

# Rubin & Hays

ATTORNEYS AT LAW

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

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

RECEIVED  
SEP 19 2012  
PUBLIC SERVICE  
COMMISSION

September 18, 2012

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

Re: North Shelby Water Company USDA, Rural Development Water Project

Dear Mr. Derouen,


Enclosed please find the original and ten (10) copies of the Application of the North Shelby Water Company for an Order approving increased rates, construction financing and issuing a Certificate of Public Convenience and Necessity pursuant to KRS 278.023.

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

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

Sincerely,

Rubin & Hays

By   
W. Randall Jones

WRJ:jlm  
Enclosures

cc: Lee Mudd, P.E., Monarch Engineering  
Mr. Jerry Ruble, North Shelby Water Company

RECEIVED

SEP 19 2012

PUBLIC SERVICE  
COMMISSION

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF THE NORTH SHELBY )  
WATER COMPANY OF SHELBY, FRANKLIN AND )  
HENRY COUNTIES FOR A CERTIFICATE OF ) NO. 2012 - \_\_\_\_\_  
PUBLIC CONVENIENCE AND NECESSITY TO )  
CONSTRUCT, FINANCE AND INCREASE RATES )  
PURSUANT TO THE PROVISIONS OF KRS 278.023 )

APPLICATION

This Application of the North Shelby Water Company (the "Applicant") of Shelby, Franklin and Henry Counties, Kentucky, respectfully shows:

1. That the Applicant is a non-profit water association of Shelby, Franklin and Henry Counties, Kentucky, created and existing under and by virtue of Chapter 273 of the Kentucky Revised Statutes.

2. That the post office address of the Applicant is:

North Shelby Water Company  
c/o Mr. Jerry Ruble, President  
P.O. Box 97  
Bagdad, Kentucky 40003

3. That the Applicant, pursuant to the provisions of KRS 278.020 and 278.023, seeks (i) a Certificate of Public Convenience and Necessity, permitting the Applicant to construct a waterworks construction project, consisting of extensions, additions, and improvements (the "Project") to the existing waterworks system of the Applicant; (ii) approval of the proposed plan of financing said Project; and (iii) approval of an increase in Applicant's water rates.

4. That the proposed Project includes the construction and installation of (i) approximately 2,300 linear feet of 12-inch ductile iron transmission main to replace existing portions of 8-inch PVC transmission main; and (ii) a new booster pump station and appurtenances.

5. That the Applicant proposes to finance the construction of the Project through the issuance of a \$1,070,000 Promissory Note to USDA, Rural Development ("RD"). The Applicant has a commitment from RD to purchase said \$1,070,000 note maturing over a 40-year period, at an interest rate of not exceeding 4.25% per annum, as set out in the RD Letter of Conditions, as amended, filed herewith as an Exhibit.

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

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

- A. Copy of Applicant's Articles of Incorporation and Amendments (**previously filed with the Commission in Case No. 5497 and Case No. 8718**).
- B. Copy of RD Letter of Conditions, as amended.
- C. Copy of RD Letter of Concurrence in Bid Award.
- D. Copy of Preliminary and Final Engineering Reports.
- E. Certified statement from the President of the Applicant, based upon statements of the Engineers for the Applicant, concerning the following:
  - (1) The proposed plans and specifications for the Project have been designed to meet the minimum construction and operating requirements set out in 807 KAR 5:066, Section 4(3) and (4); Section 5(1); Sections 6 and 7; Section 8(1) through (3); Section 9(1) and Section 10;
  - (2) All other state approvals or permits have already been obtained;
  - (3) The existing rates of the Applicant shall produce the total revenue requirements set out in the engineering reports; and
  - (4) Setting out the dates when it is anticipated that construction will begin and end.

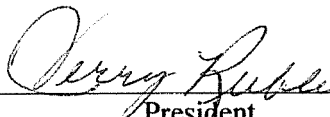
8. That Applicant has arranged for the publication, prior to or at the same time this Application is filed, of a Notice of Proposed Rate Change pursuant to Section 2 of 807 KAR 5:069, in the Sentinel-News, the Henry County Local and the State Journal, which are the newspapers of general circulation in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

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


WHEREFORE, the Applicant, the North Shelby Water Company asks that the Public Service Commission of the Commonwealth of Kentucky grant to the Applicant the following:

- a. A Certificate of Public Convenience and Necessity permitting the Applicant to construct a waterworks project consisting of extensions, additions, and improvements to the existing waterworks system of the Applicant.
- b. An Order approving the financing arrangements made by the Applicant, viz., the issuance of a \$1,070,000 Promissory Note at an interest rate of not exceeding 4.25% per annum.
- c. An Order approving the proposed increased rates as set out in Section 23 of Amendment No. 1 to the RD Letter of Conditions filed herewith as an Exhibit.

North Shelby Water Company

By:   
\_\_\_\_\_  
President  
Board of Directors

Rubin & Hays

By:   
\_\_\_\_\_  
Counsel for Applicant  
Kentucky Home Trust Building  
450 South Third Street  
Louisville, Kentucky 40202  
(502) 569-7525







United States Department of Agriculture  
Rural Development  
Kentucky State Office

May 23, 2011

Mr. Jerry Ruble, President  
North Shelby Water Company  
PO Box 97  
Bagdad, Kentucky 40003

Dear Mr. Ruble:

This letter establishes conditions which must be understood and agreed to by you before further consideration may be given to the application. The loan 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 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 \$1,070,000.

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

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

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

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

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

1. Number of Users and Their Contribution:

There shall be 4,757 water users, of which all are existing users. The Area Director will review and authenticate the number of users prior to advertising for construction bids.

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"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).

2. Repayment Period:

The loan will be scheduled for repayment over a period not to exceed 40 years from the date of the Promissory Note. Principal payment will not be deferred for a period in excess of two years from the date of the Promissory Note. The Company may be required to adopt a supplemental payment agreement providing for monthly payments of principal and interest so long as the Promissory Note is held or insured by RUS. Monthly payments will be approximate amortized installments.

3. 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 Company 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.

4. 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 Company will be required to deposit \$515 per month into a "Funded Debt Reserve Account" until the account reaches \$61,800. The deposits are to be resumed any time the account falls below the \$61,800.

The required monthly deposits to the Reserve Account and required Reserve Account levels are in addition to the requirements of the Company's prior loan 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 Company also needs to fund an account for short-lived assets by depositing a sum of \$1,667 monthly to the account. The funds in the short-lived asset account may be used by the Company as needed to replace or add short-lived assets in the Company's water system. This short lived asset requirement supersedes any prior obligation.

5. Security Requirements:

The loan will be secured by a real estate mortgage, a financing statement, and a pledge of gross water revenue, in the Loan Resolution and Financing Statement.

6. Land Rights and Real Property:

The Company 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.

7. Organization:

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

8. Business Operations:

The Company 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 Company after review by Rural Development. At no later than loan pre-closing, the Company 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.

9. Accounts, Records and Audits:

The Company 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 Company shall be required to submit a copy of its audit agreement for review and concurrence by Rural Development prior to pre-closing the loan.

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

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

11. 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 Company. The Company should obtain amounts of coverage as recommended by its attorney, consulting engineer and/or insurance provider.
- B. Worker's Compensation - The Company will carry worker's compensation insurance for employees in accordance with applicable state laws.
- C. Fidelity Bond - The Company 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 \$142,000.

- D. Real Property Insurance - The Company 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 Company 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 Company will obtain and maintain adequate coverage on any facilities located in special flood and mudslide prone areas.

12. 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 “21” of this letter. The engineer may then proceed to develop final plans and specifications to be completed no later than 210 days from this date, and prepare bid documents. The Area Director is prepared to furnish the necessary guide to follow so as to keep the project plans and documents within our guidelines and requirements. The project should not be advertised for construction bids until all easements and enforceable options have been obtained, and total funds are committed or available for the project.
- B. The following documents will be submitted to Rural Development for review and must be concurred in by Rural Development prior to advertisement for construction bids:
  - 1. Final plans, specifications and bid documents.
  - 2. Applicant's letter on efforts to encourage small business and minority - owned business participation.
  - 3. Legal Service Agreements.
  - 4. Engineering Agreements.

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

13. 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.

14. 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 Company.

15. Compliance with Special Laws and Regulations:

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

16. Treatment Plant and System Operator:

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

17. Prior to Pre-Closing the Loan, the Company Will Be Required to Adopt:

- A. Form RD 1942-8, "Resolution of Members or Stockholders."
- B. Form RUS Bulletin 1780-28, "Loan Resolution Security Agreement."
- C. Form RD 400-1, "Equal Opportunity Agreement."
- D. Form RD 400-4, "Assurance Agreement."
- E. Form AD-1047, "Certification Regarding Debarment, Suspension, and Other Responsibility Matters - Primary Covered Transaction."
- F. Form RD 1910-11, "Applicant Certification Federal Collection Policies for Consumer or Commercial Debts."
- G. RD Instruction 1940-Q, Exhibit A-1, "Certification for Contracts, Grants and Loans."
- H. RUS Bulletin 1780-22, "Eligibility Certification."

18. Refinancing and Graduation Requirements:

The Company is reminded that if at any time it shall appear to the Government that the Company 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 Company will apply for and accept such loan in sufficient amount to repay the Government.

19. Commercial Interim Financing:

The Company 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 Company 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.

20. Disbursement of Project Funds:

A construction account for the purpose of disbursement of project funds (RUS) will be established by the Company 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 \$250,000 at any time, the financial institution will secure the amount in excess of \$250,000 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 Company 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 Company, 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 Company.

Form RD 440-11, "Estimate of Funds Needed for 30-Day Period Commencing \_\_\_\_\_," will be prepared by the Company 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 Company's construction account records shall be made by Rural Development.

21. Cost of Facility:

Breakdown of Costs:

Development	\$ 779,000
Land and Rights	50,000
Legal and Administrative	20,000
Engineering	128,000
Interest	21,000
Contingencies	<u>72,000</u>
TOTAL	\$ 1,070,000

Financing:

RUS Loan		\$ <u>1,070,000</u>
	TOTAL	\$ 1,070,000

22. 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.

23. Rates and Charges:

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

Water rates will be at least:

5/8" x 3/4" Residential and Non-residential:

First	2,000	gallons @ \$	14.97. - Minimum Bill.
Next	3,000	gallons @ \$	6.10. - per 1,000 gallons.
Next	5,000	gallons @ \$	4.72. - per 1,000 gallons.
Next	40,000	gallons @ \$	4.03. - per 1,000 gallons.
All Over	50,000	gallons @ \$	3.35. - per 1,000 gallons.

1" Residential and Non-Residential:

First	5,000	gallons @ \$	33.27. - Minimum Bill.
Next	5,000	gallons @ \$	4.72. - per 1,000 gallons.
Next	40,000	gallons @ \$	4.03. - per 1,000 gallons.
All Over	50,000	gallons @ \$	3.35. - per 1,000 gallons.

1 1/2" Residential and Non-Residential:

First	10,000	gallons @ \$	56.87. - Minimum Bill.
Next	40,000	gallons @ \$	4.03. - per 1,000 gallons.
All Over	50,000	gallons @ \$	3.35. - per 1,000 gallons.

2" Residential and Non-Residential:

First	15,000	gallons @ \$	77.02. - Minimum Bill.
Next	35,000	gallons @ \$	4.03. - per 1,000 gallons.
All Over	50,000	gallons @ \$	3.35. - per 1,000 gallons.

3" Residential and Non-Residential:

First	35,000	gallons @ \$	157.62. - Minimum Bill.
Next	15,000	gallons @ \$	4.03. - per 1,000 gallons.
All Over	50,000	gallons @ \$	3.35. - per 1,000 gallons.

24. Water Purchase Contract:

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

25. Compliance with the Bioterrorism Act:

Prior to pre-closing the loan, the Company 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).

26. Floodplain Construction:

The Company will be required to pass and adopt a Resolution or amend its By-Laws whereby the Company 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 Company 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.

27. Mitigation Measures:

- A. The project shall be in compliance with all requirements noted in the Governor's Office for Local Development letter dated February 9, 2011, from Ms. Lee Nalley.
- B. The design and construction shall be in compliance with the requirements of the U.S. Fish and Wildlife Service as requested by letter dated April 4, 2011, and signed by Virgil Lee Andrews, Jr., Field Supervisor.
- C. 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.
- D. 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).
- E. The design and construction shall be in compliance with all local, state and federal environmental statutes, regulations and executive orders applicable to the project.


- F. Best Management Practices shall be incorporated into the project design, construction, and maintenance.

28 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,



THOMAS G. FERN  
State Director

Enclosures

cc: Area Director - Shelbyville, Kentucky  
KIPDA ADD - Louisville, Kentucky  
Donald Prather - Shelbyville, Kentucky  
Monarch Engineering - Lawrenceburg, Kentucky  
PSC - ATTN: Dennis Jones - Frankfort, Kentucky





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

August 29, 2012

Mr. Jerry Ruble, President  
North Shelby Water Company  
PO Box 97  
Bagdad, Kentucky 40003

Re: Letter of Conditions Dated May 23, 2011

Dear Mr. Ruble:

This letter shall serve as Amendment No. 2 to the Letter of Conditions dated May 23, 2011. The purpose of this amendment is to revise the required rates and charges.

Paragraph numbered "23" is revised to read as follows:

" 23. Rates and Charges:

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

Water rates will be at least:

5/8" x 3/4" Residential and Non-residential:

First	2,000	gallons @ \$	16.24. - Minimum Bill.
Next	3,000	gallons @ \$	6.44. - per 1,000 gallons.
Next	5,000	gallons @ \$	5.06. - per 1,000 gallons.
Next	40,000	gallons @ \$	4.37. - per 1,000 gallons.
All Over	50,000	gallons @ \$	3.69. - per 1,000 gallons.

1" Residential and Non-Residential:

First	5,000	gallons @ \$	35.56. - Minimum Bill.
Next	5,000	gallons @ \$	5.06. - per 1,000 gallons.
Next	40,000	gallons @ \$	4.37. - per 1,000 gallons.
All Over	50,000	gallons @ \$	3.69. - per 1,000 gallons.

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

1 1/2" Residential and Non-Residential:

First	10,000	gallons @ \$	60.86. - Minimum Bill.
Next	40,000	gallons @ \$	4.37. - per 1,000 gallons.
All Over	50,000	gallons @ \$	3.69. - per 1,000 gallons.

2" Residential and Non-Residential:

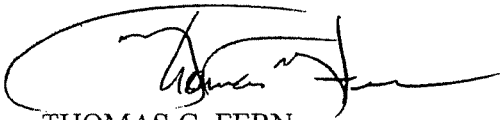
First	15,000	gallons @ \$	82.71. - Minimum Bill.
Next	35,000	gallons @ \$	4.37. - per 1,000 gallons.
All Over	50,000	gallons @ \$	3.69. - per 1,000 gallons.

3" Residential and Non-Residential:

First	35,000	gallons @ \$	170.11. - Minimum Bill.
Next	15,000	gallons @ \$	4.37. - per 1,000 gallons.
All Over	50,000	gallons @ \$	3.69. - per 1,000 gallons. ”

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

Sincerely,



THOMAS G. FERN  
State Director

- cc: Area Director - Shelbyville, Kentucky
- KIPDA ADD - Louisville, Kentucky
- Donald Prather - Shelbyville, Kentucky
- Monarch Engineering - Lawrenceburg, Kentucky
- PSC - ATTN: Dennis Jones - Frankfort, Kentucky





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

August 30, 2012

**SUBJECT:** North Shelby Water Company  
Long Run Pump Station Upgrades  
Contract Award Concurrence

**TO:** Area Director  
Shelbyville, 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, Salmon Construction, Inc., in the amount of \$785,859.00.

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

  
THOMAS G. FERN  
State Director  
Rural Development

cc: ~~Monarch Engineering~~  
~~Lawrenceburg, Kentucky~~

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

Committed to the future of rural communities.

<sup>1</sup>USDA is an equal opportunity provider, employer and lender.  
To file a complaint of discrimination write USDA, Director, Office of Civil Rights, Room 326-W, Whitten Building, 14<sup>th</sup> and Independence Avenue, SW, Washington, DC 20250-9410 or call (202) 720-5964 (voice or TDD).



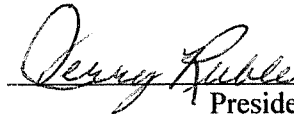
**CERTIFICATE OF PRESIDENT OF THE NORTH SHELBY WATER COMPANY  
AS TO STATEMENT REQUIRED BY SECTION 1(5) OF 807 KAR 5:069**

I, Jerry Ruble, hereby certify that I am the duly qualified and acting President of the North Shelby Water Company, and that said Company is in the process of arranging to finance the construction of extensions, additions and improvements to the existing waterworks system of the Company (the "Project"), in cooperation with the Engineers for the Company, Monarch Engineering, Inc., Lawrenceburg, Kentucky.

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

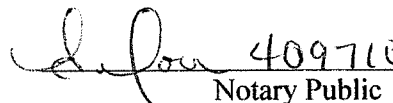
1. That the proposed plans and specifications for the Project have been designed to meet the minimum construction and operating requirements set out in 807 KAR 5:066, Section 4(3) and (4); Section 5(1); Sections 6 and 7; Section 8(1) through (3); Section 9(1) and Section 10.
2. That all other state approvals and/or permits have already been obtained.
3. That the rates of the Company shall produce the total revenue requirements set out in the engineering reports.
4. That it is now contemplated that construction of the Project will begin on or about November 9, 2012, and will end on or about August 5, 2013.

IN TESTIMONY WHEREOF, witness my signature this September 13, 2012.

  
\_\_\_\_\_  
President  
North Shelby Water Company

STATE OF KENTUCKY    )  
  ) SS  
COUNTY OF SHELBY    )

Subscribed and sworn to before me by Jerry Ruble, President of the Board of Directors of the North Shelby Water Company on this September 13, 2012.

  
\_\_\_\_\_  
Notary Public  
In and For Said State and County



## NOTICE OF PROPOSED RATE CHANGE

In accordance with the requirements of the Kentucky Public Service Commission as set out in 807 KAR 5:069, Section 2, notice is hereby given to the customers of the North Shelby Water Company of a change to the Company's rate schedule as set forth herein. The proposed rate change is required by USDA, Rural Development in connection with a loan by RD to the Company in the principal amount of \$1,070,000 to be evidenced by the issuance by the Company of its Promissory Note in such amount, which RD has agreed to purchase provided the Company meets certain conditions of RD, including revising the water rates as set forth below:

### Current Monthly Rates

#### 5/8" x 3/4" Meters:

First 2,000 gallons	\$15.49 minimum bill
Next 3,000 gallons	6.36 per 1,000 gallons
Next 5,000 gallons	4.98 per 1,000 gallons
Next 40,000 gallons	4.29 per 1,000 gallons
All over 50,000 gallons	3.61 per 1,000 gallons

#### 1" Meters:

First 5,000 gallons	\$34.57 minimum bill
Next 5,000 gallons	4.98 per 1,000 gallons
Next 40,000 gallons	4.29 per 1,000 gallons
All over 50,000 gallons	3.61 per 1,000 gallons

#### 1-1/2" Meters:

First 10,000 gallons	\$59.47 minimum bill
Next 40,000 gallons	4.29 per 1,000 gallons
All over 50,000 gallons	3.61 per 1,000 gallons

#### 2" Meters:

First 15,000 gallons	\$80.92 minimum bill
Next 35,000 gallons	4.29 per 1,000 gallons
All over 50,000 gallons	3.61 per 1,000 gallons

#### 3" Meters:

First 35,000 gallons	\$166.72 minimum bill
Next 15,000 gallons	4.29 per 1,000 gallons
All over 50,000 gallons	3.61 per 1,000 gallons



## Proposed Monthly Rates

### 5/8" x 3/4" Meters:

First 2,000 gallons	\$16.24 minimum bill
Next 3,000 gallons	6.44 per 1,000 gallons
Next 5,000 gallons	5.06 per 1,000 gallons
Next 40,000 gallons	4.37 per 1,000 gallons
All over 50,000 gallons	3.69 per 1,000 gallons

### 1" Meters:

First 5,000 gallons	\$35.56 minimum bill
Next 5,000 gallons	5.06 per 1,000 gallons
Next 40,000 gallons	4.37 per 1,000 gallons
All over 50,000 gallons	3.69 per 1,000 gallons

### 1-1/2" Meters:

First 10,000 gallons	\$60.86 minimum bill
Next 40,000 gallons	4.37 per 1,000 gallons
All over 50,000 gallons	3.69 per 1,000 gallons

### 2" Meters:

First 15,000 gallons	\$82.71 minimum bill
Next 35,000 gallons	4.37 per 1,000 gallons
All over 50,000 gallons	3.69 per 1,000 gallons

### 3" Meters:

First 35,000 gallons	\$170.11 minimum bill
Next 15,000 gallons	4.37 per 1,000 gallons
All over 50,000 gallons	3.69 per 1,000 gallons

The RD loan proceeds will be used to finance the replacement of approximately 2,300 linear feet of 8-inch PVC transmission main with 12-inch ductile iron transmission main and the construction and installation of a new booster pump station and appurtenances. Signed Jerry Ruble, President, North Shelby Water Company.

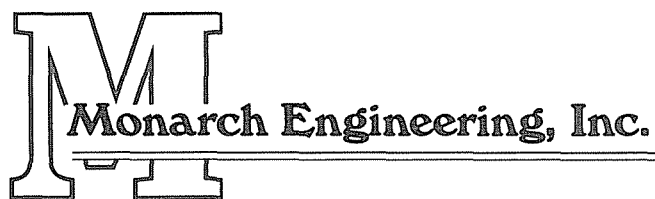
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SEP 19 2012

PUBLIC SERVICE  
COMMISSION

**PRELIMINARY ENGINEERING REPORT  
FOR THE  
NORTH SHELBY WATER COMPANY  
  
PUMP STATION UPGRADES**

**APRIL 2011**



**PRELIMINARY ENGINEERING REPORT  
FOR THE  
NORTH SHELBY WATER COMPANY  
  
PUMP STATION UPGRADES**

**APRIL 2011**

**PRELIMINARY ENGINEERING REPORT  
PUMP STATION UPGRADES  
NORTH SHELBY WATER COMPANY  
SHELBY COUNTY, KENTUCKY**

I. GENERAL

This Preliminary Engineering Report is intended to analyze the proposed water system improvements which are being planned by the North Shelby Water Company. The improvements include construction of a new booster pump station including all associated piping and appurtenances. The new pump station will replace an existing station located near the Company's primary purchase point from the Louisville Water Company. The new station will be of a greatly increased capacity and will therefore require the installation of 2,300 L.F. of 12-inch Ductile Iron transmission main to replace existing portions of 8-Inch PVC transmission main. These transmission main upgrades will complete the initial phase of the Company's East-West Connector, which is comprised of a continuous 12-inch connection extending from the Louisville Water Company purchase point to a 1,000,000 storage tank near the City of Shelbyville.

Rural Development "Kentucky Guide 7A" will be submitted at a later date and will serve as the Summary Addendum to this report. The Summary Addendum will further analyze the capability of the Association to execute this project through an evaluation of its financial standing and overall system operation.

II. PROJECT PLANNING AREA

The areas to be affected by construction will lie adjacent to existing transportation routes either on state highway right-of-way or property owned by the Company. The pump station replacement and a portion of the transmission main construction will be located adjacent to Long Run Road in northwestern Jefferson County. Other portions of the transmission main construction will be located adjacent to Kentucky Highway 53 just north of Shelbyville.

Implementation of the project will have a direct impact on the Association's entire service area. However, the impact will initially be more pronounced for a portion of the system west of Shelbyville. This segment of the service area has experienced major growth since the water system was first installed over forty years ago. The growth is expected to continue as residents shift in from neighboring Jefferson and Oldham Counties.

Attached as a part of this report are location and topographic maps which depict the pump station replacement site, transmission main routes, and the entire service area of the water system.

### III. EXISTING FACILITIES

The North Shelby Water Association owns and operates a water distribution system which serves the rural population of northern Shelby and northeast Franklin Counties. Small areas of both Oldham and Henry Counties are also served by the system. The Association purchases all water for resale from the Louisville Water Company, the Frankfort Plant Board, and the City of Shelbyville. The combination of which has sufficient water treatment capacity to serve the Associations' approximately 4,757 residential, commercial and industrial customers.

The Association operates the water system through a Board of Directors, a General Manager, as well as office and field personnel. The water distribution system consists of a network of water supply and distribution mains along with a series of water tanks and pump stations. This includes various size water lines ranging from 2-inch to 12-inch, seven pumps stations, and six water storage tanks rated at 1,827,000 gallons. The majority of the system has been in place for less than 30 years. Pipe material within the system consists of cast iron and asbestos cement for the older lines and plastic for the newer ones.

Currently, the distribution system is divided into two separate supply zones. The western portion is supplied primarily by the Louisville Water Company and the Eastern portion is supplied primarily by the Frankfort Plant Board. The supply to both zones is supplemented with water from the City of Shelbyville on an as needed basis.

Further information regarding the current rate structure, annual operation and maintenance cost, a tabulation of monthly users and revenue, and a list of the outstanding bonds can be found in the Summary Addendum.

### IV. NEED FOR THE PROJECT

The projects primary objective is to allow the Association to purchase an increased amount of water from the Louisville Water Company. The need to purchase a greater volume is twofold and of the utmost importance to the future operation of the system.

As previously stated, the western portion of the system continues to experience a great deal of growth. As a result, the capacity of the existing Long Rung Pump Station is approaching its limit. If demand continues to increase without a station upgrade, a potentially serious health hazard could result. The risk would occur during instances where customer demand could not be maintained, leading to water pressures at or below the established regulatory minimum. The occurrence of such situations would render the system unsafe and leave affected customers without a potable water supply.

Aside from correcting the current system deficiencies in the western supply zone, the improvements will also improve the overall reliability of the entire system. Given that the Long Run Pump Station is already operating at maximum capacity, North Shelby lacks the ability to transport water from the Louisville supply to the eastern portion of their system. In the event of a supply failure in the eastern supply zone, the Association would no longer have the capacity to supply water to those customers. Given the virtually unlimited supply that can be provided from Louisville, this condition is unacceptable.

Furthermore, the project would allow North Shelby to greatly reduce its current demand from the City of Shelbyville. Shelbyville has experienced raw water shortages in the past and reducing the Associations demand would free up capacity for the cities current and future customers. In the event of an emergency, the improvements would also allow North Shelby to supply to Shelbyville from Louisville.

## V. ALTERNATIVES CONSIDERED

For the majority of its customers, North Shelby is the only available supplier of potable water. Therefore all alternatives considered were relative to water supply, transport and storage within their system.

One alternative considered was to construct several large diameter transmission mains connecting the Louisville supply to existing storage tanks throughout the system. In conjunction with the new transmission mains, several of the existing tanks would be simultaneously replaced with structures of increased volume.

Another alternative considered was to replace the two existing pumps stations which supply the eastern zone with two new stations of greatly increased capacity. This would allow for an increase in supply to be purchased from the Frankfort Plant Board and transported to underserved customers in the western portion of the system.

The alternatives described above and others were evaluated based on several factors. They included: the needs of each service area; the total project costs; the topography of the proposed transmission main routes and tank sites; the availability of transmission main rights-of-way, tank sites, and pump station sites; and the future cost of maintaining the improvements.

## VI. PROPOSED PROJECT

The proposed project consists of the replacing the aging and undersized Long Run Pump Station. Construction of a 12-inch transmission main connecting the Louisville Water supply to the 1,000,000 gallon Shelby School Storage Tank was recently completed. The upgraded Long Run Pump Station will allow North Shelby to transport an increased volume of purchased water from the Louisville supply to the Shelby School Tank via the new transmission main. In order to increase the capacity of the Long Run Pump Station, two small sections of 8-inch transmission main in the connection from Louisville to Shelbyville must be replaced with a 12-inch transmission main.

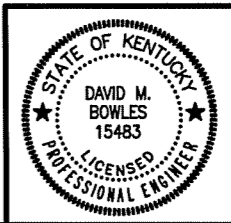
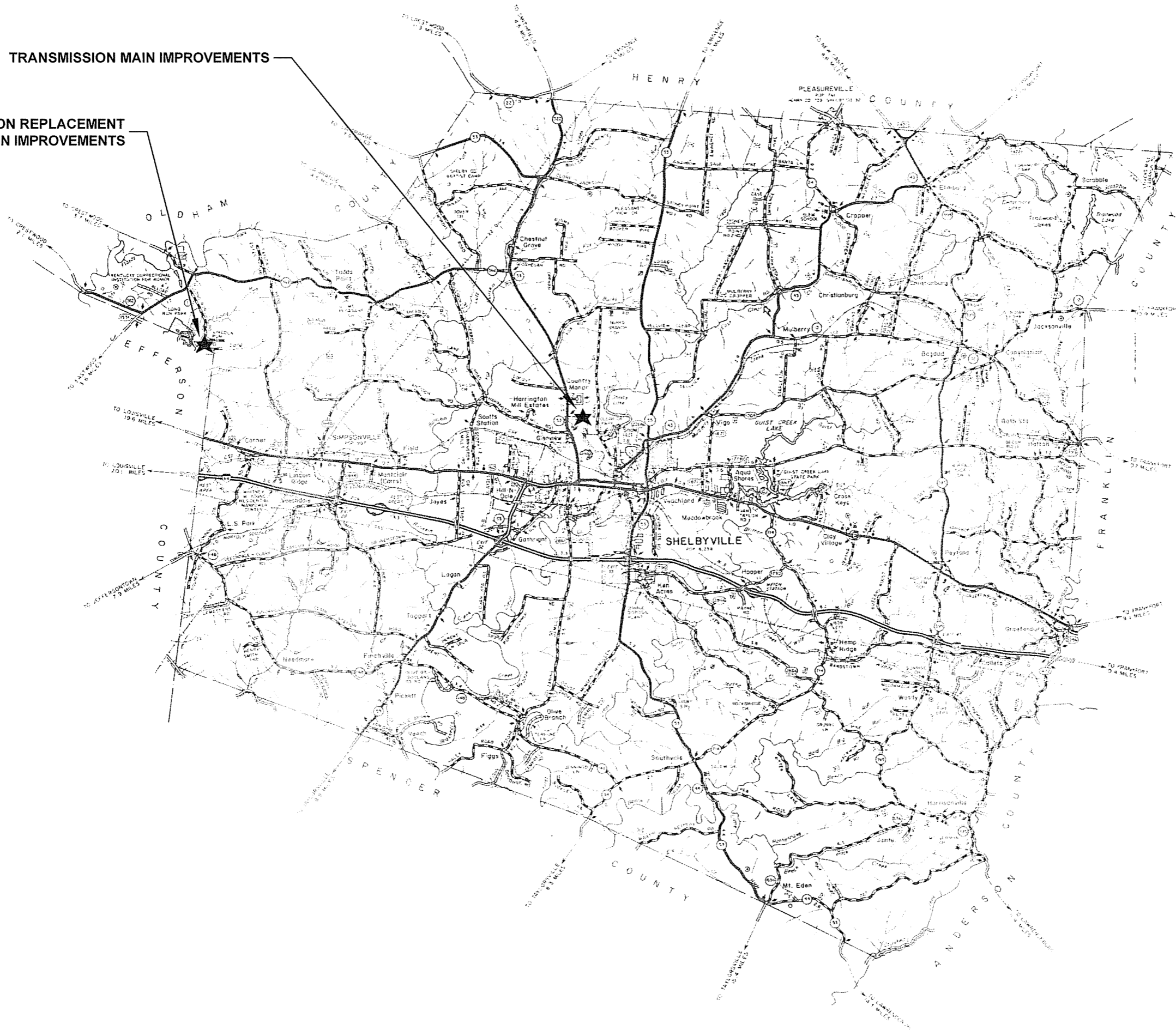
The total cost of the improvements is estimated at \$1,070,000. An itemized cost estimate is included in this report and outlines all of the individual construction items along with their estimated unit costs. A summary cost estimate is also included, providing a recap the overall project costs and a proposed funding scheme.

## VII. CONCLUSIONS AND RECOMMENDATIONS

Based on our evaluations of the Company's water system, and its inability to effectively supply existing customers and transport water throughout the system, it is recommended that the Company pursue financing from the U.S. Department of Agriculture through their Rural Development program so that these improvements can be implemented.

TRANSMISSION MAIN IMPROVEMENTS

LONG RUN PUMP STATION REPLACEMENT  
& TRANSMISSION MAIN IMPROVEMENTS



NORTH SHELBY WATER COMPANY  
PROJECT LOCATION MAP

**M** Monarch Engineering, Inc.  
556 Carlton Drive  
Lawrenceburg, KY



CRESTWOOD  
QUADRANGLE

LONG RUN PARK

Golf Course

PROPOSED DIRECTIONAL BORE CREEK CROSSING  
LAT: 38° 15' 52" N  
LONG: 85° 24' 47" W

PROPOSED PUMP STATION LOCATION  
LAT: 38° 15' 51" N  
LONG: 85° 24' 47" W

PROPOSED 1,100 L.F. OF 12-INCH  
DUCTILE IRON TRANSMISSION MAIN

EXISTING BOOSTER PUMP STATION

EXISTING MASTER METER

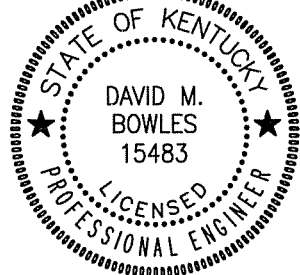
to Tower  
(VHAS)

JEFFERSON CO  
SHELBY CO

Tater

Long Run Cem

SCALE: 1" = 1,000'



NORTH SHELBY WATER COMPANY  
LONG RUN PUMP STATION  
& TRANSMISSION MAIN UPGRADES

Monarch Engineering, Inc.

556 Carlton Drive  
Lawrenceburg, KY

SHELBYVILLE  
QUADRANGLE

X795

HARRINGTON MILLS PIKE

PROPOSED 1,300 L.F. OF 12-INCH  
DUCTILE IRON TRANSMISSION MAIN

BM  
780

BRANCH

SPILLWAY  
ELEV 739

Filtration  
Plant

Substations

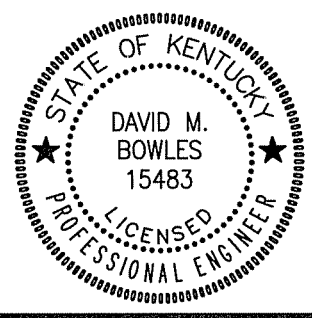
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Saf

Shelbyville

Middletown  
Heights

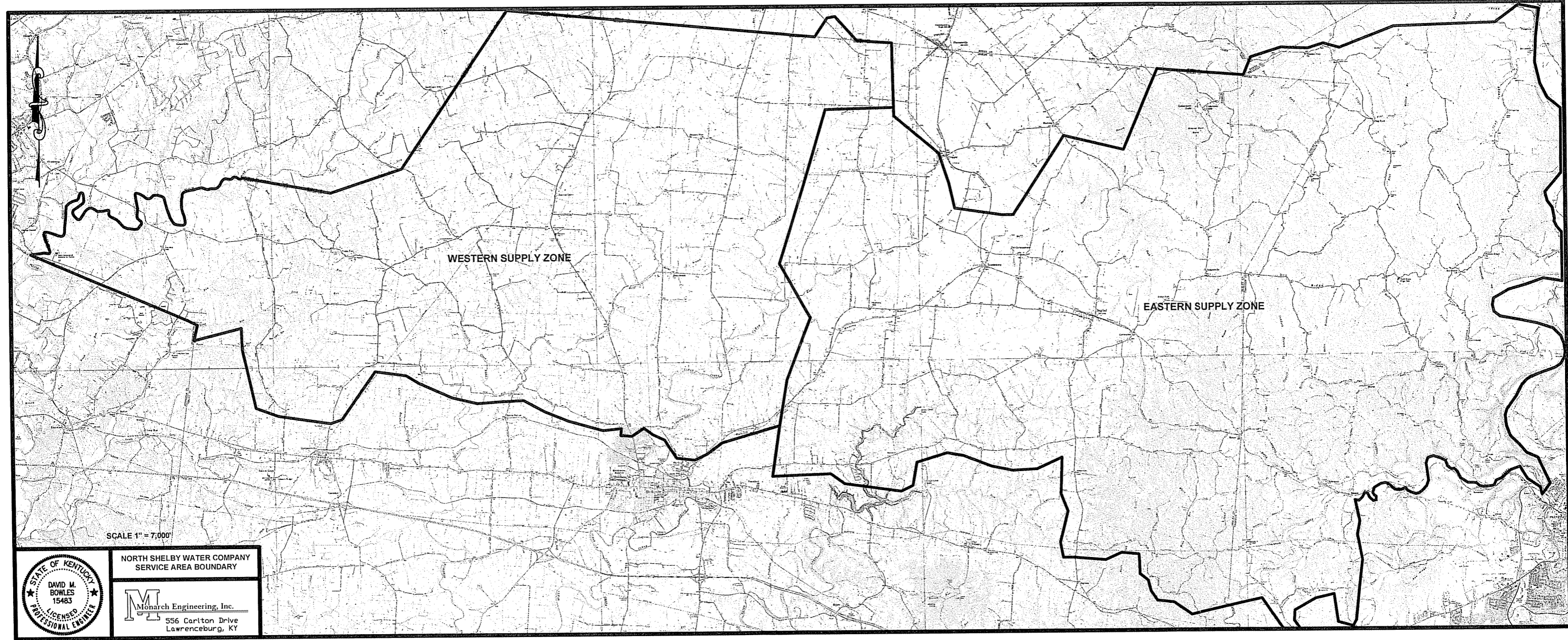
SCALE: 1" = 1,000'



NORTH SHELBY WATER COMPANY  
TRANSMISSION MAIN UPGRADES

**M**  
Monarch Engineering, Inc.

556 Carlton Drive  
Lawrenceburg, KY



WESTERN SUPPLY ZONE

EASTERN SUPPLY ZONE

SCALE 1" = 7,000'



NORTH SHELBY WATER COMPANY  
SERVICE AREA BOUNDARY

**M** Monarch Engineering, Inc.  
556 Carlton Drive  
Lawrenceburg, KY

**PRELIMINARY COST ESTIMATE  
PUMP STATION UPGRADES  
NORTH SHELBY WATER COMPANY  
APRIL 2011**

ITEM NO.	DESCRIPTION	QUANTITY	UNIT COST	TOTAL COST
1	12-Inch Ductile Iron CL 350 W.L.	2,300 LF	\$40.00	\$92,000.00
2	8-inch Ductile Iron CL 350 W.L.	20 LF	30.00	600.00
3	8-inch PVC SDR-17 W.L.	20 LF	20.00	400.00
4	2-inch PVC SDR-17 W.L.	20 LF	10.00	200.00
5	16-Inch HDPE DR-7.3 Directional Bore	175 LF	250.00	43,750.00
6	Bore & Case for 12-inch W.L	120 LF	175.00	21,000.00
7	Open Cut & Case for 12 -inch W.L.	40 LF	90.00	3,600.00
8	12 -inch Gate Valve	7 EA	2,800.00	19,600.00
9	8-inch Gate Valve	3 EA	1,650.00	4,950.00
10	2-inch gate valve	1 EA	600.00	600.00
11	Connection	7 EA	1,650.00	11,550.00
12	Flush Hydrant Assembly	1 EA	3,300.00	3,300.00
13	Meter Reconnection	2 EA	350.00	700.00
14	3/4-inch PE Service Tubing	275 LF	6.00	1,650.00
15	Booster Pump Station	1 LS	564,000.00	564,000.00
16	Demolition of Existing Pump Station	1 LS	10,000.00	10,000.00
17	Exploration	10 EA	110.00	1,100.00
		Subtotal		\$779,000.00
		Contingency		78,000.00
		Total Construction		\$857,000.00

**PRELIMINARY COST ESTIMATE  
PUMP STATION UPGRADES  
NORTH SHELBY WATER COMPANY  
APRIL 2011**

**PROJECT COSTS**

DEVELOPMENT	\$779,000
CONTINGENCY	78,000
ENGINEERING DESIGN	72,000
CONSTRUCTION INSPECTION	46,000
PRELIMINARY ENGINEERING REPORT	10,000
ENVIROMENTAL ASSESMENT	10,000
LAND ACQUISITION	35,000
LEGAL	15,000
ADMINISTRATION	5,000
INTEREST	<u>20,000</u>
<b>TOTAL PROJECT COSTS</b>	<b>\$1,070,000</b>

**PROJECT FINANCING**

USDA RURAL DEVELOPMENT LOAN	<u>1,070,000</u>
<b>TOTAL PROJECT COSTS</b>	<b>\$1,070,000</b>



# FINAL ENGINEERING REPORT

PUMP STATION UPGRADES

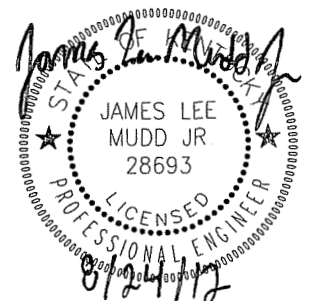
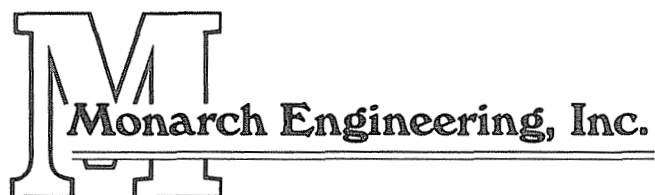
NORTH SHELBY WATER COMPANY  
SHELBY COUNTY, KENTUCKY

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PUBLIC SERVICE  
COMMISSION

AUGUST 2012



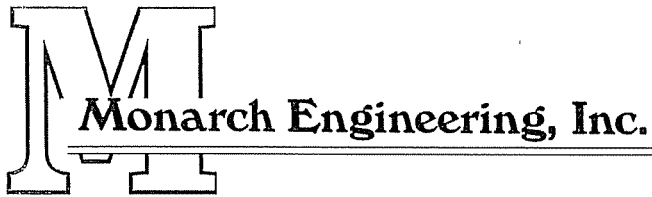
# **FINAL ENGINEERING REPORT**

**PUMP STATION UPGRADES**

**NORTH SHELBY WATER COMPANY  
SHELBY COUNTY, KENTUCKY**

**AUGUST 2012**





August 16, 2012

Mr. Jerry Ruble, President  
North Shelby Water Company  
P.O. Box 97  
Bagdad, KY 40003

Re: Long Run Pump Station Upgrades

Dear Mr. Ruble:

On August 10, 2012, bids were received by the North Shelby Water Company for construction of the Long Run Pump Station Upgrades. Eight proposals were received, with the lowest being submitted by Salmon Construction, Inc. of Mt. Washington, Kentucky, for \$785,859.00. A summarized tabulation of all bids received and a Final Project Budget have been included for your reference.

As indicated in the Final Project Budget, the total "as-bid" project costs are within the amount of allocated financing. Given the competitive nature of the bids received, and the necessity of the proposed improvements, we recommend that the Company consider awarding a contract to Salmon Construction, Inc., for the full bid amount. This recommendation is contingent upon approval from USDA Rural Development, and the Kentucky Public Service Commission.

Should you have any questions or require any additional information, please advise.

Sincerely,

A handwritten signature in cursive script that reads 'Lee Mudd'.

Lee Mudd, P.E.  
Project Engineer

/jlm

Attachments

Cc: Phyllis Stratton  
Area Specialist, USDA Rural Development  
Vernon Brown  
Program Director, USDA Rural Development

**FINAL BUDGET  
NORTH SHELBY WATER COMPANY  
PUMP STATION UPGRADES  
AUGUST 2012**

**PROJECT COSTS**

DEVELOPMENT	\$785,859.00
CONTINGENCY	86,404.57
ENGINEERING DESIGN (9.24%)	72,613.37
CONSTRUCTION INSPECTION (6.06%)	47,623.06
PRELIMINARY ENGINEERING REPORT	10,000.00
ENVIROMENTAL ASSESMENT	10,000.00
LAND ACQUISITION	5,000.00
LEGAL	20,000.00
ADMINISTRATION	12,500.00
INTEREST	<u>20,000.00</u>
<b>TOTAL PROJECT COSTS</b>	<b>\$1,070,000.00</b>

**PROJECT FINANCING**

USDA RURAL DEVELOPMENT LOAN	<u>1,070,000.00</u>
<b>TOTAL PROJECT COSTS</b>	<b>\$1,070,000.00</b>

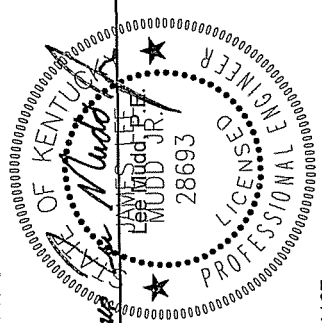
MONARCH ENGINEERING, INC.  
 556 Carlton Drive  
 Lawrenceburg, KY 40342  
 Phone (502) 839-1310  
 Fax (502) 839-1373

**BID TABULATIONS**  
**NORTH SHELBY WATER COMPANY**  
**LONG RUN PUMP STATION UPGRADES**  
**SHELBY COUNTY, KENTUCKY**

**BID DATE: AUGUST 10, 2012 @ 11:00 A.M. LOCAL TIME**

ITEM NO.	DESCRIPTION	QUANTITY	Salmon Construction, Inc.		Garrison Construction Co., Inc.		Stotts Construction Co., Inc.	
			UNIT PRICE	TOTAL COST	UNIT PRICE	TOTAL COST	UNIT PRICE	TOTAL COST
<b>BASE BID CONTRACT</b>								
1	12-Inch Ductile Iron CL350 Water Line	2,300 LF	\$40.00	\$92,000.00	\$53.15	\$122,245.00	\$50.00	\$115,000.00
2	8-Inch Ductile Iron CL350 Water Line	20 LF	31.00	620.00	40.05	801.00	50.00	1,000.00
3	8-Inch PVC SDR-17 Water Line	20 LF	18.00	360.00	31.10	622.00	25.00	500.00
4	2-Inch PVC SDR-17 Water Line	20 LF	10.00	200.00	28.45	569.00	20.00	400.00
5	16-Inch HDPE DR-7.3 Directional Bore	175 LF	450.00	78,750.00	365.00	63,875.00	400.00	70,000.00
6	Bore & Case for 12-Inch Water Line	120 LF	275.00	33,000.00	276.00	33,120.00	180.00	21,600.00
7	Open Cut & Case for 12-Inch Water Line	40 LF	136.60	5,464.00	85.00	3,400.00	125.00	5,000.00
8	12-Inch Gate Valve	7 EA	2,200.00	15,400.00	2,165.00	15,155.00	2,500.00	17,500.00
9	8-Inch Gate Valve	3 EA	1,300.00	3,900.00	1,220.00	3,660.00	1,500.00	4,500.00
10	2-Inch Gate Valve	1 EA	1,000.00	1,000.00	445.00	445.00	660.00	660.00
11	Connection	7 EA	2,800.00	19,600.00	1,655.00	11,585.00	2,500.00	17,500.00
12	Flush Hydrant Assembly	1 EA	3,000.00	3,000.00	3,155.00	3,155.00	3,000.00	3,000.00
13	Meter Reconnection	2 EA	500.00	1,000.00	700.00	1,400.00	400.00	800.00
14	3/4-Inch P.E. Service Tubing	275 LF	3.00	825.00	15.60	4,290.00	6.35	1,746.25
15	Booster Pump Station	1 LS	519,240.00	519,240.00	527,175.00	527,175.00	540,000.00	540,000.00
16	Demolition and Removal of Existing Booster Pump Station	1 LS	10,000.00	10,000.00	5,500.00	5,500.00	5,000.00	5,000.00
17	Exploration	10 HR	150.00	1,500.00	120.00	1,200.00	300.00	3,000.00
<b>TOTAL BASE BID CONTRACT</b>				<b>\$785,859.00</b>		<b>\$798,197.00</b>		<b>\$807,206.25</b>

THE ABOVE IS A TRUE AND COMPLETE TABULATION OF BIDS RECEIVED AT 11:00A.M. LOCAL TIME, FRIDAY, AUGUST 10, 2012 AT THE NORTH SHELBY WATER COMPANY.



BY: James Lee Mudd Jr. DATE: 8/13/12

**BID TABULATIONS**  
**NORTH SHELBY WATER COMPANY**  
**LONG RUN PUMP STATION UPGRADES**  
**SHELBY COUNTY, KENTUCKY**

**BID DATE: AUGUST 10, 2012 @ 11:00 A.M. LOCAL TIME**

ITEM NO.	DESCRIPTION	QUANTITY	United Pipeline, Inc. 4627 Gamaliel Road Tompkinsville, KY 42167		Southern Backhoe, Inc. 808 West Main Street Campbellsville, KY 42718		Twin States Utilities, Inc. P.O. Box 14 Mt. Hermon, KY 42157	
			UNIT PRICE	TOTAL COST	UNIT PRICE	TOTAL COST	UNIT PRICE	TOTAL COST
	<b>BASE BID CONTRACT</b>							
1	12-Inch Ductile Iron CL350 Water Line	2,300 LF	\$75.00	\$172,500.00	\$84.00	\$193,200.00	\$55.00	\$126,500.00
2	8-Inch Ductile Iron CL350 Water Line	20 LF	75.00	1,500.00	39.00	780.00	50.00	1,000.00
3	8-Inch PVC SDR-17 Water Line	20 LF	38.00	760.00	25.00	500.00	25.00	500.00
4	2-Inch PVC SDR-17 Water Line	20 LF	38.00	760.00	20.00	400.00	15.00	300.00
5	16-Inch HDPE DR-7.3 Directional Bore	175 LF	500.00	87,500.00	500.00	87,500.00	475.00	83,125.00
6	Bore & Case for 12-Inch Water Line	120 LF	145.00	17,400.00	200.00	24,000.00	295.00	35,400.00
7	Open Cut & Case for 12-Inch Water Line	40 LF	95.00	3,800.00	175.00	7,000.00	150.00	6,000.00
8	12-Inch Gate Valve	7 EA	2,800.00	19,600.00	2,400.00	16,800.00	2,200.00	15,400.00
9	8-Inch Gate Valve	3 EA	1,900.00	5,700.00	1,475.00	4,425.00	1,300.00	3,900.00
10	2-Inch Gate Valve	1 EA	1,500.00	1,500.00	550.00	550.00	800.00	800.00
11	Connection	7 EA	2,500.00	17,500.00	1,800.00	12,600.00	3,500.00	24,500.00
12	Flush Hydrant Assembly	1 EA	4,500.00	4,500.00	3,500.00	3,500.00	4,000.00	4,000.00
13	Meter Reconnection	2 EA	500.00	1,000.00	400.00	800.00	500.00	1,000.00
14	3/4-Inch P.E. Service Tubing	275 LF	7.00	1,925.00	15.00	4,125.00	14.00	3,850.00
15	Booster Pump Station	1 LS	495,000.00	495,000.00	545,000.00	545,000.00	600,000.00	600,000.00
16	Demolition and Removal of Existing Booster Pump Station	1 LS	5,000.00	5,000.00	8,000.00	8,000.00	15,000.00	15,000.00
17	Exploration	10 HR	250.00	2,500.00	300.00	3,000.00	350.00	3,500.00
	<b>TOTAL BASE BID CONTRACT</b>			<b>\$838,445.00</b>		<b>\$912,180.00</b>		<b>\$924,775.00</b>

MONARCH ENGINEERING, INC.  
 556 Carlton Drive  
 Lawrenceburg, KY 40342  
 Phone (502) 839-1310  
 Fax (502) 839-1373

**BID TABULATIONS**  
**NORTH SHELBY WATER COMPANY**  
**LONG RUN PUMP STATION UPGRADES**  
**SHELBY COUNTY, KENTUCKY**

**BID DATE: AUGUST 10, 2012 @ 11:00 A.M. LOCAL TIME**

ITEM NO.	DESCRIPTION	QUANTITY	MAC Construction, Inc.		Advanced Paving & Const. Co., Inc.	
			UNIT PRICE	TOTAL COST	UNIT PRICE	TOTAL COST
	<b>BASE BID CONTRACT</b>					
1	12-Inch Ductile Iron CL350 Water Line	2,300 LF	\$63.00	\$144,900.00	\$219.60	\$505,080.00
2	8-Inch Ductile Iron CL350 Water Line	20 LF	45.00	900.00	123.00	2,460.00
3	8-Inch PVC SDR-17 Water Line	20 LF	40.00	800.00	103.70	2,074.00
4	2-Inch PVC SDR-17 Water Line	20 LF	20.00	400.00	42.80	856.00
5	16-Inch HDPE DR-7.3 Directional Bore	175 LF	660.00	115,500.00	459.90	80,482.50
6	Bore & Case for 12-Inch Water Line	120 LF	530.00	63,600.00	352.40	42,288.00
7	Open Cut & Case for 12-Inch Water Line	40 LF	275.00	11,000.00	178.70	7,148.00
8	12-Inch Gate Valve	7 EA	3,200.00	22,400.00	2,714.40	19,000.80
9	8-Inch Gate Valve	3 EA	2,000.00	6,000.00	1,531.00	4,593.00
10	2-Inch Gate Valve	1 EA	1,000.00	1,000.00	415.70	415.70
11	Connection	7 EA	6,000.00	42,000.00	2,788.30	19,518.10
12	Flush Hydrant Assembly	1 EA	5,000.00	5,000.00	3,191.80	3,191.80
13	Meter Reconnection	2 EA	950.00	1,900.00	892.80	1,785.60
14	3/4-Inch P.E. Service Tubing	275 LF	10.00	2,750.00	12.30	3,382.50
15	Booster Pump Station	1 LS	700,000.00	700,000.00	587,657.00	587,657.00
16	Demolition and Removal of Existing Booster Pump Station	1 LS	6,500.00	6,500.00	8,749.00	8,749.00
17	Exploration	10 HR	180.00	1,800.00	295.00	2,950.00
	<b>TOTAL BASE BID CONTRACT</b>			<b>\$1,126,450.00</b>		<b>\$1,291,632.00</b>

