

3 HMB Circle U.S. 460 Frankfort, KY 40601 Office: (502) 695-9800 Fax: (502) 695-9810 www.hmbpe.com September 25, 2007

Mr. Michael Burford Director of Filings Division PSC P.O. Box 615 Frankfort. KY 40601

Subiect:

Fountain Run Water District #1
 PSC Certificate of Service
 Case No. 2003-00312

Dear Mr. Burford:

We are writing this letter on behalf of the Fountain Run Water District #1 (FRWD). In November 2003, the Water District received the above referenced Certificate of Service from the PSC (i.e., the District did not have sufficient water storage – minimum of one day's average usage). The Commission gave the FRWD until January 1, 2008 to comply.

On behalf of the District, we are requesting an extension of that date. They will not be in compliance by January 1, 2008. However, the following actions have been completed to move the project along to completion:

Highway Engineering

Structural Engineering

Water & Wastewater

Right-of-Way

Master Planning

Environmental Planning

Abandoned Mine Lands

Surveying

Project Management

Cost Estimation

Stream Restoration

Construction Inspection

Aviation Services

Environmental Remediation

- Hired HMB Professional Engineers, Inc. (Frankfort, KY) to plan and design the project.
- Retained the Rural Community Assistance Program (RCAP) of Frankfort, KY to assist with obtaining project funding.
- Summer of 2007, they made an emergency connection to the Monroe County Water District (MCWD) to supply additional water to an area of the FRWD's system that has had low pressures and flows in high use conditions.
- Applied for \$981,500 in KIA grant (awaiting the Legislature to meet in January 2008 for funding approval).
- They are considering an application package for loan and grant to be submitted to USDA Rural Development; very preliminary discussions have been had with RD to check on eligibility and availability of funds, etc.

Mr. Burford, hopefully you can see that the Fountain Run Water District #1 considers this Certificate of Service a very serious matter. They know that by complying, they are providing better service to their customers. Therefore, they are respectfully requesting a five (5) year extension on their compliance

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deadline. While this seems like a very long time, please consider the situation. Given the funding availability, time to design, site acquisition, environmental study, archaeological and geotechnical requirements, regulatory approval process, advertising/bidding timeframe and finally the construction schedule (construction might take 1+ years), we feel this is a fair request.

The Water District is moving forward with their plans, please notify us of your decision.

For future reference, please change your files to reflect:

- Mr. Joe Cornwell is the chairman, not Mark Tracy
- Mr. Bob Blankenship, P.E.
 Mr. Chris Stewart, P.E.
 HMB Professional Engineers, Inc.
 3 HMB Circle
 Frankfort, KY 40601
- Ms. Melissa Melton Technical Assistance Provider RCAP 101 Burch Court Frankfort, KY 40601

On behalf of the District, we wish to thank you in advance for your attention to this matter.

Very Truly Yours, HMB Professional Engineers, Inc. Bob Blankenship, P Vice-President

- CC:
- Joe Cornwell, Chairman (home) Fountain Run Water District #1 Melissa Melton, (RCAP) Rick Ross, Manager, (MCWD) Ray Bascom, P.E., (HMB)