Date **ROUTING AND TRANSMITTAL SLIP** Initials TO: (Name, office symbol, room number, Date building, Agency/ Post) Service Commission File Note and Return Action **Approval** Per Conversation For Clearance **For Correction Prepare Reply** As Requested Circulate For Your Information See Me Investigate Signature Comment Coordination Justify Re: Fountain Run Water District Attached is your Copy of Amendment #2 to the Rwal Development Letter of Conditions. RECEIVED JUN 1 0 2009 PUBLIC SERVICE COMMISSION DO NOT use this form as a RECORD of approvals, concurrences, disposals, clearances, and similar actions FROM: (Name, orgasymbol, Agency/ Post) Room No. · - Bldg. Phone No.

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OPTIONAL FORM 41 (Rev. 1-94)

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United States Department of Agriculture Rural Development

Kentucky State Office

June 4, 2009

Joe Cornwell, Chairman Fountain Run Water District PO Box 118 Fountain Run, Kentucky 42133

Re:

Letter of Conditions Dated June 16, 2008

Dear Mr. Cornwell:

This letter shall serve as Amendment No. 2 to the Letter of Conditions dated 6/16/08. The purpose of this amendment is to revise the minimum required rates in order to compensate for the increased wholesale water charge from the Glasgow Water Company.

Paragraph numbered "27" is revised to read as follows:

" 27. Rates and Charges:

Rates and charges for facilities and services rendered by the Water District 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:

First	2,000	gallons @ \$	16.26 Minimum Bill.
Next	3,000	gallons @ \$	5.61 per 1,000 gallons.
Next	5,000	gallons @ \$	5.20 per 1,000 gallons.
Next	10,000	gallons @ \$	4.43 per 1,000 gallons.
All Over	20,000	gallons @\$	3.75 per 1,000 gallons."

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

Sincerely,

VERNON C. BROWN Acting State Director

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cc: Area Director - Columbia, Kentucky
Barren River ADD - Bowling Green, Kentucky
Rubin & Hays - Louisville, Kentucky
Catherine Brown Capps - Burkesville, Kentucky
HMB Engineers - Frankfort, Kentucky
PSC - ATTN: Dennis Jones - Frankfort, Kentucky