



**BRIAN CUMBO**  
ATTORNEY AT LAW

86 W. Main St., Suite 100  
P.O. Box 1844  
Inez, KY 41224  
(606) 298-0428  
FAX: (606) 298-0316  
cumbolaw@cumbolaw.com

ADMITTED IN KY AND WV

**RECEIVED**

**MAR 20 2018**

**PUBLIC SERVICE  
COMMISSION**

March 15, 2018

Public Service Commission  
P.O. Box 615  
Frankfort, KY 40602

RE: Martin County Water District  
PSC Case No. 2016-00142

To Whom It May Concern:

Enclosed please find original and six (6) copies of Martin Water District's Response to Post Hearing Request for Information dated March 6, 2018 regarding the above matter.

Thank you for your attention to this matter.

Very truly yours,

BRIAN CUMBO

BC/ld  
Enclosure

COMMONWEALTH OF KENTUCKY

**RECEIVED**

BEFORE THE PUBLIC SERVICE COMMISSION

**MAR 20 2018**

In the Matter of:

**PUBLIC SERVICE  
COMMISSION**

INVESTIGATION OF THE OPERATING )  
CAPACITY OF MARTIN COUNTY WATER )  
DISTRICT PURSUANT TO KRS 278.280 )

CASE NO. 2016-00142

**MARTIN COUNTY WATER  
DISTRICT'S RESPONSE TO  
PSC'S POST HEARING REQUEST  
FOR INFORMATION DATED  
MARCH 6, 2018**

**CERTIFICATE OF SERVICE**

This will certify that a true and correct copy of the foregoing was emailed and mailed, postage paid, on this the 15 day of March, 2018, to the following:

Public Service Commission (**mailed & emailed**)

ATTN: Jeb Pinney  
P.O. Box 615  
Frankfort, KY 40602  
*Jeb.pinney@ky.gov*

Hon. Mary Varson Cromer (**email only**)


Appalachian Citizens' Law Center, Inc.  
317 Main Street  
Whitesburg, KY 41858  
*mary@appalachianlawcenter.org*

M. Todd Osterloh (**email only**)

Sturgill, Turner, Barker & Moloney, PLLC  
333 West Vine Street, Ste. 1400  
Lexington, KY 40507  
*tosterloh@sturgillturner.com*

James Wilson Gardner (**email only**)

*jameswilsongardner@gmail.com*

  
BRIAN CUMBO

1. Provide a description of the proposed duties of a General Manager for Martin District.

RESPONSE: See attached Exhibit 1.

2. Provide a copy of the contract extension for Greg Heitzman.

RESPONSE: See attached Exhibit 2.

3. Provide the details, or a copy, of the proposed lease between Martin District and the Prestonsburg City Utility Commission for the Honey Branch tank.

RESPONSE: See attached Exhibit 3 received from Prestonsburg City's Utilities Commission. This proposal is inconsistent with the agreement reached at the meeting on February 28, 2018. Based on this, it is unlikely a Lease will occur.

4. Provide an estimate of projected water usage by the new high school when it opens, and whether it will equal or exceed that of the current high school in Martin County. State whether Martin District, if the new high school causes an increase in consumption, has anticipated the impact the increase will have on its system and state whether Martin District possesses the capacity to meet the increased demand.

RESPONSE: According to Kentucky Engineering Group:

“The domestic usage should be the same. We did size the tank, pump and water main for a higher demand. It is our understanding a sprinkler system will be installed for watering grass on athletic fields. The tank is also sized to allow extra storage for a fire flow situation.”

5. Describe on what projects the funds from the Appalachian Regional Council (“ARC”) will be expended.

RESPONSE: See attached Exhibit 4.

6. Provide corrected monthly water usage reports for the past 12 months that include water purchased. Provide the revised water loss percentage calculations resulting from the inclusion of purchased water.

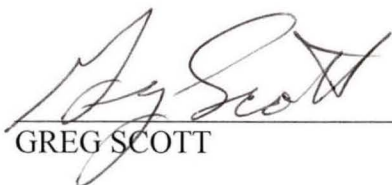
RESPONSE: See attached Exhibit 5.

7. Describe the current and historical practices for fuel procurement, including, but not limited to, the people authorized to purchase fuel, the authorized vendors for fuel purchases, and the controls in place to review or authorize the purchase of fuel.

RESPONSE: See attached Exhibit 6.

**VERIFICATION**

I, Greg Scott, of the Martin County Water District, hereby verify that the responses and exhibits attached hereto are true and correct to the best of my knowledge.

  
\_\_\_\_\_  
GREG SCOTT

STATE OF KENTUCKY)

COUNTY OF MARTIN)

SUBSCRIBED, SWORN and ACKNOWLEDGED before me by Greg Scott this 14<sup>th</sup>  
day of March, 2018.

My Commission Expires: 9-18-18.

  
\_\_\_\_\_  
NOTARY PUBLIC, STATE AT LARGE

# EXHIBIT 1

## **General Manager**

### **Martin County Water District**

#### **Inez, Kentucky**

##### **Job Objectives:**

1. To manage the operations of the District in accordance with objectives and policies of the Board of Commissioners and to keep the Board informed on operations, finance, expansion and other activities.
2. To manage the operations of the District in compliance with the Safe Drinking Water Act, Clean Water Act, Kentucky Division of Water regulations and Kentucky Public Service Commission regulations.
3. To administer activities and oversee functions dealing with the areas of: water/wastewater treatment; distribution/collections; metering and customer service; payroll and personnel record retention; field crew installation and maintenance functions.
4. Serve as communications liaison for customers and key constituent groups (Kentucky Public Service Commission, Kentucky Division of Water, elected officials, media, etc.) regarding service and operations of the District.
5. Represent the District before the Kentucky Public Service Commission and with industry, professional, business and civic groups and in community/customer forums.
6. To maintain knowledge of new technology and developments in the area of water and wastewater system operations and maintenance.

##### **Job Duties, Responsibilities and Authority:**

1. Planning, Organizing, Reporting:
  - Assures District's water and wastewater rates and fees are adequate to cover operating expenses.

- Plans and develops the District's water/wastewater budget and business work plans and plans for expansion of the District with new customers and businesses.
- Plans for the orderly flow of work for employees.
- Plans for the needs of the District in the areas of personnel, equipment and technology.
- Ensures that on-going and continuous programs and operating procedures are carried out in the proper manner.
- Selects, trains, evaluates performance and administers wage and salary plan for assigned personnel, and terminates when necessary, subject to the policies of the Board.
- Develops the organizational structure best suited to carry out the objectives of the District, with the structure approved by the Board.
- Provides regular reporting to the Board Chair on the day to day operations of the District and provides written management and operating reports to the Board on a monthly basis.

## 2. Directing, Managing and Coordinating:

- Directs all the activities of the District with appropriate delegations, and makes certain that responsibilities and authorities are understood and accepted.
- Manages water/wastewater treatment plant, storage, pump station, distribution/collection operations and maintenance within EPA drinking water and wastewater regulations, using best standard operating practices and procedures.
- Manages customer service complaints involving payments, collections, continuity of service and line changes and follows up those handled to assure customer good will.
- Manages the application and installation of new service/meter connections and large and small meter testing programs; including scheduled change-out and shop testing.
- Manages fire hydrant testing and repair programs.
- Manages all functions relating to equipment inventory and material inventory stock and non-stock items.
- Manages all compliance reporting for state agencies, including Kentucky Division of Water and Kentucky Public Service Commission.
- Coordinates the work of all contractors performing work for the District.



- Coordinates the functions of the District's accountants, attorneys, auditors, engineers, and District employees engaged in the administration of District's affairs.
- Pursue grants and low interest loans to finance infrastructure of the District.
- Provide training necessary for new and existing employees.
- Ensures that all employees maintain all tools, transportation, work equipment and building clean, neat and in safe, working order.
- Promote good public and consumer relations.
- Perform such other duties as assigned by the Board.

**Qualifications:**

- Prefer Bachelor's Degree in Business, Management, Engineering or related area.
- 10 years experience in water/wastewater utility or equivalent experience.
- 5 years experience in managing and leading employees/staff.
- Kentucky Treatment Plant and/or Distribution Operators License preferred.

**Skills, Abilities and Knowledge:**

- Possess excellent written and verbal communications skills
- Ability to lead and work as a collaborative team
- Ability to manager employee performance and conduct performance reviews.
- Ability to develop and train staff.
- General knowledge of water/wastewater operations and maintenance.
- Proficient in Microsoft Suite (Outlook, Word, Excel, Powerpoint) and internet resources.

**Salary and Benefits:**

- Salary negotiable - based on experience.
- Medical and dental insurance
- Kentucky County Employees Retirement System
- Vacation and Sick Leave negotiable
- Utility vehicle provided

# EXHIBIT 2

# **BlueWater Kentucky and Martin County Water District**

## **Contract Extension #1**

**Background** – BlueWater Kentucky, LLC (BlueWater) entered into Contract with Martin County Water District (MCWD) on June 1, 2017. The initial Contract expired December 31, 2017. Both parties desired to continue a business relationship for additional management services and mutually agree to execute Contract Extension #1 for the period January 1, 2018 to June 30, 2018

**Scope of Work** – BlueWater, is an independent contractor (consultant) to MCWD and will provide contract services in the following areas:

1. Serve as an advisor to the MCWD Board Chair, Business Manager and Operations Manager.
2. Assist MCWD staff in preparing an Action Plan for the BlueWater Recommendations presented to the MCWD Board on January 4, 2018 and accepted by the MCWD Board on January 9, 2018.
3. Provide assistance in preparing response to Kentucky Public Service Commission (PSC) Orders issued January 1, 2018 to June 30, 2018.
4. Attend Kentucky Public Service Commission hearings and testify, when requested, on behalf of the MCWD.
5. Attend public meetings hosted by MCWD when requested.
6. Provide assistance in reviewing and developing policy and procedures, when requested.
7. Provide assistance in preparing operational and capital budgets, when requested.
8. Provide assistance in areas of rate analysis, water loss, water treatment, distribution system, billing, and office management, when requested.
9. Provide assistance and referrals to expertise in areas of engineering, capital planning, water treatment, water distribution, water loss, billing, human resources, office management when requested.
10. Provide Technical Memorandum Reports on activities when requested.

BlueWater will not provide engineering design services to MCWD under the scope of this contract.

**Travel** – Services provided by BlueWater may require travel to Inez Kentucky, Frankfort, Kentucky or other locations to review operations, review documentation, conduct interviews, testify to the Kentucky PSC, meet with local or state agencies, and/or industry associations. Travel will be reimbursed at cost for hotels, meals, mileage at Federal IRS rate and travel time (at half hourly rate) for each trip. Expenses will be itemized and include receipts.

**Compensation and Billing** – MCWD understands that BlueWater provides services to other clients in the water and wastewater industry. Therefore, this contract allows a flexible arrangement of hours and availability each month. For services during contract period, BlueWater Kentucky will provide services at the following rates:

1. \$150.00 per hour for Mr. Heltzman's services
2. \$50.00 per hour for technical/administrative services performed by BlueWater staff or by subcontract.
3. Reimbursement for the following direct expenses: travel, mileage (at the Federal IRS rate), meals, hotels, printing, or other expenses to perform under this contract.

BlueWater will keep a monthly log of hours and expenses, including receipts, for presentation to MCWD with monthly invoice by the 10<sup>th</sup> of each month. MCWD must approve all direct expenses included in the monthly invoice, prior to payment. Contract Extension #1 increases the total not-to-exceed Contract Fee from \$13,000 to \$19,000.

MCWD will pay BlueWater by the 30<sup>th</sup> of each month with the following schedule:

1. \$1,000 per month for prior services provided June 1, 2017 through December 31, 2017, until full payment of the original contract services in the amount of \$12,990.22 is received.
2. After full payment of the original contract services of \$12,990.22, BlueWater will continue invoicing \$1,000 per month for services provided January 1, 2018 to June 30, 2018.
3. The fee for the balance of services provided will be billed in July 2018 and is due within 30 days of invoice date.
4. In July, 2018, BlueWater will make an adjustment (up or down) to the final Contract Fee for the balance of services provided for the period January 1, 2018 to June 30, 2018. The final payment will be due within 30 days of invoice date.

**Duration of Contract** – The contract extension will be for the period beginning January 1, 2018 and ending June 30, 2018. The contract may be extended by mutual agreement. The contract may also be terminated at the end of a billing cycle (the 30<sup>th</sup> of each month) by either party, for any reason, upon written (or email) notice. In the event of contract termination, an invoice showing the outstanding balance will be provided to MCWD and payment shall be made for the full balance within 30 days of invoice date.

**Conflicts of Interest** – BlueWater has various business relationships with businesses and utilities, as follows:

As of January 1, 2018, BlueWater is providing consulting services to the following clients:

- Citizens Water, Indianapolis, Indiana
- City of Ashland, Kentucky - Water Department
- Cornerstone Engineering, Louisville, Kentucky
- River Ridge Development Authority, Jeffersonville, Indiana
- Makers Mark Distillery, Loretto, Kentucky

Mr. Greg C. Heltzman, President of BlueWater Kentucky, volunteers his services for various non-profit and government organizations, including WaterStep, Kentucky-Tennessee AWWA, Trees Louisville, and the Kentucky Environmental Protection Cabinet/Division of Water. He currently volunteers as Chair of the Kentucky Lead in Drinking Water Workgroup.

For the duration of this Contract, BlueWater will disclose to MCWD all business, Contract or volunteer relationships that may present a conflict of interest between the parties. Both parties agree to work cooperatively in managing any conflicts or Contract disputes that may arise. If requested, BlueWater shall enter into confidentiality agreements with MCWD, where appropriate. In the event a conflict or Contract dispute is identified, either party may terminate this Contract within 10 days of the date of notification of the conflict in writing. Before final termination of the Contract, a 10-day cure period will be provided to both parties to resolve the conflict or dispute by mutual agreement. In the event of termination during the month (between billing cycles), BlueWater will invoice MCWD for the work performed up to the termination date.

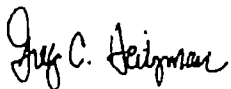
**Insurance** – For the duration of this Contract BlueWater will maintain General Liability and Professional Insurance in the amount of \$1 million and will provide an Insurance certificate to MCWD with MCWD named as additional insured.

**Contact Information** – Information regarding this Proposal should be directed to:

Greg Heitzman, PE, MBA  
President  
BlueWater Kentucky  
625 Myrtle Street  
Louisville, KY 40208  
502-533-5073  
[gheitzman@bluewaterky.com](mailto:gheitzman@bluewaterky.com)

**Contract Effective Date** – Contract Extension #1 becomes effective January 1, 2018. Contract Extension #1 may be modified in writing, by agreement of the Parties.

**PROPOSAL SUBMITTED BY:**

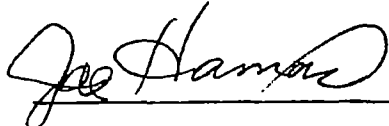


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Greg C. Heitzman, PE, MBA  
President  
BlueWater Kentucky, LLC  
625 Myrtle Street  
Louisville, KY 40208

Date: **1/10/2018**

**PROPOSAL ACCEPTED BY:**



---

Joe Hammond  
Office Manager  
Martin County Water District  
1014 Main Street  
Inez, KY 41224

Date: \_\_\_\_\_

MCWD Board approved the Contract Extension with BlueWater Kentucky on January 9, 2018

# EXHIBIT 3

# *Prestonsburg City's Utilities Commission*

**Water, Waste Water and Natural Gas System**

(Municipally Owned)

2560 South Lake Drive

Prestonsburg, Kentucky 41653-1048

Phone (606) 886-6871 • Fax (606) 886-8779

TDD: Ky Relay #711

March 6, 2018

Mr. John Horn  
Chairman  
Martin County Water District Board  
387 East Main Street, Suite 140  
Inez, KY 41224

Re: Honey Branch Tank Lease

Dear Mr. Horn,

Enclosed please find two signed originals of the lease of the Honey Branch Water Tank between the District as lessor and Prestonsburg City's Utilities Commission as lessee. At last evening's Special Meeting the Commission gave unanimous approval authorizing both Chairman Jimmy Calhoun and I to sign the lease and to forward same to you. After your Board authorizes you to do so please sign both originals and keep one for the District's files and return the other signed original to me at the above address.

If you have any questions feel free to give me a call at our office. In addition, my cell number is (606) 831-5800.

Respectfully,



Turner E. Campbell  
Superintendent/CEO

Copy: File

## TANK LEASE AND WATER SUPPLY AGREEMENT

THIS TANK LEASE AND WATER SUPPLY AGREEMENT (hereinafter “Agreement”) is made and entered into the 1<sup>st</sup> day of April, 2018, by and between the MARTIN COUNTY WATER DISTRICT (hereinafter referred to as “District”), of 387 Main Street, Suite 140, Inez, Martin County, Kentucky 41224, and PRESTONSBURG CITY’S UTILITIES COMMISSION (hereinafter referred to as “PCUC”), of 2560 South Lake Drive, Prestonsburg, Floyd County, Kentucky 41653.

### RECITALS

WHEREAS, the Parties have entered into that certain Interlocal Cooperation Agreement for the Development of Utility Infrastructure dated the 15<sup>th</sup> day of January, 1998, recorded in Misc. Book 6, Page 12, in the office of the Floyd County Clerk, Floyd County, Kentucky (hereinafter the “Interlocal Agreement”);

WHEREAS, the Parties, pursuant to and consistent with the Interlocal Agreement, entered into the Joint Operation Agreement dated July 3, 2000 (hereinafter the “Joint Operation Agreement”) to develop the necessary water transmission lines, pumping station, tanks, and related appurtenances to jointly provide water services to the Big Sandy Federal Prison (“Federal Prison”) constructed by the Federal Bureau of Prisons (“Bureau”) at the Honey Branch Industrial Park (“Industrial Park”) in Martin County, Kentucky;

WHEREAS, pursuant to Section 3 of the Joint Operation Agreement, the District constructed and owns a water storage tank of approximately 1,040,000 gallons capacity including related appurtenances (hereinafter the “Honey Branch Storage Tank”);



WHEREAS, the parties hereto entered into that certain Tank Maintenance Agreement dated the 1<sup>st</sup> day of March, 2010;

WHEREAS, the parties hereto entered into the First Amendment to the Joint Operation Agreement on the 1<sup>st</sup> day of January, 2017, to adjust the respective water rates charged by each party.

**SECTION ONE  
DESCRIPTION OF PREMISES**

District leases to PCUC, and PCUC hires from District, for any and all lawful purposes, that water storage tank, appurtenances, and equipment associated therewith (“Demised Premises”), owned by District, and situated at the Industrial Park.

**SECTION TWO  
RENT**

PCUC agrees to pay, without demand, to District, as rent for the Demised Premises, \$16,500.00 per month, on the fifteenth (15<sup>th</sup>) of every month, which sum shall be paid to District by placing in the United States mail, payment to the District, at the address designated by District as 387 Main Street, Suite 140, Inez, Kentucky 41224. Said payments are past due if not received by the 20<sup>th</sup>, and PCUC shall pay a late fee equal to two percent (2%) of the rent due.

**SECTION THREE  
WATER SERVICE**

It is clearly understood that all customers situated now, or in the future, at the Industrial Park, are District’s customers, other than the Federal Prison and all responsibility for serving the District’s customers shall remain the sole obligation of the District. The District will be responsible for reading the meters of their customers, billing and collection, and shall receive all revenue therefrom.

PCUC will either sell to, or purchase treated water at the rate of \$3.05 per thousand gallons for water delivered to the District's customers, or to PCUC by the District, as may be the case, located in the Industrial Park through the master meters owned or installed by PCUC per month. In addition, the District may, from time-to-time, purchase treated water under the same terms and conditions for other customers of the District through a master meter located in the existing pump station on Airport Road.

Upon thirty (30) days written notice, PCUC may increase the rate charged for water delivered under this Section upon proof of increases in the costs associated with the production and delivery of water after the end of the initial term, or any renewal term. PCUC's cost data, etc. from audited financial statements ending June 30, 2017, shall serve as the base year in determining the increase in costs associated with the cost of production and delivery of water.

#### **SECTION FOUR RIGHT OF OFFSET**

For water purchased by the **District**, PCUC shall have the right to offset/reduce any amount due PCUC hereunder or for amounts due under the Joint Operation Agreement against the amount of rent due hereunder, so that PCUC provides either a net payment or invoice for the amount/value of water in excess of the rent due.

#### **SECTION FIVE TERM**

The initial term of this Agreement shall be for a period of three (3) years from the date of this agreement, and may be extended by mutual agreement for three additional three year periods. The monthly rental fee and water rates for each additional three year period will be established in writing prior to the date of extension. Any notice of

termination must be provided in writing at least (ninety) (90) days in advance of the termination date..

**SECTION SIX  
ALTERATIONS & IMPROVEMENTS**

PCUC shall not be permitted to make alterations to the structures or equipment on the Demised Premises or construct any building or make other improvements on the Demised Premises, without prior written consent which shall not be unreasonable withheld. All alterations, changes, and improvements built, constructed or placed on the premises by PCUC with the exception of fixtures removable without damage to the premises and moveable personal property, shall, unless otherwise provided by written agreement between District and PCUC, be the property of District and remain on the Demised Premises at the expiration or sooner termination of this Lease. However, the District expressly consents to the installation of master meters to meter water delivered to the District's distribution system and customers. Further, PCUC shall be responsible for all maintenance, repairs and upkeep relative to the storage tank, appurtenances and associated equipment, in accordance with all Kentucky drinking water regulations.

The District shall be responsible for all repairs and upkeep to its distribution system at the Industrial Park, and along both sides of Airport Road, and from its distribution point in the existing main pump station located on Airport Road to its main line running parallel t to Ky. Route 3.

**SECTION SEVEN  
RIGHT OF INSPECTION**

District and its agents shall have the right to make inspection of the Demised Premises and the improvements thereon, as reasonably necessary. The District shall have

the unimpeded right to access, and read, the meters installed by PCUC identified in Section Three. Provided, however, such right of inspection shall not any way interfere or impede the maintenance or operation of the Demised Premises, and the District shall provide reasonable notice of at least twenty-four (24) hours prior to making an inspection.

**SECTION EIGHT  
SUBLETTING**

PCUC may not sublet the premises or equipment, in whole or in part, without District's written consent.

**SECTION NINE  
SURRENDER OF PREMISES**

At the expiration of the Lease term, PCUC shall quit and surrender the premises and equipment hereby demised in as good a state and condition as they were at the commencement of this Lease, reasonable use and wear thereof and damages is excepted.

**SECTION TEN  
EARLY TERMINATION**

This Agreement shall terminate immediately if at any time for any reason the Federal Prison is no longer a customer of PCUC.

**SECTION ELEVEN  
DEFAULTS**

Should any party to this Lease be in default, the other shall notify said party by certified mail of such default at the address recited herein. If said default is capable of cure, it shall be done within ten (10) days after such notice has been provided.

Nothing herein, however, shall preclude the parties' claims for damages, should any default occur.

**SECTION TWELVE  
BINDING EFFECT**

The covenants and conditions herein contained shall apply to and bind the heirs, legal representatives, and assigns of the parties hereto, and all covenants are to be construed as conditions of this Lease.

**SECTION THIRTEEN  
KENTUCKY LAW**

That Kentucky law governs any dispute, and venue shall exclusively lie in Johnson County, Kentucky.

**SECTION FOURTEEN  
TERMINATION OF RELATED AGREEMENTS**

This Agreement, as amendment of the Joint Operation Agreement, is entered into pursuant to Section 25(b) of the Joint Operation Agreement, and shall supersede and replace said Joint Operation Agreement, except for payments due for water delivered by the respective parties hereto prior to the execution of this Agreement, effective immediately upon approval of this Agreement by the Public Service Commission (“Commission”).

In addition, the First Amendment to the Joint Operation Agreement and the Tank Maintenance Agreement shall be null and void, effective immediately upon approval of this Agreement by the Public Service Commission (“Commission”).

**SECTION FIFTEEN  
PSC JURISDICTION**

This Agreement shall be filed with the Commission and shall be subject to the Commission’s jurisdiction.

**SECTION SIXTEEN  
DAMAGE TO OR DESTRUCTION OF LEASED PREMISES**

A. If during the term of this Lease the Demised Premises is destroyed by any cause, the PCUC may, at its option, terminate this Lease by giving the District written notice thereof within thirty (30) days after such destruction.

B. In case the Demised Premises, without the fault of PCUC, is damaged to the extent that it is unusable and if such damage is not repairable within sixty (60) days from the date of the damage, PCUC may, at its option, terminate this Lease by giving the District written notice thereof within thirty (30) days after such damage.

C. In case the Demised Premises, without the fault of PCUC, shall be destroyed or damaged, prepaid rent shall be refunded or credited in whole or in part, and future rent shall abate in whole or in part, as may be equitable under all the circumstances.

#### **SECTION SEVENTEEN HOLDOVER**

If, at the expiration or termination of this Lease, PCUC shall hold over for any reason, the tenancy of PCUC thereafter shall be on a month-to-month basis only and shall be subject to all other terms and conditions of this Lease, in the absence of a written agreement to the contrary.

#### **SECTION EIGHTEEN WARRANTIES OF DISTRICT; ENCUMBRANCES**

District covenants and warrants that it is lawfully seized in fee of the Demised Premises; that District has full right to lease the same as aforesaid; that so long as PCUC complies with the covenants and conditions herein contained, it shall have the quiet and peaceable possession and enjoyment thereof; that there are no zoning restrictions,

easements, restrictive covenants, adverse possessions, or tenancies which will prevent the use of the Demised Premises for distribution of potable water and that said Demised Premises are free and clear of all liens and encumbrances, except for liens held by Kentucky Infrastructure Authority or by Kentucky Rural Water Finance Corporation, if any.

## SECTION NINETEEN INSURANCE

A. Fire and Extended Coverage. The District shall carry casualty insurance relating to the water storage tank and related facilities constructed upon the Leased Premises for the full cost of replacement thereof. In the event of damage or destruction of the water tank portion of the Leased Premises, this Lease shall terminate and thereafter be of no force and effect.

B. Public Liability Coverage. PCUC shall continually during the Term, carry public liability insurance with respect to the Premises. Such insurance policy shall have a combined single limit of liability of One Million Dollars (\$1,000,000.00) for bodily injury or death to any one person and for damage to property. A copy of the policy or a certificate of insurance shall be delivered to the District. The District, its successors and assigns, shall be named a coinsured thereon, and the policy shall contain a clause that the insurer will not cancel or change the insurance without giving the District thirty (30) days prior written notice. The insurance shall be in an insurance company having a rating of "A" or better in Best's Insurance Reports.

C. Indemnification of the District. PCUC will indemnify the District, its heirs and assigns, and hold them harmless from and against any and all claims, actions,

damages liability and expense in connection with loss of life, personal injury and/or damage to property arising from or out of any occurrence in, upon, or at the Leased Premises, or the occupancy or use by PCUC of the Leased Premises or any part thereof, or occasioned, in whole or in part, by any act or omission of PCUC, its agent, contractors, employees, servants, lessees or concessionaires, including, but not limited to, environmental contamination, unless the aforesaid injuries or damages are attributable to acts of the District or that of its servants, agents, licensees, invitees or contractees, for which the District is legally responsible, or to the acts of any third parties not under the control of PCUC.

D. Indemnification of PCUC. The District will indemnify PCUC, its successors and assigns, and hold them harmless from and against any and all claims, actions, damages liability and expense in connection with loss of life, personal injury and/or damage to property arising from or out of the District's failure to perform the District's obligations under the terms and conditions of this Lease or occasioned, in whole or in part, by any act or omission of the District, its agents, contractors, employees, servants, lessees or concessionaires, including, but not limited to, environmental contamination, unless the aforesaid injuries or damages are attributable to acts of PCUC or that of its servants, agents, licenses, invitees or contractees, for which PCUC is legally responsible, or to the acts of any third parties not under the control of the District.

**SECTION TWENTY  
EFFECTIVE DATE**

This Agreement shall become effective the earlier of thirty (30) days after the date this Agreement is filed with the Commission or upon earlier approval by the



Commission, unless the Commission opens an investigation into the transactions contemplated by this Agreement.

This Agreement is entered into, in duplicate, and made as of the day and year first above written, but shall be effective in accordance with the preceding Section without regard to the fact that execution hereof by the Parties shall have been effected at the same time or at other times.

ATTEST:

\_\_\_\_\_  
SECRETARY

MARTIN COUNTY WATER DISTRICT

BY: \_\_\_\_\_


JOHN HORN, CHAIRMAN

PRESTONSBURG CITY'S UTILITIES  
COMMISSION

BY: \_\_\_\_\_

  
TURNER E. CAMPBELL,  
SUPERINTENDENT

ATTEST:

  
JIM CALHOUN, CHAIRMAN  
OF THE PRESTONSBURG  
CITY'S UTILITIES COMMISSION

This Instrument was prepared by:

\_\_\_\_\_  
Kipley J. McNally, Esq.  
Kipley J. McNally, PLC  
2527 Nelson Miller Parkway, Suite 104  
Louisville, Kentucky 40223  
(502) 245-6133  
Email: [kjm@mcnallylaw.biz](mailto:kjm@mcnallylaw.biz)

# EXHIBIT 4



Senator Mitch McConnell  
Kentucky

Donna Baker McClure  
Field Representative

(606) 864-2026  
Fax (606) 864-2035  
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300 South Main St., Ste. 310  
London, Kentucky 40741

# PROJECT ANNOUNCEMENT

**Subject:** Martin County Water System Improvements  
KY-19063-302-17

**Grantee:** Martin County Water District  
Inez, KY

**Local Contact:** William Harvey Congressional 5  
606-298-3885 District(s):

**Funding:** ARC \$1,200,000  
Total \$1,200,000

*Congratulations!  
Let me know  
when we can  
be helpful.*  
*[Signature]*

## WASHINGTON, D.C.-

The Appalachian Regional Commission announced today approval of a grant in the amount of \$1,200,000 to the Martin County Water District for the Martin County Water System Improvements project. As a result of the project 983 households and 17 businesses will benefit from continued access to water services.

The Martin County Water District seeks Central Appalachia Distressed County Infrastructure funding to replace failing service lines in two areas with extreme water loss. The project will replace 1,000 service lines and meters in the Beauty and Warfield areas. Current meters are over 20 years old and provide inaccurate readings of water use in the project area, underestimating the amount of water passing through the system. Service lines connecting homes to the water main in the project area are also past their useful life, with lines dating from the 1970s. Leaks in the service lines account for the greatest share of water loss in the Martin County water system.

This project is eligible to be funded through discretionary authority due to its urgency and the project's location in a distressed county. ARC will contribute the total project funding of \$1,200,000.

### About the Appalachian Regional Commission

The Appalachian Regional Commission (ARC) is an economic development agency of the federal government and 13 state governments focusing on 420 counties across the Appalachian region.

1666 Connecticut Avenue, NW, Suite 700 Washington, DC 20009-1666 (202) 884-7700 FAX (202) 884-7691 www.arc.gov

Alabama Kentucky Mississippi North Carolina Pennsylvania Tennessee West Virginia  
Georgia Maryland New York Ohio South Carolina Virginia

ARC&E™s mission is to innovate, partner, and invest to build community capacity and strengthen economic growth in Appalachia and help the region achieve socioeconomic parity with the nation. More information is available at [www.arc.gov](http://www.arc.gov).

**Date Approved:**

*9/7/2017*

**BUDGET INFORMATION - Construction Programs**

*NOTE: Certain Federal assistance programs require additional computations to arrive at the Federal share of project costs eligible for participation. If such is the case, you will be notified.*

COST CLASSIFICATION	a. Total Cost	b. Costs Not Allowable for Participation	c. Total Allowable Costs (Columns a-b)
1. Administrative and legal expenses	\$ 50,000 .00	\$ .00	\$ 50,000 .00
2. Land, structures, rights-of-way, appraisals, etc.	\$ 0 .00	\$ .00	\$ 0 .00
3. Relocation expenses and payments	\$ 0 .00	\$ .00	\$ 0 .00
4. Architectural and engineering fees	\$ 70,800 .00	\$ .00	\$ 70,800 .00
5. Other architectural and engineering fees	\$ 17,700 .00	\$ .00	\$ 17,700 .00
6. Project inspection fees	\$ 58,750 .00	\$ .00	\$ 58,750 .00
7. Site work	\$ 0 .00	\$ .00	\$ 0 .00
8. Demolition and removal	\$ 0 .00	\$ .00	\$ 0 .00
9. Construction	\$ 906,500 .00	\$ .00	\$ 906,500 .00
10. Equipment	\$ 0 .00	\$ .00	\$ 0 .00
11. Miscellaneous	\$ 5,550 .00	\$ .00	\$ 5,550 .00
12. SUBTOTAL (sum of lines 1-11)	\$ 1,109,300 .00	\$ 0.00	\$ 1,109,300 .00
13. Contingencies	\$ 90,700 .00	\$ .00	\$ 90,700 .00
14. SUBTOTAL	\$ 1,200,000 .00	\$ 0.00	\$ 1,200,000 .00
15. Project (program) income	\$ 0 .00	\$ .00	\$ 0 .00
16. TOTAL PROJECT COSTS (subtract #15 from #14)	\$ 1,200,000 .00	\$ 0.00	\$ 1,200,000 .00
<b>FEDERAL FUNDING</b>			
17. Federal assistance requested, calculate as follows: (Consult Federal agency for Federal percentage share.) Enter the resulting Federal share.	Enter eligible costs from line 16c Multiply X <u>100.00</u> %		\$ 1,200,000.00

# EXHIBIT 5

## Monthly Water Use Report

Water Utility:	<b>Martin County Water District</b>				
For the Month of:	February	Year:	2018		

LINE #	ITEM		GALLONS (Omit 000's)	%
1	<b>WATER PRODUCED or PURCHASED</b>			
2	Water Produced		54.086	0%
3	Water Purchased	KW      MW      P-burg	955450	100%
4	<b>TOTAL PRODUCED AND PURCHASED</b>		955504.086	

<b>WATER SOLD</b>				
5	Residential		19.479	86%
6	Commercial			0%
7	Industrial			0%
8	Bulk Loading Stations			0%
9	Wholesale			0%
10	Other Sales (explain)	Honey Branch	3.150	14%
11	<b>TOTAL WATER SOLD</b>		22.629	0%
12	<b>TOTAL WATER NOT SOLD</b>		955481	100%

<b>BREAKDOWN OF UNSOLD WATER USED</b>				
13	Utility and/or Water Treatment Plant		0.100	0%
14	Wastewater Plant		0.055	0%
15	System Flushing	Estimated	2.500	0%
16	Fire Department	Estimated	0.300	0%
17	Other (explain)	Estimated		0%
<b>TOTAL UNSOLD WATER USED</b>			<b>2.955</b>	<b>0%</b>

<b>BREAKDOWN OF WATER LOST</b>				
18	Tank Overflows		0.000	0%
19	Line Breaks	Estimated	2.858	0%
20	Other Loss	Estimated	955475.644	100%
<b>TOTAL WATER LOST</b>			<b>955478.502</b>	<b>100%</b>

<b>"OTHER LOSS" FLOW RATE CALCULATION:</b>			
21		"Other Loss"	955475.644
22		% "Other Loss"	100%
23		Number of Days in Period	29
24		"Other Loss" per Day (1,000's gallons per Day)	32947.436
25		"Other Loss" per Minute (GPM)	22880.164



## Monthly Water Use Report

Water Utility: **Martin County Water District**

For the Month of: **January** Year: **2018**

LINE #	ITEM	GALLONS (Omit 000's)	%
1	<b>WATER PRODUCED or PURCHASED</b>		
2	Water Produced	58.950	0%
3	Water Purchased      KERMIT    MOUNTAIN                  P-BURG	5353162	100%
4	<b>TOTAL PRODUCED AND PURCHASED</b>	5353220.950	

<b>WATER SOLD</b>			
5	Residential	14.652	81%
6	Commercial		0%
7	Industrial		0%
8	Bulk Loading Stations		0%
9	Wholesale		0%
10	Other Sales (explain)    Honey Branch Industrial Park	3.488	19%
11	<b>TOTAL WATER SOLD</b>	18.140	0%
12	<b>TOTAL WATER NOT SOLD</b>	5353202.810	100%

<b>BREAKDOWN OF UNSOLD WATER USED</b>			
13	Utility and/or Water Treatment Plant	0.553	0%
14	Wastewater Plant	0.050	0%
15	System Flushing	4.500	0%
16	Fire Department	0.350	0%
17	Other (explain)	0.000	0%
	<b>TOTAL UNSOLD WATER USED</b>	<b>5.453</b>	0%

<b>BREAKDOWN OF WATER LOST</b>			
18	Tank Overflows	0.000	0%
19	Line Breaks	4.500	0%
20	Other Loss	5353192.857	100%
	<b>TOTAL WATER LOST</b>	5353197.357	100%



<b>"OTHER LOSS" FLOW RATE CALCULATION:</b>		
21	"Other Loss"	5353192.857
22	% "Other Loss"	100%
23	Number of Days in Period	31
24	"Other Loss" per Day (1,000's gallons per Day)	172683.641
25	"Other Loss" per Minute (GPM)	119919.195





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



## Annual Water Use Report

Water Utility:		<b>Martin County Water District</b>						
Year:		2017	2017					
<b>LINE #</b>	<b>ITEM</b>					<b>GALLONS (Omit 000's)</b>	<b>%</b>	
1	<b>WATER PRODUCED or PURCHASED</b>							
2	Water Produced					695.581	0%	
3	Water Purchased					546281.298	100%	
4	<b>TOTAL PRODUCED AND PURCHASED</b>						<b>546976.879</b>	
<b>WATER SOLD</b>								
5	Residential					160.896	81%	
6	Commercial					15.112	8%	
7	Industrial					0.000	0%	
8	Bulk Loading Stations					0.000	0%	
9	Wholesale					0.000	0%	
10	Other Sales (explain)	Honey Branch				23.371	12%	
11	<b>TOTAL WATER SOLD</b>						<b>199.379</b>	<b>0%</b>
12	<b>TOTAL WATER NOT SOLD</b>						<b>546777.500</b>	<b>100%</b>
<b>BREAKDOWN OF UNSOLD WATER USED</b>								
13	Utility and/or Water Treatment Plant					10.944	0%	
14	Wastewater Plant			Estimated		1.109	0%	
15	System Flushing			Estimated		35.500	0%	
16	Fire Department			Estimated		4.615	0%	
17	Other (explain)					0.000	0%	
<b>TOTAL UNSOLD WATER USED</b>						<b>52.168</b>	<b>0%</b>	
<b>BREAKDOWN OF WATER LOST</b>								
18	Tank Overflows			Estimated		0.425	0%	
19	Line Breaks			Estimated		75.750	0%	
20	Other Loss					546652.415	100%	
<b>TOTAL UNSOLD WATER LOST</b>						<b>546728.590</b>	<b>100%</b>	
<b>"OTHER LOSS" FLOW RATE CALCULATION:</b>								
21						"Other Loss"	546652.415	
22						% "Other Loss"	100%	
23						Number of Days in Period	365	
24						"Other Loss" per Day (1,000's gallons per Day)	1497.678	
25						"Other Loss" per Minute (GPM)	1040.054	
								

## Monthly Water Use Report

Water Utility:		<b>Martin County Water District</b>				
For the Month of:		January	Year:		2017	
<b>LINE #</b>	<b>ITEM</b>				<b>GALLONS (Omit 000's)</b>	<b>%</b>
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)	Honey Branch		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	Estimated		1.700	3%	
16	Fire Department	Estimated		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	Estimated		0.000	0%	
19	Line Breaks	Estimated		6.500	10%	
20	Other Loss				38.807	62%
<b>TOTAL WATER LOST</b>				<b>45.307</b>	<b>72%</b>	
<b>"OTHER LOSS" FLOW RATE CALCULATION:</b>						
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:	<b>Martin County Water District</b>		
or the Month of:	February	Year:	2017

INE #	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)	Honey Branch	0.637 4%
11	<b>TOTAL WATER SOLD</b>		<b>15.713 29%</b>
12	<b>TOTAL WATER NOT SOLD</b>		<b>38.723 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 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 66%</b>

<b>"OTHER LOSS" FLOW RATE CALCULATION:</b>			
21	"Other Loss"	31.665	
22	% "Other Loss"	58%	
23	Number of Days in Period	28	
24	"Other Loss" per Day (1,000's gallons per Day)	1.131	
25	"Other Loss" per Minute (GPM)	0.785	



## Monthly Water Use Report

Water Utility: **Martin County Water District**

or the Month of: **March**

Year: **2017**

INE #	ITEM	GALLONS (Omit 000's)	%
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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>	<b>60.093</b>	

<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) <span style="float: right;">Honey Branch</span>	3.263	19%
11	<b>TOTAL WATER SOLD</b>	<b>17.374</b>	<b>29%</b>
12	<b>TOTAL WATER NOT SOLD</b>	<b>42.719</b>	<b>71%</b>

<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>	<b>40.594</b>	<b>68%</b>

<b>"OTHER LOSS" FLOW RATE CALCULATION:</b>			
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:	<b>Martin County Water District</b>		
or 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>		<b>60.093</b>

<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)	3.623	21%
	Honey Branch		
11	<b>TOTAL WATER SOLD</b>		<b>17.075</b>
12	<b>TOTAL WATER NOT SOLD</b>		<b>43.018</b>

<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>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>"OTHER LOSS" FLOW RATE CALCULATION:</b>			
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:	<b>Martin County Water District</b>			
or the Month of:	May	Year:	2017	

INE #	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)	3.258	22%
	Honey Branch		
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>

<b>"OTHER LOSS" FLOW RATE CALCULATION:</b>			
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) <span style="float: right;">Honey Branch</span>	2.452	13%
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>	<b>31.968</b>	<b>56%</b>

<b>"OTHER LOSS" FLOW RATE CALCULATION:</b>			
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



## Monthly Water Use Report

Water Utility:	<b>Martin County Water District</b>				
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)	2.158	12%
	Honey Branch		
11	<b>TOTAL WATER SOLD</b>		18.169
12	<b>TOTAL WATER NOT SOLD</b>		38.852

<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	1.600	3%
16	Fire Department	0.350	1%
17	Other (explain)		0%
	<b>TOTAL UNSOLD WATER USED</b>		3.865

<b>BREAKDOWN OF WATER LOST</b>			
18	Tank Overflows	0.000	0%
19	Line Breaks	2.600	5%
20	Other Loss	32.387	57%
	<b>TOTAL WATER LOST</b>		34.987

<b>"OTHER LOSS" FLOW RATE CALCULATION:</b>			
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)	0.728	





# Monthly Water Use Report

Water Utility: **Martin County Water District**

or the Month of: **August**

Year: **2017**

INE #	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	14.553	95%
6	Commercial	0.000	0%
7	Industrial		0%
8	Bulk Loading Stations		0%
9	Wholesale		0%
10	Other Sales (explain) <span style="float: right;">Honey Branch</span>	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	1.950	3%
14	Wastewater Plant	Estimated 0.050	0%
15	System Flushing	Estimated 2.500	4%
16	Fire Department	Estimated 0.400	1%
17	Other (explain)		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	0%
19	Line Breaks	Estimate 2.400	4%
20	Other Loss	37.332	62%
	<b>TOTAL WATER LOST</b>	<b>39.732</b>	<b>66%</b>

<b>"OTHER LOSS" FLOW RATE CALCULATION:</b>			
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)	1.440



## Monthly Water Use Report

Water Utility:	<b>Martin County Water District</b>		
or the Month of:	September	Year:	2017

INE #	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	15.840	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)	1.553	9%
	Honey Branch		
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	0.060	0%
15	System Flushing	2.500	4%
16	Fire Department	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	0.000	0%
19	Line Breaks	1.850	3%
20	Other Loss	35.363	60%
	<b>TOTAL WATER LOST</b>	<b>37.213</b>	<b>63%</b>

<b>"OTHER LOSS" FLOW RATE CALCULATION:</b>			
21		"Other Loss"	35.363
22		% "Other Loss"	60%
23		Number of Days in Period	30
24		"Other Loss" per Day (1,000's gallons per Day)	1.179
25		"Other Loss" per Minute (GPM)	0.819



## Monthly Water Use Report

Water Utility: **Martin County Water District**

for the Month of: **October**

Year: **2017**

INE #	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>	

WATER SOLD			
5	Residential	15.396	81%
6	Commercial		0%
7	Industrial		0%
8	Bulk Loading Stations		0%
9	Wholesale		0%
10	Other Sales (explain)	3.678	19%
	Honey Branch Industrial Park		
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>

BREAKDOWN OF UNSOLD WATER USED			
13	Utility and/or Water Treatment Plant	0.892	2%
14	Wastewater Plant	0.550	1%
15	System Flushing	6.550	11%
16	Fire Department	0.350	1%
17	Other (explain)	0	0%
	<b>TOTAL UNSOLD WATER USED</b>	<b>8.342</b>	<b>14%</b>

BREAKDOWN OF WATER LOST			
18	Tank Overflows	0.250	0%
19	Line Breaks	1.150	2%
20	Other Loss	29.868	51%
	<b>TOTAL WATER LOST</b>	<b>31.268</b>	<b>53%</b>

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

21		"Other Loss"	29.868
22		% "Other Loss"	51%
23		Number of Days in Period	31
24	"Other Loss" per Day (1,000's gallons per Day)		0.963
25	"Other Loss" per Minute (GPM)		0.669



# Monthly Water Use Report

Water Utility: **Martin County Water District**

or the Month of: **November**

Year: **2017**

INE #	ITEM	GALLONS (Omit 000's)	%
1	<b>WATER PRODUCED or PURCHASED</b>		
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	14.775	95%
6	Commercial		0%
7	Industrial		0%
8	Bulk Loading Stations		0%
9	Wholesale		0%
10	Other Sales (explain)	0.751	5%
	Honey Branch Industrial Tank		
11	<b>TOTAL WATER SOLD</b>	<b>15.526</b>	<b>30%</b>
12	<b>TOTAL WATER NOT SOLD</b>	<b>37.092</b>	<b>70%</b>

<b>BREAKDOWN OF UNSOLD WATER USED</b>			
13	Utility and/or Water Treatment Plant	0.803	2%
14	Wastewater Plant	0.150	0%
15	System Flushing	2.750	5%
16	Fire Department	0.400	1%
17	Other (explain)	3.475	7%
	Honey Branch Tank		
	<b>TOTAL UNSOLD WATER USED</b>	<b>7.578</b>	<b>14%</b>



<b>BREAKDOWN OF WATER LOST</b>			
18	Tank Overflows	0.175	0%
19	Line Breaks	2.575	5%
20	Other Loss	26.764	51%
	<b>TOTAL WATER LOST</b>	<b>29.514</b>	<b>56%</b>

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

21	"Other Loss"	26.764
22	% "Other Loss"	51%
23	Number of Days in Period	30
24	"Other Loss" per Day (1,000's gallons per Day)	0.892
25	"Other Loss" per Minute (GPM)	0.620



## Monthly Water Use Report

Water Utility:		<b>Martin County Water District</b>				
For the Month of:		December	Year:		2017	
<b>LINE #</b>	<b>ITEM</b>				<b>GALLONS (Omit 000's)</b>	<b>%</b>
1	<b>WATER PRODUCED or PURCHASED</b>					
2	Water Produced				55.918	0%
3	Water Purchased				546280	100%
4	<b>TOTAL PRODUCED AND PURCHASED</b>				546335.918	
<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	0%
12	<b>TOTAL WATER NOT SOLD</b>				546321.107	100%
<b>BREAKDOWN OF UNSOLD WATER USED</b>						
13	Utility and/or Water Treatment Plant				0.809	0%
14	Wastewater Plant				0.075	0%
15	System Flushing			Estimate	1.500	0%
16	Fire Department			Estimate	0.450	0%
17	Other (explain)					0%
<b>TOTAL UNSOLD WATER USED</b>					<b>2.834</b>	<b>0%</b>
<b>BREAKDOWN OF WATER LOST</b>						
18	Tank Overflows				0.000	0%
19	Line Breaks			Estimate	10.500	0%
20	Other Loss				546307.773	100%
<b>TOTAL WATER LOST</b>					<b>546318.273</b>	<b>100%</b>
<b>"OTHER LOSS" FLOW RATE CALCULATION:</b>						
21					"Other Loss"	546307.773
22					% "Other Loss"	100%
23					Number of Days in Period	31
24					"Other Loss" per Day (1,000's gallons per Day)	17623
25					"Other Loss" per Minute (GPM)	12238
						

# EXHIBIT 6

## MARTIN COUNTY WATER DISTRICT

### FUEL PROCEDURES

- Field workers call office before fuel is purchased.
- Give office the following information
  1. Unit Price
  2. Price per gallon
  3. Gallons purchased
  4. Final total
  5. Mileage on vehicle recorded
- Recorded in office on spreadsheet.