

July 6, 2007

Donna Crawford
Governmental Assistance Services
905 Joseph Dr.
Lawrence, KS 66047

Dear Ms. Crawford,

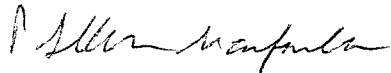
I have reviewed the proposed project to construct a new water supply from the Chautauqua Hills Public Wholesale Water District and distribution lines.

Based on the documents attached to your request, it does not appear that there are any potential geologic hazards worth noting that might impact this project.

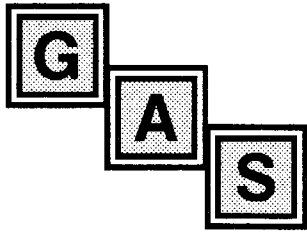
The above discussion represents our best assessment based on the information that the Kansas Geological Survey has about this locality and/or proposed project at the time of this writing. Other geologic conditions, not discussed herein, or for which the Kansas Geological Survey has no knowledge, may affect the viability or safe operation of this facility or property. The information provided in this letter is from regional or countywide studies and should not be used as a substitute for detailed site characterization by a licensed geologist or engineer. It is the responsibility of the applicant to provide any required site characterizations.

If you have questions please do not hesitate to contact me at my office (785 – 864-2068).

Sincerely yours,



P. Allen Macfarlane



Governmental Assistance Services

905 Joseph Drive

Lawrence, Kansas 66049

785-832-2141 • Fax 785-832-1111

Toll Free 888-832-3335

e-mail: gasdonnaa@sunflower.com

June 29, 2007

Kansas Geological Survey
University of Kansas
1930 Constant Ave-Campus West
Lawrence, KS 66047

RE: Environmental Review Update-Chautauqua County RWD #4, Grant #07-PF-720

Dear Sirs:

On June 18, 2007 the County of Chautauqua, Kansas acquired a Kansas Dept. of Commerce grant in the amount of \$400,000 to construct a new water supply from Chautauqua Hills Public Wholesale Water District and to construct 389,300 LF of distribution lines. The project will service 112 households of approximately 269 persons. 59.48% of the population is of low-to-moderate income.

The engineer sent a letter to your department dated October 15, 2004. The project number on the correspondence was 5033.000. Since the environmental was mailed out over 2 years ago the Kansas Department of Commerce requires that an update be expedited. Your response will be appreciated to meet the KDOC guidelines

Wichita State University completed an archaeological assessment July 2005 and on February 1, 2006 the Kansas State Historical Society cleared the project for construction.

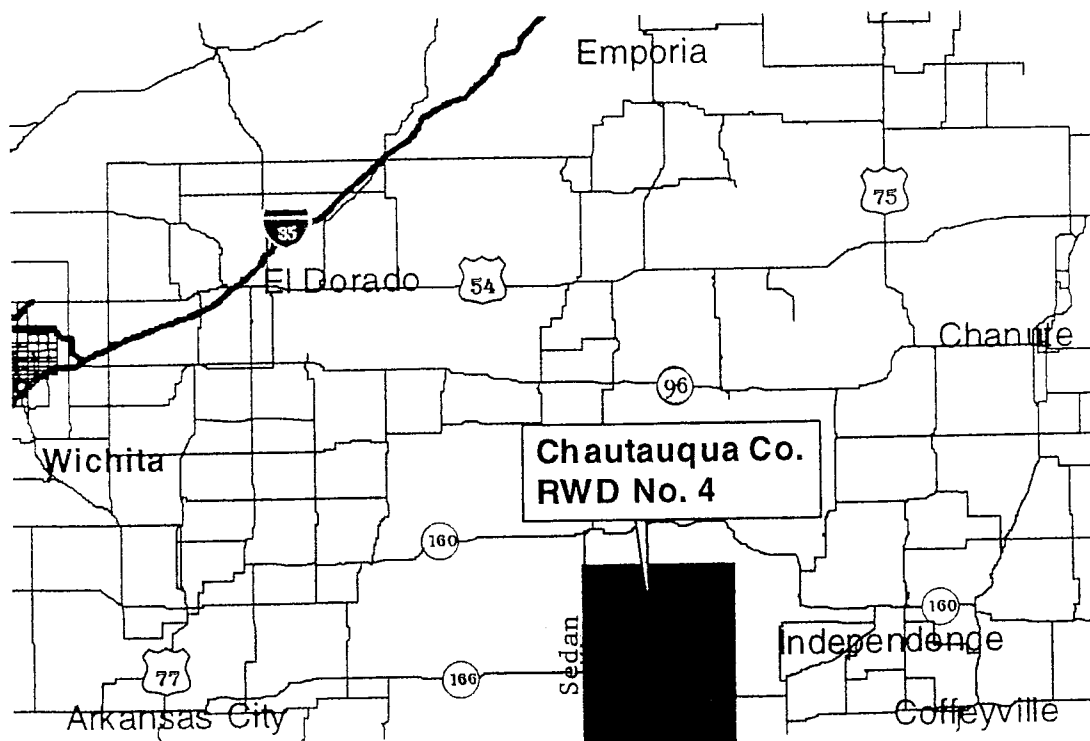
Phase 1 is located on the south side of Middle Caney Creek between Sedan and Caney. See attached maps. Phase 2 will be addressed later which is on the north side. Phase 1's estimate is included.

Please send your responses to Governmental Assistance Services, 905 Joseph Dr., Lawrence, KS 66049. If you should have questions please call Alan Soelter at 785-272-2252.

Sincerely,

Donna J. Crawford
Grant Administrator

Enc/ Topo & Area Maps
Estimate of Costs



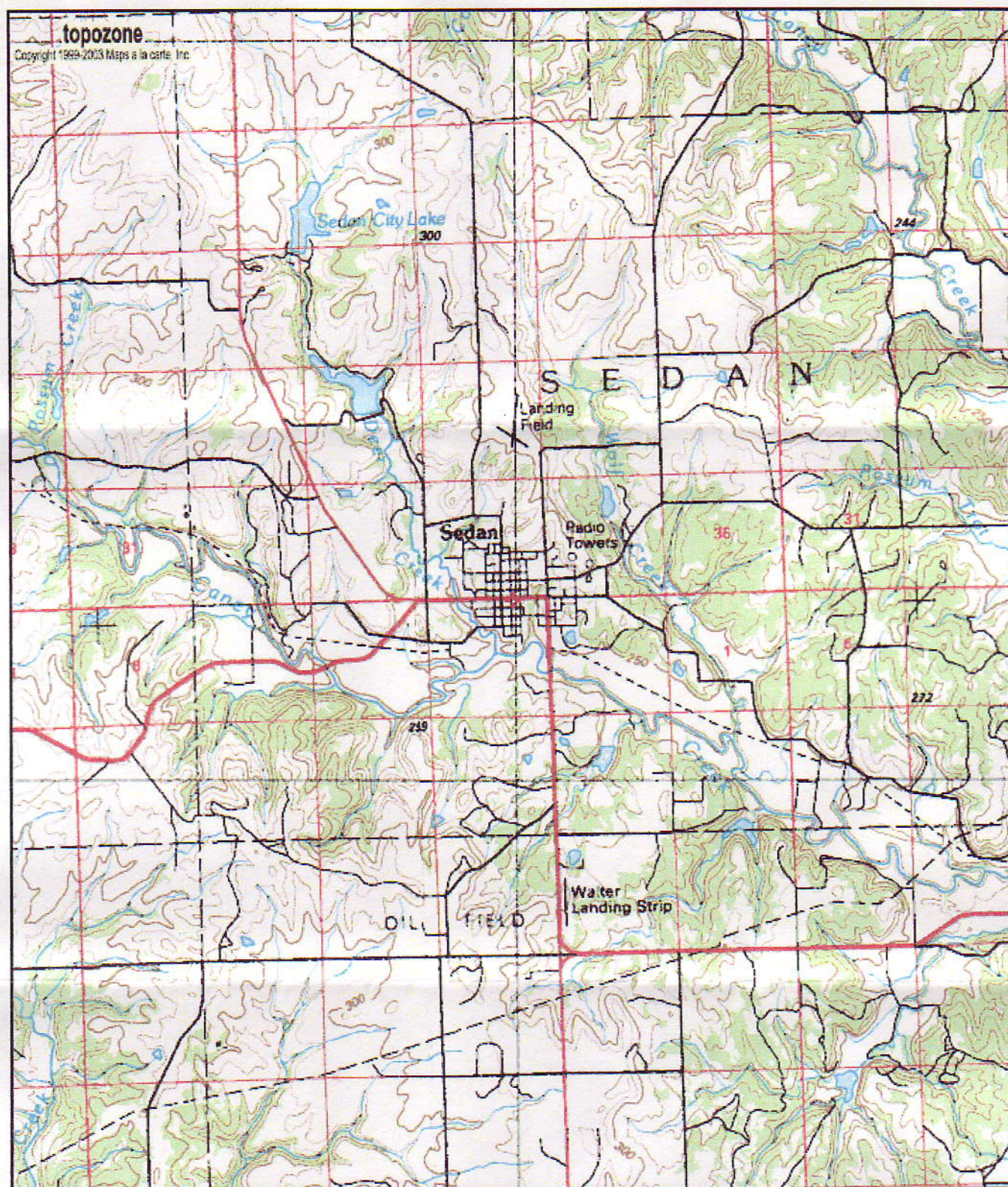
Chautauqua County RWD No. 4
Preliminary Cost Estimate
September 26, 2006

Phase 2, South Service Area

ITEM NO.	DESCRIPTION	QUANTITY	UNIT	UNIT PRICE	EXTENSION
1	6" PVC Pipe	15,600	L.F.	\$ 7.26	\$ 113,256.00
2	4" PVC Pipe	50,600	L.F.	\$ 4.63	\$ 234,278.00
3	3" PVC Pipe	78,300	L.F.	\$ 3.90	\$ 305,370.00
4	2½" PVC Pipe	149,500	L.F.	\$ 3.70	\$ 553,150.00
5	2" PVC Pipe	80,300	L.F.	\$ 3.45	\$ 277,035.00
6	1½" PVC Pipe	15,000	L.F.	\$ 3.91	58,650.00
7	Valves, Crossings, Etc.	L U M P S U M			308,000.00
8	Pressure Reducing Valve	1	EA.	6,000.00	6,000.00
9	Master Meter	1	EA.	9,000.00	9,000.00
10	Service Meter Setting	114	EA.	650.00	74,100.00
11	Pneumatic Pump Station	1	EA.	50,000.00	50,000.00
TOTAL CONSTRUCTION COST					\$ 1,988,839.00
Engineering					\$ 140,000.00
Inspection					\$ 95,000.00
Environmental Study					\$ 3,500.00
Legal & Abstracting					\$ 27,500.00
Interim Financing					\$ 15,000.00
CDBG Grant Administration					\$ 18,500.00
Contingencies (5%)					\$ 99,000.00
TOTAL PROJECT COST					\$ 2,387,339.00

FINANCING SUMMARY

Total Project Cost	\$ 2,387,339.00
Estimated Grant Funds	\$ 1,557,000.00
Total Amount to be Financed	\$ 830,339.00
Rural Development Annual Loan Payment @ 4.5% Interest for 38 years	\$ 34,553.71
Annual Debt Reserve	\$ 3,455.37
Total Annual Payment	\$ 38,009.08
Monthly Debt Service Charge per Customer	\$ 27.78
Monthly O&M per Customer	\$ 12.00
Monthly Cost of Water per Customer (5,000 gal. @ \$3.25/1,000 gal.)	\$ 16.25
Average Monthly Water Bill	\$ 56.03



0 1 2 3 4 5 km
0 0.8 1.6 2.4 3.2 4 mi

UTM 14 749937E 4112426N (NAD27)
Sedan, USGS Sedan (KS) Quadrangle
Projection is UTM Zone 14 NAD83 Datum

*M
G
M=4.384
G=1.699