

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

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

ORDER

The Commission, on its own motion, finds that the purpose of this proceeding has been satisfied, and therefore this matter should be dismissed.

On April 11, 2016, the Commission initiated this proceeding to investigate continued operational and managerial deficiencies at Martin County Water District (Martin District) and to make a determination of the long-term actions necessary to remedy the deficiencies. The deficiencies included Martin District's continued failure to follow acceptable management practices, significantly high water loss, and the failure to perform routine maintenance and testing, which affected Martin District's ability to provide safe, adequate, and reliable water service to its ratepayers.

In an Order in a related case, Case No. 2018-00017,¹ the Commission determined that Martin District had to contract with a third-party management company as one of the remedies to resolve the persistent operational and managerial deficiencies.

Pursuant to the final Order in Case No. 2018-00017, Martin District entered into a contract with Alliance Water Resources, Inc. (Alliance) on November 20, 2019. Since

¹ Case No. 2018-00017, *Electronic Application of Martin County Water District for an Alternative Rate Adjustment* (Ky. PSC Nov. 15, 2019). The record in this proceeding was incorporated by reference into Case No. 2018-00017.

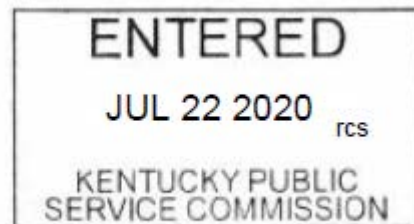
January 1, 2020, Alliance has provided management, operation, and maintenance services for Martin District. Alliance hired a general manager and an operations manager for day-to-day oversight; developed controls, policies, and procedures for financial and administrative practices; and implemented improved meter reading and billing processes. On April 14, 2020, Alliance filed an infrastructure replacement plan to address Martin District's aging infrastructure. Additionally, pursuant to the final Order in Case No. 2018-00017, Martin District and Alliance are required to file reports with the Commission that provide information regarding Martin District's financial and operational position.

Based upon the evidence of record in this proceeding and in Case No. 2018-00017, the Commission finds that, by contracting with Alliance, the purpose of this proceeding has been satisfied. Alliance has undertaken initial steps necessary to address the operational and managerial deficiencies. Additionally, the Commission will initiate a separate proceeding to monitor Martin District's financial and operational position and its continued cooperation with and improvement under the management of Alliance. Therefore, we further find that this matter should be closed and removed from the Commission's docket.

IT IS THEREFORE ORDERED that this case is closed and removed from the Commission's docket.

By the Commission

Vice Chairman Kent A. Chandler did not participate in the deliberations or decision concerning this case.



ATTEST:



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