

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

July 11, 2011

RECEIVED
JUL 13 2011
PUBLIC SERVICE
COMMISSION

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

Re: East Clark County Water District - Kentucky Public Service Commission
Application for a CPCN for a Water System Improvements Project and approval of
financing

Dear Mr. Derouen:

Enclosed please find the original and ten (10) copies of the Application of the East Clark County Water District for a Certificate of Public Convenience and Necessity to construct and finance a water system improvements project pursuant to KRS Chapter 278.

Also enclosed are eleven (11) copies of the required exhibits. Please note that the Engineers (Bell Engineering) will forward the Plans and Specifications once a case number has been assigned.

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

Sincerely,

Rubin & Hays

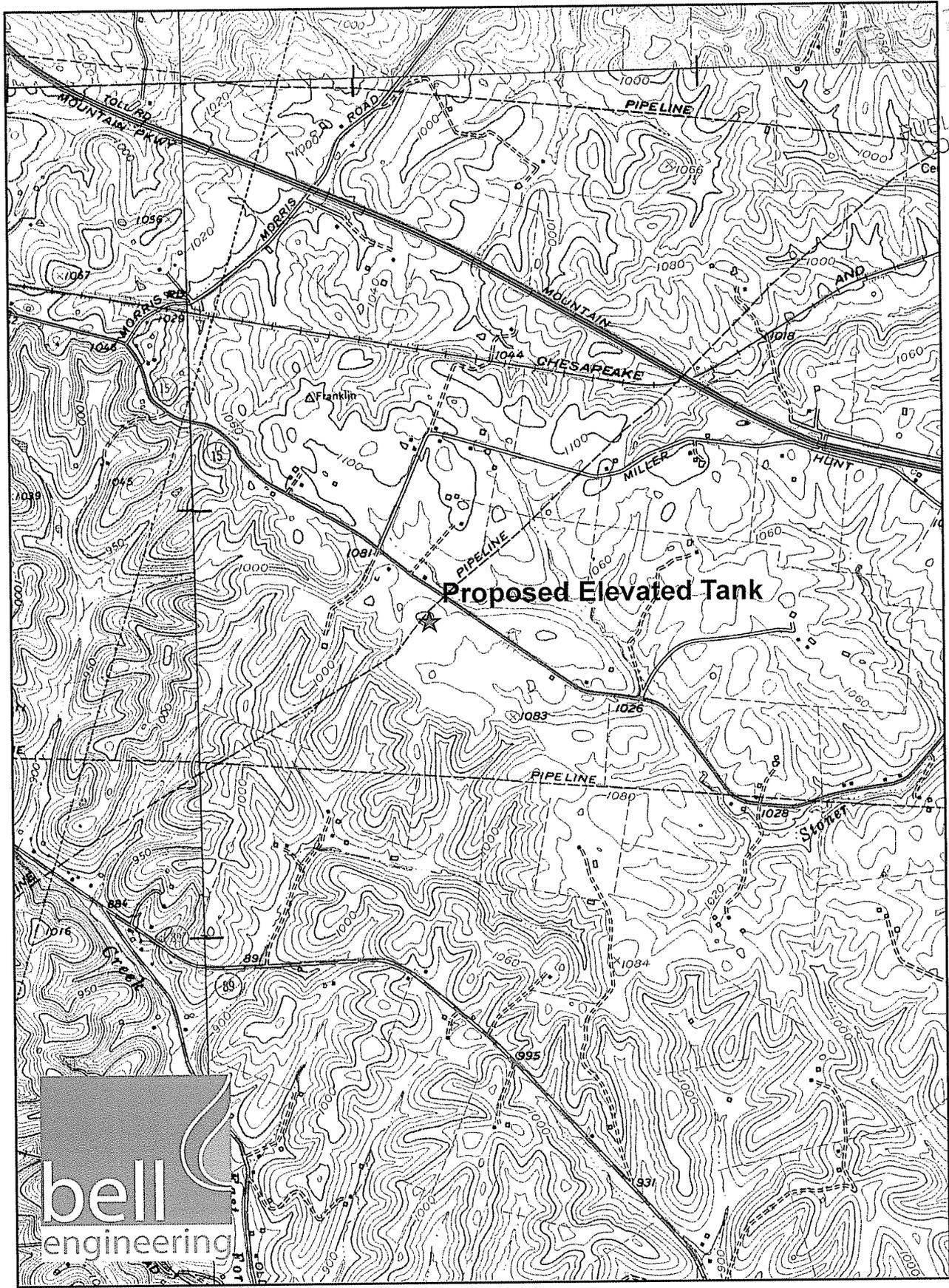
By


W. Randall Jones

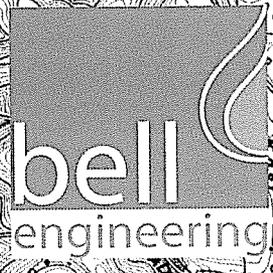
WRJ:jlm
Enclosures

cc: Mr. William Ballard, East Clark County Water District
Mr. Mike Williams, Bell Engineering

REVISED
13 2011
PUBLIC SERVICE
COMMISSION



Proposed Elevated Tank



RECEIVED
JUL 18 2011
PUBLIC SERVICE
COMMISSION

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the matter of:

APPLICATION OF THE EAST CLARK COUNTY)
WATER DISTRICT FOR A CERTIFICATE OF)
PUBLIC CONVENIENCE AND NECESSITY)
TO CONSTRUCT AND FINANCE A WATER) Case No. 2011 - _____
IMPROVEMENTS PROJECT PURSUANT TO)
KRS 278.020 AND 278.300)

APPLICATION

The East Clark County Water District (the "District"), by counsel, pursuant to KRS 278.020, petitions the Commission for a certificate of public convenience and necessity to construct a waterworks improvement project and finance said project. The following information is filed in accordance with the Commission's regulations:

1. The District's office address is P.O. Box 112, Winchester, Kentucky 40392. Its principal officers are listed in its 2010 Annual Report, which is on file with the Commission;
2. The District is a non-profit water district organized under KRS Chapter 74 and has no separate articles of incorporation or by-laws;
3. A description of the District's water system and its property stated at original cost by accounts is contained in its 2010 Annual Report, which is incorporated by reference pursuant to 807 KAR 5:001 Section (5)(5). All required normal financial schedules and other data are in the Annual Report;
4. The water project (the "Project") consists of the acquisition and installation of a 500,000 gallon elevated water storage tank and appurtenances (see **Exhibit "A"** attached hereto);

5. The Project is in the public interest and will improve the District's system and provide increased pressure and reliability (see **Exhibit "B"** attached hereto);
6. The total project cost is approximately \$1,024,204.00, as forth in the Final Project Budget attached hereto as **Exhibit "C"**;
7. One easement is necessary for the Project (see **Exhibit "D"** attached hereto);
8. This service will not compete with any other utility in the area;
9. Based on these facts, the District believes that it is in the public interest that this certificate be granted and that the plan of financing be authorized;
10. Copies of the certified construction bids are attached hereto as **Exhibit "E"**;
11. The following information is provided in response to 807 KAR 5:001 Section (8)(3);
 - a. Articles of Incorporation - None, the District is a statutorily created water district under KRS Chapter 74;
12. The following information is supplied to 807 KAR 5:001 Section (9)(2);
 - a. Facts relied upon to show that the Project is in the public interest: (see **Exhibit "B"** attached hereto);
 - b. No new franchises are required. Copies of the required permits are attached hereto as **Exhibit "F"**);
 - c. Diagrams of the proposed construction and construction specifications are contained in the Plans and Specifications on file with the Commission;
 - d. Three (3) maps of suitable scale showing location of the proposed facilities are included with this Application;

e. The construction costs will be funded from a contribution from the Application in the amount of \$504,204 and the proceeds of a loan in the approximate amount of \$520,000 from the Kentucky Rural Water Finance Corporation through it's Flexible Term Program (see preliminary schedules of Morgan Keegan attached as **Exhibit "G"**);

f. The estimated cost of operation of the system after Project completion is attached hereto as **Exhibit "H"**;

13. The following information is provided as required by 807 KAR 5:001 Section (11)(1);

a. A general description of the property is contained in the 2010 Annual Report;

b. Financial information relating to the KRWFC Loan is contained in **Exhibit "G"** referred to in paragraph 12(e) above;

c. All funds are to be used in accordance with the Final Project Budget, see **Exhibit "C"**;

d. No real property is being acquired in connection with this Project - a grant of easement for the tank site is attached hereto as **Exhibit "D"**;

e. No proceeds of the KRWFC Loan will be used to refund outstanding obligations.

f. The KRWFC Loan will be secured by and paid out of the revenues of the District's system.

14. The following exhibits are provided pursuant to 807 KAR 5:001 section (11)(2);

a. The District hereby requests and moves for a deviation, pursuant to 807 KAR 5:001, Section 14, from the requirements of 807 KAR 5:001, Section 6, which requires that the

financial data filed with the Application be for a twelve (12) month period ending within ninety (90) days of the filing of the application. The District states that there has been no change that is material in nature in the financial condition or operation of the District since December 31, 2010. The financial data filed herewith as **Exhibit "I"** is for the twelve (12) month period ending December 31, 2010. This is the most recent published financial data available. Because the Project has been bid, the District cannot run the risk of delaying the commencement of the Project and losing the favorable bids while more current financial data is compiled;

b. There are no trust deeds or mortgages applicable;

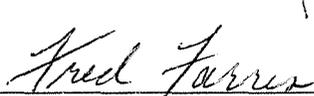
c. Maps and detailed plans are on file with the Commission. Detailed estimate of property acquired by USOA number is account #330 (distribution reservoirs and standpipes) - \$801,825;

15. District requests that it be granted a deviation under 807 KAR 5:001(14), if necessary to accommodate any situation where inflexible compliance with a regulation would be impracticable, onerous or which would hinder District's daily operations.

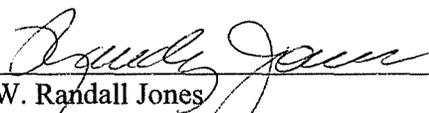
WHEREFORE, the Applicant, East Clark County Water District requests that the Public Service Commission of Kentucky grant to the Applicant the following:

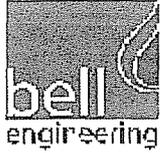
- A. A certificate of public convenience and necessity permitting the Applicant to acquire and install a water system improvement project;
- B. An order approving the issuance of securities in the form of a loan from the Kentucky Rural Water Finance Corporation in the approximate amount of \$520,000.
- C. Applicant's motion for a deviation from the 90 day requirement for financial information as required by 807 KAR 5:001 Section (11)(2)(a).

East Clark County Water District

By 
Chairman

Rubin & Hays

By 
W. Randall Jones
Kentucky Home Trust Building
450 South Third Street
Louisville, Kentucky 40202
(502) 569-7525



June 2011

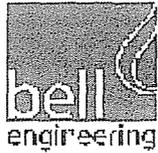
**New KY 15
500,000 Gallon Elevated Storage Tank
East Clark County Water District
Clark County, Kentucky**

Project Description

The East Clark County Water District (ECCWD) desires to provide more reliable service to the Northern portion of ECCWD service area. The project consists of erection of a 500,000 gallon capacity elevated water storage tank and associated appurtenances. The new storage tank will replace an existing 100,000 gallon stand pipe and a 375,000 gallon standpipe. As well as increasing the available storage in the pressure zone, the new tank will increase system pressure in the pressure zone by approximately 17 PSI. The increase in system pressure in this pressure zone will allow the elimination of one hydro pneumatic station. The elevated tank has a diameter of 56 feet and side wall depth of 37 feet. The tank is 126 feet from the top of the concrete peers to the tank overflow resulting in an overflow elevation of 1,220 feet above mean sea level. The overflow elevation of the existing stand pipes is 1,180 feet. The tank will have a mixing system designed around TIDFLEX technology, and is designed such that short circuiting, stagnation and dead zones are prevented while operating at a capacity of 500,000 gallon capacity.

In order to insure that the system hydraulics can support the new storage tank, the water line that supplies the new elevated tank will be upgraded from 6 inch to 8 inch.

The project is located approximately 3.5 miles Southeast of Winchester, Kentucky adjacent to KY highway 15.



June 2011

**New KY 15
500,000 Gallon Elevated Storage Tank
East Clark County Water District
Clark County, Kentucky**

Public Health and Convenience

Increased System Reliability

1. The new elevated tank will increase system pressure in the pressure zone surrounding the new elevated tank, which will allow for the elimination of the hydro pneumatic station and increase reliability of service to customers supplied by the hydro pneumatic station.
2. The new elevated tank will replace the KY 15 and Ecton Road standpipes. The KY 15 standpipe has a capacity of 100,000 gallons, but has approximately 12,500 gallon of useful storage. The Ecton road standpipe has a capacity of 356,000 gallons, but has approximately 99,000 gallons useful storage. Use storage is defined as that storage which is available to supply at least 30 psi to customers in the pressure zone. This situation results in decreased reliability of the system especially during periods of high demand.
3. The new elevated storage tank will cause less pressure fluctuations in the distribution system.

Improved System Water Quality

1. The water in the new elevated storage can be “turned over” without developing low pressure in the distribution system, which eliminates water age problems associated with the existing standpipes.
2. Reduced water age will assist with improved chlorination residuals.
3. Reduced water age will reduce the amount of system flushing required to maintain chlorine residuals.
4. Reduced water age will result in reduced disinfectant by product (DBP) formation.
5. Reduced water age will result in reduced taste and odor issues.
6. Reduced water age will result in reduced less biological growth in the distribution system.

**East Clark County Water District
Ky 15 Elevated Storage Tank
Final Project Budget**

Project Costs

Construction Bid	\$801,825.00
Construction by Owner	\$60,000.00
Engineering	
Design	\$51,638.00
Bidding	\$7,377.00
Construction	\$14,754.00
Inspection	\$48,110.00
Land, Easements and Right of Way	\$500.00
Legal and Financing	\$40,000.00
Total	\$1,024,204.00

Project Funding

Kentucky Rural Water Association (Loan)	\$520,000.00
Local funds	\$504,204.00
Total	\$1,024,204.00

GRANT OF EASEMENT

COMMONWEALTH OF KENTUCKY §

COUNTY OF CLARK §

KNOW ALL BY THESE PRESENTS, that the undersigned Texas Eastern Transmission, LP, a Delaware Limited Partnership, (hereinafter called "Grantor", whether one or more), for and in consideration of the sum of Ten and 00/100 Dollars (\$10.00) and other valuable consideration paid by East Clark County Water District, a business organization established under the laws of the Commonwealth of Kentucky, 118 Hopkins Lane, Winchester, Kentucky 40391, (hereinafter called "Grantee"), the receipt and sufficiency of which is hereby acknowledged, does hereby give, grant, bargain, sell and convey unto Grantee, its successors and assigns, a non-exclusive right of way and easement forty-feet (40') in width to construct, maintain, operate, protect and remove an eight Inch (8") pipeline for the transportation of water (the "Pipeline") and Access Road ("Road") and an easement to construct, maintain, operate and remove a water tank ("Water Tank") (the Pipeline and Water Tank at times collectively referred to as the "Facilities") approximately 150 feet by 150 feet, on, under, upon, over and through lands which Grantor owns or in which Grantor has an interest, situated in the County of Clark, Commonwealth of Kentucky more particularly described as follows:

A certain tract or parcel of land situated on the south side of KY Hwy. 15 east of Winchester in Clark County, Kentucky, and designated as TRACT 3 as shown on the Record Plat of J. H. Neely and Geneva Monell Neely, which plat is of record in Plat Book 7, Page 9, Clark County Clerk's Office and reference to which is hereby made for a more particular description.

Being the land described in a Deed from Fred F. & Garnetta H. Rankin, husband and wife, to the herein Grantor, dated August 22, 1996, and recorded in Deed Book 338, Page 233, in the records of Clark County, Kentucky ("Grantor's Land").

The Pipeline, Road and Water Tank (collectively referred to as the "Easement") is shown on the drawing, which is attached hereto as Exhibit "A" and made part hereof.

TO HAVE AND TO HOLD the Easement unto Grantee, its successors and assigns, subject to the following:

1. Grantee may use the Easement for so long as the Facilities are used for the transportation of Water, as stated above; however, should the Facilities cease to be so used for a continuous period of two (2) years, all rights granted hereunder with respect to the Easement shall terminate and revert to Grantor, its successors and assigns, without the requirement of any action on the part of Grantor. If the Facilities are idle for a period of one (1) year, Grantee, at its sole expense, shall displace any material or substance then in the Facilities with an inert gas of a type, and in a manner, acceptable to Grantor. If requested by Grantor, Grantee shall remove the Facilities, at its sole cost and expense, within ninety (90) days of Grantor's request.
2. This conveyance is made without warranty of any kind, express or implied.
3. The Easement affects a forty-foot (40') wide strip of land necessary to accommodate the Pipeline and Road, and a 150 foot by 150 foot portion of land to accommodate the Water Tank. Similar rights may be granted to others for installation, maintenance, operation and use of facilities in close proximity thereto. Grantee shall not have and there is not granted any exclusive right of

Hold

use and/or occupancy of any portion of Grantor's Land.

4. Grantee temporarily shall be granted access to such additional working room adjacent to the Easement as is reasonably necessary during construction, operation and maintenance of the Facilities, upon the prior written approval in each instance of Grantor.
5. Grantee shall notify Grantor a minimum of three (3) days prior to entering upon Grantor's Land for any reason, including but not limited to the start up of construction pursuant hereto. Such notice shall be given to Grantor's Stanford office at telephone number (859) 854-3993 ext. 5624.
6. Grantee shall bury the Pipeline a minimum of thirty-six inches (36") below the surface of the ground, except where Grantee's Pipeline crosses existing facilities of Grantor, at which point the Pipeline will additionally be a minimum of twelve inches (12") below Grantor's facilities. Grantee shall be responsible for providing adequate cathodic protection, in accordance with recognized industry standards. During Grantee's construction, maintenance and operation of the Pipeline, no equipment or machinery shall be allowed to stand or operate over other pipelines or underground facilities until Grantee takes those precautions deemed reasonably necessary by Grantor, in its sole discretion, to protect those facilities.
7. Following completion of construction, maintenance, operation, protection and/or removal, Grantee shall clean up and restore the Grantor's Land to a condition at least as good as existed prior to said activity and shall pay Grantor for all damage to the Grantor's Land, direct or indirect, as a result of Grantee's activities.
8. Prior to the start of any construction activity on Grantor's Land, Grantee shall provide Grantor with a copy of its proposed safety plan associated with the construction for Grantee's review and approval.
9. Grantee shall be permitted reasonable ingress to and egress from Grantor's Land through existing roads and gates for all purposes incident to this grant, subject to Grantor's safety and security requirements then in effect.
10. Grantor herein reserves the right to use fully Grantor's Land in any manner that will not unreasonably interfere with Grantee's Facilities. Should Grantor, in its use and development of the Grantor's Land, require any reasonable alteration or relocation of the Facilities, then at Grantor's request Grantee, at its sole cost and expense, shall so alter or relocate the Facilities within Grantor's Land, so long as a reasonable location exists on Grantor's Land. Should no location exist on Grantor's Land for Grantee's Facilities, Grantee shall be required, at its sole cost and expense, to relocate the Facilities off of Grantor's Land. Grantor agrees to provide an easement for the relocated or altered Facilities. Grantor also reserves the right to require the route or location of the Facilities be changed prior to or during construction of said Facilities.
11. Grantee, its employees, agents, invitees, successors and assigns shall exercise Grantee's rights hereunder at Grantee's sole risk and expense, and Grantee, its successors and assigns shall indemnify and hold Grantor, its officers, directors, employees, representatives, affiliates, successors and assigns harmless from and against any and all claims, actions, loss, damages, costs, expenses including, without limitation, legal fees and court costs, and liability of any nature, in tort or contract, even if caused or contributed to by the joint or concurrent negligence of Grantor or its representatives or contractors with any other party, including Grantee, and which results from, arises out of, or is connected with the exercise of the rights granted herein, including but not limited to the breach, violation or nonperformance of any obligation of Grantee, its employees, agents, invitees, successors and assigns to be observed or performed hereunder.

12. Grantee represents that no hazardous substance, as that term is defined in the Federal Comprehensive Environmental Response Compensation Liability Act (CERCLA), petroleum or petroleum products, "asbestos material", as that term is defined in 40 CFR 61.41 (1987), polychlorinated biphenyls (PCBs), or "solid waste", as that term is defined in the Federal Resource Conservation Recovery Act (RCRA), will be leaked, spilled, deposited or otherwise released on to the Grantor's Land. In the event that any of the said above referenced materials are discovered on Grantor's Land, Grantee shall immediately notify Grantor of the discovery and existence of said materials. Full responsibility for the handling, remediation, treatment, storage or disposal of any such hazardous substance, petroleum or petroleum product, asbestos material, PCBs or solid waste discovered on Grantor's Land shall remain with the Grantee, unless said release is shown not to be related to Grantee's facilities or to be due to the sole negligence of Grantor, and in such case Grantee's responsibility shall include the handling of such materials in compliance with all environmental laws including federal, state and local laws, rules and regulations. Grantee agrees to indemnify Grantor for any loss, injury, theft, damage to persons or property, or fines, penalties or compliance order issued by any governmental agency relating to pollution or protection of the environment including, without limitation, laws and regulations relating to emissions, discharges, releases or threatened releases of chemicals, pollutants, contaminants, waste petroleum, toxic substances and hazardous substances occurring on Grantor's Land and caused by Grantee's use and occupancy, unless due to the sole negligence of Grantor. This indemnity shall survive the termination of this grant. At the termination of this grant, Grantee agrees to return Grantor's Land to Grantor in an environmental condition equal to, or better, than that existing prior to the commencement of activities of Grantee.

13. It is agreed that this easement covers the entire agreement between the parties. No representations or statements, verbal or written have been made modifying, adding to, or changing the terms of this easement. The terms and provisions hereof shall inure to the benefit of and be binding upon Grantor, Grantee and their permitted representatives, successors and assigns; provided, however, neither this easement nor any right or obligation of Grantee may be assigned by Grantee in whole or in part without the prior written consent of Grantor, except to Grantee's parent company, another wholly-owned subsidiary of such parent or its mortgagee.

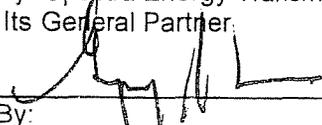
IN WITNESS WHEREOF, the Grantor and Grantee herein have duly executed this Grant of Easement
this 20 day of December, 2010.

WITNESS:



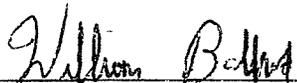
Roger Russell

TEXAS EASTERN TRANSMISSION, LP
By: Spectra Energy Transmission Services, LLC
Its General Partner:

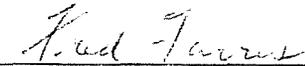


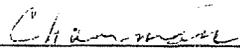
By:

WITNESS:



EAST CLARK COUNTY WATER DISTRICT

BY: 

ITS: 

This Document Prepared by and Return Recorded Document to:

Kevin Omb = Kevin DARBÉ
SPECTRA ENERGY TRANSMISSION, LLC
Rights of Way & Land Dept.
5400 Westheimer Court
Houston, Texas 77056



East Tennessee Natural Gas, LLC
Texas Eastern Transmission, LP

Kevin E. Darbe, Senior R/W Representative
Rights of Way & Land
Transmission

1745 KY HWY 1273
Danville, KY 40422
859/854-3993

phone: 859/854-3993, ext 5624
e-mail: kedarbe@spectraenergy.com

CONFIRMATION OF AGREEMENT

East Clark County Water District
118 Hopkins Lane
Winchester, KY 40391

RE: 190-13-10,15,25
R/W 30 Offline
Clark Co. KY

Dear Sirs:

This is to confirm that Texas Eastern Transmission, LP, A Delaware Limited Partnership, (hereinafter called "Grantor", whether one or more), for and in consideration of the sum of 500 and 00/100 Dollars (\$500.00) and other valuable consideration paid by East Clark County Water District, a business organization established under the laws of the Commonwealth of Kentucky, 118 Hopkins Lane, Winchester, Kentucky 40391, (hereinafter called "Grantee"), the receipt and sufficiency of which is hereby acknowledged, does hereby give, grant, bargain, sell and convey unto Grantee, its successors and assigns, a nonexclusive right of way and easement Forty Feet (40') in width to construct, maintain, operate, protect and remove a Eight Inch (8") Pipeline for the transportation of water (the "Pipeline"). Said Easement includes the right to construct, maintain, operate and remove a Water Tank ("Water Tank") (the Pipeline and Water Tank at times collectively referred to as the "Facilities") approximately 150 feet by 150 feet, on under, upon, over and through lands which Grantor owns or in which Grantor has an interest, situated in the County of Clark, Commonwealth of Kentucky more particularly described as follows:

A certain tract or parcel of land situated on the south side of KY. Hwy. 15 east of Winchester in Clark County, Kentucky, and designated as TRACT 3 as shown on the Record Plat of J. H. Neely and Geneva Monell Neely, which plat is of record in Plat Book 7, Page 9, Clark County Clerk's Office and reference to which is hereby made for a more particular description.

Being the land described in a Deed from Fred F. & Garnetta H. Rankin, husband and wife, to the herein Grantor, dated August 22, 1996, and recorded in Deed Book 338, Page 233, in the records of Clark County, Kentucky ("Grantor's Land").

Thank you

Kevin Darbe



EAST CLARK COUNTY WATER DISTRICT 06-09
CONSTRUCTION FUND

1030

PH. 859-745-1458
P.O. BOX 112
WINCHESTER, KY 40392-0112

73-658/421

DATE 1-13-11

PAY TO THE ORDER OF

Texas Eastern Transmission, LP

\$ 500.00

Five hundred

00/100

DOLLARS



PEOPLES EXCHANGE BANK
People Serving People Since 1912
Winchester, Kentucky 40391

FOR 1510

⑈001030⑈ ⑆042106580⑆ 105 293 4⑈

Pd
1/13
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TO BY RAY F.J.F

ACCT LIST # 1510

FUND CONST Fund

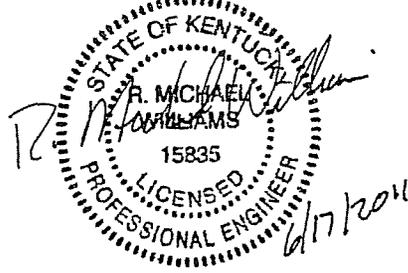
CK. NO 1030

ISSUED BY [Signature]

CONTRACT 415-10-03 NEW KY 15 500,000 GALLON ELEVATED STORAGE TANK
 EAST CLARK COUNTY WATER DISTRICT
 CLARK COUNTY, KENTUCKY

We certify that the following is a true and complete tabulation of all bids received by the East Clark County Water District, Winchester, Kentucky, on June 16, 2011 for the titled project.

BELL ENGINEERING



Item No.	Item	Quantity	Unit	Unit Price	Total	Unit Price	Total
	SPECIAL INSTRUCTIONS TO BIDDERS						
	All work specified and/or shown on the Drawings shall be completed by the CONTRACTOR and all costs for a complete, functional project shall be included in the section listed below.						
	ELEVATED WATER STORAGE TANK AND MIXING SYSTEM Furnish and install, complete, a nominal 500,000 gallon elevated water storage tank, as planned and specified, including design and construction of a reinforced concrete foundation, site piping, mixing system, clearing and grading, ground restoration, erecting, testing, and disinfection, including material, labor and appurtenances, and all other items of work specified and/or shown on the Drawings;						
				L.S.	<u>\$801,825.00</u>	L.S.	<u>\$854,000.00</u>
	TOTAL CONTRACT 415-10-03				\$801,825.00		\$854,000.00

Phoenix Fabricators & Erectors, Inc.
 182 S. CR 900E
 Avon, Indiana 46123

Caldwell Tanks
 400 Tower Road
 Louisville KY 40219



STEVEN L. BESHEAR
GOVERNOR

LEONARD K. PETERS
SECRETARY

ENERGY AND ENVIRONMENT CABINET
DEPARTMENT FOR ENVIRONMENTAL PROTECTION
DIVISION OF WATER
200 FAIR OAKS LANE, 4TH FLOOR
FRANKFORT, KENTUCKY 40601
www.kentucky.gov

REC'D MAY 12 2011

May 10, 2011

Mr. William Ballard
E Clark Co Water District
P.O. Box 112
Winchester, KY 40392

RE: E Clark Co Water District
AI # 33859, APE20110002
PWSID # 0250981-11-002
WLE to KY 15 Elevated Tank & New Tank
Access Road
Clark County, KY

Dear Mr. Ballard:

We have reviewed the plans and specifications for the above referenced project. The plans include the construction of approximately 700 linear feet of 8 inch PVC and 125 linear feet of 6 inch PVC water mains. This is to advise that plans and specifications for the above referenced project are APPROVED with respect to sanitary features of design, as of this date with the requirements contained in the attached construction permit.

If you have any questions concerning this project, please contact me at 502-564-8158 extension 4823.

Sincerely,

Harold L. Sparks, PE
Supervisor, Engineering Section
Water Infrastructure Branch
Division of Water

HLS
Enclosures

C: Howard K Bell Consulting Engineers
Clark County Health Department
Public Service Commission
Division of Plumbing



Distribution-Water Line Extension

E Clark Co Water District
Facility Requirements

Activity ID No.: APE20110002

Page 1 of 6

ACT0000000008 (WLE to KY 15 Elevated Tank & New Tank Access Road) 700 linear feet of 8 inch PVC and 125 linear feet of 6 inch PVC water mains:

Monitoring Requirements:

Condition No.	Parameter	Condition
M-1	Coliform	The presence or absence of total Coliform monitored by sampling and analysis as needed shall be determined for the new or relocated water line(s). Take samples at connection points to existing lines, at 1 mile intervals, and at dead ends without omitting any branch of the new or relocated water line. Sample bottles shall be clearly identified as "special" construction tests. [401 KAR 8:100 Section 1(7), 401 KAR 8:150 Section 4, Recommended Standards for Water Works 8.5.6] This requirement is applicable during the following months: All Year. Statistical basis: Instantaneous determination.

Submittal/Action Requirements:

Coliform:

Condition No.	Condition
S-1	Coliform For new construction projects, the distribution system, using the most expedient method, shall submit Coliform test results to the Cabinet: Due immediately following disinfection and flushing. [401 KAR 8:150 Section 4(2)]

Condition No.	Condition
S-2	For proposed changes to the approved plan, submit information: Due prior to any modification to the Cabinet for approval. Changes to the approved plan shall not be implemented without the prior written approval of the Cabinet. [401 KAR 8:100 Section 1(8)]
S-3	The person who presented the plans shall submit the professional engineer's certification: Due when construction is complete to the Division of Water. The certification shall be signed by a registered professional engineer and state that the water project has been constructed and tested in accordance with the approved plans, specifications, and requirements. [401 KAR 8:100 Section 1(8)]

Distribution-Water Line Extension

E Clark Co Water District
Facility Requirements

Activity ID No.: APE20110002

Page 3 of 6

RT000000008 (Water Mains) 700 linear feet of 8 inch PVC and 125 linear feet of 6 inch PVC water mains:

Limitation Requirements:

Condition No.	Parameter	Condition
-1	Depth	A continuous and uniform bedding shall be provided in the trench for all buried pipe. Backfill material shall be tamped in layers around the pipe and to a sufficient height above the pipe to adequately support and protect the pipe. Stones found in the trench shall be removed for a Depth ≥ 6 in below the bottom of the pipe. [Recommended Standards for Water Works 8.5.2] This requirement is applicable during the following months: All Year. Statistical basis: Not applicable.
-2	Depth	All water lines shall be covered to a Depth ≥ 30 in to prevent freezing. [Recommended Standards for Water Works 8.5.3, 401 KAR 8:100 Section 1(7)] This requirement is applicable during the following months: All Year. Statistical basis: Minimum.
-3	Diameter	All new and existing water lines serving fire hydrants or where fire protection is provided shall have Diameter ≥ 6 in. [Recommended Standards for Water Works 8.1.2] This requirement is applicable during the following months: All Year. Statistical basis: Minimum.
-4	Distance	Water lines shall have a sufficient quantity of valves so that inconvenience and sanitary hazards will be minimized during repairs. A valve spacing Distance ≤ 1.0 mi should be utilized. [Recommended Standards for Water Works 8.2] This requirement is applicable during the following months: All Year. Statistical basis: Not applicable.
-5	Distance	Hydrant drains shall not be connected to sanitary sewers or storm drains and shall be located a Distance > 10 ft from sanitary sewers and storm drains. [Recommended Standards for Water Works 8.3.4] This requirement is applicable during the following months: All Year. Statistical basis: Not applicable.
-6	Distance	Except when not practical, water lines shall be laid a horizontal Distance ≥ 10 ft from any existing or proposed sewer. The distance shall be measured edge to edge. In cases where it is not practical to maintain a 10 foot separation, water lines may be installed closer to a sewer provided that the water lines shall be laid in a separate trench or on an undisturbed shelf located on one side of the sewer at such an elevation that the bottom of the water line is at least 18 inches above the top of the sewer. [Recommended Standards for Water Works 8.6.2] This requirement is applicable during the following months: All Year. Statistical basis: Not applicable.

Distribution-Water Line Extension

E Clark Co Water District
Facility Requirements

Activity ID No.: APE20110002

DR000000008 (continued):

Limitation Requirements:

Condition No.	Parameter	Condition
M-12	Velocity	Each blow-off or fire hydrant shall be sized so that Velocity ≥ 2.5 ft/sec can be achieved in the water main served by the blow-off or hydrant during flushing. [Recommended Standards for Water Works 8.1.6.b, 401 KAR 8:100 Section 1(7)] This requirement is applicable during the following months: All Year. Statistical basis: Minimum.

Monitoring Requirements:

Condition No.	Parameter	Condition
M-1	leaks	The presence or absence of leaks monitored by physical testing as needed shall be determined in all types of installed pipe. Pressure testing and leakage testing shall be in accordance with the latest edition of AWWA Standard C600. [Recommended Standards for Water Works 8.5.5] This requirement is applicable during the following months: All Year. Statistical basis: Instantaneous determination.

Narrative Requirements:

Additional Limitations:

Condition No.	Condition
F-1	Additional Limitations: Water line installation shall be in accordance with AWWA standards or manufacturer recommendations. [Recommended Standards for Water Works 8.5.1]
F-2	Additional Limitations: Pipes, fittings, valves and fire hydrants shall conform to the latest standards issued by the AWWA or NSF (if such standards exist). PVC and PE piping used must be certified to ANSI/NSF Standard 61. [Recommended Standards for Water Works 8.0.1]
F-3	Additional Limitations: At high points in water lines, where air can accumulate, provisions shall be made to remove the air by means of hydrants or air relief valves. Automatic air relief valves shall not be used in situations where manhole or chamber flooding may occur. [Recommended Standards for Water Works 8.4.1]

STEVEN L. BESHEAR
GOVERNOR



LEONARD K. PETERS
SECRETARY

ENERGY AND ENVIRONMENT CABINET
DEPARTMENT FOR ENVIRONMENTAL PROTECTION
DIVISION OF WATER
200 FAIR OAKS LANE, 4TH FLOOR
FRANKFORT, KENTUCKY 40601
www.kentucky.gov

REC'D MAY 24 2011

May 9, 2011

Mr. William Ballard, Manage
E Clark Co Water District
P.O.Box 112
Winchester, Kentucky 40392

RE: E Clark Co Water District
AI # 33859, APE20110003
PWSID # 0250981-11-003
New KY 15 - 500,000 Gallon Elevated
Storage Tank
Clark County, KY

Dear Mr. Ballard:

We have reviewed the plans and specifications for the above referenced project. The plans include the construction of approximately 500,000 Gallon Elevated Storage Tank. This is to advise that plans and specifications for the above referenced project are APPROVED with respect to sanitary features of design, as of this date with the requirements contained in the attached construction permit.

If you have any questions concerning this project, please contact Mr. Farhoud Sarabi at 502-564-3410 extension 4825.

Sincerely,

A handwritten signature in cursive script that reads "Solitha W. Dharman".

Solitha Dharman, PE
Supervisor, Engineering Section
Water Infrastructure Branch
Division of Water

SD:FS

Enclosures

C: Bell Engineering.
Clark County Health Department
Public Service Commission
Division of Plumbing



Distribution-Major Construction

E Clark Co Water District
Facility Requirements

Activity ID No.: APE20110003

GACT0000000007 (continued):

Submittal/Action Requirements:

Condition No.	Condition
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S-3	The person who presented the plans shall submit the professional engineer's certification: Due when construction is complete to the Division of Water. The certification shall be signed by a registered professional engineer and state that the water project has been constructed and tested in accordance with the approved plans, specifications, and requirements. [401 KAR 8:100 Section 1(8)]
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Narrative Requirements: Additional Limitations:

Condition No.	Condition
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T-1	Additional Limitations: Chlorinated water resulting from disinfection of project components shall be disposed in a manner which will not violate 401 KAR 5:031. [401 KAR 8:020 Section 2(20)]
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Condition No.	Condition
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T-2	This project has been permitted under the provisions of KRS Chapter 224 and regulations promulgated pursuant thereto. Issuance of this permit does not relieve the applicant from the responsibility of obtaining any other approvals, permits or licenses required by this Cabinet and other state, federal and local agencies. Further, this permit does not address the authority of the permittee to provide service to the area to be served. [401 KAR 8:100 Section 1(7)]
-----	---

T-3	Unless construction of this project is begun within 1 year from the issuance date of this permit, the permit shall expire. If requested prior to the permit expiration, an official extension from the Division of Water may be granted. If this permit expires, the original plans and specifications may be resubmitted for a new comprehensive review. If you have any questions concerning this project, please contact the Drinking Water Branch at 502/564-3410. [401 KAR 8:100 Section 1(9)]
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T-4	Final approval of facility. Upon completion of construction, the person who presented the plans shall certify in writing that the project has been completed in accordance with the "approved" plans and specifications. The public water supply shall operate the facility consistent with the approved plans and specifications. Any proposed change to the approved plan shall be submitted to the cabinet for approval. The public water supply shall not implement any change to the approved plan without the prior written approval of the cabinet. [401 KAR 8:100 Section 401 KAR 8:100(1)(8)]
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Distribution-Major Construction

E Clark Co Water District
Facility Requirements

Activity ID No.: APE20110003

STOR000000002 (Elevated Storage Tank) 500,000 Gallon Elevated Storage Tank:

Limitation Requirements:

Condition No.	Parameter	Condition
L-1	Depth	High and low level Depth ≥ 30 ft apart should not be allowed in storage structures providing pressure to a distribution system. [Recommended Standards for Water Works 7.3.2] This requirement is applicable during the following months: All Year. Statistical basis: Maximum.
L-2	Distance	To prevent excessive erosion of storage structure foundations, the overflow and main drain shall either a) discharge to concrete or other stable surfaces (splash pads) which extend a Distance ≥ 10 ft away from the base of the storage structure or b) discharge directly into a crushed stone pit that is at least 2' x 2' x 2' which is a Distance ≥ 10 ft away from the base of the storage structure. [401 KAR 8:100 Section 1(7)] This requirement is applicable during the following months: All Year. Statistical basis: Minimum.
L-3	Height	Tanks shall have an overflow which is a) brought down to a Height ≥ 12 and ≤ 24 in above the ground surface, b) of sufficient diameter to permit waste of water in excess of the filling rate, c) open downward, d) screened with twenty-four mesh noncorrodible screen installed within the pipe at a location least susceptible to damage by vandalism, and e) when not internal, e) i) located on the outside of the tank so that any discharge is visible, when internal, e) ii) located in the access tube. [Recommended Standards for Water Works 7.0.7] This requirement is applicable during the following months: All Year. Statistical basis: Not applicable.
L-4	Height	Tanks shall have manholes that are a) framed a Height ≥ 4 in above the surface of the roof at the opening and b) fitted with a solid watertight cover which overlaps the framed opening and extends down around the frame at least 2 inches. Manholes should be hinged at one side and shall have a locking device. [Recommended Standards for Water Works 7.0.8] This requirement is applicable during the following months: All Year. Statistical basis: Minimum.

Distribution-Major Construction

E Clark Co Water District
Facility Requirements

Activity ID No.: APE20110003

STOR000000002 (continued):

Narrative Requirements:

Additional Limitations:

Condition No.	Condition
T-7	<p>Additional Limitations: All finished water storage structures shall have suitable watertight roofs and sidewalls which exclude birds, animals, insects, and excessive dust. [Recommended Standards for Water Works 7.0.3, Recommended Standards for Water Works 7.0.10]</p>
T-8	<p>Additional Limitations: The roof of each storage structure shall be well drained. Downspout pipes shall not enter or pass through storage structures. Parapets or similar structures which would tend to hold water and snow on a storage structure roof shall not be approved unless adequate waterproofing and drainage are provided. [Recommended Standards for Water Works 7.0.11]</p>
T-9	<p>Additional Limitations: Storage structures shall be designed so they can be isolated from the distribution system and drained for cleaning or maintenance without necessitating loss of pressure in the distribution system. [Recommended Standards for Water Works 7.3.2, Recommended Standards for Water Works 7.0.5]</p>
T-10	<p>Additional Limitations: Storage structure drains shall discharge to the ground surface at a drainage structure inlet or splash plate. [Recommended Standards for Water Works 7.3.2, Recommended Standards for Water Works 7.0.7]</p>
T-11	<p>Additional Limitations: No drain on a storage structure may have a direct connection to a sewer or storm drain. [Recommended Standards for Water Works 7.0.5, Recommended Standards for Water Works 7.0.7, Recommended Standards for Water Works 7.3.2]</p>
T-12	<p>Additional Limitations: Main drains from storage structures shall have a twenty-four mesh noncorrodible screen installed within the drain pipe at a location least susceptible to damage by vandalism. [401 KAR 8:100 Section 1(7)]</p>
T-13	<p>Additional Limitations: Storage structures shall be designed to facilitate turn over of water. [401 KAR 8:100 Section 1(7), Recommended Standards for Water Works 7.0.6]</p>
T-14	<p>Additional Limitations: Storage structures shall have sufficient capacity, as determined from engineering studies, to meet domestic demands. Additionally, if fire protection is provided, capacity shall also be sufficient to meet fire flow demands. [401 KAR 8:100 Section 1(7), Recommended Standards for Water Works 7.0.1]</p>

Distribution-Major Construction

E Clark Co Water District
Facility Requirements

Activity ID No.: APE20110003

STOR0000000002 (continued):

Narrative Requirements: Additional Limitations:

Condition No.	Condition
T-21	<p>Additional Limitations: If cathodic protection is utilized,</p> <ul style="list-style-type: none">a) competent technical personnel should design and install the protection andb) a maintenance contract should be provided. [Recommended Standards for Water Works 7.0.17]
T-22	<p>Additional Limitations: If the interior of the storage structure is coated or lined, the coating or lining shall be of a type approved by the Division of Water for use in contact with potable water. [401 KAR 8:020 Section 2(19)]</p>
T-23	<p>Additional Limitations: Paints and coatings</p> <ul style="list-style-type: none">a) shall meet NSF standard 61,b) shall be acceptable to the Division of Water,c) shall be properly applied and cured, andd) shall not transfer any substance to the water which will be toxic or cause tastes or odors (following curing). <p>Wax coatings shall not be used in any storage structure and must be completely removed before using other paints or coatings in an existing storage structure. [401 KAR 8:100 Section 1(7), Recommended Standards for Water Works 7.0.17]</p>

Distribution-Major Construction

E Clark Co Water District
Facility Requirements

Activity ID No.: APE20110003

STOR0000000002 (continued):

Narrative Requirements:

Condition No.	Condition
T-27	If applicable, chlorination method 3 generally requires a) filling a storage structure to approximately 5% of the total storage volume with water having an available chlorine concentration of 50 ppm, b) continued filling of the storage structure to the overflow level with normal potable water, and c) purging the storage structure so that various disinfection by-products do not reach water consumers. [Recommended Standards for Water Works 7.0.18, 401 KAR 8:100 Section 1(7)]

Preliminary

\$520,000

East Clark County Water District

Potential Loan through the Kentucky Rural Water Finance Corporation

Twenty Year Term

Sources & Uses

Dated 05/01/2011 | Delivered 05/01/2011

Sources Of Funds

Par Amount of Bonds	\$520,000.00
Reoffering Premium	404.00
Total Sources	\$520,404.00

Uses Of Funds

Total Underwriter's Discount (1.250%)	6,500.00
Costs of Issuance	11,900.00
Deposit to Project Construction Fund	500,000.00
Rounding Amount	2,004.00
Total Uses	\$520,404.00

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Preliminary

\$520,000

East Clark County Water District
 Potential Loan through the Kentucky Rural Water Finance Corporation
 Twenty Year Term

Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
05/01/2011	-	-	-	-	-
02/01/2012	15,000.00	2.750%	14,804.06	29,804.06	-
08/01/2012	-	-	9,663.13	9,663.13	-
12/30/2012	-	-	-	-	39,467.19
02/01/2013	20,000.00	2.750%	9,663.13	29,663.13	-
08/01/2013	-	-	9,388.13	9,388.13	-
12/30/2013	-	-	-	-	39,051.26
02/01/2014	20,000.00	2.750%	9,388.13	29,388.13	-
08/01/2014	-	-	9,113.13	9,113.13	-
12/30/2014	-	-	-	-	38,501.26
02/01/2015	20,000.00	2.750%	9,113.13	29,113.13	-
08/01/2015	-	-	8,838.13	8,838.13	-
12/30/2015	-	-	-	-	37,951.26
02/01/2016	20,000.00	2.750%	8,838.13	28,838.13	-
08/01/2016	-	-	8,563.13	8,563.13	-
12/30/2016	-	-	-	-	37,401.26
02/01/2017	20,000.00	3.000%	8,563.13	28,563.13	-
08/01/2017	-	-	8,263.13	8,263.13	-
12/30/2017	-	-	-	-	36,826.26
02/01/2018	20,000.00	3.250%	8,263.13	28,263.13	-
08/01/2018	-	-	7,938.13	7,938.13	-
12/30/2018	-	-	-	-	36,201.26
02/01/2019	25,000.00	3.500%	7,938.13	32,938.13	-
08/01/2019	-	-	7,500.63	7,500.63	-
12/30/2019	-	-	-	-	40,438.76
02/01/2020	25,000.00	3.500%	7,500.63	32,500.63	-
08/01/2020	-	-	7,063.13	7,063.13	-
12/30/2020	-	-	-	-	39,563.76
02/01/2021	25,000.00	3.500%	7,063.13	32,063.13	-
08/01/2021	-	-	6,625.63	6,625.63	-
12/30/2021	-	-	-	-	38,688.76
02/01/2022	25,000.00	3.750%	6,625.63	31,625.63	-
08/01/2022	-	-	6,156.88	6,156.88	-
12/30/2022	-	-	-	-	37,782.51
02/01/2023	25,000.00	3.750%	6,156.88	31,156.88	-
08/01/2023	-	-	5,688.13	5,688.13	-
12/30/2023	-	-	-	-	36,845.01
02/01/2024	30,000.00	4.000%	5,688.13	35,688.13	-
08/01/2024	-	-	5,088.13	5,088.13	-
12/30/2024	-	-	-	-	40,776.26
02/01/2025	30,000.00	4.100%	5,088.13	35,088.13	-
08/01/2025	-	-	4,473.13	4,473.13	-
12/30/2025	-	-	-	-	39,561.26
02/01/2026	30,000.00	4.200%	4,473.13	34,473.13	-
08/01/2026	-	-	3,843.13	3,843.13	-
12/30/2026	-	-	-	-	38,316.26
02/01/2027	30,000.00	4.300%	3,843.13	33,843.13	-
08/01/2027	-	-	3,198.13	3,198.13	-
12/30/2027	-	-	-	-	37,041.26
02/01/2028	35,000.00	4.400%	3,198.13	38,198.13	-
08/01/2028	-	-	2,428.13	2,428.13	-
12/30/2028	-	-	-	-	40,626.26
02/01/2029	35,000.00	4.500%	2,428.13	37,428.13	-
08/01/2029	-	-	1,640.63	1,640.63	-
12/30/2029	-	-	-	-	39,068.76
02/01/2030	35,000.00	4.625%	1,640.63	36,640.63	-
08/01/2030	-	-	831.25	831.25	-
12/30/2030	-	-	-	-	37,471.88
02/01/2031	35,000.00	4.750%	831.25	35,831.25	-
12/30/2031	-	-	-	-	35,831.25
Total	\$520,000.00	-	\$247,411.74	\$767,411.74	-

Yield Statistics

Bond Year Dollars	\$6,005.00
Average Life	11.548 Years
Average Coupon	4.1200956%
Net Interest Cost (NIC)	4.2216110%
True Interest Cost (TIC)	4.2075129%
Bond Yield for Arbitrage Purposes	4.0646710%
All Inclusive Cost (AIC)	4.4759455%
IRS Form 8038	
Net Interest Cost	4.1388416%
Weighted Average Maturity	11.468 Years
7/1/2011 12:27 PM	

Preliminary

\$520,000

East Clark County Water District

Potential Loan through the Kentucky Rural Water Finance Corporation

Twenty Year Term

Net Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	Net New D/S
12/30/2011	-	-	-	-	-
12/30/2012	15,000.00	2.750%	24,467.19	39,467.19	39,467.19
12/30/2013	20,000.00	2.750%	19,051.26	39,051.26	39,051.26
12/30/2014	20,000.00	2.750%	18,501.26	38,501.26	38,501.26
12/30/2015	20,000.00	2.750%	17,951.26	37,951.26	37,951.26
12/30/2016	20,000.00	2.750%	17,401.26	37,401.26	37,401.26
12/30/2017	20,000.00	3.000%	16,826.26	36,826.26	36,826.26
12/30/2018	20,000.00	3.250%	16,201.26	36,201.26	36,201.26
12/30/2019	25,000.00	3.500%	15,438.76	40,438.76	40,438.76
12/30/2020	25,000.00	3.500%	14,563.76	39,563.76	39,563.76
12/30/2021	25,000.00	3.500%	13,688.76	38,688.76	38,688.76
12/30/2022	25,000.00	3.750%	12,782.51	37,782.51	37,782.51
12/30/2023	25,000.00	3.750%	11,845.01	36,845.01	36,845.01
12/30/2024	30,000.00	4.000%	10,776.26	40,776.26	40,776.26
12/30/2025	30,000.00	4.100%	9,561.26	39,561.26	39,561.26
12/30/2026	30,000.00	4.200%	8,316.26	38,316.26	38,316.26
12/30/2027	30,000.00	4.300%	7,041.26	37,041.26	37,041.26
12/30/2028	35,000.00	4.400%	5,626.26	40,626.26	40,626.26
12/30/2029	35,000.00	4.500%	4,068.76	39,068.76	39,068.76
12/30/2030	35,000.00	4.625%	2,471.88	37,471.88	37,471.88
12/30/2031	35,000.00	4.750%	831.25	35,831.25	35,831.25
Total	\$520,000.00	-	\$247,411.74	\$767,411.74	\$767,411.74

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Morgan Keegan & Company, Inc.

Preliminary

\$520,000

East Clark County Water District

Potential Loan through the Kentucky Rural Water Finance Corporation

Twenty Year Term

Pricing Summary

Maturity	Type of Bond	Coupon	Yield	Maturity Value	Price	Dollar Price
02/01/2012	Serial Coupon	2.750%	1.230%	15,000.00	101.130%	15,169.50
02/01/2013	Serial Coupon	2.750%	1.370%	20,000.00	102.377%	20,475.40
02/01/2014	Serial Coupon	2.750%	1.640%	20,000.00	102.971%	20,594.20
02/01/2015	Serial Coupon	2.750%	1.930%	20,000.00	102.950%	20,590.00
02/01/2016	Serial Coupon	2.750%	2.150%	20,000.00	102.693%	20,538.60
02/01/2017	Serial Coupon	3.000%	2.510%	20,000.00	102.606%	20,521.20
02/01/2018	Serial Coupon	3.250%	2.850%	20,000.00	102.437%	20,487.40
02/01/2019	Serial Coupon	3.500%	3.160%	25,000.00	102.317%	25,579.25
02/01/2020	Serial Coupon	3.500%	3.410%	25,000.00	100.672%	25,168.00
02/01/2021	Serial Coupon	3.500%	3.590%	25,000.00	99.261%	24,815.25
02/01/2022	Serial Coupon	3.750%	3.770%	25,000.00	99.820%	24,955.00
02/01/2023	Serial Coupon	3.750%	3.930%	25,000.00	98.314%	24,578.50
02/01/2024	Serial Coupon	4.000%	4.080%	30,000.00	99.205%	29,761.50
02/01/2025	Serial Coupon	4.100%	4.230%	30,000.00	98.649%	29,594.70
02/01/2026	Serial Coupon	4.200%	4.340%	30,000.00	98.480%	29,544.00
02/01/2027	Serial Coupon	4.300%	4.450%	30,000.00	98.308%	29,492.40
02/01/2028	Serial Coupon	4.400%	4.530%	35,000.00	98.479%	34,467.65
02/01/2029	Serial Coupon	4.500%	4.610%	35,000.00	98.670%	34,534.50
02/01/2030	Serial Coupon	4.625%	4.700%	35,000.00	99.065%	34,672.75
02/01/2031	Serial Coupon	4.750%	4.780%	35,000.00	99.612%	34,864.20
Total	-	-	-	\$520,000.00	-	\$520,404.00

Bid Information

Par Amount of Bonds	\$520,000.00
Reoffering Premium or (Discount)	404.00
Gross Production	\$520,404.00
Total Underwriter's Discount (1.250%)	\$(6,500.00)
Bid (98.828%)	513,904.00
Total Purchase Price	\$513,904.00
Bond Year Dollars	\$6,005.00
Average Life	11.548 Years
Average Coupon	4.1200956%
Net Interest Cost (NIC)	4.2216110%
True Interest Cost (TIC)	4.2075129%

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Morgan Keegan & Company, Inc.

EAST CLARK COUNTY WATER DISTRICT
 CURRENT OPERATIONS WITH TANK PROJECT
 Based on Fiscal Year Ended 12/31/2010

OPERATING REVENUES

Water Sales	\$ 1,363,721.00
Other Operating Revenues	<u>46,532.00</u>
Total	\$ 1,410,253.00

Operating Expenses (Less Depreciation) \$ 938,396.00

Operating Income (Cash Basis) \$ 471,857.00

Non Operating Income/ (Exp) *

Interest Income	\$ 59,055.00
Connection Fees	20,951.00
Equipment Sales and Other	<u>15,395.00</u>
Subtotal	\$ 95,401.00

Net Available for Debt Service and Coverage \$ 567,258.00

Debt Service:

Revenue Bonds: Maximum Annual P&I	\$ 120,534.00
P&I for \$515000, 20 Yr., 4.836%	40,752.24
Coverage @ 20%	<u>\$ 32,257.25</u>
Subtotal	\$ 193,543.49

KACO Leases (2011) \$ 214,659.00

Total Debt Service, Coverage & Leases \$ 408,202.49

Revenues in Excess Debt Serv., Coverage & Lease Pmts (Cash) \$ 159,055.51

Depreciation Expense \$ 279,290.00

Revenues in Excess / Deficit \$ (120,234.49)

Potential Rate Adjustment 8.82%

* Excluded items: State Grants = \$93,938 Interest Expense = \$131,862, Loss on disposal of assets = \$42,917

East Clark County Water District
Debt Service Coverage

	<u>2010 - Proforma</u>	<u>2010</u>
Operating Revenue	1,410,253	1,410,253
Operating Expnsese	<u>(1,217,686)</u>	<u>(1,217,686)</u>
Operating Income	192,567	192,567
Add/Add Back:		
Depreciation	279,290	279,290
Interest Income	<u>59,055</u>	<u>59,055</u>
	338,345	338,345
Available for Debt Service	530,912	530,912
Current Maximum Annual Debt Service	120,534	120,534
Series 2011 Debt	45,175	-
Maximum Annual Lease Payment	<u>220,628</u>	<u>220,628</u>
Total Obligations	386,337	341,162
Debt Service Coverage	1.37	1.56

EAST CLARK COUNTY WATER DISTRICT
 STATEMENTS OF NET ASSETS
 DECEMBER 31, 2010 AND 2009

ASSETS

	<u>2010</u>	<u>2009</u>
Current assets:		
Cash	\$ 270,871	\$ 188,959
Investments	1,882,532	1,848,468
Receivables:		
Customer accounts	156,945	150,089
Grants	-	66,712
Accrued interest	9,283	17,841
Inventory, at cost	21,698	18,815
Prepaid expenses	<u>10,224</u>	<u>11,018</u>
Total current assets	<u>2,351,553</u>	<u>2,301,902</u>
Restricted assets:		
Cash	293,952	333,008
Investments	<u>382,379</u>	<u>395,361</u>
Total restricted assets	<u>676,331</u>	<u>728,369</u>
Capital assets:		
Property, plant and equipment, net of depreciation	7,740,172	7,415,780
Land	58,044	58,044
Construction in progress	<u>23,300</u>	<u>431,062</u>
Total capital assets	<u>7,821,516</u>	<u>7,904,886</u>
Deferred debt expenses	<u>74,101</u>	<u>43,546</u>
Total assets	<u><u>\$ 10,923,501</u></u>	<u><u>\$ 10,978,703</u></u>

(CONTINUED)

EAST CLARK COUNTY WATER DISTRICT
STATEMENTS OF NET ASSETS (CONTINUED)
DECEMBER 31, 2010 AND 2009

LIABILITIES AND NET ASSETS

	<u>2010</u>	<u>2009</u>
Current liabilities:		
Accounts payable, trade	\$ 41,446	\$ 31,425
Accounts payable from restricted funds	-	66,712
Accrued compensated absences	18,326	15,955
Accrued interest payable	27,738	7,956
Accrued liabilities	17,395	12,111
Lease obligations - current portion	156,000	150,000
Refundable customer deposits	45,885	33,960
Revenue bonds - current portion	<u>66,000</u>	<u>83,000</u>
Total current liabilities	<u>372,790</u>	<u>401,119</u>
Long-term liabilities:		
Revenue bonds net of current portion	1,032,000	1,110,000
Obligations under long-term lease net of current portion	<u>1,337,000</u>	<u>1,493,000</u>
Total long-term liabilities	<u>2,369,000</u>	<u>2,603,000</u>
Total liabilities	<u>2,741,790</u>	<u>3,004,119</u>
Net Assets		
Investment in capital assets, net of related debt	5,230,516	5,002,174
Restricted net assets:		
Reserved for debt retirement	109,849	109,849
Reserved for plant renewal and replacement	40,800	40,800
Unrestricted net assets	<u>2,800,546</u>	<u>2,821,761</u>
Total net assets	<u>\$ 8,181,711</u>	<u>\$ 7,974,584</u>

See accompanying notes to the financial statements.

EAST CLARK COUNTY WATER DISTRICT
STATEMENTS OF REVENUE, EXPENDITURES, AND CHANGES IN NET ASSETS
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009

	<u>2010</u>	<u>2009</u>
Operating revenues		
Water sales	\$ 1,363,721	\$ 1,334,845
Other operating income	<u>46,532</u>	<u>46,473</u>
Total operating revenues	<u>1,410,253</u>	<u>1,381,318</u>
Operating expenses		
Transmission, distribution and services	306,045	268,940
Purchased water	325,556	284,657
General and administrative	306,795	285,383
Depreciation	<u>279,290</u>	<u>273,042</u>
Total operating expenses	<u>1,217,686</u>	<u>1,112,022</u>
Operating income	<u>192,567</u>	<u>269,296</u>
Non-operating revenues (expenses):		
Other revenue	12,500	1,910
Sales of surplus equipment	2,895	1,850
Loss on disposal of assets	(42,917)	-
Interest income	59,055	72,531
Customer connection fees	20,951	18,723
State grant	93,938	431,062
Interest expense	<u>(131,862)</u>	<u>(141,550)</u>
Total non-operating revenues (expenses)	<u>14,560</u>	<u>384,526</u>
Change in net assets	<u>207,127</u>	<u>653,822</u>
Net assets at the beginning of the year	7,974,584	7,387,412
Adjustment from periods prior to January 1, 2009	<u>-</u>	<u>(66,650)</u>
Net assets at the beginning of the year, as adjusted	<u>7,974,584</u>	<u>7,320,762</u>
Net assets at the end of the year	<u>\$ 8,181,711</u>	<u>\$ 7,974,584</u>

See accompanying notes to the financial statements.

EAST CLARK COUNTY WATER DISTRICT
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009

	<u>2010</u>	<u>2009</u>
Cash flows from operating activities:		
Cash received from customers	\$ 1,403,397	\$ 1,330,307
Cash payments to suppliers for goods and services	(619,652)	(509,015)
Cash payments to employees and professional contractors for services	(293,447)	(274,327)
	<u>490,298</u>	<u>546,965</u>
Net cash provided by operating activities		
Cash flows from non-capital financing activities:		
Other revenue	12,500	1,910
	<u>12,500</u>	<u>1,910</u>
Net cash provided by non-capital financing activities		
Cash flows from capital and related financing activities:		
Principal payments on bonds and lease obligations	(245,000)	(196,000)
Interest payments on bonds and lease obligations	(131,862)	(141,550)
Construction of fixed assets	(77,695)	(364,350)
Purchase of equipment	(161,142)	(95,355)
Sale of surplus equipment	2,895	1,850
Scrapped equipment	-	4,229
Capital grants	93,938	364,350
Customer connection fees	20,951	18,723
	<u>(497,915)</u>	<u>(408,103)</u>
Net cash used by capital and related financing activities		
Cash flows from investing activities:		
Acquisition of unrestricted investments	(139,064)	(139,830)
Sale or restricted investments	117,982	(102,340)
Interest received on cash balances and investments	59,055	72,531
	<u>37,973</u>	<u>(169,639)</u>
Net cash provided (used) by investing activities		
Increase (decrease) in cash	42,856	(28,867)
Cash at the beginning of the year	<u>521,967</u>	<u>550,834</u>
Cash at the end of the year	<u>\$ 564,823</u>	<u>\$ 521,967</u>

(CONTINUED)

See accompanying notes to the financial statements.

EAST CLARK COUNTY WATER DISTRICT
STATEMENTS OF CASH FLOWS (CONTINUED)
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009

	<u>2010</u>	<u>2009</u>
Reconciliation of cash at the end of the year		
Unrestricted cash	\$ 270,871	\$ 188,959
Restricted cash	<u>293,952</u>	<u>333,008</u>
Total cash at the end of the year	<u>\$ 564,823</u>	<u>\$ 521,967</u>
Reconciliation of income from operations to net cash provided by operating activities		
Income from operations	\$ 192,567	\$ 269,296
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation and amortization	284,287	276,262
(Increase) decrease in:		
Customer accounts receivable	(6,856)	(4,538)
Grants receivable	66,712	(66,712)
Interest receivable	8,558	(1,664)
Inventory	(2,883)	2,984
Prepaid expenses	794	73
Increase (decrease) in:		
Accounts payable, trade accounts	10,021	(1,149)
Accounts payable from restricted funds	(66,712)	66,712
Accrued liabilities	2,371	(2,678)
Accrued compensated absences	5,284	-
Accrued interest payable	19,782	(4,446)
Bond insurance cost	(35,552)	-
Customer deposits	<u>11,925</u>	<u>12,825</u>
Net cash provided by operating activities	<u>\$ 490,298</u>	<u>\$ 546,965</u>

See accompanying notes to the financial statements.