

BEFORE THE PUBLIC SERVICE COMMISSION OF KENTUCKY

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**PUBLIC SERVICE  
COMMISSION**

In the Matter of

THE APPLICATION OF EDMONSON COUNTY WATER )  
DISTRICT, EDMONSON, WARREN, GRAYSON AND )  
HART COUNTIES, KENTUCKY, (1) FOR A CERTIFICATE )  
OF PUBLIC CONVENIENCE AND NECESSITY ) CASE  
AUTHORIZING CONSTRUCTION OF MAJOR ADDITIONS ) NO.  
AND IMPROVEMENTS TO ITS WATER SYSTEM AND (2) ) 2010-00149  
SEEKING APPROVAL OF THE ISSUANCE OF )  
CERTAIN SECURITIES. )

The Applicant, Edmonson County Water District, Edmonson, Warren, Grayson and Hart Counties, Kentucky (the "District"), acting by and through its Commission, respectfully tenders this Application and requests that the Public Service Commission of Kentucky enter its Order pursuant to KRS 278.023 and 807 KAR 5:069 issuing a Certificate of Public Convenience and Necessity authorizing the District to construct major additions and improvements to its water system (the "System") for the purpose of furnishing an adequate supply of pure and potable water for domestic, agricultural and commercial use in the District and approving the issuance of certain securities by the District. In support of this Application and in conformity with the rules of the Public Service Commission, the District states as follows:

1. The District was created by an Order entered by the County Court of Edmonson County, Kentucky, on March 20, 1967, as a consolidation and merger of the North Edmonson County Water District and South Edmonson County Water District. In addition to the District's service area in Edmonson County, areas of Hart, Warren and Grayson Counties have been annexed to the District. The District is now, and has been since its creation, regulated by the Public Service Commission of Kentucky, and all records and proceedings of the Public Service Commission with reference to the District are incorporated in this Application by reference.

2. The governing body of the District is its Commission, which is a public body corporate, with power to make contracts in furtherance of its lawful and proper purposes as provided in KRS 74.070. In conformity with KRS 74.020(1)(a) the County Judge/Executive of Edmonson County, Kentucky, with the approval of the Fiscal Court, has entered appropriate orders from time to time appointing and reappointing Commissioners who were and are residents of the District. The present District Commissioners and officers are Jimmy Mills, Chairman, Barry Rich, Secretary-Treasurer and Roy McDougal. The mailing address of the District is 1128 Highway 259 North, P. O. Box 208, Brownsville, Kentucky 42210, Attention: Nelson Sanders, Manager.

3. In order to finance water service facilities and improvements, the District has previously issued, and there are presently outstanding, the following revenue bonds and obligations payable from the revenues of the System:

- (a) Water System Revenue Bonds, 1994 Series A and B;
- (b) Water System Revenue Bonds, 1994 Series C;
- (c) Water System Refunding Revenue Bonds, Series 1996A;
- (d) Water System Revenue Bonds, Series 1997;
- (e) Water System Revenue Bonds, 2001 Series A and B;
- (f) Water System Revenue Bonds, Series 2003;
- (g) Assistance Agreement with Kentucky Rural Water Finance Corporation dated April 27, 2004
- (h) Loan from Kentucky Rural Water Finance Corporation Public Projects Revenue Bonds (Flexible Term Project), Series 2008C;
- (i) Water System Revenue Bonds, Series 2007A and 2007B; and
- (j) Water System Revenue Bonds, Series 2009 (sold to USDA but not closed).

There are also outstanding certain subordinate obligations of the District (Kentucky Infrastructure Authority loans) which are payable from and secured by a pledge of the revenues of the System subject to the priorities of the bonds described above.

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There are also outstanding certain subordinate obligations of the District (Kentucky Infrastructure Authority loans) which are payable from and secured by a pledge of the revenues of the System subject to the priorities of the bonds described above.

4. The District's consulting engineers, GRW Engineers, Inc., Nashville, Tennessee (the "Engineers"), have prepared a Preliminary Engineering Report and a Final Engineering Report as well as detailed plans and specifications for the construction and installation of proposed major additional water facilities and improvements (the "Project") to serve the District. The Preliminary Engineering Report dated November 2008, and the Final Engineering Report dated March 2010, are appended hereto as Exhibit A and Exhibit B, respectively. These Exhibits contain, among other things, descriptions of the Project, cost figures and other pertinent data.

It is the opinion of the Commissioners of the District that the public health, safety and general welfare of the citizens and inhabitants of the District will be promoted and served by the construction of the Project and the financing thereof as herein described.

5. The District has caused public advertising to be made according to law soliciting competitive bids for the construction and installation of the Project; has received, opened and considered the construction bids; and has filed with the United States Department of Agriculture, Rural Development ("USDA"), the data prepared by the Engineers showing the bids received and the recommendations of the Engineers with respect thereto. USDA has approved the District's proposed award of the best bids as evidenced by the USDA letter of concurrence in the bid awards appended hereto as Exhibit C.

The District hereby states, through its undersigned Chairman, that the proposed plans and specifications for the Project have been designed to meet the minimum construction and operating requirements set out in 807 KAR 5:066, Section 4(3) and (4), Section 5(1), Sections 6 and 7, Section 8(1) through (3), Section 9(1) and Section 10; that all other state approvals or permits for the Project have been obtained; that the existing water rates of the District will

produce total revenue requirements as set out in Exhibit A; and that construction of the Project is expected to begin on or about June 1, 2010, and to end on or about January 1, 2011.

6. The estimated costs of and sources of funds for the Project are set out in Exhibit B and in Exhibit D identified below.

7. As shown in Exhibit B and in Exhibit D identified below, the District proposes to finance, in part, the construction and installation of the Project by the issuance of its bonds, to be styled "Water System Revenue Bonds, Series 2010A" (the "Bonds"), in the total principal amount of \$570,000. The Bonds will be issued on a parity with the outstanding water system revenue bonds described in Section 3 of this Application.

The District has entered into a loan agreement with USDA pursuant to which USDA will make a loan to the District in the amount of \$570,000 to be represented by the Bonds. The Bonds, in the principal amount of \$570,000, are expected to bear interest at the single rate of 2.625% per annum. Appended hereto as Exhibit D are copies of letters from USDA to the District setting forth terms, conditions and understandings relating to the loan, together with related USDA correspondence regarding the principal maturities of and interest rates on the respective series of Bonds.

With reference to the proposed issuance of the Bonds to USDA, the proceedings relating thereto will provide for the public advertisement of competitive bids for the Bonds according to Kentucky law; and in the event a bid or bids are received for the Bonds at an interest cost basis to the District more advantageous to the District than the loan commitment of USDA, the Bonds will be sold to such other bidder; however, it is not expected any more favorable bids will be received in view of the interest rate to be stipulated by USDA. The Bonds will not be delivered

to USDA until such time as approximately the amount of the Bonds has been spent on the Project. This procedure is in accord with USDA rules requiring interim financing of USDA projects to the amount of the USDA loan. Accordingly, construction of the Project will be instituted and funded initially from the proceeds of an interim financing loan to be obtained from the Kentucky Rural Water Finance Corporation (“KRWFC”) at a rate not expected to exceed 4.50% per annum. The interim loan will be secured by (i) the undisbursed proceeds of the interim financing loan and (ii) the proceeds of the Bonds when delivered to USDA according to USDA practices and procedures.

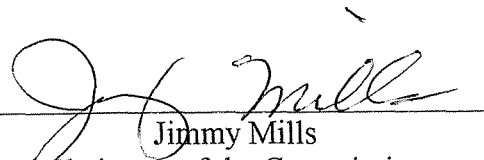
Interim financing is also available to the District from USDA in the event other interim financing sources are not available or are unreasonable.


8. The Commission of the District respectfully represents to the Public Service Commission that there is a genuine need and demand for the Project and that the Commission should enter herein its Order, in compliance with KRS 278.023 and KAR 5:069, (a) issuing its Certificate of Public Convenience and Necessity pursuant to KRS 278.020 authorizing construction and installation of the Project and (b) authorizing pursuant to KRS 278.300 the issuance of \$570,000 principal amount of Water System Revenue Bonds, Series 2010A, by the District as described herein.

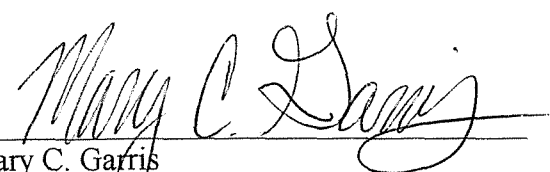
WHEREFORE, the Applicant, Edmonson County Water District, respectfully requests that such Order be issued.

Respectfully submitted,

EDMONSON COUNTY WATER DISTRICT

By   
Jimmy Mills  
Chairman of the Commission

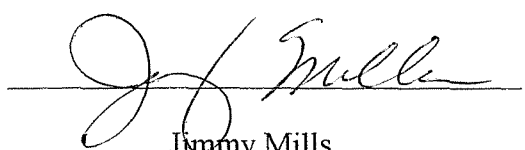
  
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Leitchfield, Kentucky 42754  
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Counsel for the District

  
Mary C. Garris  
Stoll Keenon/Ogden PLLC  
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500 West Jefferson Street  
Louisville, Kentucky 40202  
Telephone: (502) 568-5726  
Bond Counsel for the District


COMMONWEALTH OF KENTUCKY )  
 )  
COUNTY OF EDMONSON )

I, Jimmy Mills, being first duly sworn according to law, state that I am Chairman of the Commission of Edmonson County Water District, Edmonson County, Kentucky, that I have read the foregoing Application, and that the statements of fact set forth therein are true and accurate to the best of my knowledge and belief.

WITNESS my signature this 1 day of April, 2010.

  
Jimmy Mills

Subscribed and sworn to before me this 1 day of April, 2010. My commission expires June 8, 2010.

  
Notary Public  
Commonwealth of Kentucky





PRELIMINARY ENGINEERING REPORT

FOR

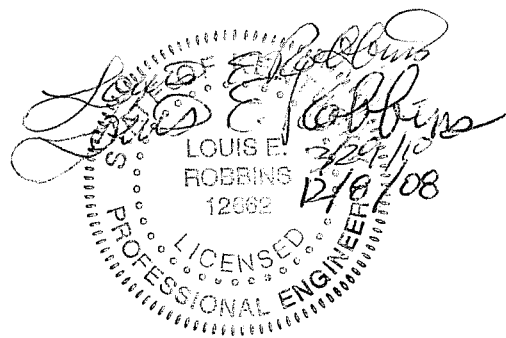
EDMONSON COUNTY WATER DISTRICT

EDMONSON COUNTY, KENTUCKY

HART COUNTY  
WATER SYSTEM IMPROVEMENTS  
AND  
WATER LINE EXTENSIONS

PROJECT NO. 3621-02

November 2008



GRW ENGINEERS, INC.  
404 BNA DRIVE, SUITE 201  
NASHVILLE, TN 37217  
(615) 366-1600  
FAX (615) 366-0406

OFFICIALS  
FOR THE  
EDMONSON COUNTY WATER DISTRICT

COMMISSIONERS

Jimmy Mills, Chairman

Barry Rich, Secretary/Treasurer

Roy McDougal

MANAGER

Nelson Sanders

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### APPENDICES

A. RD Summary Addendum
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## I. INTRODUCTION

### A. Purpose

The purpose of this Preliminary Engineering Report is to investigate and present the feasibility of extending water lines of the Edmonson County Water District into previously unserved areas and to evaluate the ability of the existing facilities to continue meeting the needs of the system's customers. Since its formation in 1966, the District has experienced steady growth and has seen increased requests for water service extensions from area residents due to the unreliable and often contaminated private well systems required without a public water system. Because of the continued growth and aging of the system, additional in-system flow metering and leak detection meters are being recommended for installation.

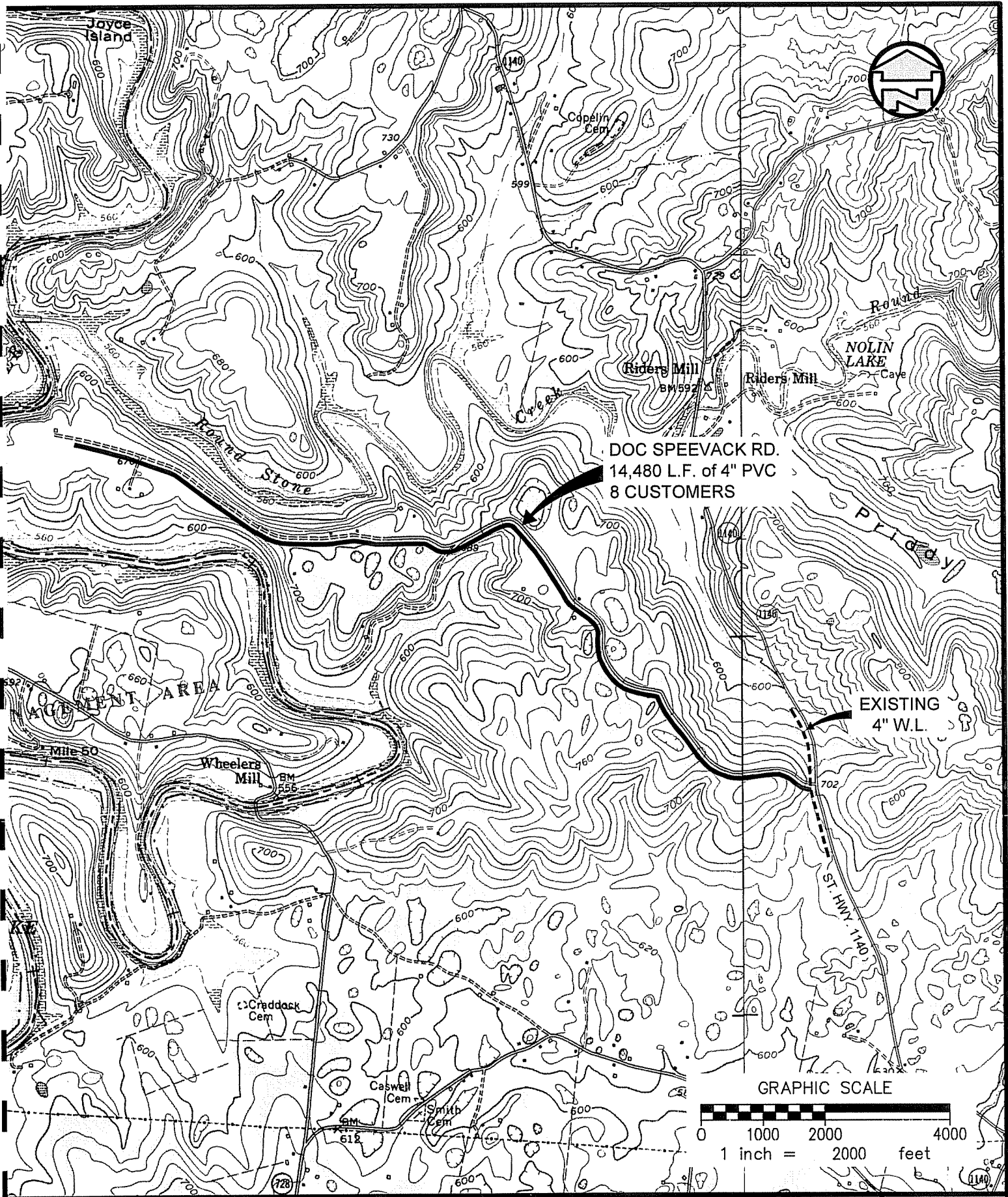
### B. Project Area

The Edmonson County Water District was formed to serve all areas in Edmonson County, except areas inside the Mammoth Cave National Park, and also to serve parts of Warren, Grayson and Hart Counties.

The attached maps (14 sheets) show portions of the existing water system and the proposed water line extensions and improvements as follows:

1. Doc Speevack Road (Fig. 1)
2. Wheelers Mill Road (Fig. 2)
3. East Sullivan Road (Fig. 3)
4. Chuck-a-Luck Road (Fig. 4)
5. Charles Jagers Road (Fig. 5)
6. Robbin Lane (Fig. 6)
7. Pine Grove Road (Fig. 7)
8. Horton Road (Fig. 8)
9. Center Point West Road (Fig. 9)
10. Flow Meter Proposed Locations (Fig. 10)
11. Flow Meter Proposed Locations (Fig. 11)
12. Leak Detection Meter Proposed Locations (Fig. 12)
13. Leak Detection Meter Proposed Locations (Fig. 13)
14. Leak Detection Meter Proposed Locations (Fig. 14)

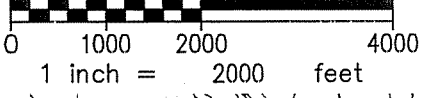
The need for a safe and reliable water supply is commonly recognized as being highly desirable in almost any area. The extension of water lines into these areas is recommended as being beneficial for the residents by removing a potential health hazard which is either known to exist or can become a problem at any time.



DOC SPEEVACK RD.  
14,480 L.F. of 4" PVC  
8 CUSTOMERS

EXISTING  
4" W.L.

GRAPHIC SCALE



GRW PROJECT NO 3621-02

DESIGNED	LER
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**DOC SPEEVACK ROAD**  
**4" WATER LINE**  
  
HART COUNTY WATER LINES  
EDMONSON CO. WATER DISTRICT

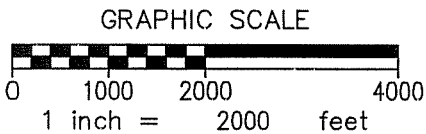
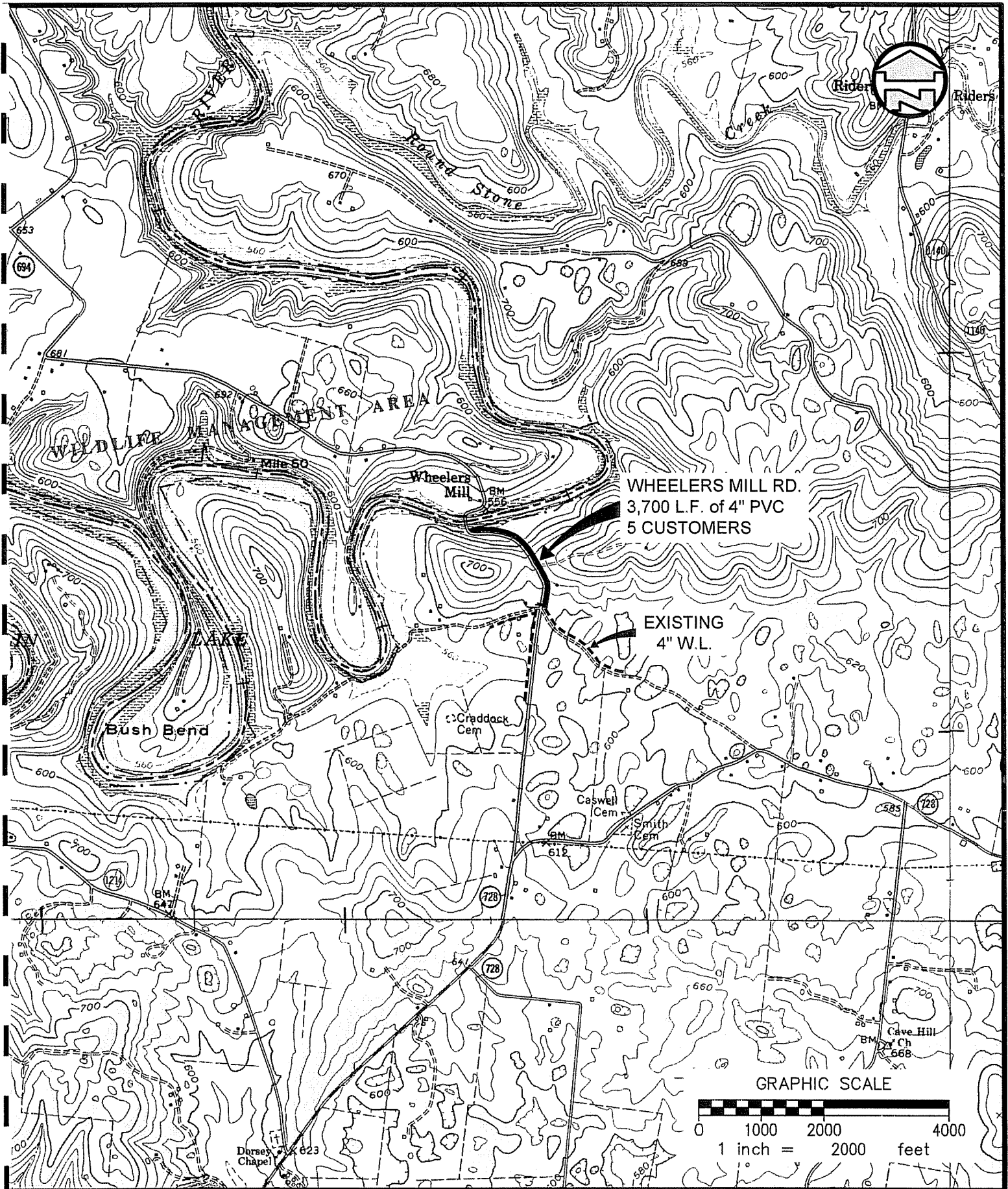
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DATE	NOVEMBER 2008
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FIGURE NO.	1

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**WHEELERS MILL ROAD  
4" WATER LINE**

HART COUNTY WATER LINES  
EDMONSON CO. WATER DISTRICT

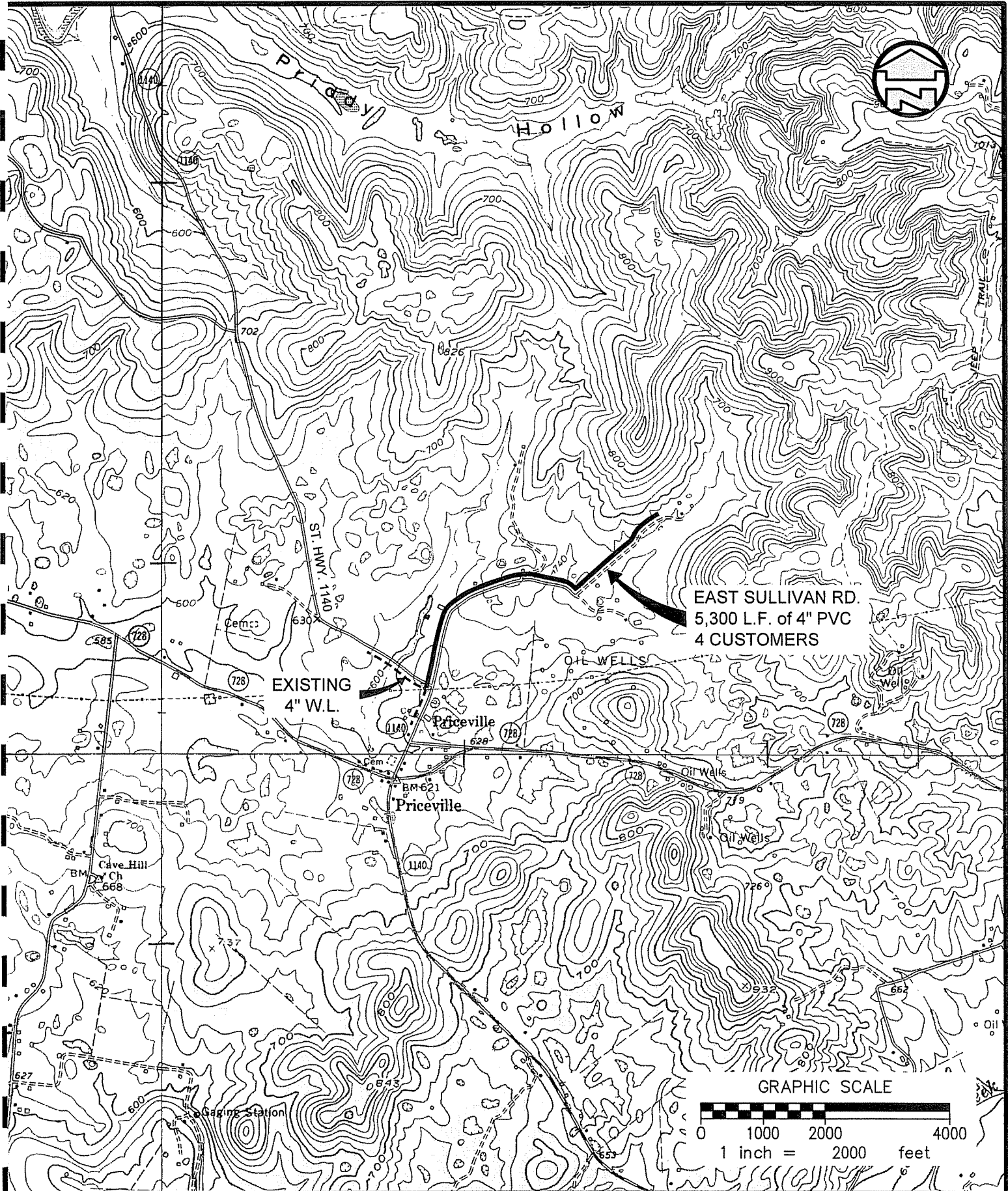


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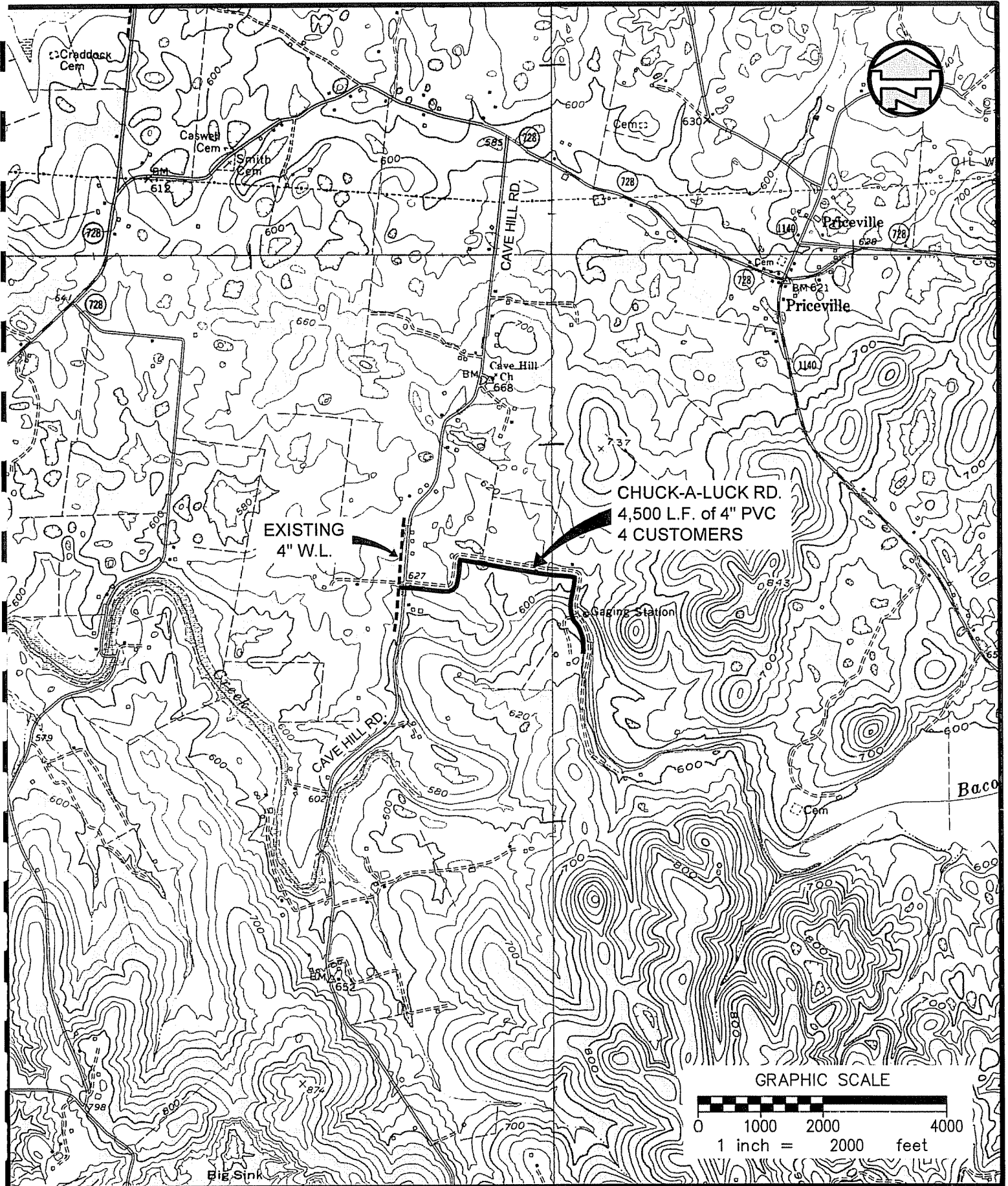
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**EAST SULLIVAN ROAD  
4" WATER LINE**  
HART COUNTY WATER LINES  
EDMONSON CO. WATER DISTRICT



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FIGURE NO.  
**3**



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**CHUCK-A-LUCK ROAD  
4" WATER LINE**

HART COUNTY WATER LINES  
EDMONSON CO. WATER DISTRICT



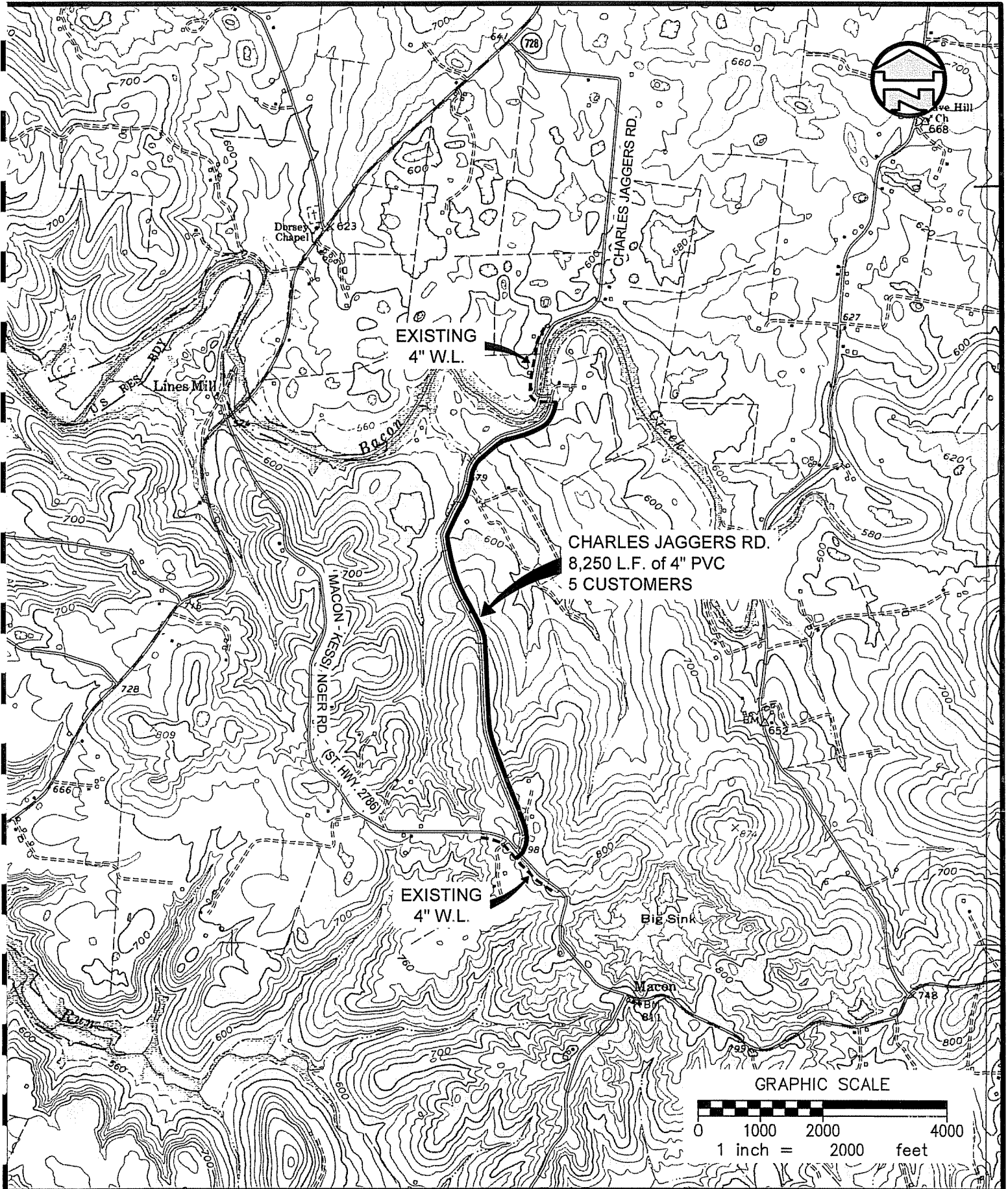
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FIGURE NO. **4**

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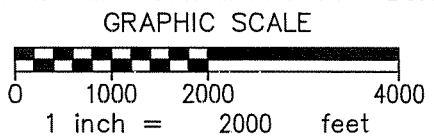
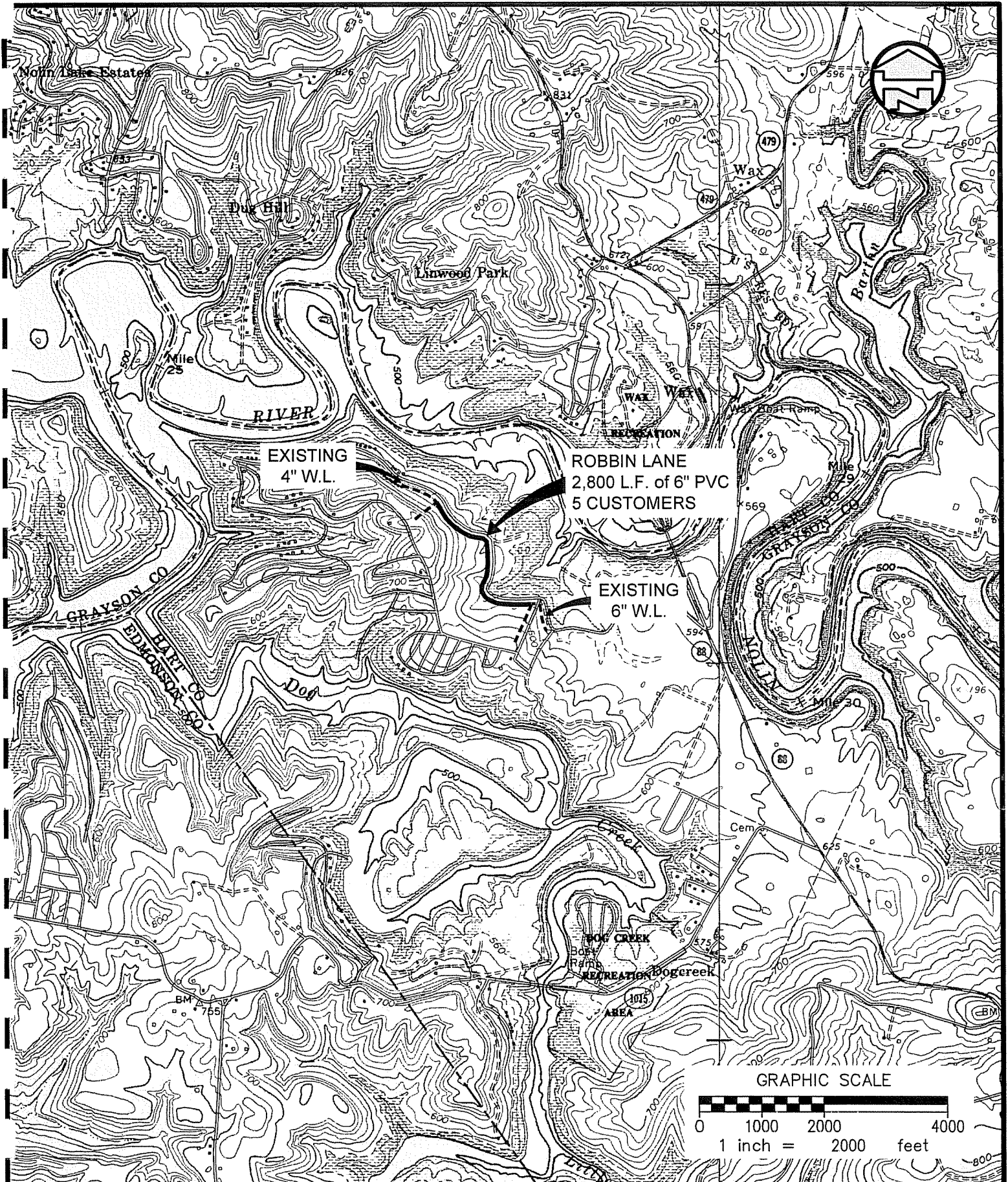
**CHARLES JAGGERS ROAD**  
**4" WATER LINE**

HART COUNTY WATER LINES  
 EDMONSON CO. WATER DISTRICT

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FIGURE NO.	<b>5</b>



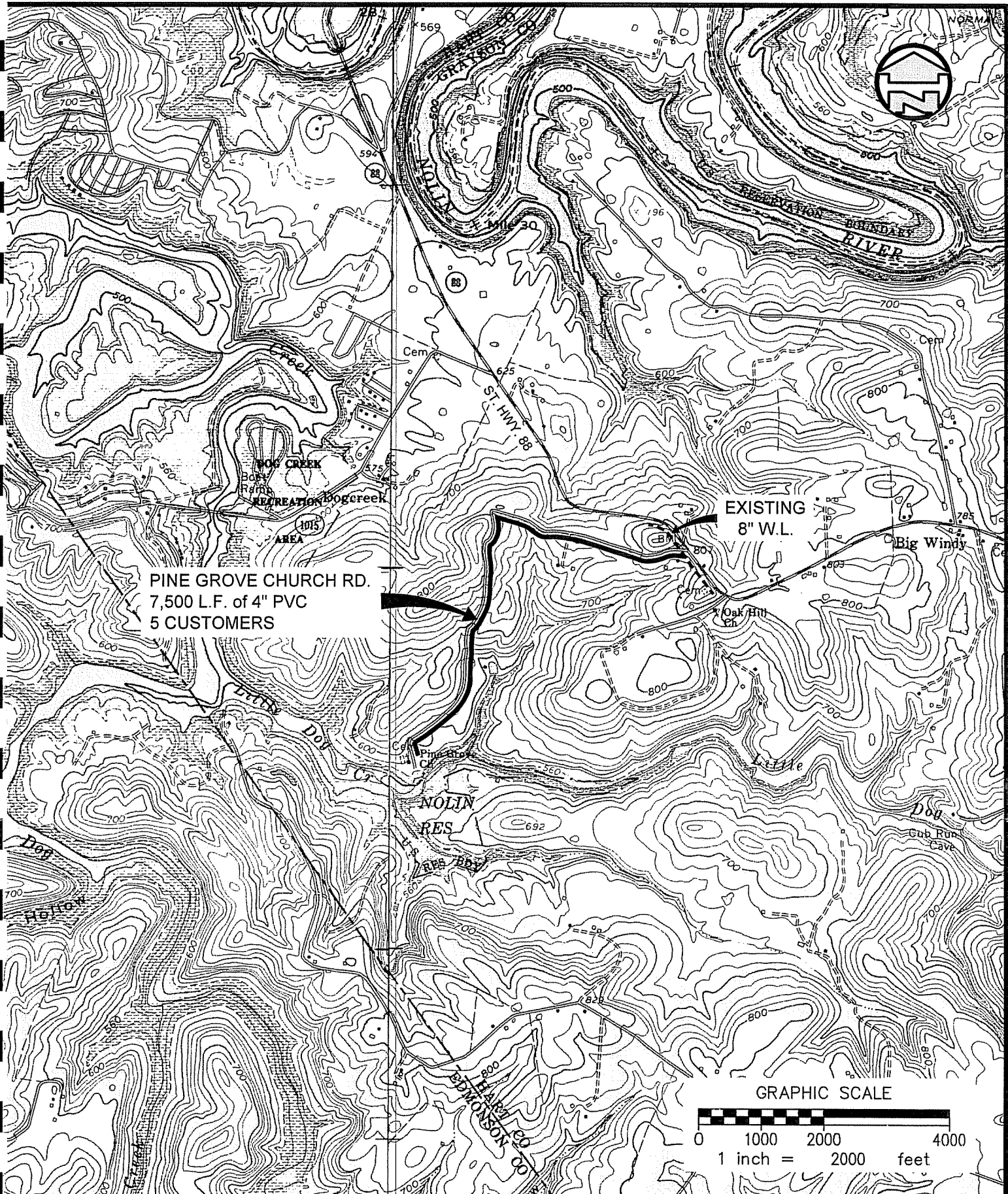
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**ROBBIN LANE**  
**6" WATER LINE**  
 HART COUNTY WATER LINES  
 EDMONSON CO. WATER DISTRICT



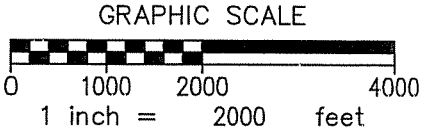
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**FIGURE NO.**  
**6**



**PINE GROVE CHURCH RD.**  
 7,500 L.F. of 4" PVC  
 5 CUSTOMERS

EXISTING  
 8" W.L.



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**PINE GROVE CHURCH ROAD**  
**4" WATER LINE**

HART COUNTY WATER LINES  
 EDMONSON CO. WATER DISTRICT

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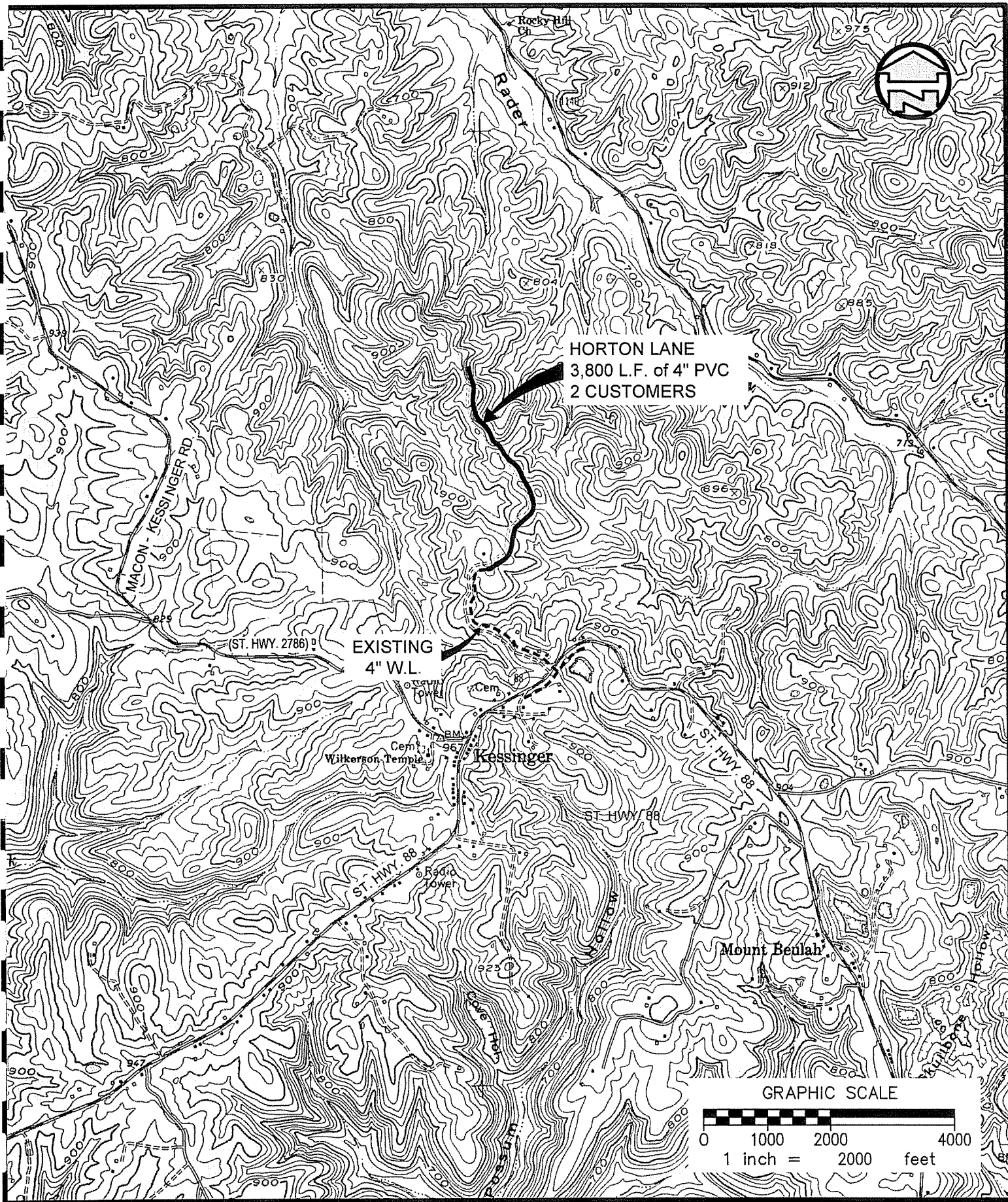
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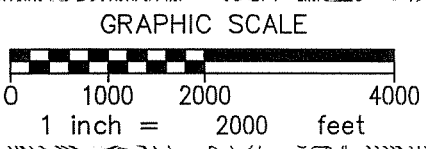
FIGURE NO.  
 7

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**HORTON LANE**  
 3,800 L.F. of 4" PVC  
 2 CUSTOMERS

EXISTING  
 4" W.L.



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**HORTON LANE  
 4" WATER LINE**

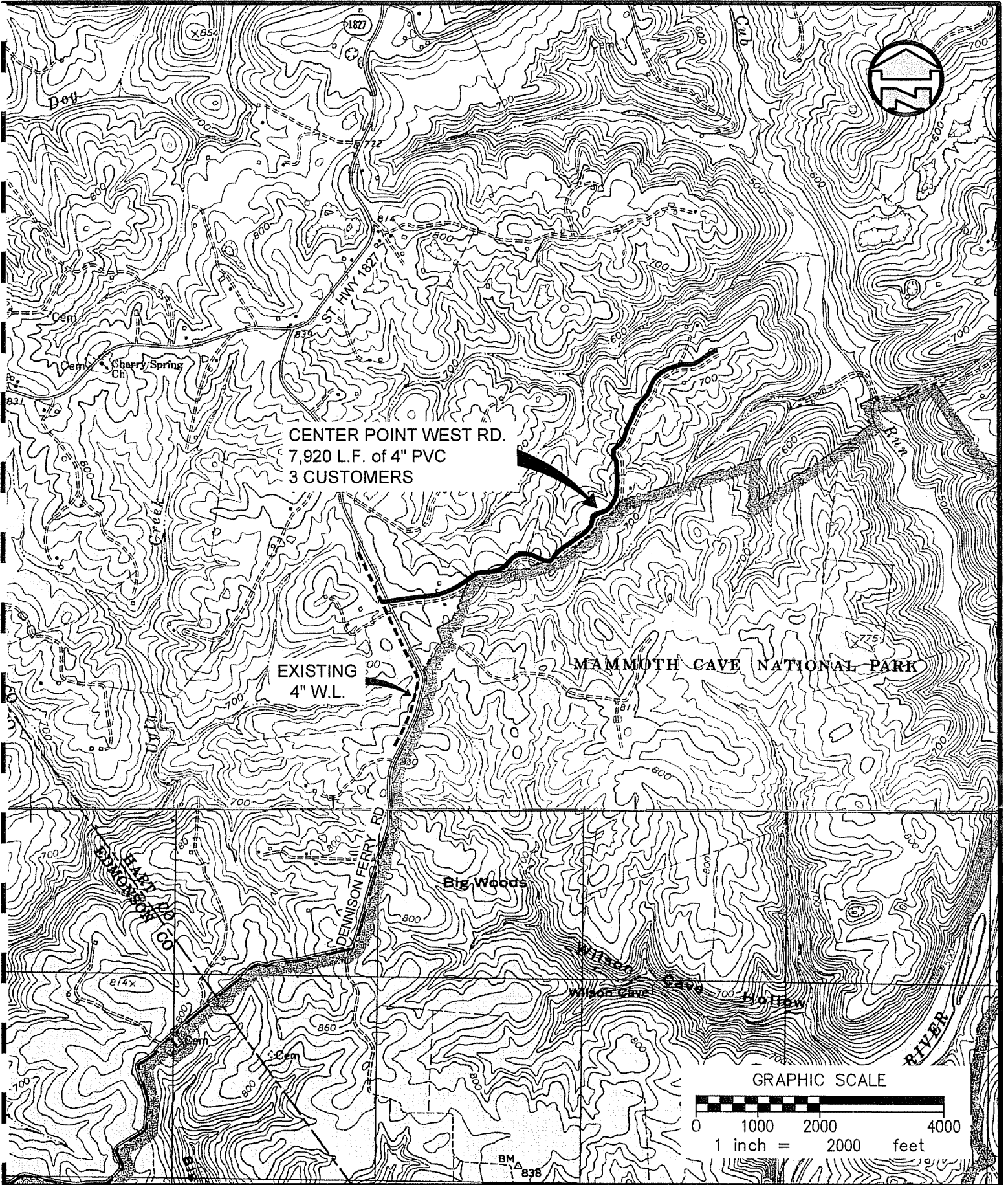
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 FIGURE NO. **8**



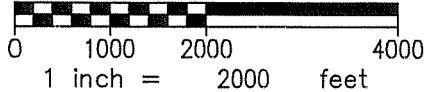
CENTER POINT WEST RD.  
7,920 L.F. of 4" PVC  
3 CUSTOMERS

EXISTING  
4" W.L.

MAMMOTH CAVE NATIONAL PARK

Big Woods

GRAPHIC SCALE



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APPROVED: LER

**CENTER POINT WEST ROAD  
4" WATER LINE**  
HART COUNTY WATER LINES  
EDMONSON CO. WATER DISTRICT



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DATE: NOVEMBER 2008

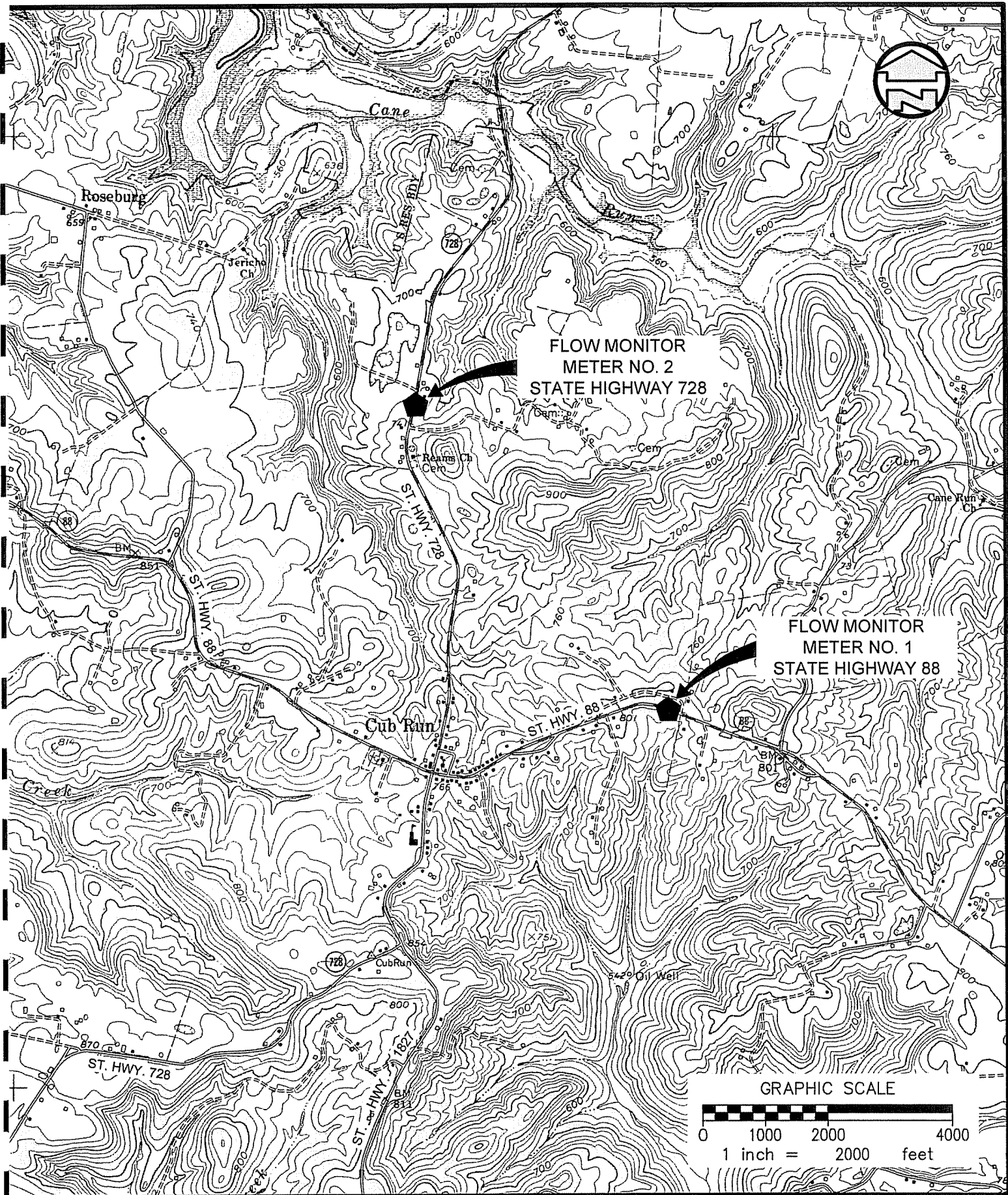
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FIGURE NO.

9

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GRW PROJECT NO. 3621-02

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NO.	DESCRIPTION	DATE	BY

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APPROVED  
LER

**FLOW METERS  
PROPOSED LOCATIONS**  
HART COUNTY WATER LINES  
EDMONSON CO. WATER DISTRICT



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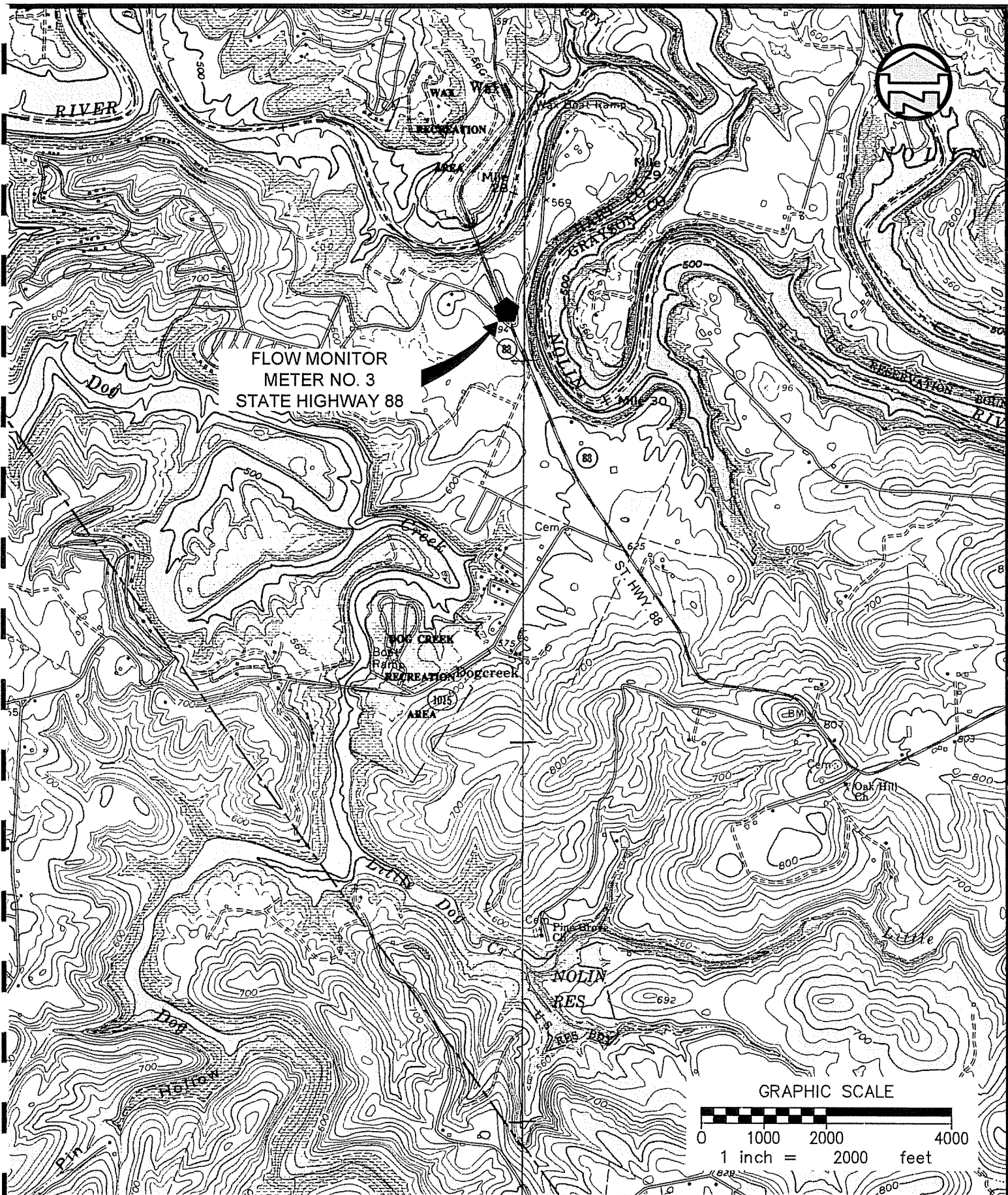
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DATE  
NOVEMBER 2008

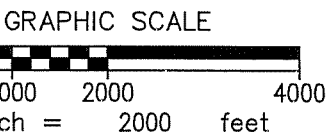
SCALE  
1" = 2000'

FIGURE NO.  
10

SCALE CHECK: THIS MARK SHOULD MEASURE EXACTLY 1/2" WHEN PLOTTED



FLOW MONITOR  
METER NO. 3  
STATE HIGHWAY 88



GRW PROJECT NO 3621-02			
REVISIONS			
NO.	DESCRIPTION	DATE	BY

DESIGNED	LER
DRAWN	DM
REVIEWED	LER
APPROVED	LER

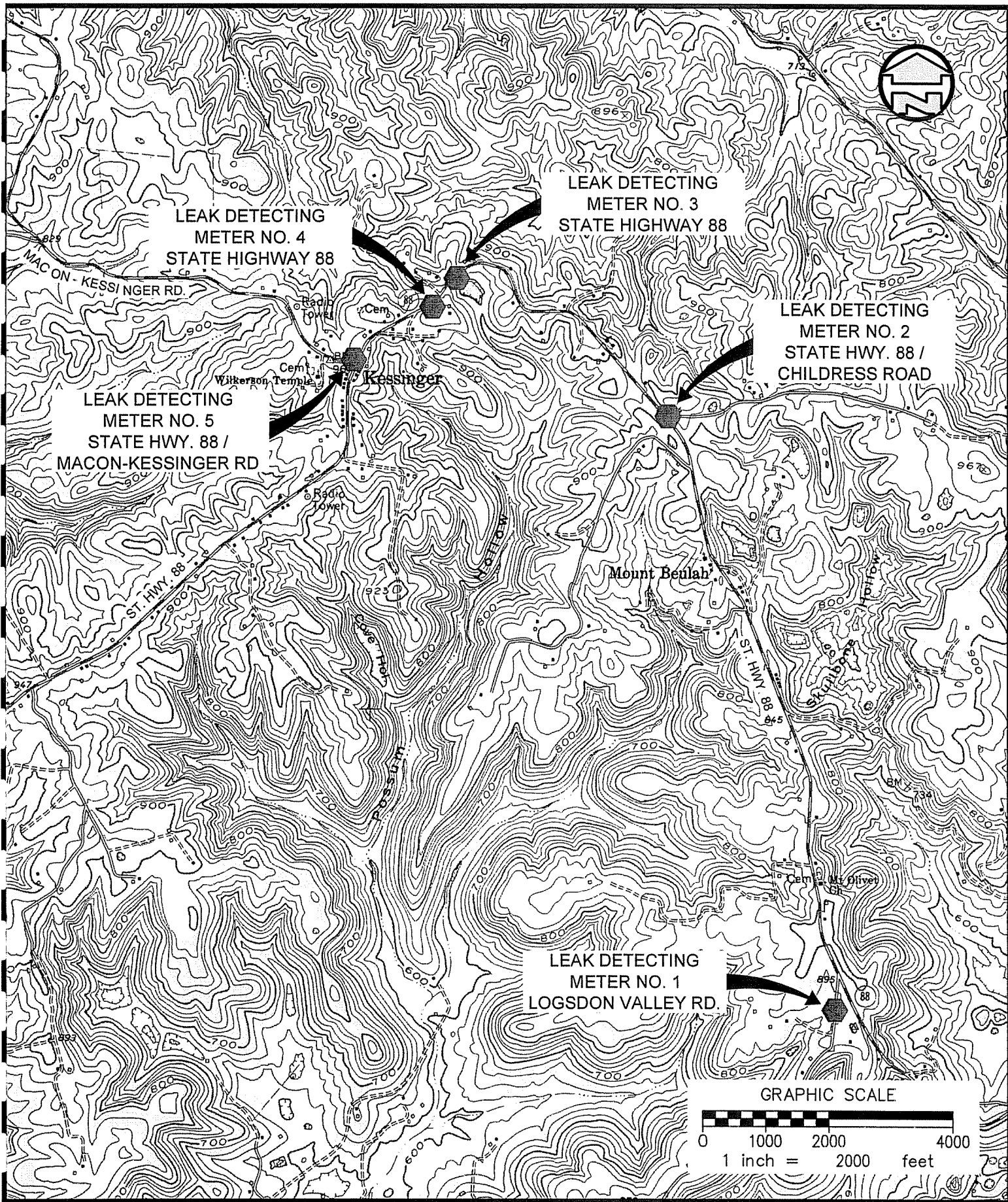
**FLOW METERS  
PROPOSED LOCATIONS**

HART COUNTY WATER LINES  
EDMONSON CO. WATER DISTRICT

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DATE	NOVEMBER 2008
SCALE	1" = 2000'
FIGURE NO.	11



LEAK DETECTING  
METER NO. 4  
STATE HIGHWAY 88

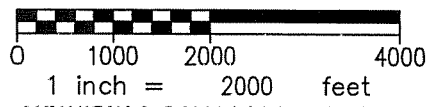
LEAK DETECTING  
METER NO. 3  
STATE HIGHWAY 88

LEAK DETECTING  
METER NO. 2  
STATE HWY. 88 /  
CHILDRESS ROAD

LEAK DETECTING  
METER NO. 5  
STATE HWY. 88 /  
MACON-KESSINGER RD

LEAK DETECTING  
METER NO. 1  
LOGSDON VALLEY RD.

GRAPHIC SCALE



GRW PROJECT NO. 3621-02			
DESIGNED		LER	
DRAWN		DM	
REVIEWED		LER	
APPROVED		LER	
SCALE CHECK: THIS MARK SHOULD MEASURE EXACTLY 1/2" WHEN PLOTTED			

**LEAK DETECTION METERS  
PROPOSED LOCATIONS**

HART COUNTY WATER LINES  
EDMONSON CO. WATER DISTRICT

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DATE  
NOVEMBER 2008

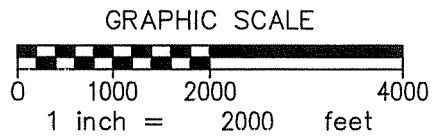
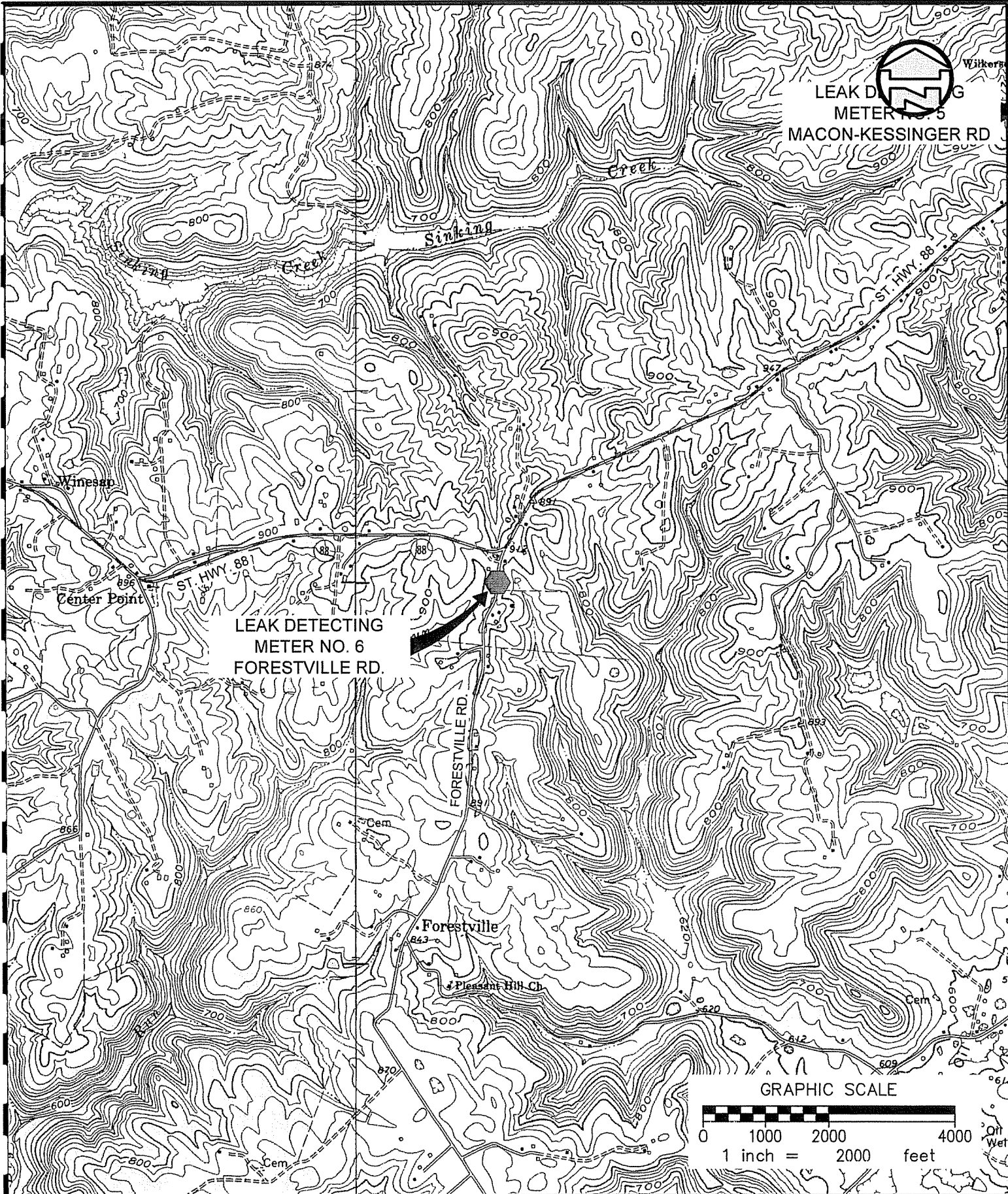
SCALE  
1" = 2000'

FIGURE NO.  
**12**





LEAK DETECTION  
METER NO. 5  
MACON-KESSINGER RD



GRW PROJECT NO 3621-02

DESIGNED:  
LER

### LEAK DETECTION METERS PROPOSED LOCATIONS



DATE:  
NOVEMBER 2008

REVISIONS			
NO.	DESCRIPTION	DATE	BY

DRAWN:  
DM

HART COUNTY WATER LINES  
EDMONSON CO. WATER DISTRICT

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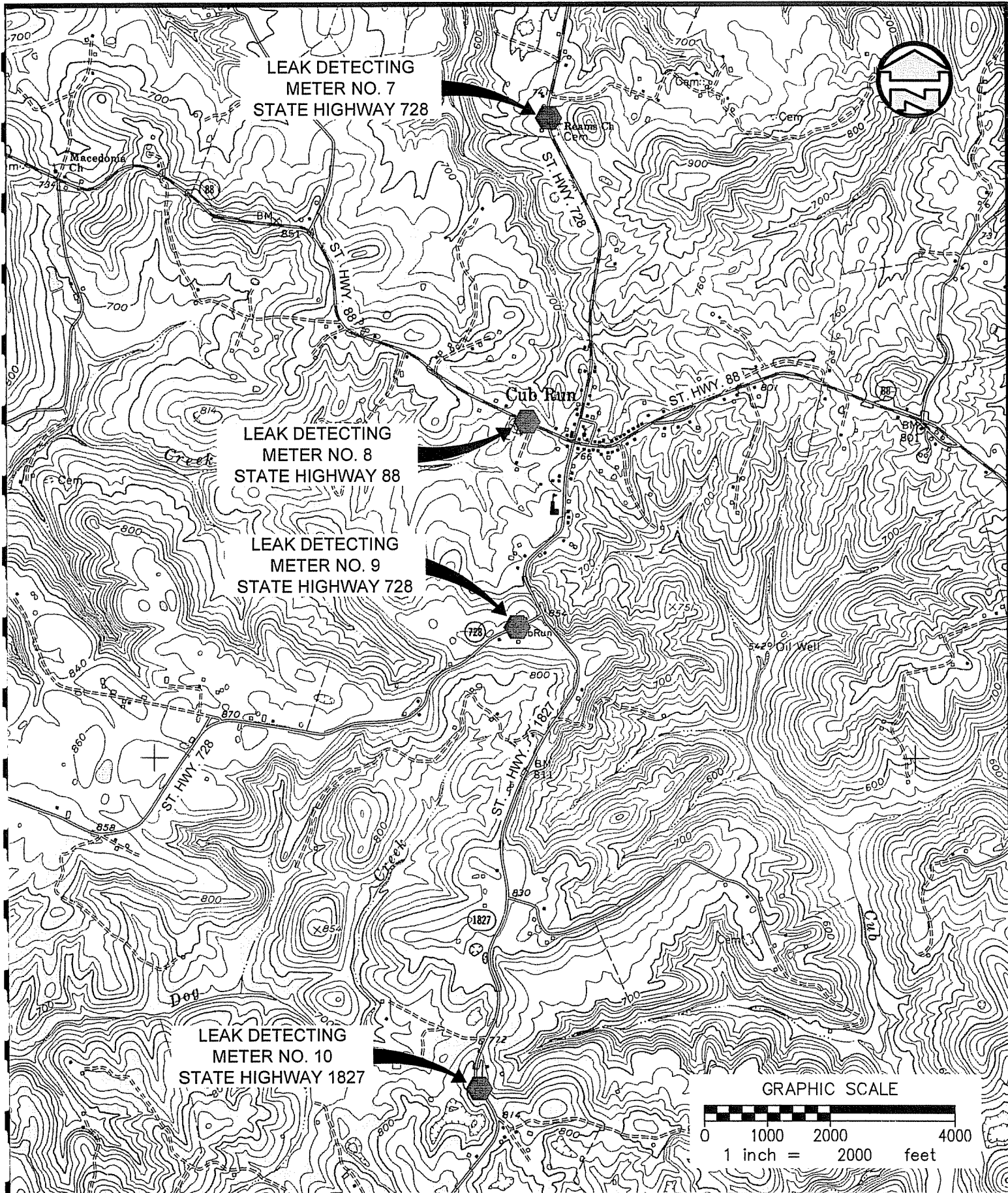
SCALE:  
1" = 2000'

FIGURE NO.

13

SCALE CHECK: [ ] THIS MARK SHOULD MEASURE EXACTLY 1/2" WHEN PLOTTED

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GRW PROJECT NO. 3521-02

REVISIONS			
NO.	DESCRIPTION	DATE	BY

DESIGNED  
LER

DRAWN  
DM

REVIEWED  
LER

APPROVED  
LER

**LEAK DETECTION METERS  
PROPOSED LOCATIONS**

HART COUNTY WATER LINES  
EDMONSON CO. WATER DISTRICT



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DATE  
NOVEMBER 2008

SCALE  
1" = 2000'

FIGURE NO.

14

SCALE CHECK THIS MARK SHOULD MEASURE EXACTLY 1/2" WHEN PLOTTED

## II. EXISTING FACILITIES

### A. General

The Edmonson County Water District began operation of its initial facilities in 1970 and has been constantly expanding since that time. Most of the existing facilities are in relatively good condition and are suitable for continued use. The District has seen constant growth of its customer base and has been managed in a well organized and financially sound manner. Because of this continued growth, the existing facilities should be monitored to determine the need for upgrading, increased capacity and improvements in operational efficiency.

### B. Water Supply and Treatment

The Edmonson County Water District has two separate water treatment facilities. The Brownsville Water Treatment Plant (WTP) was constructed as a 0.5 MGD conventional treatment facility and placed into operation in 1970. This plant was expanded to approximately 1.3 MGD in 1980 and expanded to 2.92 MGD in 2002. The water supply is from the Green River which is adequate for the existing and projected demand.

The Wax WTP was constructed and placed into operation in 1990 as a 0.5 MGD facility. The plant was originally sized and designed as a 1 MGD facility, but was downsized due to budget limitations; the Wax plant was expanded to 1.0 MGD in 1994/1995. As peak summer demands continue to increase in this service area, the capacity of the Wax WTP is becoming marginal. The flexibility of the system operations to allow supplementing of the water supply to the Wax area from the Brownsville facility has prevented this from becoming an immediate problem.

The source of supply for the Wax facility is Nolin Lake which at winter pool El.490 has 63,840 acre-feet of storage and at summer pool El.515 has 170,160 acre-feet of storage. The sustained low flow (7Q10) is 40 cfs (or 26 MGD). According to U.S. Corps of Engineers personnel, the withdrawal for this water supply is negligible in comparison to the total available storage.

### C. Distribution System

The existing distribution system (including project projected to start construction in March 2009) consists of approximately 610 miles of water main ranging in size from 3" to 16". Table 1 shows the approximate mileage of pipe according to size. The system has been placed into operation beginning in 1970 and consists entirely of A.C. and P.V.C. pipe materials. According to system personnel, the original A.C. pipe installed in 1970 appears to be in good condition.

TABLE 1  
DISTRIBUTION SYSTEM

<u>Pipe Size</u>	<u>Installed Quantity</u>
16"	2.3 miles
12"	8.3 miles
10"	1.4 miles
8"	30 miles
6"	180 miles
4"	322 miles
3"and smaller	66 miles

D. Storage Facilities

Existing water storage facilities consist of nineteen storage tanks (includes 2 tanks anticipated for construction in 2009) with a total capacity of 4,020,000 gallons. Although total storage volume would appear to be adequate at this time, the distribution of the storage is limited in some areas. The District will need to continue monitoring tank volume especially as relates to the most efficient operation of existing treatment and pumping facilities and for demands in specific localized areas.

E. Customers

Edmonson County Water District began operation in 1970 with an initial customer base of approximately 450. Since that time, the District has experienced rapid growth with a customer base of approximately 9800 in 2008. The City of Brownsville is the only wholesale purchaser of water and accounts for about 8% of the total water sold by the District.

A breakdown of user categories, annual operating costs and income, and rate schedule is included in Appendix A – RD Summary Addendum.

III. PROPOSED FACILITIES

A. General

A constant demand exists for extension of water lines into areas previously unserved. Because of the continued growth and aging of the system, additional in-system flow metering and leak detection meters are being recommended for installation.

B. Water Supply and Treatment

The water supply and treatment capabilities of the existing facilities are adequate at this time but should be closely monitored for the capability of meeting the demands within specific areas of the system.

C. Distribution System

The Edmonson County Water District proposes to extend approximately 11 miles of water lines to serve 41 new customers in the Hart County portion of the District service area. Table 2 shows a breakdown of the line extensions with the number of customers, size and length of line indicated. The line locations have been previously shown in Figures 1 through 9.

The proposed flow meters as indicated in Figures 10 and 11 will allow the District to closely monitor the volume of water flowing through these portions of the system. The proposed leak detection meters as indicated in Figures 12, 13 and 14 will assist the District in monitoring and locating areas with excessive leakage in the lines.

The breakdown of construction and project costs are presented later in this report.

TABLE 2  
PROPOSED WATER LINES  
LIST OF ROADS  
EDMONSON COUNTY WATER DISTRICT  
NOVEMBER 2008

<u>Road</u>	<u>Approximate Length &amp; Size</u>	<u>No. Customers</u>
1. Doc Speevack Rd. (Fig. 1)	14,480 LF 4"	8
2. Wheelers Mill Rd. (Fig. 2)	3,700 LF 4"	5
3. East Sullivan Rd. (Fig. 3)	5,300 LF 4"	4
4. Chuck-a-Luck Rd. (Fig. 4)	4,500 LF 4"	4
5. Charles Jaggars Rd. (Fig. 5)	8,250 LF 4"	5 + loop
6. Robbin Lane (Fig. 6)	2,800 LF 6"	5 + loop
7. Pine Grove Church Rd. (Fig. 7)	7,500 LF 4"	5
8. Horton Lane (Fig. 8)	3,800 LF 4"	2
9. Center Point West Rd. (Fig. 9)	7,920 LF 4"	3
10. Flow Meters at 3 Locations		
11. Leak Detection Meters at 10 Locations		
Totals:	58,250 LF	41

D. Storage Facilities

No additional storage is proposed as part of this project.

IV. CONSTRUCTION AND PROJECT COSTS

Itemized estimates of construction and project costs are presented in Tables 3 and 4 as follows:

TABLE 3  
OPINION OF PROBABLE CONSTRUCTION COSTS  
EDMONSON COUNTY WATER DISTRICT  
HART COUNTY WATER SYSTEM IMPROVEMENTS  
AND WATER LINE EXTENSIONS  
NOVEMBER 2008

2,800 L.F. 6" Water Lines @\$16.00/L.F.:	\$ 44,800
55,450 L.F. 4" Water Lines @ \$14.40/L.F.:	\$ 798,480
15 – 4" Gate Valves @ \$800 Each:	\$ 12,000
11 Connections to Existing Lines @ \$1,600 Each:	\$ 17,600
41 Service Connections @\$800 Each:	\$ 32,800
300 L.F. Bore & Jack under paved road @ \$150/L.F.:	\$ 45,000
3 Flow Meters at existing BPS's @ \$15,000 Each:	\$ 45,000
10 Leak Detection Meters @ \$1,500 Each:	<u>\$ 15,000</u>
TOTAL CONSTRUCTION COSTS:	\$1,010,680

TABLE 4  
OPINION OF PROBABLE PROJECT COSTS  
EDMONSON COUNTY WATER DISTRICT  
HART COUNTY WATER SYSTEM IMPROVEMENTS  
AND WATER LINE EXTENSIONS  
NOVEMBER 2008

Total Construction:		\$ 1,010,680
Land and Rights:		\$ 1,500
Legal and Administrative:		\$ 19,750
KIA Administration Fee:	\$ 2,250	
Advertising, etc.:	\$ 1,500	
Bond Counsel:	\$10,500	
Local Counsel:	\$ 5,500	
Engineering:		\$ 161,000
Preliminary:	\$ 4,000	
Easement /Property Owners Identification:	\$ 4,000	
PSC Related:	\$ 4,000	
Hydraulic Analysis Update:	\$ 3,000	
Design:	\$89,500	
Inspection:	\$56,500	
Interest During Construction:		\$ 9,000
Contingencies:		<u>\$ 77,070</u>
TOTAL PROJECT COSTS:		\$1,279,000
Financing:		
RUS Loan & Grant:	\$ 819,500	
KIA:	\$ 450,000	
Applicant Contribution:	<u>\$ 9,500</u>	
	\$1,279,000	

V. FINANCING

Edmonson County Water District will file application with Rural Development (RD) for financing assistance to match funds already committed by the Kentucky legislature through KIA. The total funding required is \$1,279,000 of which \$819,500 is requested as Federal assistance, \$450,000 has been committed from KIA, and \$9,500 will be the local contribution from tap fees.

The currently approved water rates were approved by RD in their Letter of Conditions dated March 13, 2008, and are anticipated to be approved by the PSC in February 2009. These rates, when placed into effect, appear to be adequate to operate and maintain the system, retire the debt service and fund the required special accounts for the existing system and proposed project with the anticipated level of grant participation by the funding agencies. The water rates, the existing and proposed operating budgets are shown in RD Summary Addendum attached as Appendix A. The 2008/2009 rate increase represents an approximately 5.6 % average increase to the customers. The previous 2007 water rate increase (put into effect on July 17, 2007) represented an approximately 12% average increase to the customers. Revenue for a full year from the 2007 increase will not be reflected in any of the currently available audit reports. The 2008 audit report will be made available when completed.

VI. CONCLUSIONS AND RECOMMENDATIONS

The Edmonson County Water District was formed to serve the residents of several rural counties and to work towards furnishing a safe and reliable water supply to those individuals living within the District boundaries. In order to accomplish this, the District must continually be looking for ways to expand the system while still maintaining a safe, reliable and cost-effective supply of treated water.

The proposed water line extensions, water meters and leak detection meters described in this report for the Hart County area of the District are feasible and are recommended for construction. The District should proceed to secure matching funds from RD and move toward construction.



APPENDIX A

RD Summary Addendum

SUMMARY ADDENDUM  
TO  
PRELIMINARY ENGINEERING REPORT

DATED November 2008

FOR

Edmonson County Water District  
(Name of Project)

APPLICANT CONTACT PERSON Nelson Sanders

APPLICANT PHONE NUMBER 502-597-2165

APPLICANT TAX IDENTIFICATION NUMBER (TIN) 61-0712517

***ITEMS IN BOLD ITALIC PRINT ARE APPLICABLE TO SEWER SYSTEMS.***

In order to avoid unnecessary delays in application processing, the applicant and its consulting engineer should prepare a summary of the preliminary report in accordance with this Guide.

Please complete the applicable sections of the Summary Addendum. ***Please note, if water and sewer revenue will both be taken as security for the loan, all user information and characteristics of both utility systems will be needed even though the project will benefit only one utility.***

Feasibility reviews and grant determinations may be processed more accurately and more rapidly if the Summary/Addendum is submitted simultaneously with the preliminary engineering report, or as soon thereafter as possible.

I. GENERAL

- A. Proposed Project: Provide a brief description of the proposed project. In addition to this summary, the applicant/engineer should submit a project map of the service area.

The proposed project consists of improvements to the distribution system and water line extensions to serve approximately 41 new customers and improve service to other existing customers in the Hart County portion of the District. Flow meters and leak detection meters are being proposed to allow for better monitoring of the system's demands and flow characteristics in localized areas.

Maps showing the proposed lines and improvements are included in the PER.

II. FACILITY CHARACTERISTICS OF EXISTING SEWER SYSTEM N/A

A. *Sewage Treatment:*

1. *Type* \_\_\_\_\_

2. *Method of Sludge Disposal* \_\_\_\_\_  
\_\_\_\_\_

3. *Cost per 1,000 gallons if sewage treatment is contracted:*  
\$ \_\_\_\_\_

4. *Date Constructed* \_\_\_\_\_

B. *Treatment Capacity of Sewage Treatment Plant* \_\_\_\_\_

C. *Type of Sewage Collector System (Describe)* \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

D. *Number and Capacity of Sewage Lift Stations* \_\_\_\_\_  
\_\_\_\_\_

**E. Sewage Collection System:**

*Lineal Feet of Collector Lines, by size* 6" \_\_\_\_\_ 8" \_\_\_\_\_  
10" \_\_\_\_\_ 12" \_\_\_\_\_, Larger \_\_\_\_\_  
*Date(s) Constructed* \_\_\_\_\_

**F. Conditions of Existing System: Briefly describe the conditions and suitability for continued use of facility now owned by the applicant. Include any major renovation that will be needed within five to ten years.**

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**III. FACILITY CHARACTERISTICS OF EXISTING WATER SYSTEM**

**A. Water Source:** Describe adequacy of source (quality and quantity). Include an explanation of raw water source, raw water intake structure, treatment plant capacity, and current level of production (WTP). Also describe the adequacy of Water Purchase Contract if applicable.

ECWD has 2 WTP's – 2.92 MGD Brownsville WTP which operate 8-16 hrs/day to meet peak demands and the 1 MGD Wax WTP which currently operates 12-23 hrs/day depending on seasonal demands. The sources for both plants (Green River and Nolin Lake) are more than adequate.

If the applicant purchases water:

Seller(s):

1. N/A
2. \_\_\_\_\_
3. \_\_\_\_\_

Price/1,000 gallons:

1. \_\_\_\_\_
2. \_\_\_\_\_
3. \_\_\_\_\_

Present Estimated Market Value of Existing System: \$ 26,000,000

B. Water Storage:

Type: Ground Storage Tank 7 Elevated Tank 10  
Standpipe 2 Other \_\_\_\_\_  
Number of Storage Structures 19  
Total Storage Volume Capacity 4,020,000  
Date Storage Tank(s) Constructed 1970-2009

C. Water Distribution System:

Pipe Material AC, PVC (App. 610 mi. total)(incl. project starting constr. in 2009)  
Lineal Feet of Pipe: 3" Diameter 66 mi. 4" 322 mi.  
6" 180 mi. 8" 30 mi.  
10" 1.4 mi. 12" 8.3 mi. 16" 2.3 mi.  
Date(s) Water Lines Constructed 1968 to 2009  
Number and Capacity of Pump Station(s) 12 stations with capacities from 100 gpm to 1150 gpm

D. Condition of Existing Water System:

Briefly describe the condition and suitability for continued use of facility now owned by the applicant. Include any major renovation that will be needed within five to ten years.

The existing facilities, with proper maintenance, appear to be in good condition and suitable for continued use

E. Percentage of Water Loss Existing System Approx. 12%

IV. EXISTING LONG - TERM INDEBTEDNESS

Date of Issue	2008 Principal Balance	Payment Date	Bond/Note Holder	2009 Principal Payment	Interest Rate	2009 Interest Payment	2009 Total Payment	2011 Principal Payment	2011 Interest Payment	2011 Total Payment
1994 (A)	\$1,554,000.00	January	RD	\$35,000	4.50%	\$70,000	\$105,000	\$37,000	\$67,000	\$104,000
1994 ( B)	\$256,700.00	January	RD	\$3,700	4.50%	\$11,600	\$15,300	\$6,000	\$9,300	\$15,300
1994 ( C)	\$719,000.00	January	RD	\$15,000	4.50%	\$32,400	\$47,400	\$16,000	\$31,400	\$47,400
1997	\$514,000.00	January	RD	\$10,000	4.50%	\$23,200	\$33,200	\$10,500	\$22,700	\$33,200
2001 (A)	\$3,494,500.00	January	RD	\$63,500	3.25%	\$113,600	\$177,100	\$66,000	\$111,100	\$177,100
2001 (B)	\$244,000.00	January	RD	\$5,500	4.50%	\$11,000	\$16,500	\$3,900	\$12,600	\$16,500
2003	\$416,500.00	January	RD	\$5,500	4.38%	\$18,300	\$23,800	\$6,000	\$17,800	\$23,800
Mar-04	\$2,276,000.00	January	KRWFC	\$110,000	5.20%	\$64,000	\$174,000	\$88,000	\$88,100	\$176,100
Jul-04	\$999,583.31	January	KIA C89-19	\$126,000	3.00%	\$40,700	\$166,700	\$130,000	\$36,800	\$166,800
2007 A	\$1,200,000.00	July	RD	\$13,000	4.38%	\$52,600	\$65,600	\$13,100	\$52,500	\$65,600
2007 B	\$520,000.00	July	RD	\$6,000	4.13%	\$21,500	\$27,500	\$6,000	\$21,500	\$27,500
2008 Ref.	\$785,000.00	December	KRWFC	\$50,000	4.25%	\$29,200	\$79,200	\$55,000	\$28,500	\$83,500
2009	\$1,511,000.00	January	RD	\$0	3.63%	\$0	\$0	\$19,000	\$55,000	\$74,000
										\$0
	\$14,490,283.31			\$443,200		\$488,100	\$931,300	\$456,500	\$554,300	\$1,010,800

(5)

V. EXISTING SHORT-TERM INDEBTEDNESS

A. List of All Short Term Debts: (Do Not Show Any Debt Listed in Paragraph IV Above)

<u>Lender or Lessor</u>	<u>Date of Issue (Month &amp; Year)</u>	<u>Principal Balance</u>	<u>Purpose (Water and/ or Sewer)</u>	<u>Payment Date</u>	<u>Principal &amp; Interest Payment (P&amp;I)</u>	<u>Date to Be Paid In Full</u>
_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____

VI. LAND AND RIGHTS - EXISTING SYSTEM(S)

Number of Treatment Plant Sites: Water 2 Sewer \_\_\_\_\_  
 Number of Storage Tank Sites Water 19 Sewer \_\_\_\_\_  
 Number of Pump Stations: Water 12 Sewer \_\_\_\_\_  
 Total Acreage: Water \_\_\_\_\_ Acres Sewer \_\_\_\_\_ Acres  
 Purchase Price: Water \$ 220,000 Sewer \$ \_\_\_\_\_

VII. NUMBER OF EXISTING USERS (incl. customers from proj. to be constructed in 2009)

	<u>Water</u>	<u>Sewer</u>
Residential (In Town) *	_____	_____
Residential (Out of Town) *	<u>9803</u>	_____
Non-Residential (In Town)	<u>1</u>	_____
Non-Residential (Out of Town)	<u>55</u>	_____
Total	<u>9859</u>	_____
Number to Total Potential Users Living in the Service Area	_____	_____

\*Note: Residential Users: Classify by type of user regardless of quantity of water used. This classification should include those meters serving individual rural residence.

VIII. CURRENT WATER AND SEWER CONNECTION FEES FOR EACH SIZE WATER METER CONNECTION

<u>Meter Size</u>	<u>Water Connection Fee</u>	<u>Sewer Connection Fee</u>
<u>5/8" x 3/4"</u>	\$ <u>475</u>	<u>\$</u>
<u>1 - Inch</u>	\$ <u>500</u>	<u>\$</u>

IX. SEWER RATES - EXISTING SYSTEM *N/A*

*Percentage of Water Bill* \_\_\_\_\_ % *Minimum Charge \$* \_\_\_\_\_

*Other: (If Charge Not Based on Water Bill)* \_\_\_\_\_

*Date This Rate Went Into Effect* \_\_\_\_\_

X. WATER RATES - EXISTING SYSTEM

Existing Rate Schedule:

First	<u>1,500</u>	Gallons @ \$ <u>12.00</u>	Minimum.
Next	_____	Gallons @ \$ _____	per 1,000 Gallons.
Next	_____	Gallons @ \$ _____	per 1,000 Gallons.
Next	_____	Gallons @ \$ _____	per 1,000 Gallons.
Next	_____	Gallons @ \$ _____	per 1,000 Gallons.
Next	_____	Gallons @ \$ _____	per 1,000 Gallons.
All Over	<u>1,500</u>	Gallons @ \$ <u>4.50</u>	per 1,000 Gallons.
<u>Wholesale to City of Brownsville:</u>		<u>\$2.70</u>	per 1000 gallons.

Date This Rate Went Into Effect April 2009 (pending PSC approval after opening bids)

If More Than One Rate Schedule, Please Include All Schedules.



**XI. ANALYSIS OF ACTUAL SEWER USAGE - EXISTING SYSTEM - 12 MONTH PERIOD**

N/A

For Period \_\_\_\_\_ to \_\_\_\_\_.

**All Meter**

<u>Sizes</u>	<u>Monthly Sewer Usage</u>	<u>Average</u>	<u>Residential</u>		<u>Non-Residential</u>	
			<u>No. of Users</u>	<u>Usage (1000)</u>	<u>No. of Users</u>	<u>Usage (1000)</u>
0 - 2,000	Gallons	1,000	_____	_____	_____	_____
2,000 - 3,000	Gallons	2,500	_____	_____	_____	_____
3,000 - 4,000	Gallons	3,500	_____	_____	_____	_____
4,000 - 5,000	Gallons	4,500	_____	_____	_____	_____
5,000 - 6,000	Gallons	5,500	_____	_____	_____	_____
6,000 - 7,000	Gallons	6,500	_____	_____	_____	_____
7,000 - 8,000	Gallons	7,500	_____	_____	_____	_____
8,000 - 9,000	Gallons	8,500	_____	_____	_____	_____
9,000 - 10,000	Gallons	9,500	_____	_____	_____	_____
10,000 - 11,000	Gallons	10,500	_____	_____	_____	_____
11,000 - 12,000	Gallons	11,500	_____	_____	_____	_____
12,000 - 13,000	Gallons	12,500	_____	_____	_____	_____
13,000 - 14,000	Gallons	13,500	_____	_____	_____	_____
14,000 - 15,000	Gallons	14,500	_____	_____	_____	_____
15,000 - 16,000	Gallons	15,500	_____	_____	_____	_____
16,000 - 17,000	Gallons	16,500	_____	_____	_____	_____
17,000 - 18,000	Gallons	17,500	_____	_____	_____	_____
18,000 - 19,000	Gallons	18,500	_____	_____	_____	_____
19,000 - 20,000	Gallons	19,500	_____	_____	_____	_____
_____ - _____	Gallons	_____	_____	_____	_____	_____
_____ - _____	Gallons	_____	_____	_____	_____	_____
_____ - _____	Gallons	_____	_____	_____	_____	_____
			<b>Total</b>	( ) ( )	( ) ( )	( ) ( )
			<b>Average Usage</b>	( )	( )	( )

Existing Rate Schedule(rates in effect July 2007)	
Water Rate	Min. (1500 gal.)@ \$11.50
	Next 6500 gals.@ \$4.35 per 1000
	Next 12000 gals.@ \$4.35 per 1000
	Next 5,000 gals.@ \$4.35 per 1000
	All Over 25,000 gals.@ \$4.35 per 1000
	Wholesale to Brownsville@ \$2.70 per 1000

**XXV. FORECAST OF WATER USAGE - INCOME - EXISTING SYSTEM - EXISTING USERS(2008)**

Meter Size	Monthly Water Usage	Average	Average Rate	Residential		Non-Residential			
				No. of Users	Usage (1000)	Income	No. of Users	Usage (1000)	Income
	0 - 1,500 Gallons	750	\$11.50	3560	2670	\$40,940.00	0	0	\$0.00
	1,500 - 2,000 Gallons	1,750	\$12.59	600	1050	\$7,552.50	0	0	\$0.00
	2,000 - 3,000 Gallons	2,500	\$15.85	1281	3202.5	\$20,303.85	0	0	\$0.00
	3,000 - 4,000 Gallons	3,500	\$20.20	1540	5390	\$31,108.00	1	3.5	\$20.20
	4,000 - 5,000 Gallons	4,500	\$24.55	815	3667.5	\$20,008.25	15	67.5	\$368.25
	5,000 - 6,000 Gallons	5,500	\$28.90	585	3217.5	\$16,906.50	1	5.5	\$28.90
	6,000 - 7,000 Gallons	6,500	\$33.25	390	2535	\$12,967.50	0	0	\$0.00
	7,000 - 8,000 Gallons	7,500	\$37.60	245	1837.5	\$9,212.00	0	0	\$0.00
	8,000 - 9,000 Gallons	8,500	\$41.95	162	1377	\$6,795.90	0	0	\$0.00
	9,000 - 10,000 Gallons	9,500	\$46.30	114	1083	\$5,278.20	0	0	\$0.00
5/8	10,000 - 11,000 Gallons	10,500	\$50.65	76	798	\$3,849.40	0	0	\$0.00
x	11,000 - 12,000 Gallons	11,500	\$55.00	50	575	\$2,750.00	4	46	\$220.00
3/4	12,000 - 13,000 Gallons	12,500	\$59.35	39	487.5	\$2,314.65	1	12.5	\$59.35
Inch	13,000 - 14,000 Gallons	13,500	\$63.70	30	405	\$1,911.00	1	13.5	\$63.70
	14,000 - 15,000 Gallons	14,500	\$68.05	18	261	\$1,224.90	5	72.5	\$340.25
	15,000 - 16,000 Gallons	15,500	\$72.40	17	263.5	\$1,230.80	1	15.5	\$72.40
	16,000 - 17,000 Gallons	16,500	\$76.75	15	247.5	\$1,151.25	0	0	\$0.00
	17,000 - 18,000 Gallons	17,500	\$81.10	16	280	\$1,297.60	0	0	\$0.00
	18,000 - 19,000 Gallons	18,500	\$85.45	10	185	\$854.50	0	0	\$0.00
	19,000 - 20,000 Gallons	19,500	\$89.80	18	351	\$1,616.40	0	0	\$0.00
	20,000 - 25,000 Gallons	22,500	\$102.85	15	337.5	\$1,542.75	0	0	\$0.00
	25,000 - 30,000 Gallons	27,500	\$124.60	12	330	\$1,495.20	3	82.5	\$373.80
	30,000 - 40,000 Gallons	35,000	\$157.23	12	420	\$1,886.70	3	105	\$471.68
	40,000 - 50,000 Gallons	44,000	\$196.38	9	396	\$1,767.38	0	0	\$0.00
	50,000 - 75,000 Gallons	60,000	\$265.98	7	420	\$1,861.83	5	300	\$1,329.88
	75,000 - 1,000,000 Gallons	275,000	\$1,201.23	0	0	\$0.00	14	3850	\$16,817.15
	Sub-Total			9636	31,787	\$197,827.05	54	4574	\$20,165.55
	Average Monthly Rate		\$22.50						
	Average Monthly Usage				3.30			84.70	
4-inch	City of Brownsville	Gallons	3,000,000	\$8,100.00			1	3000	\$8,100.00
	Sub-Total			9636	31,787	\$197,827.05	55	7574	\$28,265.55
	Total monthly Income					\$226,092.60			
	Total yearly Income					\$2,713,111.20			
	Total customers			9691					

**XIII. FACILITY CHARACTERISTICS OF PROPOSED SEWER SYSTEM N/A**

**A. Sewage Treatment:**

1. Type \_\_\_\_\_

2. Method of Sludge Disposal \_\_\_\_\_  
\_\_\_\_\_

3. Cost per 1,000 gallons if sewage treatment is contracted:

\$ \_\_\_\_\_

**B. Treatment Capacity of Sewage Treatment Plant** \_\_\_\_\_

**C. Type of Sewage Collector System (Describe)** \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**D. Number and Capacity of Sewage Lift Stations** \_\_\_\_\_  
\_\_\_\_\_

**E. Sewage Collection System:**

Lineal Feet of Collector Lines, by size 6" \_\_\_\_\_ 8" \_\_\_\_\_

10" \_\_\_\_\_ 12" \_\_\_\_\_, Larger \_\_\_\_\_

**XIV. LAND AND RIGHTS - PROPOSED SEWER SYSTEM N/A**

**Number of Treatment Plant Sites** \_\_\_\_\_

**Number of Pump Sites** \_\_\_\_\_

**Number of Other Sites** \_\_\_\_\_

**Total Acreage** \_\_\_\_\_ **Acres**

**Purchase Price** \$ \_\_\_\_\_

XV. FACILITY CHARACTERISTICS OF PROPOSED WATER SYSTEM

A. Water Source: Describe adequacy of source (quality and quantity). Include an explanation of raw water source, raw water intake structure, treatment plant capacity, and current level of production (WTP). Also describe the adequacy of Water Purchase Contract if applicable.

The water sources will remain the same; the Brownsville WTP has a capacity of 2.92 MGD; the Wax WTP has a capacity of 1.0 MGD. Capacity is adequate to meet seasonal demands.

B. Water Storage:

Type: Ground Storage Tank \_\_\_\_\_ Elevated Tank \_\_\_\_\_  
Standpipe \_\_\_\_\_ Other \_\_\_\_\_

Number of Storage Structures \_\_\_\_\_

Total Storage Volume Capacity \_\_\_\_\_

C. Water Distribution System:

Pipe Material PVC \_\_\_\_\_

Lineal Feet of Pipe: 3" Diameter \_\_\_\_\_ 4" 55,450 \_\_\_\_\_

6" 2,800 \_\_\_\_\_ 8" \_\_\_\_\_

10" \_\_\_\_\_ 12" \_\_\_\_\_

Number and Capacity of Pump Station(s) \_\_\_\_\_

\_\_\_\_\_

XVI. LAND AND RIGHTS - PROPOSED WATER SYSTEM

Number of Treatment Plant Sites \_\_\_\_\_

Number of Pump Sites \_\_\_\_\_

Number of Other Sites \_\_\_\_\_

Total Acreage \_\_\_\_\_ Acres

Purchase Price \$ \_\_\_\_\_

**XVII. NUMBER OF NEW SEWER USERS N/A**

<i>Residential (In Town) *</i>	_____
<i>Residential (Out of Town) *</i>	_____
<i>Non-Residential (In Town)</i>	_____
<i>Non-Residential (Out of Town)</i>	_____
<i>Total</i>	_____
<i>Number to Total Potential Users Living in the Service Area</i>	_____

**\*Note: Residential Users: Classify by type of user regardless of quantity of water used. This classification should include those meters serving individual rural residences.**

**XVIII. PROPOSED SEWER CONNECTION FEES FOR EACH SIZE WATER METER CONNECTION**

<u>Meter Size</u>	<u>Connection Fee</u>
<u>5/8" x 3/4"</u>	\$
<u>1 - Inch</u>	\$
<u>1-1/2 Inch</u>	\$
<u>2 - Inch</u>	\$
<u>3 - Inch</u>	\$
<u>4 - Inch</u>	\$
<u>5 - Inch</u>	\$
<u>6 - Inch</u>	\$

XIX. NUMBER OF NEW WATER USERS

Residential (In Town) *	_____
Residential (Out of Town) *	<u>41</u>
Non-Residential (In Town)	_____
Non-Residential (Out of Town)	_____
Total	<u>41</u>
Number to Total Potential Users Living in the Service Area	_____

\*Note: Residential Users: Classify by type of user regardless of quantity of water used. This classification should include those meters serving individual rural residences.

XX. PROPOSED WATER CONNECTION FEES FOR EACH SIZE WATER METER CONNECTION:

<u>Meter Size</u>	<u>Connection Fee</u>
<u>5/8" x 3/4"</u>	<u>\$ 237.50*</u>
<u>1 - Inch</u>	<u>\$</u>
<u>1-1/2 Inch</u>	<u>\$</u>
<u>2 - Inch</u>	<u>\$</u>
<u>3 - Inch</u>	<u>\$</u>
<u>4 - Inch</u>	<u>\$</u>
<u>5 - Inch</u>	<u>\$</u>
<u>6 - Inch</u>	<u>\$</u>

\* regular connection fee is 475.00; fee is reduced to \$237.50 if commitment is made prior to project construction.

**XXI. SEWER RATES – PROPOSED N/A**

**A. Proposed Rate Schedule without RUS Grant:**

Percentage of Water Bill \_\_\_\_\_ % Minimum Charge \$ \_\_\_\_\_

Other: (If Charge Not Based on Water Bill) \_\_\_\_\_

**Proposed Rate Schedule: (Without RUS Grant)**

First	_____	Gallons @ \$ _____	Minimum.
Next	_____	Gallons @ \$ _____	per 1,000 Gallons.
Next	_____	Gallons @ \$ _____	per 1,000 Gallons.
Next	_____	Gallons @ \$ _____	per 1,000 Gallons.
Next	_____	Gallons @ \$ _____	per 1,000 Gallons.
Next	_____	Gallons @ \$ _____	per 1,000 Gallons.
All Over	_____	Gallons @ \$ _____	per 1,000 Gallons.

*The above proposed rate, without RUS grant, must be completed for each grant. If the applicant/engineer desires, there is no objection to recommending a proposed rate with an estimated RUS grant in the Table below. However, the preparer should remember that the Table (A) above must be completed prior to Table (B).*

**B. Recommended Rate Schedule with RUS Grant:**

Percentage of Water Bill \_\_\_\_\_ % Minimum Charge \$ \_\_\_\_\_

Other: (If Charge Not Based on Water Bill) \_\_\_\_\_

**Recommended Rate Schedule: (With RUS Grant)**

First	_____	Gallons @ \$ _____	Minimum.
Next	_____	Gallons @ \$ _____	per 1,000 Gallons.
Next	_____	Gallons @ \$ _____	per 1,000 Gallons.
Next	_____	Gallons @ \$ _____	per 1,000 Gallons.
Next	_____	Gallons @ \$ _____	per 1,000 Gallons.
Next	_____	Gallons @ \$ _____	per 1,000 Gallons.
All Over	_____	Gallons @ \$ _____	per 1,000 Gallons.

*If more than one rate, use additional sheets.*

XXII. WATER RATES - PROPOSED

A. Proposed Rate Schedule without RUS Grant:

First	<u>1,500</u>	Gallons @ \$	<u>12.00</u>	Minimum.
Next	_____	Gallons @ \$	_____	per 1,000 Gallons.
Next	_____	Gallons @ \$	_____	per 1,000 Gallons.
Next	_____	Gallons @ \$	_____	per 1,000 Gallons.
Next	_____	Gallons @ \$	_____	per 1,000 Gallons.
All Over	<u>1,500</u>	Gallons @ \$	<u>4.50</u>	per 1,000 Gallons.
Wholesale to City of Brownsville: @ \$ <u>2.70</u> per 1,000 Gallons.				

The above proposed rate, without RUS grant, must be completed for each grant. If the applicant/engineer desires, there is no objection to recommending a proposed rate with an estimated RUS grant in the Table below. However, the preparer should remember that the Table (A) above must be completed prior to Table (B).

B. Recommended Rate Schedule with RUS Grant: w/ % grant of \$ \_\_\_\_\_ based on total requested RUS funding ( % of total project funding)

First	<u>1,500</u>	Gallons @ \$	<u>12.00</u>	Minimum.
Next	_____	Gallons @ \$	_____	per 1,000 Gallons.
Next	_____	Gallons @ \$	_____	per 1,000 Gallons.
Next	_____	Gallons @ \$	_____	per 1,000 Gallons.
Next	_____	Gallons @ \$	_____	per 1,000 Gallons.
Next	_____	Gallons @ \$	_____	per 1,000 Gallons.
All Over	<u>1,500</u>	Gallons @ \$	<u>4.50</u>	per 1,000 Gallons.
Wholesale to City of Brownsville: @ \$ <u>2.70</u> per 1,000 Gallons.				

If more than one rate, use additional sheets.



**XXIII. FORECAST OF SEWER USAGE - INCOME - EXISTING SYSTEM - EXISTING USERS**

N/A

<i>Meter Size*</i>	<i>Monthly Sewer Usage</i>	<i>Average Rate</i>	<i>Residential</i>			<i>Non-Residential</i>		
			<i>No. of Users**</i>	<i>Usage (1000)</i>	<i>Income</i>	<i>No. of Users</i>	<i>Usage (1000)</i>	<i>Income</i>
	<i>0 - 2,000 Gallons</i>	<i>1,000</i>						
	<i>2,000 - 3,000 Gallons</i>	<i>2,500</i>						
	<i>3,000 - 4,000 Gallons</i>	<i>3,500</i>						
	<i>4,000 - 5,000 Gallons</i>	<i>4,500</i>						
	<i>5,000 - 6,000 Gallons</i>	<i>5,500</i>						
	<i>6,000 - 7,000 Gallons</i>	<i>6,500</i>						
	<i>7,000 - 8,000 Gallons</i>	<i>7,500</i>						
	<i>8,000 - 9,000 Gallons</i>	<i>8,500</i>						
	<i>9,000 - 10,000 Gallons</i>	<i>9,500</i>						
<i>5/8</i>	<i>10,000 - 11,000 Gallons</i>	<i>10,500</i>						
<i>x</i>	<i>11,000 - 12,000 Gallons</i>	<i>11,500</i>						
<i>3/4</i>	<i>12,000 - 13,000 Gallons</i>	<i>12,500</i>						
<i>Inch</i>	<i>13,000 - 14,000 Gallons</i>	<i>13,500</i>						
	<i>14,000 - 15,000 Gallons</i>	<i>14,500</i>						
	<i>15,000 - 16,000 Gallons</i>	<i>15,500</i>						
	<i>16,000 - 17,000 Gallons</i>	<i>16,500</i>						
	<i>17,000 - 18,000 Gallons</i>	<i>17,500</i>						
	<i>18,000 - 19,000 Gallons</i>	<i>18,500</i>						
	<i>19,000 - 20,000 Gallons</i>	<i>19,500</i>						
	<i>- Gallons</i>							
	<i>- Gallons</i>							
	<i>- Gallons</i>							
	<i>Sub-Total</i>		<i>( )</i>	<i>( )</i>	<i>( )</i>	<i>( )</i>	<i>( )</i>	<i>( )</i>
	<i>Average Monthly Rate</i>	<i>( )</i>						
	<i>Average Monthly Usage</i>		<i>( )</i>			<i>( )</i>		

\* Breakdown of meter size usage is not required unless different sewer rates are charged based on size of water meter.

\*\* Number of users should reflect the actual number of "meter settings".

	-	Gallons						
	-	Gallons						
1- Inch	-	Gallons						
	-	Gallons						
	-	Gallons						
	-	Gallons						
		<b>Sub-Total</b>		( )	( )	( )	( )	( )

	-	Gallons						
	-	Gallons						
1-1/2 Inch	-	Gallons						
	-	Gallons						
	-	Gallons						
	-	Gallons						
		<b>Sub-Total</b>		( )	( )	( )	( )	( )

	-	Gallons						
	-	Gallons						
2- Inch	-	Gallons						
	-	Gallons						
	-	Gallons						
	-	Gallons						
		<b>Sub-Total</b>		( )	( )	( )	( )	( )

	-	Gallons						
	-	Gallons						
3- Inch	-	Gallons						
	-	Gallons						
	-	Gallons						
	-	Gallons						
		<b>Sub-Total</b>		( )	( )	( )	( )	( )

	-	Gallons						
	-	Gallons						
4- Inch	-	Gallons						
	-	Gallons						
	-	Gallons						
	-	Gallons						
		<b>Sub-Total</b>		( )	( )	( )	( )	( )

\* Breakdown of meter size usage is not required unless different sewer rates are charged based on size of water meter.

\*\* Number of users should reflect the actual number of "meter settings".

	-	Gallons						
	-	Gallons						
5-	-	Gallons						
Inch	-	Gallons						
	-	Gallons						
	-	Gallons						
		<b>Sub-Total</b>		( )	( )	( )	( )	( )
	-	Gallons						
	-	Gallons						
6-	-	Gallons						
Inch	-	Gallons						
	-	Gallons						
	-	Gallons						
		<b>Sub-Total</b>		( )	( )	( )	( )	( )
		<b>TOTALS</b>		( )	( )	( )	( )	( )

**MULTI-FAMILY AND APARTMENT USER ANALYSIS**

*If billed as a typical user, the information should be included in the residential information above. If not billed as a typical residential user, please explain below.*

<u>Name of Unit</u>	<u>Number of Units</u>	<u>Number of Meters</u>	<u>Revenue Calculations</u>
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

\* Breakdown of meter size usage is not required unless different sewer rates are charged based on size of water meter.

\*\* Number of users should reflect the actual number of "meter settings".

**XXIV. FORECAST OF SEWER USAGE - INCOME - NEW USERS - EXTENSION ONLY**

N/A

<i>Meter Size*</i>	<i>Monthly Sewer Usage</i>	<i>Average Rate</i>	<i>Residential</i>			<i>Non-Residential</i>		
			<i>No. of Users**</i>	<i>Usage (1000)</i>	<i>Income</i>	<i>No. of Users</i>	<i>Usage (1000)</i>	<i>Income</i>
	0 - 2,000 Gallons	1,000						
	2,000 - 3,000 Gallons	2,500						
	3,000 - 4,000 Gallons	3,500						
	4,000 - 5,000 Gallons	4,500						
	5,000 - 6,000 Gallons	5,500						
	6,000 - 7,000 Gallons	6,500						
	7,000 - 8,000 Gallons	7,500						
	8,000 - 9,000 Gallons	8,500						
	9,000 - 10,000 Gallons	9,500						
5/8	10,000 - 11,000 Gallons	10,500						
x	11,000 - 12,000 Gallons	11,500						
3/4	12,000 - 13,000 Gallons	12,500						
Inch	13,000 - 14,000 Gallons	13,500						
	14,000 - 15,000 Gallons	14,500						
	15,000 - 16,000 Gallons	15,500						
	16,000 - 17,000 Gallons	16,500						
	17,000 - 18,000 Gallons	17,500						
	18,000 - 19,000 Gallons	18,500						
	19,000 - 20,000 Gallons	19,500						
	- Gallons							
	- Gallons							
	- Gallons							
	<i>Sub-Total</i>		( )	( )	( )	( )	( )	( )
	<i>Average Monthly Rate</i>	( )						
	<i>Average Monthly Usage</i>			( )		( )		

\* Breakdown of meter size usage is not required unless different sewer rates are charged based on size of water meter.

\*\* Number of users should reflect the actual number of "meter settings".

	-	Gallons						
	-	Gallons						
<b>1-</b>	-	Gallons						
<b>Inch</b>	-	Gallons						
	-	Gallons						
	-	Gallons						
	-	Gallons						
		<b>Sub-Total</b>		( )	( )	( )	( )	( )

	-	Gallons						
	-	Gallons						
<b>1-1/2</b>	-	Gallons						
<b>Inch</b>	-	Gallons						
	-	Gallons						
	-	Gallons						
	-	Gallons						
		<b>Sub-Total</b>		( )	( )	( )	( )	( )

	-	Gallons						
	-	Gallons						
<b>2-</b>	-	Gallons						
<b>Inch</b>	-	Gallons						
	-	Gallons						
	-	Gallons						
	-	Gallons						
		<b>Sub-Total</b>		( )	( )	( )	( )	( )

	-	Gallons						
	-	Gallons						
<b>3-</b>	-	Gallons						
<b>Inch</b>	-	Gallons						
	-	Gallons						
	-	Gallons						
	-	Gallons						
		<b>Sub-Total</b>		( )	( )	( )	( )	( )

	-	Gallons						
	-	Gallons						
<b>4-</b>	-	Gallons						
<b>Inch</b>	-	Gallons						
	-	Gallons						
	-	Gallons						
	-	Gallons						
		<b>Sub-Total</b>		( )	( )	( )	( )	( )

\* Breakdown of meter size usage is not required unless different sewer rates are charged based on size of water meter.

\*\* Number of users should reflect the actual number of "meter settings".

	-	Gallons					
	-	Gallons					
5-	-	Gallons					
Inch	-	Gallons					
	-	Gallons					
	-	Gallons					
		<b>Sub-Total</b>		( )	( )	( )	( )
	-	Gallons					
	-	Gallons					
6-	-	Gallons					
Inch	-	Gallons					
	-	Gallons					
	-	Gallons					
		<b>Sub-Total</b>		( )	( )	( )	( )
		<b>TOTALS</b>		( )	( )	( )	( )

**MULTI-FAMILY AND APARTMENT USER ANALYSIS**

*If billed as a typical user, the information should be included in the residential information above. If not billed as a typical residential user, please explain below.*

<u>Name of Unit</u>	<u>Number of Units</u>	<u>Number of Meters</u>	<u>Revenue Calculations</u>
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

\* Breakdown of meter size usage is not required unless different sewer rates are charged based on size of water meter.

\*\* Number of users should reflect the actual number of "meter settings".

		Existing Rate Schedule	
Water Rate	Min. (1500 gal.)@	\$11.50	
	Next 6500 gals.@	\$4.35	per 1000
	Next 12000 gals.@	\$4.35	per 1000
	Next 5,000 gals.@	\$4.35	per 1000
	All Over 25,000 gals.@	\$4.35	per 1000
	Wholesale to Brownsville@	\$2.70	per 1000

**XXV. FORECAST OF WATER USAGE - INCOME - EXISTING SYSTEM - EXISTING USERS(2008)**

Meter Size	Monthly Water Usage	Average	Average Rate	Residential			Non-Residential			
				No. of Users	Usage (1000)	Income	No. of Users	Usage (1000)	Income	
	0 -	1,500 Gallons	750	\$11.50	3560	2670	\$40,940.00	0	0	\$0.00
	1,500 -	2,000 Gallons	1,750	\$12.59	600	1050	\$7,552.50	0	0	\$0.00
	2,000 -	3,000 Gallons	2,500	\$15.85	1281	3202.5	\$20,303.85	0	0	\$0.00
	3,000 -	4,000 Gallons	3,500	\$20.20	1540	5390	\$31,108.00	1	3.5	\$20.20
	4,000 -	5,000 Gallons	4,500	\$24.55	815	3667.5	\$20,008.25	15	67.5	\$368.25
	5,000 -	6,000 Gallons	5,500	\$28.90	585	3217.5	\$16,906.50	1	5.5	\$28.90
	6,000 -	7,000 Gallons	6,500	\$33.25	390	2535	\$12,967.50	0	0	\$0.00
	7,000 -	8,000 Gallons	7,500	\$37.60	245	1837.5	\$9,212.00	0	0	\$0.00
	8,000 -	9,000 Gallons	8,500	\$41.95	162	1377	\$6,795.90	0	0	\$0.00
	9,000 -	10,000 Gallons	9,500	\$46.30	114	1083	\$5,278.20	0	0	\$0.00
5/8	10,000 -	11,000 Gallons	10,500	\$50.65	76	798	\$3,849.40	0	0	\$0.00
x	11,000 -	12,000 Gallons	11,500	\$55.00	50	575	\$2,750.00	4	46	\$220.00
3/4	12,000 -	13,000 Gallons	12,500	\$59.35	39	487.5	\$2,314.65	1	12.5	\$59.35
Inch	13,000 -	14,000 Gallons	13,500	\$63.70	30	405	\$1,911.00	1	13.5	\$63.70
	14,000 -	15,000 Gallons	14,500	\$68.05	18	261	\$1,224.90	5	72.5	\$340.25
	15,000 -	16,000 Gallons	15,500	\$72.40	17	263.5	\$1,230.80	1	15.5	\$72.40
	16,000 -	17,000 Gallons	16,500	\$76.75	15	247.5	\$1,151.25	0	0	\$0.00
	17,000 -	18,000 Gallons	17,500	\$81.10	16	280	\$1,297.60	0	0	\$0.00
	18,000 -	19,000 Gallons	18,500	\$85.45	10	185	\$854.50	0	0	\$0.00
	19,000 -	20,000 Gallons	19,500	\$89.80	18	351	\$1,616.40	0	0	\$0.00
	20,000 -	25,000 Gallons	22,500	\$102.85	15	337.5	\$1,542.75	0	0	\$0.00
	25,000 -	30,000 Gallons	27,500	\$124.60	12	330	\$1,495.20	3	82.5	\$373.80
	30,000 -	40,000 Gallons	35,000	\$157.23	12	420	\$1,886.70	3	105	\$471.68
	40,000 -	50,000 Gallons	44,000	\$196.38	9	396	\$1,767.38	0	0	\$0.00
	50,000 -	75,000 Gallons	60,000	\$265.98	7	420	\$1,861.83	5	300	\$1,329.88
	75,000 -	1,000,000 Gallons	275,000	\$1,201.23	0	0	\$0.00	14	3850	\$16,817.15
		Sub-Total			9636	31,787	\$197,827.05	54	4574	\$20,165.55
		Average Monthly Rate		\$22.50						
		Average Monthly Usage				3.30			84.70	
4-inch	City of Brownsville	Gallons	3,000,000	\$8,100.00				1	3000	\$8,100.00
		Sub-Total			9636	31,787	\$197,827.05	55	7574	\$28,265.55
		Total monthly Income					\$226,092.60			
		Total yearly Income					\$2,713,111.20			
		Total customers			9691					

Existing Approved Rate Schedule(will go into effect in April 2009)	
Water Rate	Min. (1500 gal.)@ \$12.00
	Next 6500 gals.@ \$4.50 per 1000
	Next 12000 gals.@ \$4.50 per 1000
	Next 5,000 gals.@ \$4.50 per 1000
	All Over 25,000 gals.@ \$4.50 per 1000
	Wholesale to Brownsville@ \$2.70 per 1000

**XXV. FORECAST OF WATER USAGE - INCOME - EXISTING & NEW SYSTEM - EXISTING & NEW USERS  
(2008 USERS PLUS PROPOSED PROJECTS)**

Meter Size	Monthly Water Usage	Average	Average Rate	Residential			Non-Residential			
				No. of Users	Usage (1000)	Income	No. of Users	Usage (1000)	Income	
	0 -	1,500 Gallons	750	\$12.00	3560	2670	\$42,720.00	0	0	\$0.00
	1,500 -	2,000 Gallons	1,750	\$13.13	600	1050	\$7,875.00	0	0	\$0.00
	2,000 -	3,000 Gallons	2,500	\$16.50	1330	3325	\$21,945.00	0	0	\$0.00
	3,000 -	4,000 Gallons	3,500	\$21.00	1700	5950	\$35,700.00	1	3.5	\$21.00
	4,000 -	5,000 Gallons	4,500	\$25.50	815	3667.5	\$20,782.50	15	67.5	\$382.50
	5,000 -	6,000 Gallons	5,500	\$30.00	585	3217.5	\$17,550.00	1	5.5	\$30.00
	6,000 -	7,000 Gallons	6,500	\$34.50	390	2535	\$13,455.00	0	0	\$0.00
	7,000 -	8,000 Gallons	7,500	\$39.00	245	1837.5	\$9,555.00	0	0	\$0.00
	8,000 -	9,000 Gallons	8,500	\$43.50	162	1377	\$7,047.00	0	0	\$0.00
	9,000 -	10,000 Gallons	9,500	\$48.00	114	1083	\$5,472.00	0	0	\$0.00
5/8	10,000 -	11,000 Gallons	10,500	\$52.50	76	798	\$3,990.00	0	0	\$0.00
x	11,000 -	12,000 Gallons	11,500	\$57.00	50	575	\$2,850.00	4	46	\$228.00
3/4	12,000 -	13,000 Gallons	12,500	\$61.50	39	487.5	\$2,398.50	1	12.5	\$61.50
Inch	13,000 -	14,000 Gallons	13,500	\$66.00	30	405	\$1,980.00	1	13.5	\$66.00
	14,000 -	15,000 Gallons	14,500	\$70.50	18	261	\$1,269.00	5	72.5	\$352.50
	15,000 -	16,000 Gallons	15,500	\$75.00	17	263.5	\$1,275.00	1	15.5	\$75.00
	16,000 -	17,000 Gallons	16,500	\$79.50	15	247.5	\$1,192.50	0	0	\$0.00
	17,000 -	18,000 Gallons	17,500	\$84.00	16	280	\$1,344.00	0	0	\$0.00
	18,000 -	19,000 Gallons	18,500	\$88.50	10	185	\$885.00	0	0	\$0.00
	19,000 -	20,000 Gallons	19,500	\$93.00	18	351	\$1,674.00	0	0	\$0.00
	20,000 -	25,000 Gallons	22,500	\$106.50	15	337.5	\$1,597.50	0	0	\$0.00
	25,000 -	30,000 Gallons	27,500	\$129.00	12	330	\$1,548.00	3	82.5	\$387.00
	30,000 -	40,000 Gallons	35,000	\$162.75	12	420	\$1,953.00	3	105	\$488.25
	40,000 -	50,000 Gallons	44,000	\$203.25	9	396	\$1,829.25	0	0	\$0.00
	50,000 -	75,000 Gallons	60,000	\$275.25	7	420	\$1,926.75	5	300	\$1,376.25
	75,000 -	1,000,000 Gallons	275,000	\$1,242.75	0	0	\$0.00	14	3850	\$17,398.50
		Sub-Total			9845	32,470	\$209,814.00	54	4574	\$20,866.50
		Average Monthly Rate		\$23.30						
		Average Monthly Usage				3.30			84.70	
4-inch	City of Brownsville	Gallons	3,000,000	\$8,100.00				1	3000	\$8,100.00
		Sub-Total			9845	32,470	\$209,814.00	55	7574	\$28,966.50
		Total monthly Income					\$238,780.50			
		Total yearly Income					\$2,865,366.00			
		Total customers			9900					



	-	Gallons						
	-	Gallons						
1-	-	Gallons						
Inch	-	Gallons						
	-	Gallons						
	-	Gallons						
		Sub-Total		( )	( )	( )	( )	( )

	-	Gallons						
	-	Gallons						
1-1/2	-	Gallons						
Inch	-	Gallons						
	-	Gallons						
	-	Gallons						
		Sub-Total		( )	( )	( )	( )	( )

	-	Gallons						
	-	Gallons						
2-	-	Gallons						
Inch	-	Gallons						
	-	Gallons						
	-	Gallons						
		Sub-Total		( )	( )	( )	( )	( )

	-	Gallons						
	-	Gallons						
3-	-	Gallons						
Inch	-	Gallons						
	-	Gallons						
	-	Gallons						
		Sub-Total		( )	( )	( )	( )	( )

	-	Gallons						
	-	Gallons						
4-	-	Gallons						
Inch	-	Gallons						
	-	Gallons						
	-	Gallons						
		Sub-Total		( )	( )	( )	( )	( )

\* Breakdown of meter size usage is not required unless different water rates are charged based on size of water meter.

\*\* Number of users should reflect the actual number of "meter settings".

	-	Gallons						
	-	Gallons						
5-	-	Gallons						
Inch	-	Gallons						
	-	Gallons						
	-	Gallons						
		Sub-Total		( )	( )	( )	( )	( )
	-	Gallons						
	-	Gallons						
6-	-	Gallons						
Inch	-	Gallons						
	-	Gallons						
	-	Gallons						
		Sub-Total		( )	( )	( )	( )	( )
		TOTALS		( )	( )	( )	( )	( )

MULTI-FAMILY AND APARTMENT USER ANALYSIS N/A

If billed as a typical user, the information should be included in the residential information above. If not billed as a typical residential user, please explain below.

<u>Name of Unit</u>	<u>Number of Units</u>	<u>Number of Meters</u>	<u>Revenue Calculations</u>
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

\* Breakdown of meter size usage is not required unless different water rates are charged based on size of water meter.

\*\* Number of users should reflect the actual number of "meter settings".

	Existing Rate Schedule	
Water Rate	Min. (1500 gal.)@	\$12.00
	Next 6500 gals.@	\$4.50 per 1000
	Next 12000 gals.@	\$4.50 per 1000
	Next 5,000 gals.@	\$4.50 per 1000
	All Over 25,000 gals.@	\$4.50 per 1000
	Wholesale to Brownsville@	\$2.70 per 1000

**XXV. FORECAST OF WATER USAGE - INCOME - ~~EXISTING SYSTEM - EXISTING USERS~~(2008)** NEW NEW 2011

Meter Size	Monthly Water Usage	Average	Average Rate	No. of Users	Residential		Non-Residential			
					Usage (1000)	Income	No. of Users	Usage (1000)	Income	
	0 -	1,500 Gallons	750	\$12.00	0	0	\$0.00	0	0	\$0.00
	1,500 -	2,000 Gallons	1,750	\$13.13	0	0	\$0.00	0	0	\$0.00
	2,000 -	3,000 Gallons	2,500	\$16.50	0	0	\$0.00	0	0	\$0.00
	3,000 -	4,000 Gallons	3,500	\$21.00	41	143.5	\$861.00	0	0	\$0.00
	4,000 -	5,000 Gallons	4,500	\$25.50	0	0	\$0.00	0	0	\$0.00
	5,000 -	6,000 Gallons	5,500	\$30.00	0	0	\$0.00	0	0	\$0.00
	6,000 -	7,000 Gallons	6,500	\$34.50	0	0	\$0.00	0	0	\$0.00
	7,000 -	8,000 Gallons	7,500	\$39.00	0	0	\$0.00	0	0	\$0.00
	8,000 -	9,000 Gallons	8,500	\$43.50	0	0	\$0.00	0	0	\$0.00
	9,000 -	10,000 Gallons	9,500	\$48.00	0	0	\$0.00	0	0	\$0.00
5/8	10,000 -	11,000 Gallons	10,500	\$52.50	0	0	\$0.00	0	0	\$0.00
x	11,000 -	12,000 Gallons	11,500	\$57.00	0	0	\$0.00	0	0	\$0.00
3/4	12,000 -	13,000 Gallons	12,500	\$61.50	0	0	\$0.00	0	0	\$0.00
Inch	13,000 -	14,000 Gallons	13,500	\$66.00	0	0	\$0.00	0	0	\$0.00
	14,000 -	15,000 Gallons	14,500	\$70.50	0	0	\$0.00	0	0	\$0.00
	15,000 -	16,000 Gallons	15,500	\$75.00	0	0	\$0.00	0	0	\$0.00
	16,000 -	17,000 Gallons	16,500	\$79.50	0	0	\$0.00	0	0	\$0.00
	17,000 -	18,000 Gallons	17,500	\$84.00	0	0	\$0.00	0	0	\$0.00
	18,000 -	19,000 Gallons	18,500	\$88.50	0	0	\$0.00	0	0	\$0.00
	19,000 -	20,000 Gallons	19,500	\$93.00	0	0	\$0.00	0	0	\$0.00
	20,000 -	25,000 Gallons	22,500	\$106.50	0	0	\$0.00	0	0	\$0.00
	25,000 -	30,000 Gallons	27,500	\$129.00	0	0	\$0.00	0	0	\$0.00
	30,000 -	40,000 Gallons	35,000	\$162.75	0	0	\$0.00	0	0	\$0.00
	40,000 -	50,000 Gallons	44,000	\$203.25	0	0	\$0.00	0	0	\$0.00
	50,000 -	75,000 Gallons	60,000	\$275.25	0	0	\$0.00	0	0	\$0.00
	75,000 -	1,000,000 Gallons	275,000	\$1,242.75	0	0	\$0.00	0	0	\$0.00
		Sub-Total			41	144	\$861.00	0	0	\$0.00
		Average Monthly Rate		\$21.00						
		Average Monthly Usage				3.50			#DIV/0!	
4-inch	City of Brownsville	Gallons	3,000,000	\$8,100.00				0	0	\$0.00
		Sub-Total			41	144	\$861.00	0	0	\$0.00
		Total monthly Income					\$861.00			
		Total yearly Income					\$10,332.00			
		Total customers			41					

	-	Gallons						
	-	Gallons						
1-	-	Gallons						
Inch	-	Gallons						
	-	Gallons						
	-	Gallons						
		Sub-Total		( )	( )	( )	( )	( )

	-	Gallons						
	-	Gallons						
1-1/2	-	Gallons						
Inch	-	Gallons						
	-	Gallons						
	-	Gallons						
		Sub-Total		( )	( )	( )	( )	( )

	-	Gallons						
	-	Gallons						
2-	-	Gallons						
Inch	-	Gallons						
	-	Gallons						
	-	Gallons						
		Sub-Total		( )	( )	( )	( )	( )

	-	Gallons						
	-	Gallons						
3-	-	Gallons						
Inch	-	Gallons						
	-	Gallons						
	-	Gallons						
		Sub-Total		( )	( )	( )	( )	( )

	-	Gallons						
	-	Gallons						
4-	-	Gallons						
Inch	-	Gallons						
	-	Gallons						
	-	Gallons						
		Sub-Total		( )	( )	( )	( )	( )

\* Breakdown of meter size usage is not required unless different sewer rates are charged based on size of water meter.

\*\* Number of users should reflect the actual number of "meter settings".

	-	Gallons						
	-	Gallons						
5-	-	Gallons						
Inch	-	Gallons						
	-	Gallons						
	-	Gallons						
		Sub-Total		( )	( )	( )	( )	( )
	-	Gallons						
	-	Gallons						
6-	-	Gallons						
Inch	-	Gallons						
	-	Gallons						
	-	Gallons						
		Sub-Total		( )	( )	( )	( )	( )
		TOTALS		( )	( )	( )	( )	( )

MULTI-FAMILY AND APARTMENT USER ANALYSIS

If billed as a typical user, the information should be included in the residential information above. If not billed as a typical residential user, please explain below.

<u>Name of Unit</u>	<u>Number of Units</u>	<u>Number of Meters</u>	<u>Revenue Calculations</u>
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

\* Breakdown of meter size usage is not required unless different sewer rates are charged based on size of water meter.

\*\* Number of users should reflect the actual number of "meter settings".

**XXVII. CURRENT OPERATING BUDGET - (SEWER SYSTEM) N/A**  
*(As of the last full operating year.)*

**A. Operating Income:**

<i>Sewer Revenue</i>	\$ _____
<i>Late Charge Fees</i>	_____
<i>Other (Describe)</i>	_____
<i>Less Allowances and Deductions</i>	( _____ )
<i>Total Operating Income</i>	\$ _____

**B. Operation and Maintenance Expenses:**

*(Based on Uniform System of Accounts prescribed by National Association of  
Regulatory Utility Commissioners)*

<i>Operation Expense</i>	\$ _____
<i>Maintenance Expense</i>	_____
<i>Customer Accounts Expense</i>	_____
<i>Administrative and General Expense</i>	_____
<i>Total Operating and Maintenance Expenses</i>	\$ _____
<i>Net Operating Income</i>	\$ _____

**C. Non-Operating Income:**

<i>Interest on Deposits</i>	\$ _____
<i>Other (Identify)</i>	_____
<i>Total Non-Operating Income</i>	\$ _____

**D. Net Income** \$ \_\_\_\_\_

**E. Debt Repayment:**

<i>RUS Interest</i>	\$ _____
<i>RUS Principal</i>	_____
<i>Non-RUS Interest</i>	_____
<i>Non-RUS Principal</i>	_____
<i>Total Debt Repayment</i>	\$ _____

**F. Balance Available for Coverage** \$ \_\_\_\_\_

**XXVIII. PROPOSED OPERATING BUDGET - (SEWER SYSTEM) - EXISTING SYSTEM**  
**AND NEW USERS (1st Full Year of Operation) Year Ending \_\_\_\_\_**

N/A

**A. Operating Income:**

*Sewer Revenue* \$ \_\_\_\_\_  
*Late Charge Fees* \_\_\_\_\_  
*Other (Describe)* \_\_\_\_\_  
*Less Allowances and Deductions* ( \_\_\_\_\_ )  
***Total Operating Income*** \$ \_\_\_\_\_

**B. Operation and Maintenance Expenses:**

*(Based on Uniform System of Accounts prescribed by National Association of  
Regulatory Utility Commissioners)*

*Operation Expense* \$ \_\_\_\_\_  
*Maintenance Expense* \_\_\_\_\_  
*Customer Accounts Expense* \_\_\_\_\_  
*Administrative and General Expense* \_\_\_\_\_  
***Total Operating and Maintenance Expenses*** \$ \_\_\_\_\_  
***Net Operating Income*** \$ \_\_\_\_\_

**C. Non-Operating Income:**

*Interest on Deposits* \$ \_\_\_\_\_  
*Other (Identify)* \_\_\_\_\_  
***Total Non-Operating Income*** \$ \_\_\_\_\_

**D. Net Income**

\$ \_\_\_\_\_

**E. Debt Repayment:**

*RUS Interest* \$ \_\_\_\_\_  
*RUS Principal* \_\_\_\_\_  
*Non-RUS Interest* \_\_\_\_\_  
*Non-RUS Principal* \_\_\_\_\_  
***Total Debt Repayment*** \$ \_\_\_\_\_

**F. Balance Available for Coverage**

\$ \_\_\_\_\_

**XXIX. PROPOSED OPERATING BUDGET - (SEWER SYSTEM) - NEW USERS - N/A**  
**EXTENSION ONLY (1st Full Year of Operation) Year Ending \_\_\_\_\_**

**A. Operating Income:**

*Sewer Revenue* \$ \_\_\_\_\_  
*Late Charge Fees* \_\_\_\_\_  
*Other (Describe)* \_\_\_\_\_  
*Less Allowances and Deductions* ( \_\_\_\_\_ )  
*Total Operating Income* \$ \_\_\_\_\_

**B. Operation and Maintenance Expenses:**

*(Based on Uniform System of Accounts prescribed by National Association of  
Regulatory Utility Commissioners)*

*Operation Expense* \$ \_\_\_\_\_  
*Maintenance Expense* \_\_\_\_\_  
*Customer Accounts Expense* \_\_\_\_\_  
*Administrative and General Expense* \_\_\_\_\_  
*Total Operating and Maintenance Expenses* \$ \_\_\_\_\_  
*Net Operating Income* \$ \_\_\_\_\_

**C. Non-Operating Income:**

*Interest on Deposits* \$ \_\_\_\_\_  
*Other (Identify)* \_\_\_\_\_  
*Total Non-Operating Income* \$ \_\_\_\_\_

**D. Net Income** \$ \_\_\_\_\_

**E. Debt Repayment:**

*RUS Interest* \$ \_\_\_\_\_  
*RUS Principal* \_\_\_\_\_  
*Non-RUS Interest* \_\_\_\_\_  
*Non-RUS Principal* \_\_\_\_\_  
*Total Debt Repayment* \$ \_\_\_\_\_

**F. Balance Available for Coverage** \$ \_\_\_\_\_



XXX. CURRENT OPERATING BUDGET - (WATER SYSTEM)  
 (As of the last full operating year.) Based on 2008 Budget Projections

A. Operating Income:	
Water Sales	\$ <u>2,700,000</u>
Disconnect/Reconnect/Late Charge Fees	<u>50,000</u>
Other (Describe)-Service Fees	<u>31,000</u>
Less Allowances and Deductions - Taxes	( <u>60,000</u> )
Total Operating Income	\$ <u>2,721,000</u>
B. Operation and Maintenance Expenses: (Based on Uniform System of Accounts prescribed by National Association of Regulatory Utility Commissioners)	
Source of Supply Expense	\$ <u>2,000</u>
Pumping Expense	<u>                    </u>
Water Treatment Expense	<u>454,000</u>
Transmission and Distribution Expense	<u>419,000</u>
Customer Accounts Expense	<u>310,000</u>
Administrative and General Expense	<u>270,000</u>
Total Operating Expenses	\$ <u>1,455,000</u>
Net Operating Income	\$ <u>1,266,000</u>
C. Non-Operating Income:	
Interest on Deposits	\$ <u>120,000</u>
Other (Identify)	<u>                    </u>
Total Non-Operating Income	\$ <u>120,000</u>
D. Net Income	\$ <u>1,386,000</u>
E. Debt Repayment:	
RUS Interest	\$ <u>362,610</u>
RUS Principal	<u>128,400</u>
Non-RUS Interest	<u>188,800</u>
Non-RUS Principal	<u>242,000</u>
Total Debt Repayment	\$ <u>921,810</u>
F. Balance Available for Coverage	\$ <u>464,190</u>

XXXI. PROPOSED OPERATING BUDGET - (WATER SYSTEM) - EXISTING SYSTEM AND NEW USERS (1st Full Year of Operation) Year Ending 2011

A. Operating Income: *(Ex. approved rates with ex. and current project customers)*

Water Sales	\$ <u>2,865,000</u>
Disconnect/Reconnect/Late Charge Fees	<u>60,000</u>
Other (Describe) – Installation Fees	<u>10,000</u>
Less Allowances and Deductions - Taxes	<u>( 70,000 )</u>
Total Operating Income	\$ <u>2,865,000</u>

B. Operation and Maintenance Expenses:  
(Based on Uniform System of Accounts prescribed by National Association of Regulatory Utility Commissioners)

Source of Supply Expense	\$ <u>2,000</u>
Pumping Expense	<u>                    </u>
Water Treatment Expense	<u>539,000</u>
Transmission and Distribution Expense	<u>480,000</u>
Customer Accounts Expense	<u>350,000</u>
Administrative and General Expense	<u>313,000</u>
Total Operating Expenses	\$ <u>1,674,000</u>
Net Operating Income	\$ <u>1,191,000</u>

C. Non-Operating Income:

Interest on Deposits	\$ <u>65,000</u>
Other (Identify)	<u>                    </u>
Total Non-Operating Income	\$ <u>65,000</u>

D. Net Income \$ 1,256,000

E. Debt Repayment: *(Note: includes RUS payment on assumed loan for proposed*

<i>project)</i>	<u>No Grant</u>	<u>No RUS Grant</u>	<u>W/RUS Grant</u>
RUS Interest	\$ <u>447,400</u>	\$ <u>430,700</u>	\$ <u>418,800</u>
RUS Principal	\$ <u>199,700</u>	\$ <u>193,900</u>	\$ <u>189,800</u>
Non-RUS Interest	\$ <u>153,400</u>	\$ <u>153,400</u>	\$ <u>153,400</u>
Non-RUS Principal	\$ <u>273,000</u>	\$ <u>273,000</u>	\$ <u>273,000</u>
Total Debt Repayment	\$ <u>1,073,500</u>	\$ <u>1,051,000</u>	\$ <u>1,035,000</u>

F. Balance Available for Coverage \$ 182,500      \$ 205,000      \$ 221,000

XXXII. PROPOSED OPERATING BUDGET - (WATER SYSTEM) - NEW USERS -  
EXTENSION ONLY (1st Full Year of Operation) Year Ending 2011

A. Operating Income:

Water Sales	\$	<u>10,332</u>
Disconnect/Reconnect/Late Charge Fees		<u>                    </u>
Other (Describe)		<u>                    </u>
Less Allowances and Deductions	(	<u>                    </u> )
Total Operating Income	\$	<u>10,332</u>

B. Operation and Maintenance Expenses:

(Based on Uniform System of Accounts prescribed by National Association of  
Regulatory Utility Commissioners)

Source of Supply Expense	\$	<u>                    </u>
Pumping Expense		<u>                    </u>
Water Treatment Expense		<u>2,200</u>
Transmission and Distribution Expense		<u>650</u>
Customer Accounts Expense		<u>400</u>
Administrative and General Expense		<u>400</u>
Total Operating Expenses	\$	<u>3,650</u>
Net Operating Income	\$	<u>6,682</u>

C. Non-Operating Income:

Interest on Deposits	\$	<u>                    </u>
Other (Identify)		<u>                    </u>
Total Non-Operating Income	\$	<u>                    </u>

D. Net Income \$ 6,682

E. Debt Repayment:

	<u>No Grant</u>	<u>No RUS Grant</u>	<u>W/RUS Grant</u>
--	-----------------	---------------------	--------------------

RUS Interest	\$ <u>46,364</u>	\$ <u>29,707</u>	\$ <u>17,824</u>
RUS Principal	\$ <u>16,154</u>	<u>10,350</u>	\$ <u>6,210</u>
Non-RUS Interest		<u>                    </u>	
Non-RUS Principal		<u>                    </u>	
Total Debt Repayment	\$ <u>62,518</u>	\$ <u>40,057</u>	\$ <u>34,034</u>

F. Balance Available for Coverage \$ (-55,836)      \$ (-33,375)      \$ (-17,352)

**XXXIII. ESTIMATED PROJECT COST – SEWER    N/A**  
*(Round to nearest \$100)*

	<u>Collection</u>	<u>Treatment</u>	<u>Total</u>
<i>Development</i>	_____	_____	_____
<i>Land and Rights</i>	_____	_____	_____
<i>Legal</i>	_____	_____	_____
<i>Engineering</i>	_____	_____	_____
<i>Interest</i>	_____	_____	_____
<i>Contingencies</i>	_____	_____	_____
<i>Initial Operating and Maintenance</i>	_____	_____	_____
<i>Other</i>	_____	_____	_____
<b>TOTAL</b>	_____	_____	_____

**XXXIV. PROPOSED PROJECT FUNDING – SEWER    N/A**

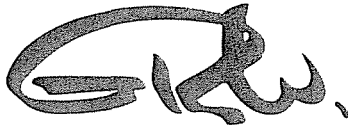
	<u>Collection</u>	<u>Treatment</u>	<u>Total</u>
<i>Applicant - User Contribution Fees</i>	_____	_____	_____
<i>Other - Applicant Contribution</i>	_____	_____	_____
<i>RUS Loan</i>	_____	_____	_____
<i>RUS Grant</i>	_____	_____	_____
<i>ARC Grant (If applicable)</i>	_____	_____	_____
<i>CDBG (If applicable)</i>	_____	_____	_____
<i>Other (Specify)</i>	_____	_____	_____
<i>Other (Specify)</i>	_____	_____	_____

XXXV. ESTIMATED PROJECT COST - WATER

Development	\$ <u>1,010,680</u>
Land and Rights	<u>1,500</u>
Legal and Administrative	<u>19,750</u>
Engineering	<u>161,000</u>
Interest	<u>9,000</u>
Contingencies	<u>77,070</u>
Initial Operating and Maintenance	<u>                    </u>
Other – Geotechnical & Environmental Surveys (if required)	<u>                    </u>
TOTAL	\$ <u>1,279,000</u>

XXXVI. PROPOSED PROJECT FUNDING

Applicant - User Connection Fees	\$ <u>9,500</u>
Other Applicant Contribution	<u>                    </u>
RUS Loan	<u>549,000</u>
RUS Grant	<u>270,500</u>
ARC Grant (If applicable)	<u>                    </u>
CDBG (If applicable)	<u>                    </u>
Other (Specify) KIA (KY State Legislature)	<u>450,000</u>
Other (Specify)	<u>                    </u>
TOTAL	\$ <u>1,279,000</u>



404 BNA Drive  
 Suite 201  
 Nashville, TN 37217  
 Tel 615 / 366-1600  
 Fax 615 / 366-0406

**GRW Engineers, Inc.**

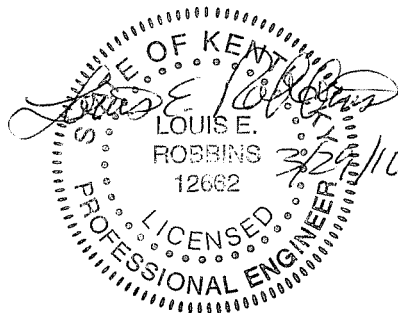
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**FINAL ENGINEERING REPORT  
 EDMONSON COUNTY WATER DISTRICT  
 HART COUNTY PROJECT  
 MARCH 2010**

Total Construction - Bids Received 3/23/10:	\$582,373
Purchase of Radio Read Meters for Hart County Service Area	\$180,000
Land & Rights:	\$1,500
KIA Grant Administration Fee:	\$2,250
Legal & Administrative:	\$17,500
Advertising, etc.: \$1,500	
Bond Counsel: \$10,500	
Local Counsel: \$5,500	
Engineering:	\$124,784
Preliminary Engineering: \$4,000	
Easement/Property Owners Identification: \$4,000	
PSC Related: \$4,000	
Hydraulic Analysis Update: \$3,000	
Design: \$57,247	
Inspection: \$40,242	
ARRA Requirements @ 1%: \$5,725	
Abandoned Design (Centerpoint Road): \$6,570	
Interest During Construction:	\$9,000
Contingencies:	<u>\$361,593</u>
<b>TOTAL PROJECT COSTS:</b>	<b>\$1,279,000</b>

Financing:	
RUS Loan:	\$570,000
RUS Grant:	\$249,500
KIA:	\$450,000
Applicant Contribution:	<u>\$9,500</u>
<b>TOTAL:</b>	<b>\$1,279,000</b>



## NARRATIVE DESCRIPTION OF PROJECT

### Edmonson County Water District Hart County Water Line Project

By use of federal loan and grant proceeds, state grant funds and local funds, the District plans to construct and install new water lines and facilities to improve service to existing customers and serve approximately 41 new customers, including approximately 48,000 linear feet of water lines and associated improvements. Additions will also include installing flow meters and leak detection meters to improve the District's ability to monitor the system and the purchase of radio read meters for installation in the Hart County service area of the Edmonson County Water District.

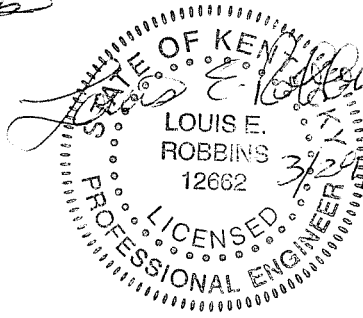


Item No.	Approx. Quantity	Description	United Pipeline, Inc 48 Hagan Street Tompkinsville, KY 42167		Cumberland Pipeline, LLC 130 Wilson Street Russell Springs, KY 42642		Southern Backhoe, Inc. 808 West Main Street Campbellsville, KY 42718		
			Unit Price	Total Price	Unit Price	Total Price	Unit Price	Total Price	
1	2,600	L.F. 6-Inch PVC Pipe SDR 21, including fittings, thrust blocking, complete and in place as shown on the plans							
2	150	L.F. 6-Inch PVC Pipe SDR 21, w/granular backfill including fittings, thrust blocking, complete and in place as shown on the plans	4,000.00	\$25.00	\$65,000.00	\$20.50	\$53,300.00	\$25.00	\$65,000.00
3	29,850	L.F. 4-Inch PVC Pipe SDR 21, including fittings, thrust blocking, complete and in place as shown on the plans	1,000.00	\$32.00	\$4,800.00	\$25.70	\$3,855.00	\$30.00	\$4,500.00
4	410	L.F. 4-Inch PVC Pipe SDR 21, w/granular backfill including fittings, thrust blocking, complete and in place as shown on the plans	1,900.00	\$16.00	\$477,600.00	\$19.30	\$576,105.00	\$20.00	\$597,000.00
5	13,350	L.F. 4-Inch PVC Pipe SDR 17, including fittings, thrust blocking, complete and in place as shown on the plans	1,920.00	\$20.00	\$8,200.00	\$24.45	\$10,024.50	\$25.00	\$10,250.00
6	940	L.F. 4-Inch PVC Pipe SDR 17, w/granular backfill including fittings, thrust blocking, complete and in place as shown on the plans	1,200.00	\$16.00	\$213,600.00	\$19.30	\$257,655.00	\$27.00	\$360,450.00
7	45,800	L.F. Allowance price for final cleanup, seeding, strawing, etc., for Bid Item Nos. 1, 3, and 5	1,280.00	\$20.00	\$18,800.00	\$24.45	\$22,983.00	\$30.00	\$28,200.00
8	47,540	L.F. No. 12 copper locator wire, complete in place as shown on the plans.	1,800.00	\$1.00	\$45,800.00	\$1.00	\$45,800.00	\$1.00	\$45,800.00
9	60	L.F. Bore & Jack under slate hwy. & county roads w/12 inch dia. steel casing pipe (0.375"thk.) and in place as shown on the plans	1,508.00	\$0.12	\$5,704.80	\$0.20	\$9,508.00	\$0.20	\$9,508.00
10	70	L.F. Bore & Jack county roads w/10-Inch dia. Steel casing pipe (0.365"thk.) w/4-Inch PVC SDR 21 on the plans	1,000.00	\$150.00	\$9,000.00	\$195.00	\$11,700.00	\$200.00	\$12,000.00
11	110	L.F. Bore & Jack county roads w/10-Inch dia. Steel casing pipe (0.365"thk.) w/4-Inch PVC SDR 21 on the plans	1,000.00	\$150.00	\$10,500.00	\$195.00	\$13,650.00	\$200.00	\$14,000.00
12	20	L.F. Open Cut county roads w/10-inch dia. Steel casing pipe (0.365"thk.) w/4-inch PVC SDR 21 on the plans	1,000.00	\$150.00	\$16,500.00	\$195.00	\$21,450.00	\$200.00	\$22,000.00
13	25	L.F. Uncased Bore under paved drives w/6-inch PVC SDR 21 carrier pipe	1,200.00	\$50.00	\$1,000.00	\$70.00	\$1,400.00	\$175.00	\$3,500.00
14	40	L.F. Uncased Bore under paved drives w/4-inch PVC SDR 21 carrier pipe	1,000.00	\$30.00	\$750.00	\$40.00	\$1,000.00	\$120.00	\$3,000.00
15	6	EA 4-inch M.J. Double Disc Gate Valve Assembly w/Mega-Lugs, valve box, concrete pad and	1,600.00	\$30.00	\$1,200.00	\$38.00	\$1,520.00	\$120.00	\$4,800.00
16	1	EA Connection to existing 8-inch water line w/8" x 4" tapping sleeve and valve, and all associated	1,200.00	\$1,000.00	\$6,000.00	\$1,010.00	\$6,060.00	\$950.00	\$5,700.00
17	1	EA Connection to existing 6-inch water line w/6" x 6" tapping sleeve and valve, and all associated	1,000.00	\$2,500.00	\$2,500.00	\$2,542.00	\$2,542.00	\$2,500.00	\$2,500.00
18	8	EA Connection to existing 4-inch water line w/4" x 4" tapping sleeve and valve, and all associated	1,000.00	\$2,700.00	\$2,700.00	\$2,445.00	\$2,445.00	\$2,500.00	\$2,500.00
19	8	EA Blowoff Assembly complete in place including piping, fittings, valve, kickers and associated	1,400.00	\$2,000.00	\$16,000.00	\$2,461.00	\$19,688.00	\$2,000.00	\$16,000.00
20	3	EA 1-Inch Air Release Valve Assembly	1,200.00	\$2,000.00	\$16,000.00	\$1,741.00	\$13,928.00	\$2,000.00	\$16,000.00
21	4	EA Installation of manual air bleed valves where directed by Engineer	1,000.00	\$800.00	\$2,400.00	\$700.00	\$2,100.00	\$800.00	\$2,400.00
22	1	EA Test Meter Assembly complete and in place	1,400.00	\$500.00	\$2,000.00	\$300.00	\$1,200.00	\$450.00	\$1,800.00
23	20	EA Type A Service Connection, complete and in place, including water main connection and a meter box, meter box installation, and appurtenances, and all associated work. (Meter will be furnished by Owner).	1,700.00	\$800.00	\$800.00	\$400.00	\$400.00	\$800.00	\$800.00
24	19	EA Type B Service Connection, complete and in place, including water main connection and a meter box, meter box installation, and appurtenances, and all associated work. (Meter will be furnished by Owner).	1,000.00	\$500.00	\$10,000.00	\$400.00	\$8,000.00	\$500.00	\$10,000.00
25	3	EA Type A Service Connection with individual PRV, complete and in place, including water main connection and meter box, meter installation, and appurtenances, and all associated work. (Meter will be furnished by Owner).	1,300.00	\$1,000.00	\$19,000.00	\$1,155.20	\$21,948.80	\$2,000.00	\$38,000.00
26	3	EA Type B Service Connection with individual PRV, complete and in place, including water main connection and meter box, meter installation, and appurtenances, and all associated work. (Meter will be furnished by Owner).	1,800.00	\$600.00	\$1,800.00	\$461.00	\$1,383.00	\$650.00	\$1,950.00
27	220	LF 3/4-Inch PE Service Line in excess of required maximum amount shown in Type A or Type B classified PE 3406, complete and in place.	1,400.00	\$1,100.00	\$3,300.00	\$1,354.00	\$4,062.00	\$2,100.00	\$6,300.00
28	1,200	LF Pavement repair	1,880.00	\$2.00	\$440.00	\$10.00	\$2,200.00	\$15.00	\$3,300.00
29	2,400	LF Gravel road and driveway repair where gravel type is different from crushed stone trench backfilling of undercut areas	1,200.00	\$25.00	\$30,000.00	\$15.00	\$18,000.00	\$40.00	\$48,000.00
30	30	LF Concrete Repair for driveways and sidewalks	1,000.00	\$15.00	\$36,000.00	\$8.00	\$19,200.00	\$10.00	\$24,000.00
31	100	LF Rip-Rap for bank stabilization	1,000.00	\$200.00	\$6,000.00	\$18.00	\$540.00	\$40.00	\$1,200.00
32	75	C.Y. Concrete for cradles, caps, piers, anchors & encasement	1,000.00	\$10.00	\$1,000.00	\$25.00	\$2,500.00	\$15.00	\$1,500.00
33	100	C.Y. Undercut of water line ditch in excess of details shown on plans and as specified where directed by Engineer	1,500.00	\$100.00	\$7,500.00	\$125.00	\$9,375.00	\$100.00	\$7,500.00
34	1	LS Ultrasonic Flow Meter and Meter Pit on Hwy. 728 near the Cub Run water tank, including electrical (power supply connection included), complete and in place as shown on the plans	1,300.00	\$20.00	\$2,000.00	\$32.00	\$3,200.00	\$15.00	\$1,500.00
35	1	LS Ultrasonic Flow Meter and Meter Pit on Hwy. 88 near the Cub Run BPS, including electrical (power supply connection included), complete and in place as shown on the plans	1,000.00	\$12,000.00	\$12,000.00	\$13,230.00	\$13,230.00	\$8,000.00	\$8,000.00
36	1	LS Ultrasonic Flow Meter and Meter Pit at Wax WTP, including electrical (power supply connection included), complete and in place as shown on the plans	1,000.00	\$12,000.00	\$12,000.00	\$10,830.00	\$10,830.00	\$9,500.00	\$9,500.00
37	10	EA Leak detection meter assembly	1,000.00	\$12,000.00	\$12,000.00	\$10,830.00	\$10,830.00	\$10,000.00	\$10,000.00
			1,000.00	\$5,000.00	\$5,000.00	\$2,568.00	\$25,680.00	\$900.00	\$9,000.00
TOTAL BID PRICE (Items 1 through 37)			1,088.00		\$1,129,894.80	*	\$1,229,292.30		\$1,407,458.00

I do hereby certify that the above is a true and correct copy of the bids received.

*Louis E. Robbins*

Louis E. Robbins, P.E.  
GRW Engineers, Inc.  
Kentucky License No. 12662







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

April 5, 2010

**SUBJECT:** Edmonson County Water District  
Hart County Water Lines  
Contract Award Concurrence

**TO:** Area Office  
Bowling Green, Kentucky

Based on the bids received and the recommendation of the consulting engineer, Rural Development concurs in the award of subject contract to the low bidder, Bobby Luttrell and Sons, LLC, in the amount of \$582,373.00

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

  
THOMAS G. FERN  
State Director  
Rural Development

cc: GRW  
Nashville, Tennessee

Stoll, Keenon & Ogden  
Louisville, Kentucky

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

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GRW Engineers, Inc.

March 26, 2010

Mr. Jimmy Mills, Chairman  
Edmonson County Water District  
1128 Hwy 259 North  
P.O. Box 208  
Brownsville, KY 42210

Re: Edmonson County Water District  
Hart County Water Line Project  
Recommendations for Award

Dear Mr. Mills:

Bids on the Hart County Water Line project were received and opened at 10:30 a.m. on March 23, 2010.  
Bids received were as follows (copies of bid tabulations enclosed):

Hart County Water Lines

1. Bobby Luttrell & Sons, LLC	\$ 582,373.00
2. Gary Clifford, Inc.	\$ 603,709.64
3. Horsley Construction, Inc.	\$ 604,710.60 *(corrected bid total)
4. Cleary Construction Co., Inc.	\$ 628,758.00
5. Twin States Utilities, Inc.	\$ 907,959.00
6. Salmon Construction, Inc.	\$ 973,088.00
7. United Pipeline, Inc.	\$ 1,129,894.80 *(corrected bid total)
8. Cumberland Pipeline, Inc.	\$ 1,229,292.30
9. Southern Backhoe, Inc.	\$ 1,407,458.00

The low bids are within the amount budgeted for construction on this project. The low bidding contractor has previously completed work for the Water District and we are of the opinion that Bobby Luttrell & Sons, LLC has a good reputation and is capable of completing the work as shown and specified in an acceptable manner. We hereby recommend award of the Hart County Water Line contract to Bobby Luttrell & Sons, LLC, in the amount of \$582,373.00 contingent upon approval by Rural Development. The total project costs are \$1,279,000.00 as shown on the attached Project Costs Summary.

Please call if you have any questions or need additional information.

Sincerely,

Louis E. Robbins, P.E.

Enclosures

cc: Steve Cosby, RD Bowling Green  
William Davis, Ogden Newell & Welch PLLC ✓  
File 3621-02 A



United States Department of Agriculture  
Rural Development  
Kentucky State Office

COPY  
DAVIS

June 18, 2009

Mr. Jimmy Mills, Chairman  
Edmonson County Water District  
PO Box 208  
Brownsville, Kentucky 42210

Dear Mr. Mills:

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

This letter is not to be considered as loan and grant approval or as a representation as to the availability of funds. The docket may be completed on the basis of a RUS loan not to exceed \$570,000; a RUS grant not to exceed \$249,500; a Kentucky Infrastructure Authority (KIA) grant in the amount of \$450,000; and new user connection fees in the amount of \$9,500.

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

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

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

If the conditions set forth in this letter are not met within 210 days from the date hereof, Rural Development reserves the right to discontinue the processing of the application.

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

771 Corporate Drive • Suite 200 • Lexington, KY 40503  
Phone: (859) 224-7336 • Fax: (859) 224-7344 • TDD: (859) 224-7422 • Web: <http://www.rurdev.usda.gov/ky>

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1400 Independence Avenue, SW, Washington, DC 20250-9410  
or call (800) 795-3272 (voice) or (202) 720-6382 (TDD).

1. Number of Users and Their Contribution:

There shall be 58 sewer users and 9,899 water users, of which 9,858 are existing users and 41 are new users contributing \$9,500 in connection fees toward the cost of the project. The connection fees will be collected prior to advertising for construction bids and will be placed in the construction account at loan pre-closing, unless spent for authorized purposes prior to loan pre-closing. The Area Director will review and authenticate the number of users and amount of connection fees prior to advertising for construction bids.

2. Grant Agreement:

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

3. Drug-Free Work Place:

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

4. Repayment Period:

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

5. Recommended Repayment Method:

Payments on this loan shall be made using the Preauthorized Debit (PAD) payment method. This procedure eliminates the need for paper checks and ensures timely receipt of RD loan payments. To initiate PAD payments, Form RD 3550-28, "Authorization Agreement for Preauthorized Payments," should be signed by the District to authorize the electronic withdrawal of funds from your designated bank account on the exact installment payment due date. The Area Director will furnish the necessary forms and further guidance on the PAD procedure.

6. Reserve Accounts:

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

The District will be required to deposit \$200 per month into a "Funded Debt Reserve Account" until the account reaches \$24,000. The deposits are to be resumed any time the account falls below the \$24,000.

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

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

The District also needs to fund an account for short-lived assets by depositing a sum of \$1,000 monthly into the account. The funds in the short-lived asset account may be used by the District as needed to replace or add short-lived assets in the District's water system. This short-lived asset reserve amount replaces any previous short-lived assets requirements previously set with any prior RUS loan.

7. Security Requirements:

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

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

8. Land Rights and Real Property:

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

9. Organization:

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

10. Business Operations:

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

11. Accounts, Records and Audits:

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

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

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

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

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

13. Insurance and Bonding:

The following insurance and bonding will be required:

- A. Adequate Liability and Property Damage Insurance including vehicular coverage, if applicable, must be obtained and maintained by the District. The District should obtain amounts of coverage as recommended by its attorney, consulting engineer and/or insurance provider.
- B. Worker's Compensation - The District will carry worker's compensation insurance for employees in accordance with applicable state laws.
- C. Fidelity Bond - The District will provide Fidelity Bond Coverage for all persons who have access to funds. Coverage may be provided either for all individual positions or persons, or through "blanket" coverage providing protection for all appropriate employees and/or officials. The amount of coverage required for all RUS loans is \$625,000.
- D. Real Property Insurance - The District will obtain and maintain adequate fire and extended coverage on all structures including major items of equipment or machinery located in the structures. The amounts of coverage should be based on recommendations obtained by the District from its attorney, consulting engineer and/or insurance provider. Subsurface lift stations do not have to be covered except for the value of electrical and pumping equipment therein.
- E. Flood Insurance - The District will obtain and maintain adequate coverage on any facilities located in a special flood and mudslide prone areas.

14. Planning and Performing Development:

- A. The engineer should not be authorized to commence work on final plans and specifications until a determination has been made that the project can be planned and constructed within the estimated cost shown in paragraph "24" of this letter. The engineer may then proceed to develop final plans and specifications to be

completed no later than 180 days from this date, and prepare bid documents. The Area Director is prepared to furnish the necessary guide to follow so as to keep the project plans and documents within our guidelines and requirements. The project should not be advertised for construction bids until all easements and enforceable options have been obtained, and total funds are committed or available for the project.

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

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

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

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

15. Civil Rights & Equal Opportunity:

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

A. Section 504 of the Rehabilitation Act of 1973:

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

B. Civil Rights Act of 1964:

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

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

This Act (42 U.S.C. 12101 et seq.) prohibits discrimination on the basis of disability in employment, state and local government services, public transportation, public accommodations, facilities, and telecommunications. Title II of the Act applies to facilities operated by state and local public entities that provide services, programs, and activities. Title III of the Act applies to facilities owned, leased, or operated by private entities that accommodate the public.

D. Age Discrimination Act of 1975:

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

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

16. Closing Instructions:

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

17. Compliance with Special Laws and Regulations:

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

18. Treatment Plant and System Operator:

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

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

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



- F. RD Instruction 1940-Q, Exhibit A-1, "Certification for Contracts, Grants and Loans."
- G. RUS Bulletin 1780-22, "Eligibility Certification."

20. Refinancing and Graduation Requirements:

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

21. Commercial Interim Financing:

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

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

22. Disbursement of Project Funds:

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

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

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

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

Borrowers receiving federal loan and/or grant funds by EFT will have funds directly deposited to a specified account at a financial institution with funds being available to the recipient on the date of payment. The borrower should complete Form SF-3881, "Electronic Funds Transfer Payment Enrollment Form," for each account where funds will be electronically received. The completed form(s) must be received by Rural Development at least thirty (30) days prior to the first advance of funds.

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

23. Disbursement of Grant Funds:

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

24. Cost of Facility:

Breakdown of Costs:

Development	\$ 1,010,680
Land and Rights	1,500
Legal and Administrative	19,750
Engineering	161,000
Interest	9,000
Contingencies	<u>77,070</u>
TOTAL	\$ 1,279,000

Financing:

RUS Loan	\$ 570,000
RUS Grant	249,500
KIA Grant	450,000
Connection Fees	<u>9,500</u>
TOTAL	\$ 1,279,000

25. Commitment of Other Project Funds:

This Letter of Conditions is issued contingent upon a firm commitment being in effect prior to advertising for construction bids for the Kentucky Infrastructure Authority (KIA) grant in the amount of \$450,000.

26. Use of Remaining Project Funds:

The connection fees shall be considered as the first funds expended. After providing for all authorized costs, any remaining project funds will be considered to be RUS/KIA grant funds

and refunded in proportion to participation in the project. If the amount of unused project funds exceeds the grants, that part would be RUS loan funds.

27. Proposed Operating Budget:

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

28. Rates and Charges:

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

Water rates will be at least:

First	1,500	gallons @ \$	12.00. - Minimum Bill.
All Over	1,500	gallons @ \$	4.50. - per 1,000 gallons.

Wholesale Rate to the City of Brownsville will be \$2.70 per 1,000 gallons.

Sewer rates will be at least:

Residential Rates:

First	1,500	gallons @ \$	9.85. - Minimum Bill.
Next	6,500	gallons @ \$	4.25. - per 1,000 gallons.
Next	12,000	gallons @ \$	3.90. - per 1,000 gallons.
All Over	20,000	gallons @ \$	2.90. - per 1,000 gallons.

Non-Residential Rates:

First	1,500	gallons @ \$	14.78. - per 1,000 gallons
Next	6,500	gallons @ \$	6.38. - per 1,000 gallons.
Next	12,000	gallons @ \$	5.85. - per 1,000 gallons.
All Over	20,000	gallons @ \$	4.35. - per 1,000 gallons.

29. Compliance with the Bioterrorism Act:

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

30. Floodplain Construction:

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

31. Water Withdrawal Permit:

The District will be required to obtain satisfactory evidence that a revised water withdrawal permit has been secured from the Division of Water. The permit must be obtained prior to the commencement of construction on the water project.

32. Division of Water (DOW) Health & Sanitary Certification:

The Median Household Income (MHI) for the Edmonson County Water District's service area qualifies this project for the poverty interest rate. A certification from the Division of Water stating this project will remove a health or sanitary problem will be required. This certification must be obtained prior to loan pre-closing.

33. Mitigation Measures:

- A. The project shall be in compliance with all requirements noted in the Governor's Office for Local Development letter dated October 21, 2008, from Ms. Lee Nalley.
  - B. The line design and construction shall be accomplished in a way that will leave flood plains and farmland without effect after construction is complete. The Army Corps of Engineers Nationwide Permit No. 12 applies to all floodplain and wetland utility line construction.
  - C. Any excavation by Contractor that uncovers a historical or archaeological artifact shall be immediately reported to Owner and a representative of Agency. Construction shall be temporarily halted pending the notification process and further directions issued by Agency after consultation with the State Historic Preservation Officer (SHPO).
  - D. The design and construction shall be in compliance with all local, state and federal environmental statutes, regulations and executive orders applicable to the project.
  - E. Best Management Practices shall be incorporated into the project design, construction, and maintenance.
-

34. American Recovery and Reinvestment Act of 2009 ("Recovery Act"):

Recovery Act requirements apply to this financing. In addition to the other conditions contained in this Letter of Conditions, you must understand and agree to these following conditions specific to the Recovery Act:

- (1). Certifications. With respect to Recovery Act funds made available to State or local governments for infrastructure investments, Section 1511 of the Recovery Act requires the Governor, mayor or other chief executive, as appropriate, to certify that the infrastructure investment has been properly approved as required by law and that the chief executive accepts responsibility that the infrastructure investment is an appropriate use of taxpayer dollars. RD Water and Waste personnel will provide specific guidance on the information required in the certification.
- (2). Reports on Use of Funds. Section 1512 of the Recovery Act requires each recipient receiving Recovery Act funding to provide specific information to the government on a periodic basis for inclusion in various internal and publicly-available reports. RD Water and Waste Program personnel will provide specific guidance on the type and frequency of information required to assist Recovery Act recipients in complying with this condition.
- (3). Buy American. Section 1605 of the Recovery Act requires that all projects financed with Recovery Act funds be bid and constructed using only iron, steel and manufactured goods produced in the United States in accordance with Section 1605 of the Recovery Act. Specific guidance, including contract provisions to be included in any construction contracts, is being formulated and drafted as of the date of this Letter of Conditions. RD Water and Waste Program personnel will provide specific guidance related to this condition as soon as it is available.
- (4). Wage Rate Requirements. Section 1606 of the Recovery Act requires that all laborers and mechanics employed by contractors and subcontractors for the project will be paid wages at rates not less than those prevailing on projects of a character similar in the locality where this project will occur. Specific guidance, including contract provisions to be included in any construction or otherwise related contracts, is being formulated and drafted as of the date of this Letter of Conditions. RD Water and Waste Program personnel will provide specific guidance related to this condition as soon as it is available.

**Compliance with the conditions in this section is required for financing under the Recovery Act.** However, these conditions are not substitutes for, or in lieu of, the remaining conditions contained in this Letter of Conditions. Each of the conditions in this Letter of Conditions must also be understood and complied with to receive financing for your project.

35. Final Approval Conditions:

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

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

Sincerely,



VERNON C. BROWN  
Acting State Director

Enclosures

cc: Area Director - Columbia, Kentucky  
Area Office Manager – Bowling Green, Kentucky  
Barren River ADD – Bowling Green, Kentucky  
William F. Davis - Louisville, Kentucky  
Robert D. Meredith - Leitchfield, Kentucky  
GRW Engineers, Inc. – Nashville, Tennessee  
PSC - ATTN: Dennis Jones - Frankfort, Kentucky



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

July 13, 2009

Stoll Keenon Ogden, PLLC  
Attn: William W. Davis  
1700 PNC Plaza  
500 West Jefferson Street  
Louisville, KY 40202-2874

Re: Edmonson County Water District  
\$570,000 Bond Issue

Dear Mr. Davis:

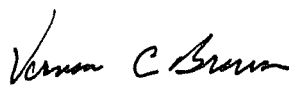
We are enclosing the Maturity Schedule for the referenced Bond Issue. The required deposits to the Funded Depreciation Reserve Account are \$200 per month with a required level of \$24,000. The Rural Development loan of \$570,000 was approved at an interest rate of 2.625%.

We are attempting to obtain the Regional Attorney's Closing Instructions at an earlier date in an effort to avoid delays in scheduling bond sales and pre-closing. Hopefully, you will be able to draft the bond authorizing documents at such a time to coincide with the Advertisement for Construction Bids. We plan to request Closing Instructions at the same time we authorize the District to advertise for construction bids.

Please provide this office with one copy of the proposed documents and forward one copy to the Rural Development Area Office.

Please let us know if you have any questions.

Sincerely,

  
VERNON C. BROWN  
Acting State Director

Enclosure

cc: Area Director - Columbia, Kentucky  
Area Manager – Bowling Green, Kentucky  
GRW Engineers – Nashville, Tennessee

771 Corporate Drive • Suite 200 • Lexington, KY 40503  
Phone: (859) 224-7336 • Fax: (859) 224-7344 • TDD: (859) 224-7422 • Web: <http://www.rurdev.usda.gov/ky>

Committed to the future of rural communities.

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

## BOND SCHEDULE, 7/13/2009

Name of Borrower: Edmonson County Water District			
Amount of Loan	570000	Annual Interest Rate	0.02625
Number of Initial Interest Only Payments	2	Number of principal and/or Interest Payments	40
Payment Frequency	Annual	This is a split payment bond.	false
Principal Payment Units	500	Interest Payment Units	1

YEAR	PERIOD	NUMBER	PAYMENT	INTEREST	PRINCIPAL	BALANCE
2011	1	1	14963	14963	0	570000
2012	1	2	14963	14963	0	570000
2013	1	3	23963	14963	9000	561000
2014	1	4	23727	14727	9000	552000
2015	1	5	23990	14490	9500	542500
2016	1	6	23741	14241	9500	533000
2017	1	7	23992	13992	10000	523000
2018	1	8	23729	13729	10000	513000
2019	1	9	23967	13467	10500	502500
2020	1	10	23691	13191	10500	492000
2021	1	11	23915	12915	11000	481000
2022	1	12	24127	12627	11500	469500
2023	1	13	23825	12325	11500	458000
2024	1	14	24023	12023	12000	446000
2025	1	15	23708	11708	12000	434000
2026	1	16	23893	11393	12500	421500
2027	1	17	24065	11065	13000	408500
2028	1	18	23724	10724	13000	395500
2029	1	19	23882	10382	13500	382000
2030	1	20	24028	10028	14000	368000
2031	1	21	23660	9660	14000	354000
2032	1	22	23793	9293	14500	339500
2033	1	23	23912	8912	15000	324500
2034	1	24	24019	8519	15500	309000
2035	1	25	24112	8112	16000	293000
2036	1	26	23692	7692	16000	277000
2037	1	27	23772	7272	16500	260500
2038	1	28	23839	6839	17000	243500
2039	1	29	23892	6392	17500	226000
2040	1	30	23933	5933	18000	208000
2041	1	31	23960	5460	18500	189500
2042	1	32	23975	4975	19000	170500
2043	1	33	23976	4476	19500	151000
2044	1	34	23964	3964	20000	131000
2045	1	35	23939	3439	20500	110500
2046	1	36	23901	2901	21000	89500
2047	1	37	23850	2350	21500	68000
2048	1	38	23785	1785	22000	46000
2049	1	39	23708	1208	22500	23500
2050	1	40	24117	617	23500	0
<b>TOTALS</b>			<b>937715</b>	<b>367715</b>	<b>570000</b>	