

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF WESTERN)
ROCKCASTLE WATER ASSOCIATION, INC. FOR A)
CERTIFICATE OF PUBLIC CONVENIENCE AND)
NECESSITY TO CONSTRUCT A SYSTEM) **Case No. 2023-00334**
IMPROVEMENTS PROJECT AND AN ORDER)
APPROVING A CHANGE IN RATES AND)
AUTHORIZING THE ISSUANCE OF SECURITIES)
PURSUANT TO KRS 278.023)

Supplemental Information Filing

Western Rockcastle Water Association, Inc. ("Western Rockcastle Water"), by counsel, hereby files this Supplemental Information Filing informing the Commission of a change in circumstances, as follows:

On or about October 23, 2023, Western Rockcastle Water tendered an application, pursuant to KRS 278.023 requesting (i) a Certificate of Public Convenience and Necessity ("CPCN") to construct a system improvements project; (ii) authorization to issue securities; and (iii) approval of a change in rates. The Commission issued its Order granting the requested relief on November 22, 2023.

Subsequent to the issuance of the Commission's November 22, 2023 Order, certain changes in circumstances occurred regarding the nature and funding of the project. Please see the "Project Change Narrative" prepared by Monarch Engineering, Inc., engineers for Western Rockcastle Water, attached hereto as **Exhibit "A"**. Also attached hereto as **Exhibit "B"** is the "Final Project Budget" revised as of January 18, 2024.

On January 18, 2024, USDA, Rural Development ("RD") has issued Amendment No. 2 to the original Letter of Conditions revising the Project Budget and Project Funding to include the surplus Cleaner Water Grant ("CWG") funds (\$112,072) and reducing the contribution required by Western Rockcastle Water (see **Exhibit "C"** attached hereto). The Kentucky Infrastructure Authority has agreed to allow Western Rockcastle Water to use the surplus CWG funds to be applied to Alternative No. 1, Contract No. 12. A copy of the original KIA Conditional Commitment Letter dated March 20, 2023 relating to the \$421,737 CWG is attached hereto as **Exhibit "D"**.

Western Rockcastle Water files this Supplemental Information Filing in the Post Case file in an effort to inform the Commission on the change in circumstances since the original Order was issued.

The undersigned has prepared this Supplemental Information Filing as Counsel to and on behalf of Western Rockcastle Water Association, Inc., a governmental agency, and hereby certifies that this Supplemental Filing is true and accurate to the best of the undersign's knowledge, information and belief formed after a reasonable inquiry.

Respectfully Submitted:

Rubin & Hays

By 

W. Randall Jones, Esq., Counsel for
Western Rockcastle Water
Association, Inc.

Kentucky Home Trust Building

450 South Third Street

Louisville, Kentucky 40202

Telephone: (502) 569-7534

Fax: (502) 569-7555

Email: wrjones@rubinhays.com

Certificate of Service and Filing

The undersigned, in accordance with 807 KAR 5:001, Section 8, hereby certifies that Western Rockcastle Water Association's electronic filing of the foregoing Supplemental Information Filing is a true and accurate copy of the document being electronically filed and transmitted to the Kentucky Public Service Commission on February 8, 2024; that there are currently no parties that the Kentucky Public Service Commission has excused from participation by electronic means in this proceeding.

Rubin & Hays

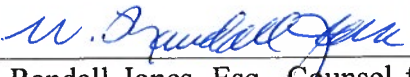
By 
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EXHIBIT A

Project Change Narrative

PROJECT CHANGE NARRATIVE

WESTERN ROCKCASTLE WATER ASSOCIATION CONTRACT 12: WATER LINE IMPROVEMENTS & REPLACEMENTS & CONTRACT 13: “DOG WALK” WATER STORAGE TANK REHABILITATION

The Western Rockcastle Water Association had accepted bids on two separate projects back on September 12, 2023, of which both had the same contractor as low bidder, Akins Excavating, Inc. out of Corbin, KY. One project is being funded by USDA Rural Development, above-referenced titled project, and another project, fully funded by a Kentucky Infrastructure Authority (KIA) Cleaner Water Program (CWP) grant, called Merritt-Cemetery/Maple Road Water Line Extension. Due to the CWP project being bid well under budget, the Association was left with \$112,072.00 in residual CWP funds. The Association has petitioned the KIA and USDA Rural Development to use these residual funds for a portion of Contract No. 12, Alternate No. 1.

The purpose for the use of residual CWP funds is that the Alternate No. 1, in Contract 12, has become a critical, almost emergency situation, for the Association. An existing 6-inch water line has become exposed in what is known as Roundstone Creek and could wash out at any time as old trees and logs accumulate on the exposed water line. With the low bidder already on the Merritt Cemetery project, they can move immediately on to the Alternate No. 1 project and relieve the Association of any worries. Being that the above-referenced titled project was over budget and could not include Alternate No. 1 as part of the base bid, the Association elected to use their own funds for the alternate work. Then the Merritt Cemetery project came to completion and remaining CWP grant funds became available to be spent. Thence, the request to use remaining funds in the USDA Rural Development project. The remaining CWP funds will ONLY be used on Alternate No. 1 costs with the Association contributing additional funds to complete the USDA Rural Development project along with Alternate No. 1 as previously budgeted.

EXHIBIT B

Final Project Budget

**FINAL PROJECT BUDGET
WESTERN ROCKCASTLE WATER ASSOCIATION
WATER SYSTEM EXTENSIONS & IMPROVEMENTS**

JANUARY 18, 2024 (REVISED)

PROJECT COSTS

CONTRACT 12 - WATER LINE IMPROVEMENTS & REPLACEMENTS	\$458,035.00
CONTRACT 13 - "DOG WALK" TANK REHABILITATION	225,000.00
CONTRACT 12 - ALTERNATE NO. 1	<u>138,705.00</u>
SUBTOTAL	\$821,740.00
CONTINGENCY	68,303.50
ENGINEERING DESIGN	58,000.00
CONSTRUCTION INSPECTION	41,000.00
PRELIMINARY ENGINEERING REPORT	10,000.00
ENVIRONMENTAL	7,500.00
EASEMENT ACQUISITION	5,000.00
INTEREST	10,000.00
LEGAL & ADMINISTRATION	<u>15,000.00</u>
TOTAL PROJECT COSTS	\$1,036,543.50

PROJECT FUNDING :

U.S.D.A. RURAL DEVELOPMENT LOAN	\$582,000.00
U.S.D.A. RURAL DEVELOPMENT GRANT	249,000.00
KIA CLEANER WATER PROGRAM (CWP) GRANT*	112,072.00
WESTERN ROCKCASTLE WATER ASSOCIATION	<u>93,471.00</u>
TOTAL PROJECT FUNDING :	\$1,036,543.00

*TO BE USED FOR CONTRACT NO. 12 - ALTERNATE NO. 1 ONLY

EXHIBIT C

RD LOC Amendment No. 2



Rural Development

January 18, 2024

Kentucky State Office

771 Corporate Drive,
Suite 200
Lexington, KY
40503

Darrell Whitaker, President
Western Rockcastle Water Association
371 New Brodhead Road
Mt. Vernon, Kentucky 40456

Voice 859.224.7300
Fax 859.224.7425
TTY 859.224.7422

SUBJECT: Letter of Conditions
Project Name: Waterline Improvements/ Dog Walk Tank Project
CFDA NUMBER – 10.760

RUS Loan: \$582,000
RUS Grant: \$249,000

Dear Mr. Whitaker:

This letter shall serve as Amendment No. 2 to the Letter of Conditions dated August 6, 2019. The purpose of this amendment is to revise project funding.

Paragraph numbered “28” is revised to read as follows:

28. Project Budget – Funding from all sources has been budgeted for the estimated expenditures as follows:

<u>Project Costs:</u>	<u>Total Budgeted:</u>
Development	\$821,740
Land and Rights	5,000
Legal and Administrative	15,000
Engineering Fees	109,000
Interest - Interim	10,000
Contingency	68,303
Environmental	<u>7,500</u>
TOTAL	1,036,543
<u>Project Funding:</u>	
RUS Loan	\$ 582,000
RUS Grant	249,000
Applicant Contribution	93,471
Cleaner Water Grant	<u>112,072</u>
TOTAL PROJECT COSTS	\$1,036,543

USDA is an equal opportunity provider, employer and lender.

If you wish to file a Civil Rights program complaint of discrimination, complete the USDA Program Discrimination Complaint Form (PDF), found online at http://www.ascr.usda.gov/complaint_filing_cust.html, or at any USDA office, or call (866) 632-9992 to request the form. You may also write a letter containing all of the information requested in the form. Send your completed complaint form or letter to us by mail at U.S. Department of Agriculture, Director, Office of Adjudication, 1400 Independence Avenue, S.W., Washington, D.C. 20250-9410, by fax (202) 690-7442 or email at program.intake@usda.gov.

Western Rockcastle Water Association

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

Sincerely,

**THOMAS
CAREW**

Digitally signed by
THOMAS CAREW
Date: 2024.01.18
09:41:47 -05'00'

Dr. Thomas E. Carew
State Director

cc: Field Director – Shelbyville, Kentucky
Field Specialist – London, Kentucky
Western Rockcastle Water Association – P.O. Box 627, Mt. Vernon, KY 40456
Jerry Cox – Clontz & Cox – P.O. Box 1350, Mt. Vernon, KY 40456
Deron Bryne – Monarch Engineering, Inc. – 556 Carlton Dr., Lawrenceburg, KY 40342
Cumberland Valley ADD – P.O. Box 1740, London, KY 40743-1740
PSC – Linda C. Bridwell – P.O. Box 615, Frankfort, Kentucky 40602-0615

EXHIBIT D

KIA Conditional Commitment Letter



KENTUCKY INFRASTRUCTURE AUTHORITY

Andy Beshear
Governor

100 Airport Road
Frankfort, Kentucky 40601
(502) 573-0260
<https://kia.ky.gov>

Sandy Williams
Executive Director

March 20, 2023

Darrell Whitaker
Chairman
Western Rockcastle Water Association Inc
PO Box 627
Mount Vernon, KY 40456

**KENTUCKY INFRASTRUCTURE AUTHORITY
CONDITIONAL COMMITMENT LETTER**

KIA Grant Number 22CWW305
WRIS Project Number WX21203013

Dear Official,

Congratulations on receiving an award of Kentucky Cleaner Water Program (the "CWP") Round 2 grant funds for your Project! The Kentucky Infrastructure Authority (the "Authority") approved the grant request to the Western Rockcastle Water Association Inc (the "Grantee") in the amount of \$421,737 for the Merritt Cemetery Road/Maples Road Water Line Extension project. We look forward to working with you to successfully complete your Project!

Please be aware that these Round 2 CWP Grant Project funds are provided through the American Rescue Plan Act of 2021, Coronavirus State Fiscal Recovery Fund and must be obligated by December 31, 2024 and fully expended by December 31, 2026. Any funds not obligated by December 31, 2024 or expended by December 31, 2026 will be forfeited and will not be available for the project.

An Assistance Agreement will be executed between the Authority and the Grantee upon satisfactory performance of the conditions set forth in Attachment A. Funds will be available for disbursement only after execution of the Assistance Agreement.

During the course of implementing your project, please inform the Authority of any changes in the project scope and financing plan as soon as possible.

**TEAM
KENTUCKY**

An Equal Opportunity Employer M/F/D

Darrell Whitaker
March 20, 2023
Page 2

22CWW305

We wish you every success for this project, which will benefit both your community and the Commonwealth as a whole.

Sincerely,




Sandy Williams,
Executive Director

Attachments

cc: Deron Byrne, Project Administrator
Paula Deborde, Western Rockcastle Water Association Inc
Deron Scott Byrne, Monarch Engineering, Incorporated
Daniel Mullins, ADD Coordinator
Kelly Cunnagin, KIA Grant Analyst
File

Please sign and return a copy of this letter indicating your acknowledgement and acceptance of the commitment and its terms and conditions incorporated by reference and in the Attachments and Exhibits.


Accepted

4-11-23
Date