

July 25, 2018

Mr. Randy Travis, Chairman
Marshall County Board of Education
86 High School Road
Benton, KY 42025

**RE: MCHS – Utility Easement and Letter of Financial Commitment – Second Letter
Marshall County Sanitation District – Draffenville Sewer Expansion
Marshall County, Kentucky**

Mr. Travis:

In a previous letter to your attention dated May 7, 2018, the Marshall County Sanitation District (District) provided a detailed explanation of our efforts and actions required to provide sanitary sewer service to the Marshall County High School (MCHS) and adjacent Board of Education Facilities. The May 7th letter explained our project timeline, listed action items moving forward, and expressed our commitment to providing wastewater service to the MCHS, Board of Education Office, and other commercial and residential properties generally along the US 641 and US 68 corridors in the Draffenville community.

In accordance with the project timeline presented in our May 7th letter, the District publicly advertised and accepted competitive bids for construction of the referenced design project. The project, as bid, included provisions to allow the MCHS wastewater treatment plant to be removed from service through a direct connection to the District's proposed gravity sewer lines. Unfortunately, the District has not received the required executed utility easement documents or financial commitment from the Marshall County School Board to date.

In an effort to keep the project moving forward, the District elected to re-design the project eliminating a portion of the originally proposed gravity sewer line that the MCHS leadership team was opposed to and relocating the proposed pump station to an adjacent property just west of the MCHS property along US Highway 641. All state and local permits, as well as required easements (with the exception of those on the MCHS property), have been secured to date.

The re-designed project was re-bid through a competitive negotiation process with all four of the original project bidders invited to participate in the re-bid process. Competitive bids were opened on July 11, 2018, with the District and Marshall County Fiscal Court unanimously agreeing at the July 17, 2018 Fiscal Court Meeting to award the re-bid project to Murtco, Inc. Project procurement documentation has been submitted to our funding agency, and we anticipate construction of the project to commence within a few weeks.

The current project design includes the gravity sewer portion on the MCHS property originally designed to allow direct elimination of the MCHS wastewater treatment plant. We desire to provide the much needed sanitary sewer service to the MCHS property in an effort to eliminate the school's aging wastewater treatment plant and reduce rising operational expenditures.

To keep the portion of the project leading to the school's wastewater treatment plant moving forward, the District is requesting the Marshall County School Board's consideration of the following sewer connection criteria:

1. Execute the attached utility easement documents, having all signatures notarized, then return the fully executed easement documents to the District for recording. No monetary compensation is offered to the Marshall County School Board for the easement rights to operate and maintain the District owned sewer facilities providing a desired wastewater service.
2. Agree that the sanitary sewer construction across the school property will remain in accordance with re-design / re-bid / construction plans as prepared by our engineering consultant, Rivercrest Engineering Inc. and as approved by the KY Division of Water for construction purposes. This alignment has been in the master planning stages for many years, has previously been reviewed with MCHS officials, and will promote elimination of failed septic tanks and sanitary sewer expansion along US 68 east of the MCHS leading toward the Briensburg community.
3. Provide the District with a financial commitment letter and an acceptable timeline to formally transfer the lump sum of tap fee funds. The tap fee for the MCHS is \$1,002,716.64. This correlates to a wastewater allocation of 30,000 gallons per day capacity equal to the permitted capacity of the high school's existing wastewater treatment plant. If additional capacity is requested, the District can currently allocate a small amount of additional flow, with a proportional increase in the tap fee.
4. Enter into a formal customer service agreement with the District, and agree to the same commercial customer rates as our other commercial customers.

Please understand that the service criteria noted above are time limited. As a condition of our current project bid documents, the bidders have committed to hold their material unit prices for a period of 90 calendar days from the date of their contract award. After 90 days, the contractors are entitled to request compensation adjustments for their material unit prices. The District will not authorize the purchase of materials for the portions of the sewer work across the school property until the above criteria are met. Accordingly, if the school board's concurrence with our criteria exceeds the 90-day timeframe noted, the additional material expenses incurred by the District will be passed on to the school system as an additional tap fee assessment.

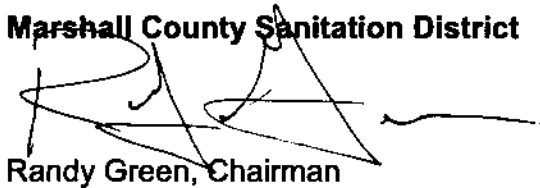
This project has been in the master planning stages for several years now, and is critical to the development of the Draffenville Community and Marshall County as a whole. The cost allocation to the school system has decreased by approximately \$200,000.00 recently based on our receipt of favorable bids. The District is focused on moving this project forward and will start the construction process with a Bid Award as soon as our funding agency, KY Infrastructure Authority and the KY Division of Water issue our Authorization to Award letter. The District would like to include construction of sanitary sewers in accordance with our approved design drawings and our master plan in an effort to facilitate elimination of the MCHS wastewater treatment plant and its permitted discharge into a tributary to the compromised Chestnut Creek.

We understand that the Marshall County Board of Education's wastewater treatment plant KPDES Discharge Permit will expire in less than two years. Based on present worth analyses presented to the District in earlier meetings, we understand construction of a new wastewater treatment plant and associated long term operational and maintenance expenses are not in the best interest of the school board or the general public.

We look forward to hearing from you, and working with the Marshall County School Board, so that we can start the construction process across the Marshall County High School property.

Sincerely,

Marshall County Sanitation District

A handwritten signature in black ink, appearing to be 'Randy Green', written over a horizontal line.

Randy Green, Chairman

Cc: Marshall County Fiscal Court – Kevin Neal, Judge/Executive
Rivercrest Engineering Inc. – Charles McCann, P.E.