

Rubin & Hays

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CHARLES S. MUSSON
W. RANDALL JONES
CHRISTIAN L. JUCKETT

August 20, 2009

RECEIVED

AUG 21 2009

PUBLIC SERVICE
COMMISSION

Mr. Jeff Derouen
Executive Director
Public Service Commission
P.O. Box 615
Frankfort, Kentucky 40602

Re: Bath County Water District - Case No. 2009-00331

Dear Mr. Derouen:

Enclosed please find the original and ten (10) copies of Amendment No. 2 to the USDA, Rural Development Letter of Conditions, which Amendment sets forth the correct wholesale rates of the District.

If you need any additional information or documentation, please let us know.

Sincerely,

Rubin & Hays

By 
W. Randall Jones

WRJ:jl
Enclosures
cc: Distribution List

DISTRIBUTION LIST

Account No. 2022.0000

Re: Bath County Water District Waterworks Revenue Bonds, Series 2009, in the principal amount of \$259,000

Mr. Vernon Brown
Acting State Director
USDA, Rural Development
771 Corporate Drive, Suite 200
Lexington, Kentucky 40503-5477

Telephone: (859) 224-7336
Fax: (859) 224-7340

Ms. Pam Farmer
USDA, Rural Development
220 West First Street
Morehead, Kentucky 40351

Telephone: (606) 784-6447
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Mr. Forrest McKenzie
Bath County Water District
21 Church Street
P.O. Box 369
Salt Lick, Kentucky 40371

Telephone: (606) 683-6363
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James C. Thompson, P.E.
Kentucky Engineering Group, PLLC
P.O. Box 1034
Versailles, Kentucky 40383

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Earl Rogers III, Esq.
Campbell, Rogers & Hill
154 Flemingsburg Road
Morehead, Kentucky 40351

Telephone: (606) 784-8926
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W. Randall Jones, Esq.
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United States Department of Agriculture
Rural Development
Kentucky State Office

August 19, 2009

Ms. Kelly Wilson, Chairperson
Bath County Water District
PO Box 639
Salt Lick, Kentucky 40371

RECEIVED

AUG 21 2009

PUBLIC SERVICE
COMMISSION

Re: Letter of Conditions Dated March 30, 2009

Dear Ms. Wilson:

This letter shall serve as Amendment No. 2 to the Letter of Conditions dated March 30, 2009. The purpose of this amendment is to change the rate schedule due to an increase in projected operating and maintenance expenses to allow the system to have a positive cash flow.

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

" 27. Rates and Charges:

Rates and charges for facilities and services rendered by the 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:

5/8" Meter

First	2,000	gallons @ \$	13.75. - Minimum Bill.
Next	3,000	gallons @ \$	5.20. - per 1,000 gallons.
Next	5,000	gallons @ \$	3.90. - per 1,000 gallons.
Next	10,000	gallons @ \$	3.30. - per 1,000 gallons.
Next	30,000	gallons @ \$	3.10. - per 1,000 gallons.
All Over	50,000	gallons @ \$	3.00. - per 1,000 gallons.

1" Meter

First	10,000	gallons @ \$	48.85. - Minimum Bill.
Next	10,000	gallons @ \$	3.30. - per 1,000 gallons.
Next	30,000	gallons @ \$	3.10. - per 1,000 gallons.
All Over	50,000	gallons @ \$	3.00. - per 1,000 gallons.

771 Corporate Drive • Suite 200 • Lexington, KY 40503
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1400 Independence Avenue, SW, Washington, DC 20250-9410
or call (800) 795-3272 (voice) or (202) 720-6382 (TDD)

2" Meter
First 50,000 gallons @ \$ 174.85. - Minimum Bill.
All Over 50,000 gallons @ \$ 3.00. - per 1,000 gallons.

Wholesale Rates:

Sharpsburg Water District \$2.73 - per 1,000 gallons

City of Frenchburg: \$2.32 - per 1,000 gallons.


City of Owingsville:

Monthly Debt Service Payment: \$4,733.91 Minimum Bill

All usage \$ 1.89 - 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

cc: Area Director - Morehead, Kentucky
Gateway ADD - Morehead, Kentucky
Rubin & Hays - Louisville, Kentucky
Campbell, Rogers, & Hill - Morehead, Kentucky
KY Engineering - Versailles, Kentucky
PSC - ATTN: Dennis Jones - Frankfort, Kentucky