner's MHP;
- (b) To provide for the collection and treatment of all sanitary sewage and wastewater from current and future tenants residing in Owner's MHP;

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PURSUANT TO 807 KAR 5-011
SECTION 9(1)

By J. D. Brown
Executive Director

- (c) To provide for the continuing maintenance, repair and/or replacement, where necessary, of necessary infrastructure located within the Owner's MHP for the collection and treatment of sanitary sewage and wastewater generated by current and future tenants residing in Owner's MHP;
- (d) To provide for the construction and placement of a Submersible Sewage Pump Station and related facilities ("Pump Station") at or near the location of the existing package sanitary sewage and wastewater treatment plant;
- (e) To establish the respective party's duties and responsibilities relating to the collection and treatment of sanitary sewage and wastewater generated by current and future tenants residing in Owner's MHP; and
- (f) To provide financial support and contributions from Owner to the District for the Phase I Sanitary Sewer Project.

This Agreement is entered into by the parties pursuant to the provisions of Title 807 KAR 5:011(13) as a "Special Contract".


2. DISTRICT AND OWNER'S RESPONSIBILITIES

Relating to the removal of the existing package sanitary sewage and wastewater treatment plant and construction of the proposed Pump Station, the obligations and responsibilities of the District and Owner shall be as follows:

(a) District Responsibilities.

- (i) The District shall install, at the cost and expense of Owner, a Pump Station of sufficient size and capacity, as determined by the District's engineer, to provide for the collection and transmission of all sanitary sewage and wastewater generated by the MHP to the District's treatment plant. It is acknowledged by the parties that the Pump Station shall be constructed at or near the site of the existing package treatment plant. The Pump Station shall be constructed in conformity with all federal, state, local and district standards and specifications, including those contained Section 6 "Submersible Sewage Pump Station" of the District's standards and specifications (Exhibit "B").
- (ii) After construction of the Pump Station, the District shall be responsible for all future maintenance, repair and upkeep relating to the Pump Station at the District's cost and expense, unless otherwise provided for herein.
- (iii) The District shall use the Pump Station for the purpose of pumping from the MHP to the District's main transmission line all sanitary

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PURSUANT TO 807 KAR 5:011
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By  Executive Director

sewage and wastewater generated by Owner's current and future tenants residing in the MHP.


- (iv) The District shall be responsible for all utility charges, including electric, which may be necessary for the day-to-day operation of the Pump Station.
- (v) The District shall install a flow meter ("Flow Meter") adjacent to the Pump Station for the purpose of measuring the volume of sanitary sewage and wastewater flowing through the Pump Station. The District shall be responsible for maintaining the Flow Meter at its cost and expense unless otherwise provided for herein. The District shall test the Flow Meter per the manufacturer's specifications to insure its accuracy in measuring sanitary sewage and wastewater flows through the Pump Station. The District shall, at a minimum, test the Flow Meter consistent with any and all existing federal, state, local or district rules and regulations. If any federal, state, local or district rules and regulations are adopted subsequent to the execution of this Agreement which requires a more frequent testing of the Flow Meter, the District shall comply with those testing requirements.

Owner may, at any time during the term of this Agreement, request the District to test the Flow Meter to calculate its accuracy in measuring sanitary sewage and wastewater flows through the Pump Station. In the event that such test indicates that the Flow Meter is accurate within 6%, the Owner shall reimburse the District for the cost of such testing. In the event the Flow Meter test indicates that the Flow Meter is inaccurate at a rate greater than 3%, the District shall, at its cost and expense, replace and/or repair the Flow Meter to accurately measure sanitary sewage and wastewater flows through the Pump Station. In such event, the District shall be responsible for the cost of the requested Flow Meter test.

- (vi) The District shall be responsible for providing sanitary sewage and wastewater treatment services to all MHP tenants subject to the provisions set forth in paragraph 4 herein and all other Rules, Laws and Regulations of any and all federal, state or local governmental agencies and the District.

- (vii) It is contemplated by the parties hereto that sanitary sewage service to Owner's mobile home park will require the installation of transmission and collection lines over adjacent property owned by Norfolk Southern Railway. In the event that Norfolk Southern

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By 
Executive Director

Railway should assess any License Fee, the District shall be responsible for all such License Fees charged.

- (viii) The District shall be responsible at its cost and expense to install any and all other transmission or collection lines as a part of the Phase I Extension Project which are reasonably necessary to provide adequate sanitary sewage collection and treatment to Owner's MHP.


(b) Owner's Responsibilities.

- (i) Owner shall provide the District with reasonable access, at no cost, (including permanent and temporary easements) to the site of the Pump Station to enable the District to reasonably construct and thereafter maintain the Pump Station.
- (ii) The Owner shall grant to the District temporary and permanent easements which may be reasonably necessary for the continued maintenance and operation of the Pump Station. Such easements shall include a permanent access easement to be granted to the District for the purpose of future maintenance, testing and repair of the Pump Station. Owner shall also provide temporary and permanent utility easements to provide electric service for the day-to-day operation and maintenance of the Pump Station. All permanent and temporary easements shall be in substantially that format as contained in the attached sample easement identified as Exhibit "C".

Any and all temporary or permanent easements reasonably necessary for the construction, maintenance and operation of the Pump Station contemplated herein shall be granted by Owner to District at no cost. At the execution of this Agreement, Owner and District acknowledge that the exact location, scope and extent of the temporary and permanent easement which are reasonably necessary to construct the Pump Station are unknown. The location, scope and extent of any temporary or permanent easements shall be determined by District's engineer. The District shall exercise all reasonable care and work with the Owner in locating the Pump Station site and the identification of any and all temporary or permanent easements necessary.

The Owner shall grant to the District any and all other temporary and permanent easements which may be reasonably necessary for the District to provide sanitary sewer service to the mobile home park, including but not limited to any additional force main or gravity line easements.

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EXECUTIVE DIRECTOR
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- (iii) Owner shall be responsible for the cost of the original construction of the Pump Station and all costs related to the installation of utility service, including electric and water service, to the Pump Station site. In the event that Phase 3 electric service is required for the operation of the Pump Station, the cost of delivering Phase 3 electric service to the Pump Station site shall be at the cost and expense of Owner.
- (iv) It is acknowledged by the parties hereto that the District will **not** use any portion of the existing package sanitary sewage treatment plant currently servicing the MHP. Owner shall be responsible for removing from service the existing package sanitary sewage and wastewater treatment plant at Owner's cost and expense. The District may, in its discretion, request of the Owner that the District be permitted to observe and oversee the removal of materials and equipment from the existing package sanitary sewage and wastewater treatment plant. If the District elects to oversee the removal, Owner shall reasonably notify the District of the time that the package sanitary sewage waste water treatment plant will be removed. At no time shall the Owner discharge or otherwise deposit any material, sludge or debris from the existing package sanitary sewer and wastewater treatment plant into the District's sanitary sewer lines without the prior consent of the District. Owner shall not damage or otherwise restrict the operation of the Pump Station during the period of removal of the package sanitary sewage and wastewater treatment plant.

3. MHP INFRASTRUCTURE

(a) It is acknowledged by the parties hereto that as of the execution of this Agreement there are existing sanitary sewer lines located within the MHP which were constructed and maintained by Owner and/or Owner's predecessor in title. Those collection and transmission lines are maintained for the purpose of collecting sanitary sewage and wastewater from Owner's tenants and delivery to the existing package sanitary sewage and wastewater treatment plant. Owner represents and warrants that the existing collection and transmission lines are in a reasonable state of repair. Owner further represents and warrants that it does not have a set of "as-built" plans and drawings which outline the location, size and configuration of the existing sanitary sewer lines within the MHP.

(b) After construction of the Pump Station by the District, Owner shall at its sole cost and expense, continue to provide all future maintenance, repair, upkeep and/or replacement, where necessary, of the existing collection and transmission lines located within the MHP. In the event that any new or supplemental collection and/or transmission lines are necessary at any time in the future for the reasonable collection and delivery of sanitary sewage

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 2/4/2009
 PURSUANT TO 807 KAR 5.011
 SECTION 9 (1)

By 
 Executive Director

and wastewater to the Pump Station from MHP tenants, such supplemental collection and transmission line construction cost shall be completed by Owner at its sole cost and expense.

(c) In the event any existing or future constructed collection and transmission sewer lines located within the MHP require maintenance, repair and/or replacement, Owner shall notify the District of such anticipated construction, maintenance or repair. All future maintenance, repair, replacement and/or new construction of transmission or collection lines within the MHP shall be completed consistent with the then existing standards, specifications, rules and regulations imposed by any federal, state or local governmental agencies and the District.

(d) In the event the District determines that any of the existing or future constructed collection and transmission lines located within the MHP require maintenance, repair or replacement, the District shall forthwith notify the Owner of such determination. Upon notification, Owner shall undertake such repair, maintenance or replacement within a reasonable time. In the event Owner fails or refuses to undertake such necessary repair, maintenance or replacement within a reasonable time, the District may, in its absolute discretion, undertake such repair, replacement or construction and charge all such related costs to the Owner. Any and all such charges unpaid by Owner shall constitute a Lien upon the real estate of the MHP until paid.

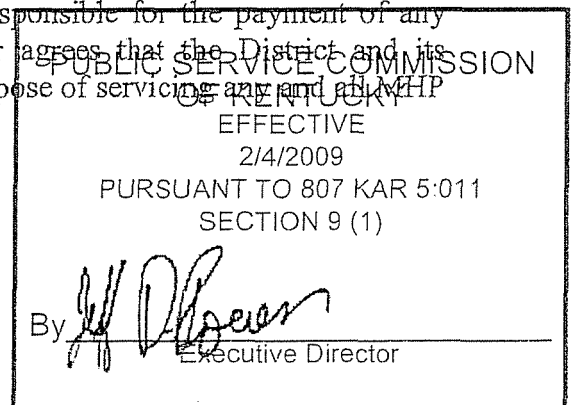
(e) All construction of any future collection and/or transmission lines shall be constructed in conformity with all then existing federal, state, local and District laws, rules and regulations.

(f) In the event the District is required to initiate any action to enforce the provisions of this paragraph 3 for the collection of any sums expended by the District relative to the repair, maintenance and/or replacement of existing or future constructed collection and transmission lines within the MHP, Owner shall indemnify and hold harmless the District for any and all such cost incurred, including but not limited to reasonable attorney's fees and cost of collection.

4. MHP TENANT SERVICE BILLING

(a) The District shall be responsible for providing sanitary sewage and wastewater treatment for all current and future residents of the MHP as required by the District's then existing Tariff and Rate Schedule as approved by the Public Service Commission ("PSC").

(b) The District shall be responsible for providing billing of all tenants located within the MHP for sanitary sewage and wastewater treatment consistent with the District's then established and approved Rate Tariff. Owner shall not be responsible for the payment of any sanitary sewer charges assessed to Owner's tenants. Owner agrees that the District and its personnel shall have reasonable access to the MHP for the purpose of servicing any and all MHP tenants as may be reasonably necessary from time to time.



5. COMPLIANCE WITH EXISTING RULES AND REGULATIONS

Owner agrees that it shall comply with all existing federal, state, local and district rules, laws, regulations, specifications and tariffs relating to the collection and transmission of sanitary sewage and wastewater from Owner's tenants to the point of the Pump Station. Owner agrees that it shall adopt rules and regulations for the MHP which shall incorporate any and all federal, state, local and/or District rules, laws and regulations relating to the disposal of sanitary sewage and wastewater into the District's sanitary sewage and wastewater treatment system. For purposes of this provision, Owner acknowledges that it has reviewed and is familiar with the existing Tariff, Standards and Specifications adopted by the District and approved by the PSC, copies of which are attached hereto and identified as Exhibit "D"; and the current Grant County Sanitary Sewer Ordinance, a copy of which is attached hereto and incorporated herein as Exhibit "E". In the event any such rules or regulations as contained in Exhibits "D" or "E" are altered, modified or otherwise changed, subsequent to the execution of this Agreement, Owner agrees that it shall amend its MHP's rules and regulations to reflect such amendments or changes.

6. MHP EXPANSION

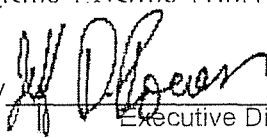
It is acknowledged by the parties hereto that the Pump Station to be constructed by the District as provided for in paragraph 2(a) herein shall service only those current and future tenants residing in Owner's MHP based upon the current MHP capacity of approximately 60 mobile home pads. In the event that Owner should, subsequent to the execution of this Agreement, expand or otherwise increase the number of mobile home pads within the MHP over and above the current 60 pads, any and all infrastructure which may be necessary to accomplish such MHP expansion shall be constructed in conformity with the then existing rules and regulations, standards and specifications adopted by all federal, state or local governmental entity and the District. In the event of such expansion, the terms and conditions contained herein shall be binding upon the Owner and such MHP addition unless otherwise noted.

If any expansion of the existing MHP is undertaken by Owner subsequent to the execution of this Agreement and such expansion requires the installation of a higher capacity Pump Station to accommodate that expansion and/or any additional sanitary sewage and waste water generated thereby, any and all such cost incurred relative to the replacement and/or upgrade of the Pump Station shall be paid by Owner at Owner's cost and expense.

In the event of any expansion of the MHP, Owner shall take all reasonable steps to insure that sanitary sewage generated from the expanded MHP shall be piped directly to the Pump Station without using any current collection and transmission lines existing within the current MHP. If sanitary sewage service to the MHP expansion area can be accomplished without using collection and transmission lines constructed by Owner prior to the execution of this Agreement, the terms set forth in paragraph 7 of this Agreement shall not apply to the MHP expansion area. MHP expansion shall be constructed in complete conformity with all then existing federal, state, local and district rules, regulations and specifications.

In the event that any MHP expansion occurs and it is impractical to provide sanitary sewage transmission directly to the Pump Station without using existing collection and

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PURSUANT TO 2007 KAP 5.011
SECTION 9.1(1)

By 
Executive Director


transmission lines constructed by Owner prior to the execution of this Agreement, all of the terms and conditions set forth herein shall apply to the MHP expansion.

7. INFILTRATION CHARGES

It is acknowledged by the parties hereto that storm water, ground water or other materials and substances ("Infiltration") may from time-to-time enter the collection and transmission lines located within the MHP and discharged into the Pump Station to be constructed by the District. Owner represents and warrants that it has, in the period prior to the execution of this Agreement, taken all reasonable precautions and provided all reasonable maintenance and repair to the infrastructure, collection and transmission lines located within the MHP to prevent such Infiltration. Notwithstanding such due diligence, the parties acknowledge that Infiltration may enter the collection and transmission lines for discharge to the Pump Station and treatment plant of the District. As partial consideration for the delivery of sanitary sewage and wastewater service to the MHP, Owner agrees to be responsible for the cost incurred by the District in the treatment of such Infiltration passing through the Pump Station. Calculation of and charges for the treatment of all such Infiltration shall be determined as follows:

- (a) On the last day of each March, June, September and December following the construction of the Pump Station, the District shall read the Flow Meter located at the Pump Station to determine the gross volume of sanitary sewage and wastewater passing through the Pump Station.
- (b) The District shall calculate the number of gallons of sanitary sewage and wastewater generated by MHP residents during the three calendar month period preceding the reading of the Flow Meter. For purposes of this Agreement, the volume of sanitary sewage and wastewater flows generated by MHP tenants shall equal the total number of gallons of water purchased by all MHP residents as reflected in water consumption records of each tenant with Bullock Pen Water District during the three calendar month period preceding the Flow Meter reading.
- (c) The District shall calculate the amount of Infiltration flow by taking the total number of gallons passing through the Flow Meter at the Pump Station less the amount of gallons purchased by MHP residents as determined by Bullock Pen Water District's billing records. The excess shall be determined to be "Infiltration Flow".
- (d) Owner shall pay to the District a charge for the total Infiltration Flow based upon the District's then approved sanitary sewer rates as provided in its Tariff. For example, if the total sanitary sewage and wastewater flow through the Flow Meter at the Pump Station equals 1,400,000 gallons for the period October, November, December 2008; and the MHP residents purchase a total of 1,350,000 gallons of water for the same 4 periods based upon Bullock Pen Water District's water charges, Owner shall pay the

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OF KENTUCKY
PART 011-007-KAR 15-011
SECTION 9(1)

By 
Executive Director


District for 50,000 gallons of Infiltration Flow based upon sanitary sewer rates as contained in the District's then approved Tariff.

- (e) The District shall mail to the Owner on or before the 15th day of the month following the Flow Meter reading a notice of charges identifying the calculations and charges billed for that quarter. Owner shall pay to the District the amount charged to Owner on or before the 30th day of the month following the Flow Meter reading. In the event Owner should fail to pay such charge within 15 days, the outstanding Pump Station charges shall bear interest at the rate of 1% per month until paid. Unpaid charges for Infiltration Flow shall constitute a lien on the real estate of the MHP.
- (f) The District may, in its discretion, run additional Flow Meter tests during periods of heavy precipitation for the purpose of assessing the scope and extent of excessive infiltration resulting from rain, storm or other ground water. In the event that such Flow Meter tests confirm that flow capacities exceed 125% of the average daily capacity flow during any 24 hour period, District shall notify Owner of such excessive infiltration. In that event, Owner agrees to identify, locate and repair the source of excessive infiltration within a reasonable time. In the event Owner fails to take all reasonable steps to eliminate excessive infiltration flows, the District may, in its discretion, undertake the responsibility to eliminate such excess infiltration flows. Any and all cost or expense incurred by the District in taking such action shall be reimbursed by Owner.
- (g) If at any time the pump station should overflow and discharge raw sewage and wastewater into the surrounding areas and such discharge is the result of excessive infiltration originating from the mobile home park or is the result of debris or materials discharged into the sanitary sewer collection system within the mobile home park by Owner and/or Owner's tenants, the Owner shall indemnify and hold harmless the District for any claims and causes of action brought against the District as a result of such spillage. In the event any governmental agency brings any regulatory or other action against the District as a result of such spillage, Owner shall indemnify and hold harmless the District from any and all such action including the payment of any and all fines or other charges assessed against the District as a result of such spillage.

8. NOTICE

Any and all notice provided for herein shall be deemed to have been made when such notice is deposited in the United States Mail, postage prepaid and address as follows:

PUBLIC SERVICE COMMISSION
KENTUCKY
EFFECTIVE
2/4/2009
PURSUANT TO 807 KAR 5:011
SECTION 9 (1)

By 
Executive Director

As to District: Grant County Sanitary Sewer District
Attn: Ms. Paula Massie, Office Manager
One Farrell Drive
P.O Box 188
Crittenden, KY 41030

As to Owner: Daugherty Higdon and Griffith
c/o 7730 U.S. Highway 42, Suite C and B
Florence, Kentucky 41042

9. INDEMNIFICATION

(a) Owner shall indemnify and hold harmless the District from any and all claims, causes of action or demands made by any MHP resident arising by, from or through the malfunction or failure of or the collection and transmission lines located within the MHP. Such indemnification shall include but not be limited to any and all reasonable costs, fees, charges, attorney's fees and the like, incurred by the District in the defense of any and all such claim or cause of action.


(b) Owner shall indemnify and hold harmless the District for any and all damages, expenses or charges incurred by the District resulting by, from or through Owner's violation of any rule, federal, state, local or District rule, law or regulation.

(c) In the event that Owner should default or otherwise materially breach any term, condition or covenant set forth herein, Owner shall indemnify and hold harmless the District from any and all claim, cause of action or demand brought against the District arising from such material default or breach. Such indemnification shall include but not be limited to any and all reasonable costs, fees, charges, attorney's fees and the like incurred by the District in the defense or prosecution of any such claim or cause of action.

10. PUBLIC SERVICE COMMISSION APPROVAL

It is agreed by the parties hereto that this Agreement shall be submitted to the PSC for consideration and approval. As consideration for that approval, the parties hereto acknowledge that the following special circumstances exist which necessitate the approval of the Agreement:

- (a) Removal of the package sanitary sewage and wastewater treatment plant would best promote the public health and welfare of the MHP residents and the surrounding community;
- (b) Removal of the package sanitary sewage and wastewater treatment plant would eliminate the unnecessary and ongoing financial responsibility of Owner to maintain and cover the costs relative to its operation.

<p>PUBLIC SERVICE COMMISSION OF KENTUCKY 2/4/2009 PURSUANT TO 807 KAR 5:011 SECTION 9 (1)</p> <p>By  Executive Director</p>
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- (c) Avoid the financial burden of requiring the Owner to replace existing collection and transmission infrastructure lines located within the MHP due to their current and existing location, state of repair and the like;
- (d) MHP residents and the surrounding community would be best served by the treatment of sanitary sewage and wastewater by the District in an established sanitary sewage and wastewater treatment plant;
- (e) Eliminate the financial burden of the Owner to conform to all existing federal, state and local rules and regulations regarding the collection and treatment of sanitary sewage and wastewater;
- (f) Eliminate the need to replace existing infrastructure within the mobile home park which would be, under current conditions, impractical and fiscally unreasonable; and
- (g) Assessment of the existing District's approved tap-in fee of \$1,000.00 per customer could not be equitably assessed against Owner's tenants and that payment of the lump sum fee as provided for in paragraph 11 represents a more equitable charge in lieu thereof.

Based upon the foregoing special circumstance, Owner and District acknowledge that approval of this Agreement by the PSC would be in the parties and community's best interest.


11. OWNER'S CONSIDERATION

In consideration of the extension of sanitary sewer to the MHP by the District, Owner agrees to pay to the District a lump sum payment of One Thousand Dollars (\$1,000.00), said sum to be paid by Owner upon the District obtaining all approvals of this Agreement and substantial completion of the Phase I Project whereby District is able to accept for transmission and treatment all sanitary sewage and wastewater from the MHP. Owner acknowledges that the consideration provided for herein represents a fair and reasonable charge for the services and benefits to Owner. Owner acknowledges that this Agreement is entered into freely and voluntarily without coercion or other inducement other than those considerations specified herein. Specifically, it is acknowledged by Owner that implementation of the terms and conditions set forth herein constitute a cooperative and joint effort of the District and Owner to minimize the financial burden upon Owner in providing public sanitary sewage and wastewater treatment service to Owner's tenants. Owner acknowledges that the cost of obtaining sanitary sewer service from the District could be significantly greater than the consideration and financial agreed to herein based upon existing Statutes and Kentucky Administrative Regulations. Owner acknowledges that payment of the consideration herein represents a fair and equitable compromise with the District.

12. REGULATORY COMPLIANCE

Subsequent to the execution of this Agreement, the parties agree as follows:

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE
2/4/2009
PURSUANT TO 807 KAR 5:011
SECTION 9(1)

By  Executive Director

(a) Owner shall maintain and operate all sanitary sewer infrastructure facilities, including collection and transmission lines located within the MHP, in compliance with all federal, state and local regulatory Laws, Rules and Regulations and in compliance with all Rules, Laws and Regulations of the District. In the event that any claim, cause of action or demand is brought against the District as a result of Owner's non-compliance with those regulatory provisions, Owner shall indemnify and hold the District harmless therefrom, including any cost incurred by the District in defense of any such action.

(b) The District shall provide sanitary sewer service and maintain the Pump Station in conformity with all federal, state and local regulatory Laws, Rules and Regulations and in compliance with all Rules, Laws and Regulations of the District. In the event that any claim is made against Owner as a result of the District's non-compliance with those regulatory provisions, the District shall indemnify and hold the Owner harmless therefrom.


(c) In the event the Owner is charged with regulatory violation, Owner shall forthwith notify the District of such action. Owner shall forthwith take any and all necessary action to resolve any and all such claim at Owner's cost and expense. In the event Owner fails or refuses to resolve such regulatory claim, the District may in its sole discretion, take any and all action necessary to resolve such regulatory claim. Any and all cost incurred by the District in resolving that claim may be charged to the Owner. Any and all unpaid expenses or cost incurred by the District shall constitute a lien on the real estate of the MHP. If the District is required to initiate any action against Owner for the collection of those costs and expenses, the District shall be entitled to recover all reasonable cost of collection, including reasonable attorney's fees.

13. PUMP STATION CONSTRUCTION

It is agreed by the parties hereto that the Pump Station referred to in paragraph 2(b) may be constructed by Owner in Owner's discretion. In the event Owner undertakes the construction of the Pump Station, such construction shall be subject to the following terms and conditions:

- (i) All aspects relating to the design and construction of the Pump Station shall be completed at the sole cost and expense of Owner.
- (ii) All Pump Station construction shall be conducted under the direct supervision of the District and/or its engineers and designees. Any cost incurred by the District relating to supervision of the construction project undertaken by Owner shall be paid for by Owner.
- (iii) All Pump Station construction shall be completed in strict compliance with all current District standards and specifications for pump station construction as amended (Exhibit "B").
- (iv) Any Pump Station construction undertaken by Owner shall be subject to the approval of all governmental agencies, including but not limited to the


PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE
2/4/2009
PURSUANT TO 807 KAR 5:011
SECTION 9 (1)

By 
Executive Director

PSC, Kentucky Division of Water and the like. Any cost incurred by Owner in the construction of the Pump Station relating to permits, fees, or charges assessed by any governmental agency shall be paid for by Owner.

(v) Owner shall be responsible for obtaining all governmental inspections upon completion of the Pump Station construction at Owner's cost and expense. Upon issuance of the appropriate inspection approvals, Owner shall maintain ownership of the Pump Station for a period of one year thereafter ("Warranty Period"). During the Warranty Period, Owner shall be responsible for all maintenance, repair and upkeep of the Pump Station. Upon expiration of the Warranty Period, Owner shall deliver title to the District. Owner agrees to execute any and all documents necessary to effectuate the transfer of ownership of the Pump Station to the District. In the event that any governmental agency fails or refuses to permit or otherwise authorize Owner to construct the Pump Station for any reason whatsoever, Owner agrees that construction of the Pump Station shall be undertaken by the District. If required, Owner shall be responsible for obtaining governmental approval of all construction to be undertaken by Owner prior to Owner's commencement of construction. In the event Owner is unable to obtain timely approval and permission to proceed with construction of the Pump Station, if required, the District may construct the Pump Station as provided for in paragraph 2(a).

(vi) It is acknowledged by the parties hereto that timing of constructing the sanitary sewer lines necessary to serve the MHP and construction of the Pump Station is critical. To that end, both the District and Owner shall work together and coordinate their efforts to insure that the availability of sanitary sewer service to the MHP occurs at the same time the Pump Station is completed and available for delivery of sanitary sewer to the District. The District shall provide Owner throughout the Phase I Extension Project on a periodic basis status reports to insure Owner ample opportunity to complete construction of the Pump Station in a timely manner. It is agreed by the parties hereto that the District shall, upon availability of sanitary sewer service notify the Owner that the sanitary sewer lines are in place and available to accept sanitary sewage from the MHP. Owner shall within 30 days of such notice complete construction of the pump station and have all necessary governmental approvals and permits in place to allow delivery of sanitary sewage through the pump station and into the District's system. In the event Owner does not have the pump station online on or before 30 days following receipt of such notice, Owner shall pay to the District sanitary sewage charges that would have been payable based on water consumption rates of tenants within the MHP. All other elements of this Agreement relating to the District's billing shall commence 30 days after the Owner's receipt of such notice.

PUBLIC SERVICE COMMISSION
OFFICE OF THE DIRECTOR
4/2/09
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By 
Executive Director

14. MISCELLANEOUS PROVISIONS

(a) The District may, in its absolute discretion, direct the flow of sanitary sewage into the Pump Station from areas serviced or to be serviced by the District and not a part of Owner's MHP. In that event, the District shall not allow such additional sanitary sewage through the Flow Meter to be installed by the District. If any improvements are required to the Pump Station as a result of that additional sanitary sewage being directed through the Pump Station, any and all such improvements, upgrades or replacements shall be done at the cost and expense of the District.

(b) It is acknowledged and agreed by the parties hereto that this Agreement and all of its terms and conditions shall not constitute nor be construed as an acceptance of or dedication by the Owner to the District of the existing collection and transmission lines or other sanitary sewer infrastructure located within the MHP.

(c) This Agreement shall be binding upon the respective parties, their successors and assigns.


(d) Implementation of this Agreement and all of its terms and conditions shall be subject to the approval of the PSC and any and all other governmental agencies and authorities.

(e) This Agreement may not be changed, altered or modified unless it be done in writing and signed by all parties.

(f) This Agreement has been approved by the District pursuant to duly authorized and adopted action of its Board of Commissioners as required by law.

(g) The parties agree that this Agreement shall be recorded in the Grant County Clerk's records which shall be binding upon the Owner and all successors in title.

(h) It is acknowledged by the District and Owner that this Agreement is entered into for the purpose of facilitating the Phase I Expansion Project currently being undertaken by the District. It is further acknowledged by Owner that the Phase I Expansion Project in large part is funded by grants received by the District without which the Phase I Expansion Project could not be undertaken. In the event that the receipt of grants currently anticipated by the District are not received or if the Phase I Expansion Project cannot move forward due to a lack of funding or any other reason, this Agreement and all of the obligations, covenants and responsibilities of the respective parties undertaken herein shall terminate with neither party having any further legal obligation hereunder. It is further acknowledged by the Owner that the District, by the execution of this Agreement, shall not be obligated to undertake the Phase I Expansion Project thereby providing sanitary sewer services to the Owner in the event the District should at any time subsequent to the execution of this Agreement determine in its absolute and sole discretion and judgment that the Phase I Expansion Project should not be undertaken. In such event, this Agreement shall terminate with neither party having any further

PUBLIC SERVICE COMMISSION
OF KENTUCKY
2/24/2016
PURSUANT TO 807 KAR 5:011
SECTION 9 (1)
By 
Executive Director

legal obligations to the other arising by, from or through the terms, conditions and covenants set forth herein.

IN WITNESS WHEREOF, the parties hereunto set their hand on the day and year first above written.

GRANT COUNTY SANITARY SEWER DISTRICT

Crystal Lawer
Witness

BY: Bobby Burgess
BOBBY BURGESS, CHAIRMAN

Gail Bowling
Witness

COMMONWEALTH OF KENTUCKY

COUNTY OF GRANT

SUBSCRIBED, SWORN TO AND ACKNOWLEDGED before me by the said GRANT COUNTY SANITARY SEWER DISTRICT, by and through BOBBY BURGESS, Chairman, this 26 day of December, 2008.

[Signature]
Notary Public
My Commission Expires: 3/24/12

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE
2/4/2009
PURSUANT TO 807 KAR 5:011
SECTION 9 (1)
By [Signature]
Executive Director

DAUGHERTY HIGDON AND GRIFFITH,
a Kentucky General Partnership

BY: *L. M. Daugherty*
L. M. DAUGHERTY, General Partner

Witness

Witness

BY: *George Higdon*
GEORGE HIGDON, General Partner

Witness

Witness

BY: *Bryan V. Griffith*
General Partner Bryan V. Griffith

Witness

Witness

COMMONWEALTH OF KENTUCKY

COUNTY OF GRANT

SUBSCRIBED, SWORN TO AND ACKNOWLEDGED before me by the said DAUGHERTY HIGDON AND GRIFFITH, by and through L. M. DAUGHTERY, General Partner, this 16 day of December, 2008.

Keller Smith
Notary Public
My Commission Expires: 4/10-2012

COMMONWEALTH OF KENTUCKY

COUNTY OF GRANT

SUBSCRIBED, SWORN TO AND ACKNOWLEDGED before me by the said DAUGHERTY HIGDON AND GRIFFITH, by and through GEORGE HIGDON, General Partner, this 16 day of December, 2008.

Keller Smith
Notary Public
My Commission Expires: 4/10-2012

PUBLIC SERVICE COMMISSION
DEPARTMENT OF REVENUE
EFFECTIVE 1/14/2009
PURSUANT TO 807 KAR 5:011
SECTION 6(1)
By: *W. D. Brown*
Executive Director

COMMONWEALTH OF KENTUCKY

COUNTY OF GRANT

SUBSCRIBED, SWORN TO AND ACKNOWLEDGED before me by the said DAUGHERTY HIGDON AND GRIFFITH, by and through Byron V. Griffith, General Partner, this 16 day of December, 2008.

Kellee Smith
Notary Public
My Commission Expires: 4-16-2012

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE
2/4/2009
PURSUANT TO 807 KAR 5:011
SECTION 9 (1)

By J. D. Brown
Executive Director

EXHIBIT “9”

(Financial Report)

ESTIMATED OPERATIONAL COSTS

I. UTILITIES

It is estimated that the utility expense relating to each pump to be installed in the Project on a monthly basis would be estimated at:

	<u>Pump Classification</u>	<u>Monthly Utility Cost</u>
1.	310 gpm pump	\$250.00 per month
2.	1 480 gpm pump	\$250.00 per month
3.	1 72 gpm pump	\$150.00 per month
4.	1 57 gpm pump	\$100.00 per month
5.	1 39 gpm pump	\$ 75.00 per month
6.	1 30 gpm pump	<u>\$ 75.00 per month</u>
		\$900.00 per month

II. LABOR COST

During the initial year of operation, it is anticipated that the additional employee/labor expenses associated with the Project will be nominal. It is estimated that the total employee hours expended on a weekly basis necessary to inspect all pump stations and to download meter readings would be approximately 5 hours per week (21.5 per month). The average cost of employee wages plus benefits for those employees who will be assigned the responsibility of checking on pump stations is approximately \$22.50 per hour. The estimated monthly cost for employee wages and benefits associated with the project would be approximately \$500.00 per month.

III. SUPPLIES/MATERIAL COST

It is anticipated that the additional cost of treatment for waste generated by customers in the Project will be nominal.

SUPERINTENDENT WILLIAM CATLETT

EXHIBIT “10”
(Audited Financial Statement)

GRANT COUNTY SANITARY SEWER DISTRICT

FINANCIAL STATEMENTS

For the Years Ended December 31, 2008 and 2007

**GRANT COUNTY
SANITARY SEWER DISTRICT
FINANCIAL STATEMENTS**

For the Years Ended December 31, 2008 and 2007

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GRANT COUNTY
SANITARY SEWER DISTRICT
FINANCIAL STATEMENTS
December 31, 2008 and 2007

Board of Commissioners

Bobby Burgess, Chairman

Danny Greene, Vice-Chairman

Billy Frank Simpson, Secretary

Charles Givin, Treasurer

Gayle Cayton

Of Counsel

Thomas R. Nienaber, Esq.

Administration

William L. Catlett, General Manager



Van Gorder, Walker & Co., Inc.
Certified Public Accountants

Independent Auditor's Report

To the Board of Commissioners
Grant County Sanitary Sewer District

We have audited the accompanying balance sheets of the Grant County Sanitary Sewer District (District) as of December 31, 2008 and 2007 and the related statements of revenues, expenses and changes in net assets, and cash flows for the years then ended. These financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform our audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Grant County Sanitary Sewer District as of December 31, 2008 and 2007, and the results of its operations and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated April 24, 2009 on our consideration of the Grant County Sanitary Sewer District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audits.

The management's discussion and analysis on pages 3-7 and the supplementary schedules on page 19 are not a required part of the basic financial statements, but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Van Gorder, Walker & Company, Inc.
Erlanger, Kentucky
April 24, 2009

GRANT COUNTY SANITARY SEWER DISTRICT BALANCE SHEETS December 31, 2008 and 2007

	<u>2008</u>	<u>2007</u>
LIABILITIES AND NET ASSETS		
LIABILITIES		
Current Liabilities		
Accounts payable		
Trade	\$ 45,231	\$ 19,187
Bullock Pen Water District	2,414	2,122
Accrued liabilities	902	1,160
Trash collection payable	-	6,101
Note payable - Grant County Fiscal Court	21,000	21,000
Unamortized bond premium	1,402	1,402
Total Current Liabilities	<u>70,949</u>	<u>50,972</u>
Current Liabilities Payable From Restricted Assets		
Revenue bonds - current portion	62,000	60,000
Construction accounts payable	69,207	-
Customer deposits	59,539	64,148
Accrued interest on customer deposits	145	157
Accrued interest payable	26,459	27,359
Total Current Liabilities Payable From Restricted Assets	<u>217,350</u>	<u>151,664</u>
Long-Term Obligations		
Bonds	1,240,000	1,302,000
Unamortized bond premium	18,340	19,742
Total Long-Term Obligations	<u>1,258,340</u>	<u>1,321,742</u>
TOTAL LIABILITIES	<u>1,546,639</u>	<u>1,524,378</u>
NET ASSETS		
Invested in capital assets, net of related debt	3,423,162	3,384,389
Restricted	79,196	71,699
Unrestricted	414,342	319,099
TOTAL NET ASSETS	<u>3,916,700</u>	<u>3,775,187</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 5,463,339</u>	<u>\$ 5,299,565</u>

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

GRANT COUNTY SANITARY SEWER DISTRICT STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS For the Years Ended December 31, 2008 and 2007

	<u>2008</u>	<u>2007</u>
OPERATING REVENUES		
User fee revenue	\$ 594,793	\$ 602,830
Other service revenues	19,401	16,419
TOTAL OPERATING REVENUES	<u>614,194</u>	<u>619,249</u>
OPERATING EXPENSES		
Operations and maintenance expense	330,127	292,173
Depreciation and amortization	158,724	146,955
TOTAL OPERATING EXPENSES	<u>488,851</u>	<u>439,128</u>
OPERATING INCOME	<u>125,343</u>	<u>180,121</u>
NON-OPERATING INCOME (EXPENSE)		
Investment income	4,492	4,994
Amortization of bond premium	1,402	1,402
Interest on long-term obligations	(63,683)	(65,831)
Interest on customer deposits	(312)	(312)
Amortization of debt discount and expense	(2,436)	(2,436)
Loss on disposal of fixed assets	-	(15,468)
NET NON-OPERATING INCOME (EXPENSE)	<u>(60,537)</u>	<u>(77,651)</u>
NET INCOME	64,806	102,470
CAPITAL CONTRIBUTIONS	<u>76,707</u>	<u>21,000</u>
CHANGE IN NET ASSETS	141,513	123,470
NET ASSETS, JANUARY 1	<u>3,775,187</u>	<u>3,651,717</u>
NET ASSETS, DECEMBER 31	<u>\$ 3,916,700</u>	<u>\$ 3,775,187</u>

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

GRANT COUNTY SANITARY SEWER DISTRICT STATEMENTS OF CASH FLOWS For the Years Ended December 31, 2008 and 2007

	<u>2008</u>	<u>2007</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Received from customers	\$ 618,400	\$ 615,173
Paid to suppliers for goods and services	(303,400)	(313,089)
Paid to or on behalf of employees for services	(6,158)	(5,686)
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>308,842</u>	<u>296,398</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investments	(5,015)	(100,000)
Interest on investments	6,564	3,175
NET CASH PROVIDED BY INVESTING ACTIVITIES	<u>1,549</u>	<u>(96,825)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Principal paid on long term debt	(60,000)	(56,000)
Interest paid on long term debt	(64,907)	(66,826)
Acquisition and construction of fixed assets	(61,415)	(66,299)
Contributed capital received	3,000	21,000
Increase in restricted cash	(3,970)	(12,613)
Increase (Decrease) in customer deposits	(4,609)	(1,637)
NET CASH USED BY CAPITAL AND RELATED FINANCING ACTIVITIES	<u>(191,901)</u>	<u>(182,375)</u>
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	118,490	17,198
CASH AND CASH EQUIVALENTS-BEGINNING OF YEAR	<u>127,873</u>	<u>110,675</u>
CASH AND CASH EQUIVALENTS-END OF YEAR	<u>\$ 246,363</u>	<u>\$ 127,873</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Operating income	\$ 125,343	\$ 180,121
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation and amortization	158,724	146,955
Change in operating assets and liabilities		
(Increase)/Decrease in receivables	4,206	(4,075)
(Increase)/Decrease in prepaid assets	593	(732)
Increase/(Decrease) in accounts payable	20,234	(25,985)
Increase/(Decrease) in other accrued liabilities	(258)	114
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>\$ 308,842</u>	<u>\$ 296,398</u>
NON-CASH CAPITAL AND RELATED FINANCING ACTIVITIES		
Capital assets (transmission mains, hydrants, etc.) contributed to the District	<u>\$ -</u>	<u>\$ -</u>
SUPPLEMENTAL INFORMATION		
Interest paid	\$ 64,907	\$ 66,826
Income taxes paid	<u>\$ -</u>	<u>\$ -</u>

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

<p>GRANT COUNTY SANITARY SEWER DISTRICT NOTES TO THE FINANCIAL STATEMENTS December 31, 2008 and 2007</p>

NOTE 1 – GENERAL INFORMATION AND SIGNIFICANT ACCOUNTING POLICIES

The Grant County Sanitary Sewer District (District) is a sanitary sewer utility that was established by the Grant County Fiscal Court on October 2, 2002. It was organized and operates under the provisions of the Kentucky Revised Statutes, Chapters 67 and 74. The District owns and operates sewer collection and treatment facilities that provide sanitary sewer service to residential, commercial, and industrial customers in Grant County, Kentucky. In 2003, the District appointed Commissioners and began negotiations to acquire the necessary assets from the City of Crittenden to begin operations as a sewer utility. On April 23, 2004 the District acquired the cash and infrastructure assets from the City of Crittenden Sewer Department in exchange for assuming the related bond debt and associated unamortized premiums and issue costs.

Regulatory Requirements

The District is subject to the regulatory authority of the Kentucky Public Service Commission ("PSC") pursuant to KRS 278.040.

Basis of Accounting

The District's financial statements are presented on the full accrual basis in accordance with accounting principles generally accepted in the United States of America. The District applies all Governmental Accounting Standards Board (GASB) pronouncements as well as Financial Accounting Standards Board (FASB) statements and interpretations, and the Accounting Principles Board (APB) Opinions of the Committee on Accounting Procedure issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements.

The District has adopted GASB Statements 33 through 49, and related interpretations issued through December 31, 2008. Statement No. 33 required capital contributions to be recorded in the statement of revenues, expenses and changes in net assets. Statement 34 and subsequent statements and interpretations required certain other changes in terminology, format and content, as well as inclusion of the management's discussion and analysis as required supplementary information.

All activities of the District are accounted for within a single proprietary (enterprise) reporting entity. Proprietary entities are used to account for operations that are (a) financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the cost (expense, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

The accounting and financial reporting treatment applied to the District is determined by its measurement focus. The transactions of the District are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities

<p>GRANT COUNTY SANITARY SEWER DISTRICT NOTES TO THE FINANCIAL STATEMENTS December 31, 2008 and 2007</p>

associated with the operations are included on the balance sheet. Net assets (i.e., total assets net of total liabilities) are segregated into “invested in capital assets, net of related liabilities”; “restricted”; and “unrestricted” components.

Cash Equivalents

For purposes of the balance sheets and statement of cash flows, the District considers all unrestricted highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

Inventories

Inventories are stated at the lower of cost or market. Cost is determined under the First-In, First-Out (FIFO) method. Market is determined on the basis of estimated realizable market values. The District has no measurable inventory to report at December 31, 2008 and 2007.

Distribution System, Building, and Equipment

Property, plant, collection lines and equipment are recorded at cost and depreciated over their estimated useful lives using the straight line method. Upon sale or retirement, the cost and related accumulated depreciation are removed from the respective accounts and the resulting gain or loss is included in the “Non-Operating Income (Expense)” portion of results of operations.

Miscellaneous Deferred Charges

Bond premiums and costs of issuance are deferred and amortized over the life of the bond. The costs associated with organizing the District have been accumulated and are being amortized over a five year period.

Capital Contributions

In conformity with the provisions of Governmental Accounting Standards Board Statement No. 33 – *Accounting and Financial Reporting for Non-Exchange Transactions*, amounts related to customer contributions in aid of construction have been reported as other income in the District’s income statement. These contributions represent customer tap-in fees and other contributions to recover the costs of extensions of the collection system. The District also includes estimated cost figures for those lines contributed by outside contractors. During 2008 and 2007 these contributions consisted of the following:

<u>Source</u>	<u>2008</u>	<u>2007</u>
Tap in fees paid by new customers	\$ 3,000	\$ 21,000
Grant receivable from state for sewer line extension project	73,707	-
Totals	<u>\$ 76,707</u>	<u>\$ 21,000</u>

Income Tax Status

The District is exempt from federal and state income taxes since it is a governmental entity. Accordingly, the financial statements include no provision for income taxes.

<p>GRANT COUNTY SANITARY SEWER DISTRICT NOTES TO THE FINANCIAL STATEMENTS December 31, 2008 and 2007</p>

Use of Estimates

The process of preparing financial statements in conformity with generally accepted accounting principles requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues and expenses. Such estimates primarily relate to unsettled transactions and events as of the date of the financial statements. Accordingly, upon settlement, actual results may differ from estimated amounts.

Operating Revenues and Non-operating Revenues

Revenues have been classified as operating and non-operating. Operating revenues are those revenues that are directly generated from the sale of sewer service to customers. Non-operating revenues are those revenues that arise from the overall function of the entity. Examples of non-operating revenues are grant revenues, the sale of fixed assets and interest income.

NOTE 2 – DEPOSITS AND INVESTMENTS

Deposits consist of checking accounts and are carried at cost, which approximates market value. The carrying amount of deposits is separately displayed on the balance sheet as “Cash and Cash Equivalents” and “Restricted Assets”. At December 31, 2008 and 2007, the bank balances were \$527,720 and \$400,245, respectively, which were the same as the carrying amount. The District has amounts on deposit with one bank in excess of FDIC insured amounts. The bank has pledged collateral to cover excess amounts.

Investments are reported at fair value which is determined using the selected basis. Short term investments are reported at cost, which approximates fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Investments that do not have an established market are reported at estimated fair market value.

The District's investments are categorized to give an indication of the level of risk assumed by the District at December 31, 2008. The categories are described as follows:

Category 1 – Insured and registered, with securities held by the entity or its agent in the entity's name;

Category 2 – Uninsured and unregistered, with securities held by the counterparty's trust department or agent in the entity's name;

Category 3 – Uninsured and unregistered, with securities held by the counterparty, or its trust department or agent but not in the entity's name.

GRANT COUNTY SANITARY SEWER DISTRICT NOTES TO THE FINANCIAL STATEMENTS December 31, 2008 and 2007
--

	<u>Category 1</u>	<u>Category 2</u>	<u>Category 3</u>	<u>Fair Value/ Carrying Cost</u>	<u>Cost</u>
Operation & maintenance	\$ 351,478	\$ -	\$ -	\$ 351,478	\$ 351,478
Customer deposits	75,187	-	-	75,187	75,187
Debt payment accounts	-	-	101,055	101,055	101,055
Total	<u>\$ 426,665</u>	<u>\$ -</u>	<u>\$ 101,055</u>	<u>\$ 527,720</u>	<u>\$ 527,720</u>

In accordance with GASB 40, the District has \$101,055 in bond sinking fund investments held in federally backed US Treasury Obligations rated AAA/Aaa. The market risk on these investments is negligible.

NOTE 3 – RESTRICTED NET ASSETS

Net assets comprise the various net earnings from operating and non-operating revenues, expenses and contributions of capital. Net assets are classified in the following three components: invested in capital assets, net of related debt; restricted; and unrestricted net assets. Invested in capital assets, net of related debt consists of all capital assets net of accumulated depreciation and reduced by outstanding debt, that is attributable to the acquisition, construction and improvement of those assets. Restricted net assets consists of net assets for which constraints are placed thereon by external parties, such as lenders, grantors, contributors, laws, regulations and enabling legislation, including self-imposed legal mandates. Unrestricted net assets consist of all other net assets not included in the above categories.

Included in restricted net assets at December 31,

	<u>2008</u>	<u>2007</u>
Bond sinking fund	\$ 101,055	\$ 99,058
Construction funds	100	-
Grant receivable	73,707	-
Construction accounts payable	(69,207)	-
Accrued interest on bonds	(26,459)	(27,359)
Total Restricted Net Assets	<u>\$ 79,196</u>	<u>\$ 71,699</u>

NOTE 4 – UTILITY PLANT IN SERVICE

All property, plant and equipment including infrastructure assets are recorded at cost and depreciated over their estimated useful lives, using the straight-line method. Upon sale or retirement, the cost and related accumulated depreciation are eliminated from the respective accounts and the resulting gain or loss included in the results of operations.

Repair and maintenance charges, which do not increase the useful lives of the assets, are charged to income as incurred. Interest incurred on construction funding during the period of

GRANT COUNTY SANITARY SEWER DISTRICT NOTES TO THE FINANCIAL STATEMENTS December 31, 2008 and 2007
--

construction is capitalized and is added to the item under construction rather than charged to expense as incurred.

Asset Type	Balance at December 31, 2007	Additions	Retirements	Balance at December 31, 2008
Land	\$ 25,000	\$ -	\$ -	\$ 25,000
Construction in progress	574	83,229	-	83,803
Equipment	44,401	33,862	-	78,263
Mains	3,342,150	-	-	3,342,150
Pump stations	569,679	13,531	-	583,210
Structures and improvements	1,194,665	-	-	1,194,665
Transportation equipment	32,126	-	-	32,126
Subtotal	5,208,595	130,622	-	5,339,217
Accumulated depreciation	(456,797)	(150,816)	-	(607,613)
Fixed Assets, net	\$ 4,751,798	\$ (20,194)	\$ -	\$ 4,731,604

NOTE 5 – BONDED INDEBTEDNESS

Kentucky Rural Water Finance Corporation Bonds, Series 2001D

On September 25, 2002, the City of Crittenden participated in the Kentucky Rural Water Finance Corporation's first Flexible Term Finance Program wherein the proceeds of the revenue bonds issued were used to provide funds for several utility systems throughout Kentucky. The City's total share of the bond proceeds was \$1,544,982. These funds were used for construction of a new wastewater treatment plant, two new pump stations, and the demolition of the old treatment plant. The Grant County Sanitary Sewer District assumed bonds outstanding of \$1,530,000 on April 23, 2004 pursuant to its takeover contract with the City of Crittenden. All revenue bonds mature on January 1st of each year ending in 2023. Principal is due in annual installments on January 1st through 2023. The bonds bear an interest rate of between 3.60% and 5.15% and are payable on January 1st and July 1st of each year. The remaining debt service is as follows:

Year	Interest Rates	Principal Amount	Interest Amount	Total Debt Service
2009	3.60-5.15%	\$ 62,000	\$ 62,386	\$ 124,386
2010	3.60-5.15%	64,000	60,119	124,119
2011	4.90-5.15%	64,000	57,319	121,319
2012	4.90-5.15%	69,000	53,894	122,894
2013	4.90-5.15%	73,000	50,237	123,237
2014-2023	4.90-5.15%	970,000	258,406	1,228,406
Totals		\$ 1,302,000	\$ 542,361	\$ 1,844,361

GRANT COUNTY SANITARY SEWER DISTRICT NOTES TO THE FINANCIAL STATEMENTS December 31, 2008 and 2007
--

NOTE 6 – NOTES PAYABLE

Grant County Fiscal Court

On October 22, 2003 the District received an unsecured, non-interest bearing loan in the amount of \$10,000 from the Grant County Fiscal Court to assist in paying organizational and start-up costs. The Fiscal Court encouraged the District to repay the loan no later than December 31, 2004. No payment and no demand for repayment have been made as of December 31, 2008. This note is considered payable in the current period.

On May 14, 2004 the District received a second unsecured, non-interest bearing loan in the amount of \$11,000 from the Grant County Fiscal Court to assist in purchasing a truck. The Fiscal Court encouraged the District to repay the loan no later than May 14, 2005. No payment and no demand for repayment have been made as of December 31, 2008. This note is considered payable in the current period.

NOTE 7 – INDEBTEDNESS SUMMARY

The changes in long-term indebtedness for 2008 are as follows:

Debt Instrument	Balance at December 31, 2007	Additions	Retirements	Balance at December 31, 2008
Fiscal Court Loan - October 2003	\$ 10,000	\$ -	\$ -	\$ 10,000
Fiscal Court Loan - May 2004	11,000	-	-	11,000
KRW series 2001D bonds - Revenue	1,362,000	-	(60,000)	1,302,000
Subtotal	1,383,000	\$ -	\$ (60,000)	1,323,000
Less: current portion of long-term debt	(81,000)			(83,000)
Total Long-Term Indebtedness	\$ 1,302,000			\$ 1,240,000

NOTE 8 – RELATED PARTY TRANSACTIONS

The Grant County Sanitary Sewer District is operated by the staff of the Bullock Pen Water District. The Sewer District pays a management fee to the Bullock Pen Water District for these services. This fee was \$114,342 and \$110,004 in 2008 and 2007, respectively. The Chairman of the Board of Commissioners and two other commissioners of the District serve on the boards of both the Grant County Sanitary Sewer District and of the Bullock Pen Water District.

NOTE 9 – ECONOMIC DEPENDENCY/CREDIT RISK

Grant County Sanitary Sewer District is a government agency operating with one office in Crittenden, Kentucky. It grants credit to customers who are primarily local residents and businesses. The District receives all of its operating revenues from customers in Grant County, Kentucky.

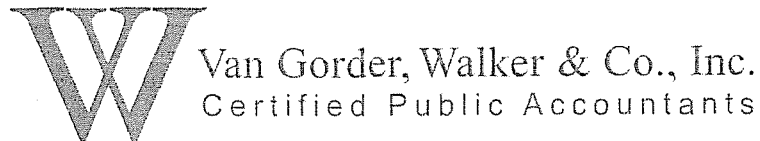
GRANT COUNTY SANITARY SEWER DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2008 and 2007

NOTE 10 – COMMITMENTS

Grant County Sanitary Sewer District has committed to receive an Economic Development Fund Grant from the Kentucky Infrastructure Authority for its Phase I Sewer Extension Project. The District anticipates that it will provide \$236,000 for the project, while the Kentucky Infrastructure Authority will contribute \$1,550,000. This project is currently underway and on schedule, with an initial receivable for expenses incurred of \$73,707 from the Kentucky Infrastructure Authority.

GRANT COUNTY SANITARY SEWER DISTRICT SCHEDULES OF OPERATIONS, MAINTENANCE AND ADMINISTRATIVE EXPENSES For the Years Ended December 31, 2008 and 2007

	<u>2008</u>	<u>2007</u>
Operations, Maintenance and Administrative Expenses		
Salaries and wages - commissioners	\$ 5,900	\$ 5,800
Advertising	163	144
Bad debt expense	2,016	9,873
Chemicals	5,530	7,899
Contractual services - accounting	21,129	17,041
Contractual services - engineering	7,693	8,995
Contractual services - legal	19,113	8,213
Contractual services - management	114,342	110,004
Contractual services - sample analysis	3,389	3,348
Contractual services - other	69,405	57,105
Insurance - general liability	3,269	3,211
Insurance - vehicle	2,132	1,404
Insurance - property	4,778	5,124
Materials and supplies	33,696	24,473
Miscellaneous	74	68
Payroll taxes	451	444
Purchased power	32,153	27,966
Rental of equipment	2,883	-
Transportation	1,018	121
Utility regulatory assessment	993	940
Total Operations, Maintenance and Administrative Expenses	<u>\$ 330,127</u>	<u>\$ 292,173</u>



**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING
STANDARDS**

**To the Board of Commissioners
Grant County Sanitary Sewer District**

We have audited the financial statements of the Grant County Sanitary Sewer District as of and for the years ended December 31, 2008 and 2007, and have issued our report thereon dated April 24, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control over Financial Reporting

In planning and performing our audit, we considered the Grant County Sanitary Sewer District's internal control over financial reporting as a basis for designing our audit procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Grant County Sanitary Sewer District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Grant County Sanitary Sewer District's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Grant County Sanitary Sewer District's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Grant County Sanitary Sewer District's financial statements that is more than inconsequential will not be prevented or detected by the Grant County Sanitary Sewer District's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Grant County Sanitary Sewer District's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.



Van Gorder, Walker & Co., Inc.
Certified Public Accountants

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Grant County Sanitary Sewer District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements. Noncompliance could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the audit committee, management, others within the organization, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Van Gorder, Walker & Co., Inc.

Van Gorder, Walker & Co., Inc.

Erlanger, Kentucky

April 24, 2009

EXHIBIT “11”

(Final Engineering Report)

Final Engineering Report

**Sanitary Sewer Extension, Phase 1
Grant County Sanitary Sewer District**

By

**CMW, Inc.
400 E. Vine Street
Suite 400
Lexington, KY 40507**

November, 2009

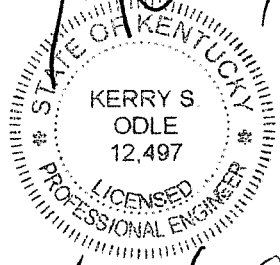
Kerry Odle

11/30/09

Table of Contents:

1. Bid Advertisement
2. Bid Tabulation
3. Minutes of Bid Opening
4. Engineer's Recommendation
5. Bid of Low Bidder
6. As-Bid Project Cost and Funding
7. Project Map

ADVERTISEMENT FOR BIDS

Separate sealed BIDS for Sanitary Sewer Extension Phase I, will be received by the OWNER at the office of Grant County Sanitary Sewer District, 1 Farrell Drive, Crittenden, Kentucky, until 11:00 a.m., local time, on Thursday, November 19, 2009, and then at said office publicly opened and read aloud.

Construction of Base Bid shall consist of approximately 8,450 LF of 8" PVC gravity sewer, 485 LF of DI gravity sewer, 945 LF of 4" laterals, 20,452 LF of PVC force main, 43 manholes, 4 connections to existing sewer, 2 master meter manholes, 71 cleanouts, 495 LF of bores, 40 LF of roadway open cut, 460 LF of concrete cap, 13 sewage combination air valves, 2 each of gate valve, 4 each of check valve, 1 submersible pump station, 5 submersible grinder pump stations, and all necessary appurtenances.

Construction of Alternate #1 shall consist of approximately 3,796 LF of 2" HDPE force main, 3,775 LF of 1-1/4" HDPE force main, 22 individual grinder pumps, miscellaneous valves and all necessary appurtenances.

Construction of Alternate #2 shall consist of 10,035 LF of 6" PVC force main (in place of 3" PVC force main in Base Bid), upgrade of a submersible grinder pump station (in Base Bid) to submersible pump station and increase in size of submersible pump station (in Base Bid) and all necessary appurtenances.

The CONTRACT DOCUMENTS may be examined at the following locations:

CMW, Inc., 400 East Vine Street, Suite 400, Lexington, KY
Grant County Sanitary Sewer District, 1 Farrell Drive, Crittenden, Kentucky.
Associated General Contractors/McCraw Hill/Dodge Plan Room, 950 Contract Street, Suite 100A, Lexington, KY
Associated General Contractors/McCraw Hill Plan Room, 922 North Main Street, 2nd Floor, London, KY
Allied Construction Industries, 1010 Yale Avenue, Cincinnati, OH
Reed Construction Data/ABC Plan Room, 1812 Taylor Avenue, Louisville, KY
Reed Construction Data/ABC Plan Room, 2020 Liberty Road, Suite 110, Lexington, KY
F. W. Dodge Plan Room, Grant Baldwin Building, 655 Eden Park Road, Suite 515, Cincinnati, OH 45202

Copies of the CONTRACT DOCUMENTS may be obtained from Lynn Imaging, 328 Old East Vine Street, Lexington, KY 40507, phone 859\255-1021 upon payment of \$75.00 (non-refundable) for each set. Make checks payable to CMW, Inc.

If bidding documents are requested to be sent by mail, include an additional \$14.00 for each set to cover cost of handling and postage. This check should be made payable to Lynn Imaging.

The Owner reserves the right to waive any informalities or to reject any or all bids.

Each bidder must deposit with his bid, security in the amount, form and subject to the conditions provided in the Information for Bidders.

No bidder may withdraw his bid for within 90 days after the date of the opening thereof.

**SANITARY SEWER EXTENSION, PHASE I
GRANT COUNTY SANITARY SEWER DISTRICT**

08089.02

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

This procurement will be subject to regulations contained in 40 CFR Part 31.36 or with Division of Water Procurement Guidance.

Bidders must comply with Title VI of the Civil Rights Act of 1964, the Anti-Kickback Act, and the Contract Work Hours Standard Act and 40 CFR 31.36 L (3,4 & 6).

Bidders must comply with the President's Executive Order No. 11246 as amended, which prohibits discrimination in employment regarding race, creed, color, sex or national origin.

This project is in compliance with Executive Order 11246 (Equal Employment Opportunity) as amended.

The Contractor / Subcontractor will comply with 41 CFR 60-4, in regard to affirmative action to insure equal opportunity to females and minorities and will apply the time tables and goal set forth in 41 CFR 60-4 if applicable to the area of the project.

Bidder will make positive efforts to use small, minority, women owned and disadvantaged businesses.

This project is being funded by appropriations from the 2005 and 2008 Kentucky General Assembly and from the American Recovery and Reinvestment Act of 2009.

November 2, 2009

Date

GRANT COUNTY SANITARY SEWER DISTRICT
BOBBY BURGESS, CHAIRMAN

CMW, INC.
400 EAST VINE STREET, SUITE 400
LEXINGTON, KENTUCKY



400 EAST VINE
LEXINGTON, KENTUCKY

PROJECT: SANITARY SEWER EXTENSION, PHASE I
GRANT COUNTY SANITARY SEWER DISTRICT

BID DATE: November 19, 2009 11:00 AM

BIDDER	BID BOND	ADDENDUM #1	ADDENDUM #2	BASE BID	ALTERNATE 1	ALTERNATE 2	BASE BID/ALTERNATE #1	NOTES
Broshear Contractors	X	X	X	\$ 1,604,933.00	\$281,784.00	\$77,140.00	\$1,886,717.00	
Howell Contractors, Inc.	X	X	X	\$1,306,855.00	174,710.00	65,570.00	1,481,565.00	Math error, Base bid, Alternate #2
Lagco, Inc.	X	X	X	\$1,513,170.00	208,842.00	180,377.00	1,722,012.00	
Lonkard Construction	X	X	X	\$1,108,213.50	168,680.50	72,615.00	1,276,894.00	
Smith & Brown Contractors, Inc.	X	X	X	\$1,312,539.00	102,527.50	66,105.00	1,415,066.50	Math error in Alternate #2

I CERTIFY THAT THE ABOVE IS A TRUE AND ACCURATE TABULATION OF THE BIDS RECEIVED FOR THIS PROJECT ON THE DATE LISTED ABOVE.

CMW, INC. By: *Ray Foddes*

November 24, 2009

To: Bobby Burgess, Chairman
Grant County Sanitary Sewer District

From: Kerry Odle
CMW, Inc.

Re: Sanitary Sewer Extension Phase 1
Grant County Sanitary Sewer District

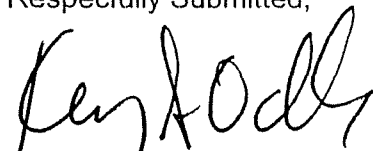
Subject: Bid Opening Minutes

Bids were accepted by Grant County Sanitary Sewer District until 11:00 am on Thursday, November 19, 2009. At 11:00 am Bobby Burgess, Chairman, welcomed and thanked all bidders for their bids and introduced Billy Catlett as Superintendent and Kerry Odle as Project Engineer.

Mr. Burgess turned the bid opening over to Mr. Odle. Mr. Odle opened and read aloud "Base Bid", "Alternate #1", "Base Bid and Alternate #1 and Alternate #2 as shown on attached "Tabulation of Bids". Mr. Odle explained that determination of low bidder was based on the combination of the Base Bid and Alternate #1. The apparent low bidder was announced as Lonkard Construction Company with a bid of \$1,276,894.00.

Attached is a list of attendees who were present at the bid opening. With no further business, the bid opening was complete.

Respectfully Submitted,



Kerry Odle, PE
Project Engineer

Attachments

C: Tom Nienaber w/a
C: file w/a

CMW inc.

ARCHITECTURE ENGINEERING INTERIOR DESIGN LANDSCAPE ARCHITECTURE

400 E. Vine St., Suite 400, Lexington, KY 40507 859.254.6623 Fax 859.259.1877
www.cmwaec.com

CMW inc.

DATE: November 19, 2009

PROJECT: SANITARY SEWER EXTENSION, PHASE I
GRANT COUNTY SANITARY SEWER DISTRICT

PROJECT NO. 08089.02

Name	Company / Organization	Address	Phone & Fax	Email Address
Marty Boggs	Howell Contractors	980 Helen Ruth Ff. W. W. Ky	859-331-5457 647-3993 FAX	
Gina Slayback	LONKARD Const.	3 Lendale Dr. Florence Ky	659-384-3223 513-730-2244	
DAVE STEWART	Smith's Bros	950 ST. R. RD. HARRIS KY	513-738-0077	
Jarrod Cann	Lagco Inc.	1490 Sunshine Lane Lexington Ky 40505	859-293-7473 859-293-7471	jarrod@lagco.com
Billy Catlett	Grant County Sant. Sewer			
Bobby Burgess	Grant County Sant Sewer			
Jon Bushoar	Bushoar Const.	2500 Millville - Ross Rd Hamilton, OH 45012	513 863-3388 / 863-2039	
Kerry Oble	CMW Inc	Lexington, KY	859-254-6623	

November 24, 2009

Mr. Bobby Burgess
Grant County Sanitary Sewer District
P.O. Box 460
Crittenden, Kentucky 41311

Re: Sanitary Sewer Extension Phase 1
Grant County Sanitary Sewer District

Dear Bobby:

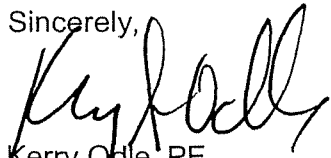
I have reviewed all bids and found math errors in the second and third place bid which did not affect the determination of the low bidder. The low bidder was Lonkard Construction Company with a Base Bid / Alternate # 1 Bid of \$1,276,894.00 and an Alternate #2 Bid of \$72,615.00. I have checked with the Engineers on the attached reference list and have talked with five different Engineers. All the Engineers that I called gave great references for Lonkard Construction Company and all would have them again for any sanitary sewer project.

With the promising possibility to connect the 300 mobile home lots to the Sherman area, I would recommend awarding the Base Bid, Alternate #1 and Alternate #2 for a total bid of \$1,349,509.00. Alternate consists of upgrading the Sherman pump station, the force main from Sherman to campground and the campground pump station to handle the 300 mobile home lots.

Attached is an As – Bid Budget for this project.

If you have any questions, or need additional information, please give me a call.

Sincerely,



Kerry Odle, PE
Project Engineer

Attachments

C: Tom Nienaber w/a
File w/a

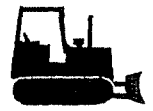
CMW inc.

ARCHITECTURE ENGINEERING INTERIOR DESIGN LANDSCAPE ARCHITECTURE

400 E Vine St , Suite 400, Lexington, KY 40507 859 254 6623 Fax 859 259 1877
www.cmwaec.com

CMW inc.

LONKARD CONSTRUCTION COMPANY



P.O. BOX 123 UNION, KENTUCKY 41091

(859) 384-3223 FAX (859) 647-3993

November 19, 2009

*Grant County Sewer District
1 Farrell Drive
Crittenden, KY*

*Re: Grant County Sanitary Sewer Extension – Phase I
Bid Submittal Information*

*Ronnie Lonkard – President
Lonkard Construction Company
3 Lendale Drive
Florence, Kentucky 41042
859-384-3223 fax: 859-647-3993*

Five similar projects:

- 1. KDOT Campbell County US 27
Viox & Viox Engineers – Jim Viox
466 Erlanger Road
Erlanger, KY 41018 859-727-3293*
- 2. Sanitation District Thunderidge
Berling Engineers – Jim Berling
1671 Park Road
Ft. Wright, Ky 41017 859-331-9191*
- 3. City of Crittenden
Hicks & Mann – Logan Murphy
116 Humes Road
Williamstown, KY 41097 859-824-5231*
- 4. IDI Park West
PBS & J – Drew Squires
7300 Turfway Road
Florence, KY 41042 859-371-9051*
- 5. Sanitation District Cold Spring
Berling Engineers – Jim Berling*

Five similar projects past 5 years:

- 1. KDOT Campbell County US27
Viox & Viox Engineers – Jim Viox
466 Erlanger Road
Erlanger, KY 41018 859-727-3293*
- 2. IDI Park South
Bayer Becker – Rob Keller
209 Grandview Ave.
Ft. Mitchell, KY 41017 859-261-1113*
- 3. KDOT Boone Co. Gunpowder Road
Viox & Viox Engineers – Bill Viox
466 Erlanger Road
Erlanger, KY 41018 859-727-3293*
- 4. City of Ft. Wright – St. Agnes
CDS Associates – Mark Bruggeman
7000 Dixie Highway
Florence, KY 41042 859-525-0544*
- 5. KDOT Boone County US 42
Viox & Viox – Bill Viox*

BID (Revised)

SANITARY SEWER EXTENSION, PHASE I
GRANT COUNTY
GRANT COUNTY SANITARY SEWER DISTRICT

Proposal of Lonkard Construction Company (hereinafter called "BIDDER"), a Corporation * organized and existing under the laws of the State of Kentucky doing business as Lonkard Construction Company
To the Grant County Sanitary Sewer District (hereinafter called "OWNER").

In compliance with your Advertisement for Bids, BIDDER hereby proposes to perform all WORK for the construction of Sanitary Sewer Extension, Phase I – Grant County, in strict accordance with the CONTRACT DOCUMENTS, within the time set forth therein, and at the prices stated below

By submission of this BID, the BIDDER certifies, and in the case of a joint BID each party thereto certifies as to its own organization, that this BID has been arrived at independently, without consultation, communication, or agreement as to any matter relating to this BID with any other BIDDER or with any competitor

Bidder hereby agrees to commence work under this contract on or before a date to be specified in the NOTICE TO PROCEED and to fully complete the base bid and Alternate #1 within 210 consecutive calendar days and Alternate #2 (if awarded) will add an additional 45 days. BIDDER further agrees to pay as liquidated damages, the sum of \$500 for each consecutive calendar day thereafter as hereinafter provided in Section 15 of the General Conditions.

BIDDER acknowledges receipt of the following ADDENDUM:

1 - 11/16/09
2 - 11/17/09

BIDDER agrees to perform all the work described in the CONTRACT DOCUMENTS for the following unit prices.

NOTE: BIDS shall include sales tax and all other applicable taxes and fees

- (1) BIDS shall include sales tax and all other applicable taxes and fees.

* Insert "a corporation", "a partnership", or "an individual" as applicable

**SANITARY SEWER EXTENSION, PHASE I
GRANT COUNTY SANITARY SEWER DISTRICT**

08089.02

- (2) Breakdown of work is for general information. Any work shown on Drawings and/or specified but not listed below shall be included in total base bid. Cost of items of work not specifically described below may be added to related bid item(s) at bidder's discretion.

BID SCHEDULE

Part I: Base Bid

Item No.	Description	Estimated Quantity	Unit	Unit Price	Total Amount
1	8" PVC Sanitary Sewer	8205	LF	\$ 38.-	\$ 311790.-
2	8" DI Sanitary Sewer	485	LF	\$ 47.-	\$ 22795.-
3	8" HDPE Pipe Dr 21 or 8" PVC Pipe SDR 35 w/Restrained Joints	245	LF	\$ 30.-	\$ 7350.-
4	4" PVC Sanitary Sewer Laterals	945	LF	\$ 20.-	\$ 18900.-
5	6" PVC Force Main	5455	LF	\$ 10.-	\$ 54550.-
6	6" HDPE Pipe DR 9 or 6" PVC Pipe SDR 21 w/Restrained Joints	330	LF	\$ 15.75	\$ 5197.50
7	3" PVC Force Main	11,559	LF	\$ 7.-	\$ 80913.-
8	2" PVC Force Main	3108	LF	\$ 6.-	\$ 18648.-
9	Connection to Existing Sewer Line @ Package Treatment Plant	2	EA	\$ 5000.-	\$ 10,000.-
10	Connection to Existing Manhole	2	EA	\$ 500.-	\$ 1000.-
11	Shallow Manhole	22	EA	\$ 1200.-	\$ 26400.-
12	Standard Manhole (5.01' to 8.0')	15	EA	\$ 1500.-	\$ 22,500.-
13	Standard Manhole (8.01' to 10.00')	1	EA	\$ 1650.-	\$ 1650.-
14	Standard Manhole (10.01' to 12.00')	2	EA	\$ 1700.-	\$ 3400.-
15	Standard Manhole (12.01' to 14.00')	1	EA	\$ 2000.-	\$ 2000.-
16	Standard Manhole (14.01' to 16.00')	1	EA	\$ 2100.-	\$ 2100.-
17	Standard Manhole (16.01' to 18.00')	1	EA	\$ 2500.-	\$ 2500.-
18	Standard Manhole with Master Meter	2	EA	\$ 8250.-	\$ 16500.-
19	Manhole Drop	3	EA	\$ 800.-	\$ 2400.-

SANITARY SEWER EXTENSION, PHASE I
 GRANT COUNTY SANITARY SEWER DISTRICT

08089.02

Item No.	Description	Estimated Quantity	Unit	Unit Price	Total Amount
20	Bored and Jacked 14" Steel Encasement (Railroad Bore)	210	LF	\$ 210.-	\$ 44100.-
21	Bored and Jacked 12" Steel Encasement (I-75 Bore)	310	LF	\$ 265.-	\$ 82150.-
22	Bored and Jacked 12" Steel Encasement	60	LF	\$ 210.-	\$ 12,600.-
23	Concrete Cap over Sewer Pipe	460	LF	\$ 12.-	\$ 5,520.-
24	Clean - Out	71	EA	\$ 175.-	\$ 12425.-
25	Sewage Combination Air Valve with Box and Cover	13	EA	\$ 1400.-	\$ 20,800.-
26	3" MJ Gate Valve w/Box and Cover	1	EA	\$ 700.-	\$ 700.-
27	3" Check Valve w/Box	1	EA	\$ 2100.-	\$ 2100.-
28	2" MJ Gate Valve with Box and Cover	1	EA	\$ 375.-	\$ 375.-
29	2" Check Valve with Box and Cover	3	EA	\$ 950.-	\$ 2850.-
30	Submersible Sewage Pump Station #C including Wet Well, Valve Vault, Fencing and all Piping and Necessary Appurtenances	1	EA	\$ 64,000.-	\$ 64,000.-
31	Submersible Sewage Grinder Pump Station #A including Wet Well, Valve Vault, Fencing and all Piping and Necessary Appurtenances	1	EA	\$ 51,750.-	\$ 51,750.-
32	Submersible Sewage Grinder Pump Station #B including Wet Well, Valve Vault, Fencing and all Piping and Necessary Appurtenances	1	EA	\$ 52,000.-	\$ 52,000.-
33	Submersible Sewage Grinder Pump Station #E Including Wet Well, Valve Vault, Fencing and all Piping and Necessary Appurtenances	1	EA	\$ 48,000.-	\$ 48,000.-

SANITARY SEWER EXTENSION, PHASE I
GRANT COUNTY SANITARY SEWER DISTRICT

08089.02

Item No.	Description	Estimated Quantity	Unit	Unit Price	Total Amount
34.	Submersible Sewage Grinder Pump Station #F, including Wet Well, Valve Vault, Fencing and All Piping and Necessary Appurtenances	1	EA	\$ 45,000.-	\$ 45,000.-
35.	Submersible Sewage Grinder Pump Station #G, including Wet Well, Valve Vault, Fencing and all Piping and Necessary Appurtenances.	1	EA	\$ 45,250.-	\$ 45,250.-
36	Extra Crushed Stone Bedding (Undercut)	400	TONS	\$ 20.-	\$ 8000.-

Total Part I (Base Bid) \$ 1,108,213.⁵⁰
(Use Figures)

One million one hundred eight thousand two hundred thirteen dollars
(Use Words) FIFTY CENTS

Part II: Alternate Bid #1

Item No.	Description	Estimated Quantity	Unit	Unit Price	Total Amount
1.	2" HDPE Force Main	3796	LF	\$ 8.-	\$ 30,368.-
2.	1- 1/4" HDPE Force Main	3775	LF	\$ 7.50	\$ 28,312. ⁵⁰
3.	Individual Grinder Pumps, including Wet Well and All Piping, Gate Valve and Check Valve (Lateral Assembly) on Force Main and Necessary Appurtenances	22	EA	\$ 5000.-	\$ 110,000.-

Total Part II (Allernate Bid #1) \$ 168,680.⁵⁰
(Use Figures)

Total (Base Bid & Alternate Bid #1) \$ 1,276,894.-
(Use Figures)

One million Two hundred seventy-six thousand eight hundred ninety-four
(Use Words) DOLLARS
NO CENTS

BID

**SANITARY SEWER EXTENSION, PHASE I
GRANT COUNTY SANITARY SEWER DISTRICT**

08089.02

Part III: Alternate Bid #2 – Grinder Pump Station #G changed to Pump Station, 3" Force Main changed to 6" Force Main from Pump Station G to Pump Station C and Increase flow of Pump Station C to 480 gpm from 255 gpm.

Item No.	Description	Estimated Quantity	Unit	Unit Price	Total Amount
1.	6" PVC Force Main	10,035	LF	\$ 11. -	\$ 110,385. -
2	Deduct 3" PVC Force Main, (Base Bid Item #5)	(-10,035)	LF	\$ 7. -	\$ (70,245. -)
3	Submersible Sewage Pump Station #G including Wet Well, Valve Vault, Fencing and All Piping and Necessary Appurtenances	1	EA	\$ 60,225. -	\$ 60,225. -
4.	Deduct Submersible Sewage Grinder Pump Station #G including Wet Well, Valve Vault, Fencing and All Piping and Necessary Appurtenances. (Base Bid Item #34).	1	EA	\$ (42,250. -)	\$ (42,250. -)
5.	Upgrade Submersible Sewage Pump Station #C (Base Bid Item #24) to <u>480</u> gpm pumps.			\$ 14,500. -	\$ 14,500. -

Total Part III: (Alternate Bid #2) \$ 72,615. -
(Use Figures)

Seventy-Two thousand six hundred fifteen dollars no cents
(Use Words)

SUBTOTALS AND TOTAL AMOUNTS SHALL BE SHOWN IN BOTH WORDS AND FIGURES IN CASE OF DISCREPANCIES, THE AMOUNT AS WRITTEN IN WORDS SHALL GOVERN.

The above price shall include all labor, materials, bailing, shoring, removal, overhead, profit, insurance, etc., to cover the finished work of the several kinds called for. Changes shall be processed in accordance with the General Conditions.

Award of the Contract will be based on the lowest and best Total Base Bid and Alternate #1.

The Bidder agrees that the Owner reserves the right to delete the whole or any part of the project from the Contract.

The Bidder understands that the Owner reserves the right to reject any or all bids and to waive any informalities in the bidding.

The Bidder agrees that this bid shall be good and may not be withdrawn for a period of ninety (90) calendar days after the scheduled closing time for receiving bids

Upon receipt of written notice of the acceptance of this bid. Bidder will execute the formal contract attached within ten (10) days and deliver a surety bond or bonds as required by the bid security attached in the sum of 5% OF TOTAL BID \$ is to become the property of the Owner in the Event the contract and bond are not executed within the time above set forth, as liquidated damages for the delay and additional expense to the Owner caused thereby

Respectfully submitted:

Lombard Construction Company
(Name of Contracting Firm)

BY: [Signature]

TITLE: President

ADDRESS: 3 Lendale Drive

Florence, Ky 41042

DATE: 11-19-2009

063980445
DUNS Number

55MW4
Central Contractor Registration Number (CCR)

Seal (If Bid by Corporation)

Attest: [Signature]

AS-BID PROJECT COST

GRANT COUNTY SANITARY SEWER EXTENSION PHASE I

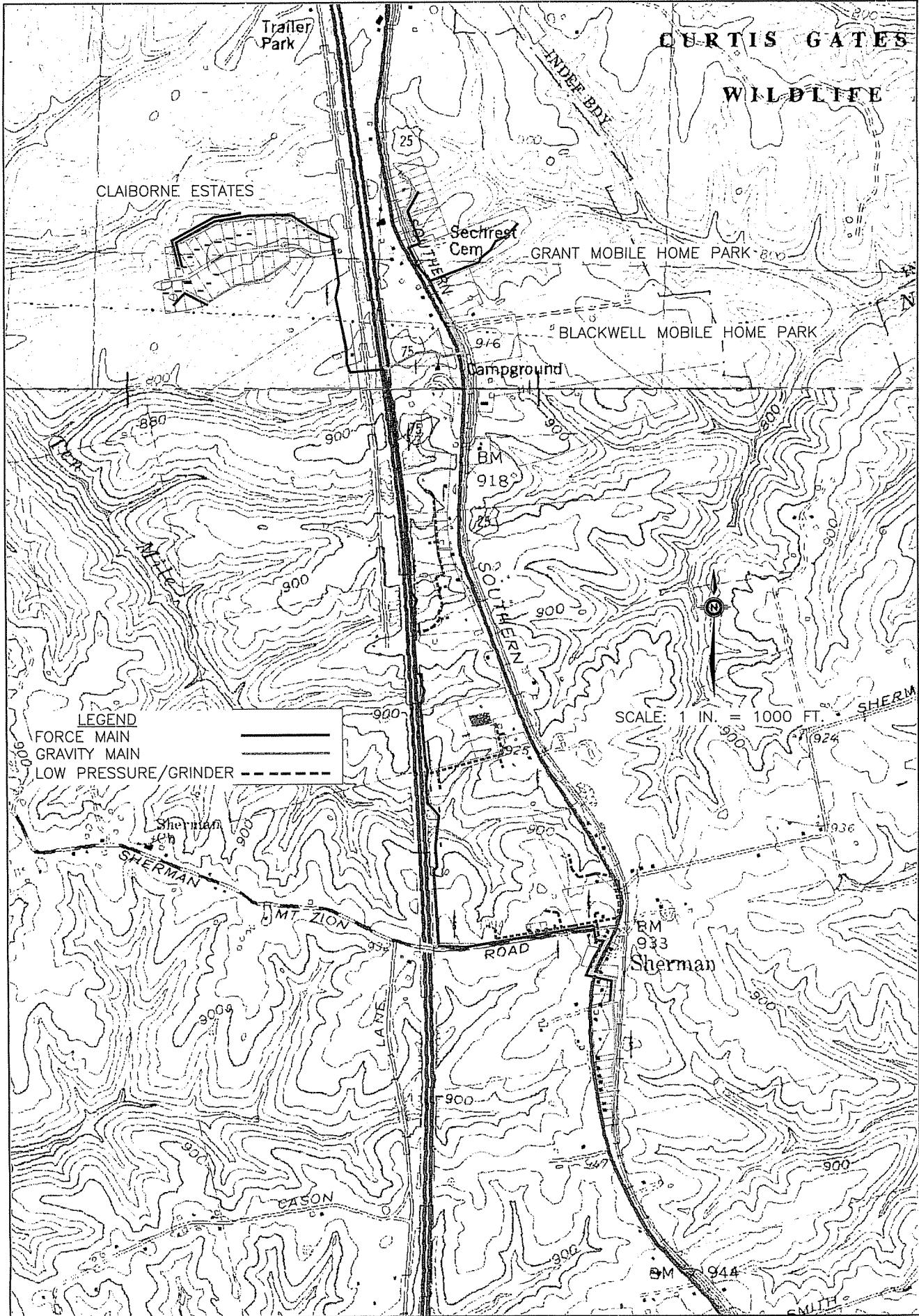
November 25, 2009

1. Construction Cost	\$1,349,509.00
2. Public Meetings	\$ 500.00
3. Legal Advertisements	\$ 1,200.00
4. Legal	\$ 40,000.00
5. Acquisition	\$ 110,000.00
6. Easements	\$ 40,000.00
7. Preliminary Engineering	\$ 10,000.00
8. Engineering Design (8.43%)	\$ 113,764.00
9. Resident Inspection (5.25%)	\$ 70,849.00
10. SSES Study	\$ 10,000.00
11. Staking	\$ 20,000.00
12. Grant Administration	\$ 15,000.00
13. Railroad Permit Preparation	\$ 5,000.00
14. Railroad Permit	\$ 22,500.00
15. Environmental	\$ 10,000.00
16. Archeologist	\$ 4,561.00
17. Biologist	\$ 4,625.00
18. Contingencies	\$ 97,493.00
<hr/>	
TOTAL PROJECT COST	\$1,925,000.00

FUNDING

1. KIA 2005 Grant	\$ 900,000.00
2. KIA 2008 Grant	\$ 400,000.00
3. KIA 2008 Grant	\$ 250,000.00
4. Grant MHP (Cost of Pump Station)	\$ 45,000.00
5. Tap-on Fees 76	\$ 30,000.00
6. Stimulus Grant	\$ 300,000.00
<hr/>	

TOTAL FUNDING **\$1,925,000.00**



DATE	NOV 2009
DRAWN BY	000/SH
CHECKED BY	KD
PROJECT NUMBER	08089.07
CONTRACT	1

USGS TOPOGRAPHIC MAP

GRANT COUNTY SEWER DISTRICT
 PHASE 1 SEWER EXTENSION
 GRANT COUNTY, KENTUCKY

FAILURE TO ASK BY DESIGN LOCATIONS OR TO OBTAIN COORDINATES...

CMW inc.

400 E. Vine St., Suite 400, Lexington, KY 40507
 Voice 609.254.6623 Fax 609.259.1877

EXHIBIT “12”

**(City of Williamstown/City of Dry
Ridge 201 Study Area
Encroachment Authorization)**

SANITARY SEWER AGREEMENT

OF

GRANT COUNTY SANITARY SEWER DISTRICT

This Sanitary Sewer Agreement ("Agreement") is made and entered into effective the _____ day of September, 2009 by and between the City of Williamstown, Kentucky, by and through its Mayor, and pursuant to duly authorized and adopted Resolution of its City Council, ("Williamstown"); the City of Dry Ridge, Kentucky, by and through its Mayor, pursuant to duly authorized Resolution of its City Council ("Dry Ridge"); and the Grant County Sanitary Sewer District, by and through its Chairman, Bobby Burgess, and pursuant to duly authorized and adopted Resolution of its Board ("District").

WITNESSETH:

WHEREAS, the District is in the process of implementing its Phase I Sanitary Sewer Expansion Project ("Project") to provide sanitary sewer service to various areas of Grant County, Kentucky, including the US 25 corridor beginning at approximately the Cincinnati South Campground and extending south on US 25 to Sherman, Kentucky ("Project Area") and,

WHEREAS, the southern most portion of the Project Area includes limited portions of area south of Sherman Mt. Zion Road which incorporates a portion of territory currently included in the Williamstown 201 Study Area and,

WHEREAS, Dry Ridge, under agreement with Williamstown, is currently providing sanitary sewer service to areas adjacent to or near the southern most portion of the Project Area and,

WHEREAS, a portion of the Project Area extends outside of the District's current 201 Study Area (Exhibit "A") and into the Williamstown/Dry Ridge 201 Area (Exhibit "B") and,

WHEREAS, the District, Williamstown and Dry Ridge agree to and recognize that it is in the best interest of the community that the District service those limited portions of the Project Area located within the Williamstown/Dry Ridge 201 Area.

NOW THEREFORE, in consideration of the premises set forth herein, the parties agree as follows:

1. Williamstown, Dry Ridge and the District hereby agree that the District be and hereby is granted authority to provide sanitary sewer service to that area currently located within the Williamstown/Dry Ridge 201 Study Area and generally bounded on the east by the Norfolk Southern Railroad; on the north approximately 300 feet south of Sherman Mt. Zion Road; on the west by US Highway 25; and on the south along the northern most property line of the Grant County Board of Education property, said area being more particularly described in the attached Exhibit "B" and herein referred to as the 201 Service Area. It is the intention of the parties that

the Exhibit "B" area shall include approximately 15 residences located between the Norfolk Southern Railroad and US Highway 25 as well as the Hedger residence and outlying barns and out buildings to the immediate west of US Highway 25. The parties hereto agree that the District shall be permitted to provide sanitary sewer service to the 201 Service Area as the District may from time to time deem appropriate.

2. Williamstown and Dry Ridge hereby grants to the District the exclusive authority to provide sanitary sewer service to the 201 Service Area effective as of the approval of this Agreement by the parties' respective legislative bodies.

3. The parties hereby agree to submit this Agreement to their respective legislative bodies for adoption and approval by appropriately approved Resolution.

4. The authority granted to the District herein to provide sanitary sewer service shall be limited to the 201 Service Area only as described in Exhibit "B". This Agreement shall not be construed as or constitute any other grant of authority to the District to extend sanitary sewer service to any other area currently located within the 201 Study Area of either Williamstown or Dry Ridge. Likewise this Agreement shall not be construed as a grant of authority to Williamstown or Dry Ridge to extend sanitary sewer service to any area currently incorporated in the District's 201 Study Area.

5. This Agreement shall be binding upon the District, Williamstown, Dry Ridge and their respective successors and assigns.

6. The District shall be permitted to provide sanitary sewer service to the 201 Service Area as the District deems appropriate in its sole judgment and discretion. This Agreement shall not constitute nor place upon the District any obligation to provide sanitary sewer service within the 201 Service Area. It is acknowledge that the District is currently in the process of implementing its Phase I Project which is anticipated to deliver sanitary sewer service to a portion of the 201 Service Area identified in Exhibit "B". In the event that the District, for whatever reason, is unable to provide sanitary sewer service to those residents identified on the attached Exhibit "B", this Agreement shall become null and void. It is further agreed by the parties hereto in the event the District does not extend sanitary sewer service to those residents identified in the attached Exhibit "B" on or before June 1, 2010, this Agreement shall become null and void.

IN WITNESS WHEREOF, the parties hercunto set their hand effective the date and year first above written.

CITY OF WILLIAMSTOWN

BY: 
MAYOR GLENN CALDWELL

CITY OF DRY RIDGE

BY: Clay Crupper
MAYOR CLAY CRUPPER

GRANT COUNTY SANITARY SEWER DISTRICT

BY: _____
BOBBY BURGESS, CHAIRMAN

EXHIBIT “A”

GCSSD 201

Williams town 201

LOW PRESSURE LINE

LOW PRESSURE LINE

LOW PRESSURE LINE

PROPERTY LINE

SCHEP PROPERTY

SCALE: 1"=200'

EXHIBIT “B”



LOW PRESSURE LINE 3

LOW PRESSURE LINE 4

APPROX. CENTER SERVICE LINE

PROPERTY

SCALE: 1"=200'