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PROFESSIONAL SERVICE CORPORATION
124 WEST TODD STREET
FRANKFORT, KENTUCKY 40601

TELEPHONE: (502) 227-7270

JNHUGHES@fewpb.net

June 5, 2015

RECEIVED

JUN 05 2015

PUBLIC SERVICE
COMMISSION

Jeff Derouen
Executive Director
Public Service Commission
211 Sower Blvd.
Frankfort, KY 40601

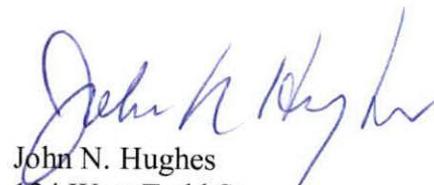
Re: Case No. 2014-00342

Dear Mr. Derouen:

Mountain Water District submits its responses to the Commission's and Attorney General's hearing data requests

I certify that I am the attorney supervising the preparation of these Responses on behalf of the Mountain Water District and that the Responses and attachments are true and accurate to the best of my knowledge, information and belief formed after reasonable inquiry with the witnesses providing the information and documents.

A copy of these responses has been delivered to the Attorney General's Office of Rate Intervention.



John N. Hughes
124 West Todd St.
Frankfort, KY 40601
(502) 227 7270
jnhughes@fewpb.net

Attorney for Mountain Water District

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JUN 05 2015

PUBLIC SERVICE
COMMISSION

CASE : Mountain Water District
CASE NO : 2014-00342
RE : PSC Post Hearing Data Request

Index

- R 1 Provide a copy of the current contract with Southern Corrosion.
- R 2 Provide a copy of UMG's surety bond.
- R 3 Provide a copy of the Conflict of Interest Policy and the adoption in the Board minutes.
- R 4 Provide a copy of Mr. Sawyers paycheck.
- R 5 Provide a copy of the monthly board report with O&M information.
- R 6 Provide six months of Monthly Water Loss Reports.
- R 7 Provide a current list of coal severance grants, projects, funding amount, and remaining balance.
- R 8 Provide the most recent date of full Coal Severance application.
- R 9 Provide a copy of Mr. Spears engagement letter for CPA services.
- R 10 Provide UMG R & M Budget for 2015 and Board minutes.
- R 11 Provide a schedule of expenses greater than \$5,000 in the test-year expense of \$737,112 and whether each is for water or sewer.
- R 12 Verify that the 1% annual increase in the UMG budget also includes a 1% annual increase in the R&M.
- R 13 Provide updated rate case expense invoices and total.
- R 14 Provide the years in which Mountain Water District did not pay additional fees for R & M overage.
- R 15 Is preventive maintenance included in the \$737,000 R&M
- R 16 Provide documentation for any funding that has been applied for infrastructure since 2010.
- R 17 Provide the test-year water loss clarification of 28 or 30%.
- R 18 Please provide a Capital project list for 2013 and 2014.
- R 19 Provide the latest inspection reports for all glass lined tanks performed by Southern Corrosion.
- R 20 Provide list of dedication/excellence bonuses given by UMG in the last 5 yrs and amounts.
- R 21 Provide a breakdown of the following items listed in Item 2, Exhibit 2, page 2;

CASE : Mountain Water District
CASE NO : 2014-00342
RE : PSC Post Hearing Data Request

R 1 Provide a copy of the current contract with Southern Corrosion.

RESPONSE 1

Please see attached Second Amended Water Tank Management Agreement noted as Exhibit 1(a).

Please see attached Third Amended Water Tank Management Agreement noted as Exhibit 1(b).

EXHIBIT

1(a)

**SECOND AMENDED
WATER TANK MANAGEMENT AGREEMENT**

This Agreement made and entered into, this 13th day of August, 2013, by and between **SOUTHERN CORROSION, INC.**, a North Carolina corporation, having its principal office at 738 Thelma Road, Roanoke Rapids, North Carolina 27870, (hereinafter referred to as "Southern Corrosion"), and the **MOUNTAIN WATER DISTRICT** of Post Office Box 3157, Pikeville, Kentucky 41502 (hereinafter referred to as the "Owners"):

WHEREAS, the parties hereto entered into a Water Tank Management Agreement on the 27th day of July, 2011; and

WHEREAS, this agreement was amended on the ___ day of June, 2012; and

WHEREAS, Owners have incurred cash flow issues as certain severance funds originally budgeted to fund this contract have not materialized due to a decline in coal severance taxes; and

WHEREAS, Owners do not otherwise have sufficient revenue to pay this contract; and

WHEREAS, both parties want to allow Owners sufficient time to secure additional funding sources; and

WHEREAS, the parties hereto wish to further amend the agreement to provide additional time to fund the project.

NOW THEREFORE,

WITNESSETH:

That for an in consideration of the terms and conditions set forth herein, the parties hereto agree as follows:

- 1) The parties hereto adopt the terms of their original agreement as amended, except as herein provided.
- 2) Southern Corrosion agrees to complete all tank servicing projects previously identified to be completed in years one and two of the agreement.
- 3) Southern Corrosion agrees to suspend all work on this project for a period of up to eighteen (18) months so as to allow the Owners to seek alternative funding sources.

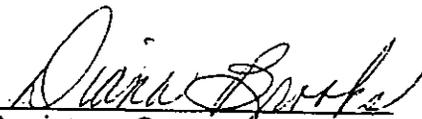
4) The Owners agree to notify Southern Corrosion in writing when they have secured funding to pay for part or all of the contract, and are ready to proceed.

5) Within thirty (30) days after written notice by Owners, Southern Corrosion will re-institute work as previously scheduled, unless otherwise amended by the parties.

6) If at the end of eighteen (18) months from the date hereof, the Owners have not notified Southern Corrosion to resume work on the project, then they will pay Southern Corrosion the sum of \$162,989 for cancellation of the contract, unless the parties can otherwise agree to an additional extension.

IN WITNESS WHEREOF the parties have hereto executed this Amendment to their Agreement as Amended in the manner provided by Law, the day and year first above written.

ATTEST:


Assistant Secretary

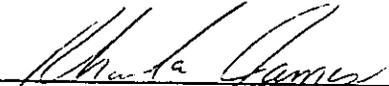
SOUTHERN CORROSION, INC.


James A. Skilton, President

ATTEST:


Secretary

MOUNTAIN WATER DISTRICT


Rhonda James, Chairperson

EXHIBIT

1 (b)

May 11, 2015

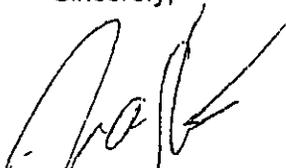
Mr. Daniel P. Stratton, Esq.
STRATTON LAW FIRM, P.S.C.
P.O. Box 1530
Pikeville, KY 41502

Re: Mountain Water District

Dear Dan:

Please find enclosed, a fully executed copy of the Third Amended Water Tank Management Agreement dated 4/29/2015. We appreciate your working with us on this contract.

Sincerely,



James A. Skilton

President

**THIRD AMENDED
WATER TANK MANAGEMENT AGREEMENT**

This Agreement made and entered into, this 29th day of April, 2015, by and between **SOUTHERN CORROSION, INC.**, a North Carolina corporation, having its principal office at 738 Thelma Road, Roanoke Rapids, North Carolina 27870, (hereinafter referred to as "Southern Corrosion"), and the **MOUNTAIN WATER DISTRICT** of Post Office Box 3157, Pikeville, Kentucky 41502 (hereinafter referred to as the "Owners");

WHEREAS, the parties hereto entered into a Water Tank Management Agreement on the 27th day of July, 2011; and

WHEREAS, this agreement was previously amended on the 27th day of June, 2012, and the 13th day of August, 2013; and

WHEREAS, the Owners continue to incur cash flow issues, and are unable to perform the contract as amended; and

WHEREAS, the Owners have applied to the Public Service Commission of Kentucky ("PSC") for a rate increase for its water fees, which incorporates therein as a cost, the price of the original contract as amended; and

WHEREAS, the parties hereto wish to further amend their agreement to provide additional time for performance of the same.

NOW THEREFORE,

WITNESSETH:

That for an in consideration of the terms and conditions set forth herein, the parties hereto agree as follows:

1) The parties hereto adopt the terms of their original agreement as amended, except as herein provided.

2) Owners agree to identify a tank for which painting will be completed within six (6) months of the date of this agreement. This tank will be designated by separate writing between the parties.

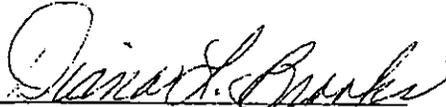
3) Owners agree to pay Southern Corrosion one-third ($\frac{1}{3}$) of the price of repainting this tank upon the start of work for the same; one-third ($\frac{1}{3}$) of the cost within thirty (30) days completion of the same; and the balance thirty (30) days thereafter.

4) Owners agree to notify Southern Corrosion in writing when they have been approved for a rate increase by the PSC, and shall provide therein, the date the new rates will be implemented.

5) Southern Corrosion will restart work as previously scheduled (except for the tank maintenance set forth in paragraph 2 herein) no sooner than ninety (90) days after Owners have implemented the new rate structure.

IN WITNESS WHEREOF the parties have hereto executed this Third Amendment to their Agreement as Amended in the manner provided by Law, the day and year first above written.

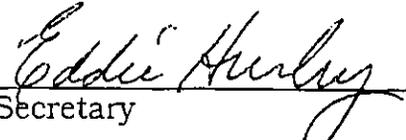
ATTEST:


Assistant Secretary

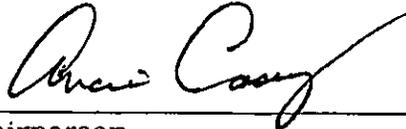
SOUTHERN CORROSION, INC.


James A. Skilton, President

ATTEST:


Secretary

MOUNTAIN WATER DISTRICT


Chairperson

CASE : Mountain Water District
CASE NO : 2014-00342
RE : PSC Post Hearing Data Request

R 2 Provide a copy of UMG's surety bond.

RESPONSE 2

Please see attached Guaranty/Surety Agreement noted as Exhibit 2.

EXHIBIT

2

Utility Management Group, LLC

500 Summit Drive, P.O. Box 663
Corbin, Kentucky 40702

August 16, 2011

Ms. Rhonda James
Chairperson
Mountain Water District
6332 Highway
P.O. Box 3157
Pikeville, Kentucky 41502

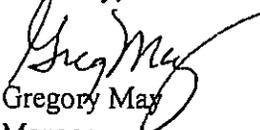
**Re: Agreement for Operations, Maintenance and Management Services –
Guaranty/Surety**

Dear Ms. James:

In satisfaction of Section 2.24 of that certain Agreement for Operations, Maintenance and Management Services dated January 20, 2011 (the "Agreement"), between Mountain Water District ("District") and Utility Management Group, LLC ("UMG"), UMG is delivering the attached Guaranty and Surety of Agreement for Operations, Maintenance and Management Services executed by Utility Management Holdings, LLC, Gregory May and Archie L. Marr, the direct and indirect majority owners of UMG (the "Guaranty/Surety").

Please acknowledge receipt of the Guaranty/Surety and the satisfaction of Section 2.24 of the Agreement by executing this letter in the space provided below on behalf of the District and returning a signed copy to me. Please contact me if you have any questions regarding this matter.

Sincerely,


Gregory May
Manager
Utility Management Group, LLC

Acknowledged this
____ day of August, 2011:

MOUNTAIN WATER DISTRICT

By: _____

Name: _____

Title: _____

GUARANTY AND SURETY
OF
AGREEMENT FOR OPERATIONS,
MAINTENANCE AND MANAGEMENT SERVICES

Reference is made to that certain Agreement for Operations, Maintenance and Management Services dated January 20, 2011 (the "Agreement"), between Mountain Water District (the "District") and Utility Management Group, LLC ("UMG"). A copy of the Agreement is attached. In accordance with Section 2.24 of the Agreement, the undersigned, Utility Management Holdings, LLC, a Kentucky limited liability company, Gregory May and Archie L. Marr (collectively, "Sureties"), have agreed to guarantee the performance of all of UMG's obligations under the Agreement.

The aggregate liability of Sureties, regardless of the number of claims made with respect to this Guaranty/Surety, shall in no event exceed the sum of One Million Dollars and No Cents (\$1,000,000.00). Unless previously cancelled by Sureties, this Guaranty/Surety shall expire upon the termination of the Agreement, whether at its scheduled expiration date, December 31, 2015, or upon earlier termination by either the District or UMG pursuant to Section 11.1 of the Agreement. Sureties shall have the right to cancel this Guaranty/Surety as to future liability, which notice of cancellation shall be effective at a date not less than thirty (30) days after delivery of written notice to the District, provided, however, that Sureties shall remain liable for any and all acts of UMG covered by this Guaranty/Surety up to the effective date of cancellation.

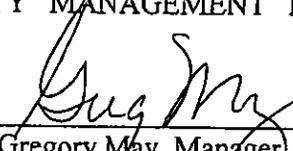
Any notices given under this Guaranty/Surety to Sureties shall be given c/o Utility Management Holdings, LLC, 500 Summit Drive, P.O. Box 663, Corbin, Kentucky 40702. Any notices given under this Guaranty/Surety to the District shall be given to the address in the first paragraph of the Agreement.

Subject to the limitations above, this Guaranty/Surety is an absolute unconditional guaranty and surety of performance of UMG under the Agreement without regard to any protections afforded UMG under the United States Bankruptcy Code or similar creditors' rights laws, which protections Sureties agree shall not be applicable to Sureties. Sureties hereby expressly agree that the validity of this Guaranty/Surety and the obligations of Sureties hereunder shall in no respect be terminated, affected, diminished or impaired by reason of the assertion or the failure to assert by the District against UMG of any of the rights or remedies reserved to the District pursuant to the provisions of the Agreement. The District hereby acknowledges and agrees that, except solely with respect to the protections referred to in the immediately two preceding sentences, which Sureties have agreed shall not be applicable to them, Sureties shall in all respects have applicable and available to them for assertion against the District in connection with any action by the District to enforce this Guaranty/ Surety any and all defenses and counterclaims under the Agreement (whether at law or in equity) that would be applicable and available to UMG.

[remainder of this page is intentionally blank – signatures appear on the next page]

In witness whereof, the Sureties have executed this Guaranty/Surety as of the dates set forth below.

UTILITY MANAGEMENT HOLDINGS,
LLC

By: 
Gregory May, Manager

Date: 8/16/11

Gregory May

Date: 8/16/11


Archie L. Marr

Date: 8/16/11

CASE : Mountain Water District
CASE NO : 2014-00342
RE : PSC Post-Hearing-Data-Request

R 3 Provide a copy of the Conflict of Interest Policy and the adoption in the Board minutes.

RESPONSE 3

Please see attached Operations Policy & Procedures noted as Exhibit 3(a).

Please see attached approval/adoption of the policy in the Board meeting minutes noted as Exhibit 3(b).

Please see attached Board Resolution of the Ethics Policy noted as Exhibit 3(c).

EXHIBIT

3 (A)

MOUNTAIN WATER DISTRICT

OPERATIONS POLICY & PROCEDURES

I. Statement of Purpose

In order to assure utilization of all resources available to the Mountain Water District (District) to best benefit system customers, comply with applicable State and Federal regulations and attendant audit requirements and assure fairness and equity to vendors/service providers, the District's Board of Commissioners (Board) does hereby establish and adopt this Operations Policy and Procedures.

More specifically, this policy establishes the executive authority of the Board and delineates the respective and appropriate roles of members of the Board, establishes and defines the position of the (administrator) and allows the Board to establish other agents as necessary and appropriate; and, acknowledges the importance and defines limits of contractors as service providers to the District. Additionally, this policy sets out practices and procedures for typical conduct of District operations, including the proper procurement of all goods and services so as to conform to legal requirements, sound ethical business practices and avoidance of conflict of interest.

II. Policy

A. Authority

The District hereby adopts and incorporates by reference, as if fully set out herein, the Procurement Policy and Code of Ethics contained in the Pike County Administrative Code, approved by the Pike County Fiscal Court and the Kentucky Model Procurement Code, pursuant to Kentucky Revised Statute (KRS) Chapter 45A.345-460, and to the extent that any element of the Policy set out here is more stringent than either the Pike County Administrative Code or KRS 45A, the standards of conduct set out here shall prevail.

B. Scope

The District shall conduct all its business functions according to guidelines set out in this Policy and acquire all goods and services required for efficient and effective management of the District via contracts with qualified providers selected in accord with directives delineated herein, that are similar to and consistent with standard and routine governmental practice prevalent in local administrative codes, state statutes and attendant regulations and procedures as cited by reference herein.

C. Subjects:

1. Roles of Members of the Board of Commissioners, (administrator) and Contractors

- a. Board of Commissioners: The members of the Board, duly appointed and qualified, acting as a body, shall have the sole authority and responsibility to conduct the business of the District, including the enforcement of District policies and establishment of District procedures. All District policy and procedure, without exception, shall be established and approved by the Board in the course of its regular and special meetings and same shall be contained in full or cited by reference in the official minutes of its meetings, which, together with copies of all referenced documents shall constitute the official record of the District.
- a.1. Outside the context of its meetings, the Chair may serve as the spokesperson for the Board, but such action is confined and limited to communicating the official actions of the board or to serve as the Board's designated representative, charged to report back to the Board on any issue of interest to the District. In the absence of the Chair, the Vice Chair may assume this role.
- a.2. All contracts for goods and services to be provided to the District shall be signed by the Chairperson of the District and witnessed by the Secretary or another board member.
- a.3. All documentation, records, and written materials required by these or other District policies and access to such other statutes or regulations as noted above shall be maintained in the District's office. A copy of this policy and all other policies of the District and all related documentation and reports shall be kept in such manner as to be available for public inspection.
- b. (administrator) : The Board may establish qualifications and secure by employment or by contract an individual to serve as its (administrator) charged to implement and enforce its policies and procedures, better assure the proper and timely conduct of District business relating to routine operations services and construction projects and to oversee performance of District contractors, by monitoring and evaluating the performance of other service providers retained by the District by contract. The (administrator) shall serve at the pleasure of the board and report as often and in the manner as determined by the Board.
- c. Contractors: The Board may secure contractors to perform a range of services, including but not limited to, system management, operations, project construction, and construction inspection as well as professional services, such as engineering, financial and legal services. The qualifications of the service provider, a

comprehensive description of required services, compensation and other pertinent information shall be set out in a separate contract document for each distinct service and/or project, as appropriate.

2. Procurement Procedures Relating to Purchasing via Competitive Bids

All District purchases or contracts for goods or services including construction services for capital projects costing a total amount separately or in the aggregate amount of \$20,000 or more shall be acquired by competitive bidding, as set out in KRS 45A.365, KRS 45A.370, KRS 45A.375 or KRS 45A.380, and OMB Circular A-102, and such other state or federal statutes or regulations as may be required in compliance with the governmental accounting standards and applicable audit guidelines for governmental agencies. This Policy shall be deemed to include any and all legislated or regulatory amendments made by the Commonwealth or the federal government affecting the District. The District complies with these statutory directives by implementing the following:

- a. All solicitations for competitive bids for goods and services shall be specifically authorized by the Board, and subsequently and distinctly, all purchases and contracts related thereto shall be specifically authorized by the Board and both actions shall be so recorded in the appropriate minutes of meetings of the Board.
- b. The term "competitive bid" may or may not apply, at the discretion of the District, to the selection of professional services such as that of an archaeologist, architect, attorney, certified public accountant or civil engineer since provision is made for an alternative manner for such selection by statute or regulation.
- c. Solicitations for bids, at minimum, shall be advertised in the legal newspaper for Pike County, such that the date of bid opening shall not be less than seven (7) nor more than twenty-one (21) days from the date of such publication of the advertisement.

Note: when the volume of bid documents is such that full publication is economically not favorable to the District, a notice of the availability of bid documents may be advertised in accord with the 7 and 21 day publication limitations noted above, citing that such documents are contained in a 'bid packet' located at the District's office or on the Web, or both, as appropriate, and containing the due date for responses. The style, manner and contents of the required bid response as well as any other qualifying requirements or conditions together with the specified

due date for responses shall be clearly set out in the bid packet.

- d. All bid responses for goods and services solicited by the District shall be mailed or delivered to and held securely by the District's (administrator) or other individual as so designated in the bid documents and delivered to the Board at the time and location of its subsequent meeting.
 - e. Board action on properly submitted bids shall follow the review of bids and a recommendation by the Board's (administrator) and proceed upon a motion and second for approval by members and a majority vote of the Board in the affirmative, conducted in the normal manner.
 - f. Acceptance of any/all bids for purchases of goods and services as well as all payments for goods and services, including incremental payments for operations and management services and construction contract services shall be subject to specific approval of the Board; any payments for properly procured goods and services shall be made by District check signed by two authorized officers of the Board..
 - g. The Board may entertain a recommendation by any member or its (administrator) that bidding procedures provided for under this section be followed for certain purchases having a total or aggregate cost of more than \$500, but less than \$20,000. In such instances, the determination shall be made in writing and shall state: a) the likelihood of savings to the District can be reasonably expected to be greater than the cost and time related to the bidding process; and b) the goods or services to be purchased are of a single kind or class for which taking a bid is practicable.
3. Procurement Procedures Relating to Non-bid Purchasing or Price Quotation Method For Acquisition of Goods and Services.
- a. For all non-bid purchases of goods and services, i.e., where the total cost amount separately or in aggregate for the required goods or services sought by the District is less than \$20,000, it shall be the District's practice to solicit price quotations for the goods and services to be acquired from at least three (3) qualified vendors. Such solicitation may be for specific prices on specific or generic items or for a discount rate on the purchase of a collection of various items. The solicitation may be done in person, by telephone, postal service or e-mailed invitation, and the offer, together with terms, and date of the offer by each respondent shall be recorded in a single document, citing names, dates, prices and notations regarding

quotation evaluation. The Board's (administrator) or other designated individual shall review the offers and verify the value of each offer prior to making a recommendation to the Board for its subsequent action. Records of offers shall be maintained and be open for review by any supplier to determine that his offer was accurately recorded and objectively considered.

b. For any consumable supplies as may be required by members of the Board or the Board's (administrator), such as miscellaneous office supplies, all purchases shall be made in such manner as to afford the lowest possible cost for the highest combination of quality and quantity. All purchases shall be made in a manner assuring fair and equitable treatment to all potential suppliers.

4. Services of the Contractor(s) Providing Operations & Management Services

a. A designated representative(s) of the operating and management servicing company under contract with the District shall attend all regular monthly meetings of the Board, without special invitation or notice and attend special meetings when twenty-four (24) hour, written notice is provided. A comprehensive monthly operation report, the scope and content of which shall be mutually determined by the Board and the contractor, shall be prepared and submitted by the contractor for review and approval of the Board at each monthly meeting of the District's Board.

5. Services of Contractor(s) Providing Construction Inspection Services

a. All construction inspectors under contract to provide inspection services for the District shall provide a signed monthly report documenting their activities and findings to the Board. Inspectors will provide a copy of their report to the engineer of record for the particular construction project and the construction contractor. All contractors serving as inspectors for the District shall attend regular monthly District board meetings, or other meetings as directed, to provide assessments of progress and to answer any questions.

6. District Equipment Use and Compensation

a. When circumstance warrants and financial arrangements beneficial to the District can be achieved, the use of District owned equipment and tools may be incorporated into any longer term contract with a properly procured contractor.

Similarly, properly procured contractors engaged in various short term construction projects may be allowed use of District owned equipment, conditioned upon assurance of proper maintenance and care reflective of the best use and full value of such equipment and tools, with such use restricted to District projects only and the District being fully compensated for such use at rates equal to the average market rates for lease or rental of such equipment and tools. The affected contractors shall make monthly payments to the District for such equipment use and shall be responsible for all upkeep and routine maintenance. Complete records on all such arrangements shall be maintained by the District's (administrator) and reported routinely at meetings of the Board.

III. CONDUCT REQUIRED TO BEST ASSURE COMPLIANCE WITH DISTRICT ETHICAL STANDARDS AND AVOIDANCE OF CONFLICT OF INTEREST.

It is the responsibility of each member of the Board, the District's (administrator) or other agent of the District and any and all contractors of the District to avoid pursuing any personal interests, benefit or gain, over and above that to which he is entitled by virtue of office, employment or contract relationship with the District. Likewise, all actions that are incompatible or in conflict with the discharge of the individual's function, duty, or responsibility to the District are not allowed or authorized by the District. Further, no Board member, employee, contractor or employee of a contractor shall utilize his/her position with the District, his/her work time while working for or on behalf of the District, any District facilities or space and/or District equipment or tools to promote or develop any project or program in which s/he or members of his/her family shall gain personally, financially or otherwise.

1. No individual or firm seeking to be a service provider to the District, or already under contract to perform a service for the District may act in any manner which may create a conflict of interest in the performance of their duties or the appearance of a conflict of interest to ensure the best interest of the District.
2. No individual or firm under contract (directly or pursuant to a subcontract) to perform a service for the District may perform any additional service on ~~the same~~ any project that a reasonable person would believe to be a conflict of interest.
3. The principals of any firm providing services to the District may respond to a District bid notice soliciting additional or other goods or services, that it seeks to provide either under the same firm name or that of another firm in which the principals have interest, as long as such interest, regardless of amount, is declared in writing at the time of the bid and those involved provide a signed

statement pledging that the performance under either contract shall not be impaired, made subservient to, delayed or otherwise limited as a result of the firm or firms having both contracts.

Note: In this context, the term "firm" shall mean any legal entity which is operating for the purposes of providing goods or services for which the District is contracting. This includes, but is not limited to, sole proprietorships, partnerships, limited partnerships, corporations, limited liability companies and limited liability partnerships.

4. There is a conflict of interest when any Board member the (administrator) or other designated agent of the Board, or service provider already under contract with the District, whether serving as attorney, construction inspector, engineer, accountant, project administrator or other service provider may have any ownership interest in or receive any payment from or has a family relationship with any contractor who is responding to a solicitation by the District for provision of goods and services, including selection as a construction contractor for a District project(s). Family relationships that may generate a conflict of interest includes that of spouse, child, mother, father, brother, sister, father-in-law, mother-in-law, sister-in-law, brother-in-law, daughter-in-law and son-in-law.
5. To mitigate any real or apparent conflict of interest, the affected party named in Item 4, immediately above, must declare any and all association or relationship with the prospective contractor, in writing to the Board, informing the Board of the exact nature of the conflict. The affected individual must immediately stop any and all participation in the Board's selection process, stop any direct or indirect contact or formal or informal discussion or comment relating to the individual or the selection process. At that time the Board shall vote to determine if the conflict can be waived or not. If it does not waive the conflict the prospective bid at issue will be deemed rejected due to the conflict. If the Board votes to waive the conflict then the affected person must physically remove him/her self from the premises when and where activities relating to the procurement process are being undertaken and in no way attempt to influence the procurement process.
6. In order to treat conflicts, annually, at the beginning of each fiscal year, all board members, administrators, and other designated agents of the board or service provider already under contract with the District shall be submitted a list of all current providers of goods and services for the District. Each individual or firm shall acknowledge in writing within ten days any known conflicts with any current providers or a statement that there is no conflict.

7. The failure of any individual or firm to comply with this policy may subject them or the contractor creating the conflict to sanctions as set out herein or as may be defined by the board. If an undisclosed conflict is discovered prior to the execution of a contract then the bid or offer and acceptance for that service shall be deemed void and the project which services were to be provided will be rebid or solicited.

If any undisclosed conflict is discovered after a contract has been executed, the board, in its discretion, may bar the parties who failed to disclose from bidding on future contracts or they may elect not to renew any existing contracts at the end of the term with the individual or firm who failed to properly disclose the conflict.

8. All individuals or firms under contract with the District, including but not limited to agent(s), legal counsel, engineers, accountants, contract operations and management contractor(s), construction inspectors, construction contractors, project administrators, consultants, and any others, prior to initiation of the respective service, shall be provided a copy of this Policy and be required to sign a statement acknowledging its receipt and his / the firm's commitment to comply with its strictures. Such statement must contain a clause specifically noting that the Policy has been read into, that the individual is aware of its contents and is committed to comply with the provisions contained in the Policy delineating the District's ethical standards of action including conflict of interest provisions that affect all individuals associated with the District in any way.

BASIC ENGINEERING DESIGN CONTRACTS

Engineering fees shall be paid per the following schedule when funding becomes available.

Basic engineering to include planning, design, ground control, field survey, aerial mapping, construction administration.

Aerial mapping and field surveys by the selected engineering firm is considered an integral part of project design and shall not be a separate pay item. Aerial mapping, if utilized by the engineer, shall have been mapped within the previous twelve (12) months. Engineer's fee shall be determined by item A or B listed below.

- A. Basic Engineering – Fee derived by multiplying actual awarded construction contract(s) cost x 0.85 x RD fee schedule.
- B. Basic Engineering – Fee determined by multiplying actual awarded construction contract less any material or items bid by Mountain Water District or items bid as sole source or unit, i.e. grinder stations, generators, package booster pumping stations or package units for water and/or wastewater plants and any other items that may be determined in the District's sole discretion x RD fee schedule.

PAYMENT SCHEDULE FOR BASIC ENGINEERING SERVICES

Thirty percent (30%) of fee as determined by item A or B above when preliminary plans and specifications submitted and approved by MWD or designated representative.

Twenty percent (20%) of fee, equaling 50% of total, when plans and specifications approved by Division of Water and other funding and/or regulatory agencies when required,

Twenty percent (20%) of fee, equaling 70% of total fee, when contract(s) awarded by MWD.

Twenty-five percent (25%) of fee, equaling 95% of total fee, during construction phase up to substantial completion. Fee to be paid as percentage of construction completed.

Five percent (5%), equaling 100% of total fee, when as-built plans are delivered to both owner and DOW.

Initial fee for basic engineering services to be based on engineer's estimate of probable construction cost. Actual engineering fee shall be determined from awarded construction contract(s) costs and revised accordingly.

ADDITIONAL ENGINEERING SERVICES

Additional engineering services shall not be part of basic engineering contract. All additional engineering services and fees shall be negotiated between owner and engineer prior to implementation by the engineer.

Terms:

- Owner – Refers to the Mountain Water District
- Designated Representative – Refers to a firm or individual authorized by resolution of the Mountain Water District Board of Commissioners to act on behalf of the Mountain Water District for specific project(s) or other matters.
- Engineer – Refers to the engineering firm or individual engineer approved by Mountain Water District Board of Commissioners Resolution to perform basic engineering services for a specific project(s).
- Aerial Mapping – Refers to actual aerial photos with sufficient detail to recognize roads, streams, bridges, drain headwalls and other significant features in the project area to produce high quality design detail and provide contractor(s) with best installation layout to minimize MWD's future O&M costs.

EXHIBIT

3 (B)

MOUNTAIN WATER DISTRICT
BOARD OF COMMISSIONERS REGULAR MEETING
JANUARY 31, 2007
10:00 AM

ATTENDANCE

Cathy Smith, MWD Customer, Turkey Creek, Ky.
Bob Taylor, O'Brien & Gere Engineering
Jerry McNamee, Inspector
Ronald Newsom, Inspector
Greg Dotson, Inspector
Jody Hunt, Summit Engineering, Inc.
Tim Campoy, Environmental Designs, Inc.
Dan Stratton, Stratton, Hogg, & Maddox
Greg May, COO, UMG
Will Brown, Manager, UMG
Donna Chaney, HR & Office Manager, UMG
Kimberly Hunt, Executive Assistant, UMG
Grondall Potter, Maintenance Manager, UMG

CALL TO ORDER

AGENDA ITEM I

The Mountain Water District Board of Commissioners Regular Monthly Meeting was held on Wednesday, January 31, 2007 at 10:00 a.m.

Commissioners present for the meeting were as follows:

Chairperson Toni Akers
Commissioner Terry Spears
Commissioner Mike Litafik
Commissioner Earl Sullivan
Commissioner John Collins

Due to Chairperson Akers being delayed for the meeting, it was necessary to appoint an Acting Chairperson until she arrived. Commissioner Litafik made the motion to appoint Commissioner Terry Spears as the Acting Chairperson. Commissioner Sullivan seconded the motion. Commissioner voting as follows:

Chairperson Toni Akers	Absent
Commissioner Terry Spears	Abstained
Commissioner Mike Litafik	Aye
Commissioner Earl Sullivan	Aye
Commissioner John Collins	Aye

Upon Commissioner voting, motion was carried and passed.
Resolution No. 07-01-005

Due to the appointment of Board Secretary, Terry Spears, as Acting Chairperson, it was necessary to appoint an Acting Secretary for the meeting. Acting Chairperson Spears made the motion to appoint Lester John Collins as Acting Secretary for the meeting. Commissioner Litafik seconded the motion. Commissioner voting as follows:

Chairperson Toni Akers	Absent
Commissioner Terry Spears	Aye
Commissioner Mike Litafik	Aye
Commissioner Earl Sullivan	Aye
Commissioner John Collins	Abstained

Upon Commissioner voting, motion was carried and passed.
Resolution No. 07-01-006

VISITORS

AGENDA ITEM II

Acting Chairperson Spears inquired if there were any visitors for today's meeting. The Chair recognized Cathy Smith, a Mountain Water District customer from Turkey Creek, Kentucky. Ms. Smith stated that on September 26, her meter was stolen out of her base and she is being charged for installing a new one. The new meter that was installed was also stolen, but the old, previously stolen meter was put in its place. The bill is still in her mother's name, who passed away in 1989. Donna Chaney, Office Manager, escorted Ms. Smith to the billing department to rectify the issue.

APPROVAL OF MINUTES

AGENDA ITEM III

Acting Chairperson Spears requested a motion to approve the minutes from the previous meeting as presented. Commissioner Litafik made the motion to approve the minutes. Commissioner Sullivan seconded the motion. Commissioner voting as follows:

Chairperson Toni Akers	Absent
Acting Chairperson Terry Spears	Aye
Commissioner Mike Litafik	Aye
Commissioner Earl Sullivan	Aye
Commissioner John Collins	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution No. 01-01-007

PAYMENT OF BILLS

AGENDA ITEM IV

Acting Chairperson Spears requested a motion to approve the payment of bills as presented. Commissioner Sullivan made the motion to approve the payment of bills as presented. Commissioner Litafik seconded the motion. Commissioner voting as follows:

Chairperson Toni Akers	Absent
Acting Chairperson Terry Spears	Aye
Commissioner Mike Litafik	Aye
Commissioner Earl Sullivan	Aye
Commissioner John Collins	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution No. 07-01-008

CUSTOMER ADJUSTMENTS

AGENDA ITEM V

Acting Chairperson Spears requested a motion to approve Customer Adjustments in the amount of two thousand, eight hundred, and nine dollars and seventeen cents (\$2,809.17) as presented. Commissioner Litafik made a motion to approve Customer Adjustments as presented. Commissioner Sullivan seconded the motion. Commissioner voting as follows:

Chairperson Toni Akers	Absent
Acting Chairperson Terry Spears	Aye
Commissioner Mike Litafik	Aye
Commissioner Earl Sullivan	Aye
Commissioner John Collins	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution No. 07-01-009

PROJECT STATUS REPORT

AGENDA ITEM VI

1. Water Treatment Plant Expansion:

Update by Bob Taylor, O'Brien & Gere. Mr. Taylor stated that verbal approval has been received from the Division of Water and the approval letter should be received any day. Authorization is needed to advertise for bid as soon as the approval letter from the

~~Division of Water is received. Acting Chairperson Spears requested a motion be made to authorize the Advertisement for Bid on the Water Treatment Plant Expansion. Commissioner Collins made the motion. Commissioner Litafik seconded the motion. Commissioner voting as follows:~~

Chairperson Toni Akers	Absent
Acting Chairperson Terry Spears	Aye
Commissioner Mike Litafik	Aye
Commissioner Earl Sullivan	Aye
Commissioner John Collins	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution No. 07-01-010

2. Shelby Sewer Project:

Update by Jody Hunt, Summit Engineering. Phase I is complete. Final pay requests have been signed and there was additional funding left over that will be transferred to another project. The remaining amount was approximately sixty-three thousand, five hundred dollars (\$63,500.00).

3. AML Short Line Extensions:

Update by Jody Hunt, Summit Engineering. H2O Construction is the contractor on the Ferrells Creek AML Project for Contracts 1, 2 & 3. Contract 1, Jimmies Creek, is approximately 40% complete. Contract 2, Road Fork, is approximately 16% complete. Contract 3, Honey Fork, has not yet begun. It is the smallest of the three and won't take as much time to complete as the other two contracts. There is 13% of the time expended for the project, so the contractor is ahead of schedule.

4. Johns Creek Water Supply Project:

Update by Jody Hunt, Summit Engineering. BP Pipeline, Contracts 1A & 1B, was made an offer. They submitted a letter of counter offer. The District made a counter offer of \$21,000 and BP Pipeline accepted that offer to settle the issue of liquidated damages. With Board's approval, a final meeting to finalize those two contracts needs to be scheduled. The last pay request for BP Pipeline needs signed as well. We are currently holding \$109,000 of retainage on this project and the total amount is \$115,000, the difference being some stored materials. Acting Chairperson Spears requested a motion to accept the settlement amount for BP Pipeline in the amount of \$21,000 in order to close out Contracts 1A & 1B of the Johns Creek Water Supply Project. Commissioner Litafik made the motion. Acting Chairperson Spears seconded the motion. Commissioner voting as follows:

Chairperson Toni Akers	Absent
Acting Chairperson Terry Spears	Aye
Commissioner Mike Litafik	Aye
Commissioner Earl Sullivan	Aye
Commissioner John Collins	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution No. 07-01-011

Mr. Hunt stated that they are still in discussions with Patriot Construction regarding bonds on Contract 2 of this project. Contract 3 is MicroComm and it is complete. The final pay request has not yet been received from MicroComm as of yet. Contract 4, Johns Creek Connector, only received one bid both times it was bid out. Both bids were submitted by H2O Construction and they have agreed to a price on 6" pipe. The award of the bid was done at the special meeting held earlier this month. Also the contract documents contain a requirement for an excess umbrella liability insurance in the amount of \$5,000,000 and H2O has requested that the Board waive this requirement. It is usually required for a larger project involving the building of a treatment plant or something of that nature. Acting Chairperson Spears requested a motion be made to waive the \$5,000,000

~~umbrella insurance liability required for this contract of the Johns Creek Water Project~~
~~while maintaining the \$2,000,000 insurance requirement. Commissioner Litafik made the~~
motion. Commissioner Sullivan seconded the motion. Commissioner voting as follows:

Chairperson Toni Akers	Absent
Acting Chairperson Terry Spears	Aye
Commissioner Mike Litafik	Aye
Commissioner Earl Sullivan	Aye
Commissioner John Collins	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution No. 07-01-012

Chairperson Akers arrived for the meeting and Acting Chairperson Spears made a motion to reinstate Toni Akers as the Chairperson and reinstate Terry Spears as the Secretary for the meeting. Commissioner Litafik seconded the motion. Commissioner voting as follows:

Chairperson Toni Akers	Abstained
Commissioner Terry Spears	Abstained
Commissioner Mike Litafik	Aye
Commissioner Earl Sullivan	Aye
Commissioner John Collins	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution No. 07-01-013

5. Phelps-Buskirk Sewer Project:

Manager Brown stated that the Board of Commissioners needs to authorize the balance of Coal Severance funds remaining on the Shelby Sewer Project to be transferred to the Phelps-Buskirk Sewer Project in the amount of \$63,552.76. Chairperson Akers requested a motion be made to authorize the balance of \$63,552.76 remaining from the Shelby Sewer Project to be transferred to the Phelps-Buskirk Sewer Project. Commissioner Collins made the motion. Commissioner Sullivan seconded the motion. Commissioner voting as follows:

Chairperson Toni Akers	Aye
Commissioner Terry Spears	Aye
Commissioner Mike Litafik	Aye
Commissioner Earl Sullivan	Aye
Commissioner John Collins	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution No. 07-01-014

5. Draws:

Chairperson Akers requested a motion for approval of the draws. Commissioner Spears made a motion to approve the draws as submitted. Commissioner Sullivan seconded the motion. The following are the draws as presented:

Lower Shelby Sewer Project:

Contract 1	Coal Severance Funds	\$ 24,392.28
Contract 2	Coal Severance Funds	\$ 26,761.55
All Contracts	Coal Severance Funds	\$ 1,350.00
All Contracts	Coal Severance Funds	\$ 2,700.00

Ferrell's Creek AML Water Project

Contract 1	AML Funds	\$ 58,941.00
Contract 2	AML Funds	\$134,268.30
Contract 6	AML Funds	\$ 18,023.04
All Contracts	AML Funds	\$ 12,099.78

All Contracts

AML Funds

\$ 7,422.80

Lower Elkhorn Creek Water Project

Contract 1	Coal Severance Funds	\$ 76,046.18
All Contracts	Coal Severance Funds	\$ 27,086.10
All Contracts	Coal Severance Funds	\$ 7,260.00

Forest Hills Sewer Project

Contract 1	Coal Severance Funds	\$ 27,974.00
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Cowpen Sewer Project

Contract 1	EPA Funds	\$ 63,384.95
Contract 1	EPA & RD Funds	\$227,062.35
Contract 2	EPA & RD Funds	\$ 99,744.55
Contract 2	EPA & RD Funds	\$280,000.00
All Contracts	RD Loan Funds	\$ 436.14
All Contracts	RD Loan Funds	\$ 754.64
All Contracts	RD Loan Funds	\$117,992.91
All Contracts	RD Loan Funds	\$ 27,707.14
All Contracts	RD Loan Funds	\$ 9,613.33

Calloway Sewer Project:

Contract 1	CDF Funds	\$ 36,493.26
All Contracts	CDF Funds	\$ 8,330.00
All Contracts	CDF Funds	\$ 211.04
All Contracts	CDF Funds	\$ 7,313.60

Lower Johns Creek Water Project

Contracts 1A & 1B	ARC Funds	\$115,985.64
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Commissioner voting as follows:

Chairperson Toni Akers	Aye
Commissioner Terry Spears	Aye
Commissioner Mike Litafik	Aye
Commissioner Earl Sullivan	Aye
Commissioner John Collins	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution No. 07-01-015

MANAGER'S REPORT

AGENDA ITEM VII

1. Monthly Operating Report:

Chairperson Akers requested a motion to approve the Monthly Operating Report as submitted. Commissioner Spears made the motion to approve the monthly operating report as submitted. Commissioner Collins seconded the motion. Commissioner voting as follows:

Chairperson Toni Akers	Aye
Commissioner Terry Spears	Aye
Commissioner Mike Litafik	Aye
Commissioner Earl Sullivan	Aye
Commissioner John Collins	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution No. 07-01-016

UMG Report:

Update by Will Brown, Manager. Taps completed in December were 30 LMI taps and 4 paid taps; for a total of 34. As of January 26th, there were 60 outstanding taps to be completed. Since July 11th of 2005 we have completed 1,551 taps in house. The District's R & M budget is \$41,936 over budget for November and \$110,692 over budget for the year. Elkhorn City purchased 4,978,000 gallons of water for a total of \$7,865.24 in December.

Progress Report:

Coal Severance Projects: Update by Tim Campoy, EDC

1. Lower Elkhorn Line Extension – The bid was awarded at \$156,000 to US Rentals and Construction. They currently have about 50% of the line laid and 33% of the total cost of the project. They are ahead of schedule.
2. Homemade Hollow Water Storage Tank – The Notice of Award was sent to Columbian TecTank. The construction budgeted amount is \$92,150. Columbian TecTank is requiring 30% down payment in the amount of \$17,553.60.
3. Phillips Branch Line Extension – The bid was awarded to US Rentals and Construction in the amount of \$64,625.00. They currently have 50% of the line laid (1,800') and are ahead of schedule.
4. Newsome Branch Project – The low bidder for this project was US Rentals and Construction in the amount of \$141,350. The construction budget for this project is \$112,000. We are looking to have remaining funds from Lower Elkhorn and Phillips Branch that may be transferred to this project. Mr. Campoy requested if the Board would approve EDC, Inc. to award the bid on this project before the next Board meeting if it is determined that there will enough left over funds from the Lower Elkhorn and Phillips Branch Projects to complete the budget for Newsome Branch. Commissioner Spears made the motion to authorize Environmental Design Consultants, Inc. to award the bid to US Rentals and Construction on the Newsome Branch Project if the remaining funding becomes available from the Lower Elkhorn and the Phillips Branch projects. Commissioner Collins seconded the motion. Commissioner voting as follows:

Chairperson Toni Akers	Aye
Commissioner Terry Spears	Aye
Commissioner Mike Litafik	Aye
Commissioner Earl Sullivan	Aye
Commissioner John Collins	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution No. 07-01-017

5. Dry Fork of Marrowbone – Tank location sites have been hard to finalize. Grondall Potter, Operations Manager, stated that the property owners in the area are not being reasonable in their requests in order to let us put a tank on their property. EDC, Inc. is ready to submit the plans to the Division of Water. They are waiting the final locations of the tank sites.
6. Millard Water Main Replacement – Ready to be submitted to the Division of Water and the Department of Transportation for approval.

NEW BUSINESS

1. **Marrowbone Sewer Project -**
Update by Jody Hunt, Summit Engineering. Big Sandy ADD will be doing the CDBG application for the District.
2. **Cowpen Sewer Project -**
Manager Brown stated that Contract 1 is ahead of schedule. Contract 2 is slightly behind schedule, probably due to the weather.

3. **Calloway Sewer Project -**

Update by Will Brown, Manager. The contractor is complete other than an apartment complex that will be hooked up to a duplex station that has been ordered.

4. **Forest Hills Sewer Project Phase I-**

Update by Jody Hunt, Summit Engineering. The Forest Hills project was bid out. The apparent low bidder was US Rentals and Construction but all bids came in higher than anticipated. The project will need to be scaled back. Beech Hollow and Allison Heights will have to be cut from this phase of the project in order to bring it back within budget. Mr. Hunt inquired if the Board would authorize Summit Engineering to award the bid with those changes in the project and issue a notice to proceed. Dan Stratton, MWD Legal Counsel, stated that Allison Heights was the area where we recently had a legal issue raised with Denny Moore. Manager Brown stated that this might be better for the District to ensure that all easement issues are resolved with Allison Heights before proceeding in that area. Mr. Stratton stated that he wanted to make sure that this was a sound engineering decision and no one could argue that the District was leaving this area off for any other reason. Manager Brown stated that there is enough funding to complete Phase 2 at this point, and they would be included in that phase of construction. Grondall Potter stated that the cuts that were made were from an engineering standpoint. They had to cut the hollows because they couldn't cut out the main line going up the main road of Forest Hills. Mr. Stratton stated that he just wanted to be sure and was protecting the District. Mr. Hunt assured Mr. Stratton that Beech Hollow and Allison Heights will be included in Phase II of the project. Chairperson Akers requested a motion to Approve the Bid Award to US Rentals and Construction with the scaled back version of the project, removing Beech Hollow and Allison Heights from Phase I and to Authorize the Notice to Proceed for the Forest Hills Project Phase I. Commissioner Spears made the motion. Commissioner Sullivan seconded to motion. Commissioner voting as follows:

Chairperson Toni Akers	Aye
Commissioner Terry Spears	Aye
Commissioner Mike Litafik	Aye
Commissioner Earl Sullivan	Aye
Commissioner John Collins	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution No. 07-01-018

5. **Upper Beefhide-**

Manager Brown stated that Greg May, COO, UMG, has submitted an invoice to the Letcher County Fiscal Court for \$100,000, which was their contribution for this project.

Commissioner Spears inquired as to any new updates with the City of Jenkins. He stated that he had gotten a call from Betty Sue Estep about the water service in that area. Manager Brown stated that he and Grondall Potter had gone over and met with the officials at the City of Jenkins and haven't heard back from them. Commissioner Spears asked if they had been since Mayor Dixon went into office. Manager Brown stated that they had not met with the new Mayor. They may have an issue with their water plant, and if we connect they may be forced to shut their plant down if we have the capacity to serve them. The benefit to the District is that it will serve 25-26 homes between Shelby Gap and the Letcher County line. Commissioner Spears stated that they were very interested for a while because they thought they were getting a federal prison built there, but rumor is that the site may have been ruled out, due to geotechnical concerns. Mr. Potter stated that as many as six (6) years ago, he and Moss Keese went up there and met with them. Every time they would ask for information, the District would provide it for them and then wouldn't hear back from them. Mr. May stated that he had spoken with Steve Robertson with the GOLD office, and he had said that the new Mayor of Jenkins had inquired what the process was of getting the money, and Mr. May stated that it sounded like they were going to go ahead with it. Commissioner Spears stated that the District should send Mayor Dixon another letter on the subject.

6. **Shelby Valley, Phase II -**

The remaining funds were agreed upon by the Board during the special meeting earlier in the month, to be transferred to the Phelps Sewer Project.

7. **Shelby Valley, Phase III -**

Manager Brown stated that an evaluation was being handed out for the Board to rate the Statement of Qualifications submittals.

8. **Office/Maintenance Building -**

Manager Brown stated that the question now is how to proceed. Chairperson Akers inquired what their options are at this time. Manager Brown stated that he could possibly locate some developers that could make proposals to the Board of Commissioners. He and Tim Campoy have spoken to an architect and they agreed that it will cost between 1.5 and 1.7 million dollars. It is obvious that with the number of employees in this building, there is a need for more space. There is also a safety factor involved being so close to the road and a drive up window is not possible in this building. But this building could also be used and needs to be kept for the additional space. Manager Brown stated that he is working on a plan to offset the District's debt service so that the new office building can be built. This issue was tabled until the next Board meeting.

9. **Ethics Policy -**

Legal Counsel, Dan Stratton, stated that he had made several revisions to the ethics policy and distributed the revised policy to the Board for their review. Roger Rectinwald has also reviewed the policy and is satisfied with the wording of the revised policy. Chairperson Akers requested a motion to Approve and Accept the Ethics policy as revised and presented. Commissioner Litafik made the motion. Commissioner Collins seconded the motion. Commissioner voting as follows:

Chairperson Toni Akers	Aye
Commissioner Terry Spears	Aye
Commissioner Mike Litafik	Aye
Commissioner Earl Sullivan	Aye
Commissioner John Collins	Aye

Upon Commissioner voting, the motion was carried and passed.

Resolution No. 07-01-019

Office Manager Chaney inquired if it was necessary to make contractors of current projects aware of the adoption of this policy. Chairperson Akers stated that a copy should be sent to current contractors. Manager Brown stated that it would only apply to those contractors who bid on projects after today's meeting. Legal Counsel, Dan Stratton stated that the District should go ahead and get a list of all contract providers and then submit it to them so everyone would be aware and provide full disclosure. A disclosure letter has already been received from Utility Management Group. Commissioner Spears made a motion to Acknowledge the Receipt of the letter from UMG disclosing their use of a subcontractor on certain projects. Commissioner Collins seconded the motion. Commissioner voting as follows:

Chairperson Toni Akers	Aye
Commissioner Terry Spears	Aye
Commissioner Mike Litafik	Aye
Commissioner Earl Sullivan	Aye
Commissioner John Collins	Aye

Upon Commissioner voting, the motion was carried and passed.

Resolution No. 07-01-020

Mr. Stratton stated that it should be noted that UMG submitted their letter of disclosure "in good faith" even though it technically was not necessary at this time. These letters would be submitted before the bid was awarded in the future and looked at on a case by case basis.

~~10. Appointment of Committee for Selection of Administrator Position-~~

Chairperson Akers stated that this issue was discussed at the work session and Terry Spears, Mike Litafik and John Collins were mentioned as possible committee members. Manager Brown stated that there should be an odd number of members in case the vote was split. Mr. Stratton stated that no more than two Commissioners should be on the Committee also. The suggested members of the committee were Terry Spears, Dan Stratton, Mike Litafik, Mike Spears and a UMG representative. Commissioner Spears suggested that Roger Rectinwald also be contacted as a consultant in the process. The suggested members of the committee were satisfactory to the Board.

11. **Water Withdrawal Permit-**

Grondall Potter called the Board's attention to the handout of the Water Withdrawal Permit that has been drafted for District use. Manager Brown stated eventually the customers of the District are the ones who pay for the destruction and vandalism of the District's hydrants and theft of water. This permit will need to be submitted as a tariff revision and does not apply to county fire departments. No action is needed by the Board at this time.

12. **Submittal for AML Study-**

Manager Brown stated that AML has requested a list of locations for possible study that they may fund in the future. They also requested that the Board write a letter requesting that they fund Abner and Pond as part of the Ferrell's Creek AML Project, that it be authorized again in July. We are also going to send a copy to the fiscal court requesting that they send a similar letter. Manager Brown stated that the areas contained in the letter would serve about four hundred seventy (470) homes. Chairperson Akers requested a motion be made to send the letters as presented to AML to request funding of additional areas and that Abner and Pond be added as part of the Ferrell's Creek AML Project. Commissioner Collins made the motion. Commissioner Spears seconded the motion. Commissioner voting as follows:

Chairperson Toni Akers	Aye
Commissioner Terry Spears	Aye
Commissioner Mike Litafik	Aye
Commissioner Earl Sullivan	Aye
Commissioner John Collins	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution No. 07-01-021

13. **Proposed Rate Structure-**

Manager Brown stated that this issue needs to be tabled until the next Board Meeting. Mike Spears couldn't attend today's meeting and is still working on the information to present to the Board.

14. **Engineering Fees Resolution -**

Manager Brown stated that Resolution No. 06-02-016 was approved in February of 2006 but is not being followed and the Board needs to use it or rescind it. Legal Counsel, Dan Stratton, inquired as to what he meant "not being used". Chairperson Akers stated that there must be some things in it that the Board is not going by. Manager Brown stated that the only reason it is being brought up is that the Board should not approve something and then violate that policy by not following it. If they are not going to use it, it needs to be rescinded. Mr. Stratton stated that he would draw up a standard engineering agreement to be used exclusively in the future. Chairperson Akers requested a motion to direct MWD Legal Counsel, Dan Stratton, to revise the standard engineering agreement for the District to include the language that was approved under Resolution No. 06-02-016 in February of 2006. Commissioner Collins made the motion. Commissioner Litafik seconded the motion. Commissioner voting as follows:

Chairperson Toni Akers	Aye
Commissioner Terry Spears	Aye
Commissioner Mike Litafik	Aye
Commissioner Earl Sullivan	Aye
Commissioner John Collins	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution No. 07-01-022

Chairperson Akers inquired if there were any comments or issues that would like to report to the Board. Greg Dotson requested that he be allowed to submit his invoices to Donna Chaney at UMG instead of Doug Griffin at Kenvirons, Inc. Donna Chaney inquired if she could get a copy of the invoices that have been paid by Kenvirons so far. The Board agreed that since Mr. Dotson works directly for the Board of Commissioners, he is allowed to submit his invoices to Donna Chaney for payment. The other Inspectors are being paid directly by the Board and they all should be the same. Chairperson Akers requested that a letter be drafted from her to Kenvirons stating that this will be the procedure in the future for Inspectors. Chairperson Akers requested that the Inspectors introduce themselves. Present for the meeting were Greg Dotson, Ronald Newsom and Jerry McNamee.

COMMISSIONER COMMENTS AGENDA ITEM VIII

Chairperson Akers inquired if there were any Commissioner comments. Commissioner Sullivan stated that he has had a resident in the area of Junkyard Hollow wanting water service. It was free when the service was originally put in but whoever lived there at the time wouldn't allow Mountain Water District on their property. It will entail a road bore and several hundred feet of extra footage to run it. Commissioner Sullivan inquired as to how many houses are up there. Manager Brown stated that he didn't believe there was more than three (3). There may be enough funding left over in one of the Coal Severance Projects to do it with, but there is no guarantee we will have the funding for it. If they want to pay for it, it will be \$675 tap fee, plus the cost to run the line. Greg May, COO, UMG, reported that he wanted to made the Board aware that the PSC has approved the transfer of Sandy Valley Water to the City of Pikeville. Within a month and a half the transfer will be complete. UMG is already working with Sandy Valley to transfer the employees and the system. The Mountain Water District has several unpaid sewer bills that we have not been able to collect because Sandy Valley wouldn't cut their water off to collect the sewer bill, and Mr. May stated that they are working toward collecting those unpaid balances as soon as the correct information can be collected and verified.

ADJOURN MEETING AGENDA ITEM IX

Chairperson Akers stated that if there were no further comments, she requested a motion be made to adjourn the meeting. Commissioner Litafik made the motion. Commissioner Sullivan seconded the motion. Commissioner voting as follows:

Chairperson Toni Akers	Aye
Commissioner Terry Spears	Aye
Commissioner Mike Litafik	Aye
Commissioner Earl Sullivan	Aye
Commissioner John Collins	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution No. 07-01-023

EXHIBIT

3 (C)

MOUNTAIN WATER DISTRICT

RESOLUTION 07-01-019

APPROVAL OF ETHICS POLICY

WHEREAS, THE BOARD OF COMMISSIONERS of the Mountain Water District agrees to approve and accept the ethics policy as presented.

NOW, THEREFORE, BE IT RESOLVED THAT the Board of Commissioners of the Mountain Water District votes to approve and accept the ethics policy as presented.

MOTION FOR ADOPTION of this resolution was made the 31stth day of January 2007, by Commissioner Litafik and seconded by Commissioner Collins. Commissioner voting as follows:

Chairperson Akers	Aye
Commissioner Litafik	Aye
Commissioner Spears	Aye
Commissioner Sullivan	Aye
Commissioner Collins	Aye

THEREUPON, said motion was declared passed and the resolution adopted.

Dated this the 31st day of January, 2007.



Toni Akers, Chairperson



Terry Spears, Secretary

CASE : Mountain Water District
CASE NO : 2014-00342
RE : PSC Post Hearing Data Request

R 4 Provide a copy of Mr. Sawyers paycheck.

RESPONSE 4

Please see attached copy of Mr. Sawyers paycheck noted as Exhibit 4.

EXHIBIT

4

Check date: 05/15/2015

Pay to the order of: Roy B Sawyers \$ 2,107.36

Twenty-one Hundred Seven And 36/100 Dollars***

Roy B Sawyers

Amye Casey
Ruth A. Adams

⑈000637⑈

9		Roy B Sawyers		Check date: 05/15/2015		Check #: 637				
				Period beg.: 04/26/2015		Period end: 05/09/2015				
Wages	Regular Hours	Regular Amount	Overtime Hours	Overtime Amount	Dbl. Time Hours	Dbl. Time Amount	Total Hours	Total Amount	Deductions	Amount
Wages	64.00	2,550.00					64.00	2,550.00	FICA-SS	173.44
Car Allowance		375.00						375.00	FICA-Med	40.57
									Federal W/H	327.44
									State W/H	148.69
									CERS	127.50
Totals	64.00	2,925.00					64.00	2,925.00		817.64
		<u>Sick</u>	<u>Vacation</u>						Net Pay	2,107.36
Used this check:		16.00	0.00							

Year to Date

Wages	Regular Hours	Regular Amount	Overtime Hours	Overtime Amount	Dbl. Time Hours	Dbl. Time Amount	Total Hours	Total Amount	Deductions	Amount
Wages	681.00	22,950.00					681.00	22,950.00	FICA-SS	1,561.00
Car Allowance		3,375.00						3,375.00	FICA-Med	365.08
									Federal W/H	2,946.96
									State W/H	1,338.21
									CERS	1,147.50
Totals	704.00	26,325.00					704.00	26,325.00		7,358.75
		<u>Sick</u>	<u>Vacation</u>						Net Pay	18,966.25
Available:		124.96	110.50							

CASE : Mountain Water District
CASE NO : 2014-00342
RE : PSC Post Hearing Data Request

R 5 Provide a copy of the monthly board report with O&M information.

RESPONSE 5

Please see attached monthly board report with O & M information noted as Exhibit 5.

EXHIBIT

5



MOUNTAIN WATER DISTRICT
BOARD OF COMMISSIONERS REGULAR MEETING

APRIL 29TH, 2015

10:00 a.m.

AGENDA:

CALL TO ORDER

VISITORS

APPROVAL OF MINUTES



FINANCIAL REPORT – MIKE SPEARS, CPA

PAYMENT OF BILLS

CUSTOMER ADJUSTMENTS – \$ 11,524.30

CONSTRUCTION REPORT

UPDATE BY VAUGHN & MELTON – CLIFF LATTA

- 1. Millard Curve Water Line Relocation - DOT Project**
- 2. Majestic Alternative Sewer Project**



UPDATE BY ENVIRONMENTAL DESIGN CONSULTANTS – TIM CAMPOY

1. Cabin Knoll – Route 119/Scott Fork KYDOT Water Line Relocation Project
2. Ky 610 – Virgie Bridge DOT Relocation Project

UPDATE BY BELL ENGINEERING – STEPHEN CAUDILL

1. Deskins Curve DOT Relocation Project
2. Marshall's Branch KDOT Water Line Relocation
 - Resolution to Approve Contract w/KDOT Pending Review

UPDATE BY SUMMIT ENGINEERING – JODY HUNT

- Awarded Projects:
 - Douglas WWTP Upgrades
 - Phelps/Freeburn WWTP Upgrades & Rehabilitation
 - Belfry/Pond Sewer Project Update
 - FEMA BPS Mitigation Project
 - Various Short Line Extension Project – Magisterial District #2

PROJECT DRAWS:

*Draws will be added as information becomes available and will be on the final agenda.

MANAGER / ADMINISTRATOR REPORT:

- MOR (Monthly Operating Report) by UMG. Review, comments and approval.
1. Winter Storm/Flood Update
 2. Nexcheck On-Line and Phone Payments
 3. Williamson Wastewater Contract Update
 4. Wildwood Lane Extension Update

NEW BUSINESS:

1. Southern Corrosion Contract - Town Mountain Tank

2. Legal Issues

Executive Session to Discuss Outstanding Litigation and Potential Litigation

1. Negotiations with Attorney General's Office Concerning the PSC Rate Case

COMMISSIONER COMMENTS

ADJOURN

MOUNTAIN WATER DISTRICT
MONTHLY CUSTOMER ADJUSTMENTS
APRIL 2015

CUSTOMER NAME:	ACCT NO:	AMT OF BILL:	AMT OF ADJMT:	BAL AFTER ADJ:	NO OF MOS ADJ:	GALS:	BY:
ADKINS, RICHARD		224.26	\$ 83.51	\$ 140.75	1	29,053	DJ
ARTS, ROBERT		192.84	\$ 21.82	\$ 171.02	3	6,212	SM
BASS, RENA		675.86	\$ 445.07	\$ 230.79	1	50,480	PP
BELCHER, AMANDA		293.46	\$ 109.82	\$ 183.64	3	25,261	MKW
BENTLEY, JEANETTE I		168.65	\$ 66.12	\$ 102.53	1	22,850	PP
BENTLEY, LUTHER		97.16	\$ 30.01	\$ 67.15	1	3,154	DJ
BEVINS, WILLIAM RAY		268.45	\$ 96.17	\$ 172.28	2	32,936	MKW
BLANKENSHIP, IRELA		361.97	\$ 140.03	\$ 221.94	2	42,350	PP
BROWN, BRUCE		737.04	\$ 300.43	\$ 436.61	3	100,531	RH
BRYANT, JUNE		122.34	\$ 38.86	\$ 83.48	2	13,318	SM
BUMGARDNER, THUR		116.80	\$ 25.38	\$ 91.42	3	7,226	SM
CARROLL, SHAWN		548.99	\$ 288.82	\$ 260.17	3	27,070	PP
CHANEY, ROBERT/TC		68.86	\$ 19.35	\$ 49.51	1	5,507	MKW
CHAPMAN, DONNA		97.80	\$ 25.14	\$ 72.66	1	7,860	RH
CHILDRESS, NICK/RU		228.66	\$ 40.51	\$ 188.15	3	4,259	SM
COLE, JOE		148.92	\$ 57.81	\$ 91.11	1	20,114	DJ
COLEMAN, CANDACE		355.26	\$ 188.42	\$ 166.84	1	21,290	PP
COLEMAN, JAMES		132.96	\$ 49.67	\$ 83.29	1	16,120	MKW
COLEMAN, MARILYN		283.01	\$ 114.30	\$ 168.71	1	41,917	MKW
COLLINS, DEBORA		1,505.93	\$ 603.42	\$ 902.51	2	220,590	RH
COLLINS, GREGORY		120.15	\$ 27.80	\$ 92.35	1	9,427	RH
CURRY, MARGARET		173.91	\$ 62.82	\$ 111.09	1	21,340	DJ
DAMRON, CLYDE		285.00	\$ 113.05	\$ 171.95	1	39,657	RH
DAMRON, LINDA		220.94	\$ 88.15	\$ 132.79	1	32,150	SM
DOTSON, LAWRENCE		104.95	\$ 50.60	\$ 54.35	1	5,900	DJ
DOTSON, ROSE		204.89	\$ 118.08	\$ 86.81	1	10,740	RH
DUNCAN, GARY		81.65	\$ 28.49	\$ 53.16	1	8,230	RH
ELKINS, NELLIE		110.24	\$ 54.41	\$ 55.83	1	6,880	SM
FARLEY, SHARON		117.73	\$ 15.60	\$ 102.13	3	4,531	SM
FIELDS, JOHN		61.42	\$ 19.85	\$ 41.57	1	5,657	SM
FULLER, FRANKLIN		73.61	\$ 25.78	\$ 47.83	1	8,757	SM
GEARLES, EVELYN		227.17	\$ 93.94	\$ 133.23	2	23,016	MKW
GOFF, MARY		220.45	\$ 70.31	\$ 150.14	2	22,320	MKW
GOOSLIN, BOBBY		734.32	\$ 346.16	\$ 388.16	3	99,641	RH
HACKNEY, EUNICE		137.05	\$ 32.17	\$ 104.88	1	9,160	PP
HALL, DONNIE		99.27	\$ 48.73	\$ 50.54	1	4,097	DJ
HALL, RUSSELL		148.32	\$ 42.65	\$ 105.67	2	13,560	PP
HALL, SHAWN		709.99	\$ 284.21	\$ 425.78	3	81,500	DJ
HARRIS, MAGGIE		71.09	\$ 24.55	\$ 46.54	1	7,394	SM
HOMETOWN CONVOC		2,512.58	\$ 1,120.02	\$ 1,392.56	2	361,134	SM
HOPKINS, STEVIE		100.68	\$ 35.10	\$ 65.58	1	10,800	MKW
HUNT, FRED		144.50	\$ 47.38	\$ 97.12	2	16,244	SM
HURLEY, ANNETTE		141.38	\$ 44.46	\$ 96.92	1	4,680	RH
HURLEY, BENNY		179.71	\$ 68.16	\$ 111.55	1	7,437	RH
HURLEY, CHARLOTT		174.94	\$ 84.16	\$ 90.78	1	22,617	RH
HURLEY, KAYE		364.51	\$ 68.57	\$ 295.94	1	25,407	RH
JOHNSON, ALICE		87.53	\$ 16.86	\$ 70.67	2	3,524	RH
JOHNSON, BIRDIE		337.15	\$ 137.10	\$ 200.05	1	49,024	DJ

MOUNTAIN WATER DISTRICT
MONTHLY CUSTOMER ADJUSTMENTS
APRIL 2015

CUSTOMER NAME:	ACCT NO:	AMT OF BILL:	AMT OF ADJMT:	BAL AFTER ADJ:	NO OF MOS ADJ:	GALS:	BY:
JOHNSON, NOAH		\$ 365.73	\$ 132.87	\$ 232.86	3	36,880	RH
JOHNSON, RICHARD		\$ 294.86	\$ 49.25	\$ 245.61	3	16,181	DJ
JURKO, MAGDOLINA		\$ 396.98	\$ 110.61	\$ 286.37	3	38,640	SM
JUSTICE, CHARLES/		\$ 121.76	\$ 44.21	\$ 77.55	1	14,154	RH
JUSTICE, DWAYNE		\$ 118.44	\$ 37.95	\$ 80.49	2	8,640	PP
JUSTICE, ROBERT		\$ 147.59	\$ 56.13	\$ 91.46	2	14,108	RH
JUSTICE, ORA		\$ 239.83	\$ 96.10	\$ 143.73	1	33,250	SM
KEATHLEY, ALLEN		\$ 151.95	\$ 61.54	\$ 90.41	1	15,677	RH
KEENE'S SERV CTR		\$ 58.42	\$ 15.82	\$ 42.60	1	2,200	PP
KENDRICK, JASON		\$ 525.89	\$ 216.60	\$ 309.29	1	79,290	RH
LAYNE, OPAL		\$ 58.67	\$ 18.51	\$ 40.16	1	6,614	DJ
MAY, HAROLD E.		\$ 454.39	\$ 141.50	\$ 312.89	3	32,800	SM
MC PEEK, VARLIE		\$ 408.02	\$ 143.71	\$ 264.31	3	49,081	SM
NEWSOME, RANDY/		\$ 314.59	\$ 121.56	\$ 193.03	1	43,153	MKW
NEWSOME, SUZANN		\$ 635.18	\$ 277.93	\$ 357.25	1	95,387	RH
NEWSOME, SUZANN		\$ 102.66	\$ 30.38	\$ 72.28	1	9,530	RH
PHELPS AUTO		\$ 179.80	\$ 70.82	\$ 108.98	1	25,630	DJ
QUALITY FOODS		\$ 692.95	\$ 278.11	\$ 414.84	2	30,124	SM
RATLIFF, CAROL		\$ 1,017.91	\$ 423.85	\$ 594.06	1	155,427	DJ
RATLIFF, FRANK D.		\$ 204.30	\$ 73.95	\$ 130.35	2	26,524	SM
RATLIFF, JAMES C.		\$ 121.69	\$ 43.45	\$ 78.24	1	13,937	SM
RATLIFF, ROGER		\$ 70.73	\$ 21.45	\$ 49.28	1	6,107	RH
REYNOLDS, JENNIFE		\$ 547.99	\$ 222.14	\$ 325.85	1	80,227	RH
REYNOLDS, PAULA		\$ 839.08	\$ 323.02	\$ 516.06	3	94,341	DJ
RILEY, JAMES/TAMM		\$ 110.22	\$ 48.08	\$ 62.14	1	11,940	DJ
ROBINSON, BILLY		\$ 152.00	\$ 73.87	\$ 78.13	1	20,830	RH
ROBINSON, BUTLER		\$ 288.46	\$ 96.64	\$ 191.82	2	33,376	MKW
ROSE, DAVID		\$ 168.97	\$ 52.48	\$ 116.49	1	18,217	RH
ROWE, LENA		\$ 418.06	\$ 171.18	\$ 246.88	1	61,190	PP
SAWYER, ROBERT		\$ 149.28	\$ 27.23	\$ 122.05	3	8,092	DJ
SEXTON, SANDRA		\$ 175.85	\$ 72.95	\$ 102.90	2	18,960	PP
SHORTRIDGE, ERNE		\$ 211.96	\$ 79.12	\$ 132.84	1	27,357	RH
SIMMONS, JAMIE		\$ 982.35	\$ 382.97	\$ 599.38	2	138,880	PP
SLONE, BRENDA		\$ 183.88	\$ 35.25	\$ 148.63	3	10,799	SM
SLONE, ROBERT		\$ 71.31	\$ 12.54	\$ 58.77	1	3,570	RH
SMITH, JACKY D.		\$ 135.10	\$ 72.30	\$ 62.80	1	9,214	RH
SMITH, WILLA		\$ 150.15	\$ 48.79	\$ 101.36	2	15,326	SM
STACY, TONY/DONN.		\$ 281.32	\$ 79.34	\$ 201.98	3	21,280	PP
STAFFORD, SAM		\$ 265.65	\$ 114.70	\$ 150.95	2	31,564	DJ
STERLING PRIMARY		\$ 360.79	\$ 155.61	\$ 205.18	1	53,310	RH
STEWART, ARNOLD		\$ 485.52	\$ 128.25	\$ 357.27	3	33,680	PP
STUMP, BENNY		\$ 183.97	\$ 71.91	\$ 112.06	1	24,290	SM
SULLIVAN, HAROLD		\$ 163.84	\$ 92.55	\$ 71.29	1	10,020	PP
YCK, KATHY		\$ 215.35	\$ 71.07	\$ 144.28	1	25,190	PP
WICKETT, DUSTIN		\$ 139.57	\$ 39.63	\$ 99.94	2	4,168	RH
WICKETT, RODNEY		\$ 416.72	\$ 112.74	\$ 303.98	1	77,597	RH
THACKER, BILLY RA'		\$ 222.79	\$ 77.54	\$ 145.25	1	27,297	RH
THACKER, KASAUNC		\$ 411.79	\$ 59.70	\$ 352.09	3	4,820	PP
THACKER, MILTON		\$ 126.37	\$ 48.32	\$ 78.05	1	16,103	MKW

MOUNTAIN WATER DISTRICT
MONTHLY CUSTOMER ADJUSTMENTS
APRIL 2015

CUSTOMER NAME	AMT OF BILL:	AMT OF ADJMT:	BAL AFTER ADJ:	NO OF MOS ADJ:	GALS:	BY:
THACKER, ROBERT	171.86	\$ 48.99	\$ 122.87	1	17,327	RH
THACKER, RUTH FC	208.67	\$ 60.09	\$ 148.58	1	20,150	RH
VARNEY, ALICE	95.46	\$ 26.19	\$ 69.27	2	7,458	RH
VARNEY, RALPH	165.50	\$ 54.73	\$ 110.77	3	13,979	SM
WEDDINGTON, PAX	207.70	\$ 41.89	\$ 165.81	2	13,770	RH
WEST, EVALYN	174.46	\$ 51.52	\$ 122.94	2	12,660	DJ
WILLIAMS, EDITH	184.79	\$ 90.85	\$ 93.94	1	24,910	RH

Total Billed: \$30,323.47 After adj: \$ 18,799.17 3,358,148

Total adj: \$11,524.30

THESE ADJUSTMENTS WERE APPROVED BY THE BOARD OF COMMISSIONERS AT THE
REGULAR MONTHLY MEETING HELD ON APRIL 29, 2015.

CHAIRPERSON : _____

CUSTOMER COMPLAINT

**SUMMARY
MARCH 2015**

DATE	TYPE OF COMPLAINT			TOTAL	RESPONSE TIME	RESOLVED Y/N	OUTSTANDING WORK ORDERS
	LOSS OF SERVICE	PRESSURE	WATER QUALITY				
03/02/15	4	1	1	6	24 HOURS	Y	0
3/2/2015	1	3	0	4	2-4 DAYS	Y	0
3/3/2015	6	4	2	12	24 HOURS	Y	0
3/3/2015	0	1	0	1	5 OR MORE	Y	0
3/4/2015	3	2	2	7	24 HOURS	Y	0
3/4/2015	0	1	0	1	5 OR MORE	Y	0
3/5/2015	3	0	0	3	24 HOURS	Y	0
3/6/2015	12	1	1	14	24 HOURS	Y	0
3/7/2015	1	1	0	2	24 HOURS	Y	0
3/9/2015	2	7	4	13	24 HOURS	Y	0
3/10/2015	2	5	4	11	24 HOURS	Y	0
3/11/2015	2	2	2	6	24 HOURS	Y	0
3/12/2015	1	4	8	13	24 HOURS	Y	0
3/12/2015	0	1	0	1	2-4 DAYS	Y	0
3/12/2015	0	1	0	1	5 OR MORE	Y	0
3/13/2015	2	1	2	5	24 HOURS	Y	0
3/13/2015	0	1	0	1	2-4 DAYS	Y	0
3/14/2015	0	1	0	1	24 HOURS	Y	0
3/16/2015	6	5	4	15	24 HOURS	Y	0
3/17/2015	2	4	6	12	24 HOURS	Y	0
3/18/2015	0	2	6	8	24 HOURS	Y	0
3/19/2015	1	6	0	7	24 HOURS	Y	0
3/20/2015	2	1	3	6	24 HOURS	Y	0
3/21/2015	0	0	2	2	24 HOURS	Y	0
3/22/2015	0	0	1	1	24 HOURS	Y	0
3/23/2015	0	3	2	5	24 HOURS	Y	0
3/23/2015	0	1	0	1	2-4 DAYS	Y	0
3/24/2015	0	5	0	5	24 HOURS	Y	0
3/25/2015	0	1	4	5	24 HOURS	Y	0
3/26/2015	1	4	3	8	24 HOURS	Y	0
3/26/2015	0	0	1	1	2-4 DAYS	Y	0
3/27/2015	1	6	2	9	24 HOURS	Y	0
3/27/2015	0	1	0	1	2-4 DAYS	Y	0
3/28/2015	1	0	1	2	24 HOURS	Y	0
3/29/2015	1	0	0	1	24 HOURS	Y	0
3/30/2015	0	4	3	7	24 HOURS	Y	0
3/31/2015	0	2	6	8	24 HOURS	Y	0
	54	82	70	206			0

96% Of All Work Orders Resolved Within 24 Hours
 3% Of All Work Orders Resolved Within 2 - 4 Days
 1% Of All Work Orders Resolved In 5 or More Days
 0% Of All Work Orders Are Outstanding

FIRE DEPARTMENTS
WATER USAGE REPORT
2015

FIRE DEPT	JAN	FEB	MAR	APR	MAY	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC	YTD
1 BELFRY VFD													0
2 BIG CREEK VFD													0
3 BLACKBERRY VFD													0
4 COAL RUN VFD													0
5 DORTON VFD													0
6 ELKHORN CITY VFD													0
7 FEDSCREEK VFD													0
8 FERRELLS CREEK													0
9 GRAPEVINE VFD													0
10 GREASY CREEK VFD													0
11 GULNARE VFD													0
12 HATFIELD VFD													0
13 HURRICANE CREEK VFD													0
14 ISLAND CREEK VFD													0
15 JOHNS CREEK VFD													0
16 KIMPER VFD													0
17 LOOKOUT VFD													0
18 MARROWBONE VFD													0
19 MILLARD EAST VFD													0
20 PHELPS VFD													0
21 PIKE CO. RESCUE													0
22 PIKEVILLE FIRE													0
23 SHELBY CREEK RESCUE													0
24 SHELBY VALLEY VFD													0
25 SYCAMORE VFD													0
26 TURKEY CREEK VFD													0
27 UPPER POND CREEK VFD			0										0
TOTAL USAGE	0	0	0	0	0	0	0	0	0	0	0	0	0

* VFD Water Usage Report not received in time to be included in District Waterloss Report:

YTD: 0

* Per PSC the District can account for .3 percent of total gallons sold for the month, for each non-reporting fire department.

NO USAGE TURNED IN FROM FIRE DEPARTMENTS FOR JANUARY OR FEBRUARY, 2015

**MOUNTAIN WATER DISTRICT
FIELD MAINTENANCE COST SUMMARY
2015**

Month	Area	# W/O Per Area	Materials	Transportation		Labor	Total Cost	YTD COST
				Vehicle	Equipment			
JAN	GV	76	\$ 7,168.15	\$ 1,804.76	\$ 640.00	\$ 5,480.34	\$ 15,093.25	\$ 15,093.25
	MC	36	\$ 1,410.93	\$ 519.44	\$ 206.96	\$ 2,367.15	\$ 4,504.48	\$ 4,504.48
	PC	26	\$ 499.10	\$ 291.60	\$ 260.00	\$ 1,217.20	\$ 2,267.90	\$ 2,267.90
	SV	30	\$ 3,998.87	\$ 614.88	\$ 285.00	\$ 2,527.16	\$ 7,425.91	\$ 7,425.91
	Totals						\$ 29,291.54	\$ 29,291.54
FEB	GV	54	\$ 1,912.64	\$ 1,285.84	\$ 80.00	\$ 3,380.94	\$ 6,659.42	\$ 21,752.67
	MC	47	\$ 2,873.48	\$ 577.92	\$ 172.50	\$ 3,040.86	\$ 6,664.76	\$ 11,169.24
	PC	59	\$ 8,579.61	\$ 1,001.72	\$ 250.00	\$ 4,748.20	\$ 14,579.53	\$ 16,847.43
	SV	41	\$ 1,831.18	\$ 558.32	\$ 100.00	\$ 2,502.73	\$ 4,992.23	\$ 12,418.14
	Totals						\$ 32,895.94	\$ 62,187.48
MAR	GV	84	\$ 3,159.01	\$ 1,725.24	\$ 40.00	\$ 6,956.29	\$ 11,880.54	\$ 33,633.21
	MC	38	\$ 2,463.69	\$ 583.52	\$ 37.50	\$ 2,492.66	\$ 5,577.37	\$ 16,746.61
	PC	77	\$ 1,466.90	\$ 1,362.32	\$ 334.20	\$ 5,260.14	\$ 8,423.56	\$ 25,270.99
	SV	60	\$ 2,001.38	\$ 888.96	\$ 120.00	\$ 3,618.69	\$ 6,629.03	\$ 19,047.17
	Totals	259	\$ 9,090.98	\$ 4,560.04	\$ 531.70	\$ 18,327.78	\$ 32,510.50	\$ 94,697.98

MOUNTAIN WATER DISTRICT
MONTHLY OPERATING REPORT
MARCH 2015

- 277 Field maintenance work orders issued during the month of MARCH.
259 Field maintenance work orders completed during the month of MARCH.

	<i>Grapevine</i>	<i>Marrowbone</i>	<i>Pond Creek</i>	<i>Shelby</i>	<i>TOTALS</i>
JANUARY	76	36	26	30	168
FEBRUARY	54	47	59	41	201
MARCH	84	38	77	60	259
APRIL					
MAY					
JUNE					
JULY					
AUGUST					
SEPTEMBER					
OCTOBER					
NOVEMBER					
DECEMBER					
YTD TOTALS	214	121	162	131	628

- 7 New PAID service tap work orders issued during the month of MARCH.
7 New PAID service tap work orders completed during the month of MARCH.

NEW SERVICE CONNECTIONS BY AREA

	<i>Grapevine</i>	<i>Marrowbone</i>	<i>Pond Creek</i>	<i>Shelby</i>	<i>TOTALS</i>
JANUARY	0	0	2	2	4
FEBRUARY	0	1	0	1	2
MARCH	3	3	0	1	7
APRIL					
MAY					
JUNE					
JULY					
AUGUST					
SEPTEMBER					
OCTOBER					
NOVEMBER					
DECEMBER					
YTD TOTALS	3	4	2	4	13

4 Hydrant work orders were completed during the month of MARCH.

WATER

- 206 Customer Work Orders completed during the month of MARCH.
- 3,282 Delinquent Notices Mailed during the month of MARCH.
- 208 Delinquent Work Orders Written Up during the month of MARCH.
- 91 Delinquent Accounts Disconnected during the month of MARCH.
- 14% Increase in Delinquent Accounts Disconnected since the month of February.

SEWER

- 5 Delinquent Work Orders Written Up during the month of MARCH.
- 0 Delinquent Work Orders Disconnected during the month of MARCH.

27 Vehicle & equipment maintenance work orders issued during the month of MARCH.

24 Vehicle & equipment maintenance work orders completed during the month of MARCH.

TOTAL MOUNTAIN WATER DISTRICT CUSTOMERS:

WATER CUSTOMERS

JANUARY	17,861 (17,011 + 850 Multi-Users)
FEBRUARY	17,854 (16,995 + 859 Multi-Users)
MARCH	17,846 (16,993 + 853 Multi-Users)
APRIL	
MAY	
JUNE	
JULY	
AUGUST	
SEPTEMBER	
OCTOBER	
NOVEMBER	
DECEMBER	

SEWER CUSTOMERS

JANUARY	2,378
FEBRUARY	2,387
MARCH	2,371
APRIL	
MAY	
JUNE	
JULY	
AUGUST	
SEPTEMBER	
OCTOBER	
NOVEMBER	
DECEMBER	

MARCH 2015 WATER & SEWER TRENDS

	# CUSTOMERS	GALLONS SOLD	\$ BILLED	\$ TREND/CHANGE %
WATER	17,846	87,696,450	\$709,777.79	14.06
SEWER	2,371	10,520,441	\$79,373.26	11.42
TOTAL BILLED			\$789,151.05	13.79

0 Sewer taps were completed during the month of MARCH.

WATERLOSS SUMMARY:

TOTAL ACCOUNTED WATER LOSS for MARCH was **24,788,000** gallons.

WATERLOSS due to leaks and breaks was **3,533,000** gallons.

WATERLOSS due to flushing, fire department usage, etc. was **14,804,000** gallons.

WATERLOSS due to Water Treatment Plant Use was **1,581,000** gallons.

WATERLOSS due to storage tank overflow was **0** gallons.

WATERLOSS due to customer usage/other was **4,870,000** gallons.

TOTAL UNACCOUNTED FOR WATER LOSS for MARCH was **44,379,000** gallons.

WATER DEPARTMENT:

BOOSTER PUMP STATION MAINTENANCE:

26 Work Orders completed for Booster Pump Stations during the month of MARCH.

WATER STORAGE TANK MAINTENANCE:

4 Work Orders completed for Water Storage Tanks during the month of MARCH.

MASTER METER MAINTENANCE:

0 Work Orders completed for Master Meters during the month of MARCH.

PRESSURE REGULATOR STATIONS MAINTENANCE:

6 Work Orders completed for Pressure Regulator Stations during the month of MARCH.

TELEMETRY MAINTENANCE:

0 Work Orders completed for Telemetry during the month of MARCH.

RUSSELL FORK WATERPLANT MAINTENANCE:

4 Work Order completed for the Russell Fork Water Plant during the month of MARCH.

WATER QUALITY:

52 Total Bacteriological samples were taken during the month of MARCH.

- 92 - Special Bacteriological Samples
- 4 - Fluoride Samples

SEWER DEPARTMENT:

WASTEWATER PLANT MAINTENANCE:

1 Work Orders completed for Wastewater Plants excluding regular maintenance during the month of MARCH.

LIFT STATION MAINTENANCE:

6 Work Orders completed for Lift Stations excluding regular maintenance during the month of MARCH.

COLLECTION SYSTEM MAINTENANCE:

67 Work Orders completed for Collection Systems during the month of MARCH.

**MOUNTAIN WATER DISTRICT
VEHICLE AND EQUIPMENT MAINTENANCE SUMMARY
2015**

MONTH	MAINTENANCE COST			COST WITHOUT LABOR	LABOR	TOTAL COST
	VEHICLE	BACKHOE	EQUIPMENT			
JANUARY	\$ 3,913.73	\$ -	\$ 593.85	\$ 4,507.58	\$ 3,002.00	\$ 7,509.58
FEBRUARY	\$ 3,666.35	\$ 187.95	\$ 780.96	\$ 4,635.26	\$ 2,839.65	\$ 7,474.91
MARCH	\$ 1,863.52	\$ -	\$ 190.00	\$ 2,053.52	\$ 3,041.87	\$ 5,095.39
APRIL				\$ -		\$ -
MAY				\$ -		\$ -
JUNE				\$ -		\$ -
JULY				\$ -		\$ -
AUGUST				\$ -		\$ -
SEPTEMBER				\$ -		\$ -
OCTOBER				\$ -		\$ -
NOVEMBER				\$ -		\$ -
DECEMBER				\$ -		\$ -
YTD	\$ 9,443.60	\$ 187.95	\$ 1,564.81	\$ 11,196.36	\$ 8,883.52	\$ 20,079.88

Cost determined from purchase orders issued.

* Three pay periods during this month.

WATER DISTRICT
PLANT COST SUMMARY
NEW SERVICE CONNECTIONS
2015

Month	Area	# W/O Per Area	YTD By Area	Materials	Transportation		Labor	Total Cost	YTD COST
					Vehicle	Equipment			
JAN	GV	0	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	MB	0	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	PC	2	2	\$ 766.56	\$ 45.92	\$ 215.00	\$ 379.28	\$ 1,406.76	\$ 1,406.76
	SV	2	2	\$ 1,050.59	\$ 14.00	\$ 360.00	\$ 354.42	\$ 1,779.01	\$ 1,779.01
	Totals	4	4	\$ 1,817.15	\$ 59.92	\$ 575.00	\$ 733.70	\$ 3,185.77	\$ 3,185.77
FEB	GV	0	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	MB	1	1	\$ 592.82	\$ 16.00	\$ 75.00	\$ 265.26	\$ 949.88	\$ 949.88
	PC	0	2	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,406.76
	SV	1	3	\$ 522.83	\$ 5.80	\$ 100.00	\$ 157.52	\$ 845.95	\$ 2,624.96
	Totals	2	6	\$ 1,115.65	\$ 21.80	\$ 235.00	\$ 422.78	\$ 1,795.83	\$ 4,981.60
MAR	GV	3	3	\$ 2,432.33	\$ 71.54	\$ 850.00	\$ 1,210.39	\$ 4,564.26	\$ 4,564.26
	MB	3	4	\$ 1,539.66	\$ 50.40	\$ 260.00	\$ 727.52	\$ 2,577.58	\$ 3,527.46
	PC	0	2	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,406.76
	SV	1	4	\$ 605.38	\$ 5.60	\$ 160.00	\$ 157.52	\$ 928.50	\$ 3,553.46
	Totals	7	13	\$ 4,577.37	\$ 127.54	\$ 270.00	\$ 2,095.43	\$ 8,070.34	\$ 13,051.94

WATER DISTRICT
WASTEWATER MAINTENANCE WORK ORDER SUMMARY
2015

Month	Discription	# W/O	YTD	Materials	Transportation		Labor	Total Cost	YTD COST
					Vehicle	Equipment			
JAN	Lift Stations	6	6	\$ 494.79	\$ 147.52	\$ -	\$ 455.97	\$ 1,098.28	\$ 1,098.28
	WWTPs	1	1	\$ -	\$ 22.40	\$ -	\$ 186.75	\$ 209.15	\$ 209.15
	Sewer Line Leaks/Breaks	1	1	\$ 78.69	\$ 19.60	\$ -	\$ 36.48	\$ 134.77	\$ 134.77
	Aerators	1	1	\$ -	\$ 24.08	\$ -	\$ 39.98	\$ 64.06	\$ 64.06
	Sewer Delinquents/Fhw Up	0	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Verify Sewer	0	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Install/Recon. Sewer	2	2	\$ 1,450.00	\$ 28.00	\$ -	\$ 109.44	\$ 1,587.44	\$ 1,587.44
	Grinders/Misc.	44	44	\$ 28,582.08	\$ 674.80	\$ -	\$ 1,675.03	\$ 30,931.91	\$ 30,931.91
	Totals	55	55	\$ 30,605.56	\$ 916.40	\$ 120.00	\$ 2,503.65	\$ 34,025.61	\$ 34,025.61
FEB	Lift Stations	2	8	\$ 647.00	\$ 35.28	\$ -	\$ 390.90	\$ 1,073.18	\$ 2,171.46
	WWTPs	1	2	\$ -	\$ 11.20	\$ -	\$ 39.53	\$ 50.73	\$ 259.88
	Sewer Line Leaks/Breaks	0	1	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 134.77
	Aerators	1	2	\$ 118.00	\$ 24.08	\$ -	\$ 39.98	\$ 182.06	\$ 246.12
	Sewer Delinquents/Fhw Up	1	1	\$ 31.50	\$ 16.80	\$ -	\$ 22.60	\$ 70.90	\$ 70.90
	Verify Sewer	0	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Install/Recon. Sewer	4	6	\$ 3,493.74	\$ 58.24	\$ -	\$ 160.85	\$ 3,712.83	\$ 5,300.27
	Grinders/Misc.	37	81	\$ 15,690.64	\$ 506.24	\$ 40.00	\$ 1,700.87	\$ 17,937.75	\$ 48,869.66
	Totals	46	101	\$ 19,980.88	\$ 651.84	\$ 40.00	\$ 2,354.73	\$ 23,027.45	\$ 57,053.06
MAR	Lift Stations	6	14	\$ 50.00	\$ 228.19	\$ -	\$ 632.79	\$ 910.98	\$ 3,082.44
	WWTPs	1	3	\$ 445.05	\$ 26.32	\$ -	\$ 166.46	\$ 637.83	\$ 897.71
	Sewer Line Leaks/Breaks	3	4	\$ 298.58	\$ 120.40	\$ 320.00	\$ 714.36	\$ 1,453.34	\$ 1,588.11
	Aerators	1	3	\$ -	\$ 16.80	\$ -	\$ 39.98	\$ 56.78	\$ 302.90
	Sewer Delinquents/Fhw Up	0	1	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 70.90
	Verify Sewer	1	1	\$ -	\$ 4.48	\$ -	\$ 17.14	\$ 21.62	\$ 21.62
	Install/Recon. Sewer	4	10	\$ 2,461.56	\$ 58.24	\$ 120.00	\$ 357.35	\$ 2,997.15	\$ 8,297.42
	Grinders/Misc.	74	155	\$ 29,600.10	\$ 911.12	\$ -	\$ 2,215.67	\$ 32,726.89	\$ 81,596.55
	Totals	90	191	\$ 32,855.29	\$ 1,365.55	\$ 440.00	\$ 4,143.75	\$ 38,804.59	\$ 95,857.65

**MOUNTAIN WATER DISTRICT
BOARD OF COMMISSIONERS REGULAR MEETING**

March 25, 2015
10:00 AM

ATTENDEES

Michael Bell, Resident
Hufford Williams, Resident
Jerry Layne
Nancy Carolyn Taylor, Resident
Bobby Varney, Magistrate, District 6
Hilman Dotson, Magistrate, District 5
Chris Anderson, Appalachian News Express
Jody Hunt, Summit Engineering, Inc.
Cliff Latta, Vaughn & Melton
Jamie Noe, Vaughn & Melton
Stephen Caudill, Bell Engineering
Tom Jones, Bell Engineering
Tim Campoy, EDC, Inc.
Mike Spears, Spears Management
David Stratton, Stratton Law Firm
Roy Sawyers, Mountain Water District Administrator
Grondall Polter, Manager, UMG
Tammy Olson, Office/Compliance Manager, UMG
Kevin Lowe, Office/Finance Manager, UMG
Carrie Hatfield, Financial Administrator, MWD

CALL TO ORDER AGENDA ITEM I

The Mountain Water District Board of Commissioners Regular Meeting was held on Wednesday, March 25th, 2015 at 10:00 a.m.

Commissioners present for the meeting were as follows:

Commissioner Kelsey Friend, III
Commissioner Prentis Adkins
Commissioner Ancie Casey
Commissioner Michael Blackburn
Commissioner Eddie Hurley

David Stratton, Attorney for the Mountain Water District, facilitated the meeting in the absence of a Chairperson and stated that the Board has one member in route and we will proceed the best we can and finish up when he gets there. The first item of business is that there are some visitors.

VISITORS AGENDA ITEM II

Mr. Stratton inquired if there were visitors that wished to share anything. Magistrate Bobby Varney from District 6 stated that he wanted to commend the Mountain Water District and UMG for the job they did during this past month and a half to two months and all that they went through; flooding and the whole thing. The guys especially in his District did a tremendous job. He wanted to commend MWD/UMG for the

communication they have had with him. He really appreciated that. "You let the people know what is going on and that is a big thing, especially in my District". He stated that MWD/UMG did a great job and he wanted to give them a thumbs up on that. The Board thanked him for his comments.

Mr. Stratton recognized Nancy Taylor who was in attendance and wished to speak. Ms. Taylor stated that she has lived here most of her sixty-some to seventy years. She is very pleased to see folks working together and inquired how many employees were in MWD now; is it one or two, and are they covered by the Kentucky Retirement System. Someone responded to her that there are two and Commissioner Casey responded by saying "yes" referring to the inquiry about the KRS. Ms. Taylor stated "Good luck and thank you all and have a great meeting". Commissioner Casey thanked her for attending.

Mr. Stratton recognized Hufford Williams from Mouthcard. Mr. Williams stated that he has a problem with his water bill and was invited to come and set in on the meeting. Mr. Stratton stated that he welcome and inquired what the nature of his problem is. Mr. Williams stated that it is 10 times that normal monthly bill and it had a note on the bill of "possible leak" but he doesn't have a leak. He checked it personally. The problem is that he is at the very end of the line and the water has been off several times during this period and every time it comes back on he gets air for a half a day or a day or more. Nothing but air; and he knows for a fact that when air is coming through, his meter is whizzing around like he is using water and he is not. Mr. Stratton turned this issue over to Grondall Potter, Manager. Mr. Potter stated that that does occur occasionally and does the same thing at his house. We try to flush in those areas but we have thousands of end line points and based upon his history we can look back and assure there is no leak because of that AMR meter's read. We can adjust that back to his average water bill. That does occur occasionally. Mr. Potter asked Kevin Lowe to take him over to billing and get that resolved for him.

Mr. Stratton recognized Hilman Dotson, Magistrate of District 5. Magistrate Dotson stated that like Magistrate Varney said, he thinks they commended the District at the last court meeting on the job that you did. They had a lot of calls and complaints of why the water wasn't on. A lot of people don't understand that we are a big county and they are on the far end of the county and he understands it takes time to get the tanks filled and get the water back in circulation, but thank God we were able to use snow water and we had electricity and we made it. People from the mountains are tough and know how to survive and he just wanted to say that it is not always often that the Board hears from him, but he has some questions to ask the Board and hopefully he can get some answers. One of the quotes that was said was that we (Magistrates) didn't attend your all's meetings and there were some false allegations in that quote from one of the former Board members. The last time we were here, we were here on behalf of the fiscal court on trying to get answers why that Mountain Water's contracting out the work. We haven't been able to see your books or know what is really happening at Mountain Water. He is getting a lot of calls now from the people wanting to know why the raise in the water and sewer is going to be so great. If we had some way to show the people that you need the money to operate on it would be a lot easier to answer their questions. Another question is why we haven't seen any action on the Majestic Sewer Project which has been in process for several years now and there is money that is laying there that is supposed to be for that and he would like to find out how much we have in that account and when the District plans on starting the process. He talked to Roy Sawyers about a year and a half to two years ago and you were working on the engineering part of it and finding out...Mr. Sawyers stated that to update him on the Majestic Project, Cliff Latta with Vaughn and Melton is here and Mr. Sawyers spoke to him this morning. One of the problems we have been having is that we have been going through the process with one of the land companies over there to get access to their properties to do some soil sampling and evaluate that area. He has a meeting next Tuesday with Alma Land and they have approved to go ahead and let him proceed. It is moving along, however slowly, but is moving. Mr. Dotson inquired how many years it has been since this began...four or five? There is supposed to be a lot of money for this. Mr. Sawyers stated that they went over and visited the project two summers ago when they first started with the engineers. Mr. Dotson inquired that with the Phelps sewer update, and he sees it is on the agenda today, where we are on it and when will it start. Mr. Sawyers stated that the Phelps/Freeburn Upgrades has been ongoing since about November of 2014. Mr. Jody Hunt, Engineer for the project, stated that it is in construction now. Mr. Dotson inquired what they are doing there. Mr. Hunt stated that this project is to convert the existing UV disinfection to a chlorine contact disinfection and adding a fine screen to screen the material coming into the plant, and also adding a sludge press to the plant to press the sludge so the District can haul that off and dispose of it properly. It is also adding a computerized telemetry system to better enable the District to operate the system and treat the sewer. Mr. Dotson stated that "so the odor at

Double Quik and down at Pounding Mill that we have had constant..." Mr. Hunt stated that this project will not do anything to the lift stations, this is just the plant. Mr. Dotson stated that he thought this was going to take care of our problem that we have had with the smell at the intersection at Phelps and the ones at Pounding Mill and Billy Dotson. So this update is not going to do anything for that? Mr. Hunt stated that their contract was never for anything other than plant. Mr. Sawyers stated that this project is to upgrade the plant itself and not the lift stations. For those we would have to come up with ozone treatment to do that and would have to have additional monies in order to take care of any issues with regards to odor. Mr. Dotson inquired if that was a million and a half for that. Mr. Sawyers stated that was correct. This project was to upgrade the plant to make it function the way it needs to meet EPA regulations. Mr. Dotson inquired why does MWD need such an enormous increase in the water and sewer rates. A lot of people are calling him, and he guesses the other Magistrates, wanting to know why and they say if this keeps going up...and what was it 70% you all want for the sewer...Mr. Sawyers stated that water is 25% and sewer is 159%. Mr. Dotson stated that some people who are not on the water are saying they are getting a large increase in their sewer. Mr. Sawyers stated that sewer basically 'eats our lunch' here. It is an ongoing issue as far as force main grinder units. It costs a lot of money to rebuild those and replace those every month. That is one of the issues. We probably spend about \$4 million dollars per year just to repair grinder units. Mr. Spears stated that revenues are about \$900,000 and grinder units cost about \$300,000. They can't hold up because they aren't designed...Mr. Dotson inquired if they could get some with a better design on them. Mr. Sawyers stated that they have experimented with putting other ones in to see if they would work better, but so far we haven't found anything much different than what we are using. He doesn't know how to reply to that in any other way, other than to say that it takes a lot to maintain those systems and we have a lot of small package plants that has to have our attention a lot. Mr. Spears stated that if it wasn't for the elevation changes, we wouldn't have near the issues we are having now. Mr. Sawyers agreed and stated that if we could have run all gravity instead of force main it would have been a whole lot better for us, but with our topography and terrain that we have, it is a big issue here. Sewer is one of the major issues that we have. For the county to move on and continue sewer, one of the things that needs to be looked at with the fiscal court side might be, if they decide they want to proceed with putting sewer throughout the county is to pass an ordinance for everybody to sign up. It would be a mandatory sign up if it is available. Mr. Dotson stated that he believes it is already in effect that if you don't have a working system, you have to sign up on the sewer system. Mr. Sawyers stated that the current ordinance that is passed refers to people with straight pipes and failing systems, not just any homeowner. He is talking about if the sewer is available in the area, the resident is mandated to sign up for the sewer. If you put in a mile of line with the potential of 350 homes, and only sign up a portion of those homes, it doesn't help pay for the infrastructure or assists in paying the rates. Mr. Dotson stated that getting back to the price, too; if we can get it down when people can afford it...people are having it tough right now. Mr. Sawyers stated that is what hurts us. We don't have enough people signed up to help pay for that rate. Mr. Dotson stated that it is like that bunch over at Pikeville at the civic center. If they would cut the price down on the tickets, people could go. But they have empty seats and nobody is attending because they can't afford to go. If we can get our water and sewer prices competitive where people can afford it, he is sure they would love to hook up on the system. He believes that we do have an ordinance that if you have a straight pipe and the sewer comes by, you have to hook up. Mr. Sawyers stated that the health department does have that one in place. Mr. Dotson clarified that what Mr. Sawyers is wanting to do for the county to pass an ordinance to be mandatory....Mr. Sawyers stated that it is just a thought, if the court wants us to keep on providing sewer throughout the county. Commissioner Adkins stated that, with regard to the grinder units, that people put everything in the world down in them. A lot of states and people out in counties, have to buy those units and that is something to look at too, if the homeowner wants to buy the unit their self because a lot of people put stuff down in them that shouldn't go down in them. Mr. Sawyers stated that we have found toys, bed sheets....Commissioner Adkins stated that he is not saying that in a bad way it is just a bad situation. Mr. Dotson inquired how many sewer customers we have in the county now. Commissioner Casey stated that we have about 2,300 customers and we subsidize every sewer customer every month \$10 to \$12. That is how much we are losing on every sewer customer. Mr. Sawyers stated that it is even more than that now. Mr. Dotson inquired how many water customers are in the county. Mr. Sawyers stated that it varies each month but is between 17,000 and 18,000. Mr. Dotson stated that was some questions he had and he is glad he got to come this morning. To make this water, we have to work together...the District Board and the fiscal court. It has to be an open book on both sides. We need more communication and need to be more open with each other. If you all have a problem, we've got a problem. Mr. Sawyers inquired if Mr. Dotson had his phone number. Mr. Dotson confirmed that he had it. Mr. Sawyers stated that he is welcome to call him any time

he wants to. Mr. Dotson stated that he is talking about the entire Board working as a whole. They have had lack of communication for several years with the Board because they have not been having a lot of cooperation with seeing the need that that Board has because they haven't seen the books or don't know...everything is being hid through UMG not Mountain Water. But the Board is responsible because you entered the contract. Mr. Sawyers stated that they submit an annual audit to the fiscal court with regards to their finances. Mr. Dotson stated that the court would like to see when their Coal Severance monies is going and all they have asked is that UMG open their books up and show them where it is going. Mr. Spears responded that actually, the Coal Severance money is projects only. We don't have any Coal Severance money that goes to UMG. It goes for projects...infrastructure. Mr. Dotson asserted that then UMG gets paid to maintain it. Mr. Spears stated that UMG is paid for operations of the District. Mr. Dotson stated that it goes hand in hand, right? Mr. Stratton stated that he can understand why Mr. Dotson would think that, but basically Coal Severance money goes to build the projects. Once the projects are built, then it comes under general operations. It is not the Coal Severance money that goes to general operations. It is revenue derived from the users of the project of the District that funds operations. Mr. Dotson stated that the Board is responsible for UMG. Mr. Stratton stated that the District is responsible as a contractor with them, yes. Mr. Dotson stated that is what he is saying. Their books are open over at the court house, UMG's books should be open, too. If you have nothing to hide, lay it out there. Mr. Stratton stated that is an issue that is beyond this group's ability to make happen, per se. Mr. Dotson stated that it is within your ability when you renew their contract. Mr. Stratton stated that it is something that takes two to agree upon and we don't know where that is going to end up right now, but it takes two to agree on that. Mr. Dotson stated that is what he meant that we need better communication and to let people know out there, if they are paying you, where their money is going. If you need that raise then he would say they would be up to give it to you, but right now it is in the black and they don't know why it is going up so much at one time and he believe the Board has voted for that raise. Mr. Stratton stated that they do not know what the ultimate raise will be because that will be set by the Public Service Commission. Mr. Dotson stated that is right. They are just like the electric company. People have just about went their limit on what they can do. It is coming to the point that they are going to have to not buy their medicine to pay their electric and utility bills. He is not criticizing you guys, it is just open that we give our points and work out our differences and he thinks that we need better communication and he is willing. The Board is welcome at the court to let them know what you need and everyone needs to work together. Commissioner Adkins stated that he right about the electric company, but Mountain Water District hasn't issued a formal PSC rate increase request since 1998. The power company does it all the time and their bills are unreal and it hurts every family but they keep doing it and it is eating us (the District) up, too. Mr. Dotson stated that it is like the fiscal court needs garbage trucks right now but we have to find money where we can to buy them. We don't want to put another increase on the bills. He knows that there comes a time when you've got to do what you've got to do, but they would like to know where they stand. Mr. Stratton thanked him for his comments.

Mr. Stratton once again recognized Nancy Taylor. Ms. Taylor stated that while Mr. Dotson was speaking she happened to think of another question. She stated that in the Appalachian News Express she read an Advertisement for Bids on page 6C and John Collins' name was down at the bottom. She inquired if the bid was out on that still and if so, is the Board opening bids on that today. It was a relocation, she believes, up Johns Creek. Mr. Caudill stated that the bids are to be opened today at 2 o'clock. Ms. Taylor asked the Board members to raise their hands if they knew about that. Mr. Sawyers stated that the Deskins Curve Project has been run in the paper to be out for bid. Ms. Taylor stated that she knows that she just wanted to know if the Board members knew about it. This is a Department of Transportation project. Ms. Taylor stated that she knows that. There were several Board members who acknowledged that they were aware of the bid opening.

Mr. Stratton inquired if there were any other comments from visitors. There were none.

Mr. Stratton stated that since we are still waiting on a Board member to get here, he inquired if the Board wanted to go ahead with the approval of minutes and continue with the agenda and then come back and do some other business. The Board agreed.

APPROVAL OF MINUTES

AGENDA ITEM III

Mr. Stratton requested a motion to approve the minutes of the regular meeting held on February 25th, 2015 as presented. Commissioner Adkins made the motion to approve the minutes as presented. Commissioner Casey seconded the motion. Commissioner voting as follows:

Commissioner Friend	Aye
Commissioner Casey	Aye
Commissioner Adkins	Aye
Commissioner Blackburn	Aye
Commissioner Hurley	Absent

Upon Commissioner voting, the motion was carried and passed.

Resolution 15-03-001

FINANCIAL REPORT – MIKE SPEARS, CPA

AGENDA ITEM IV

Mr. Spears stated that for Commissioner Blackburn, he usually sends these out the day before the meeting and he needs to get their email addresses so he can send them out and be available for questions. For the month of February, cash in bank was \$408,508. Accounts receivable was \$939,221. Plant in place was \$138,546,880. Accounts payable at the end of the month was \$1,252,836. Equity position is \$79,721,931. Revenues for the month were \$711,420 and year to date is \$1,440,787. Keep in mind that February is a short billing month, but that is probably a little better than we have done in the past. Utility Operating Expenses were \$960,979 and \$1,904,910 year to date. The loss for the month was \$281,410 and \$527,612 year to date. Included in the loss is depreciation of \$271,779 and \$543,559 year to date. The current operating income is negative in the amount of \$249,559. As we have talked in the past, our depreciation number and our loss number is usually dead even but now it is not and is related to cash flow. Ordinarily, in normal business, depreciation should delay cash flow to pay bond payments and those things, which we have been doing but that is part of the reason that we are in need of the rate increase. Cash increased for the month in the amount of \$74,152. That seems positive but keep in mind that we dropped down another payment and that is the reason we had more cash. If we had of had more cash to pay that other payment we would have paid it so that is a little deceiving to look at in and of itself. The current operating account balance is \$47,034 as of the end of February. We have made the appropriate transfers to KIA and RD. Current balances are now \$704,542 and \$713,516 respectively. Those are reserves that we set aside based upon our bonding requirements and we are about 84% funded on those. We have made the transfers to sinking fund for debt service as well. R & M expenses were \$45,065.47 which is under budget. Mr. Potter stated that he anticipates that not to be the case next month because some of the items we had to get during the flood situation where the invoices follow through. That will probably be higher next month. Commissioner Blackburn inquired with regard to budgeted repairs and maintenance, if those are rolled into the contract with UMG. Mr. Spears confirmed that. He stated that if you look on page 15 of the financials, the contract is \$644,439.66. That \$47,000 budgeted repair and maintenance budget is a part of that. The way it works is that anything over the \$47,000 per month, at the end of the year that is either an overage or underage. Commissioner Blackburn then clarified that if we are under, do we get credit for that. Mr. Spears stated that in the event that we are under, which we have never been under that amount, it would be a check...a credit to us at that point in time. It wouldn't per se carry over. It is part of the contract amount, to answer his original question. He stated that if Commissioner Blackburn would like to set down with him and go over this, he would do that at any time. Mr. Spears stated that concludes the financial report and he has two other items to discuss after this. Mr. Stratton inquired if there were any other questions regarding the financial report. There were none. He requested a motion to approve the financial report as presented with the amendment noted to the Board. Commissioner Friend made the motion to approve the financial report as submitted. Commissioner Blackburn seconded the motion. Commissioner voting as follows:

Commissioner Friend	Aye
Commissioner Casey	Aye
Commissioner Adkins	Aye
Commissioner Blackburn	Aye
Commissioner Hurley	Absent

Upon Commissioner voting, the motion was carried and passed.
Resolution 15-03-002

Mr. Spears stated that annually in March he has to submit to the PSC a gross operating revenues page and Carrie Hatfield has that and he needs to get that approved. Water revenues are \$8,018,005 and sewer revenues are \$898,842. Mr. Stratton requested a motion to approve the gross operating revenues as presented and to send it to the PSC as required. Commissioner Casey made the motion. Commissioner Adkins seconded the motion. Commissioner voting as follows:

Commissioner Friend	Aye
Commissioner Casey	Aye
Commissioner Adkins	Aye
Commissioner Blackburn	Aye
Commissioner Hurley	Absent

Upon Commissioner voting, the motion was carried and passed.
Resolution 15-03-003

Mr. Spears stated that US Bank called him this morning and they should be ready to close on that in the next two weeks. That loan is for the rate study expenses since our cash flow is so drained. This will be a line of credit for 9 months to pay for the associated costs for the rate case such as engineering fees, attorney fees, accountant fees, the rate study itself, etc. so that we are not pulling money out of our general operating account. A question was raised as to how much we have invested in it so far. Mr. Spears stated that on the top of page 16 is the listed amount. The month of March will be a big month because we have a huge filing to submit to the PSC on the PSC's 3rd request and Attorney General's 2nd data requests. We have hearings in April and May and that should be the end of it. At the end of the 9 months we will convert that to a term note. Mr. Stratton inquired if he had a total on that yet. Mr. Spears stated that he doesn't have a new total on it but he can get them one but it is approximately \$70,000 at the end of February. Mr. Stratton inquired if Mr. Spears knew how much the line of credit was going to be for. Mr. Spears stated that the PSC attorney out of Frankfort stated that it will be somewhere between \$125,000 and \$150,000. We have a hearing on April 2nd with the Atty. General's office and then go to the PSC on May 20th for formal hearing. He doesn't think there will be anymore data requests after March. We have had 3 data requests from the PSC and 2 from the Atty. General's office. We have spent about \$10,000 or so just on copies. We spent over \$4,000 just to advertise it. They require 12 copies of everything and the last filing was 9 volumes in itself. What we have sent them so far wouldn't fit in the back of a pick-up truck. Commissioner Blackburn clarified that this loan would take us through the next nine months. Mr. Spears stated that is correct. The bulk of the expenses now, are in the submittals of data requests and hopefully that will most of it. We don't have to take any action on that at this time; he just wanted the Board to know what was going on with it. He reminded Commissioner Blackburn that he needed to get his email address after the meeting, so he could start sending him the financials each month before the meeting.

Commissioner Hurley arrived during this last item. Mr. Stratton stated that now that all of the Board members are present, the Board needs to select a Chairperson. It can be done in one of two ways; they can vote in an Acting Chairperson for the day to serve in that capacity until a full time Chairperson is agreed upon, or if they feel prepared today to vote on a full time Chairperson, they can do that today also. Commissioner Hurley requested that they go ahead and select a temporary Chairperson until he and Commissioner Blackburn get their feet under them here. The Board agreed. Mr. Stratton stated that he supposed introductions were in order. Roy Sawyers and Grondall Potter were introduced as well as the

Board's CPA, Mike Spears. Mr. Potter introduced Kevin Lowe, who he said is one of the Co-Office Managers here at UMG mainly over billing and those type issues. He introduced Tammy Olson, saying that she does compliance, all of the sampling data and most of the violations to the Division of Water and those kinds of things. Mr. Sawyers introduced Carrie Hatfield, District's financial officer. Mr. Potter stated that he knew they were going to have a meeting to give them all information on the District but he stated that if any of them had any questions or wanted facts and figures regarding the District, to call him. Commissioner Hurley requested a motion to appoint Mike Blackburn as Acting Chairperson until such time as a permanent Chairperson can be agreed upon. Commissioner Casey seconded the motion. Commissioner voting as follows:

Commissioner Friend	Aye
Commissioner Casey	Aye
Commissioner Adkins	Aye
Commissioner Blackburn	Aye
Commissioner Hurley	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution 15-03-004

PAYMENT OF BILLS

AGENDA ITEM V

Mrs. Olson distributed copies of the AP report, the Cash in Bank report and the vendor payment list to the Commissioners. Mr. Potter stated that they would notice that most of the bills each month are the electric. He stated to Commissioner Hurley that they had talked about the expenditures that have changed over the years before he arrived. He does a history on all electric usage, water and sewer trends breakdown, and he is welcome to look at any of that information. In 2005 the average bill per month for electricity was \$46,000. Now it is roughly \$100,000 per month just for electric bills. He has lots of data if the Board members want to review it and it is an approximate 100% increase. Commissioner Blackburn stated that there has probably been some additional infrastructure that has been added which not indicate a 100% increase. Mr. Potter stated that there has been some additional infrastructure added and it comes out to about a 95% increase after taking in to considerations the additional lift stations and booster pump stations added. The kilowatt hours have not change that much. We do an off peak demand structure that he reviews twice a year with AEP and try to get our bigger players on to a different schedule that gets us out of that high rate demand, but there are some pump stations and/or lift stations that have to pump when they have to pump. We try to manipulate that as much as possible to keep us in a lower bracket. Mr. Stratton inquired if there was anything unusual or out of the ordinary about this month's bills. Mr. Potter stated that there wasn't really anything unless you want to look at page 11 and there are a couple of items there. There are two pumps; one for \$7,000 and one for \$3,000. Both of those were applicable to the storm. The power glitches and brown outs and over spikes got both of those pumps. As we upgrade some of the stations throughout the county, technology has increased now and they now have controllers now that will track the power in the station that will give you something to take to the power company. Every time he goes to them and says that we got hit here and he thinks they have an issue, they'll say they will put a chart on it and see what it looks like. Of course it is good then, after the event. As we go to upgrade some of the larger player stations, we may want to invest in that technology to see what kind of power we are getting. We will ask for reimbursement from FEMA on those two items if they declare the disaster. Mr. Stratton clarified that by "We" Mr. Potter means UMG. Mr. Potter stated that he means Mountain Water District. When he says "we" here it is always Mountain Water District. He was Mountain Water before he was UMG. Commissioner Blackburn asked how that normally works with AEP. Mr. Potter stated that if you can prove it to them, they'll reimburse up to a portion but the trick is in proving it. Their rules with the PSC are about the same as the District's rules. If it is their responsibility and it is not outside the realm of their tariffs, then they have to acknowledge it and do something about it.

Commissioner Blackburn inquired if we ever make partial payments to UMG under the contract. We are three behind now. Mr. Spears stated that we have not made any partial payments. They bill us twice a month, on the 15th and the 30th and we have not made partial payments in the past. Commissioner Blackburn stated that maybe we could get them to accept a partial payment. Mr. Spears stated that he is

sure they would take whatever we could give them as we could. Mr. Potter stated that he doesn't do that part, he just keeps the water moving; that would be Bob Meyer, the Comptroller for UMG. Mr. Spears stated that one thing worth mentioning is that MWD pays the electric bills and R & M and then they reimburse us with a check. By that point we can pay another bill and they turn around pay us back for the R & M. Due to the sales tax issue, we pay all of the R & M expenses up front and UMG reimburses for it. We have to be careful about making those partial payments. Once we get close, we just have to make sure we have cash flow to pay those. Commissioner Blackburn inquired if all three that we are behind consecutive. Mr. Spears stated that they are consecutive. The problem we have right now is in low water usage months; the winter months. Our cash flow is down. June and July's cash flow is going to be back up. Commissioner Blackburn clarified that the District didn't have this problem last year. Mr. Spears stated that this has basically all occurred in the last 12 months. Commissioner Blackburn stated that he was trying to look at these bills and see what is beyond 30 or 60 days beyond the UMG contract. Mr. Spears stated that everything else should be within 60 days or 30 days. What you have on there and the reason that is more than 3 payments; we have always got that R & M bills that are due and they are on top of the 3 payments because we have always paid those and those aren't behind at all. Commissioner Blackburn clarified that he was talking about R & M. Mr. Spears confirmed that as correct and stated that R & M means repair and maintenance. Commissioner Blackburn stated that looking at this he would be prepared to go ahead and approve the payment of the invoices and make a partial payment to UMG under the contract. It may take a little bit to work through the numbers but we get credit for the utilities. MR. Spears stated that we pay the utilities and when we submit them a check they turn around and submit us a check. We bill them twice a month; one for the 1st through the 15th and another for the 16th through the 30th. We could do that and in the motion you would want it to be subject to Mr. Sawyers' and Mrs. Hatfield's analysis of what we could pay them based upon the revenue stream and what bills are coming up. Commissioner Adkins inquired what would be the difference in paying a partial payment. IF we don't have it then, it builds up, but as long as they go along with it...Commissioner Blackburn stated that he would think that they would accept a partial payment. Commissioner Adkins stated that they would if they want to do it, but if they don't he doesn't see any reason to do that. If they forced us to do it, we are in a mess of trouble. If we start letting all of these little vendors go... Commissioner Hurley? stated that he doesn't think that is what he is talking about, he is thinking that we pay everything we've got and make partial payments to UMG when we can. Commissioner Adkins stated that we pay the vendors and we just carry that over and pay the invoice when we have the money. He confirmed with Mrs. Hatfield that is how it done. She confirmed that as correct. He doesn't see the difference in it himself, as long as they are willing to accept it that way. We have had a few issues lately; the building and a couple of things...the other side of the building started to fall in and we had to fix it...and our infrastructure is getting so old that we are seeing it... Mr. Spears stated that is one thing when we get the first draw from US Bank, it will catch us up about a half a payment and will help with that, to reimburse for those expenses that we have pulled out of the operating account to cover the rate case filings. Commissioner Blackburn? Inquired how far that it looked like we are going to be before we start catching up. Mr. Spears stated that he believed we would go down one more or possibly two by the time this rate structure goes through. What he would suggest instead of a partial payment is to issue them an extra so much a month. Commissioner Blackburn stated that is what a partial payment is. Mr. Spears stated that he knows that but they have to be careful structuring a partial payment because we don't want to get to where we can't pay our power bill and have to go back....Commissioner Blackburn stated that at this point let's just go to them and ask that..for this billing cycle that we have to skip, to look at this and see what the best thing is to do. It needs a bit more research. If you look at the numbers in total, he doesn't know if we have a revenue problem or a spending problem. We've got \$9,000,000. Mr. Spears stated that our bond payments are about \$1,000,000 per year. Commissioner Blackburn stated that we are talking about gross numbers. They need to dig into this and see where the money is going. Commissioner Adkins stated that grinder pumps and the sewer is eating a lot of it. That is what he sees...he doesn't know what the other Board members see. Commissioner Blackburn stated that once we get in there and dissect it, we will have a...Commissioner Hurley stated that he knows that the way the grinder pumps were put in, in areas that should have been gravity sewer, there is not hardly a fix to it unless you just totally redo it. That was a mistake to start with. Commissioner Blackburn made a motion to approve all of the bills as listed and have some kind of discussion with UMG about partial payments. Mr. Stratton stated that they could authorize Mr. Sawyers to meet with Bob Meyer with the concept and come back next month with some parameters that UMG could live with and the Board could consider. Mr. Hurley stated that with a partial payment you don't want to set a certain amount. Mr. Stratton stated that it is just a concept at this time. Commissioner Adkins stated that we are going to owe it anyway. If it benefits this or that, it is still going to build up one

way or another and he doesn't see any reason to pay it in partial payments. Acting Chairperson Blackburn made the motion to pay the bills as presented and reviewed in the finance meeting. Commissioner Adkins seconded the motion. Commissioner voting as follows:

Commissioner Friend	Aye
Commissioner Casey	Aye
Commissioner Adkins	Aye
Commissioner Blackburn	Aye
Commissioner Hurley	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution No. 15-03-005

Mr. Stratton stated that the next motion should be worded to authorize Mr. Sawyers to meet with Bob Meyer at UMG to discuss the option of making partial payments. Mr. Blackburn stated that they needed to discuss this. We need to make some form of partial payment until we get into a position where they can take care of their financial obligations. Commissioner Casey clarified what this was for. Mr. Stratton stated that it was for Mr. Sawyers to discuss the concept of making partial payments with UMG and bring back scenarios for the Board at the next meeting. Commissioner Casey said he didn't see a problem with that. Vice Chairperson Blackburn made the motion. Commissioner Hurley seconded the motion. Commissioner voting as follows:

Commissioner Friend	Aye
Commissioner Casey	Aye
Commissioner Adkins	Nay
Commissioner Blackburn	Aye
Commissioner Hurley	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution No. 15-03-006

CUSTOMER ADJUSTMENTS AGENDA ITEM VI

Ms. Olson stated that there is just a line at the bottom on the customer adjustments page for the Acting Chairperson to sign. Acting Chairperson Blackburn inquired from Mr. Potter if this number was unusually high. Mr. Potter stated that it is high but not unusually high. We have seen them a lot higher, especially in the winter months. Commissioner Casey requested a motion to approve Customer Adjustments in the amount of three thousand, seven hundred and ninety-two dollars and sixty-five cents (\$3,792.65) as presented. Commissioner Friend seconded the motion. Commissioner voting as follows:

Commissioner Friend	Aye
Commissioner Casey	Aye
Commissioner Adkins	Aye
Commissioner Blackburn	Aye
Commissioner Hurley	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution No. 15-03-007

Mr. Potter stated that there is a policy book that has this policy in it where you allow one adjustment per twelve month period. The way that works is that you can adjust off up to three months because some people will say they didn't have a leak and it crept up until they find it. That is what has been approved to do on these. There is a formula that we base it on that is in the tariff.

CONSTRUCTION REPORT

AGENDA ITEM VII

Update by Dan'l Hall, Vaughn & Melton
Cliff Latta was in attendance for Mr. Hall and supplied the update.

1. Millard Curve Line Relocation -DOT Project

Mr. Latta stated that there is a pre-construction conference on this project this Friday. Hopefully with the weather that will get it kicked off and get construction started. Mr. Potter stated that this project is a DOT relocation project. They are going to take Millard Curve out and you have a 10" ductile iron main line that runs through that location that has to be moved out of the way.

2. Majestic Alternative Sewer Project

Mr. Latta stated that there is meeting on this project on Tuesday with the land company and he is very hopeful that it will be productive and move this project into a different gear. For the new Board members, the difficulty in this project is that the land company controls eight of the nine sites that were targeted and we were at their mercy and with the dynamics in the mining industry right now, they have hopefully isolated all of the sites that they can make work. He inquired if there were any questions. Mr. Potter stated that another of the issues with the Majestic Project is that you are dealing with two different governmental agencies that see what kind of viable options you have for sewer. You are working through the Department of Public Health who have their regulations set through the Health Department and you are also working with the Division of Water. Basically the Division of Water is charged with regulating anything that hits the stream; and Public Health with anything that is sub-surface. So we had to do a site evaluation to see who will be applicable for each resident to what agency depending on what requirements they would meet and that was a very long process to start with. They have had two or three meetings with Division of Water on this project and it has been a difficult process. Commissioner Casey inquired if we have determined what kind of sewer system is going to be used over there. Mr. Potter stated that is what we are trying to determine through each agency. "Will you let me do this here?" And they'll say "Well let us look at it" and they'll wait six months and say "No, you can't do that". Commissioner Hurley inquired if this is the only project over there. Commissioner Casey confirmed that as correct. Mr. Potter stated that this is the same project but a new approach to sewer. Acting Chairperson Blackburn confirmed that they have no sewer service right now. Mr. Potter confirmed that as correct. Mr. Latta stated that the treatment they are proposing takes up a pretty good footprint and in this terrain you are limited on a lot of that. Mr. Potter stated that the way the money was given by the Legislature, it did not say for sewer; It said for "Alternative Sewer Treatment Options". So you can manipulate that and can go back to the Legislature and ask but they were looking for something outside of what a conventional system would be like an aeration station or regular treatment plant. We had to work within their parameters to try something different or something that is not utilized often. Commissioner Hurley inquired how many customers this project would have. Mr. Latta stated that he thinks it was about 156 or 157. Mr. Potter stated that this project may be a combination of different technologies to make it work.

Update by Tim Campoy, Environmental Design Consultants

1. Cabin Knoll/Scott Fork DOT Relocation Project -

Mr. Campoy stated that this is a new bridge project at Meta by the DOT. The shop drawings were submitted by G & W the last week of February. They have met with Mr. Sawyers and Mr. Potter and got some comments and sent them back to G & W and are still waiting on some final shop

drawings to come from G & W. There have been plenty of weather issues so they would not have been able to get started anyway. They are expecting the revised shop drawings within the next week and once they are approved they can start on construction. This is the second one up at Meta. We moved the lines at Scott Fork last year. For this one, there is a booster pump station right beside the bridge and a new PRV has to be put in. So they have to come out of the booster pump station and cross the road up into Cabin Knoll and put the PRV station there and then come out and cross the creek and road and tie in and get to the tank on Bent Mountain. That one is just the water line only but is fairly complicated. A lot of things have to happen in a fairly tight spot. The DOT covers all of the cost. Commissioner Hurley inquired if it is just a pass through Mountain Water District. Mr. Campoy stated that there is an item for some administrative expenses on this but all of their fees are covered by the DOT and all of the construction. Depending on how they want to do things, like Mr. Spears pointed out at Scott Fork, they bid that water line relocation completely separate from the bridge, but up at Cabin Knoll, they put it together with the contract. The same contractor is doing both of the bridges but they didn't put it together like that. The one at Virgie is going to be set up separate also because they want to go ahead and get the money available to do the relocation well ahead of the bridge work. Mr. Sawyers stated that he thinks probably the reason why that one was included at Cabin Knoll because of the relationship of the booster pump station to the bridge that way the contractor could address that issue first. Commissioner Hurley inquired if Mountain Water has been in control to how it is being put in. Mr. Campoy stated that they are required in the contract to construct according to the District's specifications and we have an inspector on site during the work. Mr. Potter stated that it is to be done by their specs and our specifications. Sometimes they overlap ours and usually ours are more stringent than what they require. Mr. Sawyers stated that we have an adoption policy that they have to go by. Mr. Campoy stated that they do a certification at the end of the job that it has all been done in accordance with the standards and submits that back to the Board.

2. **KY 610 – Virgie Bridge DOT Relocation Project –**
Mr. Campoy stated that this is also a new bridge project and relocation of both water and sewer lines. At the February meeting the Acting Chairperson for that meeting signed the DOT contract so it is in Frankfort to be signed. They have their first engineering invoice to be signed by the Acting Chairperson today so they can take it back and get it into the system with the DOT. They are now working on design drawings for the project.

Update by Stephen Caudill, Bell Engineering

1. **Deskens Curve Line Relocation**
Mr. Caudill stated that this project is a DOT Relocation Project is being done to facilitate construction and improvements to the road at Deskens. This project is out for bid. We had a pre-bid meeting last Wednesday and will be opening bids on this project later today at 2:00 pm. Commissioner Casey inquired when he thought they would actually start work on the project. Mr. Caudill stated that they will attempt to go ahead and start the water line portion of the project. They will review the bids and make a recommendation for award. As soon as they are able to do that, they will go ahead and get the water line relocation started as soon as possible. It looks like later this year they will be letting the road project itself. But they don't know exactly when that will be at this time.

2.

Marshall's Branch DOT Relocation Project -

Mr. Caudill stated that the preliminary design for this project is completed and has been forwarded on to the Transportation Cabinet along with the Engineering Services contract for their review. He anticipates their approval on that shortly and they can move forward on design plans thereafter. He inquired if there were any questions. There were none.

Update by Summit Engineering – Jody Hunt, P.E. – on the following projects:

1. **Awarded Projects:**

- Douglas WWTP Upgrade Project – Mr. Hunt stated that this project, for the new Board members, upgrades existing plant at Douglas. It will expand the plant up to the capability of treating 300,000 gallons per day with exercise basins in there to allow the dropping of new membranes to treat approximately 400,000 gallons per day. They are currently in the advertisement phase of the equipment selection and that is in coordination with the Belfry Sewer Project. They had discussed in previous meetings and decided to use the same technology at both plants. The advantage to that is that you have the same equipment at both plants and the ability for the workers to interchange equipment and things of that nature and it has a smaller footprint, which was also needed with the acquisition of the property at Belfry for the proposed plant due to the coal mines and their requirements for a settlement pond that can't be removed. The advertisement has been completed, an internal review has been done and thought it would be prudent to have MWD's attorney review it as well. There was a meeting on Monday afternoon to review that and there was some wording that he wanted added in to that contract to make sure the District is protected and the advertisement will basically hold the material suppliers feet to the fire in case something that would happen that no one expects, so we are making those changes now. As soon as that is complete, they will advertise that in the paper.
- Phelps/Freeburn WWTP Upgrades & Rehabilitation Project – Mr. Hunt stated that they are doing several things at this plant. They are adding a screen to a newly proposed chlorine chemical building, changing the UV disinfection out to a chlorine disinfection and adding a sludge press to press the sludge that comes out of the plant, and adding some telemetry and computers to the building itself to help the District maintain and operate the system in a much more efficient rate. This project is under construction currently and we have had issues with getting materials delivered on site. Some of these materials were promised months ago but are now coming in. The contractor is working diligently. By way of a history, the bids came in a little high. We didn't have enough funding for that, so we negotiated with the contractor and he lowered his bid price to enable the District to be able to do this project to maintain compliance. The contractor does have a pay request on this agenda and the contractor currently has the sludge press set, he has been working on the electrical supply, working on getting the lights wired in, the building for the chlorine and the screen is constructed but they have been working on the electrical and plumbing for that. The contractor has been working last week and this week on the sludge transfer pump station which is basically a valve vault. The next phase to complete is the plumbing inside the chemical building and the electrical work. Due to the weather and equipment delays, the contractor has asked for another additional sixty (60) days extension which needs to be approved. Commissioner Hurley made a motion to approve

a sixty (60) day contract time extension for H2O Construction for the Phelps/Freeburn WWTP Upgrades Project due to inclement weather and equipment delivery delays. Commissioner Casey seconded the motion. Commissioner voting as follows:

Commissioner Friend	Aye
Commissioner Casey	Aye
Commissioner Adkins	Aye
Commissioner Blackburn	Aye
Commissioner Hurley	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution No. 15-03-008

- Belfry/Pond Sewer Project Update – Mr. Hunt stated that they have discussed this project under the Douglas Project. Mr. Hunt stated that also, regarding the Douglas Project, he spoke last meeting about the SRF funding, that meeting was cancelled due to the weather. They do have a revised schedule now and that meeting will be on April 2nd at 1:00 pm. Mr. Sawyers stated that the Kentucky Infrastructure Authority Board will approve that on that day. That is our State Revolving Fund and will at .75%. Mr. Hunt stated that they also do offer principal forgiveness. Commissioner Hurley inquired how much it will be for. Mr. Sawyers stated that we have \$700,000 in place for the project and the total project cost is around \$3,000,000. There is a chance they may forgive a portion of that but he doesn't know how much. They gave us an example that they did a project for \$1.2M and forgave them for half of it.
- FEMA BPS Mitigation Project – Mr. Hunt stated that this project addresses two underground booster pump stations that are very old and experience frequent flooding in the spring months especially. We applied for funding for this with FEMA and have been approved for over a million dollars for the replacement of these existing underground stations. We are abandoning these and building above ground pump stations that will have an elevation above the 100 year flood line. That way we won't experience this frequent flooding that causes the District to be unable to serve customers in the Kimper area and even all the way to the Phelps area. Mr. Potter stated that we found some money that was available for FEMA mitigation after the last flooding in 2010. We identified two sites that had been impacted by flooding. It has taken 3 ½ to 4 years to get this going and that is how things work with FEMA. Commissioner Blackburn inquired where these were located. Mr. Potter stated that one is at Johns Creek Railroad as you turn down Meta on the right and the other is at Meathouse of Kimper. These will be constructed on two better locations close to where they are now but out of the flood plain. We had to prove that they had been impacted so many times within a time frame and we keep that information and did that. You are getting over \$900,000 to replace those with new technology and above ground. Commissioner Blackburn inquired if that will pretty well cover the cost. Mr. Potter confirmed that as correct. Mr. Hunt stated that there is match that is required on FEMA funding. Mr. Potter stated that it is around 12% that the Board would need to match, but you are getting a million dollars for about \$120,000. These were stations that were on his list to the Board for replacement or upgrades anyway. Commissioner Blackburn inquired if any of the savings on the construction would come back to the District. Mr. Hunt stated that any savings on the project... say we bid the project and it comes in \$100,000 less, you are still required to do that 12% match. If the match right now is considered to be \$100,000, if the contract isn't at the ceiling we estimate, you only have to match the contract amount. Any savings would not come back to us. With regard to the pump stations, they actually took a trip up to Wisconsin and visited the factory that they make these new pump stations in, and reviewed their systems. The pump stations they have selected and specced out is what the District would like to see. Of course, we list it as "or equal" when we spec it out. These booster

pump stations are state of the art. They have telemetry, generators, heating and cooling, VFD for power consumption efficiency, etc. and are really nice. Commissioner Blackburn inquired if there is tank with them now that is in the ground. Mr. Potter stated that both of these are currently in the ground. They are an 8 or 10 foot diameter metal can that is 8 feet tall in the ground with a sump pump in it. Since about 2006 or so, anything the District has put in has been above ground. A pump station in the ground is a hole waiting to get water in it. These are similar to the pre-engineered station put in at the mouth of Abner Fork on the Feds Creek Project. Mr. Hunt stated that the design is complete and they are getting ready to send that to the Division of Water for permits. They anticipate sending that out in the next week or so.

- Various Short Line Extension Project – Magisterial District #2: - Mr. Hunt stated that this project is under construction. There are no pay requests on this agenda due to the contractors not being able to work due to the weather and waiting on delivery of equipment. All of the main line is 95% complete. The contractors have to come back and make some main line connections and the contractor is also waiting on equipment to be delivered. They still need to do sign ups in the area to see which customers are interested. Once sign ups are complete, then they will go out and set the meters for the customers who want the water. Mr. Sawyers stated that he needs to know a week or two prior to them getting their equipment in so he can do the sign ups. Commissioner Blackburn inquired how many new customers we can anticipate. Mr. Hunt stated that he thinks it is around 30 total. It is scattered here and there. The District is 98% served with water and there are little small hollows and side lines that still don't have water and that is what this project addresses for Magisterial District #2.

Mr. Sawyers stated that with regard to the Belfry Pond Sewer Project, they are working with RD on funding and BSADD is working with Jody Long on that also.

PROJECT DRAWS:

Acting Chairperson Blackburn requested a motion to pay the draws as presented contingent upon funding agency approval. Commissioner Hurley made the motion. Commissioner Casey seconded the motion.

FEMA BPS RELOCATION

Summit Engineering	FEMA Funds	\$ 6,118.00
\$6,118.00	Engineering Services	

PHELPS FREEBURN WWTP UPGRADE PROJECT

H2O Construction	Coal Severance Funds	\$ 45,980.85
\$45,980.85	Contract Construction	
Summit Engineering	Coal Severance Funds	\$ 5,121.75
\$5,121.75	Engineering Services	

BELFRY POND SEWER PROJECT

Summit Engineering	Coal Severance Funds	\$ 10,480.00
\$10,480.00	Engineering Services	

VIRGIE BRIDGE DOT RELOCATION PROJECT

EDC, Inc.	DOT Funds	\$ 6,645.00
\$6,645.00	Engineering Services	

Commissioner voting as follows:

Commissioner Friend	Aye
Commissioner Casey	Aye
Commissioner Adkins	Aye
Commissioner Blackburn	Aye
Commissioner Hurley	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution No. 15-03-009

MANAGER / ADMINISTRATOR REPORT

1. Janet Charles – Mr. Sawyers stated that this item has already been addressed and taken care of.

Mr. Sawyers stated that with regard to the Douglas Project they are currently working on the funding through the SRF. They gave him and phone call and email in regards to the Greasy Creek Booster Pump Station; to fill out an application for replacing it. This is another BPS that is in the flood plain that has issues. They are agreeable for us to proceed with SRF funding for that if the Board is interested in doing so. We worked up numbers before but they are older numbers. We believe it will be around \$350,000 to redo it. Considering having it relocated and putting the line in, it could run in the \$400,000+ range. Commissioner Blackburn inquired if that was a loan. Mr. Sawyers stated that it was SRF funding like he talked about a few minutes ago where you are looking at a rate of .75% with possible principal forgiveness. Mr. Hunt inquired if they were asking for a formal... Mr. Sawyers stated that they are asking him to go ahead and proceed with the loan application. Mr. Hunt stated that you can proceed with the loan application all the way up to signing for the loan and you still don't have to accept it. Mr. Sawyers stated that it would be a black eye if you went that far and didn't accept it considering so many are fighting for the funding. Mr. Potter stated that in conjunction with this, if you look at the first sheet of the next item on the agenda, the Capital Asset Plan, the Greasy Booster Pump Station is listed there for replacement. It is at the mouth of Dry Fork going up in to Greasy Creek.

2. 2015 Water and Wastewater Capital Asset Plan - Mr. Potter stated that this is the asset plan that he presents to the Board after an operational review of the District's equipment, infrastructure, etc. This is what he is recommending, over the course of the next time period, to

be replaced. There is line here, water storage tanks, PRV vaults, and then the line replacement is the historic areas and what we have run into with line leaks and those kinds of things. This is the asset plan and he presented it in the operational meeting and we go over a lot of the things we've discussed. Two Board members are chosen to be on the Ops Committee and two are chosen to be on the Financial Committee. He reviews all of these issues in the Ops meeting with those Board members on that committee and that way we don't have to go through all of this unless a Board member has a question. These are the items he recommends and has asked the Board to look at how they want to fund or move forward with the replacement schedule. Mr. Stratton inquired who the Board members were that are on the Operations Committee. Mr. Potter stated that John Collins was on the Operations Committee andMr. Stratton stated that we need to replace that. Mr. Potter stated that he believed that they voted amongst themselves the last time who would be on what committee. Mr. Stratton inquired who was on the Financial Committee. Mr. Potter stated that Commissioner Casey and Commissioner Friend is on that committee. Acting Chairperson Blackburn inquired if the Chairperson goes between the meetings. Mr. Potter stated that Mrs. James sort of floated between the two meetings. Mr. Stratton inquired if that is something that needed to be decided today or if it can wait until the next meeting. Mr. Potter stated that it can wait or if in time that any of them want to....He does the Operational Meeting and Mrs. Hatfield and Mr. Spears do the financial meeting. Acting Chairperson Blackburn stated that it makes sense to him to rotate people through each one; spend a couple of meetings in the operational side and then a couple in the finance side. Mr. Potter stated that he welcomes anybody that comes in. Mr. Stratton suggested that they take a month to think about it and come back to the next meeting and make that decision. The Board agreed. Acting Chairperson Blackburn inquired if this is a 6 or 7 year roll out plan. Mr. Potter stated that it is 1-5 years and is based on current conditions. That doesn't mean that one of them may not pop up tomorrow and have to be moved up, but is a 1-5 projection on both water and sewer. This Greasy station is on the list and was to be scheduled to be replaced anyway. Acting Chairperson Blackburn clarified that Mr. Sawyers has the ability at this time to apply for funding for that. Mr. Sawyers stated that is correct, if the Board will give him the authority to do that, yes. Acting Chairperson Blackburn stated that basically if the Board says "yeah, we want to apply for it" they are going to expect us to follow through with it. Mr. Potter stated that is pretty much true. They review hundreds of projects submitted to the Big Sandy Area Development District and the District is fortunate enough that they were selected to apply for the funding. Acting Chairperson Blackburn inquired if this location was another one of the subsurface stations. Mr. Sawyers confirmed that it is. Mr. Potter stated that it is about 25 feet from the creek and is a low lying elevation. It is not a good scenario to have a concrete or metal vault in the ground with water running through it, you have corrosion issues, etc. You also have issues with compliance with OSHA confined space policies when it is underground that don't apply with above ground stations. Acting Chairperson Blackburn stated that in the event that we get the funding, we would have to come up with at least \$325,000. He thinks it is good that they go ahead and explore it. Commissioner Casey agreed. After further discussion, Commissioner Adkins made the motion to authorize Mr. Sawyers to proceed with the SRF funding application for the Greasy Creek booster pump station. Commissioner Hurley seconded the motion. Commissioner voting as follows:

Commissioner Friend	Aye
Commissioner Casey	Aye
Commissioner Adkins	Aye
Commissioner Blackburn	Aye
Commissioner Hurley	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution No. 15-03-010

3. **Winter Storm/Flood Update** — Mr. Potter stated that there is going to be a preliminary damage assessment. We don't know when FEMA is coming out in the field but they will accept two time frames for damages; February 15-22 and March 4-7. We have to have all of our assessments in for the damage that occurred and the cost to repair it or what it will cost to repair it permanently.

Some of the items are still temporary because the water hasn't gone down or whatever. We have to have all of that in by Friday to Doug Tackett with 911 and he will coordinate with FEMA. There will be a webinar tomorrow and Ms. Olson and he is going to attend it, and Mr. Sawyers if he is available, talking about how to proceed with it if the declaration is made, how to apply for the money, what hoops you need to jump through and proper procedures. Mr. Spears stated that it will not be a quick turn-around. We got money as late as 8 years later. Mr. Potter stated that the stated has to reach the action level of the counties affected before the Federal level will consider letting us apply for Federal funding.

4. **Phelps Athletic Complex Update & Contract Approval** – Mr. Sawyers stated that the Board approved to proceed with the contract at the meeting last month and he is getting ready to do the advertisement for it, but it has to be run in the paper. Commissioner Casey inquired if that is for the water and sewer. That was confirmed. Mr. Sawyers stated that one of the two things that have hindered us with getting it advertised so far is our involvement in this rate case and trying to get all of the paperwork out for it. Commissioner Casey inquired if we recovered the grinder units in that. That was confirmed that we did on that. Mr. Sawyers stated that we had a few more for that second phase they had on the upper end. The other item that hindered them on the advertisement was that they are looking at putting a large drain in and we may have to relocate for that. He will get it advertised in the paper hopefully by the weekend or by Wednesday of next week. Commissioner Hurley inquired where the relocated lines are that are needed for the drain would be. Mr. Sawyers stated that there is some sewer up there closer to Bones Branch in that section of houses and we would have to dead cap some water and a few things like that. Commissioner Hurley inquired how long we have to advertise it. Mr. Sawyers stated that seven days is the minimum. Commissioner Casey inquired if that is the drain coming out of the hollow there on the old campus. Mr. Sawyers stated that Commissioner Hurley is more familiar with that area than he is... Commissioner Casey inquired if it was where that old house used to be in that hollow behind the band room there. Commissioner Hurley stated that where he is talking about relocating at is about middle ways of the project there is a big drain coming through there going out to the creek and that is where they are planning the relocation.
5. **Nexcheck On-Line and Phone Payments** – Mr. Sawyers stated that they may need to table this until Dan Stratton gets back. Mr. David Stratton stated that there are some issues that need to be negotiated that Dan needs to speak to Mr. Sawyers and Mr. Lowe about so we can table that until next month. Mr. Sawyers stated that right now our Customer Service personnel takes the phone payments. Mr. Lowe stated that our customers can pay their bill on-line through our web site and they can pay by phone but our employees have to take every one of those payment by phone and we are averaging about 2,500 phone payments per month at four to five minutes per phone call. This Nexcheck thing would make that phone system automated. The customer could just enter their account number without having to talk to somebody. Commissioner Blackburn inquired what the cost would be. Mr. Lowe stated that there is a once-time fee of \$250 for them to set it up, and when the customer calls in to pay they would pay this company, Nexcheck, a fee for paying through them. They pay a fee now, as well, but..... Commissioner Casey stated that if it is only going to cost us \$250 to get the automated system, he thinks that is a no brainer. Mr. Sawyers stated that they will discuss and fine tune that and bring it back to the Board in April. Mr. Lowe stated that plus, this would allow them to pay on line or by phone with a check, something which we do not offer at this time.
6. **Rate Review/Case Update** – Mr. Sawyers stated that Mike Spears stated about this a bit ago when he said we had our last two submittals in. We submitted it yesterday. They will review that and there will be an informal meeting on April 2nd at 1:00 pm and will proceed from there.

Mr. Potter stated that by way of discussion of the MOR is that we have a new sewer inspector. He was the District's DOW Regional Inspector previously, but moved to another area and they are relocating him back here now and his name is Lee Pigman. He performed two standard compliance inspections last

month. For the new Board Members, a lot of your wastewater stations are over thirty years old. The Board adopted some plants in trailer parks years ago. They are metal and are deteriorating. He has not written a violation on some of the older ones, but he is tracking a trending violation on some of them. He thinks it is not going to be long before the Division of Water is going to come and say "give me a plan on replacing this". Commissioner Casey stated that we have a lot of old infrastructure. This trailer park across the road was adopted by the Board from the owners years ago. Keene Village is being tracked for a trending violation because of drainage issues. They put it in a hole so every time it rains you get infiltration. The Board is going to have to hydraulically redo the whole station. Mr. Pigman has not written us up but Mr. Potter stated that he foresees that coming in the future. They will want an action plan and time frame on how you are going to replace it, when, and those kinds of things. Commissioner Hurley inquired if we bought new plants, what would they be made of. Mr. Potter stated that he would go with concrete because metal is a corrosion issue and you have to continually strip it and paint it. You can get a concrete one that will last substantially longer. He wanted to make the Board aware, the Board can look at the rest of the information but we did some paid taps. It has slowed way down. The growth is basically done. This is just people moving to newer areas that have bought property. The meter testing program results are there; along with sales, payments made, etc. The first of the month and end of the month is very hectic here. Our standard sampling is also on the back page. We are required to do 50 samples a month but we always do a couple more than required. We have always done that as a check and balance against us. The special samples are the boil water samples we do. Any time there is a boil water we always pull those. This just lets you know how much sampling is being completed. He inquired if there were any questions on this portion. There were none. Acting Chairperson Blackburn requested a motion to approve the Manager/Administrator Report as presented. Commissioner Adkins seconded the motion. Commissioner voting as follows:

Commissioner Friend	Aye
Commissioner Casey	Aye
Commissioner Adkins	Aye
Commissioner Blackburn	Aye
Commissioner Hurley	Aye

Upon Commissioner voting, the motion was carried and passed.
Resolution No. 15-03-011

NEW BUSINESS

1. Southern Corrosion Contract - Town Mountain Tank

Mr. Stratton stated that Dan Stratton has been negotiating and working on that contract and it will be ready for discussion at the next Board meeting.

2. Signature Authority - New Board Members

Mr. Stratton stated that he has that and a resolution is need for the new Board members to sign checks. Commissioner Casey inquired if that was all that the motion needed to include. Mr. Stratton stated that we need to have a Secretary, Treasurer, Chairperson, and Vice Chairperson. We now have an Acting Chairperson; for next month's meeting, he would recommend that they be prepared to select a Chairperson, Vice Chairperson, Secretary if you want to and Treasurer. All of them. Acting Chairperson Blackburn inquired if they could possibly have a meeting by phone to discuss this ahead of time. Mr. Stratton stated "no". Mr. Sawyers stated that you could call a special called meeting. Mr. Stratton stated that the Board members need to sign these papers for signature authority. There are also Conflicts of Interest statements that need the new Board member's signatures and they need to review the vendor list for any conflicts and disclose those if applicable. Mr. Spears also stated that the new Board members salary is \$300 per month until they get their training in. Mr. Stratton stated that we need to pick a date for their orientation and he would recommend that they pick some dates and get with Dan Stratton and Mr. Sawyers

CASE : Mountain Water District
CASE NO : 2014-00342
RE : PSC Post Hearing Data Request

R 6 Provide six months of Monthly Water Loss Reports.

RESPONSE 6

Please see attached Monthly Water Loss Reports noted as Exhibit 6.

EXHIBIT

6

Monthly Water Loss Report

Water Company: MOUNTAIN WATER DISTRICT

For the Month of: NOVEMBER 2014

Water Produced this Month: 77064 gallons*

Water Purchased this Month: 52528 gallons*

A: Total Water Produced and Purchased = 129,592 gallons*

Sold:	Residential	52514	gallons*
	Commercial	5947	gallons*
	Industrial	499	gallons*
	Multi-User	2651	gallons*
	Public Authority	9538	gallons*
	Water Salesman	0	gallons*

Total Sold = 71,149 gallons*

B: Difference: (Produced + Purchased)- Sold = 58,443 gallons*

%Difference = 45.10% % total water loss

Gallons of Water Accounted For:

Breaks (Estimated Total)	1616	gallons*
Hydrant Flushing	8310	gallons*
Storage Tank Overflow	0	gallons*
Water Treatment Plant Use	1008	gallons*
Wastewater Treatment Plant Use**	0	gallons*
Fire Department Use	5977	gallons*
Net Computer Adjustment +/-	994	gallons*
Other	1937	gallons*

C: Total Gallons Accounted For = 19,842 gallons*

Loss: Unaccounted-for Water: (B-C) = 38,601 gallons*

% Loss: Unaccounted-for Water: (B-C)/A%= 29.79% % unaccounted for loss

Gallons / Day Loss =	30	Days in A Month
Gallons / Min Loss =	1,286,700	gallons/day
	894	gallons/min.

* 1 Unit = 1,000 gallons

** Wastewater Treatment Plant water usage is metered

Monthly Water Loss Report

Water Company: MOUNTAIN WATER DISTRICT

For the Month of: DECEMBER 2014

Water Produced this Month: 77478 gallons*

Water Purchased this Month: 59691 gallons*

A: Total Water Produced and Purchased = 137,169 gallons*

Sold:	Residential	53825	gallons*
	Commercial	5402	gallons*
	Industrial	499	gallons*
	Multi-User	2546	gallons*
	Public Authority	12592	gallons*
	Water Salesman	0	gallons*

Total Sold = 74,864 gallons*

B: Difference: (Produced + Purchased)- Sold = 62,305 gallons*

%Difference = 45.42% % total water loss

Gallons of Water Accounted For:

Breaks (Estimated Total)	1597	gallons*
Hydrant Flushing	8169	gallons*
Storage Tank Overflow	0	gallons*
Water Treatment Plant Use	1131	gallons*
Wastewater Treatment Plant Use**	0	gallons*
Fire Department Use	5873	gallons*
Net Computer Adjustment +/-	711	gallons*
Other	931	gallons*

C: Total Gallons Accounted For = 18,412 gallons*

Loss: Unaccounted-for Water: (B-C) = 43,893 gallons*

% Loss: Unaccounted-for Water: (B-C)/A%= 32.00% % unaccounted for loss

Gallons / Day Loss =	31	Days in A Month
Gallons / Min Loss =	1,415,903	gallons/day
	983	gallons/min.

* 1 Unit = 1,000 gallons

** Wastewater Treatment Plant water usage is metered

Monthly Water Loss Report

Water Company: MOUNTAIN WATER DISTRICT

For the Month of: JANUARY 2015

Water Produced this Month: 78614 gallons*

Water Purchased this Month: 65979 gallons*

A: Total Water Produced and Purchased = 144,593 gallons*

Sold:	Residential	57139	gallons*
	Commercial	6697	gallons*
	Industrial	707	gallons*
	Multi-User	2801	gallons*
	Public Authority	12977	gallons*
	Water Salesman	0	gallons*

Total Sold = 80,321 gallons*

B: Difference: (Produced + Purchased)- Sold = 64,272 gallons*

%Difference = 44.45% % total water loss

Gallons of Water Accounted For:

Breaks (Estimated Total)	2540	gallons*
Hydrant Flushing	5846	gallons*
Storage Tank Overflow	0	gallons*
Water Treatment Plant Use	1183	gallons*
Wastewater Treatment Plant Use**	0	gallons*
Fire Department Use	6747	gallons*
Net Computer Adjustment +/-	645	gallons*
Other	2731	gallons*

C: Total Gallons Accounted For = 19,692 gallons*

Loss: Unaccounted-for Water: (B-C) = 44,580 gallons*

% Loss: Unaccounted-for Water: (B-C)/A%= 30.83% % unaccounted for loss

Gallons / Day Loss =	31	Days in A Month
Gallons / Min Loss =	1,438,065	gallons/day
	999	gallons/min.

* 1 Unit = 1,000 gallons

** Wastewater Treatment Plant water usage is metered

Monthly Water Loss Report

Water Company: MOUNTAIN WATER DISTRICT

For the Month of: FEBRUARY 2015

Water Produced this Month: 68367 gallons*

Water Purchased this Month: 66375 gallons*

A: Total Water Produced and Purchased = 134,742 gallons*

Sold:	Residential	55284	gallons*
	Commercial	6646	gallons*
	Industrial	744	gallons*
	Multi-User	2528	gallons*
	Public Authority	12639	gallons*
	Water Salesman	0	gallons*

Total Sold = 77,841 gallons*

B: Difference: (Produced + Purchased) - Sold = 56,901 gallons*

%Difference = 42.23% % total water loss

Gallons of Water Accounted For:

Breaks (Estimated Total)	492	gallons*
Hydrant Flushing	7230	gallons*
Storage Tank Overflow	0	gallons*
Water Treatment Plant Use	1353	gallons*
Wastewater Treatment Plant Use**	0	gallons*
Fire Department Use	6539	gallons*
Net Computer Adjustment +/-	939	gallons*
Other	409	gallons*

C: Total Gallons Accounted For = 16,962 gallons*

Loss: Unaccounted-for Water: (B-C) = 39,939 gallons*

% Loss: Unaccounted-for Water: (B-C)/A%= 29.64% % unaccounted for loss

Gallons / Day Loss =	28	Days in A Month
Gallons / Min Loss =	1,426,393	gallons/day
	991	gallons/min.

* 1 Unit = 1,000 gallons

** Wastewater Treatment Plant water usage is metered

Monthly Water Loss Report

Water Company: MOUNTAIN WATER DISTRICT

For the Month of: MARCH 2015

Water Produced this Month: 80539 gallons*

Water Purchased this Month: 76324 gallons*

A: Total Water Produced and Purchased = 156,863 gallons*

Sold:	Residential	68497	gallons*
	Commercial	6869	gallons*
	Industrial	674	gallons*
	Multi-User	2882	gallons*
	Public Authority	8774	gallons*
	Water Salesman	0	gallons*

Total Sold = 87,696 gallons*

B: Difference: (Produced + Purchased) - Sold = 69,167 gallons*

%Difference = 44.09% % total water loss

Gallons of Water Accounted For:

Breaks (Estimated Total)	3533	gallons*
Hydrant Flushing	7437	gallons*
Storage Tank Overflow	0	gallons*
Water Treatment Plant Use	1581	gallons*
Wastewater Treatment Plant Use**	0	gallons*
Fire Department Use	7367	gallons*
Net Computer Adjustment +/-	3358	gallons*
Other	1512	gallons*

C: Total Gallons Accounted For = 24,788 gallons*

Loss: Unaccounted-for Water: (B-C) = 44,379 gallons*

% Loss: Unaccounted-for Water: (B-C)/A%= 28.29% % unaccounted for loss

Gallons / Day Loss =	31	Days in A Month
Gallons / Min Loss =	1,431,581	gallons/day
	994	gallons/min.

* 1 Unit = 1,000 gallons

** Wastewater Treatment Plant water usage is metered

Monthly Water Loss Report

Water Company: MOUNTAIN WATER DISTRICT

For the Month of: APRIL 2015

Water Produced this Month: 74276 gallons*

Water Purchased this Month: 64243 gallons*

A: Total Water Produced and Purchased = 138,519 gallons*

Sold:	Residential	57385	gallons*
	Commercial	6671	gallons*
	Industrial	691	gallons*
	Multi-User	2964	gallons*
	Public Authority	8028	gallons*
	Water Salesman	0	gallons*

Total Sold = 75,739 gallons*

B: Difference: (Produced + Purchased) - Sold = 62,780 gallons*

%Difference = 45.32% % total water loss

Gallons of Water Accounted For:

Breaks (Estimated Total)	1559	gallons*
Hydrant Flushing	6900	gallons*
Storage Tank Overflow	0	gallons*
Water Treatment Plant Use	1349	gallons*
Wastewater Treatment Plant Use**	0	gallons*
Fire Department Use	6362	gallons*
Net Computer Adjustment +/-	8374	gallons*
Other	628	gallons*

C: Total Gallons Accounted For = 25,172 gallons*

Loss: Unaccounted-for Water: (B-C) = 37,608 gallons*

% Loss: Unaccounted-for Water: (B-C)/A%= 27.15% % unaccounted for loss

Gallons / Day Loss =	30	Days in A Month
Gallons / Min Loss =	1,253,600	gallons/day
	871	gallons/min.

* 1 Unit = 1,000 gallons

** Wastewater Treatment Plant water usage is metered

CASE : Mountain Water District
CASE NO : 2014-00342
RE : PSC Post Hearing Data Request

R 7 Provide a current list of coal severance grants, projects, funding amount, and remaining balance.

RESPONSE 7

Please see attached current list of coal severance grants noted as Exhibit 7.

EXHIBIT

7

Coal Severance In Progress
as of May-20, 2015

PROJECT NAME	FUND SOURCE	WRIS	FUND AMOUNT	BALANCE
Phelps Sewer Plant Upgrades	HB265	SX21195003	1,500,000	279,413.62
Majestic Alternative Sewer Project	HB1 Grant	SX21195015	1,884,000.00	1,029,245.00
Belfry Pond Sewer Project	HB410	SX21195692	3,158,846.00	2,633,503.90
Douglas WWTP Expansion	HB410	SX21195699	486,079.04	486,079.04
Long Fork Sewer	LGEDF		111,000.00	26,470.46
*** 2nd Magistrial Various Waterline Project	HB265	wx21195025	500,000.00	\$ 286,220.87

*** Note: 2nd Magistrial District Various Waterline Project is the most recent approved Coal Severance Application. The Memorandum of Agreement was signed on April 22, 2014.

CASE : Mountain Water District
CASE NO : 2014-00342
RE : PSC Post Hearing Data Request

R 8 Provide the most recent date of full Coal Severance application.

RESPONSE 8

Please see attached current list of coal severance grants noted as Exhibit 8.

EXHIBIT

8

Coal Severance In Progress
as of May 20, 2015

PROJECT NAME	FUND SOURCE	WRIS	FUND AMOUNT	BALANCE
Phelps Sewer Plant Upgrades	HB265	SX21195003	1,500,000	279,413.62
Majestic Alternative Sewer Project	HB1 Grant	SX21195015	1,884,000.00	1,029,245.00
Belfry Pond Sewer Project	HB410	SX21195692	3,158,846.00	2,633,503.90
Douglas WWTP Expansion	HB410	SX21195699	486,079.04	486,079.04
Long Fork Sewer	LGEDF		111,000.00	26,470.46
*** 2nd Magistrial Various Waterline Project	HB265	wx21195025	500,000.00	\$ 286,220.87

***Note: 2nd Magistrial District Various Waterline Project is the most recent approved Coal Severance Application. The Memorandum of Agreement was signed on April 22, 2014.

CASE : Mountain Water District
CASE NO : 2014-00342
RE : PSC Post Hearing Data Request

R 9 Provide a copy of Mr. Spears engagement letter for CPA services.

RESPONSE 9

Please see attached copy of engagement letter noted as Exhibit 9.

EXHIBIT

9

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○

Michael R. Spears, C.P.A., P.S.C.

Certified Public Accountant

September 23, 2014

To the Commissioners
Mountain Water District
Pikeville, KY 41501

This letter is to confirm our understanding of the terms and objectives of our engagement and the nature and limitations of the services we will provide.

We will perform the following services:

1. We will compile, from information you provide, the monthly financial statements of Mountain Water District for the months January 01, 2015 thru December 31, 2017.

The objective of a compilation is to assist you in presenting financial information in the form of financial statements. We will utilize information that is your representation without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements in order for the statements to be in conformity with accounting principles generally accepted in the United States of America.

You are responsible for:

- The preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America.
- Designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.
- Preventing and detecting fraud.
- Identifying and ensuring the company complies with the laws and regulation applicable to its activities.
- Making all financial records and related information available to us and for the accuracy and completeness of that information

We will conduct our compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A compilation differs significantly from a review or an audit of financial statements. A compilation does not contemplate performing inquiry, analytical procedures, or

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other procedures performed in a review. Additionally, a compilation does not contemplate obtaining an understanding of the entity's internal control; assessing fraud risk; testing accounting records by obtaining sufficient appropriate audit evidence through inspection, observation, confirmation, or the examination of source documents (for example cancelled checks or bank images); or other procedures ordinarily performed in an audit. Accordingly we will not express an opinion or provide any assurance regarding the financial statements being compiled.

Material departures from accounting principles generally accepted in the United States of America (GAAP) may exist and the effects of those departures, if any, on the financial statements may not be disclosed. In addition, substantially all disclosures required by GAAP may be omitted. Because of the extent of material departures that may exist in, or required disclosures that may be omitted from, the financial statements, we make no representations regarding the appropriateness of such statements for your intended use or for any other purpose. Moreover, because of the nature of this engagement, we are not responsible for communicating any such departures or omissions to you.

These financial statements will not be accompanied by a report, and you represent and agree that they are intended solely for your information and use and are not intended to be used by third parties. You also represent and agree that you will not distribute the statements to such third parties.

2. We will also perform the following services to you:

- Compiled Financial Statements, without footnotes disclosures, with supplemental information – Monthly
- Review of the monthly bookkeeping and propose adjusting entries – Monthly
- Prepare payrolls, along with all filing requirements not prepared by MWD personnel.
- Review Payroll Tax Returns – Monthly or Quarterly as required.
- Assist in preparing Budgets – Annually
- Prepare the PSC Returns – Annually
- Assist the Auditors during their audit – Annually

Our engagement cannot be relied upon to disclose errors, fraud or illegal acts. However, we will inform the appropriate level of management of any material errors and any evidence or information that comes to our attention during the performance of our compilation procedures, that fraud may have occurred. In addition, we will inform you of any evidence or information that comes to our attention during the performance of our compilation procedures regarding illegal acts that may have occurred, unless they are clearly inconsequential. We have no responsibility to identify and communicate deficiencies in your internal control as part of this engagement.

You are responsible for assuming all management responsibilities, and for overseeing any bookkeeping services, tax services, or other services we provide by designating an individual, preferably within senior management, who possesses suitable skill, knowledge, or experience. In addition, you are responsible for evaluating the adequacy and results of the services performed and accepting responsibility for the results of such services.

Michael R. Spears, CPA is the engagement partner and is responsible for supervising the engagement.

To ensure that Michael R. Spears, CPA, PSC's independence is not impaired under the AICPA Code of Professional Conduct, you agree to inform the engagement partner before entering into any substantive employment discussions with any of our personnel.

Our fee for these services will be \$2,200.00 monthly for the services listed except the PSC annual reports and \$2,500 annually for the preparation of the PSC annual reports. All other services not listed will be billed at standard hourly rates of personnel assigned. The fee estimate is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the work performed. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation.

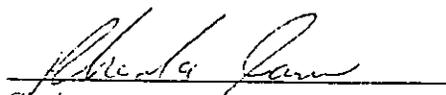
Should you require financial statements for third-party use, we would be pleased to discuss with you the requested level of service. Such an engagement would be considered separate and not deemed to be part of the services described in this engagement letter.

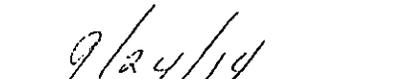
We appreciate the opportunity to be of service to you and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

Sincerely


Michael R. Spears, CPA

Acknowledged:
Mountain Water District


Chairperson


Date

CASE : Mountain Water District
CASE NO : 2014-00342
RE : PSC Post Hearing Data Request

R 10 Provide UMG R & M Budget for 2015 and Board minutes.

RESPONSE 10

Please see attached explanation as Exhibit 10.

EXHIBIT

10

CASE : Mountain Water District
CASE NO : 2014-00342
RE : PSC Post Hearing Data Request

RESPONSE 10

The Repair & Maintenance Budget wasn't provided for 2015, it is understood the \$564,000 is the annual budget and anything over that amount is considered overage. The District's repair and maintenance cost is monitored by the following; 1) The Financial Administrator assigns all purchase order numbers and receives all invoices; 2) The Financial Administrator screens the first process and if she has any questions; will review it with the District Administrator; therefore they are addressed and resolved; 3) The District's Board of Commissioners review and approve the invoices at their monthly meeting.

CASE : Mountain Water District
CASE NO : 2014-00342
RE : PSC Post Hearing Data Request

R 11 Provide a schedule of expenses greater than \$5,000 in the test-year expense of \$737,112 and whether each is for water or sewer.

RESPONSE 11

Please see attached Water Expense spreadsheet noted as Exhibit 11(a).

Please see attached Sewer Expense spreadsheet noted as Exhibit 11(b).

EXHIBIT

11(A)

Water Expenses Greater than \$5,000 for

07/01/13-06/30/14

Date	Vendor	Amount	Dept.
10/15/2013	Consolidated Pipe & Supply	\$6,333	Water
2/20/2014	Micro Comm, Inc.	\$8,800.00	Water
3/28/2014	Wascon	\$10,713.10	Water
4/10/2014	Wascon	\$5,661.54	Water



Consolidated Pipe & Supply Co., Inc.

907 HONEY BRANCH IND PARK
DEBORD KY 41214

INVOICE DATE
10/15/2013

P.O.# 10993

INVOICE NUMBER
2831668-000-000

PAGE
1 of 2

Original Invoice

Account No.
280102

SOLD TO:

SHIP TO: MOUNTAIN WATER DISTRICT
6358 ZEBULON HWY
TAPS

MOUNTAIN WATER DIST
ATTN:ACCTS PAYABLE
PO BOX 3157
PIKEVILLE

PIKEVILLE KY 41501

KY 41502

JOB: *R+M-Water*

Customer Order No. P.O.# 10993		Terms of Sale NET 30		Ship Via OUR TRUCK 4335				
Freight PREPAID		F.O.B. DESTINATION		Ship Date 10/15/2013				
Line No.	Ordered	Shipped	Back Ordered	Product No.	Description	Unit Price	Per	Sales Amount
1	20	20			TANDEM PREFAB BASE	176.00	EA	3520.00
2	20	20		219421	18X24 WHITE PE MTR BX	.00	EA	.00
3	20	20		234758	5/8X3/4 FORD TVB42-7WR MTR STR	.00	EA	.00
4	20	20		34753	5/8X3/4 FORD C38-23-8.5 MTR CPL5 8.5	.00	EA	.00
5	20	20		255305	5/8X3/4 FORD PREFAB TRAIL PIECE PJ	.00	EA	.00
5	40	40		219599	1/2 PVC SCH40 SW CAP	.00	EA	.00
7	26	26		228597	18 PCI MBL F18 FLAT MTR BX LID	19.00	EA	494.00
3	30	30		30000	3/4 WILKINS #600 LUSC-N PRV	53.00	EA	1590.00
9	8	4	4	231082	4X3/4 FORD S70-403 4X3/4CC BRASS SDL	22.81	EA	91.24
0	6	6		231084	6X3/4 FORD S70-603 6X3/4CC BRASS SDL	34.03	EA	204.18
1	1	1		231085	6X1 FORD S70-604 6X1CC BRASS SDL	34.03	EA	34.03
2	3	3		232628	6X3/4 FORD F202-690-CC3 DS SDL	23.76	EA	71.28
3	2	2		241620	8X3/4 FORD F202-979XCC3 DS SDL	26.00	EA	52.00
4	1000.0	400.0	600.0	231823	3/4 SLVRLINE SILO FLEX CTS BLK SDR9 COIL 100	23.00	CFT	92.00
						Invoice Amount		

TERMS AND CONDITIONS ARE LISTED ON REVERSE SIDE



Consolidated Pipe & Supply Co., Inc.

907 HONEY BRANCH IND PARK
DEBORD KY 41214

P.O.# 10993

INVOICE DATE
10/15/2013

INVOICE NUMBER
2831668-000-000

PAGE
2 of 2

Original Invoice

Account No.
280102

SOLD TO:

SHIP TO: MOUNTAIN WATER DISTRICT
6358 ZEBULON HWY
TAPS

MOUNTAIN WATER DIST
ATTN:ACCTS PAYABLE
PO BOX 3157
PIKEVILLE

PIKEVILLE

KY 41501

JOB:

KY 41502

Customer Order No.		P.O.# 10993		Terms of Sale		NET 30		Ship Via		OUR TRUCK 4335	
Freight		PREPAID		F.O.B.		DESTINATION		Ship Date		10/15/2013	
Line No.	Ordered	Shipped	Back Ordered	Product No.	Description	Unit Price	Per	Sales Amount			
15	200.0	200.0		204102	1 ENDOT SDR9 CTS PE 3408 WTR TBG 100	35.00	CFT	70.00			
16	600	600		238550	3/4 FORD GT114 MTR GSMT	.19	EA	114.00			
17	300	0	300	232856	3/4 FORD 51 SS INSERT	.90	EA	.00			
								Invoice Amount		6,332.73	

SERVICE CHARGES BASED ON LEGAL RATE, OR 1.5% PER MONTH ARE ASSESSED ON OVERDUE AMOUNTS.

REMIT TO: DEPT. 3147 P.O. BOX 2153 BIRMINGHAM, AL. 35287-3147

TERMS AND CONDITIONS ARE LISTED ON REVERSE SIDE

Invoice

Micro-Comm, Inc
15895 S Plumm Rd
Olathe, KS 66062
(913) 390-4500

Invoice Number: 0036616-IN

Invoice Date: 2/20/2014

Salesperson: Josh Chapman

Tax Schedule: TE

BILL TO:

Mountain Water District
Attn: Accounts Payable
P O Box 3157
Pikeville, KY 41502

Customer Number: 0013017

Customer P.O.: 4455

Ship VIA:

Terms: NET 30 DAYS

Contact: Carrie Hatfield

Greasy Creek

Item Code	Description	UM	Quantity	Price	Amount
S	Setup/Prog. <u>Greasy Creek Tank</u> M1550 Upgrade panel	EA	8.000	125.000	1,000.00
P	Radio CM200 VHF 146-174Mhz	EA	1.000	625.000	625.00
P	L5A100 Xdcr NPT Assy	EA	1.000	640.000	640.00
P	Transducer Cable Micro-Comm	EA	25.000	1.750	43.75
P	Battery - 12 amp	EA	1.000	50.250	50.25
P	M1550 RTU 600 Panel Upgrade	EA	1.000	6,422.000	6,422.00
FT	Shipping	EA	1.000	19.000	19.00

**REMITTANCE
COPY**

Please send this copy with your payment
to ensure proper posting to your account.

Date of Service 02-13-14

FAST DUE BALANCES ARE SUBJECT TO LATE
PAYMENT CHARGES OF 1 1/2% PER MONTH.

Net Invoice:	8,800.00
Freight:	0.00
Sales Tax:	0.00
Invoice Total:	8,800.00

Wascon Inc.

Invoice

931-823-1388
910 EAST MAIN ST.

DATE	INVOICE #
4/10/2014	38721

Indian Hill

BILL TO
MOUNTAIN WATER DISTRICT P.O. BOX 3157 PIKEVILLE, KY. 41502

SHIP TO
MOUNTAIN WATER MAINTNANCE SHOP 6358 ZEBULON HWY. PIKEVILLE, KY. 41501

P.O. NUMBER	TERMS	REP	SHIP	VIA	F.O.B.	PROJECT
4453	Net 30		4/10/2014			

QUANTITY	ITEM CODE	DESCRIPTION	PRICE EACH	AMOUNT
1	MTL	GRUNDFOS CUE VARIABLE FREQUENCY DRIVE-PRODUCT# 91136778 -SUPPLY VOLTAGE -106 RATED AMP -IP21 ENCLOSURE -0-232 PSI TRANSDUCER. PART# 91136171 -75HP	5,661.54	5,661.54

Total	\$5,661.54
--------------	-------------------

Indian Hill

Wascon Inc.

Invoice

931-823-1388

910 EAST MAIN ST.

DATE	INVOICE #
3/28/2014	38617

BILL TO
MOUNTAIN WATER DISTRICT P.O. BOX 3157 PIKEVILLE, KY. 41502

SHIP TO
MOUNTAIN WATER MAINTENANCE SHOP 6358 ZEBULON HWY. PIKEVILLE, KY. 41501

P.O. NUMBER	TERMS	REP	SHIP	VIA	F.O.B.	PROJECT
4453	Net 30		3/28/2014			

QUANTITY	ITEM CODE	DESCRIPTION	PRICE EACH	AMOUNT
1	MTL	GRUNDFOS CRI20-4-2 VERTICAL MULTISTAGE CENTRIFUGAL PUMP -RATED 500 GPM @ 405' TDH -HBQE SEAL -460V/3PH -3560 RPM -365TC BALDOR FLANGED MOTOR -ODP -75HP -83 A RATED CURRENT -5" ANSI FLANGE -4 STAGES -SUCTION & DISCHARGE WELDED COMPANION FLANGES	10,713.10	10,713.10

Total	\$10,713.10
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EXHIBIT

11(B)

Sewer Expenses Greater than \$5,000 for

07/01/13-06/30/14

Date	Vendor	Amount	Dept.
3/21/2014	Southern Sales Co.	\$7,463	Sewer
7/1/2013	Wascon Inc.	11158.09	Sewer
7/10/2013	Wascon Inc.	\$10,903.86	Sewer
7/16/2013	Wascon Inc.	\$10,275.01	Sewer
8/20/2013	Wascon Inc.	\$8,727.88	Sewer
8/21/2013	Wascon Inc.	\$7,132.53	Sewer
9/9/2013	Wascon Inc.	\$14,279.18	Sewer
9/30/2013	Wascon Inc.	\$10,082.27	Sewer
10/11/2013	Wascon Inc.	\$12,974.14	Sewer
10/31/2013	Wascon Inc.	\$10,437.49	Sewer
11/12/2013	Wascon Inc.	\$10,800.63	Sewer
1/8/2014	Wascon Inc.	\$17,505.63	Sewer
2/24/2014	Wascon Inc.	\$10,112.35	Sewer
3/20/2014	Wascon Inc.	\$11,397.52	Sewer
4/7/2014	Wascon Inc.	\$14,218.38	Sewer
5/20/2014	Wascon Inc.	\$9,328.00	Sewer



P.O. BOX 40384
 2929 CRAFT DRIVE
 NASHVILLE, TN 37204
 TEL: (615) 254-0066
 FAX: (615) 254-0791

Sold To:
 Mountain Water District
 P. O. Box 3157
 Pikeville, KY
 41502
 Attn: Jamey

Job Location:
Collins WW Pump
 Pikeville, KY
 PO# 4561
 Attn: Jamey

INVOICE

Invoice Number: J000480
 Invoice Date: Mar 21, 2014
 Terms: Net 30
 Customer Code: MOUWATE
 Reference #1:

Sales Cat/Slsmn: ENS/HSE

Job Number: SLSRW
 Job Description: Ray Wilkey
 Reference #2:

Description	Amount
(1) ABS XFP101G-CB1.4 PE185/2 Pump 460/3/60 25HP	
(1) LLC4 Seal minder Relay and Base	
Freight	7,230.00 232.72

- CONDITIONS -

Subtotal 7,462.72

Total Invoice 7,462.72

*ATTN: Wexler
606-637-3087*

Invoice

Wascon Inc.

910 EAST MAIN ST.
Livingston, TN 38570
931-823-1388

DATE	INVOICE #
5/3/2013	35992

Received into S/I Date 7/1/13

BILL TO
MOUNTAIN WATER DISTRICT P.O. BOX 3157 PIKEVILLE, KY. 41502

SHIP TO
MOUNTAIN WATER MAINTNANCE SHOP 6358 ZEBULON HWY. PIKEVILLE, KY. 41501

P.O. NUMBER	TERMS	REP	SHIP	VIA	F.O.B.	PROJECT
3702	Net 30		5/3/2013	UPS		
QUANTITY	ITEM CODE	DESCRIPTION			PRICE EACH	AMOUNT
25	MTL	1065 CONTROL BRACKET			187.56	4,689.00
15	MTL	1008 SEAL PACKAGE ASM.			55.02	825.30
15	MTL	5035 TOP BEARING			62.32	934.80
15	MTL	5015 PUMP END BEARING			28.37	425.55
25	MTL	7090 ON/OFF SWITCH			50.62	1,265.50
25	MTL	7091 ALARM SWITCH			50.62	1,265.50
25	MTL	8203 STATOR/LINER			68.56	1,714.00
1	FR	FREIGHT			38.44	38.44
					Total	\$11,158.09

Sewer

Wascon Inc.

Invoice

910 EAST MAIN ST.
Livingston, TN 38570
931-823-1388

DATE	INVOICE #
7/10/2013	36507

BILL TO
MOUNTAIN WATER DISTRICT P.O. BOX 3157 PIKEVILLE, KY. 41502

SHIP TO
MOUNTAIN WATER MAINTNANCE SHOP 6358 ZEBULON HWY. PIKEVILLE, KY. 41501

P.O. NUMBER	TERMS	REP	SHIP	VIA	F.O.B.	PROJECT
3847	Net 30		7/10/2013	UPS		

QUANTITY	ITEM CODE	DESCRIPTION	PRICE EACH	AMOUNT
10	MTL	2068 AMGP COVERS		
25	MTL	7090 ON/OFF SWITCH	98.23	982.30
25	MTL	7091 ALARM SWITCH	50.62	1,265.50
25	MTL	8203 STATOR/LINER	50.62	1,265.50
25	MTL	1065 CONTROL BRACKET	68.56	1,714.00
6	MTL	5035 TOP BEARING	187.56	4,689.00
6	MTL	5015 PUMP END BEARING	62.32	373.92
25	MTL	6029 TOP HOUSING GASKET	28.37	170.22
1	FR	FREIGHT	14.79	369.75
			73.67	73.67
Total				\$10,903.86

Sum

Wascon Inc.

Invoice

910-EAST-MAIN ST.
Livingston, TN 38570
931-823-1388

DATE	INVOICE #
7/16/2013	36561

BILL TO
MOUNTAIN WATER DISTRICT P.O. BOX 3157 PIKEVILLE, KY. 41502

SHIP TO
MOUNTAIN WATER MAINTNANCE SHOP 6358 ZEBULON HWY. PIKEVILLE, KY. 41501

P.O. NUMBER	TERMS	REP	SHIP	VIA	F.O.B.	PROJECT
3877	Net 30		7/16/2013	UPS		

QUANTITY	ITEM CODE	DESCRIPTION	PRICE EACH	AMOUNT
25	MTL	7090 ON/OFF SWITCH	50.62	1,265.50
25	MTL	7091 ALARM SWITCH	50.62	1,265.50
25	MTL	8203 STATOR/LINER	68.56	1,714.00
25	MTL	1065 CONTROL BRACKETS	187.56	4,689.00
20	MTL	1001 SENSING BELL	20.96	419.20
50	MTL	6051 O'RING	2.92	146.00
50	MTL	6029 TOP HOUSING GASKET	14.79	739.50
1	FR	FREIGHT	36.31	36.31

Total	\$10,275.01
--------------	-------------

Invoice

910 EAST MAIN ST.
Livingston, TN 38570
931-823-1388

DATE	INVOICE #
8/20/2013	36848

BILL TO
MOUNTAIN WATER DISTRICT P.O. BOX 3157 PIKEVILLE, KY. 41502

SHIP TO
MOUNTAIN WATER MAINETNANCE SHOP 6358 ZEBULON HWY. PIKEVILLE, KY. 41501

P.O. NUMBER	TERMS	REP	SHIP	VIA	F.O.B.	PROJECT
3963	Net 30		8/20/2013	UPS		

QUANTITY	ITEM CODE	DESCRIPTION	PRICE EACH	AMOUNT
10	MTL	1001 SENSING BELL	20.96	209.60
10	MTL	1008 SEAL ASM.	55.03	550.30
10	MTL	5035 TOP BEARING	62.32	623.20
10	MTL	5015 PUMP END BEARING	28.37	283.70
25	MTL	7090 ON/OFF SWITCH	50.62	1,265.50
25	MTL	7091 ALARM SWITCH	50.62	1,265.50
24	MTL	1065 CONTROL BRACKET	187.56	4,501.44
1	FR	FREIGHT	28.64	28.64
Total				\$8,727.88

Sluwa

Wascon Inc.

Invoice

910 EAST MAIN ST.
Livingston, TN 38570
931-823-1388

DATE	INVOICE #
9/9/2013	37008

BILL TO
MOUNTAIN WATER DISTRICT P.O. BOX 3157 PIKEVILLE, KY. 41502

SHIP TO
MOUNTAIN WATER MAINTNANCE SHOP 6358 ZEBULON HWY. PIKEVILLE, KY. 41501

P.O. NUMBER	TERMS	REP	SHIP	VIA	F.O.B.	PROJECT
4016	Net 30		9/9/2013	UPS		

QUANTITY	ITEM CODE	DESCRIPTION	PRICE EACH	AMOUNT
35	MTL	1065 CONTROL BRACKET	187.56	6,564.60
10	MTL	1008 SEAL PACKAGE ASM	55.03	550.30
10	MTL	5035 ROW BALL BEARING	62.32	623.20
10	MTL	5015 PUMP END BEARING	28.37	283.70
10	MTL	6039 O'RING	1.43	14.30
35	MTL	7090 ON/OFF SWITCH	50.62	1,771.70
35	MTL	7091 ALARM SWITCH	50.62	1,771.70
35	MTL	8203 STATOR/LINER	68.56	2,399.60
10	MTL	9604 GROMMET 4"	25.30	253.00
1	FR	FREIGHT	47.08	47.08

Total	\$14,279.18
--------------	-------------

Sewer

Wascon Inc.

Invoice

910 EAST MAIN ST.
Livingston, TN 38570
931-823-1388

DATE	INVOICE #
8/21/2013	36856

BILL TO
MOUNTAIN WATER DISTRICT P.O. BOX 3157 PIKEVILLE, KY. 41502

SHIP TO
MOUNTAIN WATER MAINTNANCE SHOP 6358 ZEBULON HWY. PIKEVILLE, KY. 41501

P.O. NUMBER	TERMS	REP	SHIP	VIA	F.O.B.	PROJECT
3978	Net 30		8/21/2013	UPS		

QUANTITY	ITEM CODE	DESCRIPTION	PRICE EACH	AMOUNT
25	MTL	6051 OR'ING	2.92	73.00
25	MTL	7090 ON/OFF SWITCH	50.62	1,265.50
25	MTL	7091 ALARM SWITCH	50.62	1,265.50
24	MTL	1065 CONTROL BRACKETS	187.56	4,501.44
1	FR	FREIGHT	27.09	27.09

Total	\$7,132.53
--------------	-------------------

DWR

Wascon Inc.

Invoice

910 EAST MAIN ST.
Livingston, TN 38570
931-823-1388

DATE	INVOICE #
9/30/2013	37178

BILL TO
MOUNTAIN WATER DISTRICT P.O. BOX 3157 PIKEVILLE, KY. 41502

SHIP TO
MOUNTAIN WATER MAINTNANCE SHOP 6358 ZEBULON HWY. PIKEVILLE, KY. 41501

P.O. NUMBER	TERMS	REP	SHIP	VIA	F.O.B.	PROJECT
4089	Net 30		9/30/2013	UPS		

QUANTITY	ITEM CODE	DESCRIPTION	PRICE EACH	AMOUNT
20	MTL	1065 CONTROL BRACKET	187.56	3,751.20
10	MTL	1093 4' HOSE	125.94	1,259.40
10	MTL	1098 SLIDE FACES	80.72	807.20
20	MTL	8203 STATOR/LINER	68.56	1,371.20
3	MTL	9522 SIMPLEX BOARD	182.33	546.99
8	MTL	9512 SIMPLEX BOARD	182.33	1,458.64
50	MTL	PB0931G01	17.00	850.00
1	FR	FREIGHT	37.64	37.64

Total	\$10,082.27
--------------	-------------

Sewer

Wascon Inc.

Invoice

910 EAST MAIN ST.
Livingston, TN 38570
931-823-1388

DATE	INVOICE #
10/11/2013	37283

BILL TO
MOUNTAIN WATER DISTRICT P.O. BOX 3157 PIKEVILLE, KY. 41502

SHIP TO
MOUNTAIN WATER MAINTNANCE SHOP 6358 ZEBULON HWY. PIKEVILLE, KY. 41501

P.O. NUMBER	TERMS	REP	SHIP	VIA	F.O.B.	PROJECT
4129	Net 30		10/11/2013	UPS		

QUANTITY	ITEM CODE	DESCRIPTION	PRICE EACH	AMOUNT
20	MTL	1001 SENSING BELL	20.96	419.20
35	MTL	7090 ON/OFF SWITCH	50.62	1,771.70
35	MTL	7091 ALARM SWITCH	50.62	1,771.70
35	MTL	8203 STATOR/LINER	68.56	2,399.60
35	MTL	1065 CONTROL BRACKETS	187.56	6,564.60
1	FR	FREIGHT	47.34	47.34

Total	\$12,974.14
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Dewen

Wascon Inc.

Invoice

910 EAST MAIN ST.
Livingston, TN 38570
931-823-1388

DATE	INVOICE #
10/31/2013	37440

BILL TO
MOUNTAIN WATER DISTRICT P.O. BOX 3157 PIKEVILLE, KY. 41502

SHIP TO
MOUNTAIN WATER MAINTNANCE SHOP 6358 ZEBULON HWY. PIKEVILLE, KY. 41501

P.O. NUMBER	TERMS	REP	SHIP	VIA	F.O.B.	PROJECT
4192	Net 30		10/31/2013	UPS		

QUANTITY	ITEM CODE	DESCRIPTION	PRICE EACH	AMOUNT
35	MTL	6051 OR'ING	2.92	102.20
35	MTL	7090 ON/OFF SWITCH	50.62	1,771.70
35	MTL	7091 ALARM SWITCH	50.62	1,771.70
10	MTL	7094 FEMALE EQD INSERT	19.58	195.80
24	MTL	1065 CONTROL BRACKET	187.56	4,501.44
30	MTL	8203 STATOR/LINERS	68.56	2,056.80
1	FR	FREIGHT	37.85	37.85

Total	\$10,437.49
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Dewen

Wascon Inc

Invoice

910 EAST MAIN ST.
Livingston, TN 38570
931-823-1388

DATE	INVOICE #
11/12/2013	37525

BILL TO
MOUNTAIN WATER DISTRICT P.O. BOX 3157 PIKEVILLE, KY. 41502

SHIP TO
MOUNTAIN WATER MAINTNANCE SHOP 6358 ZEBULON HWY. PIKEVILLE, KY. 41501

P.O. NUMBER	TERMS	REP	SHIP	VIA	F.O.B.	PROJECT
4209	Net 30		11/12/2013	UPS		

QUANTITY	ITEM CODE	DESCRIPTION	PRICE EACH	AMOUNT
30	MTL	8203 STATOR/LINER	68.56	2,056.80
30	MTL	7090 ON/OFF SWITCH	50.62	1,518.60
30	MTL	7091 ALARM SWITCH	50.62	1,518.60
30	MTL	1065 CONTROL BRACKET	187.56	5,626.80
30	MTL	6039 O'RING	1.43	42.90
1	FR	FREIGHT	36.93	36.93
Total				\$10,800.63

Wasson Inc.

Super

Invoice

910 EAST MAIN ST.
Livingston, TN 38570
931-823-1388

DATE	INVOICE #
1/8/2014	37976

BILL TO
MOUNTAIN WATER DISTRICT P.O. BOX 3157 PIKEVILLE, KY. 41502

SHIP TO
MOUNTAIN WATER MAINTENANCE SHOP 6358 ZEBULON HWY. PIKEVILLE, KY. 41501

P.O. NUMBER	TERMS	REP	SHIP	VIA	F.O.B.	PROJECT
4311	Net 30		1/8/2014	UPS		

QUANTITY	ITEM CODE	DESCRIPTION	PRICE EACH	AMOUNT
35	MTL	1065 CONTROL BRACKET	187.56	6,564.60
10	MTL	2068 AMGP COVER	98.23	982.30
50	MTL	6029 GASKET	14.79	739.50
50	MTL	6051 O'RING	2.92	146.00
35	MTL	7090 ON/OFF SWITCH	50.62	1,771.70
35	MTL	7091 ALARM SWITCH	50.62	1,771.70
35	MTL	8203 STATOR/LINER	68.56	2,399.60
8	MTL	9512 SIMPLEX BOARDS	182.33	1,458.64
4	MTL	9522 SIMPLEX BOARDS	182.33	729.32
50	MTL	PB0931G01	17.00	850.00
1	FR	FREIGHT	92.27	92.27
Total				\$17,505.63

Wascon Inc.

931-823-1388
910 EAST MAIN ST.

Invoice

DATE	INVOICE #
2/24/2014	38358

BILL TO
MOUNTAIN WATER DISTRICT P.O. BOX 3157 PIKEVILLE, KY. 41502

SHIP TO
MOUNTAIN WATER MAINETNANCE SHOP 6358 ZEBULON HWY. PIKEVILLE, KY. 41501

P.O. NUMBER	TERMS	REP	SHIP	VIA	F.O.B.	PROJECT
4436	Net 30		2/24/2014	UPS		

QUANTITY	ITEM CODE	DESCRIPTION	PRICE EACH	AMOUNT
20	MTL	1065 ONTROL BRACKETS	187.56	3,751.20
10	MTL	1093 4' HOSES	125.94	1,259.40
10	MTL	1098 SLIDE FACES	80.72	807.20
20	MTL	7090 ON/OFF SWITCHES	50.62	1,012.40
20	MTL	7091 ALARM SWITCH	50.62	1,012.40
20	MTL	8203 STATOR/LINER	68.56	1,371.20
50	MTL	PB0931G01 REMOVAL	17.00	850.00
1	FR	FREIGHT	48.55	48.55

Total	\$10,112.35
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DWLR

Wascon Inc.

Invoice

931-823-1388
910 EAST MAIN ST.

DATE	INVOICE #
3/20/2014	38565

BILL TO
MOUNTAIN WATER DISTRICT P.O. BOX 3157 PIKEVILLE, KY. 41502

SHIP TO
MOUNTAIN WATER MAINTNANCE SHOP 6358 ZEBULON HWY. PIKEVILLE, KY. 41501

P.O. NUMBER	TERMS	REP	SHIP	VIA	F.O.B.	PROJECT
4542	Net 30		3/20/2014	UPS		

QUANTITY	ITEM CODE	DESCRIPTION	PRICE EACH	AMOUNT
30	MTL	1001 SENSING BELL	20.96	628.80
30	MTL	7090 ON/OFF SWITCH	50.62	1,518.60
30	MTL	7091 ALARM SWITCH	50.62	1,518.60
30	MTL	1065 CONTROL BRACKETS	187.56	5,626.80
30	MTL	8203 STATOR/LINERS	68.56	2,056.80
1	FR	FREIGHT	47.92	47.92

Total	\$11,397.52
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Dwn

Wascon Inc.

Invoice

931-823-1388
910 EAST MAIN ST.

DATE	INVOICE #
4/7/2014	38695

BILL TO
MOUNTAIN WATER DISTRICT P.O. BOX 3157 PIKEVILLE, KY. 41502

SHIP TO
MOUNTAIN WATER MAINETNANCE SHOP 6358 ZEBULON HWY. PIKEVILLE, KY. 41501

P.O. NUMBER	TERMS	REP	SHIP	VIA	F.O.B.	PROJECT
4603	Net 30		4/7/2014	UPS		

QUANTITY	ITEM CODE	DESCRIPTION	PRICE EACH	AMOUNT
35	MTL	1065 CONTROL BRACKET	187.56	6,564.60
8	MTL	1093 4' HOSE	125.94	1,007.52
8	MTL	1098 SLIDE FACES	80.72	645.76
35	MTL	7090 ON/OFF SWITCH	50.62	1,771.70
35	MTL	7091 ALARM SWITCH	50.62	1,771.70
35	MTL	8203 STATOR/LINER	68.56	2,399.60
1	FR	FREIGHT	57.50	57.50

Total \$14,218.38

Sewer

Waseon Inc.

Invoice

910 EAST MAIN STREET
LIVINGSTON, TN. 38570
931-823-1388

DATE	INVOICE #
5/20/2014	39038

BILL TO
MOUNTAIN WATER DISTRICT P.O. BOX 3157 PIKEVILLE, KY. 41502

SHIP TO
MOUNTAIN WATER MAINTNANCE SHOP 6358 ZEBULON HWY. PIKEVILLE, KY. 41501

P.O. NUMBER	TERMS	REP	SHIP	VIA	F.O.B.	PROJECT
4730	Net 30		5/20/2014	UPS		

QUANTITY	ITEM CODE	DESCRIPTION	PRICE EACH	AMOUNT
25	MTL	1065 CONTROL BRACKET	187.56	4,689.00
10	MTL	1001 SENSING BELL	20.95	209.50
50	MTL	6051 O'RING	2.92	146.00
25	MTL	7090 ON/OFF SWITCH	50.62	1,265.50
25	MTL	7091 ALARM SWITCH	50.62	1,265.50
25	MTL	8203 STATOR/LINER	68.56	1,714.00
1	FR	FREIGHT	38.50	38.50

Total	\$9,328.00
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Wascon Inc.

Invoice

910 EAST MAIN STREET
LIVINGSTON, TN. 38570
931-823-1388

DATE	INVOICE #
6/17/2014	39243

BILL TO
MOUNTAIN WATER DISTRICT P.O. BOX 3157 PIKEVILLE, KY. 41502

SHIP TO
MOUNTAIN WATER MAINTNANCE SHOP 6358 ZEBULON HWY. PIKEVILLE, KY. 41501

P.O. NUMBER	TERMS	REP	SHIP	VIA	F.O.B.	PROJECT
4798	Net 30		6/17/2014	UPS		

QUANTITY	ITEM CODE	DESCRIPTION	PRICE EACH	AMOUNT
30	MTL	1065 CONTROL BRACKET		
16	MTL	1062 EQD	187.56	5,626.80
12	MTL	1093 4' HOSES	114.31	1,828.96
12	MTL	1098 SLIDE FACE	125.94	1,511.28
50	MTL	6051 O'RING	80.72	968.64
30	MTL	7090 ON/OFF SWITCH	2.92	146.00
30	MTL	7091 ALARM SWITCH	50.62	1,518.60
30	MTL	8203 STATOR/LINER	50.62	1,518.60
8	MTL	9512 SIMPLEX BOARD	68.56	2,056.80
8	MTL	9522 SIMPLEX BOARD	182.33	1,458.64
1	FR	FREIGHT	182.33	1,458.64
			61.95	61.95

Total \$18,154.91

DWEL

Wascon Inc.

Invoice

910 EAST MAIN STREET
LIVINGSTON, TN. 38570
931-823-1388

DATE	INVOICE #
6/27/2014	39352

BILL TO
MOUNTAIN WATER DISTRICT P.O. BOX 3157 PIKEVILLE, KY. 41502

SHIP TO
MOUNTAIN WATER MAINTENANCE SHOP 6358 ZEBULON HWY. PIKEVILLE, KY. 41501

P.O. NUMBER	TERMS	REP	SHIP	VIA	F.O.B.	PROJECT
4846	Net 30		6/27/2014	UPS		

QUANTITY	ITEM CODE	DESCRIPTION	PRICE EACH	AMOUNT
30	MTL	1065 CONTROL BRACKET	187.56	5,626.80
15	MTL	1008 SEAL PACKAGE	55.02	825.30
15	MTL	5035 ROW BALL BEARING	62.32	934.80
15	MTL	5015 PUMP END BEARING	28.37	425.55
30	MTL	7094 EQD FEMALE INSERT	19.58	587.40
30	MTL	8203 STATOR/LINER	68.56	2,056.80
50	MTL	PB0739G01	49.30	2,465.00
1	FR	FREIGHT	40.69	40.69

Total	\$12,962.34
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CASE : Mountain Water District
CASE NO : 2014-00342
RE : PSC Post Hearing Data Request

R 12 Verify that the 1% annual increase in the UMG budget also includes a 1% annual increase in the R&M.

RESPONSE 12

Please see attached affidavit noted as Exhibit 12.

EXHIBIT

12

CASE : Mountain Water District
CASE NO : 2014-00342
RE : PSC Post Hearing Data Request

R 13 Provide updated rate case expense invoices and total.

RESPONSE 13

Please see attached expense ledger and invoices noted as Exhibit 13.

EXHIBIT

13

Rate Study Expense Billed
as of 05/25/15

12/30/14	Appalachian Newspaper	\$2,952.60
01/31/15	Appalachian Newspaper	\$3,651.90
09/05/14	John N. Hughes, PSC	\$3,262.00
10/15/14	John N. Hughes, PSC	\$7,934.50
12/15/14	John N. Hughes, PSC	\$16,177.86
02/09/15	John N. Hughes, PSC	\$7,217.00
04/10/15	John N. Hughes, PSC	\$14,048.82
05/27/15	John N. Hughes, PSC	\$28,908.50
07/31/14	Michael Spears	\$675.00
08/31/14	Michael Spears	\$2,000.00
09/30/14	Michael Spears	\$8,720.00
10/31/14	Michael Spears	\$4,549.00
11/30/14	Michael Spears	\$3,020.00
01/31/15	Michael Spears	\$2,250.00
03/31/15	Michael Spears	\$2,750.00
04/30/15	Michael Spears	\$3,741.00
02/04/15	Roy Sawyers	\$192.97
03/25/15	Roy Sawyers	\$227.44
04/08/15	Roy Sawyers	\$230.01
04/28/15	Roy Sawyers	\$228.57
03/09/15	Quill	\$85.28
12/31/14	Stratton Law Firm	\$725.00
01/31/15	Stratton Law Firm	\$4,857.50
02/28/15	Stratton Law Firm	\$398.75
03/31/15	Stratton Law Firm	\$5,872.50
04/30/15	Stratton Law Firm	\$5,763.75
09/19/14	Summit Engineering	\$7,500.00
10/25/14	Summit Engineering	\$2,500.00
01/27/15	Summit Engineering	\$7,013.39

\$147,453.34

BOX 802
PIKEVILLE KY 41502

3	INVOICE	PAGE 1	4	BILLING DATE 11/30/14	BILLING PERIOD NOVEMBER 30, 2014
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2 BILLED ACCOUNT

MOUNTAIN WATER DISTRICT
C/O UMG-ACCTS PAYABLE
PO BOX 3157
PIKEVILLE KY 41502

7 BILLED ACCOUNT NO 103873-02

8 ADVERTISER/CLIENT NO 103873-02

9 NAME OF ADVERTISER/CLIENT
MOUNTAIN WATER DISTRICT

FOR INVOICE INFORMATION CALL ▶ (606)437-4054

Debby

DATE	CHARGE OR CREDITS DESCRIPTION/PRODUCT CODE	BILLED UNITS	RATE	NET AMOUNT
	PREVIOUS BALANCE			129.50
11/14	LEGALS PAPER	6 I	7.40	44.40
	BID:UTILITY TRUCK			
11/19	CLASS DISPLAY PAPER	129 I	7.40	954.60
	WATER/SEWER RATES PG 1			
11/19	CLASS DISPLAY PAPER	67.50 I	7.40	499.50
	WATER/SEWER RATES PG 2			
11/26	CLASS DISPLAY PAPER	129 I	7.40	954.60
	WATER/SEWER RATES PG 1			
11/26	CLASS DISPLAY PAPER	67.50 I	7.40	499.50
	WATER/SEWER RATES PG 2			
11/28	PAY'T THANK YOU			129.50-
11/28	LEGALS PAPER	78 I	7.40	577.20
	PUBLIC AWARENESS			

City of Pikeville

DUE BY 11/30

24	AGING	25	TOTAL AMOUNT DUE
30 DAYS	60 DAYS	90 DAYS	3529.80
.00	.00	.00	

22	CURRENT NET AMOUNT
	3529.80
	- 577.20
	<u>2,952.60</u>

TERMS: 1.5% INTEREST CHARGED ON BALANCE UNPAID FOR 15 DAYS
18% ANNUAL INTEREST. MINIMUM FINANCE CHARGE IS \$2.50

*Rev Debby
APP.
New exp*

DETACH AND RETURN THIS PORTION WITH YOUR PAYMENT

COMMENTS

TEARSHEETS: 1

26 BILLED ACCOUNT NO
103873-02

27 BILLED ACCOUNT NAME
MOUNTAIN WATER DISTR

AMOUNT DUE
3529.8

28 REMIT TO

APPALACHIAN NEWSPAPERS
NEWS-EXPRESS
P.O. BOX 802
PIKEVILLE KY 41502

SEE REVERSE SIDE FOR IMPORTANT INFORMATION

APPALACHIAN NEWSPAPERS
 NEWS-EXPRESS
 P.O. BOX 802
 PIKEVILLE KY 41502

ADVERTISING INVOICE

3. STATEMENT	PAGE 1	4	BILLING DATE 12/31/14	5	BILLING PERIOD DECEMBER
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2. BILLED ACCOUNT

MOUNTAIN WATER DISTRICT
 C/O UMG-ACCTS PAYABLE
 PO BOX 3157
 PIKEVILLE KY 41502

7	BILLED ACCOUNT NO. 103873-02	8	ADVERTISER/CLIENT NO. 103873-02
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9. NAME OF ADVERTISER/CLIENT
 MOUNTAIN WATER DISTRICT

FOR INVOICE INFORMATION CALL ▶ (606) 437-4054

DATE	12 CHARGE OR CREDITS	13 DESCRIPTION/PRODUCT CODE	14	17. BILLED UNITS	18. RATE	20. NET AMOUNT
1/28	PREVIOUS BALANCE	LEGALS PAPER		78 I		3529.80
		PUBLIC AWARENESS				577.20
2/03	CLASS DISPLAY PAPER	WATER/SEWER RATES PG 1		129 I	7.40	954.60
2/03	CLASS DISPLAY PAPER	WATER/SEWER RATES PG 2		67.50 I	7.40	499.50
2/13	CLASS DISPLAY PAPER	CHANGES IN WATER/SEWER RATES		99 I	7.40	732.60
2/17	CLASS DISPLAY PAPER	CHANGED IN WATER/SEWER RATES		99 I	7.40	732.60
2/18	CLASS DISPLAY PAPER	CHANGED IN WATER/SEWER RATES		99 I	7.40	732.60

AGING			25	TOTAL AMOUNT DUE	22	CURRENT NET AMOUNT
30 DAYS	60 DAYS	90 DAYS		6604.50		3651.90
2952.60	.00	.00				

TERMS: 1.5% INTEREST CHARGED ON BALANCE UNPAID FOR 15 DAYS
 18% ANNUAL INTEREST. MINIMUM FINANCE CHARGE IS \$.50

DETACH AND RETURN THIS PORTION WITH YOUR PAYMENT

COMMENTS

TEARSHEETS: 1

26. BILLED ACCOUNT NO.
 103873-02

27. BILLED ACCOUNT NAME
 MOUNTAIN WATER DISTR

AMOUNT DUE
 6604.50

28. REMIT TO

APPALACHIAN NEWSPAPERS
 NEWS-EXPRESS
 P.O. BOX 802
 PIKEVILLE KY 41502

SEE REVERSE SIDE FOR IMPORTANT INFORMATION

STATEMENT OF ACCOUNT

John N. Hughes, PSC
 Attorney at Law
 124 West Todd St.
 Frankfort, KY 40601

Invoice to:
 Mountain Water District
 % Dan Stratton
 Stratton Law Office
 111 Pike St.
 Box 1530
 Pikeville, KY 41502

Date of Invoice: September 5, 2014

Date	Reference	Time (Hrs)
6/9	Telephone DS; draft letter to PSC re: staff rate audit	.75
6/16	Review PSC cases re: recovery of contract costs; rate issues	.83
6/20	Review PSC letter re: staff audit; message DS	.25
6/25	Message DS re: Summit rate study	.09
7/14	Telephone DS re: rate issues	.16
7/15	Review rate case timeline and letter from DS	.67
7/16	Response to DS re: case timeline; message re: PSC case checklist for rate application	.91
7/30	Telephone DS re: rate issues	.09
8/20	Prepare documents, information for 8/22 rate case meeting	1.25
8/21	Review information for case meeting	.75
8/22	Rate conference KH, MS 9:30 - 12:30	3
8/28	Telephone DS re: rate issues	.09
8/29	Response KH re: COS/rate issues	.42
Expenses	Travel Summit Eng. Lexington 8/22 42 miles@\$.50	\$ 21.00
Sub total		9.26 <u>hrs@\$350.00</u> =\$3,241.00
Previous balance		\$ 0
Total Due		\$3,262.00

STATEMENT OF ACCOUNT

John N. Hughes, PSC
 Attorney at Law
 124 West Todd St.
 Frankfort, KY 40601

Invoice to:
 Mountain Water District
 % Dan Stratton
 Stratton Law Office
 111 Pike St.
 Box 1530
 Pikeville, KY 41502

Date of Invoice: October 15, 2014

Date	Reference	Time (Hrs)
9/9	Information to KH re: case issues, cost of service study	.59
9/10	Prepare documents, information for rate conference w/KH	.91
9/11	Rate conference w/KH, MS	3.5
	Mileage Lexington 42@\$.50	\$21.00
9/12	Prepare summary of rate meeting, prepare exhibit/case assignments; tele. DS, MS, KH	.75
9/15	Telephone DS re: rate issues	.09
9/17	Response KH re: COS issues	.16
9/18	Response DS re: rate case procedural matters	.42
9/19	Telephone DS, MS, KH re: case issues	.83
9/22	Research issues for rate application	5.25
9/24	Outline testimony issues	2.67
9/29	Response DS, MS re: sewer rate issues; conference KH, MS re: COS, case preparation	4
	Mileage Lexington 42@ \$.50	\$21.00
9/30	Draft KH COS testimony; tele. DS re: wholesale rate issues, customer notice	3.5
Expenses	Travel Summit Eng. Lexington – 84 miles @ \$.50	\$ 42.00
Sub total		22.67 <u>hrs@\$350.00</u> =\$7,934.50

Previous balance		\$3,262.00
Payment		\$3,262.00
Total Due		\$7,934.50

STATEMENT OF ACCOUNT

John N. Hughes, PSC
 Attorney at Law
 124 West Todd St.
 Frankfort, KY 40601

Invoice to:
 Mountain Water District
 % Dan Stratton
 Stratton Law Office
 111 Pike St.
 Box 1530
 Pikeville, KY 41502

Date of Invoice: December 15, 2014

Date	Reference	Time (Hrs)
10/3	Review issues from KH re: sewer bills/COS	.25
10/6	Draft sewer customers notice	.33
10/8	Review KH exhibits, response KH re: COS issues, Board presentation analysis	.67
10/9	Rate issues, responses to KH, DS re: Board presentation; Draft PSC application	.5
10/10	Draft PSC application; review issues for witness testimony	4.5
10/13	Review and revise KH testimony; conference call re: rate case issues; several messages re: COS exhibits	2.25
10/14	Review PSC data request; prepare response assignments	.67
10/15	Message DS re: COS, Board meeting;	.16
10/16	Prepare application; exhibits and testimony	5.5
10/22	Telephone conference w/ DS, MS, KH re: PSC responses	1
10/23	Research MWD financing cases for water and sewer projects – PSC response #17-20	2.75
10/24	Prepare COS information for KH; conference w/KH re: COS 9:45 – 12:45	3
	Mileage Lexington 42 @\$0.50	\$21.00
10/27	Review tariffs, wholesale contract and rate issues for KH	1.5
10/28	Several related to PSC discovery; tele DS re: PSC responses	.91

10/29	PSC responses; preparation of tariffs and customer notice	1.33
10/30	Several messages and issues re: sewer tariffs, rates, COS; prepare for meeting with KH	2.75
10/31	Conference w/ KH – review COS; rate case issues	
	9:15 – 1:10	3.91
	Mileage Lexington 42 @ \$.50	\$21.00
11/3	Prepare for conference w/ KH. MS; tariffs, exhibits	1.83
11/4	Conference KH, MS case preparation; review of application, exhibits and responses 10:00 – 12:00	2
	Mileage Lexington 42 @ \$.50	\$21.00
11/7	Conference DS, MS, KH, RS for final preparation of application/PSC responses 9:15 – 2:00	4.45
11/14	PSC application copies (Lynn's Imaging)	\$1,908.36
11/20	File PSC rate application	.33
Expenses	Travel Summit Eng. Lexington – 126 miles @ \$.50	\$ 63.00
	Lynn's Imaging – copies	\$1,908.36
Sub total		40.59 hrs@\$350.00 =\$14,206.50 +\$1,971.36
Previous balance		\$7,934.50
Payment		\$7,934.50
Total Due		\$16,177.86

INVOICE

Number L917953 Date 11/14/14 Page 1

Sold To:
Jack Hughes

Ship To:
Jack Hughes

Customer ID 999999
Our Order No. 0892672
Terms DUE ON RECEIPT
Due Date 11/14/14
Salesperson
Order Note 135
Job Name

Your P.O. No.
P.O. Date 11/13/14
Ordered By
Project ID
Project Desc.
Drop Shipment No
Ship Via Customer PickUp

Product Code Description	Size	(Originals) Ordered	(Copies) Shipped	(Total Copies) Backordered	Quantity	Unit	Unit Price	Total Price
1040 81/2X11 3HP Copy SS	12 x 12	401	16	6,416	6,416	COPY		449.12
5013 Tabs - single sided		22	16	352	352	EA		105.60
5014 Tab Set up Charge		22	1	22	22	EA		22.00
1301 81/2x11 Color Copies SS	12 x 12	1	16	16	16	COPY		14.24
5018 Hand collating / folding		2	16	32	32	EA		8.00
36249W White 3-Ring View Binder 3"		16	16		16	EA	9.58	153.28
1040 81/2X11 3HP Copy SS	12 x 12	458	16	7,328	7,328	COPY		512.96
5013 Tabs - single sided		6	16	96	96	EA		28.80
5014 Tab Set up Charge		6	1	6	6	EA		6.00
1301 81/2x11 Color Copies SS	12 x 12	1	16	16	16	COPY		14.24
5018 Hand collating / folding		2	16	32	32	EA		8.00
17950 White View D-Ring Binder 5"		16	16		16	EA	29.98	479.68



INVOICE

Number
L917953

Date
11/14/14

Page
2

Sold To:
Jack Hughes

Ship To:
Jack Hughes

Customer ID 999999
Our Order No. O892672
Terms DUE ON RECEIPT
Due Date 11/14/14
Salesperson
Order Note 135
Job Name

Your P.O. No.
P.O. Date 11/13/14
Ordered By
Project ID
Project Desc.
Drop Shipment No
Ship Via Customer Pickup

Product Code Description	Size	(Originals) Ordered	(Copies) Shipped	(Total Copies) Backordered	Quantity	Unit	Unit Price	Total Price
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Store Address
Lynn Imaging 5
(502) 875-8341

Remittance Address
Lynn Imaging
P. O. Box 519
Lexington, KY 40588-0519

Subtotal:	1,801.92
Sales Tax:	106.44
Total:	1,908.36
Check Paid at POS:	1,908.36
Total Due:	0.00

NO ACTION AT LAW OR EQUITY FOR DAMAGES RESULTING FROM SELLER'S NEGLIGENCE OR BREACH OF CONTRACT SHALL BE MAINTAINED BY BUYER (1) FOR ANY PUNITIVE, INCIDENTAL, OR CONSEQUENTIAL DAMAGES, OR (2) FOR ACTUAL DAMAGES EXCEEDING THE AMOUNT OF THIS INVOICE PAID BY BUYER. NOTWITHSTANDING THE PRIOR SENTENCE, BUYER'S EXCLUSIVE REMEDY FOR DEFECTS IN OR DAMAGES CAUSED BY THE WORK OF SELLER SHALL BE, AT SELLER'S DISCRETION, A REFUND OF THE AMOUNT OF THIS INVOICE PAID BY BUYER OR CORRECTION OF THE DEFECTS IN THE GOODS.

STATEMENT OF ACCOUNT

John N. Hughes, PSC
 Attorney at Law
 124 West Todd St.
 Frankfort, KY 40601

Invoice to:
 Mountain Water District
 % Dan Stratton
 Stratton Law Office
 111 Pike St.
 Box 1530
 Pikeville, KY 41502

Date of Invoice: February 9, 2015

Date	Reference	Time (Hrs)
1/12	Several messages PSC/AG data requests	.16
1/13	Review PSC/AG data requests; research issues, responses	3.25
1/14	Teleconference DS, RS re: PSC/AG responses; conference KH re: PSC/AG responses 9:15-3:30	6.25
	Mileage – Lexington 42 @ \$0.50	\$21.00
1/15	Research PSC 14c and AG 66 data requests	2.25
1/16	Research AG 3	1
1/19	Research PSC/AG responses	1.5
1/20	Review draft PSC/AG responses	.75
1/21	Teleconference DS, RS, MS, KH re: PSC/AG responses; review draft responses; message BM re: UMG responses	2.67
1/22	Tele. DS, PSC, AG re: UMG responses	.25
1/27	Review draft UMG responses	.42
1/29	Conference RS – review/finalize PSC/AG responses 9:15-11:45	2
	Mileage Lexington 42@ \$0.50	\$21.00
Expenses	Travel Summit Eng. Lexington 84 miles @ \$0.50	\$42.00
Sub total		20.50 <u>hrs@\$350.00</u> =\$7,175.00
Previous balance		\$ 0
Total Due		\$7,217.00

STATEMENT OF ACCOUNT

John N. Hughes, PSC
 Attorney at Law
 124 West Todd St.
 Frankfort, KY 40601

Invoice to:
 Mountain Water District
 % Dan Stratton
 Stratton Law Office
 111 Pike St.
 Box 1530
 Pikeville, KY 41502

Date of Invoice: April 10, 2015

Date	Reference	Time (Hrs)
2/27	Review AG, PSC data requests; prepare witness assignments	1
3/2	Conference call DS, RS, KH re: draft responses to AG/PSC	1.83
3/3	Responses to AG	3.5
3/4	Responses to AG	1.75
3/5	Tele. DS re: AG responses	.59
3/6	Tele. DS re: UMG issues	.25
3/9	Responses to MS, KH re: AG/PSC responses	1.67
3/10	Responses to AG; draft settlement issues memo for DS	2.25
3/11	Tele. AG re: discovery issues; tele. DS; review KH, MS, RS responses	.45
3/12	Meeting w/ KH re: PSC/AG responses; review draft AG/PSC responses; telephone conference re: responses	4.25
3/13	Draft motion for extension of time to file AG/PSC responses; tele. AG re: data requests; tele. DS	.75
3/19	Teleconference DS, RS, KH re: AG/PSC responses	.67
3/23	Review UMG responses to AG/PSC	.33
3/30	Tele. DS re: preparation for PSC conference	.59
Expenses	Lynn's Imaging - AG/PSC data responses 2/2	\$4,319.60

	Lynn's imaging - AG/PSC data responses 3/27	\$2,750.22
	Mileage Lexington 42 @ \$0.50 3/12	\$ 21.00
Sub total		19.88 hr. @\$350.00 =\$6,958
Previous balance		\$ 0
Total Due		\$14,048.82

STATEMENT OF ACCOUNT

John N. Hughes, PSC
Attorney at Law
124 West Todd St.
Frankfort, KY 40601

Invoice to:
Mountain Water District
% Dan Stratton
Stratton Law Office
111 Pike St.
Box 1530
Pikeville, KY 41502

Date of Invoice: May 27, 2015

Date	Reference	Time (Hrs)
4/1	Review for PSC conference	1.16
4/2	Client/PSC conference	4
4/3	Prepare cost analysis of UMG contract and various WD operations costs	3.33
4/6	Continuation of UMG/WD cost analysis	1.5
4/7	Review microfilm records of PSC for prior MWD depreciation issues; revise UMG cost analysis	2.75
4/8	UMG operations cost analysis	.5
4/15	Number of messages, calls re: AG/PSC issues	.83
4/20	Review MS financial analysis of MWD operations; UMG responses to AG/PSC; draft PSC hearing notice; tele. RS re: newspaper publication; message MS re: proposed financial info	1.42
4/21	Tele. DS,MS, RS re: AG/PSC responses	.33
4/22	Review AG/PSC responses	.42
4/23	Review AG/PSC responses	.83
4/27	Tele. RS; review revised PSC/AG responses; tele. DS, MS re: case issues	1.67
4/29	Client conference MWD	9.25
	Mileage Pikeville 342 miles @ \$0.50	\$171.00
5/1	Witness testimony preparation; tele. AG, DS re: case issues	1.5

5/4	Tele. DS, AG, PSC re: Meyer testimony; prepare witness cross exam questions	4.33
5/5	Witness preparation w/KH	5
	Mileage Lexington 42 @ \$0.50	\$21.00
5/7	Prepare for AG meeting; tele. DS, RS, MS re: case issues; AG meeting; draft AG case meeting document	5.75
5/8	Several calls re: case issues, review COS revisions and rate calculations from KH	.91
5/11	Tele. MJ re: COS issues; conference PSC re: data responses	4.42
5/12	Tele. MS re: PSC responses	.16
5/13	Tele. DS re: PSC responses; prepare responses to PSC conference requests	.33
5/14	Several calls re: AG case issues; witness preparation; prepare for KH meeting	1.33
5/15	Witness preparation w/KH	2.75
	Mileage Lexington 42 miles @ \$0.50	\$21.00
5/16	Witness/hearing preparation	4.5
5/18	Conference DS, RS, MS, GP for witness/hearing preparation	10.5
	Mileage to Pikeville 362 miles @ \$0.50	\$181.00
5/19	Hearing preparation; witness preparation BM	3.25
5/20	PSC rate case hearing	8.75
Expenses		
	Mileage	\$ 394.00
Sub total		81.47 hr. @\$350.00 =\$28,514.50
Previous balance		\$ 0
Total Due		\$28,908.50

MICHAEL R. SPEARS, CPA, PSC
CERTIFIED PUBLIC ACCOUNTANT
P. O. BOX 1270
PRESTONSBURG, KY 41653

MOUNTAIN WATER DISTRICT
P. O. BOX 3607
PIKEVILLE, KY 41501

Client #: 33050

Invoice # 17522

July 31, 2014

For Professional Services Rendered:

RATE INCREASE WORK

675.00

AUDIT PREP

3,936.00

Total Due

\$4,611.00
=====

MICHAEL R. SPEARS, CPA, PSC
CERTIFIED PUBLIC ACCOUNTANT
P. O. BOX 1270
PRESTONSBURG, KY 41653

MOUNTAIN WATER DISTRICT
P. O. BOX 3607
PIKEVILLE, KY 41501

Client #: 33050

Invoice # 17581

August 31, 2014

For Professional Services Rendered:

2013 AUDIT PREP

6,050.00

2014 RF

3,555.00

2013 PSC RET

2,000.00

Total Due

\$11,605.00
=====

MICHAEL R. SPEARS, CPA, PSC
CERTIFIED PUBLIC ACCOUNTANT
P. O. BOX 1270
PRESTONSBURG, KY 41653

MOUNTAIN WATER DISTRICT
P. O. BOX 3607
PIKEVILLE, KY 41501

Client #: 33050

Invoice # 17663

September 30, 2014

For Professional Services Rendered:

RATE FILING, MEETINGS IN LEXINGTON

8,720.00

Total Due

\$8,720.00

MICHAEL R. SPEARS, CPA, PSC
CERTIFIED PUBLIC ACCOUNTANT
P. O. BOX 1270
PRESTONSBURG, KY 41653

MOUNTAIN WATER DISTRICT
P. O. BOX 3607
PIKEVILLE, KY 41501

Client #: 33050

Invoice # 17717

October 31, 2014

For Professional Services Rendered:

RATE INCREASE

4,549.00

Total Due

\$4,549.00
=====

AEL R. SPEARS, CPA, PSC
CERTIFIED PUBLIC ACCOUNTANT
O. BOX 1270
RESTONSBURG, KY 41653

MOUNTAIN WATER DISTRICT
P. O. BOX 3607
PIKEVILLE, KY 41501

Client #: 33050

Invoice # 17792

November 30, 2014

For Professional Services Rendered:

RATE INCREASE-FILING

3,020.00

Total Due

\$3,020.00
=====

MICHAEL R. SPEARS, CPA, PSC
CERTIFIED PUBLIC ACCOUNTANT
P.O. BOX 1270
PRESTONSBURG, KY 41653

MOUNTAIN WATER DISTRICT PSC FILING
PO BOX 3607
PIKEVILLE, KY 41501

Client #: 33051

Invoice # 17921

January 31, 2015

For Professional Services Rendered:

RESPONSE & PREP OF PSC, ATTN GEN
REQUEST OF INFO.

2,550.00

Total Due

\$2,250.00
=====

MICHAEL R. SPEARS, CPA, PSC
CERTIFIED PUBLIC ACCOUNTANT
P. O. BOX 1270
PRESTONSBURG, KY 41653

MOUNTAIN WATER DISTRICT PSC FILING
PO BOX 3607
PIKEVILLE, KY 41501

Client #: 33051

Invoice # 18224

March 31, 2015

For Professional Services Rendered:

MONTHLY ACCOUNTING SERVICES FOR MARCH

2,750.00

Total Due

\$2,750.00
=====

MICHAEL R. SPEARS, CPA, PSC
CERTIFIED PUBLIC ACCOUNTANT
P. O. BOX 1270
PRESTONSBURG, KY 41653

MOUNTAIN WATER DISTRICT PSC FILING
PO BOX 3607
PIKEVILLE, KY 41501

Client #: 33051

Invoice # 18405

April 30, 2015

For Professional Services Rendered:

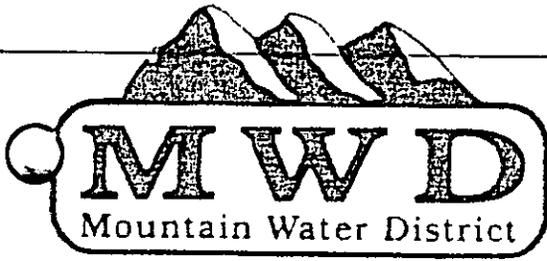
RATE INCREASE

3,741.00

Total Due

\$3,741.00

=====



EXPENSE VOUCHER

NAME Roy Sawyers SOC. SEC NUMBER _____

Expense Summary
(Copy Totals From Other Side)

A. Meals Expense	\$ 15
B. Mileage Expense	\$ 177.97
C. Miscellaneous Expense	

TOTAL EXPENSES \$192.97

I hereby certify that the above are proper charges incurred in the discharge of public business and that all information furnished on this form is true and correct to the best of my knowledge. I understand that intentional submission of false information is punishable by dismissal and criminal penalties.

Employee Signature Roy B. Sawyer

Date 02/04/15

Approved By _____

Date _____

Meals Expense

Date/Time Departed	Date/Time Returned	Number of Days*	Total Cost
01/29/15 7:00 AM	01/29/15 3:00 PM	1/2 X \$30.00	\$15.00
		X \$30.00	
		X \$30.00	

Total Meals Expense

(Copy to other side – Section A) \$15.00

* Departure time after 12 noon and/or return time prior to 5:00 p.m. is considered 1/2 day.

Mileage Expense

Date	Destination	Purpose	Miles Traveled (Round Trip)
01/29/15	LEXINGTON, KY	RATE STUDY	315

Total Miles Traveled 315

Total Miles X 0.565 \$177.97

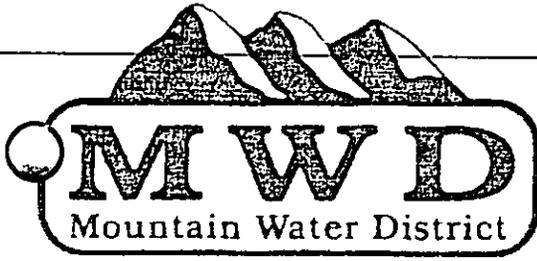
(Copy to other side – Section B)

Miscellaneous Expense

Date	Description of Expense (Attach Receipt)	Amount of Expense

Total Miscellaneous Expense _____

(Copy to other side – Section C)



EXPENSE VOUCHER

NAME: Roy B. Sawyers SOC. SEC NUMBER N/A

Expense Summary

(Copy Totals from Other Side)

A. Meals Expense	\$15.00
B. Mileage Expense	\$212.44
C. Miscellaneous Expense	N/A

TOTAL EXPENSES \$227.44

I hereby certify that the above are proper charges incurred in the discharge of public business and that all information furnished on this form is true and correct to the best of my knowledge. I understand that intentional submission of false information is punishable by dismissal and criminal penalties.

Employee Signature Roy B. Sawyers

Date 03/25/15

Approved By _____

Date _____

Meals Expense

Date/Time Departed	Date/Time Returned	Number of Days*	Total Cost
03/24/15 - 8:00 am	03/24/15 - 4:45 pm	1/2 X \$30.00	\$15.00
		X \$30.00	
		X \$30.00	

Total Meals Expense

(Copy to other side – Section A) \$15.00

* Departure time after 12 noon and/or return time prior to 5:00 p.m. is considered ½ day.

Mileage Expense

Date	Destination	Purpose	Miles Traveled (Round Trip)
03/24/15	Frankfort, KY	Rate Study Case	376

Total Miles Traveled 376

Total Miles X 0.565 \$212.44

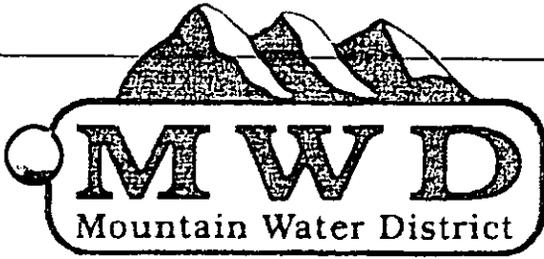
(Copy to other side – Section B)

Miscellaneous Expense

Date	Description of Expense (Attach Receipt)	Amount of Expense

Total Miscellaneous Expense

(Copy to other side – Section C)



EXPENSE VOUCHER

NAME: Roy B. Sawyers

SOC. SEC NUMBER N/A

Expense Summary

(Copy Totals from Other Side)

A. Meals Expense	\$30.00
B. Mileage Expense	\$200.01
C. Miscellaneous Expense	N/A

TOTAL EXPENSES \$230.01

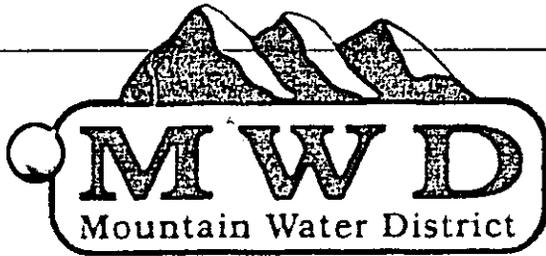
I hereby certify that the above are proper charges incurred in the discharge of public business and that all information furnished on this form is true and correct to the best of my knowledge. I understand that intentional submission of false information is punishable by dismissal and criminal penalties.

Employee Signature Roy B. Sawyers

Date 04/08/15

Approved By _____

Date _____



✓

EXPENSE VOUCHER

NAME Ray Sawyer SOC. SEC NUMBER _____

Expense Summary

(Copy Totals From Other Side)

A. Meals Expense	15.00
B. Mileage Expense	213.57
C. Miscellaneous Expense	35.00

TOTAL EXPENSES 228.57

I hereby certify that the above are proper charges incurred in the discharge of public business and that all information furnished on this form is true and correct to the best of my knowledge. I understand that intentional submission of false information is punishable by dismissal and criminal penalties.

Employee Signature _____

Date _____

Approved By _____

Date _____

STRATTON LAW FIRM, P.S.C.

111 Pike St., P.O. Box 1530
Pikeville, KY 41502
606-437-7800

Fax

606-437-7569

STATEMENT

Federal ID No. 31-1556382

PRIVILEGED & CONFIDENTIAL

Mountain Water District
P.O. Box 3157
Pikeville, KY 41502

ATTN: ROY SAWYERS

Account No. HEM3005-219

Statement Date: 12/31/2014

Statement No. 3

RE: 2014 Rate Study

Page No. 1

Payments received after 10th of month may not appear on this statement

Fees

			Hours
12/01/2014	DPS	E-mail received from Jack re: account numbers in date to PSC; Email to Roy	0.25
12/02/2014	DPS	Call from Roy - Jack H's email on account	0.25
	DPS	Call from Jack H.; Call to Mike and Carrie re: disclosure of numbers	0.25
	DPS	Receipt and review of email from Jack; Call to Mike; Call to Jack; Conference call with Jack, Roy and Carrie	0.50
12/03/2014	DPS	Receipt and review of email from and to Jack re: corrections in PSC filing	0.25
12/08/2014	DPS	Receipt and review of 17 page Order from the PSC; Email to rate study team	0.25
	DPS	Call from Jack; Email to group	0.25
2/09/2014	DPS	Call from Roy re: PSC Order denying application	0.25
	DPS	E-mail received from Jack; Email to Roy	0.25
	DPS	Call from Jack re: adv. of rates; Call to Roy; Conference call with Roy & Jack	0.25
	DPS	Call from Roy; Email to Jack re: revised ad for sewer customers	0.25
2/12/2014	DPS	Receipt and review of various emails from Jack & Roy	0.25
2/15/2014	DPS	Receipt and review of PSC Order accepting application	0.25
	DPS	Call from Jack re: PSC Order	0.25
2/22/2014	DPS	Receipt and review of (3) PSC emails and one Order; (2) calls to Roy; One call to Jack Hughes	0.50
2/23/2014	DPS	Receipt and review of email from PSC; Email to Jack & Ryo; Call from Jack	0.50

To ensure proper credit, please include account number and statement date on remittance checks. Thank you.

12/29/2014	DPS	E-mail received from Carrie re: lien For Current Services Rendered	Hours 0.25 <u>5.00</u>	<u>725.00</u>
		Previous Balance		\$5,836.25
		Total Current Work		725.00

Payments

01/08/2015		Payment - THANK YOU		-3,697.50
01/08/2015		Payment - THANK YOU		-2,138.75
		Total Payments		<u>-5,836.25</u>
		Balance Due		<u>\$725.00</u>

	<u>Fees</u>	<u>Expenses</u>	<u>Advances</u>	<u>Finance Charge</u>	<u>Payments</u>
	6,561.25	0.00	0.00	0.00	5,836.25

MAKE CHECK PAYABLE TO STRATTON LAW FIRM, PSC
 PAYMENT DUE UPON RECEIPT
 NOW ACCEPTING MASTERCARD, VISA AND DISCOVER
 THANK YOU

STATEMENT

Federal ID No. 31-1556382

PRIVILEGED & CONFIDENTIAL

Mountain Water District
P.O. Box 3157
Pikeville, KY 41502

ATTN: ROY SAWYERS

Account No. HEM3005-219

Statement Date: 01/31/2015

Statement No. 4

RE: 2014 Rate Study

Page No. 1

Payments received after 10th of month may not appear on this statement

Fees

			Hours
01/05/2015	DPS	E-mail received from Attorney General; Email to Roy	0.25
01/07/2015	DPS	Call from Jack re: Attorney General intervention; Call to Roy	0.25
01/08/2015	DPS	Receipt and review from the Kentucky Attorney General's Office, Motion to Intervene in Mountain Water District's Application for an Adjustment of Water and Sewer Rates with the PSC.	0.25
	DPS	E-mail received from Jack re: Attorney General's time extension; Email to rate study team	0.25
	DPS	Call from Roy re: review of Attorney General's involvement in rate study	0.25
	DPS	Call to Mike re: Attorney General's intervention	0.25
01/09/2015	DPS	Receipt and review of PSC Order on Attorney General's new deadline; Email from Jack	0.25
	DPS	Receipt and review of PSC Order halting rate increase pending review	0.25
01/12/2015	DPS	Receipt and review of PSC and Attorney General request for additional information; Email to group; Email from Kevin	0.50
01/13/2015	DPS	Call from Roy re: meeting to assign task for supplemental date request	0.25
	DPS	Receipt and review emails from Jack & Kevin re: meeting on the 19th	0.25
	DPS	E-mail received from Jack with work assignment in supplemental request; Email to group	0.25
	DPS	Meet with Roy to review new questions and who should answer	2.00
01/31/2015	DPS	Receipt and review AG's Initial Request for Information. Scanned to server. R/R from Roy, list of tasks assigned to each person concerning both requests.	0.50

To ensure proper credit, please include account number and statement date on remittance checks. Thank you.

		Hours
	DPS Call from Mike	0.25
	DPS Conference call with Kevin, Jack and Roy - outline information for date request	2.25
	DPS Call to Bob Myers re: information requested by PSC and Attorney General; Letter to Bob Myers	0.75
	DPS Call to Mike re: conference call; Letter to Mike with his questions to Answer	0.50
01/15/2015	DPS Outline questions and pull files for Response I'm to do	0.25
	DPS Call from Roy re: assignments	0.25
	DPS Call from Roy; Call to Jack; Call to Roy; Email to Bob Myers	0.50
	DPS E-mail sent to Jack; Call from Roy - miscellaneous issue	0.25
	DPS 1st Draft of Answers to Attorney General	0.75
	DPS 1st Draft of Answer to PSC additional questions	0.75
01/16/2015	DPS E-mail sent to and from Jack re: whether I should be listed as a witness	0.25
	DPS Work on draft of answers; Two calls to Roy; Work on exhibits	1.50
	DPS Call from Roy re: various questions	0.25
	DPS Review Answers and identify documents to be used as exhibits	0.50
01/17/2015	DPS Review original answers to PSC, for updated questions; Review files and PSC Answers for exhibits; Third draft of Answers to questions; Review Roy and Kevin's Answers	2.50
01/19/2015	DPS Call to Roy; Prepare documents to meet with Roy	1.25
	DPS Meet with Roy to review Answers	2.00
	DPS Receipt and review of multiple emails from Roy and Kevin	0.25
	DPS Receipt and review of (3) emails from Jack with attachments	0.50
	DPS Call from Mike re: formating response	0.25
	DPS Review instructions; Email to Jack on certifications	0.25
	DPS Work on response; Review exhibits for Attorney General and PSC (re: UMG bid)	0.75
	DPS Work on exhibits related to So. Water contract; Email to Tammy	0.75
	DPS E-mail received from Bob Myers re: UMG contract amendment	0.50

		Hours	
	DPS Call from Mike Spears re: question by PSC	0.25	
01/20/2015	DPS Revise final draft of my questions; Draft letter to committee	0.50	
	DPS Call from Roy; Email to Roy	0.25	
	DPS Receipt and review of multiple emails from Jack H.; Email from Tammy with exhibit	0.50	
	DPS Call from Mike re: open questions	0.25	
01/21/2015	DPS Call to Mike and Roy; Review various answers; Call from Roy	1.00	
	DPS Prepared for meeting - organize documents	1.25	
	DPS Phone conference call to review answers with committee	1.50	
01/22/2015	DPS E-mail received from Jack; Reply email; Call from Jack	0.25	
	DPS Call from Jack; Call to Roy	0.25	
	DPS Amend Answer J7; Call to Roy; Email to Roy	0.25	
	DPS E-mail received from Jack re: PSC and Attorney General; Request for UMG employee information	0.25	
01/26/2015	DPS Letter to Attorney General's office adding new attorney	0.25	
	DPS Call from Jack re: status of UMG's Response; Email to Jack	0.25	
01/27/2015	DPS Receipt and review of email from Roy forward Jack; Call from Roy	0.25	
	DPS Emails with Jack & Roy re: UMG's answers	0.25	
01/28/2015	DPS Review final Answers to PSC and Attorney General's questions	1.00	
	DPS E-mail sent to Jack and group re: status of Answers to questions	0.25	
	DPS Receipt and review of multiple emails from Roy, Jack & Kevin	0.25	
01/29/2015	DPS E-mail received from and to Jack re: extension of time to file	0.25	
	DPS Various emails from Jack H. re: supplemental response to PSC and Attorney General	0.25	
01/30/2015	DPS E-mail of Order from PSC; Email to Jack on publication of Notice For Current Services Rendered	0.25	
		<u>33.50</u>	<u>4,857.50</u>
	Previous Balance		\$725.00

Total Current Work 4,857.50

Balance Due \$5,582.50

Aged Due Amounts
0-30 31-60 61-90 91-120 121-180 181+
0.00 725.00 0.00 0.00 0.00 0.00

Billing History
Fees Expenses Advances Finance Charge Payments
11,418.75 0.00 0.00 0.00 5,836.25

MAKE CHECK PAYABLE TO STRATTON LAW FIRM, PSC
PAYMENT DUE UPON RECEIPT
NOW ACCEPTING MASTERCARD, VISA AND DISCOVER
THANK YOU

STRATTON LAW FIRM, P.S.C.

111 Pike St., P.O. Box 1530
Pikeville, KY 41502
606-437-7800 Fax 606-437-7369

STATEMENT

Federal ID No. 31-1556382

PRIVILEGED & CONFIDENTIAL

Mountain Water District
P.O. Box 3157
Pikeville, KY 41502

ATTN: ROY SAWYERS

Account No. HEM3005-219

Statement Date: 02/28/2015

Statement No. 5

RE: 2014 Rate Study

Page No. 1

Payments received after 10th of month may not appear on this statement

Fees

			Hours	
02/02/2015	DPS	E-mail received from Jack re: delivery of documents to PSC & Attorney General	0.25	
02/09/2015	DPS	E-mail received from Jack re: Affidavit	0.25	
	DPS	Receipt and review of copy of notebooks	0.25	
02/11/2015	DPS	E-mail received from Jack, forward to Roy and Carrie	0.25	
02/20/2015	DPS	Receipt and review of PSC Order - forward to Roy, et al	0.25	
	DPS	Call to Jack re: PSC schedule issue	0.25	
02/23/2015	DPS	E-mail received from and to Jack re: hearing changes; Calls to Roy, Mike, Bob & Kevin; Second email to Jack; Email from Attorney General's office	0.50	
02/27/2015	DPS	Receipt and review of PSC 3rd round of questions; Email from Jack; Email to rate study team	0.25	
	DPS	E-mail received from and to Roy	0.25	
	DPS	Receipt and review of email from Attorney General; Email to committee	0.25	
		For Current Services Rendered	2.75	398.75
		Previous Balance		\$5,582.50
		Total Current Work		398.75
<u>Payments</u>				
02/24/2015		Payment - THANK YOU		-725.00

To ensure proper credit, please include account number and statement date on remittance checks. Thank you.

Balance Due \$5,256.25

Aged Due Amounts					
<u>0-30</u>	<u>31-60</u>	<u>61-90</u>	<u>91-120</u>	<u>121-180</u>	<u>181+</u>
4,857.50	0.00	0.00	0.00	0.00	0.00

Billing History				
<u>Fees</u>	<u>Expenses</u>	<u>Advances</u>	<u>Finance Charge</u>	<u>Payments</u>
11,817.50	0.00	0.00	0.00	6,561.25

MAKE CHECK PAYABLE TO STRATTON LAW FIRM, PSC
PAYMENT DUE UPON RECEIPT
NOW ACCEPTING MASTERCARD, VISA AND DISCOVER
THANK YOU

STRATTON LAW FIRM, P.S.C.

111 Pike St., P.O. Box 1530
Pikeville, KY 41502
(606-437-7800)

Fax

(606-437-7569)

STATEMENT

Federal ID No. 31-1556382

PRIVILEGED & CONFIDENTIAL

Mountain Water District
P.O. Box 3157
Pikeville, KY 41502

ATTN: ROY SAWYERS

Account No. HEM3005-219

Statement Date: 03/31/2015

Statement No. 6

RE: 2014 Rate Study

Page No. 1

Payments received after 10th of month may not appear on this statement

Fees

			Hours
3/02/2015	DPS	Receipt and review of (2) emails from Jack re: question on assignments	0.25
	DPS	E-mail received from Jack	0.25
	DPS	E-mail received from Jack & Kevin; Email to group	0.25
	DPS	Review proposed assignments; Calls to Jack, Roy, Bob & Mike re: conference call	1.00
	DPS	Call from Roy; Call to Mike	0.50
	DPS	Meet with Roy; Conference call with group	1.25
	DPS	Draft memo on question of assignments and time line	0.50
3/03/2015	DPS	Revise letter to committee	0.25
	DPS	Call to Bob Myers	0.25
	DPS	1st draft of Answers for my questions to Attorney General 1-21 and old PSC questions	1.00
	DPS	E-mail received from Jack re: PSC hearing @ PHS 4.16.15	0.25
	DPS	Complete 1st draft of Answers to Attorney General's questions	0.75
3/04/2015	DPS	Set up AT & T Conference Call for Thursday, March 12th at 3:00 pm for 90 minutes/6 lines	0.25
	DPS	Call from Bob Myers; Call to Roy; Call to Jack H.	1.00
	DPS	Work on Answers to Attorney General's question	1.25
3/05/2015	DPS	Call from Roy	0.25

To ensure proper credit, please include account number and statement date on remittance checks. Thank you.

		Hours
	DPS Calls to Mike re: PSC questions	0.50
	DPS Work on second draft of Attorney General's questions	1.75
	DPS Call to Jack Hughes; Receipt and review of various emails for Jack's Answers	0.50
03/06/2015	DPS Review Jack's answer to PSC and Attorney General's questions	0.50
	DPS Receipt and review of email from Bob Myers re: analysis of Q & A; Reply email to Bob	1.00
	DPS E-mail received from Jack; Email to Bob Myers	0.25
	DPS Call to Roy re: UMG's questions; Draft answers for UMG's questions	0.75
	DPS Draft of Answer #75	0.50
	DPS Proof and revise second draft of Answers	0.75
03/07/2015	DCS Conference with Dan on A. J. issues	0.25
03/09/2015	DPS Call to Roy; Email to Roy; Email to Tammy	0.25
	DPS Receipt and review of emails from Kevin and Jack	0.25
	DPS Call to Mike, update; Email from Mike	0.25
	DPS Two emails from Jack; Reply email re: Attorney General's settlement procedure; Meet with David to review	0.50
	DPS Two emails from Roy; Email from Tammy	0.25
	DPS Call from Roy re: PSC questions	0.25
	DPS Call from Mike; Receipt and review of email from Mike with draft Answers	0.25
3/10/2015	DPS Prepared for meeting with Roy	0.50
	DPS Meet with Roy to review answers to question	1.25
	DPS Research exhibits for Answers; Final draft of Answers; Draft email to committee with responses	2.25
	DPS Proof final draft of committee	0.25
	DPS Call from Roy re: R & M expenses	0.25
	DPS Review settlement options with Attorney General's office per Jack's memo	0.50
	DPS Two calls from Mike to review answers to questions	0.25

			Hours
03/11/2015	DPS	Receipt and review of UMG's Answers; Email to Jack	0.25
	DPS	Call to Jack to review Answers	0.75
	DPS	E-mail received from Carrie; Call to Carrie to review answers	0.25
	DPS	Email to Bob M. re: Reply to Answers to PSC questions	0.25
	DPS	Call from Mike	0.25
	DPS	Call from Jack; Call to Mike; Call to Roy; Memo to file	1.00
	DPS	Call from Roy	0.50
	DPS	Call from Roy re: Answers to questions	0.25
03/12/2015	DPS	Receipt and review of email from Bob Myers; Receipt and review of email from Carrie; Work through Bob's answers and numbers	0.50
	DPS	Prepared for conference call on response to latest requests	1.00
	DPS	Receipt and review of Kevin's Answers; Review all answers	0.50
	DPS	Meet with Roy; Attend conference call	1.25
	DPS	First and second draft memot to Bob M. re: UMG's Response	0.50
	DPS	Re-draft Answer to 19b	0.25
	DPS	Re-draft Grondal Answers to 15 (b) (d); Memo to committee	0.50
03/13/2015	DPS	Revise memo and Answers for committee	0.75
	DPS	Receipt and review of email with exhibit from Carrie	0.25
	DPS	Call from Jack H.	0.25
03/14/2015	DPS	Call from Mike Spears	0.25
03/16/2015	DPS	Receipt and review of (2) emails from Mike with revised documents to Attorney General questions	0.25
	DPS	E-mail sent to and call to Carrie; Email from Carrie; Revise answer Attorney General 84	0.50
	DPS	E-mail received from Jack re: questions #32 & #16	0.25
	DPS	Multiple emails from and to Jack re: Attorney General re: objections to questions; Call to Roy	0.50
	DPS	Call from Roy re: Attorney General questions	0.25

			Hours	
03/18/2015	DPS	Call from Roy	0.25	
	DPS	E-mail received from Roy re: answer 15; Call to Carrie	0.25	
	DPS	Returned call to Roy	0.25	
	DPS	E-mail received from and to Roy	0.25	
03/19/2015	DPS	Receipt and review of PSC Order extending deadline to March 27	0.25	
	DPS	Meet with Roy and Carrie; Attend conference call	1.00	
03/20/2015	DPS	Receipt and review email from Roy requesting Attorney General answers in "word" format; Email to Roy the answers we were responsible for, in "word" format	0.25	
	DPS	Call from Roy	0.25	
	DPS	Receipt and review of form Affidavit; Prepare (4) Affidavit's; Send to Roy	0.25	
	DPS	Receipt and review of PSC; Letter for citizens; Letter concerning rate hike; Emails from Jack & Roy	0.25	
03/23/2015	DPS	Receipt and review of updated answers for Bob M.; Call to Roy	0.25	
	DPS	Call from Roy	0.25	
03/24/2015	DPS	E-mail received from Jack; Reply email re: meeting with PSC and Attorney General	0.25	
03/29/2015	DPS	E-mail received from Jack re: filing with updated reports	0.25	
03/30/2015	DPS	Call to Jack	0.25	
	DPS	Conference call to Jack & Roy	0.50	
	DPS	Conference call with Roy & Mike	0.50	
	DPS	E-mail sent to Jack; Email to Annette	0.25	
	DPS	Call from Roy; Email to Bob and Grondall	0.25	
		For Current Services Rendered	40.50	5,872.50
Previous Balance				5,236.25
Total Current Work				5,872.50
<u>Payments</u>				
03/20/2015		Payment - THANK YOU		-4,857.50
04/01/2015		Payment - THANK YOU		-398.75

Total Payments -5,256.25
Balance Due \$5,872.50

Billing History				
<u>Fees</u>	<u>Expenses</u>	<u>Advances</u>	<u>Finance Charge</u>	<u>Payments</u>
17,690.00	0.00	0.00	0.00	11,817.50

MAKE CHECK PAYABLE TO STRATTON LAW FIRM, PSC
PAYMENT DUE UPON RECEIPT
NOW ACCEPTING MASTERCARD, VISA AND DISCOVER
THANK YOU

PRIVILEGED & CONFIDENTIAL

Federal ID No. 31-1556382

Mountain Water District
 P.O. Box 3157
 Pikeville, KY 41502

ATTN: ROY SAWYERS

Account No. HEM3005-219

Statement Date: 04/30/2015

Statement No. 7

RE: 2014 Rate Study

Page No. 1

Payments received after 10th of month may not appear on this statement

Fees

		Hours
4/02/2015	DPS Travel to and from Frankfort	6.00
	DPS Meet with PSC and Attorney General's office; Meet with Committee	2.25
4/03/2015	DPS E-mail sent to Bob Myers	0.25
	DPS 1st draft memo to rate committee	0.75
	DPS Second draft of memo	0.50
	DPS Final draft of memo	0.25
4/06/2015	DPS E-mail received from Jack Hughes. Email to Bob Meyer.	0.25
4/07/2015	DPS Two - T/C calls Roy Sawyers. Call to Bob Meyer.	0.50
4/08/2015	DPS Receipt and review via email, AG's Clarification Questions filed April 3, 2015. R/R memorandum of conference published by the PSC.	0.25
4/09/2015	DPS Receipt and review varous emails from Jack	0.25
4/13/2015	DPS Call from Jack re: update	0.25
	DPS Call to Roy update; Email to Jack	0.25
	DPS Call from Roy re: public comments	0.25
4/14/2015	DPS Review Rate Review Summary	0.50
	DPS Receipt and review last submittal to PSC and Attorney General; Call to Bob Myers	0.25
	DPS 1st draft of Answers to Attorney General's follow-up question; Call to Carrie	1.00

To ensure proper credit, please include account number and statement date on remittance checks. Thank you.

		Hours
	DPS Call to Tammy; Second draft of follow-up Response	0.50
	DPS Letter to Bob Myers re: follow-up Answers	0.25
	DPS Final revision of Answers; Letter to Bob	0.50
04/15/2015	DPS E-mail received from and to Tammy re: chart	0.25
	DPS Call from Mike Spers, re: cost of independent operations	0.25
	DPS E-mail received from Roy and Tammy, revised chart; Email from and to Jack; Second email from Jack	0.50
	DPS Call from Roy - Attorney General's question on #6	0.25
	DPS E-mail received from and to Bob Myers; Second email to Bob	0.25
	DPS E-mail received from Bob Myers; Email and call from Roy; Revise answer to Attorney General's #1; Email to Roy	0.50
	DPS Receipt and review of sewer chart from Tammy	0.25
04/16/2015	DPS Revise Answer to question 19 to incorporate sewer comparison chart	0.25
	DPS Call from Mike; Email to Roy re: meeting time to review response	0.25
	DPS E-mail received from Roy and Jack	0.25
	DPS Call from Roy; Email from Jack re: Pikeville hearings	0.25
	DPS E-mail sent to Jack re: negotiations process with Attorney General's office	0.25
	DPS Attend PSC public hearing	1.00
04/17/2015	DPS Receipt and review of projections from Mike	0.25
	DPS Receipt and review of Answers from Bob Myers; Email to Bob	0.25
	DPS Call from Jack; update on PSC Public Hearing; Email to Jack	0.25
	DPS Memo to file of PSC hearing	0.25
04/20/2015	DPS Receipt and review of email from Jack re: cost study and PSC bids	0.25
04/21/2015	DPS Receipt and review of emails from Roy re: UMG's supplemental answers; Prepare for meeting with Mike and Roy	0.50
	DPS E-mail sent to Jack re: format for Attorney General's answers	0.25
	DPS Meet with Roy, Mike and Carrie to work on answers to PSC and Attorney General	3.00

		Hours
	DPS Draft revised answers to PSC and Attorney General questions	0.50
	DPS Receipt and review of email from Roy re: salary comparison of rural water	0.25
	DPS Work on salary comparisons; Email to Roy; Receipt and review of emails on answers	0.75
04/22/2015	DPS Email from Bob Myers re: salary information; Amend chart	0.25
	DPS Work on Attorney General and PSC responses	1.50
	DPS Work on revised responses; Prepare exhibits; Call from Roy; Email to Roy	1.00
	DPS Receipt and review of Mike's spread sheet on cost of operations; Reply email to Mike	0.25
	DPS Proof of final answers; Email to committee	0.25
04/23/2015	DPS E-mail received from ROY re: PSC Answer; Reply email	0.25
	DPS Call from Roy re: UMG's easements on answers submitted by APS	0.25
	DPS Call to Roy to get Grondall's comments	0.25
04/24/2015	DPS Receipt and review of email from Roy; Call to Roy to review Answers	0.25
	DPS Call to Jack; Call to Roy & Mike; Call to Kevin	0.75
	DPS Call from Roy asking to send him all of the AG's Clarification Questions in word format	0.25
04/25/2015	DPS 1st draft memo to board	0.50
04/27/2015	DPS Email and calls to and from Roy	0.50
	DPS Call from Roy; Emails to and from Jack H.	0.25
	DPS Call from Mike S. re: depreciation number	0.25
	DPS Receipt and review of spreadsheet from Kevin H.	0.25
	DPS Receipt and review email from Jack with revisions to memo to board	0.25
	DPS Call from Mike and Jack (conference call)	0.50
	DPS Meet with Roy and Carrie at MWD to renew final documents	2.00
04/28/2015	DPS Call from Roy	0.25
	DPS Revise memo to board; Call to Kevin; Call to Mike	1.75
	DPS E-mail received from Kevin; Call to Jack	0.25

		Hours	
	DPS Receipt and review of email from Kevin with exhibit for board memo	0.25	
	DPS Receipt and review of memo from Jack H. re: memo for board	0.25	
	DPS Call from Mike re: correction on water loss; Draft corrections to memo	0.25	
04/29/2015	DPS Meet with Jack, Mike & Roy re: Attorney General conference	0.50	
	DPS Conference call with Roy and Mike	0.25	
04/30/2015	DPS Call from Jack; Call to Roy	0.25	
	For Current Services Rendered	<u>39.75</u>	<u>5,763.75</u>
	Previous Balance		\$5,872.50
	Total Current Work		5,763.75
	Balance Due		<u>\$11,636.25</u>

Aged Due Amounts					
<u>0-30</u>	<u>31-60</u>	<u>61-90</u>	<u>91-120</u>	<u>121-180</u>	<u>181+</u>
5,872.50	0.00	0.00	0.00	0.00	0.00

Billing History				
<u>Fees</u>	<u>Expenses</u>	<u>Advances</u>	<u>Finance Charge</u>	<u>Payments</u>
23,453.75	0.00	0.00	0.00	11,817.50

MAKE CHECK PAYABLE TO STRATTON LAW FIRM, PSC
PAYMENT DUE UPON RECEIPT
NOW ACCEPTING MASTERCARD, VISA AND DISCOVER
THANK YOU

Invoice

Summit Engineering, Inc.
131 Summit Drive
Pikeville, Kentucky 41501
Telephone 606-432-1447; Fax 606-432-1440
www.summit-engr.com

September 19, 2014

Mountain Water District
P.O. Box 3607
Pikeville, KY 41502

Project No: 006375.052
Invoice No: 000000072231

Project 006375.052 MWD Rate Study
DO NOT BILL

Paradox # 14-434

Professional Services from June 30, 2014 to September 19, 2014

Phase 1 Study and Report
Fee

Billing Phase	Fee	Percent Complete	Earned
Initial Rate Filing	10,000.00	75.00	7,500.00
Total Fee	10,000.00		7,500.00
		Previous Fee Billing	0.00
		Current Fee Billing	7,500.00
		Total Fee	7,500.00
		Total this Phase	\$7,500.00

Phase 2 Post Filing Testimony
Total this Phase 0.00
Total this Invoice \$7,500.00

Summit Engineering, Inc., is a full service firm specializing in Mining, Civil and Environmental Engineering along with Surveying and Architectural Designs.

Please visit our web site at <http://www.summit-engr.com/>

Invoice

Summit Engineering, Inc.
131 Summit Drive
Pikeville, Kentucky 41501
Telephone 606-432-1447; Fax 606-432-1440
www.summit-engr.com

Mountain Water District
P.O. Box 3607
Pikeville, KY 41502

October 25, 2014
Project No: 006375.052
Invoice No: 000000072479

Project 006375.052 MWD Rate Study

Paradox # 14-434

Professional Services from September 20, 2014 to October 25, 2014

Phase 1 Study and Report
Fee

Billing Phase	Fee	Percent Complete	Earned
Initial Rate Filing	10,000.00	100.00	10,000.00
Total Fee	10,000.00		10,000.00
		Previous Fee Billing	7,500.00
		Current Fee Billing	2,500.00
		Total Fee	2,500.00
		Total this Phase	\$2,500.00

Phase 2 Post Filing Testimony

Total this Phase 0.00

Total this Invoice \$2,500.00

Summit Engineering, Inc., is a full service firm specializing in Mining, Civil and Environmental Engineering along with Surveying and Architectural Designs.

Please visit our web site at <http://www.summit-engr.com/>



Invoice

Summit Engineering, Inc.
131 Summit Drive
Pikeville, Kentucky 41501
Telephone 606-432-1447; Fax 606-432-1440
www.summit-engr.com

January 27, 2015
Project No: 006375.052
Invoice No: <Draft>

Mountain Water District
P.O. Box 3607
Pikeville, KY 41502

Project 006375.052 MWD Rate Study

Paradox # 14-434

Professional Services from January 1, 2015 to January 31, 2015

Phase	100	Study and Report		
Fee				
Billing Phase	Fee	Percent Complete	Earned	
Initial Rate Filing	10,000.00	100.00	10,000.00	
Total Fee	10,000.00		10,000.00	
		Previous Fee Billing	10,000.00	
		Current Fee Billing	0.00	
		Total Fee	0.00	
Total this Phase				0.00

Phase	101	Reimbursable /Reproduction Rate Filing			
Professional Personnel					
			Hours	Rate	Amount
Clerical					
Pomeroy, Devra	10/31/2014		1.00	45.00	45.00
915 - Administrative					
Pomeroy, Devra	11/7/2014		3.00	45.00	135.00
915 - Administrative					
Pomeroy, Devra	11/14/2014		.50	45.00	22.50
915 - Administrative					
Totals			4.50		202.50
Total Labor					202.50

Reimbursable Expenses

Maps, Copies & Reproductions				
12/11/2014	Lynn Imaging/		6,810.89	
Total Reimbursables			6,810.89	6,810.89
Total this Phase				\$7,013.39

Phase	200	Post Filing Testimony		
Total this Phase				0.00

Please remit to the above address.

Project	006375.052	MWD Rate Study	Invoice	<Draft>
			Total this Invoice	\$7,013.39

Summit Engineering, Inc., is a full service firm specializing in Mining, Civil and Environmental Engineering along with Surveying and Architectural Designs.

Please visit our web site at <http://www.summit-engr.com/>



INVOICE

Number L917950 Date 11/14/14 Page 1

13 Boxes

Sold To:
Summit Eng (Lex & Pikeville)
131 Summit Drive Ste 301
Pikeville, KY 41501

Ship To:
Summit Engineering-Lexington
3205 Summit Square Place
Lexington, KY 40509

Customer ID 813830
Our Order No. JOB0201284
Terms Net 30 Days
Due Date 12/14/14
Salesperson Tommy Weaver
Order Note 17
Job Name

Your P.O. No. MTN WTR DIST RATE FI
P.O. Date 11/07/14
Ordered By Devra
Project ID MTN WATER DISTRICT
Project Desc. Rate Filing
Drop Shipment No
Ship Via Delivery in Kentucky

Product Code Description	Size	(Originals) Ordered	(Copies) Shipped	(Total Copies) Backordered	Quantity	Unit	Unit Price	Total Price
0 81/2X11 3HP Copy SS	12 x 12	704	16	11,264	11,264	COPY		788.48
5013 Tabs - single sided		12	16	192	192	EA		57.60
5014 Tab Set up Charge		12	1	12	12	EA		12.00
1113 Plastic pouches 81/2x11		16	1	16	16	EA		8.00
1069 CD- Small B/W - 1st copy		2	1	2	2	EA		40.00
1068 CD-Small B/W -2nd Copy		2	15	30	30	EA		300.00
5018 Hand collating / folding		5	16	80	80	EA		20.00
1301 81/2x11 Color Copies SS	12 x 12	1	16	16	16	COPY		14.24
17950 White View D-Ring Binder 5"		16	16		16	EA	29.98	479.68
1040 81/2X11 3HP Copy SS	12 x 12	626	16	10,016	10,016	COPY		701.12
1301 81/2x11 Color Copies SS	12 x 12	1	16	16	16	COPY		14.24
5018 Hand collating / folding		2	16	32	32	EA		8.00
36249W White 3-Ring View Binder 3"		16	16		16	EA	9.58	153.28
0 81/2X11 3HP Copy SS	12 x 12	458	16	7,328	7,328	COPY		512.96
5013 Tabs - single sided		7	16	112	112	EA		33.60
5014 Tab Set up Charge		7	1	7	7	EA		7.00
1301 81/2x11 Color Copies SS	12 x 12	1	16	16	16	COPY		14.24



INVOICE

Number L917950 Date 11/14/14 Page 2

Sold To:
Summit Eng (Lex & Pikeville)
131 Summit Drive Ste 301
Pikeville, KY 41501

Ship To:
Summit Engineering-Lexington
3205 Summit Square Place
Lexington, KY 40509

Customer ID 813830
Our Order No. JOB0201284
Terms Net 30 Days
Due Date 12/14/14
Salesperson Tommy Weaver
Order Note 17
Job Name

Your P.O. No. MTN WTR DIST RATE FI
P.O. Date 11/07/14
Ordered By Devra
Project ID MTN WATER DISTRICT
Project Desc. Rate Filing
Drop Shipment No
Ship Via Delivery in Kentucky

Product Code Description	Size	(Originals) Ordered	(Copies) Shipped	(Total Copies) Backordered	Quantity	Unit	Unit Price	Total Price
18 2nd collating / folding 36249W		2	16	32	32	EA		8.00
White 3-Ring View Binder 3" 1303	12 x 12	16	16	16	16	EA	9.58	153.28
81/2x11 Color Cover Stk - SS 1001	12 x 12	1	16	16	16	COPY		13.60
81/2x11 black/white copy SS 5014		595	16	9,520	9,520	COPY		428.40
Tab Set up Charge 5013		10	1	10	10	EA		10.00
Tabs - single sided 5019		10	16	160	160	EA		48.00
Drilling Chg 1044		605	16	9,680	9,680	EA		96.80
Folders 1069		1	1	1	1	EA		20.00
CD- Small B/W - 1st copy 1068		1	15	15	15	EA		150.00
CD-Small B/W -2nd Copy 1019	12 x 12	1	4	4	4	COPY		0.72
81/2X11 Cover SS 36249W		16	16	16	16	EA	9.58	153.28
White 3-Ring View Binder 3" 1303	12 x 12	1	16	16	16	COPY		13.60
81/2x11 Color Cover Stk - SS 1001	12 x 12	501	16	8,016	8,016	COPY		360.72
81/2x11 black/white copy SS 5014		1	1	1	1	EA		1.00
Tab Set up Charge 5013		1	16	16	16	EA		4.80
Tabs - single sided 5019		502	16	8,032	8,032	EA		80.32
Drilling Chg								



INVOICE

Number L917950 Date 11/14/14 Page 3

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Customer ID 813830
Our Order No. JOB0201284
Terms Net 30 Days
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Salesperson Tommy Weaver
Order Note 17
Job Name

Your P.O. No. MTN WTR DIST RATE FI
P.O. Date 11/07/14
Ordered By Devra
Project ID MTN WATER DISTRICT
Project Desc. Rate Filing
Drop Shipment No
Ship Via Delivery in Kentucky

Product Code Description	Size	(Originals) Ordered	(Copies) Shipped	(Total Copies) Backordered	Quantity	Unit	Unit Price	Total Price
119 8 1/2X11 Cover SS 36249W	12 x 12	1	4	4	4	COPY		0.72
White 3-Ring View Binder 3" 1303	12 x 12	1	16	16	16	COPY		13.60
8 1/2x11 Color Cover Stk - SS 1001	12 x 12	470	16	7,520	7,520	COPY		338.40
8 1/2x11 black/white copy SS 5014		10	1	10	10	EA		10.00
Tab Set up Charge 5013		10	16	160	160	EA		48.00
Tabs - single sided 5019		480	16	7,680	7,680	EA		76.80
Drilling Chg 1044		1	16	16	16	EA		8.94
Folders 1069		1	1	1	1	EA		20.00
CD- Small B/W - 1st copy 1068		1	15	15	15	EA		150.00
CD-Small B/W -2nd Copy 1019	12 x 12	1	4	4	4	COPY		0.72
8 1/2X11 Cover SS 36249W		16	16		16	EA	9.58	153.28
White 3-Ring View Binder 3" 1303	12 x 12	1	16	16	16	COPY		13.60
8 1/2x11 Color Cover Stk - SS 1001	12 x 12	577	16	9,232	9,232	COPY		415.44
8 1/2x11 black/white copy SS 5014		9	1	9	9	EA		9.00
Tab Set up Charge 5013		9	16	144	144	EA		43.20
Tabs - single sided 5019		586	16	9,376	9,376	EA		93.76
Drilling Chg								



INVOICE

Number L917950 Date 11/14/14 Page 4

Sold To:
Summit Eng (Lex & Pikeville)
131 Summit Drive Ste 301
Pikeville, KY 41501

Ship To:
Summit Engineering-Lexington
3205 Summit Square Place
Lexington, KY 40509

Customer ID 813830
Our Order No. JOB0201284
Terms Net 30 Days
Due Date 12/14/14
Salesperson Tommy Weaver
Order Note 17
Job Name

Your P.O. No. MTN WTR DIST RATE FI
P.O. Date 11/07/14
Ordered By Devra
Project ID MTN WATER DISTRICT
Project Desc. Rate Filing
Drop Shipment No
Ship Via Delivery in Kentucky

Product Code	Description	Size	(Originals) Ordered	(Copies) Shipped	(Total Copies) Backordered	Quantity	Unit	Unit Price	Total Price
019	12X11 Cover SS	12 x 12	1	4	4	4	COPY		0.72
36249W	White 3-Ring View Binder 3"		16	16		16	EA	9.58	153.28
5046	Delivery charge		1	1	1	1	EA		9.50

Store Address
Lynn Imaging 1
(859) 255-1021

Remittance Address
Lynn Imaging
P. O. Box 519
Lexington, KY 40588-0519

Subtotal: 6,428.14
Sales Tax: 382.75
Total: 6,810.89
Paid at POS: 0.00
Total Due: 6,810.89

NO ACTION AT LAW OR EQUITY FOR DAMAGES RESULTING FROM SELLER'S NEGLIGENCE OR BREACH OF CONTRACT SHALL BE MAINTAINED BY BUYER (1) FOR ANY PUNITIVE, INCIDENTAL, OR CONSEQUENTIAL DAMAGES, OR (2) FOR ACTUAL DAMAGES EXCEEDING THE AMOUNT OF THIS INVOICE PAID BY BUYER. NOTWITHSTANDING THE PRIOR SENTENCE, BUYER'S EXCLUSIVE REMEDY FOR DEFECTS IN OR DAMAGES CAUSED BY THE WORK OF SELLER SHALL BE, AT SELLER'S DISCRETION, A REFUND

CASE : Mountain Water District
CASE NO : 2014-00342
RE : PSC Post Hearing Data Request

R 14 Provide the years in which Mountain Water District did not pay additional fees for R & M overage.

RESPONSE 14

Please see attached response noted as Exhibit 14.

EXHIBIT

14

CASE : Mountain Water District
CASE NO : 2014-00342
RE : PSC Post Hearing Data Request

RESPONSE 14

The District paid \$128,565.86 of additional fees for repair and maintenance overage to Utility Management Group for the year 2011. The District currently owes additional fees for repair and maintenance overage to Utility Management Group for the years 2013 and 2014. All past additional fees for repair and maintenance overage were waived by Utility Management Group.

CASE : Mountain Water District
CASE NO : 2014-00342
RE : PSC Post Hearing Data Request

R 15 Is preventive maintenance included in the \$737,000 R&M

RESPONSE 15

Please see attached response noted as Exhibit 15.

EXHIBIT

15

CASE : Mountain Water District
CASE NO : 2014-00342
RE : PSC Post Hearing Data Request

RESPONSE 15

Preventive maintenance is included in the \$737,000 repair and maintenance.

Utility Management Group's personnel perform routine maintenance to; large and small equipment (daily inspection); service trucks (weekly inspection); and other vehicles (weekly inspection) per manufacturer's recommendations.

Their wastewater department performs daily inspections of the District's wastewater facilities; those facilities include wastewater plants and sewer lift stations. Upon completion of the inspection they perform day-to-day maintenance routines or if needed any additional maintenance issues discovered during the inspection.

Their water department performs a daily inspection of the water treatment plant and its facilities. They perform quarterly inspections of booster pump stations and pressure regulator valves; included routine maintenance of the following; motor lube, pump packing, pump amperage, strainers, pressure switch and gauge; and if needed address any additional maintenance issues discovered during the inspection. A routine telemetry and water storage tank inspection is performed biannually and any maintenance problems arise is resolved upon completion of the inspection.

CASE : Mountain Water District
CASE NO : 2014-00342
RE : PSC Post Hearing Data Request

R 16 Provide documentation for any funding that has been applied for infrastructure since 2010.

RESPONSE 16

Please see attached spreadsheet noted as Exhibit 16.

EXHIBIT

16

MOUNTAIN WATER DISTRICT
 FUNDING REQUESTS FOR INFRASTRUCTURE IMPROVEMENTS
 2005-2015

DATE APPLIED	PROJECT	PURPOSE/DESCRIPTION	SX/WX #	AMOUNT REQUESTED	FUNDING AGENCY	FUNDED Y/N
12/12/2013	SEWER LIFT STATION UPGRADES	REPLACEMENT OR REHAB OF AGING INFRASTRUCTURE	SX21195004	\$400,000	CWSRF	N
2010-2012	SEWER LIFT STATION UPGRADES	REPLACEMENT OR REHAB OF AGING INFRASTRUCTURE	SX21195004	\$250,000	COAL SEVERANCE	N
12/12/2013	MWD COUNTY WIDE WATER SYSTEM IMPROVEMENTS REHAB	REHAB GREASY BOOSTER PUMPING STATION	WX21195021	\$325,000	DWSRF	N
12/12/2012	MWD COUNTY WIDE WATER SYSTEM IMPROVEMENTS REHAB	REHAB GREASY BOOSTER PUMPING STATION	WX21195021	\$325,000	DWSRF	N
12/12/2011	MWD COUNTY WIDE WATER SYSTEM IMPROVEMENTS REHAB	REHAB GREASY BOOSTER PUMPING STATION	WX21195021	\$500,000	COAL SEVERANCE	N
2010/2011	TANK AND PUMP STATION REHAB	LIFT STATION REHAB	SX21195016	\$40,000	KIA	Y
12/18/2013	FEMA MITIGATION PROJECT	RELOCATE 2 BOOSTER PUMPING STATIONS OUT OF FLOOD ZONE	N/A	\$975,000	FEMA MITIGATION	Y
2005-2006	PLANT/SYSTEM UPGRADE PROJECTS	UPGRADE OF AGING INFRASTRUCTURE	WX21195695	\$658,000	COAL SEVERANCE	Y
2005-2006	RACCOON WATER STORAGE TANK	REPLACEMENT OF WATER STORAGE TANK	WX21195698	\$116,000	COAL SEVERANCE	Y
2006-2007	WATER TREATMENT PLANT EXPANSION	EXPANDED WTP TO 3MGD	WX21195687	\$1,400,000	COAL SEVERANCE	Y
2006-2007	WATER TREATMENT PLANT INTAKE UPGRADE	INSTALLATION AND UPGRADE WATER TREATMENT PLANT INTAKE STRUCTURE	WX21195725	\$400,000	COAL SEVERANCE	N
2005-2007	HOMEMADE HOLLOW WATER STORAGE TANK REPLACEMENT	REPLACEMENT OF TWO FIFTY YEAR OLD 30,000 GALLON SKID TANKS	WX21195723	\$122,000	COAL SEVERANCE	Y
2006-2007	MILLARD WATER MAIN REPLACEMENT	REPLACEMENT OF 11,000' OF 8" PVC WITH 10" DI PIPE	WX21195712	\$458,000	COAL SEVERANCE	Y
2006-2007	WOLFPIE TANK AND TELEMTRY UPGRADE	CLEANING AND PAINTING OF 270,000 GALLON WST AND INSTALLATION OF CONTROL TELEMTRY ON TWO ADDITIONAL PUMP STATIONS	WX21195731	\$157,000	COAL SEVERANCE	Y
2008-2010	TELEMTRY	UPGRADE AND INSTALLATION OF TELEMTRY TO IMPROVE SERVICE RELIABILITY	WX21195736	\$200,000	COAL SEVERANCE	Y
2008-2010	WATER TREATMENT PLANT INTAKE UPGRADES	UPGRADE THE EXISTING WTP INTAKE STRUCTURE	WX21195734	\$400,000	COAL SEVERANCE	Y
6/8/2009	MWD MAINTENANCE PHASE I	REPAIR/REPLACE AGING INFRASTRUCTURE		\$750,000	COAL SEVERANCE	N
2012-2014	PHELPS WWTP UPGRADES	REHAB WWTP TO BRING INTO COMPLIANCE PURPOSES	SX21195003	\$1,500,000	COAL SEVERANCE	Y
2012-2014	TANK & PUMP STATION MAINTENANCE/REHABILITATION	MAINTENANCE/REHAB OF AGING INFRASTRUCTURE	WX21195017	\$670,000	COAL SEVERANCE	Y
2012-2014	WATER SYSTEM MAINTENANCE/REHABILITATION	MAINTENANCE/REHAB OF AGING INFRASTRUCTURE		\$500,000	COAL SEVERANCE	N
12/12/2011	DOUGLAS WWTP EXPANSION	UPGRADE/EXPANSION OF DOUGLAS WWTP	SX21195699	486,079.04	COAL SEVERANCE	Y

CASE : Mountain Water District
CASE NO : 2014-00342
RE : PSC Post Hearing Data Request

R 17 Provide the test-year water loss clarification of 28 or 30%.

RESPONSE 17

Please see attached water loss clarification response noted as Exhibit 17.

EXHIBIT

17



PSC FOLLOW UP DATA REQUEST

FROM HEARING 5-20-15

"Test year water loss clarification – 28% or 30%"

After review of the calendar year 2013 water loss numbers and the personnel who performed the calculations, it appears that there is no specific line item on either the Annual Report or the Schedule 2 to record the unaccounted for water loss. The PSC Monthly Water Loss Report does have that line calculated at the bottom but that total was not shown on schedule 2.

Due to the requirement on the PSC Annual Report that lines 13, 21 and 28 must equal the total produced and purchased, there is no line on which to put the water loss that is unaccounted for and therefore it must be put into the "Other" category on line 27 to make it equal.



Therefore, if you factor in the unaccounted for loss that is shown in line 27 on the Annual Report but is not shown on Schedule 2, the higher number of 30% on the Annual Report would be correct.

Personnel also found clerical errors on several lines of the annual report which were not explainable other than typographical errors either on her part or the part of the audit preparation team transcribing handwritten numbers. The annual report has been corrected and the water loss percentage remains at 30%. A copy of that page is attached.



Water Statistics (Ref Page: 30)

	Gallons (Omit 000's)	Percent
1. Water Produced, Purchased and Distributed		
2. Water Produced	893,238 <i>893,244</i>	
3. Water Purchased	738,044 <i>735,778</i>	
4. Total Produced and Purchased	1,631,282 <i>1,629,022</i>	
6. Water Sales:		
7. Residential	743,260 <i>702,157</i>	
8. Commercial	94,836 ✓ <i>94,836</i>	
9. Industrial	7,434 ✓ <i>7,434</i>	
10. Bulk Loading Stations	0	
11. Resale	64,904 <i>105,884,000</i>	
12. Other Sales	29,017 <i>29,017</i>	
13. Total Water Sales	939,451 <i>939,328 *</i>	
15. Other Water Used		
16. Utility/water treatment plant	14,404 ✓ <i>14,404</i>	
17. Wastewater plant	0 ✓	
18. System flushing	99,043 ✓ <i>99,043</i>	
19. Fire department	73,312 ✓ <i>73,312</i>	
20. Other	15,649 <i>7,960</i>	
21. Total Other Water Used	202,408 <i>194,719 *</i>	
23. Water Loss:		
24. Tank Overflows	9,555 ✓ <i>9,555,000</i>	
25. Line Breaks	1,033 <i>2,406,450</i>	
26. Line Leaks	34,126 <i>32,751,715</i>	
27. Other	444,829 <i>450,263</i>	
28. Total Line Loss	489,543 <i>474,915 *</i>	
Note: Line 13 + Line 21 + Line 28 must equal Line 4		
32. Water Loss Percentage		
33. Line 28 divided by Line 4		30.0097 <i>30.38%</i>

CASE : Mountain Water District
CASE NO : 2014-00342
RE : PSC Post Hearing Data Request

R 18 Please provide a Capital project list for 2013 and 2014.

RESPONSE 18

Please see attached Capital Projects List and Replacement Schedule noted as Exhibit 18.

Capital Projects List – Please notice the items with asterisks beside them. The District was unable to purchase these items due to financial constraints.

Replacement Schedule List – The District was unable to construct or install not any of the items in the replacement schedule due to financial constraints.

EXHIBIT

18

CAPITAL ITEMS LIST
FIELD/OFFICE ITEMS - MWD
2013

FIELD EQUIPMENT

	DESCRIPTION	QUANTITY	UNIT COST	TOTAL
	Pick-Up Truck, Mid-Size Ext/Cab 4X4	1	\$26,500	\$26,500
*	Crane Truck 4X4	1	\$50,000 - \$90,000	\$50,000 - \$90,000
*	Utility Truck 4X4	1	\$36,000	\$36,000
*	Jetter for Wastewater Department	1	\$35,000	\$35,000

OFFICE

	DESCRIPTION	QUANTITY	UNIT COST	TOTAL
	Scanner	1	\$1,800	\$1,800
*	Conference Room Chairs	20	\$75	\$1,500
*	Foyer/Conference Room (Tile/Carpet)	N/A		\$4,500 - \$5,500
*	Map Racks	20	\$25	\$500

**CAPITAL ITEMS LIST
FIELD/OFFICE ITEMS - UMG
2013**

FIELD EQUIPMENT

DESCRIPTION	QUANTITY	UNIT COST	TOTAL
Aqua Scope (Subsurface)	1	\$1,800	\$1,800
Metal Detector	2	\$850	\$1,700
Laptop - Toughbook (Central Telemetry)	1	\$4,600	\$4,600

OFFICE

DESCRIPTION	QUANTITY	UNIT COST	TOTAL
Computers	4	\$1,200	\$4,800

**CAPITAL ITEMS LIST
FIELD/OFFICE ITEMS - MWD
2014**

FIELD EQUIPMENT

DESCRIPTION	QUANTITY	UNIT COST	TOTAL
Crane Truck 4X4	1	\$50,000 - \$90,000	\$50,000 - \$90,000
Jetter for Wastewater Department	1	\$50,000-\$60,000	\$50,000-\$60,000

OFFICE

DESCRIPTION	QUANTITY	UNIT COST	TOTAL
Foyer - Tile	± 400 sq/ft	\$8-\$10 / sq/ft	\$3,200 - \$4,000
* Chairs for Conference Room	20	\$50/ea	\$1,000
* Carpet - Project Accountant's Office	±218 sq/ft	\$4 - \$6 / sq/ft	\$900 - \$1,300
* Scanner	2	\$200 / ea.	\$400
* Outdoor Office Sign	1	\$3,000	\$3,000

CAPITAL ITEMS LIST
FIELD/OFFICE ITEMS - UMG
2014

FIELD EQUIPMENT

DESCRIPTION	QUANTITY	UNIT COST	TOTAL
Metal Detector	2	\$850	\$1,700
Field CL2 Tester	1	\$950	\$950
Truck (Supervisor) 4 X 4	<i>A3</i>	± \$28,000 / ea.	± \$112,000
Truck (Utility) 4 X 4	1	± \$36,000 / ea.	± \$36,000

OFFICE

DESCRIPTION	QUANTITY	UNIT COST	TOTAL
Computers	3	\$1,200	\$3,600
File Cabinets	3	\$300	\$900

**BOOSTER PUMP STATION
1 TO 5 YEAR REPLACEMENT SCHEDULE
2012-2017**

2012-2015	PRIORITY NUMBER	EST. REPLACEMENT COST	YEAR INSTALLED
GREASY	2	\$105,000 - \$125,000	1992
INDIAN CREEK	3	\$105,000 - \$125,000	1993
KIMPER (DESKINS)	1	\$130,000 - \$150,000	1987
LONG FORK OF ROBINSON CRK	4	\$105,000 - \$125,000	1994

2015-2017			
COWPEN #2	5	\$90,000 - \$110,000	1993
PHELPS #1	6	\$130,000 - \$150,000	1993
PHELPS #2	7	\$130,000 - \$150,000	1993

2012-2015 EST. TOTAL COST	\$445,000 - \$525,000
2015-2017 EST. TOTAL COST	\$350,000 - \$410,000
2012-2017 EST. TOTAL COST	<u>\$795,000 - \$935,000</u>

**WATER STORAGE TANK
1 TO 3 YEAR REPLACEMENT SCHEDULE
2012-2015**

2012-2015	TANK SIZE	EST. REPLACEMENT COST	YEAR INSTALLED
RIGHT FORK OF GREASY (UPPER)	25,000 GAL	\$37,500 - \$50,000	1992
POORBOTTOM	20,000 GAL	\$30,000 - \$40,000	1985
ALLEGHANY	10,000 GAL	\$15,000 - \$20,000	1993
KENDRICK FORK	25,000 GAL	\$37,500 - \$50,000	1987
	TOTAL	\$120,000 - \$160,000	

**PRESSURE REDUCING VALVES
1 TO 3 YEAR REPLACEMENT SCHEDULE
2012-2015**

2012-2015	COMMENTS	EST. REPLACEMENT COST	YEAR INSTALLED
BLACKBERRY #2	NEEDS REPLACED/ RELOCATED	\$25,000 - \$30,000 + (DI) 200' x \$32/FT = \$6,400 TOTAL = \$31,400 - \$36,400	1989
BLACKBERRY #1		\$25,000 - \$30,000	1989
TOTAL		\$56,400 - \$66,400	

LINE REPLACEMENT
1 TO 3 YEAR REPLACEMENT SCHEDULE
2012-2015

LOCATION	EST. REPLACEMENT COST
DORTON	6" DI - 4,000 FT X \$28/FT = \$112,000 2 TIE-INS @ \$3,000 EA = \$6,000 TOTAL = \$118,000
BURNING FORK	4" DI - 2,500 FT X \$25/FT = \$62,500 RECONNECTION OF 20 SERVICES @ \$1,000 EA = \$20,000 2 TIE-INS @ \$3,000 EA = \$6,000 TOTAL = \$88,500
TAYLOR FORK	4" DI - 2,000 FT X \$25/FT = \$50,000 RECONNECTION OF 12 SERVICES @ \$1,000 EA = \$12,000 2 TIE-INS @ \$3,000 EA = \$6,000 TOTAL = \$68,000
ELKHORN	8" DI - 3,500 FT X \$32/FT = \$112,000 RECONNECTION OF 17 SERVICES @ \$1,000 EA = \$17,000 8 X 4 TIE-IN (THREE MILE) - \$3,000 8 X 3 TIE-IN (JOHN CABLE) - \$3,000 3 - 120 FT - OPEN CUT CASE FOR 8" DI @ \$175/FT = \$21,000 TOTAL = \$156,000
OLD BEEFHIDE ROAD	6" DI - 3,600 FT X \$28/FT = \$100,800 RECONNECTION OF 14 SERVICES @ \$1,000 EA = \$14,000 2 TIE-INS @ \$3,000 EA = \$6,000 TOTAL = \$120,800
COLLINS HIGHWAY	UPSTREAM/RIDDLES CROSSING 6" DI - 1,000 FT X \$28/FT = \$28,000 2 - TIE-INS @ \$3,000 EA = \$6,000 TOTAL = \$34,000 SHELBY YARD TO SHELBY BRIDGE 6" DI W/CREEK CROSSING - 1,000 FT X \$36/FT = \$36,000 RECONNECTION OF 2 SERVICES @ \$1,000 EA = \$2,000 2 - TIE-INS @ \$3,000 EA = \$6,000 TOTAL = \$44,000

**LINE REPLACEMENT
1 TO 3 YEAR REPLACEMENT SCHEDULE
2012-2015**

OASIS PAWN SHOP TO INDIAN HILLS	<p style="text-align: center;">8" DI - 1,000 FT X \$32/FT = \$32,000 1 - HYDRANT TIE-IN REPLACEMENT @ \$4,500 EA = \$4,500 2 - TIE-INS @ \$3,000 EA = \$6,000 TOTAL = \$42,500</p>
DORTON HILL	<p style="text-align: center;">2" SDR-17 - 2,200 FT @ \$18/FT = \$39,600 2 TIE-INS @ \$3,000 EA = \$6,000 RECONNECTION OF 3 SERVICES @ \$1,000 EA = \$3,000 TOTAL = \$48,600</p>
BOWLING FORK	<p style="text-align: center;">4" DI - 1,000 FT @ \$25/FT = \$25,000 RECONNECTION OF 4 SERVICES @ \$1,000 EA = \$4,000 2 - TIE-INS @ \$3,000 EA = \$6,000 TOTAL = \$35,000</p>
DEMOCRAT HOLLOW	<p style="text-align: center;">2" SDR-17 - 350 FT @ \$18/FT = \$6,300 RECONNECTION OF 3 SERVICES @ \$1,000 EA = \$3,000 2 - TIE-INS @ \$3,000 EA = \$6,000 TOTAL = \$12,300</p>
GREASY CREEK	<p style="text-align: center;">6" DI - 2,500 FT @ \$28 FT = \$70,000 RECONNECTION OF 12 SERVICES @ \$1,000 EA = \$12,000 1 - HYDRANT TIE-IN @ \$4,500 EA = \$4,500 2 - TIE-INS @ \$3,000 EA = \$6,000 TOTAL = \$92,500</p>
SMITH FORK OF PHELPS (.5 MILES UP)	<p style="text-align: center;">6" DI - 2,600 FT @ \$28 FT = \$72,800 RECONNECTION OF 14 SERVICES @ \$1,000 EA = \$14,000 2 - TIE-INS @ \$3,000 EA = \$6,000 TOTAL = \$92,800</p>

LINE REPLACEMENT
1 TO 3 YEAR REPLACEMENT SCHEDULE
2012-2015

ARNOLD MCCOY ROAD	10" CREEK CROSSING DIRECTIONAL BORE = \$15,000 TIE-INS @ \$4,500 EA = \$9,000 = \$24,000	2 TOTAL
TOTAL	\$953,000	

SEWER DIVISION
1 TO 3 YEAR REPLACEMENT SCHEDULE
SMALL PACKAGE WWTP'S
2014-2017

2014-2015	PRIORITY NUMBER	AGE/YRS	* ESTIMATED REPLACEMENT COST
MODERN MOBILE HOME PARK (6,000 GPD)	1	30+	\$125,000 - \$150,000
2015-2016			
STONE HEIGHTS WWTP (10,000 GPD)	2	40+	\$140,000 - \$160,000
2016-2017			
KEENE VILLAGE WWTP (15,000 GPD)	3	40+	\$160,000 - \$175,000

* DOES NOT INCLUDE REMOVAL OF EXISTING WWTP OR INSTALLATION OF NEW WWTP OR SITE WORK.

SEWER DIVISION
1 TO 3 YEAR REPLACEMENT/REHABILITATION SCHEDULE
2014-2017

PRIORITY #	2014-2017	EST. REPLACEMENT COST	YEAR INSTALLED
1	DOUGLAS LIFT STATION	\$225,000 - \$250,000	1980s
2	CENTRAL AVENUE LIFT STATION	\$425,000 - \$450,000	1991
3	PHELPS INTERSECTION LIFT STN	\$350,000 - \$425,000	2003

RESIDENT GRINDER UNIT
SEWER DIVISION
1 TO 3 YEAR REPLACEMENT SCHEDULE
2014-2017

YEAR	2014-2017 - SYSTEM WIDE	EST. REPLACEMENT COST
1	630 UNITS	≈ \$693,000
2	630 UNITS	≈ \$693,000
3	630 UNITS	≈ \$693,000

* OF APPROXIMATELY 1890 UNITS / 90% ARE OUT OF WARRANTY

**BOOSTER PUMP STATION
1 TO 5 YEAR REPLACEMENT SCHEDULE
2014-2019**

2014-2017	PRIORITY NUMBER	EST. REPLACEMENT COST	YEAR INSTALLED
PHELPS #1	1	\$350,000	1993
PHELPS #2	2	\$350,000	1993
GREASY	3	\$325,000	1992
COWPEN #2	4	\$325,000	1993

2017-2019			
INDIAN CREEK	5	\$325,000	1993
LONG FORK OF ROBINSON CRK	6	\$325,000	1994
KIMPER (DESKINS)	7	\$325,000	1987

2014-2019			
20 SMALL STATIONS (REHAB/REPLACEMENT)	\$10,000/EA	\$200,000	

2014-2017 EST. TOTAL COST	\$1,350,000
2017-2019 EST. TOTAL COST	\$975,000
2012-2017 EST. TOTAL COST	<u>\$2,525,000</u>

WATER-STORAGE-TANK
1 TO 3 YEAR REPLACEMENT SCHEDULE
2014-2017

PRIORITY #	2014-2017	TANK SIZE	EST. REPLACEMENT COST	YEAR INSTALLED
1	RIGHT FORK OF GREASY (UPPER)	25,000 GAL	\$37,500 - \$50,000	1992
2	POORBOTTOM	20,000 GAL	\$30,000 - \$40,000	1985
3	ALLEGHANY	10,000 GAL	\$15,000 - \$20,000	1993
4	KENDRICK FORK	25,000 GAL	\$37,500 - \$50,000	1987

TOTAL

PRESSURE REDUCING VALVES
1 TO 3 YEAR REPLACEMENT SCHEDULE
2014-2017

PRIORITY #	2014-2017	COMMENTS	EST. REPLACEMENT COST	YEAR INSTALLED
1	BLACKBERRY #2	NEEDS REPLACED/ RELOCATED	\$25,000 - \$30,000 + (DI) 200' x \$32/FT = \$6,400 TOTAL = \$31,400 - \$36,400	1989
2	PHELPS #1	RELOCATED		
3	PHELPS #2	RELOCATED		
4	BLACKBERRY #1	REPLACE	\$25,000 - \$30,000	1989
	TOTAL			

**LINE REPLACEMENT
1 TO 3 YEAR REPLACEMENT SCHEDULE
2014-2017**

LOCATION	EST. REPLACEMENT COST
DORTON	6" DI - 4,000 FT X \$28/FT = \$112,000 2 TIE-INS @ \$3,000 EA = \$6,000 TOTAL = \$118,000
BURNING FORK	4" DI - 2,500 FT X \$25/FT = \$62,500 RECONNECTION OF 20 SERVICES @ \$1,000 EA = \$20,000 2 TIE-INS @ \$3,000 EA = \$6,000 TOTAL = \$88,500
TAYLOR FORK	4" DI - 2,000 FT X \$25/FT = \$50,000 RECONNECTION OF 12 SERVICES @ \$1,000 EA = \$12,000 2 TIE-INS @ \$3,000 EA = \$6,000 TOTAL = \$68,000
ELKHORN	8" DI - 3,500 FT X \$32/FT = \$112,000 RECONNECTION OF 17 SERVICES @ \$1,000 EA = \$17,000 8 X 4 TIE-IN (THREE MILE) - \$3,000 8 X 3 TIE-IN (JOHN CABLE) - \$3,000 3 - 120 FT - OPEN CUT CASE FOR 8" DI @ \$175/FT = \$21,000 TOTAL = \$156,000
OLD BEEFHIDE ROAD	6" DI - 3,600 FT X \$28/FT = \$100,800 RECONNECTION OF 14 SERVICES @ \$1,000 EA = \$14,000 2 TIE-INS @ \$3,000 EA = \$6,000 TOTAL = \$120,800
COLLINS HIGHWAY	UPSTREAM/RIDDLES CROSSING 6" DI - 1,000 FT X \$28/FT = \$28,000 2 - TIE-INS @ \$3,000 EA = \$6,000 TOTAL = \$34,000 SHELBY YARD TO SHELBY BRIDGE 6" DI W/CREEK CROSSING - 1,000 FT X \$36/FT = \$36,000 RECONNECTION OF 2 SERVICES @ \$1,000 EA = \$2,000 2 - TIE-INS @ \$3,000 EA = \$6,000 TOTAL = \$44,000

LINE REPLACEMENT
1 TO 3 YEAR REPLACEMENT SCHEDULE
2014-2017

OASIS PAWN SHOP TO INDIAN HILLS	<p style="text-align: center;">8" DI - 1,000 FT X \$32/FT = \$32,000 1 - HYDRANT TIE-IN REPLACEMENT @ \$4,500 EA = \$4,500 2 - TIE-INS @ \$3,000 EA = \$6,000 TOTAL = \$42,500</p>
DORTON HILL	<p style="text-align: center;">2" SDR-17 - 2,200 FT @ \$18/FT = \$39,600 2 TIE-INS @ \$3,000 EA = \$6,000 RECONNECTION OF 3 SERVICES @ \$1,000 EA = \$3,000 TOTAL = \$48,600</p>
BOWLING FORK	<p style="text-align: center;">4" DI - 1,000 FT @ \$25/FT = \$25,000 RECONNECTION OF 4 SERVICES @ \$1,000 EA = \$4,000 2 - TIE-INS @ \$3,000 EA = \$6,000 TOTAL = \$35,000</p>
DEMOCRAT HOLLOW	<p style="text-align: center;">2" SDR-17 - 350 FT @ \$18/FT = \$6,300 RECONNECTION OF 3 SERVICES @ \$1,000 EA = \$3,000 2 - TIE-INS @ \$3,000 EA = \$6,000 TOTAL = \$12,300</p>
GREASY CREEK	<p style="text-align: center;">6" DI - 2,500 FT @ \$28 FT = \$70,000 RECONNECTION OF 12 SERVICES @ \$1,000 EA = \$12,000 1 - HYDRANT TIE-IN @ \$4,500 EA = \$4,500 2 - TIE-INS @ \$3,000 EA = \$6,000 TOTAL = \$92,500</p>
SMITH FORK OF PHELPS (.5 MILES UP)	<p style="text-align: center;">6" DI - 2,600 FT @ \$28 FT = \$72,800 RECONNECTION OF 14 SERVICES @ \$1,000 EA = \$14,000 2 - TIE-INS @ \$3,000 EA = \$6,000 TOTAL = \$92,800</p>

LINE REPLACEMENT
1 TO 3 YEAR REPLACEMENT SCHEDULE
2014-2017

ARNOLD MCCOY ROAD	10" CREEK CROSSING DIRECTIONAL BORE = \$15,000 TIE-INS @ \$4,500 EA =\$9,000 = \$24,000 2 TOTAL

TOTAL

\$953,000

TELEMETRY

**1 TO 3 YEAR REPLACEMENT SCHEDULE
2014-2017**

2014-2017	COMMENTS	EST. REPLACEMENT COST
TELEMETRY	REPLACE 20 OUTDATED RTU'S AT \$10,000/EA	\$200,000
	TOTAL	\$200,000

CASE : Mountain Water District
CASE NO : 2014-00342
RE : PSC Post Hearing Data Request

R 19 Provide the latest inspection reports for all glass lined tanks performed by Southern Corrosion.

RESPONSE 19

Please see attached letter provided by Southern Corrosion as Exhibit 19.

EXHIBIT

19

○

○

○

 SOUTHERN CORROSION
ENGINEERED TANK CARE.

738 Thelma Road Roanoke Rapids, NC 27870
Office: 252-535-1777 Fax: 252-535-3215
www.tankcare.net

June 3, 2015

Mr. Roy Sawyers
Mountain Water Utility District
6332 Zebulon Hwy
P.O. Box 3157
Pikeville, KY 41501

Re: Glass Lined Indian Creek, Buckley, and Robinson Creek Storage Tanks

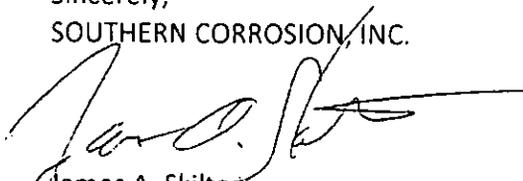
Dear Mr. Sawyers:

The above mentioned Glass lined tanks were visually inspected according to the Maintenance Contract in the years 2011 and 2012. At the time of the visual inspections everything was working properly. The annual visual inspection uncovers any hidden issues from year to year. If any issues are found during the inspection under contract the owner will be notified and repairs will be addressed.

In the contract year 2013 the contract was interrupted due to funding issues. The Indian Creek, Robinson Creek, and Buckley tanks were all scheduled to have interior washouts and inspections with reports in the year 2013 of the contract. Unfortunately due to the interruption of the contract the washouts and reports were not completed.

If you have any question, please don't hesitate to contact me.

Sincerely,
SOUTHERN CORROSION, INC.


James A. Skilton
President

CASE : Mountain Water District
CASE NO : 2014-00342
RE : PSC Post Hearing Data Request

R 20 Provide list of dedication/excellence bonuses given by UMG in the last 5 yrs and amounts.

RESPONSE 20

Please see attached response as Exhibit 20.

EXHIBIT
20

CASE : Mountain Water District
CASE NO : 2014-00342
RE : PSC Post Hearing Data Request

RESPONSE 20

UMG provided one excellence bonus in the last five years. The project manager assigned to the Mountain Water District Project received \$6,500 dollars in 2010.

CASE : Mountain Water District
CASE NO : 2014-00342
RE : PSC Post Hearing Data Request

R 21 Provide a breakdown of the following items listed in Item 2,
Exhibit 2, page 2;

- a. Electric expense for water;
- b. Electric expense for sewer;
- c. Chemical expense for water;
- d. Chemical expense for sewer;

RESPONSE 21

Please see attached electrical and chemical expense breakdown for Exhibit 2,
Page noted as Exhibit 21.

EXHIBIT

21

MOUNTAIN WATER DISTRICT
BREAKDOWN OF ELECTRIC AND CHEMICAL EXPENSE
07/01/13-06/30/14

	WATER	SEWER	TOTAL
CHEMICAL EXPENSE	\$ 104,428.22	\$ 65,636.53	\$ 170,064.75
ELECTRIC EXPENSE	\$ 828,846.21	\$ 333,803.79	\$ 1,162,650.00