



Rural Development
A mission area of the
United States Department of Agriculture

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FAX TRANSMISSION COVER SHEET

NOV 9 2004

PUBLIC SERVICE
COMMISSION

2004-405

DATE:

November 3, 2004

TO:

George Wakim

FAX:

502-564-1582

RE:

Amended Letter of Conditions and Final Project Cost to include
920,000 Coal Severance Funds
George- if this does not take care of what you need, please let me
know.

SENDER:

Julie Anderson
State Engineer
Rural Development
859-224-7348

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YOU DO NOT RECEIVE ALL PAGES, PLEASE CALL.

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11/03/04

Please insert into
main case file
Frank
GW



United States Department of Agriculture
Rural Development
Kentucky State Office

November 2, 2004

Mr. Raymond Taylor, Chairman
McCreary County Water District
P.O. Box 488
Whitley City, Kentucky 42653

Re: Letter of Conditions Dated April 18, 2003

Dear Mr Taylor:

This letter shall serve as Amendment No. 1 to the Letter of Conditions dated April 18, 2003. The purpose of this amendment is to revise the estimated total cost of the project and add the additional amount of \$920,000 KIA Coal Development Grant funds.

The Second Paragraph on Page 1 is revised to read as follows:

“ This letter is not to be considered as loan and/or grant approval or as a representation as to the availability of funds. The docket may be completed on the basis of a RUS loan not to exceed \$750,000, a RUS grant not to exceed \$950,000, an Appalachian Regional Commission (ARC) grant of \$400,000, and a KIA Coal Development Grant of \$920,000.”

Paragraph numbered "22" is revised to read as follows:

“ 22. Cost of Facility:

Breakdown of Costs:

Development	\$ 2,294,300
Land and Rights	10,000
Legal and Administrative	50,000
Engineering	259,600
Interest	25,000
Contingencies	<u>436,100</u>
TOTAL	\$ 3,075,000

Financing:

RUS Loan	\$ 750,000
RUS Grant	950,000
ARC Grant	400,000
KIA Coal Development Grant	920,000
Applicant Contribution	<u>55,000</u>
TOTAL	\$ 3,075,000 ”

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McCreary County Water District

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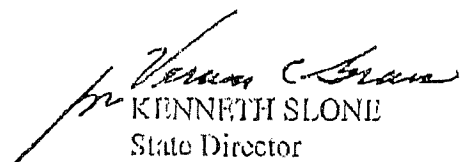
Paragraph numbered "26" is revised to read as follows:

" 26. Commitment of ARC and KIA Coal Development Grant Funds:

This Letter of Conditions is issued contingent upon a firm commitment being in effect prior to advertising for construction bids for the ARC grant in the amount of \$400,000 and for the KIA Coal Development grant in the amount of \$920,000. "

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

Sincerely,


KENNETH SLONE
State Director

cc: Area Director - London, Kentucky
Rural Development Manager - London, Kentucky
Cumberland Valley ADD - London, Kentucky
Tim Lavender - Whitley City, Kentucky
Harper, Ferguson & Davis - Louisville, Kentucky
Monarch Engineering - Lawrenceburg, Kentucky
PSC - ATTN: Bob Amato - Frankfort, Kentucky

PROJECT BUDGET
COUNTY WIDE WATER SYSTEM EXTENSIONS
McCREARY COUNTY WATER DISTRICT
McCREARY COUNTY, KENTUCKY

NOVEMBER 1, 2004

PROJECT COSTS

CONTRACT 30 DEVELOPMENT	\$1,218,746.50
CONTRACT 31 DEVELOPMENT	868,438.00
CONTRACT 32 DEVELOPMENT	207,082.00
CONTINGENCY	436,212.08
ENGINEERING DESIGN	161,057.51
CONSTRUCTION INSPECTION	78,463.91
LEGAL & ADMINISTRATION	40,000.00
INTEREST	25,000.00
LAND & EASEMENT ACQUISITION	10,000.00
U.S. FOREST ENVIRONMENTAL ASSESSMENT	10,000.00
ADDITIONAL ENGINEERING	<u>20,000.00</u>
TOTAL PROJECT COSTS	\$3,075,000.00

PROJECT FINANCING

McCREARY COUNTY WATER DISTRICT	\$55,000.00
RURAL DEVELOPMENT GRANT	950,000.00
RURAL DEVELOPMENT LOAN	750,000.00
APPALACHIAN REGIONAL COMMISSION	400,000.00
KIA - COAL DEVELOPMENT GRANT	<u>920,000.00</u>
TOTAL PROJECT FINANCING	\$3,075,000.00