

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

INVESTIGATION OF THE OPERATING CAPACITY )  
OF MARTIN COUNTY WATER DISTRICT ) CASE NO. 2016-00142  
PURSUANT TO KRS 278.280 )

NOTICE OF FILING

Notice is given to all parties that the following materials have been filed into the record of this proceeding:

- The digital video recording of the evidentiary hearing conducted on February 28, 2018 in this proceeding;
- Certification of the accuracy and correctness of the digital video recording;
- All exhibits introduced at the evidentiary hearing conducted on February 28, 2018 in this proceeding;
- A written log listing, *inter alia*, the date and time of where each witness' testimony begins and ends on the digital video recording of the evidentiary hearing conducted on February 28, 2018.

A copy of this Notice, the certification of the digital video record, hearing log, and exhibits have been electronically served upon all persons listed at the end of this Notice.

Parties desiring to view the digital video recording of the hearing may do so at

[https://psc.ky.gov/av\\_broadcast/2016-00142/2016-00142\\_28Feb18\\_Inter.aspx](https://psc.ky.gov/av_broadcast/2016-00142/2016-00142_28Feb18_Inter.aspx).

Parties wishing an annotated digital video recording may submit a written request by electronic mail to [pscfilings@ky.gov](mailto:pscfilings@ky.gov). A minimal fee will be assessed for a copy of this recording.

Done at Frankfort, Kentucky, this 19<sup>th</sup> day of March 2018.

A handwritten signature in cursive script that reads "Gwen R. Pinson".

---

Gwen R. Pinson  
Executive Director  
Public Service Commission of Kentucky

Brian Cumbo  
Attorney at Law  
P.O. Box 1844  
Inez, KENTUCKY 41224

Martin County Water District  
387 East Main Street, Suite 140  
Inez, KY 41224

Martin County Water District  
Martin County Water District  
387 East Main Street, Suite 140  
Inez, KY 41224

Mary Cromer  
Appalachian Citizens' Law Center, Inc.  
317 Main Street  
Whitesburg, KENTUCKY 41858

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:


INVESTIGATION OF THE OPERATING	)	CASE NO.
CAPACITY OF MARTIN COUNTY WATER	)	2016-00142
DISTRICT PURSUANT TO KRS 278.280	)	

CERTIFICATE

I, Pamela Hughes, hereby certify that:

1. The attached DVD contains a digital recording of the Hearing conducted in the above-styled proceeding on February 28, 2018. Hearing Log, Witness List, Exhibits, and Exhibit List are included with the recording on February 28, 2018.
2. I am responsible for the preparation of the digital recording.
3. The digital recording accurately and correctly depicts the Hearing of February 28, 2018.
4. The "Exhibit List" attached to this Certificate correctly lists all exhibits introduced at the hearing of February 28, 2018.
5. The "Hearing Log" attached to this Certificate accurately and correctly states the events that occurred at the Hearing of February 28, 2018, and the time at which each occurred.

Signed this 2nd day of March, 2018.



---

Pamela Hughes, Notary Public  
State at Large

My Commission Expires: April 22, 2019



Judge: Bob Cicero; Talina Mathews; Michael Schmitt

Witness: Kelly Callaham; Taylor Campbell; Greg Dunbar; Greg Heitzman; Joe Horn; James Kerr

Clerk: Pam Hughes

Date:	Type:	Location:	Department:
2/28/2018	Show Cause Hearing	Hearing Room 1	Hearing Room 1 (HR 1)

Event Time	Log Event
8:36:56 AM	Session Started
8:36:58 AM	Session Paused
9:28:00 AM	Session Resumed
9:28:02 AM	Vice Chairman Cicero Preliminary remarks
9:28:22 AM	Case No. 2016-00142 Martin Co WD Note: Hughes, Pam Investigation of the operating capacity of Martin County Water District pursuant to KRS.278.280.
9:28:39 AM	Introductions of Commissioners Note: Hughes, Pam Chairman Schmitt had previously recused himself from this case but as of Feb. 27, 2018, he will be active in this case until it is settled. Note: Hughes, Pam Robert Cicero- Vice Chairman; Michael Schmitt - Chairman; and Talina Mathews- Commissioner.
9:29:18 AM	Vice Chairman states the purpose of this hearing.
9:29:53 AM	Vice Chairman remarks that all the Water Commissioners are present.
9:30:16 AM	Introductions of Counsel Note: Hughes, Pam Brian Cumbo for MCWD, Kip McNally for PCUC, Mary Cromer, for MCCC, and Jeb Pinney, Angela Goad, and Brittany Koenig for the PSC.
9:30:50 AM	Public Notice has been given.
9:31:00 AM	PCUC motion to intervene will be ruled at later date. Note: Hughes, Pam Vice Chairman states that PCUC (Prestonsburg City's Utilities Commission) will be allowed to cross exam Martin CO WD witnesses.
9:31:26 AM	Outstanding motions Note: Hughes, Pam Atty Cromer for MCCC states motion they filed is now moot.
9:31:38 AM	Public Comments Note: Hughes, Pam Nina McCoy, Inez, Kentucky.
9:34:24 AM	Chairman asks a question of Ms. McCoy. Note: Hughes, Pam Would like her to stay if he wants her to take the stand to question her about Martin County Concerned Citizens. She agrees to stay.
9:35:00 AM	Public Comment Note: Hughes, Pam Barbiann Maynard, from Martin County, Kentucky.
9:35:26 AM	Vice Chairman remarks about additional hearing in 2018-00017
9:35:54 AM	Atty Cumbo Call Witness Heitzman to the stand Note: Hughes, Pam Sworn in by Vice Chairman Cicero
9:36:16 AM	Atty Cumbo direct exam of Witness Heitzman Note: Hughes, Pam Greg Heitzman with Blue Water Kentucky. June 2017 contract with Martin Co WD. Gives his background and why he is involved with the WD.
9:38:02 AM	Atty Cumbo direct exam of Witness Heitzman Note: Hughes, Pam Recommendations have been filed into the record. Note: Hughes, Pam Ongoing relationship with the WD. New Commissioners brought in late December and were given his recommendations. Another 6 month contract extension.

9:39:56 AM	Atty Cumbo direct exam of Witness Heitzman Note: Hughes; Pam Note: Hughes, Pam	Meetings with entitys for Grants to help the water district. Grants have been given. Regarding Witness Heitzman's final recommendations to Martin County Water District. Witness goes over 35 or so recommendations he gave the water district. His recommendations are put in categories of low, medium, and high according to the severity of the situations.
10:02:08 AM	Atty Cumbo direct exam of Witness Heitzman Note: Hughes, Pam	Regarding implementing these recommendations and they have already started with the water district. Over a 3 to 5 year term to finish all these projects.
10:03:36 AM	Atty Cumbo direct exam of Witness Heitzman Note: Hughes, Pam	Regarding rate case (case No. 2018-00017) and the problems the district had over the winter (December 2017) season and emergency water crisis. Operations are back to what they were in spring 2017.
10:08:50 AM	Atty Cumbo direct exam of Witness Heitzman Note: Hughes, Pam	Regarding no longer taking water from outside services. Prestonsburg can still provide water to certain customers of Martin County.
10:09:39 AM	Atty Cumbo direct exam of Witness Heitzman Note: Hughes, Pam Note: Hughes, Pam	Regarding update on negotiations with Prestonsburgs lease agreement for the water tank. Operating agreement was amended to change the rate. 50% from Prestonsburg and 50% from Martin Co. WD. They had a 5 year agreement with Prestonsburg and have a mutual agreement to go further. Prestonsburg is no longer interested in this agreement but they want to purchase the Honey Branch water tank. Further communications are ongoing about this issue. Witness Heitzman states he wants this to be a lease, not a sale of the water tank. No agreement yet.
10:16:50 AM	Atty Cumbo direct exam of Witness Heitzman Note: Hughes, Pam Note: Hughes, Pam Note: Hughes, Pam	Regarding the County Judge Executive meeting with Prestonsburg to continue negotiations. Regarding revenue factor being a part of the rate increase. \$180,000 of revenue included in the rate increase. New board approved the new lease agreement when they started. Then a 925,000 offer to buy the Honey Branch water tank was given by Prestonsburg Utilities.
10:20:31 AM	Atty Cumbo direct exam of Witness Heitzman Note: Hughes, Pam	Regarding Witness Heitzman's candid assesment on how the new water board is doing.
10:23:26 AM	Atty McNally cross exam of Witness Heitzman Note: Hughes, Pam	Regarding grants given to the water district and ones that are still pending. Agreement has not been signed yet.
10:24:52 AM	Atty McNally cross exam of Witness Heitzman Note: Hughes, Pam Note: Hughes, Pam Note: Hughes, Pam	Projection in water loss - 3 to 5 years to get to where they want to be for water loss. A grant has already been granted for service lines and KRWA is helping with leaks. 6 to 9 months for bids and estimate for the construction period. Witness states it could be 12 to 24 months. Regarding funds being restricted for certain objectives.

10:28:43 AM	Atty McNally cross exam of Witness Heitzman Note: Hughes, Pam Note: Hughes, Pam Note: Hughes, Pam	Regarding his help in preparing letters to Prestonsburg Utilities concerning the purchased water and the invoice for these. Regarding improvements in water loss and what he relied on to come up with his recommendations. Regarding water loss for 2017 water loss reports. Atty McNally gives witness the December 2017 water loss report - PSC DR filed Feb. 12, exhibit 1. Line 1, 2 (55.918 in thousands of gallons) 3 (0).
10:32:50 AM	Atty McNally cross exam of Witness Heitzman Note: Hughes, Pam	Regarding the Joint Operations agreement. Parties can verify the meters.
10:33:32 AM	Atty McNally cross exam of Witness Heitzman Note: Hughes, Pam Note: Hughes, Pam	PSC DR - question 12.b. estimate for electric for water pumps. Feb. 15, letter from Prestonsburg from Mr. Campbell to Mr. Horn. Gives witness the letter with attached invoice Jan 1, 2018 to MCWD. Nov to Dec 1.7 million gallons of water given to MCWD.
10:37:06 AM	Atty Cromer cross exam of Witness Heitzman Note: Hughes, Pam Note: Hughes, Pam	Regarding the 45 to 50% water loss currently, according to KRWA. Recommendations based on KRWA district had got water loss down due to fixing leaks. This was all before the December 2017 emergency.
10:39:02 AM	Atty Cromer cross exam of Witness Heitzman Note: Hughes, Pam Note: Hughes, Pam	Regarding monthly water use report and who prepared it. Regarding that Monthly reports have been provided for the year of 2017. Atty Cromer hands out copies (already in the record). No months are below 56% water loss. Average entire year is about 64%.
10:41:29 AM	Atty Cromer cross exam of Witness Heitzman Note: Hughes, Pam	Regarding the AML grant. Water treatment upgrades for this grant. Witness explains more about what this grant is for.
10:42:55 AM	Atty Cromer cross exam of Witness Heitzman Note: Hughes, Pam Note: Hughes, Pam	Regarding short term loan he talked to Mr. Larimor about. Two loans already taken out that are outstanding. One has been refinanced and they are trying to refinance the other. Regarding grant and if he is aware of how the disbursements will be handled. No agreement has been entered into yet to see how the money will be handled and used where. MOA - MCWD and the State of KY (Div of abandoned mine lands).
10:47:25 AM	Atty Cromer cross exam of Witness Heitzman Note: Hughes, Pam	Regarding the water crisis, today the district is back to normal. Questions what is status of the water pumps.
10:48:19 AM	Atty Cromer cross exam of Witness Heitzman Note: Hughes, Pam Note: Hughes, Pam Note: Hughes, Pam	Regarding the recommendations he gave to the water district board and his visits with them and his contacts. Communications have been phone calls and emails. Regarding payments being past due on loans. Joe Hammond resigned on Feb. 13, 2017. He was in office on this past Monday and appeared to be working. \$12,000 of the \$63,000 was paid.
10:53:00 AM	Vice Chairman clarification Note: Hughes, Pam	Regarding the \$50,000 balance remaining from Prestonsburg being included.

10:54:11 AM	Atty Cromer cross exam of Witness Heitzman	
	Note: Hughes, Pam	Regarding getting help form Bob Bocock, he is a water industry professional in California. He works closely with Erin Brockovich in helping water utilities
	Note: Hughes, Pam	Regarding if he will be here this afternoon to testify. Regarding meeting with Bob Bocock as far as water loss, financial situation, recommendations, etc. Mr. Bocock met with the MC Concerned citizens to get their input, and looking at new grants and other things they can do.
10:58:20 AM	Break	
10:58:46 AM	Session Paused	
11:11:42 AM	Session Resumed	
11:11:46 AM	Atty Pinney cross exam of Witness Heitzman	
	Note: Hughes, Pam	Regarding October 2017 Hearing and preparing leaks on the system, which caused more leaks further down.
	Note: Hughes, Pam	Contract with MCWD is for another 6 months, will this be ongoing. His rate has been reduced.
11:13:25 AM	Atty Pinney cross exam of Witness Heitzman	
	Note: Hughes, Pam	Regarding the number of sewer customers.
	Note: Hughes, Pam	Regarding the Bookeeping of MCWD.
	Note: Hughes, Pam	Regarding sewer rates for MCWD in his recommendations.
11:14:38 AM	Atty Pinney cross exam of Witness Heitzman	
	Note: Hughes, Pam	Regarding the service line replacements with the ARC grant. Leaks are being clamped when found and some lines are being replaced when they can.
11:16:37 AM	Atty Pinney cross exam of Witness Heitzman	
	Note: Hughes, Pam	Regarding the term of public service line and when meters are replaced could they be moved closer to the home. Shifting the responsibility from the water district to the customer.
	Note: Hughes, Pam	ARC project to replace service lines and meters. Witness explains where meter is placed. Driven by the terrain and business practices. Service line is MCWD's responsibility.
11:20:39 AM	Atty Pinney cross exam of Witness Heitzman	
	Note: Hughes, Pam	Regarding the anticipated start date since ARC grant has been granted. Advertise at end of March or begining of April for bids. Work to start by May.
11:22:13 AM	Atty Pinney cross exam of Witness Heitzman	
	Note: Hughes, Pam	Regarding how parties would recieve their payment. The Engineer would make sure the work was actually done first.
	Note: Hughes, Pam	Regarding how the ARC money will be distributed.
11:24:58 AM	Atty Pinney cross exam of Witness Heitzman	
	Note: Hughes, Pam	Regarding prioritizing the duties of fixing leaks and replacing lines.
11:25:52 AM	Atty Pinney cross exam of Witness Heitzman	
	Note: Hughes, Pam	Regarding the AML grant. Is it tied into the AML regular funding or the AML pipe funding. Conclusion they came to removed the main replacement and additional service line work to take from both regular and pipe funding.
11:29:49 AM	Atty Pinney cross exam of Witness Heitzman	
	Note: Hughes, Pam	Regarding the recommendation of a General manager being a good hire. New manager is Greg Scott as interim manager until they get a permanent General manager.
	Note: Hughes, Pam	Regarding the two co-managers.



11:32:56 AM	Atty Pinney cross exam of Witness Heitzman Note: Hughes, Pam	Regarding cutting down on the collectibles. Board members are now doing a better job at collecting bad debts owed to the water district.
11:33:51 AM	Atty Pinney cross exam of Witness Heitzman Note: Hughes, Pam	Regarding theft of service. No update from the board yet.
11:34:57 AM	Atty Pinney cross exam of Witness Heitzman Note: Hughes, Pam	Regarding the job description the General manager will have as opposed to the other manager that retired.
11:37:16 AM	Chairman Schmitt cross exam of Witness Heitzman Note: Hughes, Pam  Note: Hughes, Pam	Regarding the customers of MCWD will have to pay more than the 49% increase originally asked for. Regarding the application for rate increase, it included the lease of the Honey branch water tank. If no lease is executed, the district will be receiving more water and they will need more money over what was previously asked for. What all will this rate increase money go towards?
11:42:28 AM	Chairman Schmitt cross exam of Witness Heitzman Note: Hughes, Pam	1.2 million grant for water loss and replacing service lines. What are the conditions of the mains to the service lines. A plan identified the worse lines and mains to be fixed or replaced.
11:44:36 AM	Chairman Schmitt cross exam of Witness Heitzman Note: Hughes, Pam  Note: Hughes, Pam  Note: Hughes, Pam	Regarding the last chairman of the board thinking water loss would be corrected by going into agreement with Prestonsburg. New General Manager and his experience to serve in this interim role. Regarding if the board has analyzed the advantages of fixing the water intakes while purchasing water from other districts until these lines are replaced. Witness states this is an option.
11:49:43 AM	Chairman Schmitt cross exam of Witness Heitzman Note: Hughes, Pam	Regarding as of now MCWD is in compliance with disinfection bypass rule. Samples show they are in compliance
11:50:37 AM	Vice Chairman cross exam of Witness Heitzman Note: Hughes, Pam	Regarding the money the district owes, and if Witness has been paid for his work.
11:51:46 AM	Vice Chairman cross exam of Witness Heitzman Note: Hughes, Pam  Note: Hughes, Pam	Accrued unpaid liability. Payroll, etc. Not included in the 877,000.00 Regarding what has been done in accounts payable to date. 650,000 deemed to be uncollectible?
11:53:22 AM	Vice Chairman cross exam of Witness Heitzman Note: Hughes, Pam  Note: Hughes, Pam  Note: Hughes, Pam	Regarding the grants not being able to be used for operating expenses. Regarding his report for recommendations and the financial crunch of the district and no cash flow to address these recommendations. Regarding the financial situation of MCWD has increased instead of diminishing.
11:57:23 AM	Vice Chairman cross exam of Witness Heitzman Note: Hughes, Pam  Note: Hughes, Pam	Regarding two variables that have not been executed. No lease agreement and the leaks of the water tank. Timing of the first dollar if get rate increase. 60-90 days going through this process. Regarding short-term loan and reason for it. and what happens if no loan is received. Payments to creditors will not be paid, alternative to go into Receivership.

12:02:45 PM	Comm Mathews cross exam of Witness Heitzman Note: Hughes, Pam	Regarding his scope of work for the next 6 months having been filed with the Commission. He will not be overseeing the engineering services.
	Note: Hughes, Pam	ARC grant will pay the engineering fees.
12:04:50 PM	Comm Mathews cross exam of Witness Heitzman Note: Hughes, Pam	Regarding the grants and he working with the board and engineering company. RFP process.
	Note: Hughes, Pam	Regarding recommendation of engineering oversight.
12:07:28 PM	Atty Cumbo re direct of Witness Heitzman Note: Hughes, Pam	Correction about the testimony that the pumps were in service. Joe Burns advised him that the pumps at the intake work, but the pumps to go to reservoir are out for repair.
	Note: Hughes, Pam	Vice Chairman asks about the pumps being out for repair. The reservoir does have adequate supply. Regarding the funding to do these repairs.
12:10:52 PM	Atty Cromer cross of Witness Heitzman Note: Hughes, Pam	Regarding pumps being out of service. Only relying on water shed and rainfall.
12:11:32 PM	Atty Pinney re cross of Witness Heitzman Note: Hughes, Pam	Regarding equipment that the district has available to make repairs. The district has had to borrow equipment and trucks.
12:12:43 PM	Chairman Schmitt re cross of Witness Heitzman Note: Hughes, Pam	Regarding the new board members and the importance of training for them. Staff has made extraordinary effort specifically on April 17 and 18 in Prestonsburg. Does he recommend they attend.
12:14:42 PM	Witness excused	
12:14:57 PM	Atty Cumbo calls Witness Kerr Note: Hughes, Pam	James Kerr, member of the board and the Treasurer.
	Note: Hughes, Pam	Regarding short term financing and his efforts in getting these funds.
	Note: Hughes, Pam	Sworn in by Vice Chairman Cicero.
12:19:27 PM	Atty Cumbo direct of Witness Kerr Note: Hughes, Pam	Regarding his work with Linda Sumptor. Can he form an opinion as to how long the district can sustain itself with the funds available now. GLA collection company will be at next meeting to talk to them about collecting bad debts from customers.
12:21:35 PM	Atty Cumbo direct of Witness Kerr Note: Hughes, Pam	Regarding the new interim General Manager. First day on job they pulled 80 meters of customers that had not paid bills. He has had previous water board experience and owned businesses.
12:24:22 PM	Atty Cumbo direct of Witness Kerr Note: Hughes, Pam	Regarding the commitment this board has with the KRWA.
12:24:50 PM	Vice Chairman cross exam of Witness Kerr Note: Hughes, Pam	Regarding 15% are accounts receivable collectible if they give these to collection agency.
12:26:16 PM	Comm Mathews cross of Witness Kerr Note: Hughes, Pam	Of the 15% recievables some of those are old debts that can't be collected.
12:27:29 PM	Atty McNalley cross of Witness Kerr Note: Hughes, Pam	Regarding the district paying its bills in the timeframe allowed.
12:28:09 PM	Atty Cromer cross exam of Witness Kerr Note: Hughes, Pam	Regarding if he would be willing to attend trainings

12:28:42 PM	Atty Cromer cross exam of Witness Kerr Note: Hughes, Pam	Regarding which is best for the water district, the sale of the tank or the lease.
12:29:58 PM	Atty Cromer cross exam of Witness Kerr Note: Hughes, Pam	Regarding considering the offer price of the Honey Branch tank.
12:30:28 PM	Atty Cromer cross exam of Witness Kerr Note: Hughes, Pam  Note: Hughes, Pam	Regarding if he would be willing to have separate meetings for customers to speak and ask questions. Regarding customers who had questions and they were not allowed. Would the board in the future be willing to entertain questions at their meetings.
12:32:41 PM	Atty Pinney cross exam of Witness Kerr Note: Hughes, Pam  Note: Hughes, Pam	Regarding the accounts payable, Zipzone is local gas station that the district gets their fuel from. Regarding his role as Treasurer of the water board.
12:34:41 PM	Atty Cromer cross exam of Witness Kerr Note: Hughes, Pam Note: Hughes, Pam	Regards to the Honey Branch Tank and money still owed on it. If there was a sale of the tank, who would assume the liability of the loan.
12:35:48 PM	Chairman cross exam of Witness Kerr Note: Hughes, Pam	Regarding running the water district like it is a business. No one keeps gradually increasing rates, instead they wait too long then ask for a huge increase at once. Problem is that people have lost faith in the water district to manage the money properly. Witness doesn't want a rate increase, but feels it is necessary so they can keep the water district in operation and have clean, drinkable water.
12:43:40 PM	Chairman cross exam of Witness Kerr Note: Hughes, Pam	Regarding having an open forum at meetings for customers to ask questions.
12:45:28 PM	Vice Chairman cross exam of Witness Kerr Note: Hughes, Pam	Response to 3rd request for information. Balance due to Zipzone for fuel 3 to 4 times a day. Is this reasonable that the charges be that much?
12:47:38 PM	Vice Chairman cross exam of Witness Kerr Note: Hughes, Pam	Regarding applications of procedures and purchase orders if over a certain amount. Procedure for procurement. No payment to this account as far as back to 2014.
12:49:42 PM	Vice Chairman cross exam of Witness Kerr Note: Hughes, Pam  Note: Hughes, Pam Note: Hughes, Pam	Regarding having a Plan B or C if they can't fix the issues with the water district. Any analysis for growth plan for the future. Regards to the sale of the tank and net profit.
12:52:50 PM	Atty Cumbo re direct of Witness Kerr Note: Hughes, Pam	Regarding not taking customers questions during the board meetings.
12:54:06 PM	Camera Lock PTZ Activated	
12:54:29 PM	Camera Lock Deactivated	
12:54:34 PM	Atty McNally re cross of Witness Kerr Note: Hughes, Pam	Regarding him being a banker and reviewing appraisals. What does this consist of. If no properties not applicable to that subject what do they do then.
12:55:58 PM	Atty Cromer re cross of Witness Kerr Note: Hughes, Pam	Regarding the concerns of another problem at board meetings with irate customers and if he thinks this will settle down.

12:57:10 PM Atty Cromer re cross of Witness Kerr  
Note: Hughes, Pam Regarding no support in community for rate increase and what the board has done to get this support.

12:58:28 PM Atty Pinney re cross of Witness Kerr  
Note: Hughes, Pam Municipal utility lien that Prestonsburg has filed against the water district.  
Note: Hughes, Pam Regarding the Honey Branch Tank and his involvement in appraising it. Aware of money it will take to put in tank.

12:59:50 PM Comm Mathews re cross of Witness Kerr  
Note: Hughes, Pam Regarding that the Commission is doing what they think is best for the customers and the water district.

1:00:36 PM Chairman re cross of Witness Kerr  
Note: Hughes, Pam Regarding making commercial loans as a banker. No formal evaluation of the Honey Branch tank.

1:01:24 PM Witness excused

1:01:34 PM Vice Chairman talks about schedule for rest of day.

1:02:36 PM Camera Lock PTZ Activated

1:02:46 PM Camera Lock Deactivated

1:02:50 PM Camera Lock PTZ Activated

1:02:53 PM Break

1:02:56 PM Camera Lock Deactivated

1:03:07 PM Session Paused

2:07:11 PM Session Resumed

2:07:54 PM Atty Cumbo calls Witness Callaham  
Note: Hughes, Pam Sworn in by Vice Chairman Cicero

2:08:28 PM Atty Cumbo direct of Witness Callaham  
Note: Hughes, Pam Regarding two water districts in Martin County. In 1997 - Warfield and Inez, then they were combined into one district.  
Note: Hughes, Pam Martin Co Judge Exec. Kelly Callaham

2:10:35 PM Atty Cumbo direct of Witness Callaham  
Note: Hughes, Pam Regarding new project to a new school being built in Martin County. Fiscal Court recieved money from the Corps of Engineers for this project.

2:10:39 PM Camera Lock PTZ Activated

2:10:40 PM Camera Lock Deactivated

2:10:52 PM Camera Lock PTZ Activated

2:11:00 PM Camera Lock Deactivated

2:13:19 PM Vice Chairman question to Witness Callaham  
Note: Hughes, Pam Who will be responsible for the school and what process is there to make sure everything is done since there will be a transfer of assets. This is why the Commission is involving a fiscal court project in this proceeding.

2:15:05 PM Camera Lock PTZ Activated

2:15:05 PM Atty Cumbo direct of Witness Callaham  
Note: Hughes, Pam Regarding that MCWD has nothing to do with this school project.

2:15:37 PM Atty Cumbo direct of Witness Callaham  
Note: Hughes, Pam Regarding Witness Callaham's meeting with the city of Prestonburg's City's Utilities. A three year contract will probably go.

2:15:42 PM Camera Lock Deactivated

2:17:00 PM Atty McNally cross of Witness Callaham  
Note: Hughes, Pam Regarding the 3 year contract and more info. PHDR needed.

2:17:35 PM Atty Cromer cross of Witness Callaham  
Note: Hughes, Pam Regarding if Greg Scott was on the water district board and if Witness Callaham appointed him.

2:18:21 PM	Atty Pinney cross of Witness Callaham	
	Note: Hughes, Pam	Regarding a date as to when the School Project will be done. Construction has started and supposed to open in 2019.
	Note: Hughes, Pam	MCWD doesn't have anything to do with it.
2:19:33 PM	Chairman cross of Witness Callaham	
	Note: Hughes, Pam	Regarding the agreement with Prestonsburg for lease of the water tank. This is a 3 year term. \$16,500.00 month that they will get. No free water.
2:19:59 PM	Camera Lock PTZ Activated	
2:20:18 PM	Camera Lock Deactivated	
2:20:45 PM	Camera Lock PTZ Activated	
2:20:51 PM	Chairman cross of Witness Callaham	
	Note: Hughes, Pam	Construction of school and they had to have water onsite at the school by the end of the year. Delay with the environmental assesment.
	Note: Hughes, Pam	Regarding the new school and the line going to it. Property belonged to the Fiscal Court. A big site that other businesses can locate on. Commitment that there will be utilities there at the sight and MCWD gave a letter to them saying they could have the water, but then said they had no funds to supply water and sewer. Corp of Engineers stepped forward and gave money and school board is helping with a tap fee.
	Note: Hughes, Pam	Regarding the easements to the property.
2:21:24 PM	Camera Lock Deactivated	
2:21:33 PM	Camera Lock PTZ Activated	
2:21:51 PM	Camera Lock Deactivated	
2:22:05 PM	Camera Lock PTZ Activated	
2:22:41 PM	Camera Lock Deactivated	
2:22:49 PM	Camera Lock PTZ Activated	
2:23:02 PM	Camera Lock Deactivated	
2:23:23 PM	Camera Lock PTZ Activated	
2:23:25 PM	Camera Lock Deactivated	
2:24:30 PM	Camera Lock PTZ Activated	
2:24:38 PM	Camera Lock Deactivated	
2:24:58 PM	Camera Lock PTZ Activated	
2:25:37 PM	Camera Lock Deactivated	
2:26:04 PM	Camera Lock PTZ Activated	
2:26:06 PM	Camera Lock Deactivated	
2:27:30 PM	Vice Chairman cross of Witness Callaham	
	Note: Hughes, Pam	Regarding the estimates for when the school is open and the water district needs to be worried that they have to supply water to this school.
2:29:11 PM	Post Hearing Data Request	
	Note: Hughes, Pam	Capacity for the school anticipated and whether MCWD has taken those demands on the system.
2:29:52 PM	Atty Pinney cross of Witness Callaham	
	Note: Hughes, Pam	Regarding the lease of the tank. PHDR needed.
2:30:24 PM	Witness excused	
2:30:37 PM	Atty Pinney calls Witness Dunbar to the stand	
	Note: Hughes, Pam	Sworn in by Vice Chairman Cicero.
2:31:11 PM	Atty Pinney direct of Witness Dunbar	
	Note: Hughes, Pam	Projected finish date for school is March of 2019, 2nd phase is technology center. What does this consist of.

	Note: Hughes, Pam	He gives an update to the construction of the new school in Martin County
2:34:12 PM	Chairman Schmitt cross of Witness Dunbar Note: Hughes, Pam	Mr. Greg Dunbar -Ky. Department of Education. Regarding result of approval and bids entered into. Dept of Education does not have the oversight, that is by the design company. A Shell permit is open and closure, then another permit for when the water is onsite. HPC is holding up the Technical School until the water is onsite.
2:39:13 PM	Chairman Schmitt cross of Witness Dunbar Note: Hughes, Pam	Requirements of building a school in the state of Kentucky. Had to rely on the Corps of Engineers in advance of the final acquisition of the site. Letter between the Fiscal Court and Corps of Engineers.
2:41:26 PM	Atty Pinney statement about Mr. Dunbar's testimony. Note: Hughes, Pam	Regarding pressure and fire suppression system. There is to be a water tank onsite. Concerns that the water district will be able to keep a continuous flow of water to the school and the tank. His testimony is sufficient for this afternoon's hearing in Case No. 2018-00017.
2:42:03 PM	Witness excused	
2:42:10 PM	Atty Cumbo calls Witness Horn Note: Hughes, Pam	Joe Horn, Chairman of the Water district in Martin County. Chairman for 8 weeks.
2:43:13 PM	Atty Cumbo direct of Witness Horn Note: Hughes, Pam	Sworn in by Vice Chairman Cicero. Regarding the role of Judge Callaham in hiring of Mr. Scott as General Manager.
2:44:37 PM	Atty Cumbo direct of Witness Horn Note: Hughes, Pam	Regarding the hiring of interim General Manager. He came recommended by other people in the community.
2:45:40 PM	Atty Cumbo direct of Witness Horn Note: Hughes, Pam	Regarding leaks and that Field crews are still out fixing leaks everyday. Regarding collection efforts. Pulled 80 meters on Monday and prior people were coming in paying their past due bills.
2:46:52 PM	Atty McNally cross of Witness Horn Note: Hughes, Pam	Regarding board meetings and not taking public comments at this time.
2:47:57 PM	Atty McNally cross of Witness Horn Note: Hughes, Pam	Regarding when Witness was appointed to the board. Regarding viewing the water reports monthly to DOW. Water produced is all that shows, was he aware that water purchased is not on there.
2:49:21 PM	Atty Cromer cross of Witness Horn Note: Hughes, Pam	Regarding 2-13-18 board meeting. Budgets are not approved on a monthly basis.
2:50:09 PM	Atty Cromer cross of Witness Horn Note: Hughes, Pam	Regarding executive session at the meeting, and what was its purpose. It was disciplinary issue, Mr. Hammonds put in his retirement notice, effective yesterday, not on the 13th.
2:51:41 PM	Atty Cromer cross of Witness Horn Note: Hughes, Pam	Regarding appointing Mr. Scott as interim Manager. They considered others but no interviews, they are searching now for a qualified candidate.

Note: Hughes, Pam Job duties of General manager, the interim manager is managing entire department. No advertising of general manger as of today.

2:53:51 PM Atty Cromer cross of Witness Horn  
Note: Hughes, Pam Regarding recommendations of Mr. Heitzman, Mr. Scott is working on them.

2:54:29 PM Atty Cromer cross of Witness Horn  
Note: Hughes, Pam Regarding the Grant money to be used. Will any of the ARC money come to the district.

2:55:12 PM Atty Cumbo asks Atty Cromer if that is a question.

2:55:28 PM Vice Chairman states it can't just be put in the bank.

2:56:17 PM Atty Cromer cross of Witness Horn  
Note: Hughes, Pam Would you be opposed to reporting to the Commission once a month of what the funds go to.  
Note: Hughes, Pam Regarding the AML funding.  
Note: Hughes, Pam Committed to attending training in April.

2:57:28 PM Atty Pinney cross of Witness Horn  
Note: Hughes, Pam Regarding the emergency water supply as part of the agreement.  
Note: Hughes, Pam Regarding how many meters have been put back in.  
Note: Hughes, Pam Theft of water - several people have been caught and those have been dealt with.

2:59:07 PM Atty Pinney cross of Witness Horn  
Note: Hughes, Pam Regarding the last meeting the board approved budget for month of January, no yearly budget because everyone is still new.

3:00:11 PM Vice Chairman cross of Witness Horn  
Note: Hughes, Pam Regarding recievables. 4 collection days.  
Note: Hughes, Pam PHDR\_ water loss report that Mr. Horn hasn't looked at. What % for last 12 months.  
Note: Hughes, Pam Atty Cromer asks that her Exhibit 3 -Water loss Report be entered as MCCC exhibit 1. Sustained.

3:02:55 PM Witness excused

3:03:05 PM Break

3:03:14 PM Session Paused

3:14:41 PM Session Resumed

3:14:45 PM Atty McNalley calls Witness Campbell to the stand  
Note: Hughes, Pam Sworn in by Vice Chairman Cicero.

3:15:18 PM Atty McNalley direct Witness Campbell  
Note: Hughes, Pam He was Subpeoned to be here today.  
Note: Hughes, Pam Taylor Campbell - CEO of Prestonsburg City's Utilities Commission since July 2001.

3:16:38 PM Atty McNalley direct Witness Campbell  
Note: Hughes, Pam 790,000 gallons were provided to MCWD in Nov. 2017 Dec it was 1,764,000 Jan 2018 , was 5,782,000. All by tank at Honey Branch.  
Note: Hughes, Pam Exhibit A - Feb 15th letter to Mr. Horn. He prepared the letter for purpose of making the district on notice for nonpayment.  
Note: Hughes, Pam It was attached to Motion to Intervene by PCUC.

3:19:04 PM Atty McNalley direct Witness Campbell  
Note: Hughes, Pam Exhibit C\_ Letter to Mr. Horn from Mr Campbell, letter of intent purchase offering of Honey tank. Still open to purchasing tank.  
Note: Hughes, Pam Exhibit D- Joint operation agreement in 2000 between Prestonburg Utilities and MCWD. Explains how this was supposed to work.  
Note: Hughes, Pam Exhibit B- amount shown on lien \$51, 045.50 . The original owed was 63 to 64 thousand but MCWD paid \$12,0000 towards that.

3:22:05 PM	Atty McNalley direct Witness Campbell	
	Note: Hughes, Pam	Regarding the Rate in Joint operation agreement.
	Note: Hughes, Pam	Regarding other customers in industrial park are MCWD customers.
3:23:12 PM	Atty McNalley direct Witness Campbell	
	Note: Hughes, Pam	Regarding expiration with the prison. 10 year agreement. Rate paid by prison was adjusted. Current is 8.32 per 2000
	Note: Hughes, Pam	Regarding the Jan 1, 2017 rate adjustment
	Note: Hughes, Pam	Exhibit E _ First amendment to the Joint Operating Agreement. Refers to the rate increase.
3:25:58 PM	Atty McNalley direct Witness Campbell	
	Note: Hughes, Pam	Exhibit G - Current invoice for most recent billing period to MCWD. 3,488,000.00 gallons of water as of the February 2018 meter reading
	Note: Hughes, Pam	Exhibit F _ Spreadsheet. Clarify the schedule. Summerize what they were trying to demonstrate with this schedule.
	Note: Hughes, Pam	Net amount in gross revenues the district has netted
3:29:42 PM	Atty McNalley direct Witness Campbell	
	Note: Hughes, Pam	Regarding MCWD disclosure document. Question 12 - monthly electric bill is \$5000
3:30:34 PM	Atty McNalley direct Witness Campbell	
	Note: Hughes, Pam	Exhibit H - Contract between US Prison bureau of Big Sandy to supply water to the prison. Entered into Jan 29, 2018. 10 year contract
	Note: Hughes, Pam	Regarding proposed tank lease and anything further about terms.
3:32:21 PM	Atty Cumbo cross of Witness Campbell	
	Note: Hughes, Pam	Regarding the Joint Operation Agreement. Tank belongs to Martin County. How can PCUC supply prison without the MCWD tank.
3:33:38 PM	Atty Cromer cross of Witness Campbell	
	Note: Hughes, Pam	Operationally can PCUC turn off valve to water for Martin County.
3:34:29 PM	Atty Pinney cross of Witness Campbell	
	Note: Hughes, Pam	Regarding the motion to intervene by PCUC, basis was to eliminate a cross connection with MCWD. Explain the cross connection. Cross connection to MCWD.
3:38:03 PM	Atty Cromer cross of Witness Campbell	
	Note: Hughes, Pam	Regarding the lien PCUC has filed against MCWD. Describe the area and system in which the lien has been filed.
3:39:53 PM	Atty Cromer cross of Witness Campbell	
	Note: Hughes, Pam	Regarding if there is an offset in proposal of new lease.
	Note: Hughes, Pam	Regarding arrearage MCWD owes to PCUC.
3:40:46 PM	Atty Bowker cross of Witness Campbell	
	Note: Hughes, Pam	Would the prison have been built if MCWD not been able to supply water. Can't answer.
	Note: Hughes, Pam	Regarding US bureau of prisons requirement come from that MCWD and Prestonsburg jointly supplying water. Regarding Big Sandy and joint operation agreement.
	Note: Hughes, Pam	Regarding purchase order being supplier, it was Prestonsburg.
3:44:05 PM	Atty Bowker cross of Witness Campbell	
	Note: Hughes, Pam	Regarding how often MCWD has not been able to pump water into the Honey Branch tank. Estimates 40% of the time. PCUC supplying water to the prison.
3:44:59 PM	Atty Pinney cross of Witness Campbell	
	Note: Hughes, Pam	Excess capacity is a 1.1 million to 1.2 million a day.
3:45:27 PM	Comm Mathews cross of Witness Campbell	
	Note: Hughes, Pam	New agreement would change rate back to the 3.05 rate



3:46:05 PM	Chairman cross of Witness Campbel	
	Note: Hughes, Pam	Regarding infrastructure at Honey Branch and supplying other customers.
	Note: Hughes, Pam	Regarding the appraisal of the Honey Branch tank.
3:47:24 PM	Chairman cross of Witness Campbell	
	Note: Hughes, Pam	Does Prestonsburg have the capacity to supply all the water to Martin County if MCWD ceased to exist. Yes to Inez but not sure how far past that.
3:48:37 PM	Vice Chairman cross of Witness Campbell	
	Note: Hughes, Pam	Regarding a point when he thought both parties would agree to sell the Honey branch tank. Talked today again for agreement. Prestonsburg would be willing to buy tank.
3:50:56 PM	Atty McNally direct of Witness Campbell	
	Note: Hughes, Pam	Hydraulics of tank being on top of mountain and the flow thereafter.
	Note: Hughes, Pam	Regarding restricting the flow starting next week.
	Note: Hughes, Pam	Property where the Honey branch tank is on. Sits on property that is deed of easement, the Fiscal Court owns it.
3:53:52 PM	Atty McNally direct of Witness Campbell	
	Note: Hughes, Pam	PCUC could supply water all the way to Inez.
	Note: Hughes, Pam	Regarding the Joint Operation Agreement and the Big Sandy Prison
3:54:31 PM	Atty Bowker cross of Witness Campbell	
	Note: Hughes, Pam	Restrictions on MCWD to sell the tank.
3:55:30 PM	Atty Pinney states no questions for him in rate case.	
	Note: Hughes, Pam	Mr. Campbell does not need to be present for the hearing in Case No. 2018-00017
3:56:28 PM	Witness excused	
3:57:38 PM	Nina McCoy called to the stand	
	Note: Hughes, Pam	Sworn in by Vice Chairman
3:58:03 PM	Chairman direct of Witness McCoy	
	Note: Hughes, Pam	Regarding newspaper articles about this case. Does Witness McCoy have a standing on what her group wants in this case. MCCC hoped the Honey Branch tank would be a way to sell water to the prison and help the Martin County area.
	Note: Hughes, Pam	Regarding where the money has gone that was supposed to have been given to the district.
	Note: Hughes, Pam	Nina McCoy, from Inez, Kentucky. Spouse of Mickey McCoy and he is member of MC School Board. She is the Chairman of Martin County Concerned Citizens.
4:03:51 PM	Chairman direct of Witness McCoy	
	Note: Hughes, Pam	Regarding the operation of MCWD articles and comments made concerning what they thought should happen. Does MCCC have a position on if the district should go into Recievership. Her opinion or impression that MCCC wants Martin County to run their own system.
	Note: Hughes, Pam	Regarding opinions of water quality in different parts of Martin County.
	Note: Hughes, Pam	Regarding that the water system hasn't been run very well. Why does she think the district can run on its own now when it hasn't for the past 15 years.
4:09:39 PM	Chairman direct of Witness McCoy	
	Note: Hughes, Pam	PSC has to consider the rate increase in the Case of 2018-00017. Rate increase now will have to be high because they haven't asked for rate increases over time. What does the MCCC think about a rate increase.

	Note: Hughes, Pam	Regarding if MCCC satisfied with the present water Commissioners now.
	Note: Hughes, Pam	Regarding appointing new people when their terms are up. MCCC needs to be active in making sure they get good representation on the board.
	Note: Hughes, Pam	Regarding feeling better that MCCC can participate in these proceedings.
4:16:50 PM	Chairman direct of Witness McCoy	
	Note: Hughes, Pam	Regarding any thing else she wants to say on behalf of the MCCC.
4:18:44 PM	Vice Chairman direct of Witness McCoy	
	Note: Hughes, Pam	Regarding if MCCC prefer the system be ran by MCWD. Would they want to suffer through MCWD getting to where they are or if they had another way to get it.
4:20:14 PM	Comm Mathews direct of Witness McCoy	
	Note: Hughes, Pam	Regarding the money they are in debt, and still need rate increase.
4:20:55 PM	Nina McCoy excuseed	
4:21:07 PM	Atty Pinney calls Witness James to stand	
	Note: Hughes, Pam	Sworn in by Vice Chairman Cicero.
4:21:36 PM	Atty Pinney direct of Witness James	
	Note: Hughes, Pam	The School needs water there by December or they won't be open next year. Area Technology Center can't start construction because no water. Is School Board involved in payment, they will pay the tap fee, agreement with Fiscal Court.
	Note: Hughes, Pam	Larry James - Superintendent of Martin County Schools in Inez Kentucky.
	Note: Hughes, Pam	Current state of project of new school.
4:23:57 PM	Atty Pinney direct of Witness James	
	Note: Hughes, Pam	Regarding letter he wrote because schools had to be closed due to lack of water. Emergency in December. Periodically they have had to close due to water breaks.
4:25:04 PM	Atty Cromer cross of Witness James	
	Note: Hughes, Pam	Regarding if water is being provided to the school construction site.
4:25:40 PM	Chairman cross of Witness James	
	Note: Hughes, Pam	Regarding a tank on site at the school. This tank needs to be full at all times. What circumstances were when the school board supply bottled water to students. It is when they have boil water advisories.
	Note: Hughes, Pam	Regarding problems lack of water and lack of water on timely basis to school site. Potential consequences if water is not onsite by a certain time. Chairman reads part of a letter concerning lack of water to site.
	Note: Hughes, Pam	Regarding what a delay claim from contractor means. Chairman continues to read from the letter.
4:30:23 PM	Vice Chairman cross of Witness James	
	Note: Hughes, Pam	Regarding what water costs that is brought to the school construction site.
	Note: Hughes, Pam	Regarding the shut off of water by MCWD hurt the school because they couldn't clean the school.
4:31:42 PM	Atty Pinney cross of Witness James	
	Note: Hughes, Pam	Regarding hold up of line to school is from the Corps of Engineers. MCWD has to provide the easement to run water lines.
4:32:48 PM	Vice Chairman cross of Witness James	
	Note: Hughes, Pam	Regarding estimate of time.
4:33:10 PM	Witness excused	
	Note: Hughes, Pam	He will not be needed in the rate case. He is released.

4:33:47 PM No Outstanding Motions  
4:33:59 PM Post Hearing Data Request  
Note: Hughes, Pam Issued by next Tuesday March 6th. 30 days (April 2) for MCWD to answer or file an extension.  
4:35:55 PM Next hearing will be scheduled sometime in next 90 days and PCUC to intervene to be ruled on.  
4:36:24 PM Adjourned  
4:36:32 PM Session Paused  
4:36:40 PM Session Ended



# Exhibit List Report

2016-00142\_28FEB2018

Martin County Water District

---

Judge: Bob Cicero; Talina Mathews; Michael Schmitt

Witness: Kelly Callaham; Taylor Campbell; Greg Dunbar; Greg Heitzman; Joe Horn; James Kerr

Clerk: Pam Hughes

**Name:**

**Description:**

---

MCCC Exhibit 01

Water loss Report

# Exhibit #3

# Water Use Report

## Monthly Water Use Report

Water Utility: **Martin County Water District**

For the Month of: **January**

Year: **2017**

LINE #	ITEM	GALLONS (Omit 000's)	%
1	<b>WATER PRODUCED or PURCHASED</b>		
2	Water Produced	62.634	100%
3	Water Purchased		0%
4	<b>TOTAL PRODUCED AND PURCHASED</b>	62.634	
<b>WATER SOLD</b>			
5	Residential	13.519	91%
6	Commercial	0.000	0%
7	Industrial	0.000	0%
8	Bulk Loading Stations	0.000	0%
9	Wholesale	0.000	0%
10	Other Sales (explain) <u>Honey Branch</u>	1.302	9%
11	<b>TOTAL WATER SOLD</b>	14.821	24%
12	<b>TOTAL WATER NOT SOLD</b>	47.813	76%
<b>BREAKDOWN OF UNSOLD WATER USED</b>			
13	Utility and/or Water Treatment Plant	0.456	1%
14	Wastewater Plant	0.000	0%
15	System Flushing	1.700	3%
16	Fire Department	0.350	1%
17	Other (explain)		0%
<b>TOTAL UNSOLD WATER USED</b>		<b>2.506</b>	<b>4%</b>
<b>BREAKDOWN OF WATER LOST</b>			
18	Tank Overflows	0.000	0%
19	Line Breaks	6.500	10%
20	Other Loss	38.807	62%
<b>TOTAL WATER LOST</b>		45.307	72%

**"OTHER LOSS" FLOW RATE CALCULATION:**

21	"Other Loss"	38.807
22	% "Other Loss"	62%
23	Number of Days in Period	31
24	"Other Loss" per Day (1,000's gallons per Day)	1.252
25	"Other Loss" per Minute (GPM)	0.869



This form approved by: EPPC/DEP/DOW, KY PSC, KRWA

## Monthly Water Use Report

Water Utility: **Martin County Water District**

For the Month of: **February**

Year: **2017**

LINE #	ITEM	GALLONS (Omit 000's)	%
1	<b>WATER PRODUCED or PURCHASED</b>		
2	Water Produced	54.436	100%
3	Water Purchased	0.000	0%
4	<b>TOTAL PRODUCED AND PURCHASED</b>	<b>54.436</b>	
<b>WATER SOLD</b>			
5	Residential		0%
6	Commercial	15.076	96%
7	Industrial		0%
8	Bulk Loading Stations		0%
9	Wholesale		0%
10	Other Sales (explain) <u>Honey Branch</u>	0.637	4%
11	<b>TOTAL WATER SOLD</b>	<b>15.713</b>	<b>29%</b>
12	<b>TOTAL WATER NOT SOLD</b>	<b>38.723</b>	<b>71%</b>
<b>BREAKDOWN OF UNSOLD WATER USED</b>			
13	Utility and/or Water Treatment Plant	0.398	1%
14	Wastewater Plant	0.060	0%
15	System Flushing	1.750	3%
16	Fire Department	0.350	1%
17	Other (explain) _____		0%
	<b>TOTAL UNSOLD WATER USED</b>	<b>2.558</b>	<b>5%</b>
<b>BREAKDOWN OF WATER LOST</b>			
18	Tank Overflows	0.000	0%
19	Line Breaks	4.500	8%
20	Other Loss	31.665	58%
	<b>TOTAL WATER LOST</b>	<b>36.165</b>	<b>66%</b>
21	<b>"OTHER LOSS" FLOW RATE CALCULATION:</b>		
22	"Other Loss"	31.665	
23	% "Other Loss"	58%	
24	Number of Days in Period	28	
25	"Other Loss" per Day (1,000's gallons per Day)	1.131	
	"Other Loss" per Minute (GPM)	0.785	



## Monthly Water Use Report

Water Utility: **Martin County Water District**

For the Month of: **March**

Year: **2017**

LINE #	ITEM	GALLONS (Omit 000's)	%
1	<b>WATER PRODUCED or PURCHASED</b>		
2	Water Produced	60.093	100%
3	Water Purchased	0.000	0%
4	<b>TOTAL PRODUCED AND PURCHASED</b>	60.093	
	<b>WATER SOLD</b>		
5	Residential	14.111	81%
6	Commercial		0%
7	Industrial		0%
8	Bulk Loading Stations		0%
9	Wholesale		0%
10	Other Sales (explain) <u>Honey Branch</u>	3.263	19%
11	<b>TOTAL WATER SOLD</b>	17.374	29%
12	<b>TOTAL WATER NOT SOLD</b>	42.719	71%
	<b>BREAKDOWN OF UNSOLD WATER USED</b>		
13	Utility and/or Water Treatment Plant	0.426	2%
14	Wastewater Plant	0.049	0%
15	System Flushing	1.400	8%
16	Fire Department	0.250	1%
17	Other (explain)		0%
	<b>TOTAL UNSOLD WATER USED</b>	<b>2.125</b>	<b>4%</b>
	<b>BREAKDOWN OF WATER LOST</b>		
18	Tank Overflows	0.000	0%
19	Line Breaks	6.500	37%
20	Other Loss	34.094	57%
	<b>TOTAL WATER LOST</b>	40.594	68%

**"OTHER LOSS" FLOW RATE CALCULATION:**

21	"Other Loss"	34.094
22	% "Other Loss"	57%
23	Number of Days in Period	31
24	"Other Loss" per Day (1,000's gallons per Day)	1.100
25	"Other Loss" per Minute (GPM)	0.764





## Monthly Water Use Report

Water Utility: **Martin County Water District**

For the Month of: **April**

Year: **2017**

LINE #	ITEM	GALLONS (Omit 000's)	%
1	<b>WATER PRODUCED or PURCHASED</b>		
2	Water Produced	60.093	100%
3	Water Purchased	0.000	0%
4	<b>TOTAL PRODUCED AND PURCHASED</b>	60.093	

<b>WATER SOLD</b>			
5	Residential	13.452	79%
6	Commercial	0.000	0%
7	Industrial		0%
8	Bulk Loading Stations		0%
9	Wholesale		0%
10	Other Sales (explain) <u>Honey Branch</u>	3.623	21%
11	<b>TOTAL WATER SOLD</b>	17.075	28%
12	<b>TOTAL WATER NOT SOLD</b>	43.018	72%

<b>BREAKDOWN OF UNSOLD WATER USED</b>			
13	Utility and/or Water Treatment Plant	0.465	1%
14	Wastewater Plant	0.000	0%
15	System Flushing	4.500	7%
16	Fire Department	0.450	1%
17	Other (explain) _____		0%
<b>TOTAL UNSOLD WATER USED</b>		<b>5.415</b>	<b>9%</b>

<b>BREAKDOWN OF WATER LOST</b>			
18	Tank Overflows	0.000	0%
19	Line Breaks	6.500	11%
20	Other Loss	31.103	52%
<b>TOTAL WATER LOST</b>		<b>37.603</b>	<b>63%</b>

**"OTHER LOSS" FLOW RATE CALCULATION:**

21		"Other Loss"	31.103
22		% "Other Loss"	52%
23		Number of Days in Period	30
24		"Other Loss" per Day (1,000's gallons per Day)	1.037
25		"Other Loss" per Minute (GPM)	0.720



## Monthly Water Use Report

Water Utility: **Martin County Water District**

For the Month of: **May**

Year: **2017**

LINE #	ITEM	GALLONS (Omit 000's)	%
1	<b>WATER PRODUCED or PURCHASED</b>		
2	Water Produced	59.310	100%
3	Water Purchased	0.000	0%
4	<b>TOTAL PRODUCED AND PURCHASED</b>	59.31	
<b>WATER SOLD</b>			
5	Residential	14.987	100%
6	Commercial	0.000	0%
7	Industrial		0%
8	Bulk Loading Stations		0%
9	Wholesale		0%
10	Other Sales (explain) <u>Honey Branch</u>	3.258	22%
11	<b>TOTAL WATER SOLD</b>	14.987	25%
12	<b>TOTAL WATER NOT SOLD</b>	44.323	75%
<b>BREAKDOWN OF UNSOLD WATER USED</b>			
13	Utility and/or Water Treatment Plant	0.436	1%
14	Wastewater Plant	0.050	0%
15	System Flushing	3.500	6%
16	Fire Department	0.465	1%
17	Other (explain)		0%
	<b>TOTAL UNSOLD WATER USED</b>	<b>4.451</b>	<b>8%</b>
<b>BREAKDOWN OF WATER LOST</b>			
18	Tank Overflows	0.000	0%
19	Line Breaks	8.500	14%
20	Other Loss	31.372	53%
	<b>TOTAL WATER LOST</b>	<b>39.872</b>	<b>67%</b>

**"OTHER LOSS" FLOW RATE CALCULATION:**

21		"Other Loss"	31.372
22		% "Other Loss"	53%
23		Number of Days in Period	31
24		"Other Loss" per Day (1,000's gallons per Day)	1.012
25		"Other Loss" per Minute (GPM)	0.703



## Monthly Water Use Report

Water Utility: **Martin County Water District**

For the Month of: June

Year: 2017

LINE #	ITEM	GALLONS (Omit 000's)	%
1	<b>WATER PRODUCED or PURCHASED</b>		
2	Water Produced	57.021	100%
3	Water Purchased		0%
4	<b>TOTAL PRODUCED AND PURCHASED</b>	57.021	
<b>WATER SOLD</b>			
5	Residential	16.011	87%
6	Commercial	0.000	0%
7	Industrial		0%
8	Bulk Loading Stations		0%
9	Wholesale		0%
10	Other Sales (explain)	2.452	13%
	Honey Branch		
11	<b>TOTAL WATER SOLD</b>	18.463	32%
12	<b>TOTAL WATER NOT SOLD</b>	38.558	68%
<b>BREAKDOWN OF UNSOLD WATER USED</b>			
13	Utility and/or Water Treatment Plant	0.590	1%
14	Wastewater Plant	0.050	0%
15	System Flushing	5.500	10%
16	Fire Department	0.450	1%
17	Other (explain)		0%
	<b>TOTAL UNSOLD WATER USED</b>	<b>6.590</b>	<b>12%</b>
<b>BREAKDOWN OF WATER LOST</b>			
18	Tank Overflows	0.000	0%
19	Line Breaks	9.500	17%
20	Other Loss	22.468	39%
	<b>TOTAL WATER LOST</b>	31.968	56%

**"OTHER LOSS" FLOW RATE CALCULATION:**

21	"Other Loss"	22.468
22	% "Other Loss"	39%
23	Number of Days in Period	30
24	"Other Loss" per Day (1,000's gallons per Day)	0.749
25	"Other Loss" per Minute (GPM)	0.520



**Exhibit #1  
Water Loss Report  
May thru September 2017**

## Monthly Water Use Report

Water Utility: **Martin County Water District**

For the Month of: **July**

Year: **2017**

LINE #	ITEM	GALLONS (Omit 000's)	%
1	<b>WATER PRODUCED or PURCHASED</b>		
2	Water Produced	57.021	100%
3	Water Purchased	0	0%
4	<b>TOTAL PRODUCED AND PURCHASED</b>	57.021	
<b>WATER SOLD</b>			
5	Residential	16.011	88%
6	Commercial	0.000	0%
7	Industrial	0.000	0%
8	Bulk Loading Stations	0.000	0%
9	Wholesale	0.000	0%
10	Other Sales (explain) <span style="float: right;">Honey Branch</span>	2.158	12%
11	<b>TOTAL WATER SOLD</b>	18.169	32%
12	<b>TOTAL WATER NOT SOLD</b>	38.852	68%
<b>BREAKDOWN OF UNSOLD WATER USED</b>			
13	Utility and/or Water Treatment Plant	1.865	3%
14	Wastewater Plant	0.050	0%
15	System Flushing <span style="float: right;">Estimate</span>	1.600	3%
16	Fire Department <span style="float: right;">Estimate</span>	0.350	1%
17	Other (explain)		0%
	<b>TOTAL UNSOLD WATER USED</b>	<b>3.865</b>	<b>7%</b>
<b>BREAKDOWN OF WATER LOST</b>			
18	Tank Overflows <span style="float: right;">Estimate</span>	0.000	0%
19	Line Breaks <span style="float: right;">Estimate</span>	2.600	5%
20	Other Loss	32.387	57%
	<b>TOTAL WATER LOST</b>	34.987	61%

**"OTHER LOSS" FLOW RATE CALCULATION:**

21		"Other Loss"	32.387
22		% "Other Loss"	57%
23		Number of Days in Period	31
24		"Other Loss" per Day (1,000's gallons per Day)	1.045
25		"Other Loss" per Minute (GPM)	0.726



## Monthly Water Use Report

Water Utility: **Martin County Water District**

For the Month of: **August**

Year: **2017**

LINE #	ITEM	GALLONS (Omit 000's)	%
1	<b>WATER PRODUCED or PURCHASED</b>		
2	Water Produced	59.881	0%
3	Water Purchased	0	0%
4	<b>TOTAL PRODUCED AND PURCHASED</b>	59.881	

<b>WATER SOLD</b>			
5	Residential		95%
6	Commercial	14.553	0%
7	Industrial	0.000	0%
8	Bulk Loading Stations		0%
9	Wholesale		0%
10	Other Sales (explain) <u>Honey Branch</u>	0.696	5%
11	<b>TOTAL WATER SOLD</b>	15.249	25%
12	<b>TOTAL WATER NOT SOLD</b>	44.632	75%

<b>BREAKDOWN OF UNSOLD WATER USED</b>			
13	Utility and/or Water Treatment Plant		3%
14	Wastewater Plant	1.950	0%
15	System Flushing	0.050	4%
16	Fire Department	2.500	1%
17	Other (explain)	0.400	0%
	<b>TOTAL UNSOLD WATER USED</b>	<b>4.900</b>	<b>8%</b>

<b>BREAKDOWN OF WATER LOST</b>			
18	Tank Overflows	Estimate	0.000
19	Line Breaks	Estimate	2.400
20	Other Loss		37.332
	<b>TOTAL WATER LOST</b>		<b>39.732</b>

**"OTHER LOSS" FLOW RATE CALCULATION:**

21	"Other Loss"	37.332
22	% "Other Loss"	62%
23	Number of Days in Period	31
24	"Other Loss" per Day (1,000's gallons per Day)	1.204
25	"Other Loss" per Minute (GPM)	0.836



## Monthly Water Use Report

Water Utility: **Martin County Water District**

For the Month of: **September**

Year: **2017**

LINE #	ITEM	GALLONS (Omit 000's)	%
1	<b>WATER PRODUCED or PURCHASED</b>		
2	Water Produced	59.170	100%
3	Water Purchased	0.000	0%
4	<b>TOTAL PRODUCED AND PURCHASED</b>	59.170	
<b>WATER SOLD</b>			
5	Residential	15.640	91%
6	Commercial	0.000	0%
7	Industrial	0.000	0%
8	Bulk Loading Stations	0.000	0%
9	Wholesale	0.000	0%
10	Other Sales (explain) <span style="float: right; border-bottom: 1px solid black;">Honey Branch</span>	1.553	9%
11	<b>TOTAL WATER SOLD</b>	17.193	29%
12	<b>TOTAL WATER NOT SOLD</b>	41.977	71%
<b>BREAKDOWN OF UNSOLD WATER USED</b>			
13	Utility and/or Water Treatment Plant	1.854	3%
14	Wastewater Plant <span style="float: right;">Estimated</span>	0.060	0%
15	System Flushing <span style="float: right;">Estimated</span>	2.500	4%
16	Fire Department <span style="float: right;">Estimated</span>	0.350	1%
17	Other (explain)		0%
<b>TOTAL UNSOLD WATER USED</b>		<b>4.764</b>	<b>8%</b>
<b>BREAKDOWN OF WATER LOST</b>			
18	Tank Overflows <span style="float: right;">Estimated</span>	0.000	0%
19	Line Breaks <span style="float: right;">Estimated</span>	1.850	3%
20	Other Loss	35.363	60%
<b>TOTAL WATER LOST</b>		<b>37.213</b>	<b>63%</b>

**"OTHER LOSS" FLOW RATE CALCULATION:**

21		"Other Loss"	35.363
22		% "Other Loss"	60%
23		Number of Days in Period	30.000
24		"Other Loss" per Day (1,000's gallons per Day)	1.179
25		"Other Loss" per Minute (GPM)	0.819



**Exhibit #1**

**Water Loss Report**



## Monthly Water Use Report

Water Utility: **Martin County Water District**

For the Month of: **October**

Year: **2017**

LINE #	ITEM	GALLONS (Omit 000's)	%
1	<b>WATER PRODUCED or PURCHASED</b>		
2	Water Produced	58.684	100%
3	Water Purchased	0	0%
4	<b>TOTAL PRODUCED AND PURCHASED</b>	<b>58.684</b>	
<b>WATER SOLD</b>			
5	Residential	15.396	81%
6	Commercial		0%
7	Industrial		0%
8	Bulk Loading Stations		0%
9	Wholesale		0%
10	Other Sales (explain) <span style="float: right;">Honey Branch Industrial Park</span>	3.678	19%
11	<b>TOTAL WATER SOLD</b>	<b>19.074</b>	<b>33%</b>
12	<b>TOTAL WATER NOT SOLD</b>	<b>39.610</b>	<b>67%</b>
<b>BREAKDOWN OF UNSOLD WATER USED</b>			
13	Utility and/or Water Treatment Plant	0.892	2%
14	Wastewater Plant	0.550	1%
15	System Flushing <span style="float: right;">Estimated</span>	4.550	8%
16	Fire Department <span style="float: right;">Estimated</span>	0.350	1%
17	Other (explain)	0	0%
<b>TOTAL UNSOLD WATER USED</b>		<b>6.342</b>	<b>11%</b>
<b>BREAKDOWN OF WATER LOST</b>			
18	Tank Overflows	0.250	0%
19	Line Breaks	7.250	12%
20	Other Loss	25.768	44%
<b>TOTAL WATER LOST</b>		<b>33.268</b>	<b>57%</b>
<b>"OTHER LOSS" FLOW RATE CALCULATION:</b>			
21		"Other Loss"	25.768
22		% "Other Loss"	44%
23		Number of Days in Period	31
24		"Other Loss" per Day (1,000's gallons per Day)	0.831
25		"Other Loss" per Minute (GPM)	0.577



# Monthly Water Use Report

Water Utility: **Martin County Water District**

For the Month of: **November**

Year: **2017**

LINE #	ITEM	GALLONS (Omit 000's)	%
<b>WATER PRODUCED or PURCHASED</b>			
1			
2	Water Produced	52.618	100%
3	Water Purchased	0.000	0%
4	<b>TOTAL PRODUCED AND PURCHASED</b>	<b>52.618</b>	
<b>WATER SOLD</b>			
5	Residential	13.468	95%
6	Commercial		0%
7	Industrial		0%
8	Bulk Loading Stations		0%
9	Wholesale		0%
10	Other Sales (explain) <span style="float: right;">Honey Branch Industrial Tank</span>	0.751	5%
11	<b>TOTAL WATER SOLD</b>	<b>14.219</b>	<b>27%</b>
12	<b>TOTAL WATER NOT SOLD</b>	<b>38.399</b>	<b>73%</b>
<b>BREAKDOWN OF UNSOLD WATER USED</b>			
13	Utility and/or Water Treatment Plant	0.803	2%
14	Wastewater Plant	0.050	0%
15	System Flushing <span style="float: right;">Estimated</span>	2.500	5%
16	Fire Department <span style="float: right;">Estimated</span>	0.400	1%
17	Other (explain)		0%
<b>TOTAL UNSOLD WATER USED</b>		<b>3.753</b>	<b>7%</b>
<b>BREAKDOWN OF WATER LOST</b>			
18	Tank Overflows <span style="float: right;">Estimated</span>	0.175	0%
19	Line Breaks <span style="float: right;">Estimated</span>	8.500	16%
20	Other Loss	25.971	49%
<b>TOTAL WATER LOST</b>		<b>34.646</b>	<b>66%</b>

**"OTHER LOSS" FLOW RATE CALCULATION:**

21		"Other Loss"	25.971
22		% "Other Loss"	49%
23		Number of Days in Period	30
24		"Other Loss" per Day (1,000's gallons per Day)	0.866
25		"Other Loss" per Minute (GPM)	0.601



## Monthly Water Use Report

Water Utility: **Martin County Water District**  
 For the Month of: **December** Year: **2017**

LINE #	ITEM	GALLONS (Omit 000's)	%
1	<b>WATER PRODUCED or PURCHASED</b>		
2	Water Produced	55.918	100%
3	Water Purchased	0	0%
4	<b>TOTAL PRODUCED AND PURCHASED</b>		55.918
<b>WATER SOLD</b>			
5	Residential	14.775	100%
6	Commercial	0.036	0%
7	Industrial		0%
8	Bulk Loading Stations		0%
9	Wholesale		0%
10	Other Sales (explain)		0%
11	<b>TOTAL WATER SOLD</b>		14.811
12	<b>TOTAL WATER NOT SOLD</b>		41.107
<b>BREAKDOWN OF UNSOLD WATER USED</b>			
13	Utility and/or Water Treatment Plant	0.809	1%
14	Wastewater Plant	0.075	0%
15	System Flushing	1.500	3%
16	Fire Department	0.450	1%
17	Other (explain)		0%
<b>TOTAL UNSOLD WATER USED</b>		<b>2.834</b>	<b>5%</b>
<b>BREAKDOWN OF WATER LOST</b>			
18	Tank Overflows	0.000	0%
19	Line Breaks	10.500	19%
20	Other Loss	27.773	50%
<b>TOTAL WATER LOST</b>		<b>38.273</b>	<b>68%</b>
<b>"OTHER LOSS" FLOW RATE CALCULATION:</b>			
21	"Other Loss"	27.773	
22	% "Other Loss"	50%	
23	Number of Days in Period	31	
24	"Other Loss" per Day (1,000's gallons per Day)	1	
25	"Other Loss" per Minute (GPM)	1	



\*Brian Cumbo  
Attorney at Law  
P.O. Box 1844  
Inez, KENTUCKY 41224

\*Martin County Water District  
387 East Main Street, Suite 140  
Inez, KY 41224

\*Martin County Water District  
Martin County Water District  
387 East Main Street, Suite 140  
Inez, KY 41224

\*Mary Cromer  
Appalachian Citizens' Law Center, Inc.  
317 Main Street  
Whitesburg, KENTUCKY 41858