COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF MARTIN COUNTY WATER DISTRICT FOR AN ALTERNATIVE RATE ADJUSTMENT	))	CASE NO. 2018-00017

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 October 22, 2019 in this proceeding;

- Certification of the accuracy and correctness of the digital video recording;

- All exhibits introduced at the evidentiary hearing conducted on October 22, 2019 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 October 22, 2019.

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://youtu.be/4PvsTIHXu6k.

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

Done at Frankfort, Kentucky, this 16th day of December 2019.

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

Greg Scott
General Manager
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

M. Todd Osterloh
Sturgill, Turner, Barker & Moloney, PLLC
333 West Vine Street
Suite 1400
Lexington, KENTUCKY 40507

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF MARTIN COUNTY WATER DISTRICT FOR AN ALTERNATIVE RATE ADJUSTMENT	)))	CASE NO. 2018-00017

CERTIFICATION

I, Candace H. Sacre, hereby certify that:

1. The attached DVD contains a digital recording of the Formal Hearing conducted in the above-styled proceeding on October 22, 2019. The Formal Hearing Log, Exhibit List, Exhibits, and Witness List are included with the recording on October 22, 2019;

2. I am responsible for the preparation of the digital recording;

3. The digital recording accurately and correctly depicts the Formal Hearing of October 22, 2019; and

4. The Formal Hearing Log attached to this Certificate accurately and correctly states the events that occurred at the Formal Hearing of October 22, 2019, and the time at which each occurred.

Signed this 9th day of December, 2019.

Candace H. Sacre
Administrative Specialist III

JACQUELINE J. HARTZELL NOTARY PUBLIC ID NO. 605476 MY COMMISSION EXPIRES 7/25/2022 STATE AT LARGE, KY.

Jacqueline Hartzell, Notary Public
State at Large
Commission Expires: July 25, 2022
ID#: 605476

Date:	Type:	Location:	Department:
10/22/2019	Public Hearing\Public Comments	Hearing Room 1	Hearing Room 1 (HR 1)

Witness: Jaryd Crum; Deborah Lynn Maynard; Ernest Hale; John Hensley; James D. Kerr; Nina McCoy; Greg Scott; Jonathan Smith
Judge: Robert Cicero; Talina Mathews; Michael Schmitt
Clerk: Candace Sacre

Event Time	Log Event	
9:13:43 AM	Session Started	
9:13:49 AM	Chairman Schmitt	
	Note: Sacre, Candace	We are now on the record. This is the Kentucky Public Service Commission. My name is Michael Schmitt. I am Chairman of the Commission. Seated to my right is Vice Chairman Robert Cicero and to my left Dr. Talina Mathews.
9:14:03 AM	Chairman Schmitt	
	Note: Sacre, Candace	We are here today for the purpose of conducting a hearing in Case No. 2018-00017, Application of Martin County Water District for an Alternative Rate Filing Adjustment.
9:14:15 AM	Chairman Schmitt	
	Note: Sacre, Candace	Parties to this case are Martin County Water District and Martin County Concerned Citizens. Martin County Water District is represented by Mr. Brian Cumbo, and the Concerned Citizens by Ms. Mary Cromer. Mr. Gardner is not here this morning, is that correct?
9:14:31 AM	Atty Cromer MCCC	
	Note: Sacre, Candace	That's correct. He's not here today.
9:14:35 AM	Chairman Schmitt	
	Note: Sacre, Candace	Before we go any further in the introduction of counsel, let me try to give you an outline of what we hope to accomplish today and what the purpose of the hearing is.
9:14:47 AM	Chairman Schmitt	
	Note: Sacre, Candace	Ultimately, this case was filed in January 2018 by Martin County asking for a rate increase. The increase was alleged and ultimately found to be an emergency, which justified a temporary rate increase pending development of the record. At the end of that period, in December 2018, an Order was entered granting a rate increase along with a conditional debt surcharge, basically, in the hope that that would keep the Water District viable.
9:15:38 AM	Chairman Schmitt	
	Note: Sacre, Candace	During the course of the proceeding, which included information basically learned over the past 20 to 25 years, it became apparent and I think everyone ultimately agreed that the District had had serious management problems which resulted in, basically, a complete deterioration of the entire infrastructure of the system from water plant to the water mains to the service lines to the meters.

9:16:10 AM Chairman Schmitt
Note: Sacre, Candace

And it got to the point where, basically, the entire system was, in effect, on the verge of or, at least, partially had collapsed. There was testimony and, obviously, numerous newspaper and magazine articles about the quality of the water and not just the quality of the water in terms of the chemicals in it but people turning on the faucet and getting muddy water or no water or water that smelled like diesel fuel. I've always monitored the paper since I've been here, and, as Sister Wilma once said, the water looked like snot.

9:16:51 AM Chairman Schmitt
Note: Sacre, Candace

Initially, when this case was filed or before this case was filed, there was a 2016 investigation of the operating capacity of the Martin County Water District, and that case has been going on and is still ongoing, and, ultimately, during the course of that case, the previous Water District commissioners resigned, in my view, over protesting because the Commission allowed the Concerned Citizens an opportunity to be in the case and present their cause and their concerns.

9:17:37 AM Chairman Schmitt
Note: Sacre, Candace

The problems with management have been long standing and have been the subject of about five Public Service Commission prior investigations and cases, none of which have led to a satisfactory conclusion in terms of obtaining satisfactory management of the Water District. Quite frankly, in orders after orders in the past were issued, agreements were signed with Martin County Water District to basically make changes, and those changes were never made.

9:18:13 AM Chairman Schmitt
Note: Sacre, Candace

In terms of the leak problem, water leak problem, water loss problems go back to at least the late 1990s, and, in 2003, the District signed an agreement which basically said, for instance, that they intended to, within, I think,180 days, have a leak reduction plan, and that was in 2003, so it should have been filed sometime in 2004. That plan was filed in November of 2011. I've got all the documents here, and that's why some of the information that you see over to the left all of the documents we intend to file in this to bring the whole point of this exercise into perspective.

9:19:05 AM Chairman Schmitt
Note: Sacre, Candace

In the December 2018 Order, the Commission ordered Martin County Water District to solicit proposals for professional third-party management, and, at the end of the Order, in an Appendix, there were listed eight, ten, twelve companies that basically the Commission had determined or found that did this kind of work.

9:19:40 AM Chairman Schmitt
Note: Sacre, Candace

Proposals were made, were advertised, and three entities basically expressed some kind of interest. Of those three entities, only one, Alliance, actually made a proposal. In discussing with some of the people to whom proposals were sent or who might have expressed an interest, I personally was told that no one wanted to work for Martin County or in Martin County because (a) they did not think they would get paid or that pay would be withheld from them and if there was a dispute about management, and (b) commissioners would never change, and, no matter what the recommendations were, if hard decisions had to be made, they ultimately would not be followed.

9:20:31 AM Chairman Schmitt
Note: Sacre, Candace
In the end, we had one proposal, and that proposal has been the subject of negotiation and at least one Confidential Conference that was held here over one day, I think, on July 25, 2019.

9:20:51 AM Chairman Schmitt
Note: Sacre, Candace
Prior to the December 2018 Order, this Commission had urged Martin County Water District to hire a competent general manager, someone with experience, and they solicited proposals, advertised for that, and maybe had seven, eight, nine, ten people who actually applied. I think several were interviewed, and none were found acceptable. The requirement or the Order that ordered solicitation of professional management was the result of the fact that there doesn't appear to be any other manner in which the District can manage itself.

9:21:34 AM Chairman Schmitt
Note: Sacre, Candace
In a hearing, and we're going to show, before this over, a partial video of some testimony that was taken during the Confidential Hearing on July 25, at which Concerned Citizens was not present, but actually does not contain confidential material, but, in essence, Greg Heitzman, who's worked for several years, two or three years with the Martin County Water District, essentially said, and you'll get to hear him say it, himself, and it wasn't even in response to a question, but essentially Martin County does not have the wherewithal, does not have the personnel available to manage the District, according to him, in a manner that will bring it out of its present financial dilemma, and I don't know how that ultimately works out. It's a problem for everybody.

9:22:32 AM Chairman Schmitt
Note: Sacre, Candace
And I know the Concerned Citizens. I've seen their report, and I watched the news conference, and I will say that I wasn't hurt, but I was disappointed in a way by Ms. McCoy's "Let them eat cake." We never suggested anything yet in terms of what additional cost might be, but it is clear that there has to be some kind of additional cost or some entity has to fix this system.

9:23:05 AM Chairman Schmitt
Note: Sacre, Candace
The real purpose for today, I guess, the impetus for today's hearing, was over a conversation that Mr. Kerr had with some of our Staff members. But, ultimately, after the Confidential Conference, it's clear we have to bring this to a conclusion once and for all, and this matter can't keep dragging along. So far, I guess the water quality has gotten a little better, but you're only one bad winter away from another catastrophe. So somehow the problem has to be solved, and our job is to try to solve it.

9:23:46 AM Chairman Schmitt
Note: Sacre, Candace
I know there are people that are critical of the Public Service Commission and, in some respects, with some justification. But we're trying to do the best we can under the statutes and regulations that we have to work with.

9:24:03 AM Chairman Schmitt
Note: Sacre, Candace
When water districts and other utilities were established, essentially, they were allowed to govern themselves. But when things went wrong, regulations ultimately are adopted and restrictions are put in place on businesses because of abuses or failures that have caused harm to the public.

9:24:27 AM Chairman Schmitt
Note: Sacre, Candace

So here we are, trying to make the best decision with the limitations that we have placed upon us. And we're not perfect, and we may be wrong, but I think, we think, that the purpose of a regulatory commission is when an entity that is subject to regulation fails or is unable to essentially manage itself or provide what the public needs at a reasonable cost, rather than to ignore it and say, "It's your problem; you caused it; we're out of it," we're going to try to help as long as we are members of the Commission. And whatever we do might not be very satisfactory or pleasing to anybody, but it's not because we want to be vindictive or punishing or anything, but it's the best we can do to find an answer to what seems to almost be a Gordian problem, a solution that may not be possible under the present circumstances.

9:25:34 AM Chairman Schmitt
Note: Sacre, Candace

Having said that, let me then say this. What we wanted to do is try to make as complete a record for the public, for the news media, for whatever ultimate order comes out of this case for all parties, documents that are already in the record either in this case or in the four or five previous cases and then the other investigatory case.

9:26:06 AM Chairman Schmitt
Note: Sacre, Candace

Because I was gone on vacation the last couple of weeks, I wasn't here to essentially go through all this. But, from my hotel room, I was trying to draft a list of documents. So what we have here, in a couple of instances, the same document might be in two exhibits. But what we've tried to do is to try to make a sort of a history of where the District has been and the Public Service Commission has been moving forward. And, with a lot of the documents, most of the documents, there are ones, meter reports, water loss reports, other things, that the District has furnished itself.

9:26:51 AM Chairman Schmitt
Note: Sacre, Candace

Our goal is not to basically come down on the District or come down on the present group, but it is to try to establish where we've been and where we are right now. Where does this District stand right now financially, and does it have the personnel available to basically solve its problems, and, if it doesn't, what options are available moving forward?

9:27:20 AM Chairman Schmitt
Note: Sacre, Candace

I think a representative of Alliance is here. We don't expect him to testify. I will say this, we have had conversations privately with Martin County, and we've also with Alliance. And I know the subject of the terms of the contract are confidential and should remain so, but I will say this, that after our most recent discussion with Alliance, they have agreed to make some changes in terms of some financial issues that were of concern to the District, but that's for another day.

9:27:58 AM Chairman Schmitt
Note: Sacre, Candace

But I'd like to be able, if we could, to do this without having many more hearings, especially where the other commissioners have to come because I know Mr. Kerr has been here a number of times and given a lot of his time and energy to the work of the Commission on the one hand and being down here as a part of that on the other, and it's not always necessary to have the other commissioners present.

9:28:23 AM Chairman Schmitt
Note: Sacre, Candace
But, for this hearing, we wanted to give everybody an opportunity to come up here and say your piece about what you think, why you're here, what you wanted to accomplish, what you think the status of the District is, and what your opinions are about the issues that are pending before us, whether it's third-party management, whether it's some kind of cooperative deal, but we want you to give your opinion but do it on the record so everyone can hear it and know about it.

9:29:00 AM Chairman Schmitt
Note: Sacre, Candace
Having said that, Mr. Cumbo, on behalf of Martin County Water District, would you please announce your name, your position, your client, and those who are with you here today? And then we'll get started.

9:29:14 AM Atty Cumbo Martin District
Note: Sacre, Candace
Thank you, Mr. Schmitt. I am Brian Cumbo. I'm Counsel for the Water District. To my left is Jimmy Kerr, who is Chairman. We have with us today, pursuant to the court's Order, Jaryd Crum who is on the Board; Ernest Hale who no longer is on the Board but is here pursuant to subpoena; Mr. Hensley who is on the Board; Greg Heitzman, Blue Water, our consultant; Greg Scott, our Interim Manager; and I think that's all the folks we brought with us today.

9:29:54 AM Chairman Schmitt
Note: Sacre, Candace
Ms. Cromer, please identify yourself and your client.

9:29:59 AM Atty Cromer MCCC
Note: Sacre, Candace
Good morning. My name is Mary Cromer. I am here for Martin County Concerned Citizens, and I have with me today Nina McCoy as client rep. She is the Chair of Martin County Concerned Citizens., and, if it's okay with you all, she has prepared statements she'd like to give as public statement at the beginning, and then she also would be available for questioning.

9:30:17 AM Chairman Schmitt
Note: Sacre, Candace
Okay. I think that would be fine, and I am going to give you an opportunity to speak at the end of the hearing because I saw your piece on affordability, and I don't want to debate with you, but I want to point out, under our current statutes, the problems we have with that. What you seek is a legislative change, something that we are unable to provide you, I'm afraid, but we'll discuss it and talk about it, and I'll give you an opportunity to express your complete and total opinion.

9:30:46 AM Atty Cromer MCCC
Note: Sacre, Candace
I look forward to that conversation. Thank you.

9:30:53 AM Chairman Schmitt
Note: Sacre, Candace
And for Staff?

9:30:55 AM Asst Gen Counsel Vinsel PSC
Note: Sacre, Candace
Good morning, Nancy Vinsel, Jeb Pinney, and Andew Bowker for Staff.

9:31:00 AM Chairman Schmitt
Note: Sacre, Candace
How we thought we would proceed in a little different order than we usually do is that when witnesses are called, and I'll give you the order of the witnesses, but after the witnesses are called, I will take a stab at the initial questioning, followed by Vice Chairman Cicero and Dr. Mathews, then Staff Counsel. Ms. Cromer and Mr. Cumbo, anything you want to clear up or say after, you get the last word.

9:31:37 AM Chairman Schmitt
Note: Sacre, Candace
The order that I think we'll use, at least as of this time, is Jonathan Smith, get the auditors in. Is Mr. Smith here? Thank you. Deborah Maynard, the two auditors, and then Mr. Hale because Mr. Hale is the next logical person, and I know he may have some place else to go, and we have may have ruined the day for him, and then Greg Scott, I promised Mr. Scott the opportunity to basically be able to make his case, John Hensley, Jaryd Crum, and then Mr. Kerr, followed by Ms. McCoy, who will be allowed to have the last, iIf not the last word, the last word from a witness.

9:32:28 AM Chairman Schmitt
Note: Sacre, Candace
Ms. Cromer, you indicated that Ms. McCoy wanted to make a statement in advance of hearing, and she may do so at this time, if she prefers.

9:32:38 AM Atty Cromer MCCC
Note: Sacre, Candace
Thank you, Your Honor.

9:32:42 AM Chairwoman McCoy MCCC
Note: Sacre, Candace
I'll answer any questions later, but I just wanted to say something from the outset. First, I'd like to thank the PSC. In the many years that our community has been trying to be heard in our struggles with the water system, this is the first public entity that has recognized the people. You also came to Martin County for a hearing with the previous water board, and you heard the people's frustrations, and we appreciate that.

9:33:13 AM Chairwoman McCoy MCCC
Note: Sacre, Candace
But, in fact, we are still being silenced by many agencies and outside of our domain. I appreciate all the board members have done. Bless their hearts. I know it's tough. While the PSC had demanded a comprehensive improvement plan and our new engineering firm asserts the utmost importance of this plan, Abandoned Mine Lands people from here in Frankfort have refused to allow current funding to go into this plan.

9:33:43 AM Chairwoman McCoy MCCC
Note: Sacre, Candace
While it's obvious we need meters to replace many that are probably about 50 years old and many which you can tell are obviously not working, the Corps of Engineers tell us the money we've already been promised cannot be used for that. At the same time, Southern Water District in Floyd County was approved for a $2 million dollar grant for new meters.

9:34:09 AM Chairwoman McCoy MCCC
Note: Sacre, Candace
So you might wonder, well, then what am I doing here, quarreling about your decision on the new water management company. Well, the outside expert that you all required our District to hire has informed us that it will cost an extra $20 to $24 a month on each and every bill.

9:34:34 AM Chairman Schmitt
Note: Sacre, Candace
Is that Mr. Heitzman? Is he the one who's giving you that information?

9:34:36 AM Chairwoman McCoy MCCC
Note: Sacre, Candace
Yes, yes. I have been in people's homes with that water study that we're doing. I've talked extensively with them about water. Many have showed me their water bills, and many are paying way over the minimum, often for one or two people in the home. The other day, one young man came up to me on the street and showed me his bill for $90 for a family of four. He said it's usually between $80 and $90, and they said the average is supposed to be $54. Well, if that average goes up by $20, what will that young family be paying?

9:35:18 AM	Chairwoman McCoy MCCC	
	Note: Sacre, Candace	For the 11 percent of our people who are living on a fixed income of less than $800 a month, their current water bill accounts for six percent of their income. To try to put that into perspective for people who aren't used to dealing with poverty, if you made $100,000 a year, six percent of your income would put your water bill at $500 a month. Add to that the sewer bill, which is now higher than the water bill, and you would be paying $1,000 a month just for water and sewer. And then thirty percent of our county is at or below the poverty level.
9:36:00 AM	Chairwoman McCoy MCCC	
	Note: Sacre, Candace	Now, as Mr. Cicero told me last time I was here, any increase will have to be asked for by the board, and it will have to be approved by you. While I know you cannot consider affordability and we understand the District absolutely needs a general manager, but the customers cannot afford another rate increase. If Alliance could be hired for the amount of the $3.16 surcharge and no more, then Martin County Concerned Citizens could support hiring Alliance. But all indications are that Alliance would cost far more than the $3.16 surcharge. Therefore, Martin County Concerned Citizens wants the District to use the $3.16 surcharge to hire a qualified general manager and have someone from the citizens group on the hiring committee for that position.
9:37:00 AM	Chairman Schmitt	
	Note: Sacre, Candace	Okay. Well, you'll get to expound on your positions with your testimony, and then I'm sure Ms. Cromer will do an admirable job in the end.
9:37:14 AM	Chairman Schmitt	
	Note: Sacre, Candace	If we're ready then to move forward, Jonathan Smith, Mr. Smith, will you please come up and take the stand?
9:37:34 AM	Chairman Schmitt	
	Note: Sacre, Candace	Witness is sworn.
9:37:47 AM	Chairman Schmitt	
	Note: Sacre, Candace	It's been a long time since I have given a direct examination, so I'll try to do this in an expeditious way.
9:37:56 AM	Chairman Schmitt - witness Smith	
	Note: Sacre, Candace	Examination. Would you please state your name and business address for the record?
9:38:12 AM	Chairman Schmitt - witness Smith	
	Note: Sacre, Candace	Okay. What is your formal education and training and experience that qualifies you as an accountant?
9:38:27 AM	Chairman Schmitt - witness Smith	
	Note: Sacre, Candace	How long have you been a Certified Public Accountant?
9:38:33 AM	Chairman Schmitt - witness Smith	
	Note: Sacre, Candace	How long have you been associated with the firm of Wyatt and Associates in, is it, Richmond?
9:38:45 AM	Chairman Schmitt - witness Smith	
	Note: Sacre, Candace	When did you graduate?
9:38:49 AM	Chairman Schmitt - witness Smith	
	Note: Sacre, Candace	And from what school?
9:38:59 AM	Chairman Schmitt - witness Smith	
	Note: Sacre, Candace	Now, at some point in your career prior to today, have you had any dealings with or professional association with the Martin County Water District? Have you been called upon to provide any accounting services or auditing services for the Martin County Water District?

9:39:20 AM	Chairman Schmitt - witness Smith Note: Sacre, Candace	And could you tell us approximately when you began work with respect to Martin County Water District and what, if anything, you have accomplished, at least, unto the point where I understand you're no longer working on that project? Could you go ahead and provide us with this background information?
9:40:35 AM	Chairman Schmitt - witness Smith Note: Sacre, Candace	Was she forthcoming with this information?
9:41:06 AM	Chairman Schmitt - witness Smith Note: Sacre, Candace	So Linda Sumpter was the bookkeeper or the accountant who was paid to do work by the Martin County Water District, correct?
9:41:18 AM	Chairman Schmitt - witness Smith Note: Sacre, Candace	She lives in Martin County, correct?
9:41:25 AM	Chairman Schmitt - witness Smith Note: Sacre, Candace	What do you understand – do you understand that Linda Sumpter was also the County Treasurer? Were you aware of that?
9:41:31 AM	Chairman Schmitt - witness Smith Note: Sacre, Candace	Have you done an audit on Martin County Fiscal Court?
9:41:36 AM	Chairman Schmitt - witness Smith Note: Sacre, Candace	Somebody did. White and Associates has done an audit for Martin County Fiscal Court.
9:41:42 AM	Chairman Schmitt - witness Smith Note: Sacre, Candace	Did you do that audit?
9:41:48 AM	Chairman Schmitt - witness Smith Note: Sacre, Candace	Are you aware of the fact that the Martin County Water District has not had an audit performed since 2015?
9:42:00 AM	Chairman Schmitt - witness Smith Note: Sacre, Candace	Well, how could you not be? You know they haven't done – you haven't done a 2016 audit?
9:42:08 AM	Chairman Schmitt - witness Smith Note: Sacre, Candace	Well, that's another question. Since 2015, the Martin County Water District has not had an audit performed as required by law, is that correct or incorrect?
9:42:21 AM	Chairman Schmitt - witness Smith Note: Sacre, Candace	So 2015-16 audit has not been performed, the 2017 audit has not been performed, and the 2018 audit is now overdue, and it hasn't been performed either?
9:42:34 AM	Chairman Schmitt - witness Smith Note: Sacre, Candace	Is it necessary to get all the information from the 2016 so the 2016 audit can be performed before work can be done on '17 and '18?
9:42:49 AM	Chairman Schmitt - witness Smith Note: Sacre, Candace	Do you know why the 2017 audit and 2018 audit have not been performed?
9:42:56 AM	Chairman Schmitt - witness Smith Note: Sacre, Candace	Why?
9:43:12 AM	Chairman Schmitt - witness Smith Note: Sacre, Candace	Do you know what Linda Sumpter's relationship with Martin County Water District is now?
9:43:23 AM	Chairman Schmitt - witness Smith Note: Sacre, Candace	Has she indicated to you what legal authority that she relies upon to prohibit you from getting the records, White and Associates, or Ms. Maynard?

9:43:38 AM	Chairman Schmitt - witness Smith Note: Sacre, Candace	Have you spoken to any member of the Martin County Water District commissioners or their attorney, Mr. Cumbo, about your need to obtain records?
9:43:59 AM	Chairman Schmitt - witness Smith Note: Sacre, Candace	Okay, for 2016?
9:44:02 AM	Chairman Schmitt - witness Smith Note: Sacre, Candace	Did he furnish you with that letter?
9:44:06 AM	Chairman Schmitt - witness Smith Note: Sacre, Candace	Now, you and I have had several conversations on the telephone, isn't that correct?
9:44:11 AM	Chairman Schmitt - witness Smith Note: Sacre, Candace	And what have those conversations been about?
9:44:19 AM	Chairman Schmitt - witness Smith Note: Sacre, Candace	And I think, at one point, I mean, the Commission entered an Order in mid-January of 2019 directing the Martin County Water District to basically set aside enough money to pay for the audit and to provide a copy to this Commission as soon as the audit was prepared. I don't know if you've seen that Order or not. I sent you an email, didn't I, telling you, asking you for information and telling you to be sure and send us a copy of your bill, correct?
9:44:52 AM	Chairman Schmitt - witness Smith Note: Sacre, Candace	But you probably never sent a bill because you didn't finish the work, correct?
9:45:03 AM	Chairman Schmitt - witness Smith Note: Sacre, Candace	So no one from the Water District has ever contacted you or spoken to you about them trying to get information from Linda Sumpter?
9:45:18 AM	Chairman Schmitt - witness Smith Note: Sacre, Candace	What information did Mr. Hale help you get?
9:45:41 AM	Chairman Schmitt - witness Smith Note: Sacre, Candace	You've done other audits other than attempting to do this Water District audit?
9:45:47 AM	Chairman Schmitt - witness Smith Note: Sacre, Candace	Don't you find Ms. Sumpter's position a little unusual, odd?
9:45:59 AM	Chairman Schmitt - witness Smith Note: Sacre, Candace	Isn't she still? You still don't have the information, do you?
9:46:06 AM	Chairman Schmitt - witness Smith Note: Sacre, Candace	Do you find it odd that the Martin County Water District, knowing that the Commission's been requiring this audit and, quite frankly, Kentucky law requires the audit by September 30th of each year for the preceding calendar year, isn't that correct, or fiscal year, isn't that correct?
9:46:26 AM	Chairman Schmitt - witness Smith Note: Sacre, Candace	Do you find it odd that the Martin County Water District, knowing that the Commission's been requiring this audit and, quite frankly, Kentucky law requires the audit by September 30th of each year for the preceding calendar year, isn't that correct, or fiscal year, isn't that correct?
9:46:54 AM	Chairman Schmitt - witness Smith Note: Sacre, Candace	And so when did you first start dealing with Mr. Hale?
9:47:03 AM	Chairman Schmitt - witness Smith Note: Sacre, Candace	This summer, at least, because I had a conversation with you in June or July.

9:47:16 AM Chairman Schmitt - witness Smith
Note: Sacre, Candace I understand, but, this summer, didn't I have a conversation with you, and Mr. Bowker, one of our Staff Attorneys was on the telephone call, correct?

9:47:27 AM Chairman Schmitt - witness Smith
Note: Sacre, Candace How long would it have taken White and Associates to complete the audit once you had all of the information that was needed to do so?

9:47:47 AM Chairman Schmitt - witness Smith
Note: Sacre, Candace Now, has anyone from Martin County Water District, any of the commissioners, anyone else, Mr. Cumbo asked or made a request of White and Associates to perform a financial audit for years 2017 and 2018?

9:48:05 AM Chairman Schmitt - witness Smith
Note: Sacre, Candace When was that request made?

9:48:16 AM Chairman Schmitt - witness Smith
Note: Sacre, Candace Have you, has White and Associates, to your knowledge, been provided with any information needed to complete an audit for year 2017 and year 2018?

9:48:34 AM Chairman Schmitt - witness Smith
Note: Sacre, Candace And what other type of information would you need to complete an audit other than having partial bank statements for 2017?

9:49:13 AM Chairman Schmitt - witness Smith
Note: Sacre, Candace Well, you would expect, in doing audits, you would expect the entity that's being audited to have that information and to furnish it to you, isn't that correct?

9:49:22 AM Chairman Schmitt - witness Smith
Note: Sacre, Candace As a matter of fact, under the accounting principles that govern audits, the district, Water District, or whoever is being audited is responsible for providing that information to the auditor, isn't that correct?

9:49:40 AM Chairman Schmitt - witness Smith
Note: Sacre, Candace As a part of the audit, does White and Associates consider and evaluate and comment on internal controls or a lack thereof?

9:49:55 AM Chairman Schmitt - witness Smith
Note: Sacre, Candace I'm glad you do because we had an auditor in here from Southern Water District that didn't do anything. Some say he never came to the county to do the audit, but he disputed that, and I don't know. But one of the things we have seen is auditors that fail to provide any information or advice concerning a lack of internal controls about basically purchasing, a purchase system, and so forth.

9:50:31 AM Chairman Schmitt - witness Smith
Note: Sacre, Candace Now, so right now, White and Associates is in limbo for lack of information, correct?

9:50:40 AM Chairman Schmitt - witness Smith
Note: Sacre, Candace And it's your understanding that Linda Sumpter has this information, correct?

9:50:48 AM Chairman Schmitt - witness Smith
Note: Sacre, Candace You know that she did, but you don't know if she does now?

9:50:55 AM Chairman Schmitt - witness Smith
Note: Sacre, Candace When did you hear that?

9:51:02 AM Chairman Schmitt - witness Smith
Note: Sacre, Candace Okay, so for a couple of months, it was your information that she had turned over all the additional information to the Martin County Water District commissioners or the general manager or somebody, correct?

9:51:12 AM	Chairman Schmitt - witness Smith Note: Sacre, Candace	And who told you that?
9:51:19 AM	Chairman Schmitt - witness Smith Note: Sacre, Candace	Deborah?
9:51:20 AM	Chairman Schmitt - witness Smith Note: Sacre, Candace	Maynard?
9:51:22 AM	Chairman Schmitt - witness Smith Note: Sacre, Candace	Well, she'll get her chance, Ms. Maynard will get her chance. She's dying to testify, I can tell. Now, White and Associates has been doing accounting work for Martin County Water District for a number of years, is that correct?
9:51:40 AM	Chairman Schmitt - witness Smith Note: Sacre, Candace	And I'm saying this, you know, sometimes a lawyer, the way he testifies himself and makes a statement, and I know you probably don't have this information, but I've looked at these records, some of which are piled up there on that cart, and from 2002 until, like, 2008 or '09, Martin County Water District never had an audit even though they were ordered by the Public Service Commission to basically complete the audits, and, if that's true, that's the same condition we've got right now, isn't that right?
9:52:17 AM	Chairman Schmitt - witness Smith Note: Sacre, Candace	Now, does White and Associates, I think you said they did also perform audits for the Martin County Fiscal Court?
9:52:25 AM	Chairman Schmitt - witness Smith Note: Sacre, Candace	Now, have you, and I know that's different, perhaps it's different, than the Martin County Water District, but are you familiar with the history of the Martin County Fiscal Court in terms of performing or having performed financial audits on its records?
9:52:46 AM	Chairman Schmitt - witness Smith Note: Sacre, Candace	Well, let me make this statement because we've got these records, too. Martin County Fiscal Court had not had an audit since 2013, and, on July the 1st of 2019, White and Associates filed audits for 2014, 2015, and 2016 and that was the end of the audits, and all of those audits showed substantial lack of controls and misapplication of money. Did you know that or don't know that?
9:53:22 AM	Chairman Schmitt - witness Smith Note: Sacre, Candace	Do you know what relationship the Martin County Fiscal Court has to the Martin County Water District? The Judge Executive appoints the members of the Water District, correct?
9:53:34 AM	Chairman Schmitt - witness Smith Note: Sacre, Candace	And the Fiscal Court basically approves or affirms the appointment, correct?
9:53:41 AM	Chairman Schmitt - witness Smith Note: Sacre, Candace	Now, these commissioners are also involved in an entity that basically controls the waste water system in Martin County, did you know that? Do you know if White and Associates has ever audited the Martin County sewer or waste water system?
9:54:08 AM	Chairman Schmitt - witness Smith Note: Sacre, Candace	Okay, all right. Right now, I've looked, we had lawyers here, staff, we can't find any audit that's ever been performed on the Martin County Sewer District. Can you tell me whether you know that one ever was performed?
9:54:22 AM	Chairman Schmitt - witness Smith Note: Sacre, Candace	When was White and Associates contracted to provide an audit or do an audit on the Martin County Sewer District?

9:54:33 AM	Chairman Schmitt - witness Smith	
	Note: Sacre, Candace	That was before 2016 when you went to work, correct?
9:54:40 AM	Chairman Schmitt - witness Smith	
	Note: Sacre, Candace	If I asked you why an audit has never been performed on the Martin County Waste Water System, would you have any idea why?
9:54:52 AM	Chairman Schmitt - witness Smith	
	Note: Sacre, Candace	Who at White and Associates, if you know, is involved with the waste water system in Martin County?
9:55:07 AM	Chairman Schmitt - witness Smith	
	Note: Sacre, Candace	Now, how long has White and Associates audited the Martin County Board of Education?
9:55:17 AM	Chairman Schmitt - witness Smith	
	Note: Sacre, Candace	Before 2016. Now, audits on school boards are required just like they are on county government and on water districts, correct?
9:55:33 AM	Chairman Schmitt - witness Smith	
	Note: Sacre, Candace	And they're due also, I believe, probably September 30th of each year?
9:55:39 AM	Chairman Schmitt - witness Smith	
	Note: Sacre, Candace	November the 15th, okay. Now, have you ever performed an audit for the Martin County School District?
9:55:47 AM	Chairman Schmitt - witness Smith	
	Note: Sacre, Candace	And how many have you done?
9:55:52 AM	Chairman Schmitt - witness Smith	
	Note: Sacre, Candace	Yes.
9:55:55 AM	Chairman Schmitt - witness Smith	
	Note: Sacre, Candace	For Martin County School District, so that would be, what? 2018, 2017?
9:56:08 AM	Chairman Schmitt - witness Smith	
	Note: Sacre, Candace	Was last year's audit filed, prepared and filed?
9:56:13 AM	Chairman Schmitt - witness Smith	
	Note: Sacre, Candace	And was it filed on time?
9:56:16 AM	Chairman Schmitt - witness Smith	
	Note: Sacre, Candace	And, this year's audit, will it be filed on time, by the 15th of next month?
9:56:20 AM	Chairman Schmitt - witness Smith	
	Note: Sacre, Candace	And, the reason I say that is, I was the school board attorney for ten school districts over a period of about 23 years and, the last few years, for Martin County, and I have never seen a school district that I ever represented that ever was deficient or behind in filing its audit in a timely way. Have you done other school districts other than Martin County?
9:56:47 AM	Chairman Schmitt - witness Smith	
	Note: Sacre, Candace	Seventeen school districts. Do you expect to have the audits for those 17 school districts completed and filed by November 15?
9:56:56 AM	Chairman Schmitt - witness Smith	
	Note: Sacre, Candace	Have you audited or has White and Associates audited other water districts other than Martin County Water District?
9:57:03 AM	Chairman Schmitt - witness Smith	
	Note: Sacre, Candace	Who, for instance?
9:57:09 AM	Chairman Schmitt - witness Smith	
	Note: Sacre, Candace	And have those audits been completed and filed in a timely way?
9:57:24 AM	Chairman Schmitt	
	Note: Sacre, Candace	No further questions. Commissioner Cicero?
9:57:31 AM	Vice Chairman Cicero - witness Smith	
	Note: Sacre, Candace	Examination. So you've been with the organization since 2016?

9:57:43 AM Vice Chairman Cicero - witness Smith
Note: Sacre, Candace No. I mean, with White and Associates.
9:57:45 AM Vice Chairman Cicero - witness Smith
Note: Sacre, Candace Since when?
9:57:49 AM Vice Chairman Cicero - witness Smith
Note: Sacre, Candace So you started in 2018?
9:57:52 AM Vice Chairman Cicero - witness Smith
Note: Sacre, Candace So the last audit was performed in 2015 or for 2015 year?
9:57:58 AM Vice Chairman Cicero - witness Smith
Note: Sacre, Candace Who at White and Associates performed that audit?
9:58:11 AM Vice Chairman Cicero - witness Smith
Note: Sacre, Candace Helps you with audits, meaning he's an employee of White and Associates?
9:58:19 AM Vice Chairman Cicero - witness Smith
Note: Sacre, Candace So he's the one that performed the audit?
9:58:24 AM Vice Chairman Cicero - witness Smith
Note: Sacre, Candace So who at White and Associates actually did perform the audit?
9:58:30 AM Vice Chairman Cicero - witness Smith
Note: Sacre, Candace Was that a current employee, do you know? I guess my point is, you didn't go back and speak with that auditor before you began the audit for 2016?
9:58:50 AM Vice Chairman Cicero - witness Smith
Note: Sacre, Candace Did you do an internship or any type of other work before you joined White and Associates?
9:59:00 AM Vice Chairman Cicero - witness Smith
Note: Sacre, Candace So you had some experience before you started, but, when you began the audit, you elected to just go back to the work papers, look at them, and start the audit then?
9:59:11 AM Vice Chairman Cicero - witness Smith
Note: Sacre, Candace The work papers.
9:59:21 AM Vice Chairman Cicero - witness Smith
Note: Sacre, Candace Well, because sometimes there's issues that it's good to have an idea of what exists in a prior audit.
9:59:28 AM Vice Chairman Cicero - witness Smith
Note: Sacre, Candace And it's up for discussion, and you can go from there and have your eye out for it. I presume, in the current audit, since you haven't received all the documents that you requested, are you issuing a qualified opinion?
9:59:45 AM Vice Chairman Cicero - witness Smith
Note: Sacre, Candace Okay, and, in the audit draft, you've listed the items that you believe are cause for that qualified opinion?
9:59:55 AM Vice Chairman Cicero - witness Smith
Note: Sacre, Candace Okay, so I know that the Chairman spoke to you, and, when he indicated that there would be funding available for completion of the 2016 audit, you indicated that the audit could be completed in ten days?
10:00:11 AM Vice Chairman Cicero - witness Smith
Note: Sacre, Candace Yes, I understand, but that was ten days at that time, which was back in January, is that right?
10:00:19 AM Vice Chairman Cicero - witness Smith
Note: Sacre, Candace Okay. In March, you pulled off of the Martin County audit and turned it over to Deborah Maynard?
10:00:29 AM Commissioner Cicero - witness Smith
Note: Sacre, Candace And the reason why you stopped your participation in the audit was because of what?

10:00:53 AM Vice Chairman Cicero - witness Smith
Note: Sacre, Candace So did you ever have the feeling or was it conveyed to you that time was of the essence in completing the audit?
10:01:02 AM Vice Chairman Cicero - witness Smith
Note: Sacre, Candace By whom?
10:01:07 AM Vice Chairman Cicero - witness Smith
Note: Sacre, Candace So you knew that time was of the essence?
10:01:10 AM Vice Chairman Cicero - witness Smith
Note: Sacre, Candace But the clock continued to tick by; you didn't have the documents you needed to complete the audit. Did you raise the alarm, raise the red flag and say, "I'm not receiving these documents; I know you need them?"
10:01:24 AM Vice Chairman Cicero - witness Smith
Note: Sacre, Candace And who did you speak to at that time?
10:01:34 AM Vice Chairman Cicero - witness Smith
Note: Sacre, Candace But, at that point, it was when? Was that in July or August?
10:01:41 AM Vice Chairman Cicero - witness Smith
Note: Sacre, Candace There was a conveyance of time is of the essence in January, and, by the middle of the summer, you were still trying to obtain documents from Martin County?
10:01:54 AM Vice Chairman Cicero - witness Smith
Note: Sacre, Candace And did you go back to the board and say "We can't get these," talk to Mr. Cumbo and say, "We need some kind a legal action to get these documents; we need these documents now?" Did you take any action like that?
10:02:14 AM Vice Chairman Cicero - witness Smith
Note: Sacre, Candace So the dates kept slipping by?
10:02:17 AM Vice Chairman Cicero - witness Smith
Note: Sacre, Candace Nothing was done in terms of completion of the audit because you were waiting on the District?
10:02:24 AM Vice Chairman Cicero - witness Smith
Note: Sacre, Candace You weren't receiving the documents that you needed?
10:02:27 AM Vice Chairman Cicero - witness Smith
Note: Sacre, Candace So the time is of the essence went out the window, basically? I mean, the Chairman just mentioned you completed all of the school board audits in a timely manner.
10:02:41 AM Vice Chairman Cicero - witness Smith
Note: Sacre, Candace And I understand you're in a position that's not comfortable for you because you're requesting the client provide you with documents, and it's not been done.
10:02:50 AM Vice Chairman Cicero - witness Smith
Note: Sacre, Candace And the problem that we have is that, throughout this proceeding, we've talked about whether Martin County has the ability to incur debt, and one of the reasons they cannot incur debt is because they don't have a completed audit. And it's not typical for Commissioners to call an auditor and request the audit be completed in a timely manner because we shouldn't be involved in that. That's a process between the client and the auditor, especially given the fact that they were trying to obtain some form of debt and couldn't do it without the audit. It seems that there's something missing here between Martin County and the auditor as far as communication of what the real "time of the essence" meant to the District, and it seems to be missing.

10:03:54 AM Vice Chairman Cicero - witness Smith
Note: Sacre, Candace That's perfect because you're conveying exactly what I'm trying to point out. Ms. Sumpter was not an employee of the District. She was a contractor that was performing an accounting service, but she certainly didn't have managerial decision capacity. That should have been the board, either through the general manager or the commissioners, and that didn't occur, so you were left at a dead end because a contractor would not provide the documents, and you couldn't complete your task.

10:04:23 AM Vice Chairman Cicero - witness Smith
Note: Sacre, Candace But it got left there, at a dead end, in a dead bottle. Nobody did anything, and, here we are, we still don't have the audit. And I spoke with Ms. Maynard on the phone, and I think it was the end of September, and said when would this be completed, and she said, hopefully, by October 12, and I asked her to send me a copy, a draft copy, of the audit report when she sent it to Martin County, and I did not receive that. And I understand you may not have sent it to Martin County yet either, but, again, the dates keep going by.

10:05:00 AM Vice Chairman Cicero - witness Smith
Note: Sacre, Candace My point is, this started in January of this year, and we're now in October of this year.

10:05:16 AM Vice Chairman Cicero - witness Smith
Note: Sacre, Candace I guess, at some point, there should have been a determination made that you weren't going to – did you ask for a drop-dead date for obtaining the documentation that you needed?

10:05:36 AM Vice Chairman Cicero - witness Smith
Note: Sacre, Candace What was that date?

10:05:46 AM Vice Chairman Cicero - witness Smith
Note: Sacre, Candace So, the end of July, you conveyed to Martin County – who at Martin County did you convey that to?

10:05:52 AM Vice Chairman Cicero - witness Smith
Note: Sacre, Candace So, again, we have a third party that's in the middle of this whole – don't take this as critical, but, somewhere between the three parties, it kept being left. It was just left hanging. There was never a connection made between the three. And your client really is Martin County; it's not Linda Sumpter, is that correct?

10:06:40 AM Vice Chairman Cicero - witness Smith
Note: Sacre, Candace I guess my last question is, at some point, was there an attempt made to the board to say we're not going to be able to complete your audit because Linda Sumpter won't give us the information?

10:07:08 AM Vice Chairman Cicero - witness Smith
Note: Sacre, Candace So you conveyed it to the board, and that's where it ended?

10:07:17 AM Vice Chairman Cicero - witness Smith
Note: Sacre, Candace But it wasn't everything? You just said Katrina still –

10:07:30 AM Vice Chairman Cicero - witness Smith
Note: Sacre, Candace And I guess it comes down to Martin County commissioners and their attorney should be able to help. That information can't be withheld just because somebody doesn't want to provide it. There's a legal means to force somebody to provide documents that belong to them, and, at this point, it doesn't sound like that was done either.

10:07:53 AM Vice Chairman Cicero
Note: Sacre, Candace I don't have any other questions.

10:07:58 AM Chairman Schmitt - witness Smith
Note: Sacre, Candace Examination. One question. Ultimately, the obligation is on the client, Martin County Water District, to provide their records?

10:08:05 AM	Chairman Schmitt - witness Smith	
	Note: Sacre, Candace	That's their obligation; it's their audit?
10:08:08 AM	Chairman Schmitt - witness Smith	
	Note: Sacre, Candace	And that hasn't been done, is that correct, for 2016, '17, or '18?
10:08:28 AM	Chairman Schmitt - witness Smith	
	Note: Sacre, Candace	In your draft opinion, does it address internal controls and concerns about lack of records?
10:08:37 AM	Chairman Schmitt - witness Smith	
	Note: Sacre, Candace	At some point – and, since it's not final, it probably ought not be part of the public record. Has Martin County Water District seen this draft?
10:08:49 AM	Chairman Schmitt - witness Smith	
	Note: Sacre, Candace	I'd like to have, under seal, at least, to review, if you've got it today, a copy of that draft, and you can provide it to Ms. Miller, here, and do you need to take a copy back? I assume you've got copies at your office.
10:09:07 AM	Chairman Schmitt - witness Smith	
	Note: Sacre, Candace	And then we can hold it, and we can review it, and we won't release it to anybody until – if you ever get to complete an audit or have to do it, you know, at this point in time, with the qualifications.
10:09:21 AM	Chairman Schmitt	
	Note: Sacre, Candace	Commissioner Mathews, any questions?
10:09:23 AM	Commissioner Mathews	
	Note: Sacre, Candace	I don't have any questions. You asked mine, which is whose responsibility to get the information.
10:09:30 AM	Chairman Schmitt	
	Note: Sacre, Candace	Okay. Ms. Vinsel?
10:09:32 AM	Asst Gen Counsel Vinsel PSC	
	Note: Sacre, Candace	I just have one question.
10:09:34 AM	Asst Gen Counsel Vinsel PSC - witness Smith	
	Note: Sacre, Candace	Cross Examination. I want to confirm that your understanding is that White and Associates has a contract with Martin County Water District to do audits for 2016, 2017, and 2018?
10:09:48 AM	Asst Gen Counsel Vinsel PSC	
	Note: Sacre, Candace	Okay. Thank you.
10:09:49 AM	Vice Chairman Cicero	
	Note: Sacre, Candace	And you would like a copy of that contract with the rates in it. I believe that's going to be a post-hearing data request.
10:09:56 AM	Asst Gen Counsel Vinsel PSC	
	Note: Sacre, Candace	That will be a post-hearing data request.
10:10:01 AM	Chairman Schmitt	
	Note: Sacre, Candace	We don't want to have post-hearing data requests go out a month or so. We want to end this proceeding, but, yeah, you're going to request it. It won't take you long or White and Associates long to get a copy of the contract, correct?
10:10:19 AM	Chairman Schmitt	
	Note: Sacre, Candace	The engagement letter, okay. Ms. Cromer, you're up.
10:10:20 AM	Atty Cromer MCCC	
	Note: Sacre, Candace	No questions, Your Honor.
10:10:22 AM	Chairman Schmitt	
	Note: Sacre, Candace	Mr. Cumbo?
10:10:25 AM	Mr. Cumbo Martin District	
	Note: Sacre, Candace	I don't have any questions.
10:10:29 AM	Chairman Schmitt	
	Note: Sacre, Candace	May this witness step down and be excused?

10:10:33 AM Asst Gen Counsel Vinsel PSC
Note: Sacre, Candace We would ask that Mr. Smith not be excused and be available for recall, if necessary, and after we cross Ms. Maynard, then we will address it.

10:10:44 AM Chairman Schmitt
Note: Sacre, Candace You may step down but remain in the hearing room for a time, until, at least, after Ms. Maynard testifies. Thank you, Mr. Smith.

10:10:53 AM Chairman Schmitt
Note: Sacre, Candace Ms. Maynard?

10:11:03 AM Chairman Schmitt
Note: Sacre, Candace Witness is sworn.

10:11:11 AM Chairman Schmitt - witness Maynard
Note: Sacre, Candace Examination. Would you please state your name and professional address for the record, please?

10:11:23 AM Chairman Schmitt - witness Maynard
Note: Sacre, Candace Yes.

10:11:30 AM Chairman Schmitt - witness Maynard
Note: Sacre, Candace Now, what is the nature of your professional occupation, Ms. Maynard?

10:11:37 AM Chairman Schmitt - witness Maynard
Note: Sacre, Candace What's your background, and what education and training do you have that qualifies you to be an auditor?

10:11:57 AM Chairman Schmitt - witness Maynard
Note: Sacre, Candace And how long have you been a Certified Public Accountant?

10:12:02 AM Chairman Schmitt - witness Maynard
Note: Sacre, Candace You indicated that you got your degree in Accounting from Marshall University. That's in Huntington, West Virginia, is that correct?

10:12:10 AM Chairman Schmitt - witness Maynard
Note: Sacre, Candace And I noticed that your last name is Maynard, and I assume that – are you married?

10:12:16 AM Chairman Schmitt - witness Maynard
Note: Sacre, Candace – that you or your husband or both would be – I mean, Maynard, when somebody says Maynard, I say Martin County and parts of Lawrence County. Where are you from originally?

10:12:47 AM Chairman Schmitt - witness Maynard
Note: Sacre, Candace Well, there are a few Maynards in Pikeville. Now, so how long have you been a Certified Public Accountant?

10:13:02 AM Chairman Schmitt - witness Maynard
Note: Sacre, Candace Okay, and, during the course of your business or profession, exercising and practicing your profession as a Certified Public Accountant, have you had occasion to perform audits on public entities, such as the Martin County Water District, Martin County Fiscal Court, Martin County Board of Education?

10:13:26 AM Chairman Schmitt - witness Maynard
Note: Sacre, Candace How long have you been associated with White and Associates in Richmond?

10:13:33 AM Chairman Schmitt - witness Maynard
Note: Sacre, Candace Now, at some point in time, did you receive a call from me and from Commissioner Cicero, Vice Chairman Cicero about what the status of the audit was in Martin County, Martin County Water District, rather?

10:13:50 AM Chairman Schmitt - witness Maynard
Note: Sacre, Candace And do you recall that conversation and what the status of the audit was at the time you spoke to Commissioner Cicero and I?

10:14:07 AM Chairman Schmitt - witness Maynard
Note: Sacre, Candace And I know he's talking about October. That must be a second one because when I was on the call, I thought, if you had gotten some information, and you said you still needed some, and I maybe thought we were talking September sometime to perhaps get the audit completed.

10:14:21 AM Chairman Schmitt - witness Maynard
Note: Sacre, Candace When did you start working on the audit?

10:14:28 AM Chairman Schmitt - witness Maynard
Note: Sacre, Candace Okay. Now, when you undertook to complete the audit – the 2016 audit, correct?

10:14:36 AM Chairman Schmitt - witness Maynard
Note: Sacre, Candace At that time, the 2016 audit was already two or three years overdue, correct?

10:14:42 AM Chairman Schmitt - witness Maynard
Note: Sacre, Candace What information, if any, was lacking, in your opinion, in August of 2019 when you attempted to complete the 2016 audit for the Water District?

10:15:10 AM Chairman Schmitt - witness Maynard
Note: Sacre, Candace Okay, and what, if anything, did you do, or who did you talk to, if anyone, in an attempt to obtain the information you needed to complete the audit?

10:15:33 AM Chairman Schmitt - witness Maynard
Note: Sacre, Candace Ernest Hale who was a commissioner, correct?

10:15:37 AM Chairman Schmitt - witness Maynard
Note: Sacre, Candace Water District commissioner?

10:15:48 AM Chairman Schmitt - witness Maynard
Note: Sacre, Candace That issue involving Linda Sumpter?

10:15:51 AM Chairman Schmitt - witness Maynard
Note: Sacre, Candace What was the issue involving Linda Sumpter? I hope she's watching this, by the way, but what was the issue with Linda Sumpter?

10:16:09 AM Chairman Schmitt - witness Maynard
Note: Sacre, Candace So, knowing that when you took over the task of completing the audit, you spoke with Jonathan Smith, who is in the same accounting firm that you are. What did you do? You said you spoke then later to Mr. Hale. What did you ask Mr. Hale to get or to do?

10:17:51 AM Chairman Schmitt - witness Maynard
Note: Sacre, Candace So, just to try to summarize it, the Water District, Katrina, the office manager now, apparently, in the Water District, said that she had gotten information from Linda Sumpter; Linda Sumpter said that was all the information that she had, apparently, that she had received from the Water District in the first place, but there wasn't in the documents they had – the information you needed was not present or was not supplied to you, is that true?

10:18:25 AM Chairman Schmitt - witness Maynard
Note: Sacre, Candace So what information now would you need to complete the audit that you don't have?

10:18:39 AM Chairman Schmitt - witness Maynard
Note: Sacre, Candace Okay, that's like when somebody sends a bill to the Water District, is that correct? The invoice, is that was she was talking about? Were they bills they'd paid?

10:18:56 AM Chairman Schmitt - witness Maynard
Note: Sacre, Candace Have you seen any of the invoices that Martin County Water District has – did they provide you invoices that showed somebody wanting to bill a bill for something like petroleum products, just in the amount of the money, that didn't say what it was for or when it was even incurred?
10:19:24 AM Chairman Schmitt - witness Maynard
Note: Sacre, Candace Very few invoices that you were able to obtain?
10:19:29 AM Chairman Schmitt - witness Maynard
Note: Sacre, Candace Have you begun working on the 2017 audit of the Martin County Water District?
10:20:06 AM Chairman Schmitt - witness Maynard
Note: Sacre, Candace You do personal banking, don't you?
10:20:09 AM Chairman Schmitt - witness Maynard
Note: Sacre, Candace Can't you get most of your bank statements on line? I can. I can get everything back ten years from my bank.
10:20:30 AM Chairman Schmitt - witness Maynard
Note: Sacre, Candace So this Water District can't provide you all of the bank statements for 2017 or 2018, correct?
10:20:38 AM Chairman Schmitt - witness Maynard
Note: Sacre, Candace Even though this same water board has been in control the entire year of 2018, correct?
10:20:51 AM Chairman Schmitt - witness Maynard
Note: Sacre, Candace After you get the bank statements, what other information will you need?
10:20:57 AM Chairman Schmitt - witness Maynard
Note: Sacre, Candace '17and '18.
10:22:06 AM Chairman Schmitt - witness Maynard
Note: Sacre, Candace Let me ask you this, I mean, I'm assuming that during the course of your career, and not as an accountant and just as a normal human being doing business, you've had occasion to ask a bank to get records –
10:22:20 AM Chairman Schmitt - witness Maynard
Note: Sacre, Candace – or you probably had clients when you were doing an audit that wrote out an authorization to authorize you to get copies of their records, correct?
10:22:30 AM Chairman Schmitt - witness Maynard
Note: Sacre, Candace We're now in 2019, and wouldn't you expect the bank's record to be computerized so once they found it, they could just run off a copy or send it electronically?
10:22:58 AM Chairman Schmitt - witness Maynard
Note: Sacre, Candace The bank said that?
10:23:00 AM Chairman Schmitt - witness Maynard
Note: Sacre, Candace For the record, what bank is this?
10:23:03 AM Chairman Schmitt - witness Maynard
Note: Sacre, Candace Inez Deposit Bank?
10:23:06 AM Chairman Schmitt - witness Maynard
Note: Sacre, Candace In Inez?
10:23:08 AM Chairman Schmitt - witness Maynard
Note: Sacre, Candace A locally-owned bank?
10:23:10 AM Chairman Schmitt - witness Maynard
Note: Sacre, Candace Do you ever get the idea that maybe some people don't want these audits completed?
10:23:18 AM Chairman Schmitt - witness Maynard
Note: Sacre, Candace Well, you haven't gotten any information you needed, correct?

10:23:26 AM Chairman Schmitt - witness Maynard
Note: Sacre, Candace Well, who did Linda Sumpter work for? Didn't she work for the Water District?
10:23:30 AM Chairman Schmitt
Note: Sacre, Candace No further questions.
10:23:33 AM Vice Chairman Cicero - witness Maynard
Note: Sacre, Candace Examination. Well, Linda Sumpter wouldn't control the bank providing those documents that should be on record at the bank, would she?
10:23:43 AM Vice Chairman Cicero - witness Maynard
Note: Sacre, Candace Linda Sumpter would not be responsible for providing the statements that the bank was to provide, and that would be nothing to do with Linda Sumpter; that would be the bank, would it not?
10:24:13 AM Vice Chairman Cicero - witness Maynard
Note: Sacre, Candace But I want to go back to your statement when you said you approached the bank, and the bank had two part-time people that were trying work on providing those documents, is that correct?
10:24:23 AM Vice Chairman Cicero - witness Maynard
Note: Sacre, Candace So that would have nothing to do with Linda Sumpter; that would have everything to do with Inez Bank, right?
10:24:31 AM Vice Chairman Cicero - witness Maynard
Note: Sacre, Candace Yes, okay. For the purposes of accounting, a little detail for those that are not familiar with auditing, when you say "testing," you are picking a sample of check numbers associated with invoices, is that correct?
10:24:47 AM Vice Chairman Cicero - witness Maynard
Note: Sacre, Candace Are you picking at a level of expenditure, or are they all random?
10:25:10 AM Vice Chairman Cicero - witness Maynard
Note: Sacre, Candace And did you have difficulty obtaining copies of invoices for all level of expenditures? Were they major-level expenditures, or what was the primary –
10:25:23 AM Vice Chairman Cicero - witness Maynard
Note: Sacre, Candace At all levels; it didn't matter?
10:25:30 AM Vice Chairman Cicero - witness Maynard
Note: Sacre, Candace So when you see a check issued, and there's no supporting invoice, what can that indicate?
10:25:47 AM Chairman Schmitt - witness Maynard
Note: Sacre, Candace Examination. Yeah, did somebody steal the money, right?
10:25:53 AM Vice Chairman Cicero - witness Maynard
Note: Sacre, Candace Examination. Yes, I'm not saying that they didn't. I'm just saying, from an auditor's perspective, isn't that one of the conclusions that can be drawn and why you would write a qualified opinion?
10:26:10 AM Vice Chairman Cicero - witness Maynard
Note: Sacre, Candace And I'm okay with that. I'm just pointing out –
10:26:20 AM Vice Chairman Cicero - witness Maynard
Note: Sacre, Candace – from an auditor's perspective, what that type of situation indicates for those that are reading an audit report, especially in a summary. They would look at that and say, the controls are worse than lax; they're abhorrent. If you can't provide copies of invoices on a sampling basis. Usually, if there's a sampling and you either can't find one or two, you say, "Okay, I'm going to pick another one and provide that," but apparently that didn't matter.
10:26:59 AM Vice Chairman Cicero - witness Maynard
Note: Sacre, Candace So you have experience at White and Associates, correct?

10:27:02 AM Vice Chairman Cicero - witness Maynard
Note: Sacre, Candace You said you've been there for 20-plus years?
10:27:05 AM Vice Chairman Cicero - witness Maynard
Note: Sacre, Candace For five years, okay, so you would have been there when the 2015 audit was performed?
10:27:11 AM Vice Chairman Cicero - witness Maynard
Note: Sacre, Candace Do you know who did that audit? Was it you or someone else?
10:27:34 AM Vice Chairman Cicero - witness Maynard
Note: Sacre, Candace And you said David Garrett was just a contractor for White and Associates, who went out and did field work to support the audit?
10:27:50 AM Vice Chairman Cicero - witness Maynard
Note: Sacre, Candace But he's basically contracting with White and Associates to do field work?
10:28:06 AM Vice Chairman Cicero - witness Maynard
Note: Sacre, Candace Can you tell me who assigned you to pick up the Martin County audit in the summertime after Mr. Smith was taken off?
10:28:17 AM Vice Chairman Cicero - witness Maynard
Note: Sacre, Candace So Artie White. Is Artie White the one – is he responsible for signing agreements with clients and determining contract rates and –
10:28:30 AM Vice Chairman Cicero - witness Maynard
Note: Sacre, Candace Okay, so he would have been involved if there was an agreement to perform services both for Martin County Water District and for Martin County Sanitation District?
10:28:48 AM Vice Chairman Cicero - witness Maynard
Note: Sacre, Candace Okay, and maybe it's a question for someone else, but, when the services were never performed – in the case of the Sanitation District, it appears there was never an audit done even though there was an agreement to perform an audit.
10:29:48 AM Vice Chairman Cicero - witness Maynard
Note: Sacre, Candace So there's no certainty that you –
10:29:59 AM Vice Chairman Cicero - witness Maynard
Note: Sacre, Candace Well, we'll find out because we've already asked for copies of that, so –
10:30:07 AM Vice Chairman Cicero - witness Maynard
Note: Sacre, Candace Do you do audits for any other water utilities?
10:30:25 AM Vice Chairman Cicero - witness Maynard
Note: Sacre, Candace When you perform those audits, who do you speak with at those locations?
10:30:39 AM Vice Chairman Cicero - witness Maynard
Note: Sacre, Candace Okay, so that's where I was going with this. Have you ever had a conversation with a general manager at Martin County about the audit, the requirements for the audit, the results of the audit?
10:30:52 AM Vice Chairman Cicero - witness Maynard
Note: Sacre, Candace Greg Scott, uh-huh.
10:30:55 AM Vice Chairman Cicero - witness Maynard
Note: Sacre, Candace Okay, and when was that?
10:31:02 AM Vice Chairman Cicero - witness Maynard
Note: Sacre, Candace And what did you ask for when you spoke with Mr. Scott?
10:31:16 AM Vice Chairman Cicero - witness Maynard
Note: Sacre, Candace So when you didn't receive the information, did you go back to Mr. Scott?
10:31:21 AM Vice Chairman Cicero - witness Maynard
Note: Sacre, Candace Didn't.

10:31:39 AM Vice Chairman Cicero - witness Maynard
Note: Sacre, Candace Did Mr. Scott follow up with a conversation with you after the audit continued to drag on since your initial conversation was in August?

10:31:57 AM Vice Chairman Cicero - witness Maynard
Note: Sacre, Candace Within the last ten days?

10:32:03 AM Vice Chairman Cicero - witness Maynard
Note: Sacre, Candace And when he spoke with you, he indicated, you know, where is my audit or what's the status of the audit?

10:32:35 AM Vice Chairman Cicero - witness Maynard
Note: Sacre, Candace Given that missing invoices are a primary concern and accounting was unable to provide it and Linda Sumpter was apparently out of the picture, did you convey to Mr. Scott that you have a major problem with missing invoices?

10:32:58 AM Vice Chairman Cicero - witness Maynard
Note: Sacre, Candace So that may not have been conveyed to –

10:33:24 AM Vice Chairman Cicero - witness Maynard
Note: Sacre, Candace And my last comment is, generally speaking, when you engage with a client and understanding that Katrina is basically an office accounting clerk, that that conversation when information is missing should go to the person in charge, shouldn't it? You should be conferring with the accounting manager or the general manager or someone in charge to say, "I have an issue here, and I need some help." Wouldn't that be the standard procedure?

10:34:21 AM Vice Chairman Cicero - witness Maynard
Note: Sacre, Candace I know, in my experience, that if I had an audit performed on the organization that I work for and the people that work for me weren't providing it, I would get a call from the auditor saying, "I'm having difficulty; I need help," and then I would speak to the people that work for me because –

10:35:54 AM Vice Chairman Cicero - witness Maynard
Note: Sacre, Candace This will be my last comment. My last comment is that there is definitely no follow up by the parties, any of the parties. I understand what you believe is being conveyed to you, and the issue that I have is, we have email that's, like, instant. I mean, the phone, you pick it up, and you talk, and people can converse, and that's not happening. It's not happening between you and the general manager, you and the board, Mr. Smith when he was on there, and I think the board could help out, going back and finding out whether what you need is being provided. There's too much assumption that things are happening, and they're not.

10:36:41 AM Vice Chairman Cicero - witness Maynard
Note: Sacre, Candace And I come back to the first statement I made was, time is of the essence, but it's not been of the essence. We're now in October, and you provided a draft, which I appreciate you bringing that with you so that we can go through it, but we started in January when the time line was – if you knew you were going to be paid, and I think it was directed to Mr. Smith, how long could it take? And it was ten days, if you received the information you needed. Well, just the fact that we were checking on how fast we could get this done with the conveyance that time is of the essence, and we had held hearings, and the hearings indicated that, in order for any debt to be incurred by Martin County, they needed those audits.

10:37:25 AM Vice Chairman Cicero - witness Maynard
Note: Sacre, Candace We've talked to people at KIA and Rural Development, and they would be more than willing to loan Martin County money except they don't have any audits to look at, and, by law, they can't loan any money to Martin County because there's no audit completed, and that's one of the big issues that we have is, we're trying to help, but, you know, you can lead a horse to water but you can't make them drink, and that is one of the issues that we have is that this has dragged on way too long.

10:37:57 AM Vice Chairman Cicero
Note: Sacre, Candace I don't have any other.

10:37:58 AM Chairman Schmitt
Note: Sacre, Candace I've got one or two, if I may.

10:38:00 AM Commissioner Mathews
Note: Sacre, Candace I have none.

10:38:02 AM Chairman Schmitt - witness Maynard
Note: Sacre, Candace Examination. Of course, the Martin County audit problem isn't your fault. The obligation to provide the material to the auditor falls upon the client that's being audited, isn't that correct?

10:38:19 AM Chairman Schmitt - witness Maynard
Note: Sacre, Candace They've got to provide the information; you can't audit nothing, isn't that true?

10:38:25 AM Chairman Schmitt - witness Maynard
Note: Sacre, Candace In Ms. Sumpter's defense, a 2015 audit was never filed here. We've got it from somewhere later because I think we couldn't find any evidence any audit had been filed since maybe 2013, but, in any event, I want to read you, and it's Exhibit 3A, and we'll take a break in a minute and admit these documents into evidence because Mr. Cumbo, somebody may want to take a look at them.

10:38:51 AM Chairman Schmitt - witness Maynard
Note: Sacre, Candace Here's a letter that Linda Sumpter wrote to the Public Service Commission in May 30, 2016, and I'll read it to you, in part, she starts off, "To the Commissioners," or this is a letter she wrote "To the Commissioners of the Martin County Water District, Inez, Kentucky," but she filed it with the Public Service Commission along with some annual report information for 2015, but on the second paragraph, first she says, "Management is responsible for the accompanying financial statements of the business-type activities of the Martin County Water District (a special district) as of December 31, 2015."

10:39:37 AM Chairman Schmitt - witness Maynard
Note: Sacre, Candace Now, let me go down to the second paragraph, and I'm going to ask you your opinion, and if you need to look at this letter, I'll give it to you.

10:39:43 AM Chairman Schmitt - witness Maynard
Note: Sacre, Candace "Management has elected to omit substantially all of the disclosures required by accounting principles generally accepted in the United States of America. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the District's financial position. These financial statements (including supplemental information) are presented with the requirements of the Kentucky Public Service Commission, which differ from generally accepted accounting principals (sic). Accordingly, these financial statements are not designed for those who are not informed about such matters."

10:40:29 AM Chairman Schmitt - witness Maynard
Note: Sacre, Candace Now, when it says, "Management has elected," management decided, "to omit substantially all of the disclosures required by accounting principles generally . . .," what does that mean to you?
10:40:45 AM Chairman Schmitt - witness Maynard
Note: Sacre, Candace I'm reading a letter that Linda Sumpter wrote on May 30, 2016, to this Commission, explaining that, essentially, the information provided by Martin County Water District the management intentionally elected to omit substantially all of the disclosures required by general accounting principles.
10:41:11 AM Chairman Schmitt - witness Maynard
Note: Sacre, Candace I'm not asking you what she provided. I'm asking you what this language would mean to you if you were sitting up here where I am and you got this letter?
10:41:20 AM Chairman Schmitt - witness Maynard
Note: Sacre, Candace Yeah.
10:41:35 AM Chairman Schmitt - witness Maynard
Note: Sacre, Candace The management determined they didn't want to provide certain information; that's why you make the election, isn't it?
10:41:45 AM Chairman Schmitt - witness Maynard
Note: Sacre, Candace No, no. One year, 2015, one year.
10:42:06 AM Chairman Schmitt - witness Maynard
Note: Sacre, Candace Of course, and, if they want to say, "Well, I'm not going to give you that information, then you can't" –
10:42:11 AM Chairman Schmitt - witness Maynard
Note: Sacre, Candace Okay. Well, the next paragraph, quote, "Management has omitted the management's discussion and analysis of information that is required to be presented for the purposes of additional analysis."
10:42:39 AM Chairman Schmitt - witness Maynard
Note: Sacre, Candace So we didn't get anything, but she chose to send us this letter, telling us that no matter what it is, when we got, we couldn't tell anything about it; we didn't have all the information, correct?
10:43:02 AM Chairman Schmitt
Note: Sacre, Candace Thank you. Commissioner Mathews?
10:43:04 AM Commissioner Mathews
Note: Sacre, Candace I don't have any questions. Well, maybe I do.
10:43:09 AM Commissioner Mathews - witness Maynard
Note: Sacre, Candace Examination. I took one accounting class. They told me to go be an economist, so tell me what is – it seemed that you were referring to maybe a term of art – a compilation. Could you explain that to me? It seemed like you all were having a conversation that I may not have understood.
10:43:45 AM Commissoner Mathews - witness Maynard
Note: Sacre, Candace So it's not an audit?
10:43:48 AM Commissioner Mathews - witness Maynard
Note: Sacre, Candace And maybe not having the audits go with it is one reason that it's just – is it like a compilation is a preliminary document, just a snapshot in time, here's what we have?
10:44:04 AM Commissioner Mathews - witness Maynard
Note: Sacre, Candace She's not certifying that those were correct?
10:44:07 AM Commissioner Mathews - witness Maynard
Note: Sacre, Candace She's just saying, based on the information I have, here's what I've done with it?
10:44:12 AM Commissioner Mathews - witness Maynard
Note: Sacre, Candace Okay, that makes a little more sense to me.

10:44:26 AM	Chairman Schmitt	
	Note: Sacre, Candace	Okay. Ms. Vinsel?
10:44:28 AM	Asst Gen Counsel Vinsel PSC	
	Note: Sacre, Candace	Staff does not have questions, but we do have one housekeeping matter. Since the auditors will be dismissed shortly, perhaps we can go ahead and set a date for them to satisfy a data request for the engagement letters. We would suggest October 30, which is roughly one week.
10:44:47 AM	Chairman Schmitt	
	Note: Sacre, Candace	Well, that shouldn't be a problem, should it, providing a copy of whatever engagement letters you have with Martin County Water District for whatever, '16, '17, '18, or whatever's coming up?
10:45:02 AM	Chairman Schmitt	
	Note: Sacre, Candace	And send that to us, and you can send a copy to Mr. Cumbo or Martin County Water District, We'd rather ask you to send it to us than go through the circuitous route of asking them and them asking you and maybe them not being able to find it.
10:45:20 AM	Vice Chairman Cicero	
	Note: Sacre, Candace	But I believe Ms. Vinsel will send that to you in writing, where to send it and what to do.
10:45:20 AM	POST-HEARING DATA REQUEST	
	Note: Sacre, Candace	COMMISSIONER MATHEWS - WITNESS MAYNARD.
	Note: Sacre, Candace	WHITE-MARTIN DISTRICT ENGAGEMENT LETTERS.
10:45:28 AM	Chairman Schmitt	
	Note: Sacre, Candace	Ms. Cromer?
10:45:29 AM	Atty Cromer MCCC	
	Note: Sacre, Candace	No questions.
10:45:30 AM	Chairman Schmitt	
	Note: Sacre, Candace	Mr. Cumbo?
10:45:38 AM	Atty Cumbo Martin District - witness Maynard	
	Note: Sacre, Candace	Cross Examination. Ms. Maynard, I just want to make sure that I understand circumstances correctly that you've been requesting some documents from Linda Sumpter, and then, at some point in time, you began requesting documents from Katrina at the District office, correct?
10:45:59 AM	Atty Cumbo Martin District - witness Maynard	
	Note: Sacre, Candace	Did you have any involvement in requesting the documents from Linda Sumpter?
10:46:18 AM	Atty Cumbo Martin District - witness Maynard	
	Note: Sacre, Candace	And, as far as the documents that you requested from Katrina, has she been responsive?
10:46:38 AM	Atty Cumbo Martin District - witness Maynard	
	Note: Sacre, Candace	And is it fair to say that she diligently attempts to respond to your inquiries?
10:46:45 AM	Atty Cumbo Martin District - witness Maynard	
	Note: Sacre, Candace	And, in fact, the District has contracted or intends to contract or has an informal agreement with White and Associates to come to the office beginning, I think, in November, to assist Katrina in her accounting/clerical duties, is that correct?
10:47:09 AM	Atty Cumbo Martin District	
	Note: Sacre, Candace	Fair enough. No further questions.
10:47:48 AM	Chairman Schmitt - witness Maynard	
	Note: Sacre, Candace	Examination. Of course, there's no timeline. I mean, right now, you're what? Three years overdue on the audit, so I mean, you know, when you made them aware and then they respond to you and you finish it, we may be here two years.

10:48:09 AM	Chairman Schmitt - witness Maynard	
	Note: Sacre, Candace	Well, how do you reach that point? Why haven't you reached that point yet?
10:48:25 AM	Chairman Schmitt - witness Maynard	
	Note: Sacre, Candace	That's all there is?
10:48:26 AM	Chairman Schmitt - witness Maynard	
	Note: Sacre, Candace	There's no more?
10:48:32 AM	Chairman Schmitt	
	Note: Sacre, Candace	Is there anything further with this witness?
10:48:34 AM	Asst Gen Counsel Vinsel PSC	
	Note: Sacre, Candace	Nothing further.
10:48:35 AM	Chairman Schmitt	
	Note: Sacre, Candace	May she be excused?
10:48:37 AM	Commissioner Mathews	
	Note: Sacre, Candace	I'd like to follow up with your last comment.
10:48:39 AM	Commissioner Mathews - witness Maynard	
	Note: Sacre, Candace	Examination. So are you at that point where you are about ready to say this is the best we can do with what we've got?
10:49:23 AM	Chairman Schmitt	
	Note: Sacre, Candace	Ms. Miller, have you been furnished with a copy of that draft?
10:49:28 AM	Ms. Miller PSC	
	Note: Sacre, Candace	Yes, I have.
10:49:28 AM	Chairman Schmitt	
	Note: Sacre, Candace	Anything further for ms mayna
10:49:29 AM	Chairman Schmitt	
	Note: Sacre, Candace	Anything further for Ms. Maynard?
10:49:31 AM	Asst Gen Counsel Vinsel PSC	
	Note: Sacre, Candace	Nothing further.
10:49:34 AM	Chairman Schmitt	
	Note: Sacre, Candace	And Mr. Smith? I know he's - can they both be excused?
10:49:35 AM	Asst Gen Counsel Vinsel PSC	
	Note: Sacre, Candace	Yes.
10:49:39 AM	Chairman Schmitt	
	Note: Sacre, Candace	Thank you. You may step down. You're excused.
10:49:43 AM	Chairman Schmitt	
	Note: Sacre, Candace	It's probably time to take a break. Before we do, I guess I'm going to order the introduction of these exhibits, here, and I think, Mr. Cumbo, you've got – all of the parties, including Ms. Cromer, you've gotten a copy of the syllabus.
10:50:25 AM	Asst Gen Counsel Vinsel PSC	
	Note: Sacre, Candace	I gave her my copy.
10:50:28 AM	Chairman Schmitt	
	Note: Sacre, Candace	We're going to take a break, and while we are, I'm going to enter the introduction of those exhibits that are on the cart into evidence in this case. (Click on link for further comments.)
10:50:30 AM	PSC EXHIBITS 1 THROUGH 30.	
	Note: Sacre, Candace	SEE EXHIBIT LIST - EXHIBIT 31.
10:51:07 AM	Chairman Schmitt	
	Note: Sacre, Candace	So, at this time, we'll take a – since that has to be done, let's – maybe we can have one more witness, maybe Mr. Hale, real quick, I'm not sure how long he'll take, and then finish up at noon for lunch hour, so let's go into recess until ten minutes after 11 o'clock.
10:51:27 AM	Session Paused	
11:20:22 AM	Session Resumed	

11:20:23 AM	Chairman Schmitt	
	Note: Sacre, Candace	We're back on the record, and I guess the decision has been made because of the time we're going to show the short, I think, 12- to 13 -minute video clip that we removed from the Confidential Conference, and nothing that was said was confidential. It involved, basically, the present issues that the District has and its monetary position or need for additional money.
11:20:49 AM	Chairman Schmitt	
	Note: Sacre, Candace	So, that being the case, we'll start the video, and when the video is over, we'll break an hour for lunch and come back and come back with Mr. Hale and then move on because he has worked with the auditors, and then we'll go on through the list.
11:20:52 AM	Via Presentation Activated	
11:21:13 AM	VIDEO PRESENTATION.	
	Note: Sacre, Candace	MARTIN DISTRICT CONFIDENTIAL CONFERENCE.
	Note: Sacre, Candace	CLIP OF 07/29/2019 AUDIO/VIDEOTAPE.
11:38:02 AM	Via Presentation Deactivated	
11:38:08 AM	Session Paused	
12:48:00 PM	Session Resumed	
12:48:04 PM	Session Paused	
12:48:28 PM	Session Resumed	
12:48:32 PM	Chairman Schmitt	
	Note: Sacre, Candace	We're now back on the record. Before we take the next witness, I'd like to distribute what I guess I thought we had in the beginning, and we didn't, but it wasn't – it's a more abbreviated exhibit list, and it's a lot easier for you to review. We can make that PSC Exhibit 31.
12:49:50 PM	PSC EXHIBIT 31.	
	Note: Sacre, Candace	EXHIBIT LIST.
12:49:51 PM	Chairman Schmitt	
	Note: Sacre, Candace	I guess the next witness we intended to call is Mr. Hale.
12:50:04 PM	Chairman Schmitt	
	Note: Sacre, Candace	Witness is sworn.
12:50:28 PM	Chairman Schmitt - witness Hale	
	Note: Sacre, Candace	Examination. Could you please state your full name and your business address, please?
12:50:40 PM	Chairman Schmitt - witness Hale	
	Note: Sacre, Candace	And how are you employed, Mr. Hale?
12:50:45 PM	Chairman Schmitt - witness Hale	
	Note: Sacre, Candace	Okay, and what do you for the Martin County Board of Education?
12:50:58 PM	Chairman Schmitt - witness Hale	
	Note: Sacre, Candace	And how long have you held the position of Finance Officer and Facilities Director?
12:51:06 PM	Chairman Schmitt - witness Hale	
	Note: Sacre, Candace	Obviously, you are a college graduate, correct?
12:51:11 PM	Chairman Schmitt - witness Hale	
	Note: Sacre, Candace	Can you state for the record your educational qualifications that permit you to hold the position of Finance Officer in the State of Kentucky?
12:51:28 PM	Chairman Schmitt - witness Hale	
	Note: Sacre, Candace	And you've had the obvious – I guess to be Finance Officer now, you have to have so many hours of accounting and so forth, and you've met those qualifications, correct?
12:51:40 PM	Chairman Schmitt - witness Hale	
	Note: Sacre, Candace	When did you graduate from Morehead?

12:51:47 PM Chairman Schmitt - witness Hale
Note: Sacre, Candace And, between the time you graduated and, I guess, the time you got your MBA and the three years when you went to work for Martin County Board of Education, what did you do?

12:52:42 PM Chairman Schmitt - witness Hale
Note: Sacre, Candace Now, what accounting firm did you work for for the three years?

12:52:50 PM Chairman Schmitt - witness Hale
Note: Sacre, Candace Pikeville, Kentucky?

12:52:54 PM Chairman Schmitt - witness Hale
Note: Sacre, Candace Did you ever participate in an audit when you were working for them at all?

12:52:58 PM Chairman Schmitt - witness Hale
Note: Sacre, Candace Field work or anything?

12:52:59 PM Chairman Schmitt - witness Hale
Note: Sacre, Candace Now, when were you appointed as a commissioner to the Martin County Water District?

12:53:09 PM Chairman Schmitt - witness Hale
Note: Sacre, Candace January 19th, 2019? January of 2019?

12:53:17 PM Chairman Schmitt - witness Hale
Note: Sacre, Candace And you were appointed by Bill Davis, the new County Judge Executive?

12:53:24 PM Chairman Schmitt - witness Hale
Note: Sacre, Candace I suppose somebody resigned or something happened, and you were appointed when that person left. Did you know who that was?

12:53:39 PM Chairman Schmitt
Note: Sacre, Candace Mr. Cumbo, do you know? There was a Mr. Endicott that was on. I don't know what happened. Did he leave?

12:53:43 PM Atty Cumbo Martin District
Note: Sacre, Candace Rex Endicott, I think it was Rex Endicott who he replaced, Rex Endicott.

12:53:50 PM Chairman Schmitt
Note: Sacre, Candace Did Mr. Endicott's term end or he resigned, or what did he do?

12:53:51 PM Atty Cumbo Martin District
Note: Sacre, Candace His term ended. His term ended.

12:54:02 PM Chairman Schmitt - witness Hale
Note: Sacre, Candace All right. For a long time, the Commission's been trying to get the audits caught up for the Water District, and I guess, originally, when all of these hearings started, the idea was or what we were told was is that the audit had not been completed for 2016 because the District hadn't paid for it or, apparently, the auditor had some concern about it, and, as we went into January of 2019, we entered an Order requiring that the funds be made available and the auditor told he was going to get paid, but, apparently, there was more to it than that in that certain records were not provided.

12:54:57 PM Chairman Schmitt - witness Hale
Note: Sacre, Candace And, just as some background, in mid-January or maybe a little before, I called Mr. Smith and have had several conversations with him over the spring and summer. Later, I guess, after the accountants changed and Ms. Maynard became the accountant, Commissioner Cicero and I spoke to her once or twice and, I think, Commissioner Cicero several times after that.

12:55:25 PM Chairman Schmitt - witness Hale
Note: Sacre, Candace
What we ultimately heard was that, at some point in time during the summer maybe, and I want to ask you to fill in or that may be incorrect, that the records that they did get they were able to get them because of your intervention and that somehow you had managed to collect some records.

12:55:45 PM Chairman Schmitt - witness Hale
Note: Sacre, Candace
Since you came on the board, what is your understanding of the status of the 2016 audit in terms of the records that are necessary for it to become completed?

12:56:25 PM Chairman Schmitt - witness Hale
Note: Sacre, Candace
So I would imagine that, at some point, somebody told you, whether it was Mr. Smith, Ms. Maynard, somebody, that records that were needed were not available, and then someone – who told you that these records appeared to be in the custody of Linda Sumpter?

12:56:56 PM Chairman Schmitt - witness Hale
Note: Sacre, Candace
Did you ever – have you ever had any conversation with Linda Sumpter about we need the records, is there a problem with the records? Did you ever have such a conversation with her?

12:57:11 PM Chairman Schmitt - witness Hale
Note: Sacre, Candace
Do you know if anybody associated with the Martin County Water District who has?

12:57:26 PM Chairman Schmitt - witness Hale
Note: Sacre, Candace
At any time during a meeting, a Water District meeting, has there been any discussion, either in public or in executive session, about taking any kind of action or steps to secure the records from Linda Sumpter?

12:57:52 PM Chairman Schmitt - witness Hale
Note: Sacre, Candace
Is it your understanding, and I know you've worked for an accounting firm, that it's the Martin County Water District that owns those records?

12:58:03 PM Chairman Schmitt - witness Hale
Note: Sacre, Candace
Do you know of any reason or have you heard of any reason why Linda Sumpter has refused to provide the records?

12:58:13 PM Chairman Schmitt - witness Hale
Note: Sacre, Candace
And she's never told you or said to you or anybody else that you know that she won't provide them, correct?

12:58:25 PM Chairman Schmitt - witness Hale
Note: Sacre, Candace
Apparently, for several years, Ms. Sumpter's served in a capacity – she was an accountant, a CPA, I guess, a Certified Public Accountant, but served, more or less, in the capacity of a bookkeeper, somewhere less than a formal accounting services, and, apparently, the Water District owes her a good bit of money. Are you familiar with how much money the District says that it owes her?

12:59:02 PM Chairman Schmitt - witness Hale
Note: Sacre, Candace
Do you know whether or not the Water District has made any payment to Ms. Sumpter during the year 2019?

12:59:17 PM Chairman Schmitt - witness Hale
Note: Sacre, Candace
From the debt surcharge? Out of the debt surcharge proceeds, or do you know?

12:59:25 PM Chairman Schmitt - witness Hale
Note: Sacre, Candace
Are those for services that were rendered a year or so ago, or is she performing current services for the Water District now?

12:59:46 PM	Chairman Schmitt - witness Hale Note: Sacre, Candace	If the surcharge went into effect maybe April, April – May, I don't know when the first collection was, of last year, 2018, do you know when Ms. Sumpter's services were finally discontinued by the Water District?
1:00:09 PM	Chairman Schmitt - witness Hale Note: Sacre, Candace	Okay. Now, at any time since – I mean, you went on the board, water commission, in January of this year. Has she been to any meetings of the Water District, come to a meeting and spoken, or been there for any purpose since you've been on the board?
1:00:39 PM	Chairman Schmitt - witness Hale Note: Sacre, Candace	And you don't recall any conversation or any questions raised about why she had not furnished the records that she supposedly has in her possession, correct?
1:00:54 PM	Chairman Schmitt - witness Hale Note: Sacre, Candace	Yeah, yeah.
1:00:57 PM	Chairman Schmitt - witness Hale Note: Sacre, Candace	Now, I know that, at least, according to maybe Mr. Smith or Ms. Maynard or both, the claim was that Ms. Sumpter's always said, "I gave you all the records that I have." But I want to ask you now, have Mr. Kerr or other commissioners or Mr. Scott or people – Katrina or anybody said, "Well, she may have said that, but I know that she has more records than what she has given us to date?" Do you know if anybody makes that claim?
1:01:46 PM	Chairman Schmitt - witness Hale Note: Sacre, Candace	Are you a native of Martin County?
1:01:49 PM	Chairman Schmitt - witness Hale Note: Sacre, Candace	Is any member of the Water District commission related by blood or marriage to Linda Sumpter or her husband?
1:02:03 PM	Chairman Schmitt - witness Hale Note: Sacre, Candace	Do you know if any member of the Water District attends the same church or belongs to the same social organization to which Ms. Sumpter belongs?
1:02:18 PM	Chairman Schmitt - witness Hale Note: Sacre, Candace	Can you know or think of any reason why the Water District didn't authorize litigation to be issued against Ms. Sumpter for the purpose of getting the records if, in fact she has any records?
1:02:41 PM	Chairman Schmitt - witness Hale Note: Sacre, Candace	It was never discussed in a meeting, is that true? You never had any meeting to discuss, "Well, all we have to do is get Mr. Cumbo to file, a couple of hundred dollars, to file a lawsuit seeking mandatory injunction to get her to turn over the records"? I can't think of what possible defense she would have, but was it ever discussed?
1:03:06 PM	Chairman Schmitt - witness Hale Note: Sacre, Candace	And I know you don't have these records in front of you, and neither do I, but in the matter of when last payment was made on Ms. Sumpter's bill for work that she had done, do you know about when that payment would have been made?
1:03:40 PM	Chairman Schmitt - witness Hale Note: Sacre, Candace	The reason I ask, I'm going to ask everybody else, so you can think of what you're going to say about this, too. If Ms. Sumpter had been refusing to turn over her record, at least, since January of 2019 up into through July, what possible reason would the Water District have for paying her invoices when she was allegedly holding your records?

1:04:15 PM Chairman Schmitt - witness Hale
Note: Sacre, Candace
But, if she, in fact, holds your records, she owes you something, doesn't she?

1:04:30 PM Chairman Schmitt - witness Hale
Note: Sacre, Candace
Okay. I guess the only other time you were here was maybe July, July 25th, whenever that meeting was, and we played a part, a small part of the testimony or statements that were made about rates, and Vice Chairman Cicero has an MBA and is an accountant, and he knows more than I do, but just some general questions that I would have.

1:05:21 PM Chairman Schmitt - witness Hale
Note: Sacre, Candace
The testimony, as I recall, of Mr. Kerr was that, after the final rate increase was given in December, maybe an Order in December of 2018, it turns out that that wasn't enough money; the District really needs more money than the rate increase that was granted. Is that your understanding?

1:05:51 PM Chairman Schmitt - witness Hale
Note: Sacre, Candace
And Mr. Kerr estimated, his estimate was, that even notwithstanding any outside management, Alliance or anyone else, that the District would need $10 to $12 per customer per month increase in order to basically keep going. I mean, I think I asked him the question, "You can't survive, or, at some point, you'll cycle down and not be able to pay your bills unless you get an additional $10 to $12?" Isn't that essentially what he said?

1:06:25 PM Chairman Schmitt - witness Hale
Note: Sacre, Candace
And I think Mr. Heitzman's position was maybe it's more like $8 to $10. I mean, a difference, and I understand that. So the bottom line is, I mean, the rate increase was given, and I tell you this, the Concerned Citizens are concerned about another rate increase. But, actually, another rate increase, based upon your figures and maybe some things we have done, might be justified. Would you agree with that?

1:06:59 PM Chairman Schmitt - witness Hale
Note: Sacre, Candace
Now, the problem always is, you know, you've got people that say, "Well, I'm put in this position, and then I know I've got a lot of pressure from other people," and some people just don't want to pay if they had a million dollars, and some people can't pay because they don't have much money. But, in the end, any business, whether it's a school district or a water commission or the fiscal court or a lemonade stand or the Booster's Club, they always seem to have money some way, whatever they do, you've got to be able to cover your overhead and basically maintain the system and replace things that wear out. Isn't that true?

1:07:47 PM Chairman Schmitt - witness Hale
Note: Sacre, Candace
And there's no way – is there any way of doing that absent the people who use the service and benefit from it make a payment in order to support it. Isn't that true, too?

1:08:01 PM	Chairman Schmitt - witness Hale Note: Sacre, Candace	And I know the issue, "Well, we've got government subsidies and grants and low-interest loans, some of which can be forgiven." But, in the end, assuming that the rates are calculated with depreciation for purposes of replacing infrastructure, they're all put into rates, we'll make that assumption, and the state gave Martin County, over the years, paid for the Water District, paid for the infrastructure. Proper use and financial management of that depreciation reserve or those amounts that were assigned to depreciation ought to be used to plan and make replacements before the pumps and the pipes and everything wear out. Isn't that the purpose of it?
1:08:57 PM	Chairman Schmitt - witness Hale Note: Sacre, Candace	But that apparently wasn't done in the past, would you agree?
1:09:02 PM	Chairman Schmitt - witness Hale Note: Sacre, Candace	And, so the question becomes, so what do we do now? You know, the Public Service Commission, we can't give away money. All we can do is try to help support the system, and the only way we can do that is through rates. Unfortunately, a lot of water districts, many of them in Eastern Kentucky, you know, I live in Johnson County, basically let their systems deteriorate to the point of collapse because they're unwilling to, you know, take the necessary steps, and a lot of that is because of political pressure. Have you ever had any political pressure from an official, a county official, to not increase rates or to keep rates low?
1:09:59 PM	Chairman Schmitt - witness Hale Note: Sacre, Candace	But I do suppose, like Ms. McCoy and Concerned Citizens and others, a lot of people in the public basically aren't for a rate increase, correct?
1:10:10 PM	Chairman Schmitt - witness Hale Note: Sacre, Candace	But I ask you, and I'll ask Ms. McCoy so that everybody knows it, you might be surprised, without the money from rates, assuming there's no other money available from grants or from the state, the water system can't continue to provide water or safe water or clean water or any water, ultimately, unless the rates are sufficient to operate the system and pay for it. Isn't that true?
1:10:39 PM	Chairman Schmitt - witness Hale Note: Sacre, Candace	One of the things that – and we've had, like, not just Martin County, this is kinda substitutes to for a part of a series of hearings we've been having on water districts that have had high water loss and have had financial problems, and, basically, we've had 13, if we include Martin County and Cannonsburg, which is in Boyd County and the surrounding area. But, ultimately, a number of those people have come to me privately, and one wrote a letter that will ultimately get in that file that basically says, "We can't' function because I manage or I'm a water commissioner, but the county judge threatens to remove us" or "The county judge won't let us do that" or I've had a friend of mine say – I was a good friends with one or two water commissioners, and I'll say this in public, Southern, which we ultimately charged them, and they resigned before the hearing, they said, "Well, you know, we didn't care; we were really only in it for the $6,000" because you can sell out pretty cheap your community.

1:12:02 PM	Chairman Schmitt - witness Hale Note: Sacre, Candace	But, in the end, what is the ultimate solution to Martin County's problem? I don't know if you've thought of it, but how does Martin County solve its problem? Without a rate increase, without additional revenue, how can it possibly survive over the next few years and not be back in the same condition it was two years ago when some people didn't have water at all?
1:12:45 PM	Chairman Schmitt - witness Hale Note: Sacre, Candace	Now, I say this, too, because I did some research on my own a few weeks ago and on population decline, and I know there's been an issue about the number of low-income, poverty level in Martin County, and it's true throughout Eastern Kentucky and other parts of the state, but I also found that Martin County allegedly has the highest population loss of any county in the State of Kentucky on a percentage basis. But, since 2010. Martin County has lost 12 percent of its population. Assuming that is true and, of course, you've got coal companies leaving and other businesses leaving that are associated with that, as the customer base goes down, the requirement that other customers pay more to make up that difference becomes a factor, doesn't it?
1:13:39 PM	Chairman Schmitt - witness Hale Note: Sacre, Candace	And I know that you – I guess, yesterday, we got a call maybe from Mr. Cumbo or somebody, but you had tendered your resignation, is that correct?
1:13:55 PM	Chairman Schmitt - witness Hale Note: Sacre, Candace	And had you not resigned and were on the board today, if called upon to vote for another rate increase, would you do it?
1:14:19 PM	Chairman Schmitt - witness Hale Note: Sacre, Candace	Because of why?
1:14:30 PM	Chairman Schmitt - witness Hale Note: Sacre, Candace	I'm just trying to make a record. I want to give everybody a chance to basically state what their position is and why, and that's why I asked you that question.
1:14:50 PM	Chairman Schmitt - witness Hale Note: Sacre, Candace	Back in, I guess, the summer-fall of 2018, during, I guess, the course of a hearing, I think, I made the suggestion or asked Martin County Water District to consider hiring a general manager, trying to maybe the suggestion you ought to try to get a general manager. And I know you weren't on the commission then, but I think a number of maybe advertisements were made, they got some resumes, but didn't make a hire because no one was considered appropriate or qualified or something. Do you have – right now, I know Martin County Concerned Citizens say, "You ought to hire a general manager." Do you have in mind or do you know of anyone who would be qualified to perform the services of a general manager of the Martin County Water District?
1:16:12 PM	Chairman Schmitt - witness Hale Note: Sacre, Candace	Now, notwithstanding the cost or taking cost out of consideration, have you seen the, I guess, the information that Martin County Water District sent out or letters to several communities, public communities, like cities, counties, and asked about the performance of Alliance in terms of managing a public water utility? Are you familiar with those letters that were sent back by all the people, all of those basic entities? Have you seen them?
1:16:58 PM	Chairman Schmitt - witness Hale Note: Sacre, Candace	Have you heard about what those other entities have said about Alliance?

1:17:07 PM Chairman Schmitt - witness Hale
Note: Sacre, Candace That some of them were what?

1:17:11 PM Chairman Schmitt - witness Hale
Note: Sacre, Candace I mean, they're all exceptional. I mean, not one critical comment in response to any question about Alliance's qualifications and their performance history. Now, I know the issue is – maybe a lot of that is, "Well, what does it cost?"

1:17:31 PM Chairman Schmitt - witness Hale
Note: Sacre, Candace Since you've been on the board, do you know what's – what do you know about water loss and what attempts have been made to reduce water loss?

1:18:08 PM Chairman Schmitt - witness Hale
Note: Sacre, Candace Water loss is still pretty – have you seen the water loss reports that, I guess, Mr. Scott has been filing, at least, since the time you've been on the board January through, I think we've got maybe through, August of 2019. Have you seen those? Does the board look at them at the meetings and so forth?

1:18:35 PM Chairman Schmitt - witness Hale
Note: Sacre, Candace And I know that there's – I mean, I guess there's a different way of computing it, but I've seen – I've got your water loss reports here, and I know that you started making alternate calculations based upon a subjective opinion, I think, as to how much water was actually pumped. But, if we look at it without considering that, water loss maybe in April or so was 71.2 percent or something; in May of this year, it was 67 percent, and I know that in May at 67 percent, I don't think there was a change downward. I know Mr. Scott sent a letter in March and then one later that said, "We believe that our meter that is measuring water pumped from the plant is not accurate or is overstating it."

1:19:35 PM Chairman Schmitt - witness Hale
Note: Sacre, Candace But water loss reports that were sent in here for July and August show six-tenths of one percent water loss in July and three-tenths of one percent in August. That can't be correct, can it? Well, I guess we need to ask Mr. Scott. I thought there must be a misprint, but we've actually tried to figure it and haven't been able to. But that's what the record in these exhibits will ultimately show.

1:20:06 PM Chairman Schmitt - witness Hale
Note: Sacre, Candace In terms of the finances of the District, I mean, you've got this large debt of, what? Seven, eight hundred thousand dollars left that the surcharge is applied to, and then you've got more debt that you're struggling to pay off that was incurred from May or something up unto the time the other rate increase was granted in December, the first of the year. Do you know of any efforts that have been made by Martin County Water District or anyone on its behalf to go to the Zip Zone or to Evans Hardware or any of the other creditors, Linda Sumpter, and talk about maybe reducing some of that debt, cutting it to 50 cents on the dollar or 75 cents? Has there been any effort, as far as you know, to try to renegotiate that debt downward?

1:21:36 PM Chairman Schmitt - witness Hale
Note: Sacre, Candace Can you tell me, and I've seen it here but my recall isn't that good, how much that total of debt between, say, May of '18 and January 1st of 2019 was accumulated?

1:21:56 PM Chairman Schmitt - witness Hale
Note: Sacre, Candace It's over $100,000 though, isn't it? Maybe –

1:21:59 PM	Chairman Schmitt - witness Hale Note: Sacre, Candace	Yeah, maybe a couple hundred thousand dollars. Has there been any discussion by the board members, commissioners, privately or in a meeting, about basically getting an attorney and filing a petition in bankruptcy to get this reduced or some of this debt eliminated? Any discussion about that?
1:22:23 PM	Chairman Schmitt - witness Hale Note: Sacre, Candace	Who is the treasurer of the Water District?
1:22:30 PM	Chairman Schmitt - witness Hale Note: Sacre, Candace	Whenever checks are written, do you have to countersign the checks?
1:22:41 PM	Chairman Schmitt - witness Hale Note: Sacre, Candace	Does anybody else have authority to countersign if you're not available?
1:22:48 PM	Chairman Schmitt - witness Hale Note: Sacre, Candace	Mr. Hensley does?
1:22:52 PM	Chairman Schmitt - witness Hale Note: Sacre, Candace	I mean, is there – personally, would you have a problem or do you know if the commission would have a problem, if necessary, bankrupting that debt out? It would save you a lot of money if you didn't have it.
1:23:20 PM	Chairman Schmitt - witness Hale Note: Sacre, Candace	I guess we learned or discovered, perhaps should have earlier, at least, me, personally, is all I can speak for, a few months ago saw that there was a problem with the meters, and that a number of the water meters, and maybe it was just a sampling, were not registering any, were not registering at all, so that some customers were just paying the minimum bill no matter how much they used, correct?
1:23:55 PM	Chairman Schmitt - witness Hale Note: Sacre, Candace	And I don't know if you've discussed it or not. I guess Mr. Scott, Mr. Kerr may know more, but a lot of the other meters are ten years old or older and apparently need to be replaced, correct?
1:24:13 PM	Chairman Schmitt - witness Hale Note: Sacre, Candace	And is there money available to you now or to the Water District to replace those water meters, all water meters?
1:24:26 PM	Chairman Schmitt - witness Hale Note: Sacre, Candace	Now, when a water meter is – I don't know. I sign certificates that people are qualified to test meters. I don't know if they are or not. I get something. Apparently, they pass the test, and somebody sends the records in here, and so when we're satisfied they passed the test, I sign off the certificate that they're qualified to test meters. Do you have people on staff, I assume you do if you test these meters, that are qualified to do the meter testing
1:25:01 PM	Chairman Schmitt - witness Hale Note: Sacre, Candace	You don't know. In any event, what we've generally heard in all of our hearings has been, that, as meters get older, they don't record too much going through; they tend to run slow to the extent of 12, 15, maybe 20 percent of the water that passes through the meter is never, in fact, registered, so the water utility never gets paid for it, and I know, I guess I hear or look and read in your records, you all want to replace your meters, correct?
1:25:39 PM	Chairman Schmitt - witness Hale Note: Sacre, Candace	And, apparently, you've made some kind of purchase or in the process of making periodic purchases from the Oldham County Water District?

1:25:48 PM Chairman Schmitt - witness Hale
Note: Sacre, Candace
Now, the Oldham County – from what I understand, correct me if I'm wrong, the Oldham County Water District has retired or is retiring its meters that have – I mean, the reason you do that is because they now are at the end of their useful life or beyond it? I mean, that's why you replace a water meter, right?

1:26:12 PM Chairman Schmitt - witness Hale
Note: Sacre, Candace
Or any piece of equipment, correct?

1:26:18 PM Chairman Schmitt - witness Hale
Note: Sacre, Candace
And is Martin County Water District now buying those older meters from – those meters that Oldham County has replaced, is Martin County now buying those meters?

1:26:46 PM Chairman Schmitt - witness Hale
Note: Sacre, Candace
I mean, did your water commissioners vote to acquire these meters from Oldham County –

1:26:53 PM Chairman Schmitt - witness Hale
Note: Sacre, Candace
– or is that something the general manager decided, or how did that work? Do you remember?

1:27:09 PM Chairman Schmitt - witness Hale
Note: Sacre, Candace
Okay, and I guess the question that needs to be asked, I've got to ask is, if Martin County's meters are beyond their useful life and need to be replaced, why would Martin County buy meters from another water district which determined that those meters are already at the end of or beyond their own useful life? I mean, you're taking a meter that's worn out and replacing it with another meter that is worn out or about to be worn out.

1:28:08 PM Chairman Schmitt - witness Hale
Note: Sacre, Candace
Okay, all right, and I've seen, I guess, in a motion, documents, or something that the payment –the cost of those meters is $10 a meter, correct?

1:28:21 PM Chairman Schmitt - witness Hale
Note: Sacre, Candace
And maybe you've giving Oldham County your old meter; you're trading in your old meters and paying $10. Is that how it is, or is it just $10?

1:28:39 PM Chairman Schmitt - witness Hale
Note: Sacre, Candace
I mean, you wonder what value a $10 meter can have; a new meter will be in excess of $500 a meter. Have you been told that?

1:28:53 PM Chairman Schmitt - witness Hale
Note: Sacre, Candace
I know Mr. Scott knows, he mentioned it to me. I mean, they cost a lot of money.

1:28:59 PM Chairman Schmitt - witness Hale
Note: Sacre, Candace
And that gets into the grants, I guess, that Ms. McCoy was talking about earlier. Do you know if Martin County Water District has been or will be the recipient of any grant money which will be dedicated to replacing service lines and meters?

1:29:25 PM Chairman Schmitt - witness Hale
Note: Sacre, Candace
I was thinking, maybe I'm wrong, was maybe like $1,200,000 or something, but that won't replace all of the water meters and service lines that the system has, is that correct?

1:29:39 PM Chairman Schmitt - witness Hale
Note: Sacre, Candace
Has any of that money been distributed to the Martin County Water District as of this date?

1:29:52 PM Chairman Schmitt - witness Hale
Note: Sacre, Candace
Okay. For your outside engineers, correct?

1:29:57 PM	Chairman Schmitt - witness Hale Note: Sacre, Candace	And is that Bell Engineering in Lexington, Howard K. Bell? It used to be Howard K. Bell.
1:30:05 PM	Chairman Schmitt - witness Hale Note: Sacre, Candace	Have you met your engineer, Steven Caudill?
1:30:12 PM	Chairman Schmitt - witness Hale Note: Sacre, Candace	In terms of the day-to-day operation of the District, do you personally have any – or have you gone out and done anything or worked in the field or tried to direct Mr. Scott on how to do his job or anything like that?
1:30:33 PM	Chairman Schmitt - witness Hale Note: Sacre, Candace	Do you know of any other funds that the Martin County Water District has asked for that, at some point in time, will be provided to it through Abandoned Mine Lands money or some other grant to help repair or replace infrastructure, needed infrastructure replacement?
1:31:03 PM	Chairman Schmitt - witness Hale Note: Sacre, Candace	I guess, at some point, maybe there was a ceremony or a meeting in Inez at the Roy Collier Center where, I guess, that Governor Bevin was there, Hal Rogers, U. S. Representative and other people. Did you attend that meeting at all?
1:31:38 PM	Chairman Schmitt - witness Hale Note: Sacre, Candace	I didn't ask Mr. Smith about this, but in January when I spoke to him about trying to get the audit, the 2016 audit, and then forward, he told me that he had sent form letters to the Water District. You know, they're like to Regions Bank, would be like to Mr. Cumbo. You see these all the time from school districts. You send them and say, "Our auditor needs this. You've got to provide this. Materiality is defined as. . ." But he said he never got anything back. And, the last time, I guess, when we were here and I asked Mr. Kerr, he said, "Well, we didn't know those letters were ever sent." Did you have any idea that those letters were sent? And he sent them to me and said he sent them to the Water District in January, sometime before the end of January. Had you ever seen those form letters?
1:32:57 PM	Chairman Schmitt - witness Hale Note: Sacre, Candace	Okay, good. I don't know what's true or not. You just know what people say, but assuming that he did send them as he said, they obviously – if they went to the office, someone didn't know what they were or there was a miscommunication, and they didn't get to the right people, correct?
1:33:15 PM	Chairman Schmitt - witness Hale Note: Sacre, Candace	But you do that all the time. As a school finance officer, in terms of managing the money, the figures, and basically seeing to the audit, that's all within the scope of your duties as a finance officer, correct?
1:33:33 PM	Chairman Schmitt - witness Hale Note: Sacre, Candace	And, of course, Mr. McCoy, here, he's on the board. Isn't he a school board member?
1:33:41 PM	Chairman Schmitt - witness Hale Note: Sacre, Candace	And I said this morning to Mr. Smith, and I'll ask you. In your years, three years or so, you've been working as a school finance officer, have all of your audits been filed or prepared and filed by White and Associates – have they all been complete and on time?
1:34:04 PM	Chairman Schmitt - witness Hale Note: Sacre, Candace	Is Martin County School District the first school district you've worked for?

1:34:10 PM	Chairman Schmitt - witness Hale Note: Sacre, Candace	And I know you have meetings with other finance officers, and you have training in the Department of Education and all that. My personal experience has been that school districts always, at least, the ten that I represented as board attorney, and it didn't have anything to do with me, but the accountants, the auditors always got their work in on time, and those audits were always filed and complete. I mean, in your meeting with others, can you generally say that's a correct statement?
1:34:46 PM	Chairman Schmitt - witness Hale Note: Sacre, Candace	Would you agree that it is the duty of the entity being audited to prepare or to accumulate the records to give them to the auditor because the auditor can't do his or her work unless they have the records, isn't that true?
1:35:11 PM	Chairman Schmitt - witness Hale Note: Sacre, Candace	And, if management is in a position where you go three years now without an audit, in my opinion, that is evidence of a management failure for not seeing that the records are accumulated and the auditor completes his would. Would you agree with that?
1:35:33 PM	Chairman Schmitt - witness Hale Note: Sacre, Candace	Or else how would you explain it? I mean, it's my duty. If I've got an employee or a contractor and that contractor won't give me my records, it's my duty to get those records and get them to the auditor, isn't that true?
1:35:46 PM	Chairman Schmitt - witness Hale Note: Sacre, Candace	And nobody's ever filed a suit or has taken any action against Linda Sumpter, correct, as far as you know?
1:36:01 PM	Chairman Schmitt - witness Hale Note: Sacre, Candace	About 2017 and 2018 audits, I know you won't be here, and that's kind of a shame because you know more about the financial end of how these things work probably than maybe, or maybe not, others that are on the commission, but do you know, you heard Ms. Maynard testify, do you have any reason to believe that the 2017 and 2018 audits can be completed within the next four or five, six months?
1:36:45 PM	Chairman Schmitt - witness Hale Note: Sacre, Candace	And, as far as you know, where is that information now that they will need?
1:36:54 PM	Chairman Schmitt - witness Hale Note: Sacre, Candace	Now, she also indicated that the bank records were needed, and those bank records would be at Inez Deposit Bank, correct?
1:37:08 PM	Chairman Schmitt - witness Hale Note: Sacre, Candace	Have you spoken to anyone at Inez Deposit Bank, or do you know if anyone else at the commission has spoken to Mike Duncan or anybody else at Inez Deposit Bank in an attempt to get the bank records?
1:37:28 PM	Chairman Schmitt - witness Hale Note: Sacre, Candace	And that's your office manager, right? Katrina, is that what – I don't know. What is Katrina's title?
1:37:35 PM	Chairman Schmitt - witness Hale Note: Sacre, Candace	You know that she's contacted the bank?
1:37:39 PM	Chairman Schmitt - witness Hale Note: Sacre, Candace	Okay. Now, Inez Deposit Bank, at least, as of the time I left, was a locally-owned bank, isn't that correct?

1:37:50 PM Chairman Schmitt - witness Hale
Note: Sacre, Candace The Kirk Family or Mr. Duncan and his wife and their families own all or most of the stock in that bank, isn't that correct?

1:38:00 PM Chairman Schmitt - witness Hale
Note: Sacre, Candace But, at least, from what we hear so far, nobody at the Inez Deposit Bank has, with any urgency, provided the records that have been requested, correct?

1:38:35 PM Chairman Schmitt
Note: Sacre, Candace Thank you, Mr. Hale. No further questions. Vice Chairman Cicero?

1:38:40 PM Vice Chairman Cicero - witness Hale
Note: Sacre, Candace Examination. Your current position is the School Finance Officer for Martin County?

1:38:47 PM Vice Chairman Cicero - witness Hale
Note: Sacre, Candace And, in that role, are you the person that would engage the auditor or sign the engagement letter? Who would be responsible for that?

1:39:05 PM Vice Chairman Cicero - witness Hale
Note: Sacre, Candace And would you be the person that the auditor would work with to obtain the documentation they need?

1:39:12 PM Vice Chairman Cicero - witness Hale
Note: Sacre, Candace You would do that, and you've already indicated that you've never, in the three years you've been there, you've never missed a deadline for the audit to be completed?

1:39:25 PM Vice Chairman Cicero - witness Hale
Note: Sacre, Candace Who is it that you would consider at Martin County Water District to be the person that performs the function that you perform for the School District?

1:39:41 PM Vice Chairman Cicero - witness Hale
Note: Sacre, Candace And does Katrina provide you with updates and status reports of the audit or problems she's having obtaining records, or how does that work? I mean, you're the treasurer, so I presume you're the one that she provides that information to, is that correct or incorrect?

1:40:05 PM Vice Chairman Cicero - witness Hale
Note: Sacre, Candace So, when you realized – and I understand you've only been on the board for less than a year, right?

1:40:12 PM Vice Chairman Cicero - witness Hale
Note: Sacre, Candace When you realized that they were three years past due and, in your position on the school board, you realized that they were in violation of statute, did you take any additional steps to say, "We're in violation of the statute; we need to get these done as quickly as possible?"

1:40:36 PM Vice Chairman Cicero - witness Hale
Note: Sacre, Candace What were those steps?

1:40:47 PM Vice Chairman Cicero - witness Hale
Note: Sacre, Candace And, when they indicated that they couldn't obtain the information and Katrina indicated to you that the records were still with Linda Sumpter, was there any further action taken beyond that?

1:41:10 PM Vice Chairman Cicero - witness Hale
Note: Sacre, Candace So would it have been up to Mr. Kerr, as the chairman of the commission, to make that contact or Mr. Cumbo, or, I mean, you wouldn't have done it, personally, you're saying?

1:41:22 PM Vice Chairman Cicero - witness Hale
Note: Sacre, Candace But would you have considered that part of your role as a treasurer?

1:41:33 PM Vice Chairman Cicero - witness Hale
Note: Sacre, Candace Okay, so let's go a bit further. How often does the board meet?

1:41:40 PM Vice Chairman Cicero - witness Hale
Note: Sacre, Candace Once a month, and, when you have a board meeting, what kind of information is disseminated to the commissioners?
1:42:05 PM Vice Chairman Cicero - witness Hale
Note: Sacre, Candace Who provides the financial information and the invoice report to be approved?
1:42:14 PM Vice Chairman Cicero - witness Hale
Note: Sacre, Candace Katrina, so does she present at the board meetings?
1:42:18 PM Vice Chairman Cicero - witness Hale
Note: Sacre, Candace Has she provided an update on the audit status?
1:42:35 PM Vice Chairman Cicero - witness Hale
Note: Sacre, Candace Wouldn't you consider that a major item for the board to consider, given the fact that, I think, in most of the previous hearings we've had, it's been indicated that no debt can be secured without audit reports, so I would think that that would be a major item for the board to be considering even on a month-to-month basis. Would you agree?
1:42:58 PM Vice Chairman Cicero - witness Hale
Note: Sacre, Candace But that wasn't addressed that way?
1:43:03 PM Vice Chairman Cicero - witness Hale
Note: Sacre, Candace It was indicated that there's a meter replacement going on, and my understanding is, and I'd like you to confirm or not, that the meters are tested by Oldham County prior to being sold to Martin County, is that correct or incorrect?
1:43:27 PM Vice Chairman Cicero - witness Hale
Note: Sacre, Candace So I'm asking the question because a replacement program like this, I would think, requires a board meeting and you, being the treasurer, I'm considering you the financial guy, would look at the terms of whatever agreement that there is and say, "That looks reasonable" or ". . .not reasonable." I mean, was that type of evaluation done, that "We're going to buy 75 meters a month," or whatever it is?
1:44:02 PM Vice Chairman Cicero - witness Hale
Note: Sacre, Candace I mean, but did anybody provide you with analysis, or was it, it just looked like a good idea, so that's what happened?
1:44:16 PM Vice Chairman Cicero - witness Hale
Note: Sacre, Candace The Chairman asked about water loss. Is there a discussion that goes on at every board meeting that discusses the water loss and how to approach it?
1:44:29 PM Vice Chairman Cicero - witness Hale
Note: Sacre, Candace Is there a formal plan?
1:44:37 PM Vice Chairman Cicero - witness Hale
Note: Sacre, Candace So, when the water loss percentage was over 70 and then dropped into the 60s and then went to fractions of a percent, did the board inquire on why there was such a dramatic reduction? Did you ask the general manager how he was able to pull off such a miraculous reduction in water loss?
1:45:04 PM Vice Chairman Cicero - witness Hale
Note: Sacre, Candace But as a guy that's got an MBA and a CPA, wouldn't that be something that you would be interested in and saying, "How did we get there because we need to find a way to repeat it," or if it's real?
1:45:35 PM Vice Chairman Cicero - witness Hale
Note: Sacre, Candace Is there any capital improvement program going on right now for main replacement?

1:45:47 PM Vice Chairman Cicero - witness Hale
Note: Sacre, Candace Okay, so I would ask again, being the financial guy, there should be no capital improvement program going on without you knowing about it?

1:45:55 PM Vice Chairman Cicero - witness Hale
Note: Sacre, Candace So I'm presuming that means, no, there's nothing going on, but you sincerely believe that there could be a 60 to 70 percent reduction in the water loss without any major construction project to replace mains?

1:46:20 PM Vice Chairman Cicero - witness Hale
Note: Sacre, Candace That's why I said your water loss reports indicate fractions of a percent for water loss.

1:46:28 PM Vice Chairman Cicero - witness Hale
Note: Sacre, Candace And that's why I asked if it's discussed at the board meetings because it would look like to me like there had to be an error, and maybe there's a crossover month to month when it went initially below one percent, but two months in a row below one percent would seem to indicate that something has dramatically changed in the way the water loss was calculated, wouldn't you think?

1:46:52 PM Vice Chairman Cicero - witness Hale
Note: Sacre, Candace And that number is probably not realistic?

1:47:01 PM Vice Chairman Cicero - witness Hale
Note: Sacre, Candace What type of information does the general manager provide you at the monthly board meetings?

1:47:15 PM Vice Chairman Cicero - witness Hale
Note: Sacre, Candace When you say "things they've been working on," this is routine operating- and maintenance-type issues? Because, again, I'm presuming there's no capital projects, so –

1:47:25 PM Vice Chairman Cicero - witness Hale
Note: Sacre, Candace But what type of data is given? Number of lines replaced, service lines? I mean, give me an idea.

1:47:46 PM Vice Chairman Cicero - witness Hale
Note: Sacre, Candace When you heard the number was $10 to $12 by Mr. Kerr for a required rate increase without a management company and eight to ten was also tossed out there was a possible number, but so it's somewhere in between $8 to $12, did you do any analysis personally or ask the accounting person to do anything to validate that number, or how was that number determined?

1:48:31 PM Vice Chairman Cicero - witness Hale
Note: Sacre, Candace So, when Mr. Heitzman gave you those numbers, did you go through them and make a determination whether they were reasonable or not?

1:48:39 PM Vice Chairman Cicero - witness Hale
Note: Sacre, Candace Why wouldn't you do that as the treasurer of the commission?

1:48:48 PM Vice Chairman Cicero - witness Hale
Note: Sacre, Candace Okay, so it's a matter of being able to devote the necessary time?

1:48:53 PM Vice Chairman Cicero - witness Hale
Note: Sacre, Candace From your position, you're looking at it as an oversight role, and I think the issue that this Commission has is, it's okay to have an oversight role if you have the middle layer in there that is able to do the analysis and provide the information so that you can make an oversight decision based on accurate information. And, right now, you've got an accounting clerk that has no real formal background on preparing any type of financial analysis. The group that was doing it, which was Linda Sumpter, is not providing any type of help during this transition because – and I'm not sure what the confrontation or problem was that caused this rift, but she's not cooperating at all, from what I can understand.

1:49:47 PM Vice Chairman Cicero - witness Hale
Note: Sacre, Candace Your general manager has no financial background whatsoever, so he's obviously no help on this. Consequently, we have a desire to put the operation of Martin County Water into local management, and the only resource that's being requested is a new general manager. And, given the current personnel resources, I don't know how it's possible to have any type of realistic information provided to make decisions on the financial side of it, on the water loss, or on anything else because they're not providing upper level information for the board to make a decision on. The board is looking at it that way, but it's not really – the information you're receiving is not really that type of information that you can make a decision on like that.

1:50:48 PM Vice Chairman Cicero - witness Hale
Note: Sacre, Candace I've gone through the numbers that Mr. Heitzman provided, and I don't come up with anywhere near what Mr. Heitzman came up because I don't think the analysis has been done in looking at 2019 numbers. But I'll leave it at that.

1:51:02 PM Vice Chairman Cicero
Note: Sacre, Candace I don't have any other questions for him.

1:51:06 PM Chairman Schmitt
Note: Sacre, Candace Commissioner Mathews will defer to a second because there's a line I wanted to ask, and I neglected to do so.

1:51:14 PM Chairman Schmitt - witness Hale
Note: Sacre, Candace Examination. Are you also a commissioner on the Martin County Sanitation District or waste water system?

1:51:24 PM Chairman Schmitt - witness Hale
Note: Sacre, Candace And are – your fellow commissioners who are on the Water District, do they also constitute the waste water commissioners as well?

1:51:34 PM Chairman Schmitt - witness Hale
Note: Sacre, Candace Now, what is the general condition, as you understand it, of the Martin County waste water system?

1:51:44 PM Chairman Schmitt - witness Hale
Note: Sacre, Candace Now, in bad shape in what way?

1:51:48 PM Chairman Schmitt - witness Hale
Note: Sacre, Candace In addition to financial, state of financial extremus, I guess, what about the operation – what is the infrastructure like in the sanitation district, in the sewer system?

1:52:14 PM Chairman Schmitt - witness Hale
Note: Sacre, Candace When you say "financially," does the sewer district/waste water system basically need more money, and, if it had money, what would it do with it? What upgrades are – and I know you're a commissioner, and you're not down there in the, you know –

1:52:36 PM Commissioner Mathews
Note: Sacre, Candace Don't say trenches.

1:52:37 PM Chairman Schmitt - witness Hale
Note: Sacre, Candace – not down there in the manhole or anything, but what do you understand is needed? I mean, it must be more than money because you've got to fix things, and did you have a spill or a discharge into the Tug River within the last four to five months?

1:52:58 PM Chairman Schmitt - witness Hale
Note: Sacre, Candace I mean, who would have mentioned it? Somebody, Mr. Scott, or somebody?

1:53:04 PM Chairman Schmitt - witness Hale
Note: Sacre, Candace The City of Paintsville sent some people over to help your people, didn't they?

1:53:09 PM Chairman Schmitt - witness Hale
Note: Sacre, Candace Anybody else come over to help?

1:53:15 PM Chairman Schmitt - witness Hale
Note: Sacre, Candace And, at least, during this time, I know we've had Rural Water has come and helped the Water District. I know other nearby water districts have either come or offered help. Has Prestonsburg offered any help with your sewer district issues, your sewer problems?

1:53:43 PM Chairman Schmitt - witness Hale
Note: Sacre, Candace So what are the waste water rates that customers in Martin County are paying for their sewer?

1:54:09 PM Chairman Schmitt - witness Hale
Note: Sacre, Candace It's something more than $19, right?

1:54:17 PM Chairman Schmitt - witness Hale
Note: Sacre, Candace Do you know if – are you on the waste water system yourself? Do you live in Inez or –

1:54:24 PM Chairman Schmitt - witness Hale
Note: Sacre, Candace Do you live in Martin County?

1:54:26 PM Chairman Schmitt - witness Hale
Note: Sacre, Candace But you're outside of the – I saw somewhere, I thought, maybe that the waste water system has about 800 customers. Would that be right, or is there more than that?

1:54:36 PM Chairman Schmitt - witness Hale
Note: Sacre, Candace Mr. Kerr or Mr. Cumbo concur, it's about 800 customers, so you do know if the waste water system has had a rate increase in the last 12 to 18 months?

1:54:47 PM Chairman Schmitt - witness Hale
Note: Sacre, Candace How much was that increase in dollar terms?

1:54:57 PM Mr. Kerr Martin District
Note: Sacre, Candace It was ten on the base and about ten on the usage, so it was about 20 bucks.

1:55:03 PM Chairman Schmitt - witness Hale
Note: Sacre, Candace About $20?

1:55:04 PM Mr. Kerr Martin District
Note: Sacre, Candace Yeah.

1:55:06 PM Chairman Schmitt
Note: Sacre, Candace Well, what would be the normal sewer bill now or waste water bill, Mr. Kerr? I know you're not under oath.

1:55:11 PM Mr. Kerr Martin District
Note: Sacre, Candace I'm on the sewer. I think, the average bill, I usually pay somewhere between 60 and 80 bucks a month I mean, it's based off what your water bill is, so –

1:55:21 PM Chairman Schmitt
Note: Sacre, Candace And that's 60 to 80 plus what you've got to pay for the water?

1:55:26 PM	Mr. Kerr Martin District	
	Note: Sacre, Candace	Plus the water, right.
1:55:27 PM	Chairman Schmitt - witness Hale	
	Note: Sacre, Candace	Has the sanitation commission discussed an additional rate increase for the sanitation system?
1:55:42 PM	Chairman Schmitt - witness Hale	
	Note: Sacre, Candace	And I know you're not going to be on the board, so, you know, you're like these congressmen that resign so they don't have to face Trump later on, so you can say whatever you want to say. In your opinion, will a rate increase ultimately be necessary in the short time for the waste water system to be able to continue to function?
1:56:35 PM	Vice Chairman Cicero - witness Hale	
	Note: Sacre, Candace	Examination. Is that based on opinion or some type of analysis that you believe they should be fine?
1:56:44 PM	Chairman Schmitt - witness Hale	
	Note: Sacre, Candace	Examination. Now, this last line here. Martin County, assuming the figures that I quoted are correct, whether they are or not, about 12 percent since 2010, I know when I was the Martin County board attorney, we started sustaining losses of enrollment and personnel, and I imagine you've seen that as well, is that correct?
1:57:14 PM	Chairman Schmitt - witness Hale	
	Note: Sacre, Candace	With a small county of, what? Twelve thousand, plus or minus, people?
1:57:20 PM	Chairman Schmitt - witness Hale	
	Note: Sacre, Candace	And if your population is declining, many of the people in your population are at poverty level or close to it and have to bear the cost of upgrading and maintaining what is going to be an expensive process. As far as you know, if you were on the commission, going forward, what would you think about consideration of merging with another water district or a municipal system or even a possible sale?
1:58:19 PM	Chairman Schmitt - witness Hale	
	Note: Sacre, Candace	You and I are on the same page. The whole purpose of having the system is for the benefit of the customers, correct?
1:58:29 PM	Chairman Schmitt - witness Hale	
	Note: Sacre, Candace	And there are a number of counties in this district that several have merged or have unified, maybe two or three will have the same management or share an engineer. Would you have any – but I know there's also another thing, and it's probably local all over, but Eastern Kentucky always seemed to exaggerate those or make people believe they do, is "Well, I'm in Johnson County, and I want to basically have everything here; I don't what to let Martin County in; they'll just mess me up," and Martin County feels the same way and so does Floyd and Perry and Pike. I mean, that's a local concept that's sort of prevalent. Would you agree with that?
1:59:16 PM	Chairman Schmitt - witness Hale	
	Note: Sacre, Candace	But, ultimately, if everyone can participate in some way in management or have representation – you have a regional jail authority, don't you –

1:59:27 PM Chairman Schmitt - witness Hale
Note: Sacre, Candace – in Martin, Lawrence, Johnson, and Magoffin? I don't understand why anybody would be against a regional water authority, assuming that it was properly run, and you could get – you'd have more money for management, more money for equipment, more storage, but I know, in speaking to – I guess, Ms. McCoy, maybe the first time we had – "Well, we'd like to have our own system," and I understand it, and maybe you ought to be able to do that except to the point when it becomes so expensive, and the customers' service is compromised to the point it looks like you'd say, you know, we needed to get other people involved so that we can spread the cost among a larger base, right? Assuming you had a unified tariff – your rates were the same as they were in Pike County. They'd have to bear some of your cost, and ultimately you'd have to bear some of theirs, but, over a larger customer base, the increase in the purchase price of things ultimately per customer would be less, correct?

2:00:53 PM Chairman Schmitt
Note: Sacre, Candace Commissioner Mathews, do you have any questions?

2:00:58 PM Commissioner Mathews - witness Hale
Note: Sacre, Candace I guess, I'd like to know why you resigned, Mr. Hale.

2:01:18 PM Chairman Schmitt
Note: Sacre, Candace Ms. Vinsel, questions?

2:01:22 PM Asst Gen Counsel Vinsel PSC
Note: Sacre, Candace Yes, we have a few questions.

2:01:23 PM Asst Gen Counsel Vinsel PSC - witness Hale
Note: Sacre, Candace Cross Examination. Good afternoon, Mr. Hale. Are you aware that Linda Sumpter was paid almost $12,000 from the debt surcharge in September?

2:01:36 PM Asst Gen Counsel Vinsel PSC
Note: Sacre, Candace I've got some documents, if Ms. Miller will help me hand these out. We do not need to add this as an exhibit because these are already in the record. This is from Martin County's monthly filing. It's was filed for October 15.

2:02:08 PM Vice Chairman Cicero
Note: Sacre, Candace It looks like on the last line it should be $28,000 something, but it shows $2887.26. It looks like you're missing a digit.

2:02:17 PM Asst Gen Counsel Vinsel PSC
Note: Sacre, Candace Pardon? That was what was filed by Martin County.

2:02:23 PM Asst Gen Counsel Vinsel PSC - witness Hale
Note: Sacre, Candace So what we have here, this first page that discusses the debt service surcharge and indicates that four of the vendors were paid in that month, and then a second page, and this is from the report, shows an image statement of six checks, two of which were written to Linda Sumpter, one in the amount of $7500 and the other, let's just say, $4200, and it looks like Mr. Hensley perhaps signed one of the checks. Who's the signature on – you can see, it's in the second column titled "Checks."

2:03:03 PM Asst Gen Counsel Vinsel PSC - witness Hale
Note: Sacre, Candace That's your signature?

2:03:06 PM Asst Gen Counsel Vinsel PSC - witness Hale
Note: Sacre, Candace So, in seeing this document, does it refresh your recollection?

2:03:14 PM Asst Gen Counsel Vinsel PSC - witness Hale
Note: Sacre, Candace And can you tell me about October checks? Have October checks been written out of the debt service surcharge?

2:03:24 PM Asst Gen Counsel Vinsel PSC - witness Hale
Note: Sacre, Candace Who would have that information? Any of the other commissioners?
2:03:32 PM Asst Gen Counsel Vinsel PSC - witness Hale
Note: Sacre, Candace Okay, and, as treasurer, what was your role with the debt service surcharge?
2:03:56 PM Asst Gen Counsel Vinsel PSC - witness Hale
Note: Sacre, Candace Okay, thank you. I also have a couple of other things to ask you about, and this is also in the record. I'm going to hand this out so everybody can see. This is a document that was filed on August 9, 2019. It was in response to a data request and was corrected financial documents to correct some errors that had been initially submitted. I will ask Ariel to pass these out, and I'll explain right now what we're looking at is Exhibit 2 from that, which was the Monthly Operating Income Statement, and it was prepared on August 9, 2019. And what this shows in the columns going across the top, November 2018, December 2018, Year to Date 2018, and then, for 2019, January 2019, February, March, April, May, June, July, and then 2019 Year to Date. If I can have you turn to the second page, the very bottom row that says "Net Income," and, again, I apologize, the print's small, but I'm hoping it's still legible. In looking at – it's the fourth column, January 2019, and then February, March, April, May, June, July, are you with me? I don't want to be ahead of you.
2:05:47 PM Asst Gen Counsel Vinsel PSC - witness Hale
Note: Sacre, Candace In that last column, it shows that the net income is a deficit of a little over $188,000, correct?
2:05:58 PM Asst Gen Counsel Vinsel PSC - witness Hale
Note: Sacre, Candace And, actually, the numbers that are reflected in the net income for January through July do not total $188,000; they total a little over $292,000. Would you like – that will be subject to check. Would you like a calculator?
2:06:26 PM Atty Cumbo Martin District
Note: Sacre, Candace Is that a question?
2:06:27 PM Asst Gen Counsel Vinsel PSC - witness Hale
Note: Sacre, Candace I'm asking if you can acknowledge, does it look like that would add up to a little over $188,000?
2:06:56 PM Asst Gen Counsel Vinsel PSC - witness Hale
Note: Sacre, Candace So, subject to check, would you accept that it is $292,813.79?
2:07:08 PM Asst Gen Counsel Vinsel PSC - witness Hale
Note: Sacre, Candace So the corrected information then was not correct. Can you tell me who it was who prepared this report?
2:07:17 PM Asst Gen Counsel Vinsel PSC - witness Hale
Note: Sacre, Candace And can you account for that discrepancy?
2:07:24 PM Asst Gen Counsel Vinsel PSC - witness Hale
Note: Sacre, Candace Would you acknowledge that for each of these months that Martin County, on this report, is operating at a deficit?
2:07:35 PM Asst Gen Counsel Vinsel PSC - witness Hale
Note: Sacre, Candace Is it also not true that any positive cash flow Martin County has now is because it is using the depreciation reserve to pay?
2:07:48 PM Asst Gen Counsel Vinsel PSC - witness Hale
Note: Sacre, Candace And, as a result of this, are you not using the depreciation, the money that would and should be there to retire and replace assets is not there now, is that correct?

2:08:04 PM	Asst Gen Counsel Vinsel PSC - witness Hale	
	Note: Sacre, Candace	Thank you. There was a motion filed this week to amend the debt service surcharge priorities, and included in there were some totals of the aged account payable that are still outstanding and also account payable that were incurred between April 2018 and December 2018, correct?
2:08:27 PM	Asst Gen Counsel Vinsel PSC - witness Hale	
	Note: Sacre, Candace	And I'm going to call that the stub period, if that's acceptable. Did you provide those figures to Mr. Cumbo for the filing?
2:08:36 PM	Asst Gen Counsel Vinsel PSC - witness Hale	
	Note: Sacre, Candace	Could you tell me who did?
2:08:38 PM	Asst Gen Counsel Vinsel PSC - witness Hale	
	Note: Sacre, Candace	Who would be responsible for the accounting who is here today of those numbers?
2:08:44 PM	Mr. Kerr Martin District	
	Note: Sacre, Candace	That'd be me.
2:08:46 PM	Asst Gen Counsel Vinsel PSC	
	Note: Sacre, Candace	Mr. Kerr, okay. I'll save my questions for Mr. Kerr then. Staff has no further questions at this time.
2:09:03 PM	Chairman Schmitt	
	Note: Sacre, Candace	Ms. Cromer, any questions?
2:09:08 PM	Atty Cromer MCCC	
	Note: Sacre, Candace	Yeah, just a couple of questions.
2:09:14 PM	Atty Cromer MCCC - witness Hale	
	Note: Sacre, Candace	Cross Examination. When you were talking about the analysis presented by Greg Heitzman saying that the District needs between $8 and $10 per customer to be able to basically function properly, can you describe that analysis to me?
2:09:45 PM	Atty Cromer MCCC - witness Hale	
	Note: Sacre, Candace	So maybe I was misunderstanding. Is the $8 to $10 per customer, is that for the Alliance contract?
2:09:53 PM	Atty Cromer MCCC - witness Hale	
	Note: Sacre, Candace	So he prepared some kind of separate analysis of what is needed just – even if Alliance is not hired, what is basically needed in the District?
2:10:03 PM	Atty Cromer MCCC - witness Hale	
	Note: Sacre, Candace	And you don't know – other than you saw a sheet, you don't know if he did a full rate study or – and when this was presented?
2:10:30 PM	Atty Cromer MCCC - witness Hale	
	Note: Sacre, Candace	And you're speaking of the confidential meeting in late July?
2:10:33 PM	Atty Cromer MCCC - witness Hale	
	Note: Sacre, Candace	Okay, so that's why we wouldn't' have seen those numbers?
2:10:41 PM	Atty Cromer MCCC - witness Hale	
	Note: Sacre, Candace	I guess, at the board meetings when Greg Scott presents on the status of things, are those presentations combined with what's going on with operations and in the field with the distribution system?
2:10:55 PM	Atty Cromer MCCC - witness Hale	
	Note: Sacre, Candace	Does he present on anything else for meetings?
2:10:59 PM	Atty Cromer MCCC	
	Note: Sacre, Candace	Thank you. No further questions.
2:11:01 PM	Chairman Schmitt	
	Note: Sacre, Candace	Mr. Cumbo?

2:11:02 PM	Atty Cumbo Martin District	
	Note: Sacre, Candace	I'd just like to thank Mr. Hale for his service on the board, and we will miss you.
2:11:09 PM	Chairman Schmitt	
	Note: Sacre, Candace	May Commissioner Hale step down and be excused?
2:11:13 PM	Asst Gen Counsel Vinsel PSC	
	Note: Sacre, Candace	Yes, he may.
2:11:14 PM	Chairman Schmitt	
	Note: Sacre, Candace	You may step down. Thank you, thank you, Mr. Hale. Did you – one quick question.
2:11:17 PM	Chairman Schmitt - witness Hale	
	Note: Sacre, Candace	Examination. Did you resign yesterday? Was that the date of your resignation?
2:11:20 PM	Chairman Schmitt - witness Hale	
	Note: Sacre, Candace	What? Did you turn in a letter in to someone?
2:11:22 PM	Chairman Schmitt - witness Hale	
	Note: Sacre, Candace	Who to? The judge?
2:11:26 PM	Chairman Schmitt	
	Note: Sacre, Candace	Okay. Thank you. No further questions.
2:11:30 PM	Atty Cumbo Martin District	
	Note: Sacre, Candace	We filed it in the record Tuesday afternoon.
2:11:36 PM	Chairman Schmitt	
	Note: Sacre, Candace	Okay, yeah, I just heard hearsay, so I didn't see anything.
2:11:42 PM	Atty Cumbo Martin District	
	Note: Sacre, Candace	Can we take about two minutes?
2:11:43 PM	Chairman Schmitt	
	Note: Sacre, Candace	We can. Why don't we take about a ten-minute recess and come back about 20 after? And if you're a few minutes late, that's all right. We'll be in recess until 2:20 p.m.
2:11:53 PM	Session Paused	
2:25:48 PM	Session Resumed	
2:25:49 PM	Chairman Schmitt	
	Note: Sacre, Candace	We're now back on the record, and the next witness to be called is Greg Scott. Mr. Scott, will you take the stand?
2:26:11 PM	Chairman Schmitt	
	Note: Sacre, Candace	Witness is sworn.
2:26:20 PM	Chairman Schmitt - witness Scott	
	Note: Sacre, Candace	Examination. Would you please state your name and business address for the record, please?
2:26:34 PM	Chairman Schmitt - witness Scott	
	Note: Sacre, Candace	Now, Debord, Kentucky, as opposed to Warfield or Lovely, Debord, Kentucky, is close to the Johnson County line, correct?
2:26:45 PM	Chairman Schmitt - witness Scott	
	Note: Sacre, Candace	And Lovely is on the other side of the county, closer to Pike County and closer to, I guess, Kermit, West Virginia?
2:26:59 PM	Chairman Schmitt - witness Scott	
	Note: Sacre, Candace	So the areas are – I know we were told at some point that the system, the Martin County Water District system, is a composition of two preexisting systems, one in the Inez area and one in the Warfield-Lovely area, is that correct?
2:27:18 PM	Chairman Schmitt - witness Scott	
	Note: Sacre, Candace	And now they're somehow combined into one?

2:27:22 PM	Chairman Schmitt - witness Scott	
	Note: Sacre, Candace	We're trying to make a record here, Mr. Scott, so tell us how much – what's your education, training, and experience that basically qualifies you as an interim general manager for the Water District?
2:28:11 PM	Chairman Schmitt - witness Scott	
	Note: Sacre, Candace	Okay. In terms of, like – will you just give us a brief summary of the types of jobs, employment, or things you've done over, say, the last 20-25 years?
2:29:08 PM	Chairman Schmitt - witness Scott	
	Note: Sacre, Candace	All right. How much formal education do you have, Mr. Scott?
2:29:14 PM	Chairman Schmitt - witness Scott	
	Note: Sacre, Candace	You graduated from high school?
2:29:17 PM	Chairman Schmitt - witness Scott	
	Note: Sacre, Candace	And which high school?
2:29:20 PM	Chairman Schmitt - witness Scott	
	Note: Sacre, Candace	Are you a Martin County native or a Mingo County, Logan County?
2:29:38 PM	Chairman Schmitt - witness Scott	
	Note: Sacre, Candace	So you were a member of the Williamson Wolf Pack?
2:29:51 PM	Chairman Schmitt - witness Scott	
	Note: Sacre, Candace	Is your wife from Martin County?
2:29:57 PM	Chairman Schmitt - witness Scott	
	Note: Sacre, Candace	I guess, sometime ago, a month or two ago, you and I had a conversation at the Collier Center.
2:30:09 PM	Chairman Schmitt - witness Scott	
	Note: Sacre, Candace	And you asked for an opportunity to come and speak to the Commissioner, and we'll have a bunch of questions, but, right now, if you'd like, you had told me that you'd like to retain your position as interim manager and go to general manager, and you had some plans, you'd been working on leaks and so forth, repairs. So I promised that I'd give you the opportunity to speak, and this is it, so I don't know what questions to ask as much as to ask you to go ahead and tell your story.
2:34:39 PM	Vice Chairman Cicero - witness Scott	
	Note: Sacre, Candace	Examination. So there was a July report and an August report?
2:34:44 PM	Vice Chairman Cicero - witness Scott	
	Note: Sacre, Candace	And so there's since then been a September report –
2:34:49 PM	Vice Chairman Cicero - witness Scott	
	Note: Sacre, Candace	– but you still don't have a new –
2:35:35 PM	Vice Chairman Cicero - witness Scott	
	Note: Sacre, Candace	But you footnoted the report and said, "I know this is wrong, and it's out. . ."
2:35:50 PM	Chairman Schmitt- witness Scott	
	Note: Sacre, Candace	Examination. Okay go ahead.
2:37:27 PM	Chairman Schmitt - witness Scott	
	Note: Sacre, Candace	Let me ask you, I mean, you've heard Mr. Kerr, you saw his testimony on the screen and Mr. Heitzman, and then you've heard Mr. Hale. I mean, it's obvious, at least, they say it is, that the District needs more money now, that it basically can't sustain itself unless it gets somewhere from a low of $8 to a high of $12 per customer per month. Forget management. That's with the system staying the way it is, right?

2:38:01 PM Chairman Schmitt - witness Schmitt
Note: Sacre, Candace And if they get someone other than you or pay you a lot more as manager, the increase, there's been another increase above that, so the question is, how you can say, "Well, people can't afford it," and, of course, that's – to some extent, it's objective, and, to some extent, it's subjective, but assuming they can't afford it, how can they afford not to have water? Who pays for it? Who pays to fix the system? Who does that? Ratepayers all over the whole state, in Johnson County and Pike County and Floyd County, the ratepayers have to pay, and some of those counties are paying more money than Martin.

2:38:50 PM Chairman Schmitt - witness Scott
Note: Sacre, Candace Well, one of the exhibits, here, has a list of every water district in the state and what the charges are, and it's high. Yours is high, but it's not the highest, okay?

2:39:04 PM Chairman Schmitt - witness Scott
Note: Sacre, Candace But I guess what I'm saying is, your job, if your job as general manager – what is your job as general manager? To operate, maintain the Martin County Water District water distribution system, true?

2:39:22 PM Chairman Schmitt - witness Scott
Note: Sacre, Candace Okay, well, and to do that, you've got to have enough money to operate it, correct?

2:39:27 PM Chairman Schmitt - witness Scott
Note: Sacre, Candace And if your people say, "Well, I know Mr. Hale's a finance officer, and so I know he's got business training, and I know what a finance officer does in a school system, and it's important work and detailed work; if they say, yes, we have to have that additional money or we can't survive," the question is, do you consider it the duty of the general manager to do what he can to get the money?

2:40:02 PM Chairman Schmitt - witness Scott
Note: Sacre, Candace And, if that requires more money, you have to just ask for more money, correct?

2:41:44 PM Vice Chairman Cicero - witness Scott
Note: Sacre, Candace Examination. How much revenue do you think you're going to get from changing those meters out?

2:41:56 PM Vice Chairman Cicero - witness Scott
Note: Sacre, Candace So you converted that to a dollar amount, and what is that?

2:42:03 PM Vice Chairman Cicero - witness Scott
Note: Sacre, Candace So – and I'm going to make a short point.

2:42:07 PM Vice Chairman Cicero - witness Scott
Note: Sacre, Candace During your testimony, you have an accounting background, that's what you said?

2:42:13 PM Vice Chairman Cicero - witness Scott
Note: Sacre, Candace But you have - there's debits and credits; there's assets and liabilities; there's –

2:42:19 PM Vice Chairman Cicero - witness Scott
Note: Sacre, Candace I mean, it doesn't go away, right?

2:42:22 PM Vice Chairman Cicero - witness Scott
Note: Sacre, Candace Okay, so you've got an accounting background –

2:42:25 PM Vice Chairman Cicero - witness Scott
Note: Sacre, Candace – and you feel that this – without a rate increase, this Water District can survive going down the road, and you'll cross the bridge when you get to it? I paraphrased you, but I think –

2:42:36 PM Vice Chairman Cicero - witness Scott
Note: Sacre, Candace – that's what you said.

2:42:38 PM Vice Chairman Cicero - witness Scott
Note: Sacre, Candace And what is that based on besides your gut feeling?
2:43:07 PM Vice Chairman Cicero - witness Scott
Note: Sacre, Candace That's just cash flow. That's – what is the analysis that you've done that says I believe this company can – you can't base it on a gut. We've already seen over last 20 years that basing it on a gut doesn't work.
2:43:31 PM Vice Chairman Cicero - witness Scott
Note: Sacre, Candace Well, why not? You've got an accounting background. Why aren't you analyzing the numbers?
2:43:47 PM Vice Chairman Cicero - witness Scott
Note: Sacre, Candace Well, good, so you sat down with them, and you came up with numbers that made you understand why you can survive?
2:43:55 PM Vice Chairman Cicero - witness Scott
Note: Sacre, Candace Well, you're not making a very good case for yourself, I can say that.
2:44:00 PM Vice Chairman Cicero
Note: Sacre, Candace I'm sorry to interrupt you. Go ahead and continue your testimony for the Chairman. Go ahead. I'm sorry I interrupted you.
2:44:08 PM Chairman Schmitt - witness Scott
Note: Sacre, Candace Do you have anything else? We could ask questions and take care of it.
2:44:13 PM Chairman Schmitt - witness Scott
Note: Sacre, Candace Look, I know you have experience, I guess, with the Water District because, at some point in time in the past, you were a commissioner. Many people in Martin County, from what I've seen, as far back as the mid-1990s, and Mr. Cumbo was a commissioner for a while. He was only there maybe a year.
2:44:35 PM Chairman Schmitt - witness Scott
Note: Sacre, Candace You were there together, but you were there for several years. How many years were you on the commission?
2:44:44 PM Chairman Schmitt - witness Scott
Note: Sacre, Candace And, at some point, you became the chairman, correct?
2:44:49 PM Chairman Schmitt - witness Scott
Note: Sacre, Candace And you were the chairman for six years?
2:44:52 PM Chairman Schmitt - witness Scott
Note: Sacre, Candace Well, who was the county judge executive when you were chairman?
2:44:57 PM Chairman Schmitt - witness Scott
Note: Sacre, Candace And so I don't know when – what years did you serve?
2:45:04 PM Chairman Schmitt - witness Scott
Note: Sacre, Candace Well, I mean, I'm looking here, and some of those documents have orders in 2002, and you were on the commission then?
2:45:14 PM Chairman Schmitt - witness Scott
Note: Sacre, Candace And there was some here as late as 2008, and you signed an order, an agreed order, that Martin County Water District would basically perform or do 43 – there would be 43 changes in the Water District over a set period of time, and that order is in the record. It's got your signature on it and dated, this, the 43 order, is October the 20th, 2003, and you signed it, and I don't know who signed it on behalf of the Public Service Commission. You can't read it. Apparently, a lawyer, somebody, counsel for – do you know who that is?
2:45:59 PM Commissioner Mathews
Note: Sacre, Candace Mr. Pinney.

2:46:02 PM Chairman Schmitt
Note: Sacre, Candace
Mr. Pinney? Yeah, okay.

2:46:08 PM Chairman Schmitt - witness Scott
Note: Sacre, Candace
You and Mr. Pinney, all right, so in any event, there were a number of things that were promised, and, in the Order, it was an agreed order that the settlement agreement is, what it says, and I've tried and you've probably read my Concurring Opinion in the December case, December Order, you may not have, but I went through all of the – I mean, there must be thousands of pages of records here, and, to the extent I could get, I may have missed something, I didn't see many of those things were done, and the one that said, well, you had a terrible leak problem back as early as '96, '97, when the Commission came up, and they sent an auditor up to take a look, and it kept getting worse, and, here, within something like six months, eight months, a leak survey, a leak plan, a plan to fix leaks was supposed to be implemented or filed with the Commission, and I've got – that plan was filed here, I think, in November of 2011, so, I mean, it was like eight years before we finally got a plan. And I'm not necessarily faulting all of you. You had a staff, somebody else is the general manager, but you could see from, maybe you can, maybe you can't, from the Public Service Commission's standpoint, time and time again, those issues have come up, and nothing has been done.

2:47:42 PM Chairman Schmitt - witness Scott
Note: Sacre, Candace
In 2008, April the 2nd, 2008, there was another Order entered, Appendix A, this may have more than 40, I mean, it's got – it goes on for three pages, singled spaced, of things and including things like there's other reports that show that Martin County hadn't had an audit in years, and, finally – they had one in 2001, 2002, and it said you've got to have your audit every year. When it comes to 2008, guess what? There hasn't been an audit since 2002, and so one of the provisions, here, in this April 2nd, 2008 Order said, "This action requires completion of an external audit no later than June 30, 2008, and the performance of annual audits thereafter," and, obviously, that hasn't been done, and that's the fault of the Water District commission. It can't be anybody else's fault. They run the system. They've got the records, and what they do with them is their problem, but the law requires an audit, but we haven't seen any audits since 2015, and I don't even think that one was actually filed here.

2:49:01 PM Chairman Schmitt - witness Scott
Note: Sacre, Candace
But there's another water loss, listen to this one, No. 2, "The commission does not require the Water District to reduce water line loss to 15 percent of water production by the required date," there was a date that they added here, "but requires the Water District implement and emphasize line loss programs. We further expect the Water District to achieve a 15 percent or less line loss and to maintain such level no later than December 31, 2015," but that wasn't done, was it?

2:49:39 PM Chairman Schmitt - witness Scott
Note: Sacre, Candace
I mean, you weren't on the board then, but it wasn't done, was it?

2:49:49 PM Chairman Schmitt - witness Scott
Note: Sacre, Candace
Okay go ahead.

2:50:54 PM Chairman Schmitt - witness Scott
Note: Sacre, Candace
Well, of course, the board has oversight over the general manager, right, and when was the new general manager, Joe Hammond, hired? You were on the board when he was hired, right?

2:51:43 PM Chairman Schmitt - witness Scott
Note: Sacre, Candace
Well, he became the general manager. You know, you heard, I guess, the testimony, the questions were asked by Ms. Vinsel of Mr. Hale about the error or whatever that was made in this report or income statement where the loss is stated as $188,355.77, and it turns out the loss is $292,000 over the first eight months of this year. I don't know how you can continue to sustain losses like that and ultimately survive, do you?

2:52:35 PM Chairman Schmitt - witness Scott
Note: Sacre, Candace
Okay, all right, but the reason I say this, you're general manager, and I was going to ask you what your job duties are, but let me first say, and we haven't gotten into it in great detail here, but, over the months that Martin County Water District has been filing reports here, many of the documents that are filed, the financial records or things that have been prepared to show us how you're doing, have been wrong or in error. Some of them just have blanks, like what your income was or what was the revenue generated, just nothing. Other times, there's been mathematical errors or something wrong with it. And it causes concern about whoever is doing this, about the ability of people in management to manage, if you can't get information on which you can rely from the people who are supposed to provide it to you. I mean, that's a problem, isn't it?

2:54:46 PM Chairman Schmitt - witness Scott
Note: Sacre, Candace
We all make mistakes.

2:54:48 PM Chairman Schmitt - witness Scott
Note: Sacre, Candace
That's why they put the eraser on a pencil.

2:55:06 PM Chairman Schmitt - witness Scott
Note: Sacre, Candace
Yeah, as opposed to transparency, open is a better word.

2:55:15 PM Chairman Schmitt - witness Scott
Note: Sacre, Candace
Exactly, you know, there's – one of the problems that local water districts seem to have or is that the water – neither the water district commissioners nor the general manager know what their defined duties should be, okay? In this instance, I know I had seen some duties, I guess, that maybe they were part of what was published when the District solicited people to apply for the general manager's position, I don't know, but what would you say your duties are? Do you have any duties that are inside the office in terms of review of accounting or review of the records, the invoices? Is there anything in terms of how you manage that basically would be considered a white collar job, or, basically, most of what you're doing out ,trying to keep the system functioning, you know, in terms of water running and fixing leaks?

2:57:10 PM Chairman Schmitt - witness Scott
Note: Sacre, Candace
Well, what about, you know, we're talking about this audit, have you had anything to do with trying to assembly documents, business records to provide to White and Associates so they could complete the 2016 audit?

2:58:11 PM Chairman Schmitt - witness Scott
Note: Sacre, Candace
I mean, you have known, for instance, since you've been interim general manager, that there's a problem with missing records?

2:58:20 PM Chairman Schmitt - witness Scott
Note: Sacre, Candace
Whether they're missing from your office, whether Linda Sumpter has them and won't give them up, whether she lost them, I don't know.

2:58:36 PM	Chairman Schmitt - witness Scott Note: Sacre, Candace	Well, I mean, I don't know. Linda Sumpter, according to somebody, said she gave all the records. I don't know. Have you spoken to her at all?
2:59:09 PM	Chairman Schmitt - witness Scott Note: Sacre, Candace	Well, let me ask, and I understanding something, we've had other issues. You've had personnel, whether it be a contractor or an employee, and because of a problem or something needs to be done and somebody else doesn't do it or can't do it. People hate to say anything about it because "this is my friend." You've known Linda Sumpter for a long time?
2:59:35 PM	Chairman Schmitt - witness Scott Note: Sacre, Candace	I mean, do you have any relation to her or her husband by blood or marriage?
2:59:47 PM	Chairman Schmitt - witness Scott Note: Sacre, Candace	Do you go to the same church she does, or does your wife or family?
2:59:54 PM	Chairman Schmitt - witness Scott Note: Sacre, Candace	Okay. Well, do you know if any member of the Martin County Water District commission or their spouses are related by blood or marriage to Linda Sumpter or her husband?
3:00:10 PM	Chairman Schmitt - witness Scott Note: Sacre, Candace	So you don't know any reason why no action has ever been taken to get the records that Martin County Water Districts claims it needs in order to get this audit done?
3:00:25 PM	Chairman Schmitt - witness Scott Note: Sacre, Candace	The commissioners have never charged you with the duty, you know, devote some time and effort to get with Ms. Sumpter and see if you can get the records from her, correct?
3:00:52 PM	Chairman Schmitt - witness Scott Note: Sacre, Candace	When we talk about the bills that are paid out of this surcharge account, who makes the decision as to when the creditors that remain on the surcharge account, who makes the decision when they're paid, who's paid, and how much is paid?
3:01:27 PM	Chairman Schmitt - witness Scott Note: Sacre, Candace	Based on what you asked for though, or do you know?
3:01:31 PM	Chairman Schmitt - witness Scott Note: Sacre, Candace	Why are you paying Linda Sumpter anything when you claim, I mean, the District claims that she's got all your records and you're three years behind on your audits?
3:01:52 PM	Chairman Schmitt - witness Scott Note: Sacre, Candace	Is it anybody's job and, if so, whose?
3:02:15 PM	Chairman Schmitt - witness Scott Note: Sacre, Candace	When you were – during the time when you were board member, you were chairman, under Kelly Callaham, did Judge Callaham ever express to you that he didn't want to see the District have any rate increases?
3:02:35 PM	Chairman Schmitt - witness Scott Note: Sacre, Candace	We've got people down here that claims he told them that. You never heard that at all?
3:02:50 PM	Chairman Schmitt - witness Scott Note: Sacre, Candace	You don't know if he did or not?
3:02:57 PM	Chairman Schmitt - witness Scott Note: Sacre, Candace	But you didn't ask for any rate increases until, ultimately, after this management audit in 2008.

3:03:12 PM Chairman Schmitt - witness Scott
Note: Sacre, Candace
We found a document, here, in 2002 where an outside group came in and studied Martin County Water District and claimed they needed a rate increase then because they were in financial trouble, but –

3:03:26 PM Chairman Schmitt - witness Scott
Note: Sacre, Candace
Mr. Cicero found it. He had it here a while ago.

3:03:29 PM Chairman Schmitt - witness Scott
Note: Sacre, Candace
But, ultimately, over time, you never asked for, never sought, or accepted money sufficient to keep your system operating, and, if you had, you might have a rate now of $35 instead of $54. You ever heard "a stitch in time saves nine?"

3:03:48 PM Chairman Schmitt - witness Scott
Note: Sacre, Candace
Do you believe that?

3:03:54 PM Chairman Schmitt - witness Scott
Note: Sacre, Candace
In your personal opinion, let me ask you this, if somebody said, you know, maybe you guys can save a lot of money if you and Mountain and two or three others would go together and hire an engineer and share engineering services, would think the Water District would be in favor of that?

3:04:26 PM Chairman Schmitt - witness Scott
Note: Sacre, Candace
I mean, I'm asking your personal opinion.

3:04:34 PM Chairman Schmitt - witness Scott
Note: Sacre, Candace
What does that mean?

3:04:48 PM Chairman Schmitt - witness Scott
Note: Sacre, Candace
What could go wrong with water districts cooperating or signing a memorandum of understanding and contributing each to the employment of an engineer who did nothing but work for two or three water districts, or what about billing? You could basically hire one firm, go together, and, basically, have somebody do all your billing?

3:05:26 PM Chairman Schmitt - witness Scott
Note: Sacre, Candace
The reason that I ask is that on June 14, 2007, one of the exhibits here, 12, I think, 12B, the Huron Consulting Group that did the last management audit on Martin County Water District, there were 75 recommendations. Martin County either completely or partially agreed with 74, but they would not agree – they rejected 75, and 75 was that "Consider increased regionalization to achieve economies of scale and reduce vulnerability to supply and personnel interruptions," and they included, basically, working with others to hire an in-house engineer to do things like infrastructure planning. They recommended a joint – maybe everybody going together and getting a warehouse or doing joint purchases so you had economies of scale, and all of those were rejected. I suspect it was the old East Kentucky curse of that "This is my place, and we're going to run our system the way we want, and that's just how – tough luck," right?

3:06:47 PM Chairman Schmitt - witness Scott
Note: Sacre, Candace
Unfortunately, that is a problem I see in Eastern Kentucky. I see that in all of the counties that I've ever worked in. Very few have been, "Well, we don't want to cooperate with them; they'll take it over, or we'll have some problem. Isn't that generally – that's been your experience, I'm sure, and it may be in Southern West Virginia. I don't know.

3:07:12 PM Chairman Schmitt - witness Scott
Note: Sacre, Candace
You knew where you were better off, right? Come across on Kentucky –

3:07:24 PM	Chairman Schmitt - witness Scott Note: Sacre, Candace	Other than money, would you have any other objection to Alliance basically entering into an agreement with the Martin County Water District to supply management services?
3:08:14 PM	Chairman Schmitt - witness Scott Note: Sacre, Candace	I dug a lot of ditches in my younger days. That's how I got through law school.
3:08:51 PM	Chairman Schmitt - witness Scott Note: Sacre, Candace	Well, I guess you're not retired, but you, I guess, sold your business, you're retired, or something?
3:08:56 PM	Chairman Schmitt - witness Scott Note: Sacre, Candace	But I guess the first time you ever testified you told us you were getting paid, at least while you were interim, like, $9,000 a year or something.
3:09:07 PM	Chairman Schmitt - witness Scott Note: Sacre, Candace	I mean, that's less than $800 a month.
3:09:12 PM	Chairman Schmitt - witness Scott Note: Sacre, Candace	Paid every two weeks?
3:09:19 PM	Chairman Schmitt - witness Scott Note: Sacre, Candace	How many hours do you put in?
3:09:24 PM	Chairman Schmitt - witness Scott Note: Sacre, Candace	More than 40 though, don't you?
3:09:27 PM	Chairman Schmitt - witness Scott Note: Sacre, Candace	More than 40 hours a week?
3:10:05 PM	Chairman Schmitt - witness Scott Note: Sacre, Candace	Since, I guess, early 2018, sometime, that's when you became interim manager –
3:10:15 PM	Chairman Schmitt - witness Scott Note: Sacre, Candace	– has Martin County Water District turned any names over to the county attorney for prosecution of theft of water?
3:10:28 PM	Chairman Schmitt - witness Scott Note: Sacre, Candace	Well, let me tell you how – and so how are those cases proceeding? Do you know?
3:10:55 PM	Chairman Schmitt - witness Scott Note: Sacre, Candace	And you've been doing that on a regular basis?
3:10:59 PM	Chairman Schmitt - witness Scott Note: Sacre, Candace	Do you know if any of those cases are being prosecuted?
3:11:10 PM	Chairman Schmitt - witness Scott Note: Sacre, Candace	Well, I tell you what, I guess if we asked the District to go to the county attorney's office or get a copy of the things you sent over there, could you do that?
3:11:22 PM	Chairman Schmitt - witness Scott Note: Sacre, Candace	Because I tell you why, we may have missed it, but we have a paralegal here who searched CourtNet, and we could only find one case, and that was dismissed because of lack of prosecution or something.
3:11:38 PM	Chairman Schmitt - witness Scott Note: Sacre, Candace	Well, I don't know.
3:11:42 PM	Chairman Schmitt - witness Scott Note: Sacre, Candace	Yeah, I'd like to. We'd like to see that.
3:11:47 PM	Chairman Schmitt - witness Scott Note: Sacre, Candace	Sometimes, it may require a little more than paying a bill to get cooperation. Are you still find these cheater bars?
3:11:56 PM	Chairman Schmitt - witness Scott Note: Sacre, Candace	And how many would you say you find a month?

3:12:05 PM	Chairman Schmitt - witness Scott Note: Sacre, Candace	Well, I mean, a guesstimate.
3:12:07 PM	Chairman Schmitt - witness Scott Note: Sacre, Candace	Ten a month?
3:12:08 PM	Chairman Schmitt - witness Scott Note: Sacre, Candace	And, once you find those, how do you deal with those problems?
3:12:34 PM	Chairman Schmitt - witness Scott Note: Sacre, Candace	All right, so you cut the water off?
3:12:37 PM	Chairman Schmitt - witness Scott Note: Sacre, Candace	Now, when people – do they ever come in where you've cut the water off and say, "Mr. Scott, I'd like to start buying water?"
3:12:49 PM	Chairman Schmitt - witness Scott Note: Sacre, Candace	And go back again?
3:13:05 PM	Chairman Schmitt - witness Scott Note: Sacre, Candace	Well, you know, what irritates me about it, if I were Nina McCoy or Mickey or anybody, and I was paying my bill, damned if I would tolerate you guys saying, "Well, we find all these people stealing water; we don't charge them for back water." You know what they do in Southern? They go run the bill back, and you've got to pay some up.
3:13:39 PM	Chairman Schmitt - witness Scott Note: Sacre, Candace	You think Martin County does that? Is that what you're saying?
3:13:43 PM	Chairman Schmitt - witness Scott Note: Sacre, Candace	What evidence do you of that? Do you have documentary evidence that you make people pay a back bill and you know who they are and you can furnish that in a confidential record, if necessary?
3:13:54 PM	Chairman Schmitt - witness Scott Note: Sacre, Candace	I sure would.
3:13:58 PM	Chairman Schmitt - witness Scott Note: Sacre, Candace	If you're doing ten a month, let's find out who they are.
3:14:03 PM	Chairman Schmitt - witness Scott Note: Sacre, Candace	Well, no, no. You say whatever, but it's several a month? Several a month?
3:14:10 PM	Chairman Schmitt - witness Scott Note: Sacre, Candace	Now, where do they get these cheater bars from?
3:14:17 PM	Chairman Schmitt - witness Scott Note: Sacre, Candace	That's another thing. You buy everything from Evans, right?
3:14:24 PM	Chairman Schmitt - witness Scott Note: Sacre, Candace	Where's your hardware come from?
3:14:30 PM	Chairman Schmitt - witness Scott Note: Sacre, Candace	Who do you spread it around to?
3:14:37 PM	Chairman Schmitt - witness Scott Note: Sacre, Candace	Yeah, but, R & J, do they sell hardware?
3:14:42 PM	Chairman Schmitt - witness Scott Note: Sacre, Candace	R & J's Roy and Jim, isn't it?
3:14:46 PM	Chairman Schmitt - witness Scott Note: Sacre, Candace	That's Roy Collier, of course, he's deceased, and Jim Booth.
3:14:50 PM	Chairman Schmitt - witness Scott Note: Sacre, Candace	And so is any member of the Water District commission or their spouses related to the Evans people that own Evans Hardware?
3:15:02 PM	Chairman Schmitt - witness Scott Note: Sacre, Candace	No, I didn't ask about your staff. I asked about the commissioners.

3:15:12 PM Chairman Schmitt - witness Scott
Note: Sacre, Candace
Well, I tell you what, I guarantee you if you had Mr. Hale and he quit his job at the Martin County Board of Education and came over to this Water District, he'd have the system fixed up. Before you bought anything, he would have called five people and had them put down and who you called and what the price was, and they wouldn't all be from Martin County. How much is Evans Hardware charging interest on the outstanding debt that the Water District has?

3:15:43 PM Chairman Schmitt - witness Scott
Note: Sacre, Candace
Is that why they agreed to kind of go last in terms of payment?

3:15:54 PM Chairman Schmitt - witness Scott
Note: Sacre, Candace
Well, we see a lot of things come in on Evans Hardware, little things here and there. I mean, you buy a lot every month?

3:16:02 PM Chairman Schmitt - witness Scott
Note: Sacre, Candace
Have you ever talked to Evans and said, "You know what, you live in this county, you're a citizen in this county, do you think you could give up selling these cheater bars so if they at least have to go to Pikeville or Prestonsburg or somewhere?" I mean, it looks like he's profiting both ways – he gets the cheaters, and he also gets your business.

3:16:21 PM Chairman Schmitt - witness Scott
Note: Sacre, Candace
No, I haven't.

3:16:34 PM Chairman Schmitt - witness Scott
Note: Sacre, Candace
He sells them though, doesn't he?

3:16:39 PM Commissioner Mathews
Note: Sacre, Candace
Anymore?

3:16:48 PM Chairman Schmitt - witness Scott
Note: Sacre, Candace
Okay. Well, you know, I don't know. I'm not against doing business locally, but I think that you owe an obligation in some way to try to get the lowest price no matter where it is. Which reminds me, one of the agreements that Martin County made back in 2003 was that that Martin County Water District would adopt the Model Procurement Code, and I've asked people, and everybody says, "No, I don't know." Do you know if they ever adopted the Model Procurement Code?

3:17:22 PM Chairman Schmitt - witness Scott
Note: Sacre, Candace
Well, then you never adopted it because I think you were on the board then, and you basically used to do bidding by statute, correct? Whatever the statute says about bidding. You don't have a code. There's a statute that has the Model Procurement Code, and it tells public entities, one part's for state government and one part's for local government, like school boards. Martin County School Board uses the Model Procurement Code. A lot of county governments do. I don't know if Martin County does, and a lot of water districts use the Model Procurement Code. But, if you did, you'd have to do more to see that you were getting the lowest price, and you'd have to have records, which you don't have now, of a lot of purchases and invoices, so I just wondered. I guess that was just another promise that was never kept.

3:18:12 PM Chairman Schmitt
Note: Sacre, Candace
Okay. I don't have any further questions. Commissioner Cicero, anything?

3:18:19 PM Vice Chairman Cicero - witness Scott
Note: Sacre, Candace Examination. The Chairman asked what you would do over the next four years if you were going to change it to make this a viable operation, and I don't think that there's any plan that you have that's formal, written down, presented, or that I've heard that would say that you have anything going forward to make any type of a four-year plan viable. Do you think otherwise?

3:19:06 PM Vice Chairman Cicero - witness Scott
Note: Sacre, Candace What are you waiting for? We're well into this investigation into this rate case. What's the wait? Is it like the audit where it just keeps continuing on without an end in sight?

3:19:22 PM Vice Chairman Cicero - witness Scott
Note: Sacre, Candace Do you have a formal job description?

3:19:33 PM Vice Chairman Cicero - witness Scott
Note: Sacre, Candace In other words, nobody really knows what their responsibilities are. I keep going back to who has financial responsibility. You said you had 80 percent in the field and 20 percent in the office. I would presume the 20 percent in the office has to do with office issues like accounting?

3:19:52 PM Vice Chairman Cicero - witness Scott
Note: Sacre, Candace I don't know. What do you do when you're in the office for 20 percent of the time?

3:20:00 PM Vice Chairman Cicero - witness Scott
Note: Sacre, Candace Such as? Give me an example.

3:20:19 PM Commissioner Mathews
Note: Sacre, Candace Not getting the audit done and what that means.

3:20:48 PM Vice Chairman Cicero - witness Scott
Note: Sacre, Candace And I'm not trying to be insulting, but this whole operation is being run by the seat of somebody's pants. That's my opinion.

3:20:59 PM Vice Chairman Cicero - witness Scott
Note: Sacre, Candace Well, you said and I've heard a commissioner indicate and you indicate that you were too busy in the case of Linda Sumpter to sit down with her and discuss what the situation or the problem is.

3:21:14 PM Vice Chairman Cicero - witness Scott
Note: Sacre, Candace Whatever it happens to be, the documents still haven't been provided that anybody can tell, and the audit's going to be issued with a qualified report, and 2017 and 2018 documents haven't been provided yet. I would think that would be a priority. So the treasurer and the general manager haven't found the time to talk to Ms. Sumpter. I think that's an issue.

3:21:44 PM Vice Chairman Cicero - witness Scott
Note: Sacre, Candace On top of that, you talked about when you were at the commission previously, and you were just there to sign checks and not really pay attention to anything, so you kind of failed in your fiduciary responsibility then. Why is this different?

3:22:03 PM Vice Chairman Cicero - witness Scott
Note: Sacre, Candace But why should the commission look at it as being any different than it was before? You signed your name to an audit that you agreed to all of these recommendations, and the majority of them were never even considered.

3:22:24 PM Vice Chairman Cicero - witness Scott
Note: Sacre, Candace And therein lies the problem because this isn't an issue that started yesterday or the day before or two years ago or five years ago. This condition exists because this Water District has been neglected for the last 30 years.

3:22:43 PM Vice Chairman Cicero - witness Scott

Note: Sacre, Candace And now we are where we are today, and we talk about financial situations. We receive a report that's a revised report that shows that you have a loss of $188,000 that's really $292,000. The depreciation is four-fifty, so that basically the difference between the two is your net cash flow. You're not building anything up for any programs. You feel good about it because you have money to spend on what you believe are important issues, but there's no plan. There's no budget. Nobody is looking at anything or analyzing anything to say, going forward, "Yeah, I think that's the plan we need to take." You can't tell me or, at least, you haven't so far.

3:23:24 PM Vice Chairman Cicero - witness Scott

Note: Sacre, Candace I mean, that is why we are here, and I've been on this case since 2016 either in the investigation or in this ARF. We went to Martin County and took testimony. We've been taking testimony. We're taking it every 90 days, and we started to spread it out, and I don't know that we're any further now than we were three years ago. I thought for sure Martin County would be done before I left the Commission. I'm not sure it will be, which is a disappointment to me because I would certainly like to say that, at least, we addressed the issue, and it was taken care of, but I don't know that that's going to happen, and it certainly is not going to happen the way it's being managed right now because there is no middle management, and what there is is not being focused or directed or structured. It's doesn't exist.

3:24:17 PM Vice Chairman Cicero

Note: Sacre, Candace And I know that wasn't a question. That's a commentary, and I don't have anything else.

3:24:23 PM Chairman Schmitt

Note: Sacre, Candace Will you indulge me two more questions?

3:24:26 PM Chairman Schmitt

Note: Sacre, Candace Statement. One of the things is, it's just when you haven't done it before, it's hard to know what to do no matter who you are. I got a bunch of work from the Department of Education over a period of years because, when Floyd County schools and then, before that, Letcher County schools went into state management, basically, I was hired by the Department of Education in one and the Kentucky School Board Association in another to provide some services, and, by the time they get around to Breathitt County a few years ago and some others, they called me and said, "We want you to come in as board attorney, and we're removing the board attorney. We're removing the superintendent." I said, "Why me?" and they said, "Because you're the only person left who knows how it's really supposed to operate because everybody else is new, and nobody's ever been involved."

3:25:20 PM Chairman Schmitt

Note: Sacre, Candace So the only reason I say that is, I know you come into a situation, you don't have any defined duties. The manager, generally, would be doing all of the things that we've been complaining about in terms of documents, managing, getting the, you know, internal controls in place, seeing that the audit was done, and, basically, managing finances and managing personnel and managing people in the field, and they would have somebody who's doing your job who would be out, basically, making sure everything worked.

3:26:00 PM Chairman Schmitt
Note: Sacre, Candace

The corporate governance, and you can ask Kentucky Rural Water because they actually have programs on corporate governance, I did one myself, but I've seen Mr. Larimore's. The board, on the other hand, the Water District commissioners, come in, and their duty is oversight. They hire the general manager. The general manager does all the management, and, basically, they look at the reports, they adopt the budget that the general manager usually prepared, and, basically, they try to see what's going on with you, and the audit is given to them because the audit is of what the general manager and his employees are doing and how they are running the system.

3:26:42 PM Chairman Schmitt
Note: Sacre, Candace

But, if you haven't gotten to that point yet, what's happening is, you're like somebody that goes in to Mr. McCoy's when he taught his literature class in high school, and you say, "You know, I'm 16 years old, but I've never," I don't know, "I haven't learned to read. I haven't learned to write," and it's not the student's fault or your fault. It's just you don't have anybody that's' done it. And I can tell you now that, in Southern Water District, that has had a manager come in under different circumstances than yours, in a period of about six or seven months, they've saved that district hundreds of thousands of dollars just in finding people who weren't paying and other issues, finding that some checks were going out for $6,000 a month and finding out where that money was supposed to have gone and, basically, stopping it. And I'm not saying that there's any issue like that here, but when you don't have invoices. I mean, the auditor can't even find anything, so I don't what – I just think it's a problem, and the only thing that disturbs me is is that nobody in Martin County recognizes that that's a problem, but I think it is a problem. I think Mr. Heitzman would say that that is the problem, a lack of management, and not that you couldn't manage it sometime in the future, but, you know, I mean, you can't be an accountant, you can't be a lawyer unless you have some background and get some experience, and that's the problem.

3:28:26 PM Chairman Schmitt
Note: Sacre, Candace

And the board members, I feel sorry for the board members because they come in to a situation, and I was a board member on (inaudible) utility for three years. I understand. See, I've got another job. I come in to exercise oversight, but you don't have people who have been there and can professionally manage that you can trust, not that you can't trust Mr. Scott, if you say he's reformed from his days when he was on the board. I mean, I can understand that, but I just don't see how you can expect – if it goes the way it is, these people will be back here and still in Mr. and Mrs. McCoy's lifetime, probably not too much longer, and then we'll have other articles, the system is failing, and where was the Public Service Commission?

3:29:16 PM	Chairman Schmitt - witness Scott	
	Note: Sacre, Candace	And we may fail, too, but in the past, from 2002 forward, this Public Service Commission had about four opportunities to do something and did zero. And we're going to do something, and if we have to litigate it, that's fine, but somebody else is going to say, "Well, let them go and let them fail," but we're not going to do that. We're going to try to do the best we can, and, if we fail and if somebody says, "You know, pull it in," it will be somebody that can legally tell us to do that because absolutely we're not. There's no sense in just giving up, and if you were in Western Kentucky as opposed to being the county next to where I live, I'd feel the same way, but I have felt a strong connection since being here. Somebody said, a Hazard coal operator complained to the governor's office, "We never have anybody from Eastern Kentucky on the Public Service Commission." That's how I ended up here, and I think Eastern Kentucky needs some help. I'd like to try to help you, but I can't give you the money. I mean, we don't have money. You know, if we did, we might have more control over it than what the federal government does, but all we can do is raise rates. All we can do is try to help you manage some way even if you don't want to do it.
3:30:35 PM	Chairman Schmitt	
	Note: Sacre, Candace	So, anyway, Commissioner Mathews?
3:30:54 PM	Commissioner Mathews - witness Scott	
	Note: Sacre, Candace	Examination. When you were going through your speech and it's been mismanagement and so forth, I wrote down on a piece of paper, but you were board chairman, and you said you didn't know, you did it, and you were doing it while you were doing something else, and I understand that, but that's systemic, I think.
3:31:23 PM	Commissioner Mathews - witness Scott	
	Note: Sacre, Candace	It's pretty systemic. Everybody – there was a lot of – how much of your time do you spend on the waste water side of things, and, be honest, how many hours? Do you know?
3:32:20 PM	Commissioner Mathews - witness Scott	
	Note: Sacre, Candace	And you still get paid $9,000 for managing two systems? I think your wife might have a point.
3:32:35 PM	Chairman Schmitt	
	Note: Sacre, Candace	You're moving up the scale as Linda Sumpter seems to be sinking in the polls.
3:32:57 PM	Chairman Schmitt	
	Note: Sacre, Candace	Ms. Vinsel, any questions?
3:33:02 PM	Asst Gen Counsel Vinsel PSC	
	Note: Sacre, Candace	No, staff doesn't have any questions.
3:33:03 PM	Chairman Schmitt	
	Note: Sacre, Candace	Ms. Cromer?
3:33:05 PM	Atty Cromer MCCC	
	Note: Sacre, Candace	Yes, I'll try to be quick.
3:33:10 PM	Atty Cromer MCCC - witness Scott	
	Note: Sacre, Candace	Cross Examination. Mr. Scott, you are now using a Marathon fleet card for all of the purchases of fuel. Did you all go through a process to determine what would provide – what entities would provide the cheapest gas?
3:33:29 PM	Atty Cromer MCCC - witness Scott	
	Note: Sacre, Candace	But did you go through a process to determine –
3:33:32 PM	Atty Cromer MCCC - witness Scott	
	Note: Sacre, Candace	Do you know if the Water District went through bids?

3:33:38 PM	Mr. Kerr Martin District	
	Note: Sacre, Candace	The gas stations are all owned by one person.
3:33:41 PM	Atty Cromer MCCC	
	Note: Sacre, Candace	There are gas stations that aren't owned by Jim Booth in Martin County?
3:33:45 PM	Mr. Kerr Martin District	
	Note: Sacre, Candace	There's two that are outside of town.
3:33:47 PM	Asst Gen Counsel Vinsel PSC	
	Note: Sacre, Candace	I don't want to interrupt your conversation, but I want to make sure that this entire hearing is captured on the video.
3:33:52 PM	Mr. Kerr Martin District	
	Note: Sacre, Candace	That's fine.
3:33:53 PM	Asst Gen Counsel Vinsel PSC	
	Note: Sacre, Candace	So if you don't mind leaning a little closer –
3:33:55 PM	Atty Cromer MCCC	
	Note: Sacre, Candace	That's absolutely fair. Thank you.
3:34:00 PM	Atty Cromer MCCC - witness Scott	
	Note: Sacre, Candace	Are you – did you have any – are you aware of the fact that there were two months recently, August and September, for which there were no checks issued from the surcharge account?
3:34:17 PM	Atty Cromer MCCC - witness Scott	
	Note: Sacre, Candace	You wrote a letter back in May regarding the need to replace the master meter. This was about your belief that the water loss reports are not accurate. How long have you been aware that the master meter needs to be replaced?
3:34:34 PM	Atty Cromer MCCC - witness Scott	
	Note: Sacre, Candace	Do you know how much a new master meter would cost?
3:34:40 PM	Atty Cromer MCCC - witness Scott	
	Note: Sacre, Candace	Okay, and do you know how long the water treatment plant would have to be off line to get that replaced?
3:34:45 PM	Atty Cromer MCCC - witness Scott	
	Note: Sacre, Candace	Have you had discussions about how to get that done, when it should be done?
3:34:50 PM	Atty Cromer MCCC - witness Scott	
	Note: Sacre, Candace	And what is the plan for doing that?
3:34:56 PM	Atty Cromer MCCC - witness Scott	
	Note: Sacre, Candace	Excuse me. Let me rephrase. What is the plan for replacing the master meter?
3:35:14 PM	Atty Cromer MCCC - witness Scott	
	Note: Sacre, Candace	So it's all for the lack of $15,000 that you're not able to produce accurate water loss reports?
3:35:31 PM	Atty Cromer MCCC - witness Scott	
	Note: Sacre, Candace	How many meters readers do you currently employ?
3:35:37 PM	Atty Cromer MCCC - witness Scott	
	Note: Sacre, Candace	And how may days per month do those men or women read meters?
3:35:46 PM	Atty Cromer MCCC - witness Scott	
	Note: Sacre, Candace	And do you have an idea of what percentage of meters are actually read?
3:35:53 PM	Atty Cromer MCCC - witness Scott	
	Note: Sacre, Candace	Have you looked at the reports of your zero usage?
3:36:29 PM	Atty Cromer MCCC - witness Scott	
	Note: Sacre, Candace	Have you been dealing with customers who are complaining about your failure to read meters and how, because of that failure, they'll all of a sudden have a high bill on the third or fourth month once the meter is finally read?

3:36:49 PM	Atty Cromer MCCC - witness Scott	
	Note: Sacre, Candace	When meters aren't read, do you estimate the bill, or is it just a zero usage bill?
3:37:06 PM	Atty Cromer MCCC - witness Scott	
	Note: Sacre, Candace	But it sound like you're not overseeing any of the issues related to the failure to read meters.
3:37:20 PM	Atty Cromer MCCC - witness Scott	
	Note: Sacre, Candace	Okay. For the most part, so it hasn't been brought to your attention that there is a problem?
3:37:42 PM	Atty Cromer MCCC - witness Scott	
	Note: Sacre, Candace	And I believe that – I just want to make sure I'm understanding something. There was a period last summer when you were – when there was a problem with the pump at the river, and you were having it rebuilt, and that cost somewhere in the neighborhood of $100,000, is that correct?
3:38:13 PM	Atty Cromer MCCC - witness Scott	
	Note: Sacre, Candace	Last summer, when you were having the pump rebuilt, and, in the end, you scrapped the project and just rented pumps.
3:38:24 PM	Atty Cromer MCCC - witness Scott	
	Note: Sacre, Candace	And is that a correct statement? It was reported in the paper that it would cost $100,000.
3:38:40 PM	Atty Cromer MCCC - witness Scott	
	Note: Sacre, Candace	Okay, so the $100,000 or the amount that was spent in rebuilding the pumps was actually – it ended up you scrapped that project and went to another pump?
3:38:52 PM	Atty Cromer MCCC	
	Note: Sacre, Candace	Okay. I don't have any other questions.
3:38:54 PM	Chairman Schmitt	
	Note: Sacre, Candace	I've got a couple, Mr. Cumbo, just a couple I forgot.
3:38:58 PM	Chairman Schmitt - witness Scott	
	Note: Sacre, Candace	Examination. One, on the Crum Reservoir, have you had problems with your reservoir recently?
3:39:04 PM	Chairman Schmitt - witness Scott	
	Note: Sacre, Candace	Well, we heard from somebody, I guess that's why we sent inspectors up, you had turtle eggs or something?
3:39:09 PM	Chairman Schmitt - witness Scott	
	Note: Sacre, Candace	Turtles had gotten into your pipe there on Crum?
3:39:32 PM	Chairman Schmitt - witness Scott	
	Note: Sacre, Candace	So just kind of vandalism?
3:39:40 PM	Chairman Schmitt - witness Scott	
	Note: Sacre, Candace	I mean, you still have problems. One of your water tanks, somebody kept shooting holes in it?
3:39:45 PM	Chairman Schmitt - witness Scott	
	Note: Sacre, Candace	Is that being used, or is that conduct still in progress?
3:39:51 PM	Chairman Schmitt - witness Scott	
	Note: Sacre, Candace	On one of the exhibits, you don't need to look at it, I just wanted to point this out, Exhibit 19, it's the policy manual, and it purports to be – we had asked the inspector, the last time she was out there, to ask for a policy manual because I wanted to see what your policies looked like, and, lo and behold, the policy manual shows it was adopted by the Martin County Fiscal Court. Basically, the Water District is appointed by the court, and I don't know what they thought they were doing, but, in any event, it shows – it actually has the Martin County Fiscal Court's name on it. Do you know of any policy manual that's actually been adopted by the Water District?

3:40:43 PM	Chairman Schmitt - witness Scott	
	Note: Sacre, Candace	This was 2008, and I don't know, but she came back last week and said "This is what they gave me."
3:40:53 PM	Chairman Schmitt - witness Scott	
	Note: Sacre, Candace	I'm not complaining about it, except I think part of the problem is the Martin County Fiscal Court, for some reason known only to them and maybe some past commissioners, they believe they actually having something to do with running the Water District, which they don't. It's a separate organization.
3:41:13 PM	Chairman Schmitt - witness Scott	
	Note: Sacre, Candace	How many – Judge Callaham, Kelly, was county judge for a number of terms, wasn't he?
3:41:22 PM	Chairman Schmitt - witness Scott	
	Note: Sacre, Candace	The first term, and then what? Lafferty? Basically, they had Lafferty in the middle, basically, and then he came back and won again for a number of terms, right?
3:41:37 PM	Chairman Schmitt	
	Note: Sacre, Candace	I don't have any further questions. Mr. Cumbo?
3:41:39 PM	Atty Cumbo Martin District - witness Scott	
	Note: Sacre, Candace	Cross Examination. Just one clarification, Greg. I think when counsel was asking about plans to replace the master meter, that's part of the project that the AML funds are going to pay for?
3:42:25 PM	Atty Cumbo Martin District - witness Scott	
	Note: Sacre, Candace	So that's something we would anticipate being done within the next six months or so?
3:42:36 PM	Atty Cumbo Martin District	
	Note: Sacre, Candace	No further questions.
3:42:37 PM	Chairman Schmitt	
	Note: Sacre, Candace	Anything further for Mr. Scott?
3:42:40 PM	Asst Gen Counsel Vinsel PSC	
	Note: Sacre, Candace	Staff has one question.
3:42:42 PM	Asst Gen Counsel Vinsel PSC- witness Scott	
	Note: Sacre, Candace	Cross Examination. Mr. Scott, at the hearing here last August, you also testified about the master meter needing to be replaced. Do you recall that?
3:42:52 PM	Asst Gen Counsel Vinsel PSC- witness Scott	
	Note: Sacre, Candace	So how long has the master meter needed to be replaced?
3:43:00 PM	Asst Gen Counsel Vinsel PSC - witness Scott	
	Note: Sacre, Candace	Yes.
3:43:20 PM	Asst Gen Counsel Vinsel PSC - witness Scott	
	Note: Sacre, Candace	And is this the same master meter that needs to be replaced at $15,000?
3:43:24 PM	Asst Gen Counsel Vinsel PSC - witness Scott	
	Note: Sacre, Candace	So you've been waiting how many years, would you say, to come up with the money to replace this master meter?
3:43:36 PM	Asst Gen Counsel Vinsel PSC	
	Note: Sacre, Candace	No further questions.
3:43:38 PM	Chairman Schmitt	
	Note: Sacre, Candace	May this witness be excused?
3:43:41 PM	Asst Gen Counsel Vinsel PSC	
	Note: Sacre, Candace	Yes, he may.
3:43:42 PM	Chairman Schmitt	
	Note: Sacre, Candace	Thank you, Mr. Scott. You may be excused.

3:43:44 PM	Chairman Schmitt	
	Note: Sacre, Candace	Why don't we take ten minutes? And then we'll come back and try to get Mr. Hensley on and off and try not be too tough on him, here. We'll be in recess until five minutes before four o'clock.
3:44:02 PM	Session Paused	
3:57:21 PM	Session Resumed	
3:57:22 PM	Chairman Schmitt	
	Note: Sacre, Candace	Okay. We're now back on the record. I guess, Mr. Hensley.
3:57:37 PM	Chairman Schmitt	
	Note: Sacre, Candace	Witness is sworn,
3:57:45 PM	Chairman Schmitt - witness Hensley	
	Note: Sacre, Candace	Examination. Mr. Hensley, would you tell us, basically, for the record, state your name and business address or home address? We need to get some background information.
3:58:14 PM	Chairman Schmitt - witness Hensley	
	Note: Sacre, Candace	And what do you do at your business address?
3:58:21 PM	Chairman Schmitt - witness Hensley	
	Note: Sacre, Candace	In Warfield?
3:58:25 PM	Chairman Schmitt - witness Hensley	
	Note: Sacre, Candace	So, as I recall, that's the side of the county where most of the – at least, they say, when you turn on the water, it doesn't work or maybe sometimes you get cloudy water?
3:58:58 PM	Chairman Schmitt - witness Hensley	
	Note: Sacre, Candace	Because of basically trying to fix pipe and fix leaks?
3:59:15 PM	Chairman Schmitt - witness Hensley	
	Note: Sacre, Candace	Probably didn't see it because it was in the – under water?
3:59:23 PM	Chairman Schmitt - witness Hensley	
	Note: Sacre, Candace	How much formal education do you have, Mr. Hensley?
3:59:33 PM	Chairman Schmitt - witness Hensley	
	Note: Sacre, Candace	Did you graduate from Martin County High School?
3:59:39 PM	Chairman Schmitt - witness Hensley	
	Note: Sacre, Candace	Shelton Clark, and say you got some college hours. Where did you get them?
3:59:47 PM	Chairman Schmitt - witness Hensley	
	Note: Sacre, Candace	PCC?
4:00:12 PM	Chairman Schmitt - witness Hensley	
	Note: Sacre, Candace	Okay. When were you appointed to the commission and by whom?
4:00:23 PM	Chairman Schmitt - witness Hensley	
	Note: Sacre, Candace	Judge Callaham?
4:00:37 PM	Chairman Schmitt - witness Hensley	
	Note: Sacre, Candace	So after that, I guess you were appointed by Judge Callaham and confirmed by the court?
4:00:49 PM	Chairman Schmitt - witness Hensley	
	Note: Sacre, Candace	What I was going to ask, when you came on the commission, I guess, the commission had a full complement of members until sometime in 2017, and then the other commissioners all resigned at one time, leaving no members?
4:01:09 PM	Chairman Schmitt - witness Hensley	
	Note: Sacre, Candace	Left one? Oh, Mr. Horn.
4:01:12 PM	Chairman Schmitt - witness Hensley	
	Note: Sacre, Candace	Do you know what member you replaced, or did anyone ever say?
4:01:18 PM	Chairman Schmitt - witness Hensley	
	Note: Sacre, Candace	It was one of the other four that quit though?

4:01:51 PM Chairman Schmitt - witness Hensley
Note: Sacre, Candace That's admirable. If somebody complains, maybe you get a chance to try to do something. Even if you fail, you've tried. You know, that's – don't say failed, but I mean –

4:02:04 PM Chairman Schmitt - witness Hensley
Note: Sacre, Candace – sometimes, there's some problems you just can't solve. So you were reappointed when?

4:02:19 PM Chairman Schmitt - witness Hensley
Note: Sacre, Candace January of this year? 2019?

4:02:36 PM Chairman Schmitt - witness Hensley
Note: Sacre, Candace Okay. Now, since you've been – I know you came in, I guess, after all of these other problems were in existence, and we've been after, for a variety of reasons, the 2016, '17, and '18 audits, and those audits are important not only because they're required but we can't tell anything about the financial condition of the system until we've got records. I mean, you know, and when you asked for a rate increase here in 2018, I think there were maybe 2016 records, and none of those were really complete, and it's hard to tell what's what until you can get some evidence of it, so I don't know.

4:03:24 PM Chairman Schmitt - witness Hensley
Note: Sacre, Candace You've heard all this prior talk about trying to get records. Since you've been on the commission, have you heard conversations in meetings or outside of meetings with Mr. Scott or the other commissioners or anybody about trying to get records to get these audits completed?

4:04:19 PM Chairman Schmitt - witness Hensley
Note: Sacre, Candace I think that's right.

4:05:28 PM Chairman Schmitt - witness Hensley
Note: Sacre, Candace That's what I was thinking, too. I don't know though, Mr. Kerr, we've worn him out and all the tread on his tires here, he's been down here countless times, but something has to be done to get this finished. You know, the last time I told Mr. Kerr I bet I'd talked to the auditor more than he had. I mean, I was on the phone with him six, seven times, and then Commissioner Cicero was, what? Three or four, and it's just a problem. The problem is we can't tell anything about what your financial condition really is. In fact, we know it's bad, right? But we can't get a complete handle on it until, one, we get the audits and, number two, we've been meeting at our request, not specifically for Martin County, but there a number of districts, most in Eastern Kentucky, that have problems, and we started trying to meet with the Kentucky Infrastructure Authority as the Public Service Commission and with Rural Development, Hilda Legg, U. S. Department of Agriculture, and "I've got money, but I can't give it to them; I've got to have an audit," you know, and some of the problems, I know that she's got a loan on your sewer district. We can't find an audit, one. Maybe there are, but we haven't been able to find them, Martin, local government, or anybody else.

4:06:51 PM Chairman Schmitt - witness Hensley
Note: Sacre, Candace Do you know if the sewer/sanitation district has ever been audited?

4:07:05 PM Chairman Schmitt - witness Hensley
Note: Sacre, Candace You do have an RD loan, that's right.

4:07:12 PM Chairman Schmitt - witness Hensley
Note: Sacre, Candace Well, you would think so, but I didn't know. They would have required an audit, I would have thought, maybe even before the statutory scheme was put into place.

4:07:23 PM Chairman Schmitt - witness Hensley
Note: Sacre, Candace In any event, the sewer system, apparently, the sanitation system, is not in good condition either. Is that what you – I know you don't live in that, you probably don't live in the sanitation district.

4:08:14 PM Chairman Schmitt - witness Hensley
Note: Sacre, Candace Is that people that signed up and then refused to take it? Is that what the –

4:08:26 PM Chairman Schmitt - witness Hensley
Note: Sacre, Candace And that makes the price so much higher for other people who did?

4:09:11 PM Chairman Schmitt - witness Hensley
Note: Sacre, Candace Is Warfield an incorporated city, or is it not?

4:09:18 PM Chairman Schmitt - witness Hensley
Note: Sacre, Candace You are, or was?

4:09:23 PM Chairman Schmitt - witness Hensley
Note: Sacre, Candace I guess the sewer system is in Warfield, is that correct? Is it in your town?

4:09:41 PM Chairman Schmitt - witness Hensley
Note: Sacre, Candace Do the mains actually go by people's properties that could be on the system but elected not to do it?

4:09:50 PM Chairman Schmitt - witness Hensley
Note: Sacre, Candace The reason I ask this, Secretary Snavely is in the back, and I know he's got a Water Division, but when I the represented Floyd County Schools one time and Johnson County, we had problems. The school district had its own waste water systems that were well maintained, and a lot of people moving around in the Eastern area where Allen Central High School used to be, they didn't have sewer, and they had septic tank problems, and they kept asking, Division of Water and everybody kept asking, Floyd County Schools to hook these other people up because they had excess capacity, and, under school law, you can't do that. School funds under the Constitution of Kentucky have to be dedicated solely to the school district, so we couldn't do it.

4:10:40 PM Chairman Schmitt - witness Hensley
Note: Sacre, Candace But, ultimately, Southern Water got some money or a grant, and they ran a line through, and we had to hook up on their system, and, in Johnson County, we had the same thing, where Martin County and Prestonsburg ran water to Honey Branch, right, the prison, and Paintsville Utilities ran the sewer line, and where we ran the sewer up past Porter Elementary School, there was Oaklawn Subdivision, and a bunch of these other people had septic tanks, and the school had to pay to hook everybody up and get everybody in. At least, they let them use their line. What I'm saying is, the Division of Water, at a meeting I was at years ago, said, "You can operate this plant until a sewer line comes within close, you know, so much distance, and then you're going to have to get on the sewer," and it seems like I know people might not want to do it, but maybe there's some mechanism to force these people. It would be better for the community if they were on the sewer, right?

4:11:42 PM Chairman Schmitt - witness Hensley
Note: Sacre, Candace Better for everybody, but there might be a mechanism by which you could – you probably wouldn't be elected mayor again, but you might be able to do that.

4:11:57 PM Chairman Schmitt - witness Hensley
Note: Sacre, Candace You lost?

4:11:59 PM Chairman Schmitt - witness Hensley
Note: Sacre, Candace I tell people, There's only so much good government. People can only stand so much good government.

4:12:05 PM Chairman Schmitt - witness Hensley
Note: Sacre, Candace That's just how it is. Anyway, so you understood, Iguess, from the testimony, and you were here in late July, July 25, when Mr. Heitzman testified and Mr. Kerr, and we knew because we'd looked at some of the financial information that came in, and it looked like the District was spending more money than it was taking in by about $20,000, $25,000 maybe a month, and so that's why we basically asked some questions, and the issue came up that as you've seen that more money is needed right?

4:12:45 PM Chairman Schmitt - witness Hensley
Note: Sacre, Candace Now, of course, if management or outside management or no outside management, if additional funds are needed to operate the Martin County Water District, what's your position, as a Water District commissioner, as to whether or not that money needs to basically raised through rates?

4:13:55 PM Chairman Schmitt - witness Hensley
Note: Sacre, Candace When I was in, I guess, grade school, junior high, high school in Martin County, before Lyndon Johnson, there was Sands of Rockcastle Creek that had the sand, there, in the creek, and a sawmill. My mother was a social worker in Martin County, and so I know how it is. But I guess the issue is, I mean, at some point, if it takes a certain minimum amount a month to operate without saying, "I'm going to go broke and not fix the system," don't you have to have it? I mean, how are people any better off if the system fails again. Well, it's not even fixed yet, but two or three years down the road, you get the same problem, and then you say, "Well, it's even more expensive now." And I know your position because you have to go to the grocery store, and you go to the courthouse, and people accost you with "Why are my rates this high?"

4:14:54 PM Chairman Schmitt - witness Hensley
Note: Sacre, Candace When all we have to do, somebody here will, just for the heck of it, get on Facebook, and we'll have Chico giving us the finger or something, and that's all. We don't have to put up with much.

4:18:12 PM Chairman Schmitt - witness Hensley
Note: Sacre, Candace Why do you think that is?

4:18:16 PM Chairman Schmitt - witness Hensley
Note: Sacre, Candace Because you got a rate increase?

4:18:30 PM Chairman Schmitt - witness Hensley
Note: Sacre, Candace Well, under prior management, when Joe Hammond was running the District, did you ever have any conversations with him? Was he responsive?

4:18:53 PM Chairman Schmitt - witness Hensley
Note: Sacre, Candace I mean, how did he run the water system?

4:19:03 PM Chairman Schmitt - witness Hensley
Note: Sacre, Candace Do you think he did a real good job?

4:19:18 PM Chairman Schmitt - witness Hensley
Note: Sacre, Candace So I guess in terms of what do you see, I mean, when you're appointed, and I know the difficulties of being a new utility commissioner, what did you see when you were appointed or you understand now as to what your duties are as a Water District commissioner?

4:20:20 PM Chairman Schmitt - witness Hensley
Note: Sacre, Candace Because it's all your business? It may be a public business, but you're a commissioner; you're like on the board of directors to oversee management?

4:20:32 PM Chairman Schmitt - witness Hensley
Note: Sacre, Candace I mean, that's exactly what your role is. I didn't know, you know, Kentucky Rural Water Association has several books that we got here. In fact, they sent me some, and we liked them so well we bought some for staff and some others, and some of them tell you about what a water district commissioner is supposed to do, how you, Mr. Cumbo, how you manage your lawyer or your engineers and how to – you know, that kind of thing, for people that don't know.

4:21:06 PM Chairman Schmitt - witness Hensley
Note: Sacre, Candace I mean, we have some districts here in Central Kentucky where the water district commissioners go to the office every day and manage everything. The general manager doesn't get to do anything. I mean, as far as I know, he doesn't have any role. They came in and hired somebody else, I think, that's under him and gave him more money than the general manager. I mean, management problems exist everywhere, except they don't have this kind of structural problem because it hasn't gone as long, and you're obviously in a position, too, where you have water pressure problems that they're not facing, you know, in flat lands.

4:21:47 PM Chairman Schmitt - witness Hensley
Note: Sacre, Candace But it seems to me that a water district commissioner's fiduciary duty is for the benefit of the customers to keep the water system operating in a manner that provides good resilient consistent service over time, and the only way you can do that under the way that the law is presently set up is to have enough rates to do it, and if the money's managed well, you can do it without real hard rate increases or without going broke.

4:22:24 PM Chairman Schmitt - witness Hensley
Note: Sacre, Candace I tell people all the time all over the state when I have to go out and speak, we've got money. Don't say, "Well, we can't afford that." You could afford it if you'd ask for it. "I can't afford an audit." Well, you don't want to perform it, in reality, or somebody, "A county judge is pressuring me." You know, "The politicians don't want it, and he appointed me." But, I mean, would you agree that a water district commissioner's duty is, basically, the first duty, for the benefit of the customers is to keep the system working?

4:23:00 PM Chairman Schmitt - witness Hensley
Note: Sacre, Candace Otherwise, there's not any point in being here, is there?

4:24:15 PM Chairman Schmitt - witness Hensley
Note: Sacre, Candace Well, good. What's the status of your grant money? I know you got some AML money, and you may not have gotten any of it yet. But do you understand what these grants are for? Some of them are allocated to different parts of your system.

4:24:35 PM Chairman Schmitt - witness Hensley
Note: Sacre, Candace And can you tell us, for the record, what those grants – where those grants are allocated?

4:25:05 PM Chairman Schmitt - witness Hensley
Note: Sacre, Candace Like, up Wolf Creek?

4:25:11 PM Chairman Schmitt - witness Hensley
Note: Sacre, Candace Long Branch or somewhere?

4:26:01 PM Chairman Schmitt - witness Hensley
Note: Sacre, Candace Okay. Now, that's, what? A million, a million two hundred thousand?
4:26:05 PM Chairman Schmitt - witness Hensley
Note: Sacre, Candace Now, have you got other money that's supposed to be coming, Abandoned Mine Lands or some other? Could you tell us about that?
4:26:34 PM Chairman Schmitt - witness Hensley
Note: Sacre, Candace So that, basically, will get the water from Tug into the reservoir into your water plant?
4:26:43 PM Chairman Schmitt - witness Hensley
Note: Sacre, Candace Now, is there another grant? Any additional money that's been allocated?
4:27:11 PM Mr. Kerr Martin District
Note: Sacre, Candace It's one-point-eight that comes from the Corps.
4:27:25 PM Chairman Schmitt - witness Hensley
Note: Sacre, Candace You don't know how that's going to be used?
4:27:30 PM Chairman Schmitt - witness Hensley
Note: Sacre, Candace Okay, we can ask him. About the Davella, is it just a tank, or are there going to be lines and main replacement?
4:27:38 PM Chairman Schmitt - witness Hensley
Note: Sacre, Candace That portion of the line, does that serve the prison or the Honey Branch Industrial Park?
4:28:00 PM Chairman Schmitt - witness Hensley
Note: Sacre, Candace And the new tank will be about what capacity?
4:28:19 PM Chairman Schmitt - witness Hensley
Note: Sacre, Candace Now, the Davella money, is that Abandoned Mine Lands money?
4:28:26 PM Chairman Schmitt - witness Hensley
Note: Sacre, Candace Okay. Now, how did Martin County Water District come to get that money? Did you apply for it?
4:28:34 PM Chairman Schmitt - witness Hensley
Note: Sacre, Candace So, I guess, the point is, is that Abandoned Mine Lands money that came through the Energy and Environment Cabinet was awarded based on applications that the Water District made to get the money, isn't that correct?
4:28:52 PM Chairman Schmitt - witness Hensley
Note: Sacre, Candace And the head of, the person who's over, Abandoned Mine Lands in the Energy and Environment Cabinet, do you know who that is?
4:29:01 PM Chairman Schmitt - witness Hensley
Note: Sacre, Candace Who is that? Is it John Small?
4:29:10 PM Chairman Schmitt - witness Hensley
Note: Sacre, Candace Isn't he the commissioner?
4:29:13 PM Chairman Schmitt - witness Hensley
Note: Sacre, Candace Didn't he have something to do with that?
4:29:16 PM Chairman Schmitt - witness Hensley
Note: Sacre, Candace And he's a lifelong, born and raised, worked in Martin County?
4:29:27 PM Chairman Schmitt - witness Hensley
Note: Sacre, Candace But I guess the point is, is those lines and the tank in Davella are there, I mean, the money was granted from Abandoned Mine Lands funds, but the application was made by the Martin County Water District because it was determined that was where you wanted to have the money to go, is that correct?
4:30:00 PM Chairman Schmitt - witness Hensley
Note: Sacre, Candace All right. As we leave here today, and I know you're just one of several people on there, but, in terms of making some effort to get these audits completed, do you have any hesitancy about doing that even though it might hurt Linda Sumpter's feelings?

4:30:36 PM Chairman Schmitt - witness Hensley
Note: Sacre, Candace And what if you're not? Wonder if it's just good business?
4:30:45 PM Chairman Schmitt - witness Hensley
Note: Sacre, Candace Did you get them done?
4:30:58 PM Chairman Schmitt - witness Hensley
Note: Sacre, Candace But you've got to have it?
4:31:24 PM Chairman Schmitt - witness Hensley
Note: Sacre, Candace Unless you had the audit, right?
4:31:25 PM Chairman Schmitt - witness Hensley
Note: Sacre, Candace I mean, it's just good business? I mean, you've got public money –
4:31:29 PM Chairman Schmitt - witness Hensley
Note: Sacre, Candace – and the public is entitled to know what the financial condition of the public authority is because you're using taxpayer money, ratepayer money, right?
4:31:41 PM Chairman Schmitt - witness Hensley
Note: Sacre, Candace I've asked this of others and I guess everybody else. Are you related by blood or marriage to Linda Sumpter?
4:31:50 PM Chairman Schmitt - witness Hensley
Note: Sacre, Candace Do you know any other member of the Martin County Water District who's related by blood or marriage, by spousal relationship with her or her husband?
4:32:07 PM Chairman Schmitt - witness Hensley
Note: Sacre, Candace Do you go to the same church?
4:32:21 PM Chairman Schmitt - witness Hensley
Note: Sacre, Candace Do you go to Turkey?
4:32:29 PM Chairman Schmitt - witness Hensley
Note: Sacre, Candace No, no. Right. I didn't mean to imply that this audit – basically, just –
4:32:37 PM Chairman Schmitt - witness Hensley
Note: Sacre, Candace There's a lot of things that cause splits in churches in my experience.
4:32:43 PM Chairman Schmitt - witness Hensley
Note: Sacre, Candace But audits aren't one of them.
4:33:00 PM Chairman Schmitt - witness Hensley
Note: Sacre, Candace Okay. Do you know of any other outside source of funding that's presently available to the Martin County Water District other than those you've just discussed with us?
4:33:35 PM Chairman Schmitt - witness Hensley
Note: Sacre, Candace Is the water line across the river inoperable at this time?
4:33:42 PM Chairman Schmitt - witness Hensley
Note: Sacre, Candace Because I know, at some points, the Water District, Martin County, bought water from Kermit, and then somebody told me, I raised some issue about, well, instead of spending all this money on the plant, at least, now, why not get more water from Kermit? And somebody said the line was broken or inoperable or something.
4:34:28 PM Chairman Schmitt - witness Hensley
Note: Sacre, Candace You could get a john boat across it or a canoe or something?
4:35:23 PM Chairman Schmitt - witness Hensley
Note: Sacre, Candace With respect to – aside from money issues, what's your opinion about third-party professional management of the Martin County Water District? If money was never an issue, what would your position be about having third-party management?

4:35:59 PM Chairman Schmitt - witness Hensley
Note: Sacre, Candace Well, money may be an issue, but I'm asking you, if it wasn't an issue at all, I mean, we've had some people say, "Well, it's our system; we can do it ourselves." Others say, "Well, I don't know; we know more about our system than somebody else," and all that kind of thing. I was just wondering what you thought.

4:36:47 PM Chairman Schmitt - witness Hensley
Note: Sacre, Candace But you haven't answered the question. Are you for or against – money notwithstanding, we're going to take money out of the equation, are you for or against third-party professional management of Martin County Water District?

4:37:14 PM Chairman Schmitt - witness Hensley
Note: Sacre, Candace I'm trying to think of something that you can provide that would meet a reasonable standard of, you know, adequate management. I mean, you don't have any purchase – you don't have any really systems in place to manage purchases, to keep track of things, but I don't know. You know, we had management audits and people come in two or three different times, and all of them have involved doing things that good management practices would require, and that a number of rural water districts actually follow, but Martin County agreed to all but any kind of cooperation of any other county or any other water district, but they agreed but never followed up.

4:38:23 PM Chairman Schmitt - witness Hensley
Note: Sacre, Candace What if Prestonsburg or Pikeville said, "Well, yeah, for half-million dollars a year or $600,000 or $700,000 a year, we'll come over there, we provide staff, we keep your staff on, they'd be hired, but we'd be managing, and we'd be running the district." Obviously, you'd still have oversight, but they'd provide all of the professional and management services that were required, and when they found people who were stealing water, they'd take care of those problems and make sure they were prosecuted and not say, "Well, I don't know what happened to it," what would you say then?

4:39:10 PM Chairman Schmitt - witness Hensley
Note: Sacre, Candace Now, you know the City of Paintsville, Paintsville Utilities, came over, and they were one of the people that, at least, met with the Water District personnel, correct?

4:39:23 PM Chairman Schmitt - witness Hensley
Note: Sacre, Candace Did you know why Paintsville was there? Do you know what their intention was at the time?

4:39:33 PM Chairman Schmitt - witness Hensley
Note: Sacre, Candace To buy it, but I'm not sure they felt real welcome about that. Would you have a problem with selling your system?

4:39:45 PM Chairman Schmitt - witness Hensley
Note: Sacre, Candace Well, you don't own it, but you and the other commissioners control it.

4:39:53 PM Chairman Schmitt - witness Hensley
Note: Sacre, Candace Or merge with somebody else? Would you merge with Southern? Would you merge with Mountain Water District in Pikeville, Pike County?

4:40:40 PM Chairman Schmitt - witness Hensley
Note: Sacre, Candace Of course, they could be operating, and you'd still operate out of the water plant that you have; you'd just be combining customers.

4:40:57 PM Chairman Schmitt - witness Hensley
Note: Sacre, Candace There are water districts and cities in other places in Kentucky that actually manage the county water districts where the water district doesn't have any employees at all, and the city will, you know, manage it. Graves County Water District, West Carrollton, and others, and that's how they're managed, and Warren County Water District actually manages Butler and Simpson counties, so it just seems to me that those –but Martin County's been resistant to that, and others, we have people in other counties that are the same way. But it seems to me, if we're looking out for the customer and low rates, consolidating systems with more customers can result in more income, better, more efficient management, and, at the same time, lower rates, but I don't know if you've even considered that or not.

4:42:17 PM Chairman Schmitt - witness Hensley
Note: Sacre, Candace Martin County is losing population. Would you agree with that?

4:42:24 PM Chairman Schmitt - witness Hensley
Note: Sacre, Candace Do you think Martin County is losing people? People are moving out?

4:42:31 PM Chairman Schmitt - witness Hensley
Note: Sacre, Candace As I said, I looked up the statistics, and Martin County had lost 12 percent of its population since 2010 and had the highest percentage of out-migration of any county in Kentucky.

4:42:52 PM Chairman Schmitt - witness Hensley
Note: Sacre, Candace So, if I ask you to summarize what you think the condition of your system is now and going forward, what would you tell me? Are you satisfied with the management that you presently have?

4:44:00 PM Chairman Schmitt - witness Hensley
Note: Sacre, Candace Do you or any of your family members have anything to do with Evans Hardware or related in any way to the Evans family?

4:44:09 PM Chairman Schmitt - witness Hensley
Note: Sacre, Candace Do you know if any other commissioners are family members?

4:44:26 PM Chairman Schmitt - witness Hensley
Note: Sacre, Candace That's consistent over our whole area. We've got a small gene pool, right?

4:44:45 PM Chairman Schmitt
Note: Sacre, Candace I don't have any other questions. Commissioner Cicero?

4:44:50 PM Vice Chairman Cicero - witness Hensley
Note: Sacre, Candace Examination. How much time do you spend on Martin County business?

4:45:44 PM Vice Chairman Cicero - witness Hensley
Note: Sacre, Candace So give me an idea of what a typical board meeting consists of.

4:45:59 PM Vice Chairman Cicero - witness Hensley
Note: Sacre, Candace Who prepares those?

4:46:08 PM Vice Chairman Cicero - witness Hensley
Note: Sacre, Candace Okay, and Katrina reports to Marcy?

4:46:30 PM Vice Chairman Cicero - witness Hensley
Note: Sacre, Candace Okay, so both of those attend the meetings. So a typical meeting consists of what?

4:47:07 PM Vice Chairman Cicero - witness Hensley
Note: Sacre, Candace Is water loss typical on the agenda?

4:47:13 PM Vice Chairman Cicero - witness Hensley
Note: Sacre, Candace Is audit reports on the agenda typically?

4:47:32 PM Vice Chairman Cicero - witness Hensley
Note: Sacre, Candace How about financial statements?

4:47:49 PM Vice Chairman Cicero - witness Hensley
Note: Sacre, Candace I congratulate you on that.
4:47:52 PM Chairman Schmitt - witness Hensley
Note: Sacre, Candace Examination. What do they tell you when you call them?
4:48:15 PM Vice Chairman Cicero - witness Hensley
Note: Sacre, Candace Examination. So is there a meeting where the monthly – is there a monthly financial report?
4:48:29 PM Vice Chairman Cicero - witness Hensley
Note: Sacre, Candace And it consists of an income statement with a balance sheet and –
4:48:38 PM Vice Chairman Cicero - witness Hensley
Note: Sacre, Candace Looking for?
4:49:16 PM Vice Chairman Cicero - witness Hensley
Note: Sacre, Candace Actually, so do you, I mean, if you're going to –
4:49:31 PM Vice Chairman Cicero - witness Hensley
Note: Sacre, Candace In all fairness to you, you don't have a financial background.
4:49:35 PM Vice Chairman Cicero - witness Hensley
Note: Sacre, Candace I understand that you had a treasurer, and I'm not sure what you're going to do for a treasurer in the future, but somebody who could have interpreted if you received those kind of financial statements, which you are not because there's nobody really there to prepare them anyway. Is that a fair statement?
4:50:16 PM Vice Chairman Cicero - witness Hensley
Note: Sacre, Candace Probably, your definition of an audit is not the same definition of an annual audit. It might be a –
4:50:28 PM Vice Chairman Cicero - witness Hensley
Note: Sacre, Candace – closing?
4:50:33 PM Vice Chairman Cicero - witness Hensley
Note: Sacre, Candace Typically, a monthly closing?
4:50:44 PM Vice Chairman Cicero - witness Hensley
Note: Sacre, Candace You're familiar that you're selling water?
4:50:49 PM Vice Chairman Cicero - witness Hensley
Note: Sacre, Candace And you haven't purchased any water this year, from what I can tell. You're in a favorable position for water transfer the other direction. You're not buying any on a year-to-date basis?
4:51:14 PM Vice Chairman Cicero - witness Hensley
Note: Sacre, Candace But net?
4:51:16 PM Vice Chairman Cicero - witness Hensley
Note: Sacre, Candace But, on a net basis, you're in the black?
4:51:22 PM Vice Chairman Cicero - witness Hensley
Note: Sacre, Candace So you talked about meters, and you know that if – you had somebody give you a presentation. You know you need a CPCN, a certificate of public convenience and necessity, that the Commission approves, but there's no issue with going forward and evaluating but before you actually enter into any agreement. That's just a side bar –
4:51:45 PM Vice Chairman Cicero - witness Hensley
Note: Sacre, Candace – advice that I'm giving you.
4:51:56 PM Vice Chairman Cicero - witness Hensley
Note: Sacre, Candace So the Chairman asked you a question, he said, "Are you satisfied with management?" And you said, "Yes," and I would like to know what you are classifying as management. Who do you consider to be management? The Board? Mr. Scott? Katrina? Who is management?
4:52:23 PM Vice Chairman Cicero - witness Hensley
Note: Sacre, Candace So you would consider –

4:52:31 PM Vice Chairman Cicero - witness Hensley
Note: Sacre, Candace So, when you said you were satisfied with management, you were referring to the board or Mr. Scott?
4:52:38 PM Vice Chairman Cicero - witness Hensley
Note: Sacre, Candace So you are satisfied with Mr. Scott as a manager?
4:52:45 PM Vice Chairman Cicero - witness Hensley
Note: Sacre, Candace Well, he's kind of – you kinda have a clearer picture, at this point. You've been there long enough, and you understand the situation, and given the fact that there's not a lot of structure to this management group, you still believe what you have is – you're in favor of it; you like it?
4:53:36 PM Vice Chairman Cicero - witness Hensley
Note: Sacre, Candace But you've seen Mr. Scott's work, and you're satisfied with that as opposed to everybody I believe that was on the evaluation committee rated the Alliance group as good or satisfactory or whatever, and so –
4:54:09 PM Vice Chairman Cicero - witness Hensley
Note: Sacre, Candace Evaluation?
4:54:23 PM Vice Chairman Cicero - witness Hensley
Note: Sacre, Candace So let me ask you one last question, here. Since you prefer not to have a rate increase, does that mean you would prefer to go into receivership?
4:54:40 PM Vice Chairman Cicero - witness Hensley
Note: Sacre, Candace Okay, so as the Chairman explained –
4:54:48 PM Vice Chairman Cicero - witness Hensley
Note: Sacre, Candace But, from what we understand, you need a rate increase regardless. That's been proven by the numbers, so, if there's no rate increase now, then, eventually, you'll have to go into receivership because there's going to be a rate increase. Right now, there's – as far as I can tell, there is no other way to generate cash.
4:56:25 PM Vice Chairman Cicero - witness Hensley
Note: Sacre, Candace So I congratulate you because there's two issues that you've brought up that you're familiar with. However, the meters reading slow only reduces the water loss to the extent that it's now being billed, which means that your customers who have been receiving free water and paying a higher rate for it will now receive a bill that accounts for all that water, and their bill will go up even more because they're actually going to pay for the water that they're consuming.
4:56:55 PM Vice Chairman Cicero - witness Hensley
Note: Sacre, Candace So they're going to see an increase regardless.
4:57:13 PM Vice Chairman Cicero - witness Hensley
Note: Sacre, Candace All your meters are beyond the ten years, so we, from the last inspection, we know that they all need replaced.
4:57:19 PM Vice Chairman Cicero - witness Hensley
Note: Sacre, Candace So that's a given that you will see an increase in revenue just because –
4:57:25 PM Vice Chairman Cicero - witness Hensley
Note: Sacre, Candace – your meters are going to actually read consumption. The second issue, I think, is not quite as – whether it reads the hundreds or not, it's going to flow out one period or another. It's either going to be –

4:57:54 PM Vice Chairman Cicero - witness Hensley
Note: Sacre, Candace But here's the most important issue out of the – you've raised those two issues. I still would be willing to bet, nobody has an idea of the actual revenue impact because there's never been a paper and pencil to evaluate what the impact of a point-twenty percent increase on a meter read, if what it produces is water loss. That's my issue, in general.

4:58:26 PM Vice Chairman Cicero - witness Hensley
Note: Sacre, Candace Our issue, even with the rate increase, is the numbers aren't valid, in my opinion, to actually generate an actual rate number. Now, once you have new meters, that's a good start, but there's – we still have no idea what your actual water consumption is. There's too many zero-read meters. There's too many below-the-minimum-read meters. We don't know. We have no idea. We just know that, at this point, you aren't generating enough revenue off of the water you're, quote, selling.

4:59:08 PM Vice Chairman Cicero - witness Hensley
Note: Sacre, Candace And that's why I asked the question, so which did you prefer? A rate increase or receivership. I don't know that there's an option three. I only think there's two options.

4:59:28 PM Vice Chairman Cicero - witness Hensley
Note: Sacre, Candace I think Martin County is benefitting – you went through the list of grants you're receiving, and I can assure you, from what I know, you're receiving far more money from the state and the feds than any other water district I'm familiar with, and, even at that, it's not enough to take care of the infrastructure problem you have. But, by statute, that money can't be used for operating and maintenance normal expenses, which means those expenses have to come from the ratepayers, and you're in an unfortunate situation, I agree with it, you've got an outflow of people in the county which places a greater burden on those that remain.

5:00:10 PM Vice Chairman Cicero - witness Hensley
Note: Sacre, Candace You're suffering with water, that at a points in time, may be good or may be bad, and, certainly, I've seen pictures that show that there are times when it is bad, and it's going to be a lot of pain to get to the point where you actually have good water. But I don't know of another solution other than to go through the short-term pain for the long-term gain, and I do think, if you get your system in order and the meters are replaced and you start billing on an actual basis, your rate will come down, and you get your old accounts payable paid off. I mean, how long did it take to accumulate that? And even the stub period you accumulated a couple hundred thousand dollars that are being paid off by this additional surcharge.

5:00:59 PM Vice Chairman Cicero - witness Hensley
Note: Sacre, Candace Yeah, it's painful right now, but I'm really not sure what the other alternative is, and I've heard Mr. Scott and yourself say you think things can be improved through other methods, but I still haven't seen any number –

5:01:14 PM Vice Chairman Cicero - witness Hensley
Note: Sacre, Candace – that says there's a basis for that opinion, and that's the dilemma you're facing.

5:01:22 PM Vice Chairman Cicero
Note: Sacre, Candace I don't have any other questions.

5:01:24 PM Chairman Schmitt
Note: Sacre, Candace Commissioner Mathews?

5:01:25 PM Commissioner Mathews
Note: Sacre, Candace I don't have any. Thank you.

5:01:26 PM Chairman Schmitt
Note: Sacre, Candace I've just got a couple that I meant to ask you and didn't.
5:01:31 PM Chairman Schmitt - witness Hensley
Note: Sacre, Candace Examination. Would you be amenable to the Water District filing a petition in bankruptcy to try to discharge these debts?
5:01:51 PM Chairman Schmitt - witness Hensley
Note: Sacre, Candace Would the resistance be because you owe – most of the people that you owe are local?
5:02:07 PM Chairman Schmitt - witness Hensley
Note: Sacre, Candace If you can't raise money, then you've got to eliminate debt, and, mostly, you eliminate debt when you pay it down, but, I mean, you've got a short timeframe.
5:02:20 PM Chairman Schmitt - witness Hensley
Note: Sacre, Candace And you're cycling down out of money, and I don't know, you know, if you had the surcharge just on the amount that remains, you're still four years or so out, aren't you?
5:02:33 PM Chairman Schmitt - witness Hensley
Note: Sacre, Candace I mean, you still owe about $800,000 or so?
5:02:37 PM Chairman Schmitt - witness Hensley
Note: Sacre, Candace And you're going to be generating, what? About $140,000 a year on the surcharge, and, you know, the math is kinda simple. It's not there.
5:02:50 PM Chairman Schmitt - witness Hensley
Note: Sacre, Candace Let me ask you one other thing, too. Have you looked at or determined how many meters Martin County Water District has that are reading zero?
5:03:08 PM Chairman Schmitt - witness Hensley
Note: Sacre, Candace Do you know if others have?
5:03:13 PM Chairman Schmitt - witness Hensley
Note: Sacre, Candace Now, have you looked at the list to see who the people are whose meters are reading zero?
5:03:24 PM Chairman Schmitt - witness Hensley
Note: Sacre, Candace Do you know if there is a list?
5:03:35 PM Chairman Schmitt - witness Hensley
Note: Sacre, Candace You don't want to know?
5:03:39 PM Vice Chairman Cicero
Note: Sacre, Candace We have a list.
5:03:41 PM Chairman Schmitt - witness Hensley
Note: Sacre, Candace We have the list.
5:03:50 PM Chairman Schmitt - witness Hensley
Note: Sacre, Candace Do you know if the meters –
5:03:54 PM Chairman Schmitt - witness Hensley
Note: Sacre, Candace – the old meters you're getting from Oldham County, do you know if they're being placed first, if they're being used to replace these zero-read meters?
5:04:42 PM Chairman Schmitt - witness Hensley
Note: Sacre, Candace Why do you think that Oldham County Water District replaced those meters that they're now selling to you for $10?
5:05:16 PM Chairman Schmitt - witness Hensley
Note: Sacre, Candace So you've had people – have you had meter companies come in –
5:05:21 PM Chairman Schmitt - witness Hensley
Note: Sacre, Candace – and make a presentation?
5:05:22 PM Chairman Schmitt - witness Hensley
Note: Sacre, Candace Tell us the cost, for the record. What's the cost?

5:05:47 PM Chairman Schmitt - witness Hensley
Note: Sacre, Candace For a meter like you've described?
5:05:51 PM Chairman Schmitt - witness Hensley
Note: Sacre, Candace That'll basically provide -
5:05:55 PM Chairman Schmitt - witness Hensley
Note: Sacre, Candace Well, what company? Do you know what company that is?
5:06:27 PM Chairman Schmitt - witness Hensley
Note: Sacre, Candace And they've told you those meters will work in Martin County with the terrain that you have?
5:06:34 PM Chairman Schmitt
Note: Sacre, Candace No further questions, Ms. Vinsel?
5:06:38 PM Asst Gen Counsel Vinsel PSC
Note: Sacre, Candace Staff has a few questions.
5:06:39 PM Asst Gen Counsel Vinsel PSC - witness Hensley
Note: Sacre, Candace Cross Examination. Good afternoon, Mr. Hensley. I'm going to follow up on the zero-read meter reports, and let me say that I know Martin County filed a confidential version and a redacted version, so I will keep my comments in the redacted area.
5:06:56 PM Chairman Schmitt
Note: Sacre, Candace Well, he hasn't seen the list anyway.
5:06:59 PM Asst Gen Counsel Vinsel PSC - witness Hensley
Note: Sacre, Candace Well, there you go, but I also – never mind. If I told you there were 435 customers that had a zero read for at least one month, would that surprise you, or would that be what you expected?
5:07:55 PM Vice Chairman Cicero - witness Hensley
Note: Sacre, Candace Examination. You realize that will be a redistribution of billing when you actually charge the people more than the minimum amount that are getting a zero-read now. There's 435 people that for at least one month out of the year that probably – I mean, they might have a below-the-minimum or paid the minimum but probably, generally speaking, their consumption was more than the minimum, but they didn't pay that, which means that –
5:08:37 PM Vice Chairman Cicero - witness Hensley
Note: Sacre, Candace There is a report that we had generated, and it shows all of the zero-reads for from zero to 12 months, and there are some at 12 months that had zero-reads.
5:08:59 PM Vice Chairman Cicero - witness Hensley
Note: Sacre, Candace And that's 2018. I don't know what it is in 2019.
5:09:24 PM Asst Gen Counsel Vinsel PSC - witness Hensley
Note: Sacre, Candace Cross Examination. To break the numbers down a little more, I won't go all the way, 116 meters were zero read for either 12 months or 11 months. You may not be aware that there is a Kentucky statute that's (KRS) 278.170, just for the record, that does allow a utility to provide free or reduced service to, like, a charitable institution, also to utility employees. To the best of your knowledge, does Martin County Water District provide free or reduced services to any of its customers?
5:10:20 PM Chairman Schmitt
Note: Sacre, Candace We had a lawyer in Paintsville once that incorporated his law office as a church so that he could try to avoid property tax, but it didn't work.
5:10:38 PM Asst Gen Counsel Vinsel PSC - witness Hensley
Note: Sacre, Candace And I'm not implying that you are.
5:10:51 PM Asst Gen Counsel Vinsel PSC - witness Hensley
Note: Sacre, Candace You might want to look at the report. Mr. Cumbo should have a copy.

5:10:57 PM	Asst Gen Counsel Vinsel PSC - witness Hensley	
	Note: Sacre, Candace	It was generated from your office, I understand. In one case, one customer was billed for 123,000 gallons in one month and then had zero reads for the remaining 11 months of the report, so there are a lot of anomalies that are packed into this.
5:12:33 PM	Asst Gen Counsel Vinsel PSC - witness Hensley	
	Note: Sacre, Candace	There's no telling.
5:13:10 PM	Asst Gen Counsel Vinsel PSC - witness Hensley	
	Note: Sacre, Candace	Just because you have the authority to sign the checks as well as Mr. Hale, is there anyone else who has authority to sign checks?
5:13:24 PM	Asst Gen Counsel Vinsel PSC - witness Hensley	
	Note: Sacre, Candace	Greg Scott, okay, and the checks are not counter-signed? You don't require two signatures on a check?
5:13:34 PM	Asst Gen Counsel Vinsel PSC - witness Hensley	
	Note: Sacre, Candace	Because the checks that are for the debt surcharge payments show one signature.
5:13:41 PM	Atty Cumbo Martin County	
	Note: Sacre, Candace	No. They have two signatures.
5:13:46 PM	Asst Gen Counsel Vinsel PSC	
	Note: Sacre, Candace	Well, I won't quibble with it right now.
5:14:03 PM	Atty Cumbo Martin District	
	Note: Sacre, Candace	Well, these do.
5:14:04 PM	Vice Chairman Cicero	
	Note: Sacre, Candace	I think they do. I think you're seeing initials.
5:14:05 PM	Asst Gen Counsel Vinsel PSC	
	Note: Sacre, Candace	What?
5:14:08 PM	Vice Chairman Cicero	
	Note: Sacre, Candace	I think there are initials on one line.
5:14:09 PM	Asst Gen Counsel Vinsel PSC	
	Note: Sacre, Candace	Oh, okay.
5:14:10 PM	Vice Chairman Cicero	
	Note: Sacre, Candace	I think there's two.
5:14:32 PM	Asst Gen Counsel Vinsel PSC - witness Hensley	
	Note: Sacre, Candace	Cross Examination. When it comes to the debt surcharge funds, you're basically signing the checks according to the formula that's been approved by the Commission for repayment, correct?
5:14:44 PM	Asst Gen Counsel Vinsel PSC - witness Hensley	
	Note: Sacre, Candace	Just two last questions, and they're both going to be post-hearing data requests, which staff will provide in writing, so nobody has to memorize this. But the first is that we would like to get a copy of the monthly financial statement that was provided to Martin District commissioners, and we're just going to pick the month of July of 2019, and that will be in our data request.
5:15:10 PM	POST-HEARING DATA REQUEST	
	Note: Sacre, Candace	ASST GEN COUNSEL VINSEL PSC - WITNESS HENSLEY.
	Note: Sacre, Candace	MCWD JULY 2019 MONTHLY FINANCIAL STATEMENT.
5:15:11 PM	Asst Gen Counsel Vinsel PSC - witness Hensley	
	Note: Sacre, Candace	The other thing is that whenever the Commission sends out subpoenas to the commissioners, to Mr. Scott, they're always returned to us. They're not signed or accepted, so we what we're going to ask as a post-hearing data request is for the three remaining commissioners to provide addresses where they will accept service in their roles as Water District commissioners. If you have something to say, tell me.

5:15:51 PM	Asst Gen Counsel Vinsel PSC - witness Hensley	
	Note: Sacre, Candace	They go to a street address.
5:16:03 PM	Asst Gen Counsel Vinsel PSC - witness Hensley	
	Note: Sacre, Candace	So it would be helpful then for us to get the addresses where you will accept service.
5:16:15 PM	Asst Gen Counsel Vinsel PSC - witness Hensley	
	Note: Sacre, Candace	I'll get it all together in a request, but I appreciate that you offered it.
5:16:20 PM	Asst Gen Counsel Vinsel PSC	
	Note: Sacre, Candace	Mr. Kerr, even though he's not under oath, I would like to get a recent –
5:16:22 PM	POST-HEARING DATA REQUEST	
	Note: Sacre, Candace	ASST GEN COUNSEL VINSEL PSC - WITNESS HENSLEY.
	Note: Sacre, Candace	ADDRESSES OF MCWD COMMISSIONERS FOR SERVICE.
5:16:24 PM	Mr. Kerr Martin District	
	Note: Sacre, Candace	Did you say we had to sign the subpoena and send it back?
5:16:27 PM	Asst Gen Counsel Vinsel PSC	
	Note: Sacre, Candace	It's a certified mail. Yes, you have to sign. There's a green card.
5:17:01 PM	Chairman Schmitt	
	Note: Sacre, Candace	Well, you can designate somebody to pick it up for you at the post office, if you wanted to. In any event, if there's an Order entered, ordering the commissioner to come, you're required to come under potential penalty of $2,500 if you don't. That's worse than the subpoena, I guess.
5:17:31 PM	Asst Gen Counsel Vinsel PSC - witness Hensley	
	Note: Sacre, Candace	And, again, I'm not implying anything untoward from you. I just want to make sure that we have the best address for service.
5:17:43 PM	Asst Gen Counsel Vinsel PSC	
	Note: Sacre, Candace	Thank you. Staff has no further questions.
5:17:46 PM	Chairman Schmitt	
	Note: Sacre, Candace	Ms. Cromer?
5:17:48 PM	Atty Cromer MCCC	
	Note: Sacre, Candace	Yes, quickly.
5:17:49 PM	Atty Cromer MCCC - witness Hensely	
	Note: Sacre, Candace	Cross Examination. If you know, this might be a better question for Jimmy Don, if a customer has usage less than a thousand gallons, do you know how that would appear on the usage charts?
5:18:37 PM	Atty Cromer MCCC	
	Note: Sacre, Candace	No further questions.
5:18:39 PM	Atty Cumbo Martin Disrict	
	Note: Sacre, Candace	No questions.
5:18:42 PM	Chairman Schmitt	
	Note: Sacre, Candace	May this witness be excused?
5:18:44 PM	Asst Gen Counsel Vinsel PSC	
	Note: Sacre, Candace	Yes, he may.
5:18:45 PM	Chairman Schmitt	
	Note: Sacre, Candace	You may step down, and you may be excused.
5:18:46 PM	Chairman Schmitt	
	Note: Sacre, Candace	I need about ten minutes, and then we'll come back, and I guess we'll take Mr. Crum.
5:19:14 PM	Session Paused	
5:33:31 PM	Session Resumed	

5:33:32 PM	Chairman Schmitt	
	Note: Sacre, Candace	We're back on the record. I guess we've had just a change here. Before we take Mr. Crum, Ms. McCoy, we'd probably like to take you and then feed off of you for some of the others. Would you please take the stand?
5:34:00 PM	Chairman Schmitt	
	Note: Sacre, Candace	Witness is sworn.
5:34:06 PM	Chairman Schmitt - witness McCoy	
	Note: Sacre, Candace	Examination. Would you please state your name and address for the record, please?
5:34:14 PM	Chairman Schmitt - witness McCoy	
	Note: Sacre, Candace	Ms. McCoy, are you employed at this time? Are you retired?
5:34:26 PM	Chairman Schmitt - witness McCoy	
	Note: Sacre, Candace	And where did you teach?
5:34:31 PM	Chairman Schmitt - witness McCoy	
	Note: Sacre, Candace	And what subject did you teach?
5:34:34 PM	Chairman Schmitt - witness McCoy	
	Note: Sacre, Candace	Now, are you a customer of the Martin County Water District?
5:34:43 PM	Chairman Schmitt - witness McCoy	
	Note: Sacre, Candace	And do you live in Inez or another area of the county?
5:34:50 PM	Chairman Schmitt - witness McCoy	
	Note: Sacre, Candace	Prior to the date, immediately prior to the date, this case was styled which was January of 2018, when an emergency – the Water District asked for an emergency rate increase, apparently the system was having a lot of problems with people that weren't getting water and the water quality wasn't very good. We're trying to develop a record here as to what's happened here, going forward. How would you describe the condition of the customers of the Martin County Water District as of January 2017 to January 2018?
5:36:20 PM	Chairman Schmitt - witness McCoy	
	Note: Sacre, Candace	Now, is there an organization known as Martin County Concerned Citizens?
5:36:26 PM	Chairman Schmitt - witness McCoy	
	Note: Sacre, Candace	And are you affiliated in any way with that?
5:36:31 PM	Chairman Schmitt - witness McCoy	
	Note: Sacre, Candace	Now, there's another companion case to this, an investigation into the operating capacity of Martin County Water District which isn't involved in this hearing, but Martin County Concerned Citizens has intervened in that case, too, is that correct?
5:36:51 PM	Chairman Schmitt - witness McCoy	
	Note: Sacre, Candace	And did the Public Service Commission allow Martin County Concerned Citizens to intervene in this case, here, involving rates, what's left of it, involving potential third-party management?
5:37:04 PM	Chairman Schmitt - witness McCoy	
	Note: Sacre, Candace	You intervened in the case, and you're familiar. Now, do you know or have you heard why sometime in November or so, November or December of 2017, why four of the five Martin County Water District commissioners resigned? Do you know why they resigned?
5:37:34 PM	Chairman Schmitt - witness McCoy	
	Note: Sacre, Candace	Now, since you've been in this case, the 2018 case, you've been represented by Mary Cromer, who's here today, and, sometimes, Jim Gardner, a lawyer in Lexington who at one time, I guess, was on this Commission for seven or eight years and, for several months, was chairman.

5:37:59 PM Chairman Schmitt - witness McCoy
Note: Sacre, Candace Now, as we've gone forward with the case, initially, the Martin County Concerned Citizens' position, as I understand it, was that the service was bad, was so bad that, at least, initially, the Concerned Citizens group was against any rate increase. Is that true or untrue?

5:38:40 PM Chairman Schmitt - witness McCoy
Note: Sacre, Candace So was it the question of past practices or you didn't feel like the group that was doing the management at the time, well, it's the same group, I guess, sort of like, if it was my money, I wouldn't give it to them? Is that what you're saying?

5:39:04 PM Chairman Schmitt - witness McCoy
Note: Sacre, Candace You didn't feel like you had confidence that they would use the money properly because maybe they didn't even know what the problems were or had a clue how to fix it?

5:39:30 PM Chairman Schmitt - witness McCoy
Note: Sacre, Candace You've been here today and heard the testimony so far. Prior to today, had you been told by Mr. Kerr or Mr. Crum or any member of the commission that, irrespective of whether there was outside management or not, this water district needed at least, from the high-low, eight to twelve dollars a customer per month just to get by, to survive? Did you know that?

5:40:06 PM Chairman Schmitt - witness McCoy
Note: Sacre, Candace I mean, is there any doubt in your mind, after hearing testimony, that Martin County Water District, if left alone the way it is, will need – we'll split the difference – $10 per customer per month in order to basically maintain solvency or operational viability?

5:40:38 PM Chairman Schmitt - witness McCoy
Note: Sacre, Candace That's what they said. Now, every month and sometimes in between, when we ask for things, Martin County Water District files document with the Public Service Commission. Were you aware of that? And they copy Ms. Cromer with those filings, correct?

5:40:58 PM Chairman Schmitt - witness McCoy
Note: Sacre, Candace Do you ever look at those and take a look at some of the documents and the financial statements that are filed here –

5:41:11 PM Chairman Schmitt - witness McCoy
Note: Sacre, Candace – or that you have? Well, for instance, have you noted – I mean, the staff only pointed to a few, any errors in mathematics or anything where some of the documents are just partially blank in terms of providing financial information to the Commission?

5:41:50 PM Chairman Schmitt - witness McCoy
Note: Sacre, Candace All right, but you did see today that, with a document they filed, they showed they were basically losing $188,000 or lost that over the first eight months of 2019, and then the correction was there actually was $292,000, correct?

5:42:12 PM Chairman Schmitt - witness McCoy
Note: Sacre, Candace Were you surprised? Are you surprised by that?

5:42:23 PM Chairman Schmitt - witness McCoy
Note: Sacre, Candace Prior to today, were you under the impression, Ms. Cromer, anybody, as far as you know, in your group, that the system was being managed well, and it was basically in a stable financial condition?

5:43:15 PM Chairman Schmitt - witness McCoy
Note: Sacre, Candace Who's doing anything wrong?

5:43:18 PM Chairman Schmitt - witness McCoy
Note: Sacre, Candace Oh, oh, oh, sure.

5:43:23 PM Chairman Schmitt - witness McCoy
Note: Sacre, Candace Well, I don't think it has anything to do with Katrina. She's not managing the system.

5:43:31 PM Chairman Schmitt - witness McCoy
Note: Sacre, Candace As of today, do you have faith in the current management of the Martin County Water District?

5:43:58 PM Chairman Schmitt - witness McCoy
Note: Sacre, Candace Operational, right?

5:44:01 PM Chairman Schmitt - witness McCoy
Note: Sacre, Candace You've been through this whole thing, and I know you've probably been involved in complaining about it in the past, but over at least since the 1990s up to now, there have been study after study, investigation after investigation, and the problems have always been the same. There's always been promises to fix it or orders to fix it, and nothing's been done. At least at one of them here, one of the last ones, they were supposed to have achieved 15 percent or below water loss by 2015. That obviously hasn't occurred, has it?

5:44:45 PM Chairman Schmitt - witness McCoy
Note: Sacre, Candace What did you think when you looked at the water loss reports that were filed, and it showed in May a 67 percent water loss and then in June six-tenths of one percent and July three-tenths of one percent? Did it occur to you that that probably isn't right?

5:45:23 PM Chairman Schmitt - witness McCoy
Note: Sacre, Candace Know who's lying?

5:45:44 PM Chairman Schmitt - witness McCoy
Note: Sacre, Candace And Bell Engineering is the consulting engineering firm for the Martin County Water District, correct?

5:45:52 PM Chairman Schmitt - witness McCoy
Note: Sacre, Candace Okay. Now, I know I saw your press conference, and I read Ms. Cromer's report and I guess your op-ed in the paper, and you had criticisms, I'm not – some maybe the Public Service Commission but, of state government, in general, maybe AML funding or something, the funding about you didn't feel like state government was providing either the proper amount or that the funding that had been provided was not going to the proper place. Would you comment on that for the record and what your opinion is?

5:47:48 PM Chairman Schmitt - witness McCoy
Note: Sacre, Candace Who is it that they should be listening to?

5:48:10 PM Chairman Schmitt - witness McCoy
Note: Sacre, Candace And so where is this one-point-eight million dollars going, as far as you know?

5:48:45 PM Chairman Schmitt - witness McCoy
Note: Sacre, Candace So it is a loan?

5:48:50 PM Chairman Schmitt - witness McCoy
Note: Sacre, Candace Well, they're either giving it away or they're going to charge them for the money, right?

5:48:58 PM Chairman Schmitt - witness McCoy
Note: Sacre, Candace And who is they, ma'am? Do you know?

5:49:03 PM Chairman Schmitt - witness McCoy
Note: Sacre, Candace Okay. Now, you know the Army Corps of Engineers isn't state government?

5:49:06 PM Chairman Schmitt - witness Hensley
Note: Sacre, Candace I mean, that's the federal government?

5:49:08 PM Chairman Schmitt - witness McCoy
Note: Sacre, Candace Now, in terms of basically replacing infrastructure in the area of Davella, Kentucky, which is close to the prison, there, at Honey Branch, the industrial park, do you have any criticisms or any problems with the money going into that location for water line replacement or building a water tank there?

5:50:09 PM Chairman Schmitt - witness McCoy
Note: Sacre, Candace And I don't know if you were here, I'm sure you were here on every hearing we had, but it was here or in Prestonsburg or Southern on the other issue, I think it was in this case, I'm sure, where Prestonsburg testified, Eddie Campbell testified, that Martin County Water District didn't have any telemetry on the tank, and so their tank would overflow; they had had issues with basically maintaining or understanding where the water line was, and they lost some water to overflowing. Did you know that, or did anybody ever tell you that?

5:50:48 PM Chairman Schmitt - witness McCoy
Note: Sacre, Candace Well, the school's the same, but that's the county. The county built the line up to the school.

5:50:56 PM Chairman Schmitt - witness McCoy
Note: Sacre, Candace Well, you may have now. I don't know. I don't know, but it was a problem with overflows, at least, that's what Mr. Campbell said, so what do you think – what would you have state government do for the Water District now if you were applying for funding or if you had the ability to make those decisions? What would you recommend? What would you have done?

5:52:38 PM Chairman Schmitt - witness McCoy
Note: Sacre, Candace You're the first person that's ever drawn that conclusion that we've heard. Let me ask you this. I know that over time, I don't know what Judge Callaham did or didn't do, but, you know, there was always this suggestion that somebody associated with Martin County Concerned Citizens be appointed to the Martin County Water District, and that has never been done. Would you be willing to serve as a commissioner on the Martin County Water District if appointed?

5:54:22 PM Chairman Schmitt - witness McCoy
Note: Sacre, Candace So what is the University of Kentucky doing now with respect to the water system? You said you're involved with the University of Kentucky. Are they conducting a study or something?

5:54:37 PM Chairman Schmitt - witness McCoy
Note: Sacre, Candace To your knowledge, has the water quality at the Crum Reservoir ever been tested?

5:55:01 PM Chairman Schmitt - witness McCoy
Note: Sacre, Candace I know, but have you gotten results back?

5:55:05 PM Commissioner Mathews - witness McCoy
Note: Sacre, Candace Examination. When will you?

5:55:19 PM Chairman Schmitt - witness McCoy
Note: Sacre, Candace Examination. Well, let me tell you why I ask because sometime, and I don't think it was in one of these exhibits. I mean, I wasn't here when – I sent in the list. We've got it somewhere, but I don't think it's in this group of exhibits, that the University of Kentucky or some group, somebody maybe out of Pennsylvania, Vermont, or somewhere came in here, about the 2005, '06, '07 timeframe, and looked at water quality and suggested that a study be done of the entire water shed that supplied water to Martin County, and they also suggested that they had gone to the reservoir and around it and that there were apparently a number of homes that were there that – basically, where they considered the possibility of a septic system draining into the reservoir, and one of the recommendations to the Water District was that they basically test that, look at it, and if that was, in fact, occurring, take some steps to prevent it or to avert it, and I didn't know if you were ever aware of that study or if that's anything that is involved now with this water testing you're doing.

5:56:43 PM Chairman Schmitt - witness McCoy
Note: Sacre, Candace It probably doesn't make much difference, does it?

5:56:47 PM Chairman Schmitt - witness McCoy
Note: Sacre, Candace Chlorine. You've got to rely on chlorine. Chemicals will kill it.

5:56:54 PM Chairman Schmitt - witness McCoy
Note: Sacre, Candace In your, I guess, in your op-ed, you basically say corporate welfare leads to widespread injustice in Martin County, over and over again. What was your complaint about? I mean, I don't know what money? Was some money given some way that should have been directed somewhere else, in your opinion as a Concerned Citizen?

5:57:23 PM Chairman Schmitt - witness McCoy
Note: Sacre, Candace And what was that?

5:58:07 PM Chairman Schmitt - witness McCoy
Note: Sacre, Candace Do you know who the owner of the surface, owner of the property is at the Honey Branch Industrial Park?

5:58:26 PM Chairman Schmitt - witness McCoy
Note: Sacre, Candace There's a lot of acreage that's outside the industrial park, isn't that correct?

5:58:34 PM Chairman Schmitt - witness McCoy
Note: Sacre, Candace I mean, you can walk for miles along the surface mine, what was at one time the Pebbler Mining Complex, correct?

5:58:47 PM Chairman Schmitt - witness McCoy
Note: Sacre, Candace So, if you would have been consulted and asked your advice, that money that went to this building at Honey Branch would have gone where?

5:59:43 PM Chairman Schmitt - witness McCoy
Note: Sacre, Candace But that doesn't have anything, or does it have anything, to do with the Water District? I don't know whether it does or it doesn't.

6:00:01 PM Chairman Schmitt - witness McCoy
Note: Sacre, Candace Well, you, I guess, understand that to the extent that there are either grants or whatever they were, Corps of Engineers, AML money, that was provided to the Martin County Water District was provided to them at their request at the locations they requested?

6:01:22 PM Chairman Schmitt - witness McCoy
Note: Sacre, Candace I've seen Ms. Cromer's study, and I assume that you, and maybe not, that you basically don't disagree with her perspective or opinion that there ought to be some sort of affordable rate consideration in terms of developing rates or assigning rates to customers, is that correct?

6:02:57 PM Chairman Schmitt - witness McCoy
Note: Sacre, Candace I suspect that's right.

6:02:59 PM Vice Chairman Cicero
Note: Sacre, Candace I suspect that it is, too.

6:03:00 PM Chairman Schmitt - witness McCoy
Note: Sacre, Candace Well, that's right, and you would understand, I don't know if you do, the Commission's concern about the fact that we have serious concern about the reliability of the numbers that we get here from the Water District. I don't know if you do after what you've heard testimony here today, but we get – we only have a hearing every few months, but we get these records all the time.

6:03:38 PM Chairman Schmitt - witness McCoy
Note: Sacre, Candace That's right, and that's management issues. We had in Southern Water District, which has a higher rate, I think, at least, on 4,000 gallons, probably not, considering the surcharge, we had customers complain, "You know, they never read my meter, and I finally went out and cut a tree down over the place where the meter was and piled brush up, and, months have gone by, they've never come by and complained about the brush, but I still get bills."

6:04:12 PM Chairman Schmitt - witness McCoy
Note: Sacre, Candace Who knows? But I guess – well, one of the things we wanted to do was to get your concerns on behalf of the Martin County Concerned Citizens, presumably representing a number of residential ratepayers, as well as the Water District's position, so that we can try to make some decision or get some understanding of what everybody thinks, and, at least, as far as I'm concerned, my concern is that Concerned Citizens were not being provided information when people are saying, "Well, if you hire outside management, you're going to have to pay X dollars." You weren't being told that somebody expected a pretty stiff rate increase whether there was outside management or not. You weren't being told that, were you? You weren't being told, "We're going to need $10 no matter what?"

6:06:08 PM Chairman Schmitt - witness McCoy
Note: Sacre, Candace Well, that surcharge isn't in effect.

6:06:20 PM Chairman Schmitt - witness McCoy
Note: Sacre, Candace I can tell you now that we gave you Martin County the increase that they got and the debt surcharge and the additional money we were going to give them to try to get an infrastructure plan or something in place and to use to offset some professional management based upon all of the financial information we had and our accountants and rate people who have been to rate school and who have done all the work based on information they gave. Now, they didn't prove to us that they needed more money to be able to survive, and then, several months ago, they say, "We need more money," and maybe they do, and maybe we should have given them more. But the point is, we haven't been proven to us that, if District was properly managed, they couldn't get by on the rate money that they were originally given. Now, if you said, "Why didn't you give them another $10 to $12 dollars per customer?" Let's say, $10 and, based on the figures you have –

6:07:12 PM Chairman Schmitt - witness McCoy
Note: Sacre, Candace the oitn is it hasnt' been rove if that disr stwas proepr they coldt get by on rate moen ow if you said why didnt you give them anotehr 10 and baed youre' lookgn at 65 66 amonthj

6:07:32 PM Chairman Schmitt - witness McCoy
Note: Sacre, Candace No, I say that. I mean, you're looking at $65, $66, right?

6:07:36 PM Chairman Schmitt - witness McCoy
Note: Sacre, Candace A month?

6:07:53 PM Chairman Schmitt - witness McCoy
Note: Sacre, Candace That's right.

6:08:01 PM Chairman Schmitt - witness McCoy
Note: Sacre, Candace The surcharge only would come into effect if they hired a general manager. Now, that's doesn't mean to say that that surcharge was all of the money that might – and there's nothing to say that that surcharge couldn't be increased or that other monies through – I mean, we had no idea their situation would end up, according to them, the way it is now, at that time. But what we did know was this, that after more than 20 years of financial mismanagement that destroyed a publicly-owned water system, no matter if they put, you know, if the board of General Electric running the Martin County Water District, we couldn't afford just to give them the money and say, "You go spend it any way you want," and let you fix it –

6:08:56 PM Chairman Schmitt - witness McCoy
Note: Sacre, Candace – because that would be malfeasance. I mean, you have to use history. If history isn't good, if you can't use history, it's not good for anything, but it's never been working right.

6:09:11 PM Chairman Schmitt - witness McCoy
Note: Sacre, Candace And we know from other districts, and I assume it's here, people say, "Well, I bet you got a ton of people out in Martin County, and some probably that have trouble paying their water bills, and some probably that can't get water at all," but some public official, somebody'll call and say, "You leave them alone; you're not going to prosecute them," and, I guarantee you, and the rest of you are paying for it, and it's not fair to you, but it's not fair to the system. It 's not fair to the public, but that's the way human beings are, you know, so I don't know. But I appreciate your thoughts.

6:09:50 PM Chairman Schmitt - witness McCoy
Note: Sacre, Candace And the Public Service Commission is going to have one or more appointments, I think, probably to the water board. I mean, there's some issue about Judge Callaham's appointments anyway that, ultimately, has to be determined, I guess. But there's a position now from John Horn that was never filled, that after 90 days, if there's a vacancy, the Public Service Commission fills, and I'm going to ask you, are you interested in that position?

6:11:11 PM Commissioner Mathews - witness McCoy
Note: Sacre, Candace Examination. Could you not do that and hold a seat on the water board at the same time?

6:11:25 PM Commissioner Mathews - witness McCoy
Note: Sacre, Candace You wouldn't have to intervene in the case; you'd be at the table. I thought you intervened in the case to get the information.

6:11:41 PM Chairman Schmitt - witness McCoy
Note: Sacre, Candace Examination. Let me tell you something else, too, that I think, and I don't mean this to be necessarily – I'm not trying to be condescending to Martin County, but, if this were just the Water District, one could say, "Well, you know, there's something run amok." But the county government is a mess in Martin County. I mean, we know the county government had not had an audit since 2013 until White and Associates did 2014, '15, and '16, and, in July of 2019, they got them up to 2016, but '17 and '18 still aren't done. We also know that the county government has a lot of debt that it's going to have trouble paying, isn't that correct?

6:12:36 PM Chairman Schmitt - witness McCoy
Note: Sacre, Candace You've got a big, beautiful county administration building that Franklin County would be proud to have. I've been in it.

6:12:47 PM Chairman Schmitt - witness McCoy
Note: Sacre, Candace But I've also seen inside, the equipment you don't have. It would be nice if you had the equipment necessary to have a first-class modern facility in terms of using it.

6:13:41 PM Chairman Schmitt - witness McCoy
Note: Sacre, Candace Well, I think I understand the name that's being whispered probably, so what would this person or persons – what interest could they possibly have in continuing or helping to contribute, basically, to government mismanagement at all levels?

6:14:07 PM Chairman Schmitt - witness McCoy
Note: Sacre, Candace Well, we know the county government has basically a lot of debt, and they've got this administrative building or what's been called the Courthouse, Sister Wilma claims it's a "Third Courthouse," but, in the end, I mean, it's going to cost, what? Five, six hundred thousand dollars a year up into the 2030s maybe, right?

6:14:33 PM Chairman Schmitt - witness McCoy
Note: Sacre, Candace And then we know the sewer system. Are you on the waste water system, your family, your home?

6:14:45 PM Chairman Schmitt - witness McCoy
Note: Sacre, Candace Okay, but what kind of waste water bill are you paying?

6:14:56 PM Chairman Schmitt - witness McCoy
Note: Sacre, Candace So, if you talk about your water bill, you're paying $80, $90 a month for sewer and water now?

6:15:05 PM Chairman Schmitt - witness McCoy
Note: Sacre, Candace Minimum?

6:15:08 PM Chairman Schmitt - witness McCoy
Note: Sacre, Candace Do you, I mean, you're there in the community and you're active in the community, know the status of the waste water system in Martin County?

6:15:19 PM Chairman Schmitt - witness McCoy
Note: Sacre, Candace What is your understanding of the status of the waste water system?

6:16:37 PM Chairman Schmitt - witness McCoy
Note: Sacre, Candace And so we have three elements or four elements that we've discussed here today of government in Martin County, and that's the county government - which you would say has been mismanaged, right?

6:16:57 PM Chairman Schmitt - witness McCoy
Note: Sacre, Candace – the Martin County Water District –

6:16:59 PM Chairman Schmitt - witness McCoy
Note: Sacre, Candace I'm going to ask you about that later – the Martin County Water District, and then the Waste Water District, correct? Those three, none of which –

6:17:12 PM Chairman Schmitt - witness McCoy
Note: Sacre, Candace Well, we don't regulate waste water for them because they've got a separate board.

6:17:18 PM Chairman Schmitt - witness McCoy
Note: Sacre, Candace The same people but a different organization.

6:17:21 PM Chairman Schmitt - witness McCoy
Note: Sacre, Candace Now, that only leaves us with the Martin County School District, which, as far as I know, is well run. They always have their audits. I mean, they had issues with Sheldon Clark High School building and other issues, but I have never seen any county that I was ever in that had any better looking schools than Martin County does. I wish you had more students, but, I mean, from Warfield Elementary up to the one up there, I guess, on, what is it? 641 –

6:17:52 PM Chairman Schmitt - witness McCoy
Note: Sacre, Candace – on 645, Roger Harliss' school, but they all really seem to me to be top-notch facilities, but I don't know. If you say, "Well, you look at Martin County as a whole in terms of its government structures," whether we can have any faith in the management that's there without some sort of professional group to basically come in, look at it, and try to get it fixed and up and running, and I know that costs more money. I don't think it costs $25, but it would cost more money.

6:18:36 PM Chairman Schmitt - witness McCoy
Note: Sacre, Candace But, I mean, this article, and I'm sure you probably saw it, Lexington Herald-Leader, September 25, 2018, quoting the U S News and World Report, have you seen that? "This Kentucky county is the worst performing white-majority county in the nation," and that's Martin County.

6:18:56 PM Chairman Schmitt - witness McCoy
Note: Sacre, Candace And I just wonder, myself, I know to some extent, it seems to me that people sometimes get the kind of government that they want or that they voted for. I know it's tough. You say, "Well, we've got a group that we're all against," but don't citizens have a responsibility to hold their public officials accountable?

6:19:59 PM Chairman Schmitt
Note: Sacre, Candace All right. Ms. Cromer, I think, had some proposal or suggestion, one of which involved some sort of graduated rates based upon income or something. Is that one of your proposals? Some kind of affordability?

6:20:18 PM Atty Cromer MCCC
Note: Sacre, Candace We didn't go specifically into that.

6:20:22 PM Chairman Schmitt
Note: Sacre, Candace Well, I mean, you didn't propose any –

6:20:24 PM Atty Cromer MCCC
Note: Sacre, Candace We said to look at rate design, and I think, at that point, we were talking more about – we can get into that. I understand that that's not really – there's not an explanation in the statute.

6:20:32 PM Chairman Schmitt
Note: Sacre, Candace Well, the reason isn't – I will explain why it isn't possible is because we have a statute that basically says two things.

6:20:39 PM Chairman Schmitt
Note: Sacre, Candace

One statute provides that the utility, including a public utility, an investor-owned utility, is entitled to basically demand fair and reasonable rates, and that's because they're a monopoly, and they have to have a certain level of rate structure and rate revenue in order to be able to cover costs and to be able to replace infrastructure and, an investor-owned utility, to basically provide some kind of reasonable return to shareholders, and then they borrow money and the rate structure, you know, how much more –their interest rates sometimes are less, depending on what the rates are, if the rates are a little higher.

6:21:26 PM Chairman Schmitt
Note: Sacre, Candace

And the investor-owned utility always wants to develop infrastructure and keep infrastructure up and keep infrastructure working well because they get a return on the investment. If they spend a million dollars on replacing service lines, they'll get that million dollars back in their rates plus a return maybe of nine-and-a-half percent, and so their interest is, in helping themselves, it also helps the ratepayer, and it's up to the Public Service Commission to try to keep those rates reasonable and low.

6:22:04 PM Chairman Schmitt
Note: Sacre, Candace

On the other hand, you have a public utility which is entitled to the same consideration, and there are court decisions that say that the Public Service Commission shorts a public utility on rates; that, essentially, we're confiscating their property, so I mean it's a taking without due process of law, and so you're entitled, this Water District is entitled, to fair, just, and reasonable rates. And my opinion is it's only after you get to the minimum that's required to have a fairly operated utility that then you consider affordability because, if you just said, "Everybody in my county, nobody can pay the bills," somebody's got to. I mean, there's no way you can have a utility because somebody has to pay for the operation of the facility. And if your costs are spread among more people, then those costs, what seemed to be a high cost now of several million dollars to Martin County, if you were combined in a regional organization or were purchased by an investor-owned utility, your costs would be much less.

6:23:24 PM Chairman Schmitt
Note: Sacre, Candace

I'm not advocating this, but I want to tell you one thing. Kentucky American Water purchased two troubled water districts. One was Eastern Rockcastle, and the other was – I can't remember what it was, but they came in here for a rate increase, and we've allowed them to spread their rates among 132,000 customers. Lexington was always against it because Lexington is Kentucky American Water service territory. They like to spend your money, Mr. McCoy, when you come down here and go to a restaurant, but they aren't too interested in helping you or anybody else outside of Fayette County, and maybe that's true of all of us. But what they did was, these systems came in, and they were terribly troubled, and Kentucky American will pump a lot of money in there. But, as a result, both of these water districts had customer water rates of $44, $45 a month, and once, when they came in for a rate increase after two or three years, Lexington's rates and everybody else's went up a little, and those customers got an average of $20 a month less on the water bill than they had before.

6:24:32 PM Chairman Schmitt
Note: Sacre, Candace And, whether it's investor-owned or whether it's four or five water districts combining, if you can get good management and take politics as much as possible out of the mix, you know, the customers may be better served. I don't know. That's an experiment that hasn't been made, but, as I tell people, we're not interested in Mr. Crum or Mr. Kerr or Mr. Hensley or anybody that's on this board or the county judge or anybody else. Our focus is on the customers, but sometimes the customer gets upset because they don't understand when things go bad, I mean, the only solution we can make as a Commission is to try to get rates raised to get it fixed.

6:25:19 PM Chairman Schmitt
Note: Sacre, Candace There is a case, Ms. Cromer, I guess it's South Central Bell versus Utility, whatever this Commission's name used to be, but anyway, the Public Service Commission, years ago, sometime in the '80s, denied a full rate increase or reduced rates that Bell South would otherwise have gotten in a rate increase because of complaints that their service was so poor in some places, and the Kentucky Supreme Court held that the Public Service Commission didn't have the authority to reduce rates because service was poor. So we have to try to provide service and make sure people provide good service, but we can't use a denial of rates or a reduction of rates as a hammer or a lever in forcing that to be done. I'm not sure anybody understood that, but I did want you all to know, I mean, because we have to interact, and you've told us heartfelt what your position is and so have these water district commissioners, and sometimes you don't know what we have to work with.

6:27:11 PM Chairman Schmitt - witness McCoy
Note: Sacre, Candace Examination. Well, Mr. Crum's from your county, and he practices law in the same law firm, doesn't he, as Senator Wheeler?

6:27:23 PM Chairman Schmitt
Note: Sacre, Candace I have no further questions of Ms. McCoy.

6:27:26 PM Vice Chairman Cicero
Note: Sacre, Candace I have a couple.

6:27:31 PM Vice Chairman Cicero - witness McCoy
Note: Sacre, Candace Examination. You made the comment, when the Chairman asked about the $8 to $12, you said, "That's what they said it is," but it almost sounded like disbelief that it's not really $8 to $12. Did I read that wrong?

6:27:57 PM Vice Chairman Cicero - witness McCoy
Note: Sacre, Candace The only reason why I'm asking is because everybody talks about the $22 to $25, which nobody's seen the math either, but that becomes the number that everybody throws around and that becomes the one in concrete, but the $8 to $12 is ignored.

6:28:34 PM Vice Chairman Cicero - witness McCoy
Note: Sacre, Candace I think it's less than $10, but that's my calculations.

6:28:41 PM Vice Chairman Cicero - witness McCoy
Note: Sacre, Candace I did want to explain something about the rate structure when you talked about what the increase was and how much was asked for and what the Commission gave, and I wanted to point out that while 49 percent was asked for and with the $3.16 which is set up as a surcharge –

6:29:03 PM Vice Chairman Cicero - witness McCoy
Note: Sacre, Candace The $4.19 is not really a rate increase in the base rate. It was set up strictly to take care of the debt burden and goes away. It's not a part of the 49 percent they asked for because we would never have granted a debt repayment as part of a base rate. We gave that as a way to make the District more financially viable. It's not part of that 49 percent.

6:29:44 PM Vice Chairman Cicero - witness McCoy
Note: Sacre, Candace They wanted 49 percent, and they wouldn't have paid down the old debt, okay? So they didn't –

6:29:54 PM Vice Chairman Cicero - witness McCoy
Note: Sacre, Candace Yeah, which is controlled by the Commission under the guidelines that they pay off the old debt and which they have requested the ability to apply it also to, what I call, the stub period, which is the period of time between when the initial $880,000 was identified through the end of December when the rate actually went into effect that's being applied to be put under that umbrella as well.

6:30:17 PM Vice Chairman Cicero - witness McCoy
Note: Sacre, Candace But that $4.19 was strictly related to debt repayment, not to base rate percentages, not to infrastructure, which the infrastructure was initially set up not to pay for a general manager but actually for infrastructure improvement because we think something needs to be done to improve the actual pipes and whatever else. However, recognizing the burden that has been placed, the $3.16 was then recognized as a possibility to offset whatever additional costs are incurred for an outside management company so that's why it was conditional upon hiring an outside management company.

6:30:45 PM Vice Chairman Cicero - witness McCoy
Note: Sacre, Candace hower eogni the bude that has bene pale the 3.16 was then reognea sa a pssilbit to offes whteer additonal costs

6:31:08 PM Vice Chairman Cicero - witness McCoy
Note: Sacre, Candace So that was the thought process on the two surcharges and the actual funding that was provided in the actual rate increase.

6:31:19 PM Vice Chairman Cicero
Note: Sacre, Candace I do not have anything else.

6:31:22 PM Chairman Schmitt - witness McCoy
Note: Sacre, Candace Examination. You understand that we encouraged Martin County to basically try to hire a competent general manager, and they were apparently unable to do that or find somebody who was acceptable?

6:31:41 PM Chairman Schmitt
Note: Sacre, Candace Okay. Commissioner Mathews?

6:31:46 PM Commissioner Mathews
Note: Sacre, Candace At 6:30, I don't have any questions.

6:31:49 PM Chairman Schmitt
Note: Sacre, Candace Okay. Ms. Vinsel, anything?

6:31:51 PM Asst Gen Counsel Vinsel PSC
Note: Sacre, Candace Staff does not have any questions for Ms. McCoy.

6:31:52 PM Chairman Schmitt
Note: Sacre, Candace Ms. Cromer, you're up.

6:31:57 PM Atty Cromer MCCC - witness McCoy
Note: Sacre, Candace Cross Examination. Nina, have you seen or has the Concerned Citizens' group seen any kind of an analysis or anything that would substantiate the claim that they need an eight- to ten dollar rate increase?

6:32:09 PM Atty Cromer MCCC - witness McCoy
Note: Sacre, Candace Have you seen anything that would substantiate the claims that Alliance wouldn't require, like, a twenty-some-dollar rate increase? Have you seen any documentation on that?

6:32:39 PM Atty Cromer MCCC - witness McCoy
Note: Sacre, Candace So we did see some justification for that?

6:32:43 PM Atty Cromer MCCC - witness McCoy
Note: Sacre, Candace When the mention of eight- to twelve-dollar or ten- to twelve-dollar rate increase, when that's been mentioned, has it been in the context of the PSC stiffed the District on not giving them the rate increase that they wanted?

6:33:23 PM Atty Cromer MCCC - witness McCoy
Note: Sacre, Candace Right, right, and how do you believe that hiring a qualified general manager, someone who's a professional, would help the District's finances?

6:34:13 PM Atty Cromer MCCC - witness McCoy
Note: Sacre, Candace And do you think that there are other measures that the District could do that would increase revenue without increasing the rates?

6:35:20 PM Atty Cromer MCCC - witness McCoy
Note: Sacre, Candace And do you have any ideas, based on the usage that we've recently gotten, that you might figure out who do you look for?

6:36:17 PM Atty Cromer MCCC - witness McCoy
Note: Sacre, Candace And Chairman Schmitt talked about sort of the limitations on the PSC's ability to consider affordability, but are there other things that you know of that might be taken into consideration in rate design that might make rates more affordable for some of the most vulnerable customers?

6:37:07 PM Atty Cromer MCCC - witness McCoy
Note: Sacre, Candace And so, if the water rates were to go up by, let's say, just $10 per customer per month, do you know where that would put Martin County in comparison to other –

6:37:30 PM Commissioner Mathews
Note: Sacre, Candace You would be the second highest.

6:37:32 PM Chairman Schmitt
Note: Sacre, Candace I think there's North Hopkins. We have the exhibit. I think North Hopkins is even higher than maybe Caldwell County. I don't know. And they're Western Kentucky. What they're doing down there, I don't know, but their rates are high.

6:37:48 PM Atty Cromer MCCC
Note: Sacre, Candace Yeah, I don't think it does. Just to be clear, we're talking about including the surcharge, the cost to customers.

6:37:54 PM Chairman Schmitt
Note: Sacre, Candace Including the surcharge, okay, all right. Well, our figures are based on base rates, I think.

6:37:58 PM Atty Cromer MCCC
Note: Sacre, Candace Yeah, when we talk about cost to customers, we're including the surcharge because that, from the customer's point of view, that's the most important number.

6:38:08 PM Atty Cromer MCCC - witness McCoy
Note: Sacre, Candace Cross Examination. I believe Commissioner Mathews asked about when the U.K. study results will be final. Can you just explain why they're not, explain the process a little bit?

6:38:52 PM Commissioner Mathews - witness McCoy
Note: Sacre, Candace Examination. So you're selecting 100 homes at random or the people are volunteering 100 homes?

6:39:20 PM Commissioner Mathews - witness McCoy
Note: Sacre, Candace What's the epicenter? You said this many miles and –

6:39:27 PM Atty Cromer MCCC - witness McCoy
Note: Sacre, Candace Cross Examination. And, just to be clear, what is your role and who has designed and is conducting this study?

6:39:38 PM Commissioner Mathews
Note: Sacre, Candace Examination. Which department?

6:40:10 PM Commissioner Mathews
Note: Sacre, Candace And that's being funded by whom?

6:40:16 PM Commissioner Mathews
Note: Sacre, Candace I bet they're getting a grant somewhere.

6:40:19 PM Atty Cromer MCCC
Note: Sacre, Candace NIH.

6:40:27 PM Atty Cromer MCCC - witness McCoy
Note: Sacre, Candace Cross Examination. And is there anything you can share about the results of this study even though it's not final?

6:41:08 PM Commissioner Mathews - witness McCoy
Note: Sacre, Candace Examination. And by we, again, University of Kentucky or Martin County Concerned Citizens?

6:41:15 PM Commissioner Mathews - witness McCoy
Note: Sacre, Candace You had me confused with the pronoun there.

6:41:48 PM Commissioner Mathews - witness McCoy
Note: Sacre, Candace I look forward to seeing the results.

6:41:52 PM Atty Cromer MCCC
Note: Sacre, Candace I don't have any other questions.

6:41:54 PM Chairman Schmitt - witness McCoy
Note: Sacre, Candace Examination. Is the Water District part of this at all, or is this separate and distinct from –

6:41:59 PM Chairman Schmitt - witness McCoy
Note: Sacre, Candace The Water District isn't participating; this is something that Concerned Citizens' group has gotten U.K. to be involved in. Is that what you're saying?

6:42:09 PM Chairman Schmitt - witness McCoy
Note: Sacre, Candace Oh, U.K. came to you?

6:42:10 PM Commissioner Mathews - witness McCoy
Note: Sacre, Candace Examination. And is there a zero? You know, you said this many miles out. Is there an epicenter sample? When you're sampling these out, are you doing a control? This is what's coming out of the plant?

6:42:32 PM Commissioner Mathews - witness McCoy
Note: Sacre, Candace I just think that's a good – that would be –

6:42:34 PM Chairman Schmitt - witness McCoy
Note: Sacre, Candace Examination. When that study's complete, will you share it with us?

6:42:42 PM Chairman Schmitt
Note: Sacre, Candace Mr. Cumbo?

6:42:45 PM Atty Cumbo Martin District - witness McCoy
Note: Sacre, Candace Cross Examination. Ms. McCoy, I just, I guess, have a basic question for you so I understand the position of your organization, are you folks advocating for a – that the District hire a general manager, a qualified, quote, qualified, educated, experienced general manager, or is your position that we should hire Alliance or a contractor similar to them?

6:43:20 PM Vice Chairman Cicero
Note: Sacre, Candace You can't get a general manager for $3.16 a month.

6:43:26 PM	Commissioner Mathews	
	Note: Sacre, Candace	Not when they're already $292,000 in the hole just on operating expenses.
6:43:36 PM	Atty Cromer MCCC	
	Note: Sacre, Candace	But couldn't the surcharge be designated to fund the general manager's position so the applicant would be assured that the applicant would be paid?
6:43:44 PM	Vice Chairman Cicero	
	Note: Sacre, Candace	Then what are you going to do? Let it lose money as it goes along and hope that he corrects it?
6:43:48 PM	Atty Cromer MCCC	
	Note: Sacre, Candace	I think there's a lot that could be corrected pretty easily.
6:43:49 PM	Chairman Schmitt - witness McCoy	
	Note: Sacre, Candace	Examination. Do you have someone in mind as general manager?
6:44:01 PM	Chairman Schmitt - witness McCoy	
	Note: Sacre, Candace	Does the general manager have to be from Martin County?
6:44:21 PM	Chairman Schmitt - witness McCoy	
	Note: Sacre, Candace	You're a teacher, and you're probably in the KEA, right? Do you know, like, under Kentucky law, a school district can't discriminate against a teacher in hiring a teacher because the teacher lives in a county other than where the school district is?
6:44:36 PM	Chairman Schmitt - witness McCoy	
	Note: Sacre, Candace	And nobody's talking about discriminating against people in Martin County. On the other hand, there's a lot of places in Eastern Kentucky that say, "You know, he's an outsider; he's not one of us."
6:44:49 PM	Chairman Schmitt - witness McCoy	
	Note: Sacre, Candace	Well, I think that's – yeah, I wouldn't disagree that maybe you need outside help. One time in Paintsville, and I digress here, and I don't know if they do it now, but there was a time they had teachers from New York and some other places, and people would say, "Oooh, the things they're saying." I thought it was healthy, myself.
6:45:16 PM	Chairman Schmitt - witness McCoy	
	Note: Sacre, Candace	Yeah, it's healthy to get fresh ideas, even if you don't agree with it, right?
6:45:23 PM	Chairman Schmitt	
	Note: Sacre, Candace	May Ms. McCoy be excused, or do you have questions?
6:45:26 PM	Asst Gen Counsel Vinsel PSC	
	Note: Sacre, Candace	Just one very brief question.
6:45:43 PM	Asst Gen Counsel Vinsel PSC	
	Note: Sacre, Candace	Okay. Thank you.
6:45:44 PM	Chairman Schmitt	
	Note: Sacre, Candace	Anything else?
6:45:47 PM	Asst Gen Counsel Vinsel PSC	
	Note: Sacre, Candace	Nothing else.
6:45:47 PM	Chairman Schmitt	
	Note: Sacre, Candace	May Ms. McCoy be excused? Thank you.
6:45:50 PM	Chairman Schmitt	
	Note: Sacre, Candace	Mr. Crum, you have the benefit of being late in the day, and you know how everybody always wears down.
6:46:09 PM	Chairman Schmitt	
	Note: Sacre, Candace	Witness is sworn.
6:46:16 PM	Chairman Schmitt - witness Crum	
	Note: Sacre, Candace	Examination. Please state your name and business address for the record, please.

6:46:26 PM Chairman Schmitt - witness Crum
Note: Sacre, Candace And, Mr. Crum, what is nature of your profession or occupation?

6:46:32 PM Chairman Schmitt - witness Crum
Note: Sacre, Candace Kirk Law Firm in Paintsville.

6:46:35 PM Chairman Schmitt - witness Crum
Note: Sacre, Candace Does Kirk law firm have offices in counties other than Paintsville?

6:46:45 PM Chairman Schmitt - witness Crum
Note: Sacre, Candace And at what other locations does Kirk Law Firm have offices?

6:46:57 PM Chairman Schmitt - witness Crum
Note: Sacre, Candace Who mans or womans the Inez office?

6:47:06 PM Chairman Schmitt - witness Crum
Note: Sacre, Candace That's a Martin County name, right, Hinkle?

6:47:10 PM Chairman Schmitt - witness Crum
Note: Sacre, Candace Now, in Prestonsburg, who operates the Prestonsburg office?

6:47:20 PM Chairman Schmitt - witness Crum
Note: Sacre, Candace Okay, and Ashley Tackett Laferty is a member of the House of Representatives, first-term member, correct?

6:47:26 PM Chairman Schmitt - witness Crum
Note: Sacre, Candace And, Pikeville, and runs the Pikeville office?

6:47:33 PM Chairman Schmitt - witness Crum
Note: Sacre, Candace Mr. Wheeler also is a member of the firm, and he's a state senator, and his district not only includes Pike County but it includes Martin County and somewhere else, right?

6:47:44 PM Chairman Schmitt - witness Crum
Note: Sacre, Candace He drew the straw that had all these districts other than Martin County?

6:47:57 PM Chairman Schmitt - witness Crum
Note: Sacre, Candace Well, when were you appointed to the – when were you appointed to the Water District board of commissioners?

6:48:08 PM Chairman Schmitt - witness Crum
Note: Sacre, Candace Do you know who you replaced, or were you ever told who you replaced?

6:48:14 PM Chairman Schmitt - witness Crum
Note: Sacre, Candace Well, they may not have known themselves, but so when does your term end, as you understand it?

6:48:27 PM Chairman Schmitt - witness Crum
Note: Sacre, Candace And, when you took office, is that what you were told? I've seen the minutes of the board where the fiscal court apparently attempted to change the terms of the members of the Water District. Did you know that they did that?

6:48:50 PM Chairman Schmitt - witness Crum
Note: Sacre, Candace No, I mean, this was before you even took the job.

6:48:54 PM Chairman Schmitt - witness Crum
Note: Sacre, Candace At the time you were appointed, the fiscal court made a change in the statutory terms of the commissioners' office.

6:49:06 PM Chairman Schmitt - witness Crum
Note: Sacre, Candace You know, that was – at some point, we'll have to probably wrestle with that, but, right now, that's not a top priority.

6:49:15 PM Chairman Schmitt - witness Crum
Note: Sacre, Candace So, when your term ends or comes up in December of 2019, do you intend to be reappointed or serve beyond that time?

6:49:30 PM Chairman Schmitt - witness Crum
Note: Sacre, Candace
I know and I know from having practiced law a long time, having time to anything is a problem, including getting your CLEs or anything else in, but, during the first twelve months of your term, you were unable to complete the 12 hours required by statute of new district commissioners training, correct?

6:49:59 PM Chairman Schmitt - witness Crum
Note: Sacre, Candace
During the time that you've been on the board of commissioners, I mean, we've had a number of issues, one of which has been this, as far as we're concerned, frustrating problem with the audits. What is your understanding of why the information either – explain, if you know, why the District, the Water District, doesn't have the information or why Ms. Sumpter won't turn it over or, as she's claiming, she's already given all there is. I don't know. Do you know an explanation?

6:50:42 PM Chairman Schmitt - witness Crum
Note: Sacre, Candace
At any meeting that you've been at, a Water District meeting, or basically just talking to your fellow commissioners, has anybody raised the issue "Well, what can we do about Linda Sumpter?" You obviously, I assume, knew that somebody's claiming that she's not providing all the documents.

6:51:08 PM Chairman Schmitt - witness Crum
Note: Sacre, Candace
I didn't know if somebody – I thought, too, at one point in time, we subpoenaed her and her husband, and I was told –

6:51:16 PM Chairman Schmitt - witness Crum
Note: Sacre, Candace
I was told, I thought by the auditor, that "Well, we cancelled them" because it was my understanding that all of the documents had been provided. I even called Linda Sumpter, myself, and asked about that.

6:51:32 PM Chairman Schmitt - witness Crum
Note: Sacre, Candace
So, I don't know, maybe, apparently, we've got to get her in here or send an attorney up to Martin County and take her deposition. I don't know, but it's a problem because you can't know anything about what has gone on and where you are now, can you, until you see some of these financial records?

6:51:56 PM Chairman Schmitt - witness Crum
Note: Sacre, Candace
I mean, we've tried to reach out privately. We've had several meetings with Hilda Legg, U.S. Department of Agriculture, Rural Development, with KIA designed to try to do things to help water districts and to help them get financing and, once they do, to monitor it so if it looks like they're getting into financial trouble, we could make suggestions or do something to alter it, and she tells us, "Well, we can't do anything. We can't even get audits. Once we given money to people and then if they don't turn an audit in, there's nothing we can do about it."

6:52:34 PM Chairman Schmitt - witness Crum
Note: Sacre, Candace
And she's mentioned Martin County. She said, "I've had money that I could loan or give as a grant, but I've got to have an audit."

6:52:45 PM Chairman Schmitt - witness Crum
Note: Sacre, Candace
And it's not only you all. It's the county government as well, but I don't know. I think it's kind of a shame, and I don't know how it got in that condition, but it did. You're aware, I guess, of the position of Mr. Kerr and, I guess, Mr. Heitzman that the water district needs additional money would like to have it now, I mean, that's true? You'd like to have another eight to $12 or $10 or something?

6:53:19 PM Chairman Schmitt - witness Crum
Note: Sacre, Candace
Well, is that your position?

6:53:30 PM Chairman Schmitt - witness Crum
Note: Sacre, Candace Why would you be hesitant to raise rates?

6:53:57 PM Chairman Schmitt - witness Crum
Note: Sacre, Candace Would you have some concerns right now as to whether the District is being managed appropriately and properly and funds are being properly used?

6:54:40 PM Chairman Schmitt - witness Crum
Note: Sacre, Candace Well, I mean, did you interview this person?

6:54:44 PM Chairman Schmitt - witness Crum
Note: Sacre, Candace I may be mistaken on this or misspeak, but my belief is – well, I know what we would have done, maybe we didn't tell the commission, we were going to see that money was available to hire at a reasonable rate, a general manager, at that period in time, no matter what it took.

6:55:10 PM Chairman Schmitt - witness Crum
Note: Sacre, Candace Mr. Heitzman has testified in the past about what a water district the size of Martin County, about what the pay scale generally is –

6:55:20 PM Chairman Schmitt - witness Crum
Note: Sacre, Candace – and about the qualifications that would be necessary to manager as opposed to working in the field.

6:55:28 PM Chairman Schmitt - witness Crum
Note: Sacre, Candace And so you say, "Well, you may not be able to hire somebody at a reasonable rate now without a rate increase such as a surcharge or something else." I mean, if your idea or thoughts are, "Well, if we could get somebody, it's going to have to raise the rates to some extent to get somebody" because you understand, when they figure these rates, they have to be based upon the information that is sent in to the financial analysts and based upon what current expenses and payments are, looking into the future, and when Martin Water District submitted its information, it submitted a nine-thousand-dollar payment, and that's all that was being paid, which was low.

6:56:28 PM Chairman Schmitt - witness Crum
Note: Sacre, Candace In fact, I complained about it, because I think it's a violation of state and federal wage and hour laws, but that didn't get any traction.

6:56:39 PM Chairman Schmitt - witness Crum
Note: Sacre, Candace But, anyway, so I just wonder, even no matter what, right now, forget third-party management, you'd be hesitant to vote for an increase in rates with the current management until you had additional confirmation that basically things were running smoothly, but you'd like to have these audits because you couldn't really tell probably, could you, until you had that data?

6:57:11 PM Chairman Schmitt - witness Crum
Note: Sacre, Candace I just wonder, I know you said you thought the problem had been solved, and I thought it had, too, back towards July, I don't understand why a water district or any business, public or private, if it is true, and I don't know that it is, that Ms. Sumpter actually has this data that's needed and won't turn it over, why steps weren't taken to employ Mr. Cumbo to either go talk to her or just to basically take a couple of hours and draft a complaint, file it, and you probably could sent it to her before you filed it, she'd probably give them up, if she had them.

6:57:52 PM Chairman Schmitt - witness Crum
Note: Sacre, Candace But surely you could get a mandatory injunction to get those records within less than 30 days.

6:58:00 PM Chairman Schmitt - witness Crum
Note: Sacre, Candace I'm sure Judge Preston - but you know Judge Preston?

6:58:04 PM Chairman Schmitt - witness Crum
Note: Sacre, Candace And you know his business acumen, and he would, I suspect – I know, Mr. Cumbo, aren't you the master commissioner? I don't know, you might have to – you could do that. But, anyway, I just don't understand why that wasn't done or why it isn't done now. I mean, you know Ms. Sumpter. Everybody apparently has known her for years.

6:58:30 PM Chairman Schmitt - witness Crum
Note: Sacre, Candace You're not related; your wife isn't related?

6:58:32 PM Chairman Schmitt - witness Crum
Note: Sacre, Candace Do you know if any of the other commissioners are related to her?

6:58:39 PM Chairman Schmitt - witness Crum
Note: Sacre, Candace Okay. Well, you don't know if she's Mr. Cumbo's aunt or anything like that? Mr. Kerr's mother-in-law or anything? None of that?

6:58:50 PM Chairman Schmitt - witness Crum
Note: Sacre, Candace I'm trying to look for some reasons why people were hesitant to go over there and sit in her office and not get those records. But the other concern was, I mean, now that we've found out, I didn't understand why – I know the Martin County Water District owes Linda Sumpter money, but I would think about withholding payment if she had all my records. Why you would continue to pay her on a monthly basis out of this surcharge?

6:59:31 PM Chairman Schmitt
Note: Sacre, Candace I don't think I have any other questions. Commissioner Cicero, questions?

6:59:37 PM Vice Chairman Cicero - witness Crum
Note: Sacre, Candace Examination. So, if I understood you correctly, you answered the Chairman that you would not raise rates because you're concerned that you don't have either validated information or enough information to believe that anything, at this point, further is necessary until you do?

6:59:56 PM Vice Chairman Cicero - witness Crum
Note: Sacre, Candace Okay, and, as a member of the commission, do you look at the financial statements that are provided? Are they adequate to give you an idea of what's being done is what you think should be done?

7:00:26 PM Vice Chairman Cicero - witness Crum
Note: Sacre, Candace So my next question is, how long are you willing to wait just hearing this data that we have that shows that the loss is $292,000 through seven months, which if you extrapolate that out, it's probably another at least $200,000 on top of that, so we're probably looking at close to a five-hundred-thousand-dollar loss for the year, and you 're willing to risk the viability of the District to wait and see if it continues to bleed money at that rate or whether you would go for a rate increase or not at the risk that it might be put in receivership instead?

7:01:11 PM Vice Chairman Cicero - witness Crum
Note: Sacre, Candace Well, I'm just trying to understand what you did say because I thought you said you didn't want to –

7:01:21 PM Vice Chairman Cicero - witness Crum
Note: Sacre, Candace Well, if the options are rate increase or receivership, I'm trying to – if those are the only two options, I'm trying to determine which one you're picking.

7:01:31 PM	Vice Chairman Cicero - witness Crum	
	Note: Sacre, Candace	I think one or the other is inevitable, so, I mean, we can all pretend that there's no rate increase that can be afforded or needed or whatever, but I don't think that's a viable option given the preliminary data we have that shows that it's bleeding money, and, at the rate of a half-a-million dollars a year, I'm not sure how long it's going to withstand that.
7:01:52 PM	Vice Chairman Cicero	
	Note: Sacre, Candace	That's the only comment I have.
7:01:54 PM	Chairman Schmitt	
	Note: Sacre, Candace	I just have one question for you, if I can.
7:01:57 PM	Chairman Schmitt - witness Crum	
	Note: Sacre, Candace	Examination. Would you, as a commissioner, while you're on the commission, consider a potential bankruptcy in order to try to reduce this debt that's outstanding?
7:02:24 PM	Chairman Schmitt	
	Note: Sacre, Candace	Commissioner Mathews?
7:02:26 PM	Commissioner Mathews	
	Note: Sacre, Candace	No questions.
7:02:28 PM	Chairman Schmitt	
	Note: Sacre, Candace	Ms. Vinsel?
7:02:30 PM	Asst Gen Counsel Vinsel PSC	
	Note: Sacre, Candace	We have no questions.
7:02:31 PM	Chairman Schmitt	
	Note: Sacre, Candace	Ms. Cromer?
7:02:32 PM	Atty Cromer MCCC	
	Note: Sacre, Candace	No questions.
7:02:33 PM	Chairman Schmitt	
	Note: Sacre, Candace	Mr. Cumbo?
7:02:49 PM	Atty Cumbo Martin District	
	Note: Sacre, Candace	I have no questions.
7:02:50 PM	Chairman Schmitt	
	Note: Sacre, Candace	May this witness be excused?
7:02:54 PM	Asst Gen Counsel Vinsel PSC	
	Note: Sacre, Candace	Yes, he may.
7:02:55 PM	Chairman Schmitt	
	Note: Sacre, Candace	All right. You may be excused. Thank you, Mr. Crum.
7:02:57 PM	Chairman Schmitt	
	Note: Sacre, Candace	All right, I guess the last, we saved the best for last, right?
7:03:16 PM	Chairman Schmitt	
	Note: Sacre, Candace	Witness is sworn.
7:03:22 PM	Chairman Schmitt	
	Note: Sacre, Candace	You may be seated. We're going to recess until ten minutes after seven o'clock.
7:03:27 PM	Session Paused	
7:13:19 PM	Session Resumed	
7:13:35 PM	Chairman Schmitt - witness Kerr	
	Note: Sacre, Candace	Examination. Would you please state your name and business address for the record, please?
7:13:54 PM	Chairman Schmitt - witness Kerr	
	Note: Sacre, Candace	Are you a customer of the Martin County Water District?
7:13:57 PM	Chairman Schmitt - witness Kerr	
	Note: Sacre, Candace	I know you're chairman and have been chairman for, I guess – how long have you been the chairman?

7:14:05 PM	Chairman Schmitt - witness Kerr Note: Sacre, Candace	And when were you appointed?
7:14:09 PM	Chairman Schmitt - witness Kerr Note: Sacre, Candace	I know that prior to your appointment and the others, some were appointed apparently in late '17, December. Do you know if you replaced any particular individual –
7:14:23 PM	Chairman Schmitt - witness Kerr Note: Sacre, Candace	– or you were just told, "We've got a vacancy, and you're it?"
7:14:26 PM	Chairman Schmitt - witness Kerr Note: Sacre, Candace	Have you regretted in any way your acceptance of this appointment to the Martin County Water District?
7:14:43 PM	Chairman Schmitt - witness Kerr Note: Sacre, Candace	You haven't felt like a man, walking through a swamp, and suddenly find you're in quicksand with crocodiles surrounding you?
7:14:53 PM	Chairman Schmitt - witness Kerr Note: Sacre, Candace	What's your understanding of the present situation with these 2016 and '17 and '18 audits?
7:15:49 PM	Chairman Schmitt - witness Kerr Note: Sacre, Candace	Prior to our July meeting, the confidential conference, I asked you about the audit –
7:15:57 PM	Chairman Schmitt - witness Kerr Note: Sacre, Candace	– and that's when I said, "I'll bet you I had talked to the auditor maybe more than you had."
7:16:00 PM	Chairman Schmitt - witness Kerr Note: Sacre, Candace	We had, I guess, Mr. Cumbo or somebody had asked that we subpoena maybe Mr. and Mrs. Sumpter, somebody in Martin County did. Anyway, we had a subpoena served on her. I called her. She, I think, told me she'd supplied it, and I believe that Mr. Smith, Jonathan, told me, "We have," you know, I guess, "the records have been furnished, and Mr. Hale either has them, has sent them, or is going to send them."
7:17:05 PM	Chairman Schmitt - witness Kerr Note: Sacre, Candace	Is there a problem with the bank furnishing this information for some reason?
7:17:32 PM	Chairman Schmitt - witness Kerr Note: Sacre, Candace	I don't know if 2016 will ever be completed or not or maybe she'll have to file an audit with qualifications, but do you have any reason to believe that it'll be any easier to get the data necessary for the 2017 and 2018 audits?
7:18:38 PM	Chairman Schmitt - witness Kerr Note: Sacre, Candace	And, when you all came in and you had your case here, started this case, I know that it had to be frustrating because you kept getting constant requests for information, but the staff can't make any decisions or do the calculations based on the records, and we have had others in areas of Eastern Kentucky where I know people on the commission and the county judge, and they call, "Your staff is just killing us with this stuff."
7:19:06 PM	Chairman Schmitt - witness Kerr Note: Sacre, Candace	But, you know, we can't just make up these figures.
7:19:10 PM	Chairman Schmitt - witness Kerr Note: Sacre, Candace	There are regulations and statutes that require that certain methodology be used and then however it – if you don't have records, however it turns out, then that's the number you get, and there's not anything we can do about it.

7:19:25 PM	Chairman Schmitt - witness Kerr Note: Sacre, Candace	So Ms. Sumpter's position is that whatever records she was given by the Water District in 2016, '17, and '18, whatever, that she's given all the records she had, and she's returned, as far as she knows, all the records that she was given, is that correct?
7:19:44 PM	Chairman Schmitt - witness Kerr Note: Sacre, Candace	Now, I'm not going to ask you a lot of questions. You've told us about, I guess, in part of our of confidential conference, that wasn't really confidential, about the need – as I said then, when I started looking over the data, it seemed to me that every month you were talking twenty, twenty-five, thirty thousand dollars more in expenses than it showed that you were taking in, and you said, "Well, yeah, we need some additional money," that what was initially granted turned out not to be enough. Is that still your position?
7:22:07 PM	Chairman Schmitt - witness Kerr Note: Sacre, Candace	So what you're talking about there is, if you get these new smart meters, right, you're going to – that's not – those are something other than the meters you are presently buying, old meters from Oldham County, correct?
7:22:21 PM	Chairman Schmitt - witness Kerr Note: Sacre, Candace	So you're going to have to come up with probably a million dollars or better to buy these other meters and actually have somebody install them and get the system working, correct?
7:22:32 PM	Chairman Schmitt - witness Kerr Note: Sacre, Candace	And I believe that some of these companies who do that will work out financing arrangements.
7:23:19 PM	Chairman Schmitt - witness Kerr Note: Sacre, Candace	That's going to take some time. The first grant, I guess, that was going to replace – I guess designated for service lines and meters won't cover the whole system, will it?
7:23:21 PM	Chairman Schmitt - witness Kerr Note: Sacre, Candace	It'll take even more money than that?
7:23:46 PM	Chairman Schmitt - witness Kerr Note: Sacre, Candace	Yeah, but, when you're thinking, well, maybe that'll get a third or so of the system, and it goes down to 400, it puts you in a spot.
7:23:53 PM	Chairman Schmitt - witness Kerr Note: Sacre, Candace	So then you're talking now that million turns into, what? Five or six million?
7:24:42 PM	Chairman Schmitt - witness Kerr Note: Sacre, Candace	Now, you've got to go from the river to the reservoir and the reservoir to the plant?
7:25:31 PM	Chairman Schmitt - witness Kerr Note: Sacre, Candace	You have the Davella project?
7:25:43 PM	Chairman Schmitt - witness Kerr Note: Sacre, Candace	Well, all of these – I mean, what money you have won't fix the whole system, but you haven't actually gotten any of that money yet. Is that true?
7:25:58 PM	Chairman Schmitt - witness Kerr Note: Sacre, Candace	And then they go through, and you take the bids, and they come every month to a meeting, and then they explain where the payment ought to be or they've already told you?
7:26:08 PM	Chairman Schmitt - witness Kerr Note: Sacre, Candace	But they'll tell the commissioners, this is it?
7:26:21 PM	Chairman Schmitt - witness Kerr Note: Sacre, Candace	At a minimum, you're looking at several years and more money in order to be able to this transformation?

7:27:56 PM Chairman Schmitt - witness Kerr
Note: Sacre, Candace Or regionalization, I mean, assuming everybody will get some representation.

7:28:02 PM Chairman Schmitt - witness Kerr
Note: Sacre, Candace And you would say – I figured one time, myself, if you had Pikeville and then Mountain Water, Martin County, Southern, and Prestonsburg and Paintsville, which is all of Johnson County and a hunk of Lawrence County and maybe a little bit into Morgan, I mean, you might have fifty, sixty, seventy thousand customers in there, really.

7:28:24 PM Chairman Schmitt - witness Kerr
Note: Sacre, Candace And you'd have – and I am sure this is true probably all over the state, but, in Eastern Kentucky, we're not known for cooperating with our neighbors.

7:28:52 PM Commissioner Mathews
Note: Sacre, Candace It's like siblings.

7:29:02 PM Chairman Schmitt - witness Kerr
Note: Sacre, Candace Well, you have to have more people.

7:29:05 PM Chairman Schmitt - witness Kerr
Note: Sacre, Candace And what you'll probably find and Mr. Heitzman would probably tell you this or somebody at the DOW, but, apparently, EPA, I mean, water standards, quality standards are going to continue to increase and costs are going to be higher, and unless you can spread that over more people, and, truly, management aside or bad management aside, you know, in Eastern Kentucky terrain and there area over which you must lay your lines, sometimes on the side of the road, somewhere on the side of a mountain, it's not the best terrain to basically try to operate a water system.

7:29:49 PM Chairman Schmitt
Note: Sacre, Candace I don't have any further questions. Commissioner Cicero?

7:29:53 PM Vice Chairman Cicero
Note: Sacre, Candace Just a couple.

7:29:57 PM Vice Chairman Cicero - witness Kerr
Note: Sacre, Candace Examination. You talked about Linda Sumpter providing all the data she had, and then we talked about the bank and the efforts that they're making to go ahead and produce documents that they may have. But the concern that I had is the missing invoices, and those documents should be with Linda Sumpter, or they're totally lost. But no matter how you look at it, those are documents that either were received by Linda Sumpter or they were passed back, and the District should be able to find those. If you go through the same process for 2017 and 2018 and you're missing invoices like what Debbie Maynard talked about, then you've got a real issue to deal with.

7:33:53 PM Vice Chairman Cicero - witness Kerr
Note: Sacre, Candace Let me ask you a question, are the only numbers that have been analyzed the numbers that have been done by Greg Heitzman?

7:34:11 PM Vice Chairman Cicero - witness Kerr
Note: Sacre, Candace My concern is that there's not been an analysis done. When I see 2016 numbers being used for comparative purposes, you can throw those out the window. You're not in 2016. You're not in 2018. You're in 2019.

7:34:44 PM Vice Chairman Cicero - witness Kerr
Note: Sacre, Candace Even without what I consider validated audited numbers, I give you an example, to me, an analysis that's been done that calculates the $25, there's purchase water in that analysis that's being added back in to come up with that rate, so I made the point earlier today, you guys aren't purchasing any water; you're not purchasing a hundred and twenty-eight thousand dollars' worth of water in 2018 on a pro forma basis, and you sure as heck didn't do it in 2016. It was only twelve thousand.

7:35:22 PM Vice Chairman Cicero - witness Kerr
Note: Sacre, Candace So, before these numbers get thrown around as far as what the rate increase is going to be or what the actual incremental cost of a management company, why isn't that exercise undertaken to look at the numbers from a different perspective than just going in and throwing in old numbers and saying this is the rate increase? It's a disservice to your customers. It truly is. I mean, it took me about two and a half days to go through this and figure out what I thought was, at least, a reasonable comparison, but I don't come up with your –

7:36:11 PM Vice Chairman Cicero - witness Kerr
Note: Sacre, Candace Just looking at incremental differences, less than ten, yeah, and I would prefer not to introduce this at this point.

7:36:21 PM Vice Chairman Cicero - witness Kerr
Note: Sacre, Candace It's for a different session.

7:36:35 PM Vice Chairman Cicero - witness Kerr
Note: Sacre, Candace At any rate, do you have a copy of the zero-read report?

7:36:42 PM Vice Chairman Cicero - witness Kerr
Note: Sacre, Candace And do you have it laid out in 12-column format?

7:37:44 PM Vice Chairman Cicero - witness Kerr
Note: Sacre, Candace And, as I was saying, with the meters, it's just a revenue shift.

7:37:51 PM Vice Chairman Cicero - witness Kerr
Note: Sacre, Candace And everybody agrees it's not new money; it's just a shifting of – it might be new money until you go ahead and adjust, but, you know, it's just probably showing up in your unaccounted-for water loss now.

7:38:07 PM Vice Chairman Cicero - witness Kerr
Note: Sacre, Candace And it's actually going to be billed water.

7:38:12 PM Vice Chairman Cicero
Note: Sacre, Candace I think we've beat this enough. I'm not going to ask any more questions.

7:38:21 PM Chairman Schmitt
Note: Sacre, Candace Commissioner Mathews?

7:38:28 PM Commissioner Mathews - witness Kerr
Note: Sacre, Candace Examination. How much do you think today – you saw your testimony from earlier – the District needs to operate, to not have $292,000 in the hole?

7:38:49 PM Commissioner Mathews - witness Kerr
Note: Sacre, Candace Ten to 12 dollars?

7:38:57 PM Commissioner Mathews - witness Kerr
Note: Sacre, Candace That's not what it's for.

7:40:05 PM Commissioner Mathews - witness Kerr
Note: Sacre, Candace And you said if I had it to do over, there are things I would have done differently because I don't – "This isn't my day job." I am paraphrasing there.

7:40:17 PM Commissioner Mathews - witness Kerr
Note: Sacre, Candace So you see why you likely need that person, that general manager, who is helping the engineer come up with that capital improvement plan?
7:40:36 PM Commissioner Mathews - witness Kerr
Note: Sacre, Candace You've got your nine-thousand-dollars' worth out of him several times over.
7:41:32 PM Commissioner Mathews - witness Kerr
Note: Sacre, Candace Who also understands hydraulics, who also understands –
7:41:49 PM Commissioner Mathews - witness Kerr
Note: Sacre, Candace Ten to twelve dollars gets you operating, and then a hundred and twenty to a hundred and fifty, depending on benefits and whether you're in or out of retirement system –
7:42:09 PM Commissioner Mathews - witness Kerr
Note: Sacre, Candace – to get a general manager –
7:42:11 PM Commissioner Mathews - witness Kerr
Note: Sacre, Candace – which is in addition to the ten to twelve dollars?
7:42:38 PM Commissioner Mathews - witness Kerr
Note: Sacre, Candace You know, if you say that, you're going to get calls all the way home.
7:43:33 PM Commissioner Mathews
Note: Sacre, Candace I'm done. I'm done with you.
7:43:37 PM Chairman Schmitt
Note: Sacre, Candace Ms. Vinsel, questions?
7:43:38 PM Asst Gen Counsel Vinsel PSC
Note: Sacre, Candace I do have a couple of questions.
7:43:42 PM Asst Gen Counsel Vinsel PSC - witness Kerr
Note: Sacre, Candace Cross Examination. Do you have in front of you the Motion to Amend? I'm just going to call it Motion to Amend the Surcharge.
7:43:52 PM Asst Gen Counsel Vinsel PSC
Note: Sacre, Candace If I may, I've got a copy that I will give him.
7:43:53 PM Chairman Schmitt
Note: Sacre, Candace Yes, you may.
7:44:14 PM Asst Gen Counsel Vinsel PSC - witness Kerr
Note: Sacre, Candace And you also have an example of Exhibit 30 in front of you?
7:44:19 PM Asst Gen Counsel Vinsel PSC - witness Kerr
Note: Sacre, Candace And I'm going to give a big spoiler alert. We're going to be sending the bulk of our questions in a Post-Hearing Data Request, so as not to draw out the night too much longer.
7:44:38 PM Asst Gen Counsel Vinsel PSC - witness Kerr
Note: Sacre, Candace I hear you. Let me cut to the chase, here. On page 2 in the Motion, there' s a list of vendors with accounts payable that were accrued between April 2018 and December 2018, is that correct?
7:44:59 PM Asst Gen Counsel Vinsel PSC - witness Kerr
Note: Sacre, Candace And who provided these numbers to Mr. Cumbo?
7:45:06 PM Asst Gen Counsel Vinsel PSC - witness Kerr
Note: Sacre, Candace The reason we're asking is because staff has questions. It does not seem that these amounts are necessarily accrued during that period, so let me have you turn to Exhibit 30, which is the Blue Water Kentucky.
7:45:21 PM Asst Gen Counsel Vinsel PSC - witness Kerr
Note: Sacre, Candace This is an exhibit that staff put together after going through all of the monthly financial records, which included the check registered aged accounts payable.

7:45:33 PM	Asst Gen Counsel Vinsel PSC	
	Note: Sacre, Candace	And do you need one, Mr. Cumbo?
7:45:35 PM	Atty Cumbo Martin District	
	Note: Sacre, Candace	Well, you gave me two, but I can't lay my hands on them.
7:45:43 PM	Asst Gen Counsel Vinsel PSC	
	Note: Sacre, Candace	I have extras.
7:46:00 PM	Asst Gen Counsel Vinsel PSC - witness Kerr	
	Note: Sacre, Candace	To be fair, it was some time ago that I handed them out. So, according to the list on page 2 of the Motion, Blue Water Kentucky accrued a little over $16,000 in the accounts payable from April to December 2018, is that correct?
7:46:26 PM	Asst Gen Counsel Vinsel PSC - witness Kerr	
	Note: Sacre, Candace	On Exhibit 30, this is where, as I said, staff when through and looked at all the financial records that were provided on that monthly basis and put together this chart, tracking through invoices that came in, billing, and apparently payments, is what it looks like, and, according to Exhibit 30, as of December 31, 2018, the amount due to Blue Water Kentucky was only $1,300.
7:47:01 PM	Asst Gen Counsel Vinsel PSC - witness Kerr	
	Note: Sacre, Candace	So what we're going to ask in a Post-Hearing Data Request, is for Katrina, you, whoever to go back through and provide calculations to show support for numbers for the vendors on page 2 of the Motion.
7:47:19 PM	POST-HEARING DATA REQUEST	
	Note: Sacre, Candace	ASST GEN COUNSEL VINSEL PSC - WITNESS KERR.
	Note: Sacre, Candace	CALCULATION TO SUPPORT VENDOR PAYMENTS.
7:47:20 PM	Asst Gen Counsel Vinsel PSC - witness Kerr	
	Note: Sacre, Candace	There's also some discrepancies between the aged account payable balance for the five vendors, the amounts in the Motion versus the amounts shown in the most recent account payable filing, so we're going to ask for an explanation of some differences there also, okay?
7:47:45 PM	POST HEARING DATA REQUEST	
	Note: Sacre, Candace	ASST GEN COUNSEL VINSEL PSC - WITNESS KERR.
	Note: Sacre, Candace	ACCOUNT PAYABLE BALANCE DISCREPANCIES.
7:47:56 PM	Asst Gen Counsel Vinsel PSC - witness Kerr	
	Note: Sacre, Candace	Unmetered customers. Give me your estimate, how many unmetered customers does Martin County have?
7:48:10 PM	Asst Gen Counsel Vinsel PSC - witness Kerr	
	Note: Sacre, Candace	Actually unmetered.
7:49:01 PM	Asst Gen Counsel Vinsel PSC - witness Kerr	
	Note: Sacre, Candace	So that estimate that you provided was of the moment?
7:49:15 PM	Vice Chairman Cicero	
	Note: Sacre, Candace	You have to be careful when you're throwing numbers out like that to a regulator.
7:49:37 PM	Asst Gen Counsel Vinsel PSC - witness Kerr	
	Note: Sacre, Candace	Does Martin County have a program to look for unmetered customers?
7:50:26 PM	Asst Gen Counsel Vinsel PSC	
	Note: Sacre, Candace	Staff has nothing further.
7:50:29 PM	Chairman Schmitt	
	Note: Sacre, Candace	Ms. Cromer?
7:50:30 PM	Atty Cromer MCCC	
	Note: Sacre, Candace	Yes, just a few questions.

7:50:32 PM	Atty Cromer MCCC - witness Kerr Note: Sacre, Candace	Cross Examination. You were conferring about the zero-read problem, the meters that are reading zero, and it seems that there are three possible explanations. One is that the meter is actually reading less than a thousand, and it comes up as zero; two is that the meter just wasn't reading at all; and three is that the meter's just not registering, the meter is not functioning. Would you agree with that? Do you think there are any other –
7:51:00 PM	Atty Cromer MCCC - witness Kerr Note: Sacre, Candace	Do you think there are any other possibilities for the zero-reads?
7:51:22 PM	Atty Cromer MCCC - witness Kerr Note: Sacre, Candace	When you talk about the need for current revenue, for revenue currently, I guess I get a little tripped up – well, not tripped up, but I just want the record to be clear.
7:51:36 PM	Atty Cromer MCCC - witness Kerr Note: Sacre, Candace	On a cash flow basis, if you're not considering the necessity of funding depreciation happens, is the District running in the black currently?
7:51:45 PM	Atty Cromer MCCC - witness Kerr Note: Sacre, Candace	And Commissioner Cicero has stated that there are basically two choices for the District, that you either get an additional rate increase or that the District will go into receivership. Do you agree, or do you see any other option?
7:52:49 PM	Chairman Schmitt Note: Sacre, Candace	I can tell you this. I predict right now that you'll see within the next three or four or five months Southern Water District's rates go down.
7:53:21 PM	Vice Chairman Cicero Note: Sacre, Candace	Just to follow up on what he said, it's a matter of your rates are higher, but you're not billing all your water, and your rates could come down, and people end up with the same bill they had before because they're going to be billed for all the water they're using. That's going to be the shock.
7:54:01 PM	Atty Cromer MCCC - witness Kerr Note: Sacre, Candace	But don't you agree that that's more equitable than requiring a rate increase for everyone?
7:54:05 PM	Vice Chairman Cicero Note: Sacre, Candace	I agree, it's way more equitable.
7:54:07 PM	Atty Cromer MCCC - witness Kerr Note: Sacre, Candace	Everyone has to pay for the water they're actually using?
7:54:10 PM	Atty Cromer MCCC - witness Kerr Note: Sacre, Candace	So do you think that with the metering, that the replacement of the meters that you're talking about, if the Commission would allow the surcharge to be used to hire a general manager, that the combination of those two things could sort of stabilize the system so that another rate increase is not required?
7:54:47 PM	Atty Cromer MCCC - witness Kerr Note: Sacre, Candace	And just one more question. I think Chairman Schmitt said that the PSC, the Commissioners, were going to ensure that there was money to hire a GM when he was talking to Mr. Crum. Were you aware of that when you all were interviewing?
7:55:03 PM	Atty Cromer MCCC Note: Sacre, Candace	No further questions.
7:55:05 PM	Atty Cumbo Martin District Note: Sacre, Candace	No quesitons.

7:55:07 PM Vice Chairman Cicero
Note: Sacre, Candace I have one last question.
7:55:08 PM Vice Chairman Cicero - witness Kerr
Note: Sacre, Candace Examination. How bad is vandalism?
7:55:46 PM Vice Chairman Cicero - witness Kerr
Note: Sacre, Candace How much do you think it's costing you for vandalism? How much do you think it costs you?
7:56:07 PM Vice Chairman Cicero
Note: Sacre, Candace I don't have any other questions.
7:56:09 PM Chairman Schmitt
Note: Sacre, Candace May Mr. Kerr be excused?
7:56:13 PM Asst Gen Counsel Vinsel PSC
Note: Sacre, Candace Yes, he may.
7:56:14 PM Chairman Schmitt
Note: Sacre, Candace Thank you, Mr. Kerr.
7:56:16 PM Chairman Schmitt
Note: Sacre, Candace All right, Ms. Cromer, I promised you – I don't know. Mr. Cumbo has the last word. He may do it, but if not, you get the last word right now.
7:56:28 PM Atty Cromer MCCC
Note: Sacre, Candace Okay, so can I make just a short statement? I know it's late.
7:56:30 PM Atty Cromer MCCC
Note: Sacre, Candace Statement. I think what we've see here, I mean, what we've sort of learned over the course of this investigation and what we've seen today is no one is currently serving as the general manager of this Water District. If you look at the job ad that they placed, no one person is fulfilling those duties, and, because of that lack of management, there's a lot of waste, and there's a lot of failure to collect the revenues equitably.
7:56:44 PM Atty Cromer MCCC
Note: Sacre, Candace the's a lot of wate and failrieu to collect reveus adequiaely
7:56:56 PM Atty Cromer MCCC
Note: Sacre, Candace We haven't seen any analysis to support the eight- to ten-dollar increase that everyone is saying is needed. You know, we can't accept that. We haven't seen any numbers. This is coming out of the blue to us. Even if those numbers are substantiated, they still likely include a lot of waste, a lot of inefficiencies, and a lot of lost revenues, and we just can't raise the rates again right now. The people are still in shock from the last rate increase. They can't afford it.
7:57:27 PM Atty Cromer MCCC
Note: Sacre, Candace What you can do is the District can continue to operate for now with the $2.16 dedicated to the general manager position, even if, in the short run, that means that the District is using its depreciation fund for operation and maintenance. I know that you all can't approve that as part of a rate case, but if they don't ask for a rate increase, it can continue doing that. They've always used depreciation funds for operation and maintenance, and that will allow the system to stabilize.
7:57:53 PM Vice Chairman Cicero
Note: Sacre, Candace We'd have a problem.

7:57:55 PM	Atty Cromer MCCC	
	Note: Sacre, Candace	Well, I realize, but that will allow the system to stabilize. If there is someone in charge, who is running this District on a day-to-day basis and making sure that things are done efficiently and making sure that revenues are collected equitably, the system will stabilize. Revenue will start coming in, and the citizens need that opportunity. They cannot afford another rate increase, especially not right now. They've just had forty-one-and-a-half percent. And that will give everyone an opportunity to see how the system can be improved and how a competent manager can basically turn things around before you impose another rate increase on the customers or before they ask for another rate increase.
7:58:11 PM	Atty Cromer MCCC	
	Note: Sacre, Candace	tah wil ive n eveyr oe an oor tto see how they seme
7:58:36 PM	Atty Cromer MCCC	
	Note: Sacre, Candace	So we would just ask, please, please, please, consider allowing the surcharge or ordering, directing that the surcharge be used to hire a competent general manager. We wrote a letter back in May that sort of outlined what we would want to see in the position. I think that the ad that they put, I think it was good. It required the qualifications that we were looking for, and we would ask that someone from the Concerned Citizens' group be part of that hiring committee.
7:59:04 PM	Chairman Schmitt	
	Note: Sacre, Candace	So who do you have in mind as manager?
7:59:07 PM	Atty Cromer MCCC	
	Note: Sacre, Candace	We don't have anyone in mind. I mean, I think Nina said it best. We hope that there's someone new who will, you know, who would, if it's advertised again and they're assured that there is funding for that position, that someone who is qualified and competent and wants a challenge would come in and do a great job.
7:59:24 PM	MCCC Chairwoman McCoy	
	Note: Sacre, Candace	And, this time, we have heard of places to advertise instead of just in (inaudible).
7:59:30 PM	Chairman Schmitt	
	Note: Sacre, Candace	Anything else? Mr. Cumbo?
7:59:33 PM	Atty Cumbo Martin District	
	Note: Sacre, Candace	Nothing to add, Commissioner.
7:59:37 PM	Chairman Schmitt	
	Note: Sacre, Candace	I guess we'll go ahead and adjourn. We'll have the data requests, and we'll move forward. Mr. Geraghty, I guess when the hearing is over, if you would come up, at least, and have a conversation with us for just a second.
7:59:54 PM	Mr. Geraghty	
	Note: Sacre, Candace	Sure.
7:59:56 PM	Chairman Schmitt	
	Note: Sacre, Candace	I know you are here to watch the proceedings.
7:59:57 PM	Chairman Schmitt	
	Note: Sacre, Candace	If there's nothing else, then this hearing will be adjourned after 11 hours.
8:00:07 PM	Session Paused	
8:00:20 PM	Session Ended	

Exhibit List Report

2018-00017 22Oct2019

Martin County Water District (Martin District)

Name:	Description:
PSC Exhibit 01	2015 - 2019 MCWD Annual Reports
PSC Exhibit 02	807 KAR 5:006 Filing of Annual Reports
PSC Exhibit 03	2015-2019 MCWD Audits
PSC Exhibit 04	KRS 65A.030 Filing of Annual Audits
PSC Exhibit 05	807 KAR 5:006 Filing of Annual Audits
PSC Exhibit 06	807 KAR 5:006 Annual Report/Audit Filing Dates
PSC Exhibit 07	807 KAR 5:006, Section 28, Deviation from Filing Dates
PSC Exhibit 08	2015-2019 MCWD Inspection Reports
PSC Exhibit 09	June 2018-September 2019 MCWD Monthly Water Loss Reports
PSC Exhibit 10	January 2016-October 2019 MCWD Quarterly Water Meter Reports
PSC Exhibit 11	2007 MCWD Management Audit Reports
PSC Exhibit 12	2006 EKU/UK Assessment of MCWD Water Quality
PSC Exhibit 13	2002 PSC Report on Challenged Water Districts and 2005 Update
PSC Exhibit 14	2004 US GAO Water Infrastructure Comprehensive Asset Management Report
PSC Exhibit 15	2019 PSC Water District Risk Rankings
PSC Exhibit 16	July 2019 PSC All Base Rates Chart
PSC Exhibit 17	July 2019 and August 2019 MCC Responses to PSC Data Requests
PSC Exhibit 18	January 2019 White & Associates Audit Letters to MCWD
PSC Exhibit 19	2008 MCWD Policies and Procedures Manual
PSC Exhibit 20	Public Service Com'n of Kentucky v. Dewitt Water District
PSC Exhibit 21	South Central Bell Telephone Co. v. Utility Regulatory Com'n
PSC Exhibit 22	Kentucky Public Service Com'n v. Com. ex rel. Conway
PSC Exhibit 23	KRS 278.023
PSC Exhibit 24	MCWD Notice of Vacancy Documents
PSC Exhibit 25	January 2019 PSC Order in Case No. 2018-00017
PSC Exhibit 26	PSC Orders in Case Nos. 2002-00116 and 2006-00303
PSC Exhibit 27	Alliance Competency Letters
PSC Exhibit 28	Martin County Fiscal Court Minutes of December 7, 2017 Meeting
PSC Exhibit 29	Martin County Sewer District Documents
PSC Exhibit 30	Blue Water Kentucky Payments
PSC Exhibit 31	Exhibits Index

A.

Title Page

	Name of Respondent	Addr Line 1	Addr Line 2	City	State	Zip
Water Districts/Associations						
Annual Report of						
Respondent	Martin County Water District	387 East Main Street	Suite 140	Inez	KY	41224

PSC EXHIBIT 1

25000 Martin County Water District 01/01/2014 - 12/31/2014

Principal Payment and Interest Information

	Amount	Yes/No	PSC Case No.
Amount of Principal Payment During Calendar Year	$210,431.00		
Is Principal Current?		Y	
Is Interest Current?		Y	
Has all long-term debt been approved by the Public Service Commission?		Y	

25000 Martin County Water District 01/01/2014 - 12/31/2014

Services Performed by Independent CPA

	Yes/No	A/C/R	Audit Date
Are your financial statements examined by a Certified Public Accountant?			
Enter Y for Yes or N for No	Y		
If yes, which service is performed?			
Enter an X on each appropriate line			
Audit			
Compilation	X		
Review			
Date of Audit			

Please enclose a copy of the accountant's report with annual report.

25000 Martin County Water District 01/01/2014 - 12/31/2014

Additional Requested Information

	Name	Electronic Info
Name of Utility and Web Address	Martin County Water District	
Contact Name and Email Address		
	William Harvey	linda@lindasumptercpa.com

25000 Martin County Water District 01/01/2014 - 12/31/2014

Additional Information Required

Case Num	Date	Explain

Major Water Projects

Provide details about each major water project which is planned but has not yet been submitted for approval to the Public Service commission.

For the limited purpose of this report, a "Major Project" is defined as one which is not in the ordinary course of business, and will increase your current utilityplant by at least 20 percent.

Brief Project Description: (improvement, replacement,building construction, expansion. If expansion, provide the estimated number of new customers):

Projected Costs and Funding Sources/Amounts:

Approval Status: (Application for financial assistance filed, but not approved; or application approved, but have not advertised for construction bids)

Location: (community, area or nearby roads)

History-Legal Name (Ref Page: 4)

1. Exact name of utility making this report.

(Use the words "The", "Company" or "Incorporated" only when part of the corporate name.)

Martin County Water District

History-Location (Ref Page: 4)

	Name	Address		City	State	Zip	Phone
Give the location,including street and number, and TELEPHONE NUMBER of the principal office in KY.							
principal office in KY	Martin County Water District	387 E Main Street	Suite 140	Inez	KY	41224	(606) 298-3885
Give name, title, address and TELEPHONE NUMBER of the officer							
to whom correspondence concerning this report should be addressed.							
	William Harvey	387 E Main Street	Suite 140	Inez	KY	41224	(606) 298-3885
Location where books are located	Martin County Water District	387 E Main Street	Suite 140	Inez	KY	41224	
Name of the Headquartered County	Martin						

History-Date Organized (Ref Page: 4)

	Date
Date of Organization	12/1/1962

History-Laws of Organization (Ref Page: 4)

	List
If a consolidated or merger company, name all contigent and all merged companies. Give reference to charters or general laws governing each, and all amendments of same	Martin County Water District A / Martin County Water District B
Date and Authority for each consolidation and each merger.	8/1996

History-Departments (Ref Page: 4)

	List
State whether respondent is a water district or association	Water District
Name all operating departments other than water	None, except the Lovely Demo Sewer Project

History - Counties (Ref Page: 5)

Martin

25000 Martin County Water District 01/01/2014 - 12/31/2014

History - Number of Employees (Ref Page: 5)

	Count
Number of Full-time employees	18
Number of Part-time employees	2

25000 Martin County Water District 01/01/2014 - 12/31/2014

Operational Boundaries and Service Area

	Describe
Describe Operational boundaries and Service Area	Martin County, Kentucky

Contacts (Ref Page: 6)

	Title	Last Name	First Name	Bus. Addr.	Salary	Term Expires
Person to send correspondence:	Chairperson	Harvey	William	387 E Main Street , Ste 140 , Inez, KY 41224		
Person who prepared this report	CPA	Sumpter	Linda	910 Blackberry Road Inez, KY 41224		
Managers (List Board Members on the following Contact Page)						
	General Manager	Mills	John	387 E Main Street, Ste 140 , Inez, KY, 41224	$48,011.86	

25000 Martin County Water District 01/01/2014 - 12/31/2014

Contacts - Board Members (Ref Page: 6)

	Title	Last Name	First Name	Bus. Addr.	Salary	Term Expires	Term	County of
Officers and Board Members								
	Chairperson	Harvey	William	387 E Main Street , Suite 140 , Inez, KY 41224	$0.00	2/1/2016	1st	Martin
	Secretary	Collier	Nita	387 E Main Street , Suite 140 , Inez, KY 41224	$0.00	2/1/2016	3rd	Martin
	Treasurer	Clark	James	387 E Main Street , Suite 140 , Inez, KY 41224	$0.00	2/1/2018	1st	Martin
	Commissioner	Haney	John	387 E Main Street , Suite 140 , Inez, KY 41224	$0.00	2/1/2018	2nd	Martin

25000 Martin County Water District 01/01/2014 - 12/31/2014

Board Meetings (Water Districts REQUIRED)

Meeting Date	4th Monday of Every Month
Meeting Time	4:30 pm EST
Designated Meeting of Board Location	Roy F Collier Community Center

25000 Martin County Water District 01/01/2014 - 12/31/2014

Adopted Ethics Ordinance (Water Districts REQUIRED)

	Ethics Code Originator	Name
Identify the county ethics codes that KRS 65 A.070 requires Water District to adapt. Select county from the drop down list. Then provide the name of the county.		
If the water district has adopted a more stringent ethics code than the county ethics code; select other from the drop down list. Then provide the name of the entity originating the ethics code.		
	county	Martin County Fiscal Court

25000 Martin County Water District 01/01/2014 - 12/31/2014

Government Entities (Water Districts REQUIRED)

	Oversight Government Entity	Name
List each Government Entity with Oversight Duties (Federal, State, Local)		
	KY Public Service Commission	
	Division of Water	
	other	Martin County Fiscal Court

25000 Martin County Water District 01/01/2014 - 12/31/2014

Balance Sheet - Assets and Other Debits (Ref Page: 7)

	Previous Year	Current Year
UTILITY PLANT		
Utility Plant (101-106)	$33,288,246.00	$34,363,677.00
Less: Accumulated Depreciation and Amortization (108-110)	$11,931,138.00	$12,703,006.00
Net Plant	$21,357,108.00	$21,660,671.00
Utility Plant Acquisition Adjustments (Net) (114-115)	$0.00	
Other Utility Plant Adjustments (116)	$0.00	
Total Net Utility Plant	$21,357,108.00	$21,660,671.00
OTHER PROPERTY AND INVESTMENTS		
Nonutility Property (121)	$0.00	
Less: Accumulated Depreciation and Amortization (122)	$0.00	
Net Nonutility Property	$0.00	
Investment in Associated Companies (123)	$0.00	
Utility and Other Investments (124-125)	$0.00	
Sinking Funds (126)	$31,502.00	$6,442.00
Other Special Funds (127)	$21,538.00	$38,234.00
Total Other Property and Investments	$53,040.00	$44,676.00
CURRENT AND ACCRUED ASSETS		
Cash (131)	$100,011.00	$82,395.00
Special Deposits (132)	$141,494.00	$148,432.00
Other Special Deposits (133)	$7,939.00	$825.00
Working Funds (134)	$0.00	
Temporary Cash Investments (135)	$0.00	
Accounts and Notes Receivable, Less Accumulated Provision for Uncollectible Accounts (141-144)	$292,103.00	$251,056.00
Accounts Receivable from Associated Companies (145)	$7,366.00	$3,227.00
Notes Receivable from Associated Companies (146)	$0.00	
Materials and Supplies (151-153)	$25,818.00	$26,272.00
Stores Expense (161)	$0.00	
Prepayments (162)	$22,649.00	$18,990.00
Accrued Interest and Dividends Receivable (171)	$0.00	
Rents Receivable (172)	$0.00	
Accrued Utility Revenues (173)	$263,723.00	$243,652.00

25000 Martin County Water District 01/01/2014 - 12/31/2014

Balance Sheet - Assets and Other Debits (Ref Page: 7)

	Previous Year	Current Year
Misc. Current and Accrued Assets (174)	$0.00	
Total Current and Accrued Assets	$861,103.00	$774,849.00
DEFERRED DEBITS		
Unamortized Debt Discount and Expense (181)		
Extaordinary Property Losses (182)		
Preliminary Survey and Investigation Charges (183)		
Clearing Accounts (184)		
Temporary Facilities (185)		
Misc. Deferred Debits (186)		
Research and Develpment Expenditure (187)		
Total Deffered Debits		$0.00
TOTAL ASSETS AND OTHER DEBITS	$22,271,251.00	$22,480,196.00

25000 Martin County Water District 01/01/2014 - 12/31/2014

Balance Sheet - Equity Capital and Liabilities (Ref Page: 9)

	Previous Year	Current Year
EQUITY CAPITAL		
Appropriated Retained Earnings (214)		
Retained Earnings From Income before contributions (215.1)	($9,476,440.00)	($9,989,978.00)
Donated Capital (215.2)	$27,930,364.00	$29,111,128.00
Total Equity Capital	$18,453,924.00	$19,121,150.00
LONG-TERM DEBT		
Bonds (221)	$2,041,100.00	$1,971,000.00
Reaquired Bonds (222)		
Advances from Associated Companies (223)		
Other Long-Term Debt (224)	$838,544.00	$781,524.00
Total Long Term Debt	$2,879,644.00	$2,752,524.00
CURRENT AND ACCRUED LIABILITIES		
Accounts Payable (231)	$537,111.00	$347,722.00
Notes Payable (232)		
Accounts Payable to Associated Co. (233)		
Notes Payable to Associated Co (234)		
Customer Deposits (235)	$126,506.00	$133,348.00
Accrued Taxes (236)	$2,393.00	$2,075.00
Accrued Interest (237)	$51,809.00	$4,977.00
Matured Long-Term Debt (239)	$140,331.00	$57,020.00
Matured Interest (240)		
Tax Collections Payable (241)	$13,983.00	$13,124.00
Misc. Current and Accrued Liabilities (242)	$65,550.00	$48,256.00
Total Current and Accrued Liabilities	$937,683.00	$606,522.00
DEFFERRED CREDITS		
Unamortized Premium on Debt (251)		
Advances for Construction (252)		
Other Deferred Credits (253)		
Total Deferred Credits		$0.00
OPERATING RESERVES		
Accumulated Provision For:		
Property Insurance (261)		

25000 Martin County Water District 01/01/2014 - 12/31/2014

Balance Sheet - Equity Capital and Liabilities (Ref Page: 9)

	Previous Year	Current Year
Injuries and Damages (262)		
Pensions and Benefits (263)		
Miscellaneous Operating Reserves (265)		
Total Operating Reserves		$0.00
Total Equity Capital and Liabilities	$22,271,251.00	$22,480,196.00

25000 Martin County Water District 01/01/2014 - 12/31/2014

Comparative Operating Statement (Ref Page: 11)

	Previous Year	Current Year
UTILITY OPERATING INCOME		
Operating Revenues (400)	$2,367,900.00	$2,264,912.00
Operating Expenses (401)	$2,218,025.00	$1,845,887.00
Depreciation Expenses (403)	$781,395.00	$771,868.00
Amortization of Utility Plant Acquisition Adjustment (406)	$0.00	
Amortization Expense (407)	$0.00	
Taxes Other Than Income (408.10-408.13)	$47,075.00	$46,239.00
Utility Operating Expenses	$3,046,495.00	$2,663,994.00
Utility Operating Income	($678,595.00)	($399,082.00)
Income From Utility Plant Leased to Others (413)		
Gains (Losses) from Disposition of Utility Property (414)		
Total Utility Operating Income	($678,595.00)	($399,082.00)
OTHER INCOME AND DEDUCTIONS		
Revenues From Merchandising, Jobbing and contract work (415)		
Costs and Expenses of Merchandising, Jobbing and Contract Work (416)		
Interest and Dividend Income (419)	$246.00	$257.00
Allowance for funds Used During Constructions (420)		
Nonutility Income (421)		
Miscellaneous Nonutility Expenses (426)		
Total Other Income and Deductions	$246.00	$257.00
TAXES APPLICABLE TO OTHER INCOME		
Taxes Other Than Income (408.20)		
Total Taxes Applic. to Other Income		
INTEREST EXPENSE		
Interest Expense (427)	$119,033.00	$114,713.00
Amortization of Debt Discount and Exp. (428)		
Amortization of Premium on Debt (429)		
Total Interest Expense	$119,033.00	$114,713.00
EXTRAORDINARY ITEMS		
Extraordinary Income (433)		
Extraordinary Deductions (434)		

25000 Martin County Water District 01/01/2014 - 12/31/2014

Comparative Operating Statement (Ref Page: 11)

	Previous Year	Current Year
Total Extraordinary Items	$0.00	$0.00
NET INCOME BEFORE CONTRIBUTIONS	($797,382.00)	($513,538.00)

25000 Martin County Water District 01/01/2014 - 12/31/2014

Statement of Retained Earnings (Ref Page: 12)

Description	Total
Appropriated Retained earnings (214)	
(state balance and purpose of each appropriated amount at year end:)	
Total Appropriated Retained Earnings	$0.00
Retained Earnings From Income Before Contributions (215.1)	
Balance beginning of year	($9,476,440.00)
Balance transferred from Net Income Before Contributions (435)	($513,538.00)
Changes to account:	
Appropriations of Retained Earnings (436)	$0.00
Adjustments to Retained Earnings (439)	
(requires Commission approval prior to use):	
Credits	
Debits	
Balance End of Year	($9,989,978.00)

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Statement of Retained Earnings (cont. 215.2) (Ref Page: 12)

Description	Tapping Fees	Grants	Other	Total
Donated Capital (215.2)				
Balance Beginning of the Year	$1,221,421.00	$26,214,563.00	$494,380.00	$27,930,364.00
Credits				
Proceeds from capital contributions (432)	$15,914.00	$1,164,850.00	$0.00	$1,180,764.00
Other Credits (explain)				
Debits (explain - requires Commission Approval)				
Balance End of Year	$1,237,335.00	$27,379,413.00	$494,380.00	$29,111,128.00

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Net Utility Plant (Accts. 101-106) (Ref Page: 13)

	Total
Utility Plant in Service (101)	$34,363,677.00
Utility Plant Leased to Others (102)	$0.00
Property Held for Future Use (103)	$0.00
Utility Plant Purchased of Sold (104)	$0.00
Construction Work in Progress (105)	$0.00
Completed Construction Not Classified (106)	$0.00
Total Utility Plant	$34,363,677.00

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Accumulated Depreciation (Acct. 108) (Ref Page: 13)

Description	Total
Balance First of Year	$11,931,138.00
Credit during year	
Accruals Charged to Account 108.1	$771,868.00
Accruals Charged to Account 108.2	$0.00
Accruals Charged to Account 108.3	$0.00
Accruals Charged to Other Acccounts (specify)	
(specify)	
Salvage Value Recovered on Plant Retired	
Other Credits	
(specify)	
Total Credits	$771,868.00
Debits during year:	
Book Cost of Plant Retired	
Cost of Removal	
Other Debits	
(specify)	
Total Debits	
Balance at End of Year	$12,703,006.00

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Water Utility Plant Accounts (Ref Page: 14)

	Prev Year (c)	Additions (d)	Retirement (e)	Current Yr(f)	Intngble. Plant (g)	Supply & Pump.	Water Treatmnt.	Trans. and Distr.	General Plant
Organization (301)									
Franchises (302)									
Land and Land Rights (303)	$214,714.00	$0.00	$0.00	$214,714.00	$0.00	$83,722.00	$350.00	$80,642.00	$50,000.00
Structures and Improvements (304)	$500,264.00	$0.00	$0.00	$500,264.00	$0.00	$32,275.00	$147,439.00	$286,794.00	$33,756.00
Collecting and Impounding Reservoirs (305)	$288,203.00	$0.00	$0.00	$288,203.00	$0.00	$288,203.00	$0.00	$0.00	$0.00
Lakes, Rivers and Other Intakes (306)	$1,021,402.00	$1,132,350.00	$0.00	$2,153,752.00	$0.00	$2,153,752.00	$0.00	$0.00	$0.00
Wells and Springs (307)									
Infiltration Galleries and Tunnels (308)									
Supply Mains (309)									
Power Generation Equipment (310)									
Pumping Equipment (311)	$308,887.00	$581.00	$0.00	$309,468.00	$0.00	$309,468.00	$0.00	$0.00	$0.00
Water Treatment Equipment (320)	$4,812,970.00	$0.00	$0.00	$4,812,970.00	$0.00	$0.00	$4,812,970.00	$0.00	$0.00
Distribution Reservoirs and Standpipes (330)	$4,071,502.00	$0.00	$0.00	$4,071,502.00	$0.00	$0.00	$0.00	$4,071,502.00	$0.00
Transmission and Distribution Mains (331)	$20,060,075.00	$0.00	$0.00	$20,060,075.00	$0.00	$0.00	$0.00	$20,060,075.00	$0.00
Services (333)									
Meters and Meter Installations (334)	$483,949.00	$0.00	$0.00	$483,949.00	$0.00	$0.00	$0.00	$483,949.00	$0.00
Hydrants (335)	$2,969.00	$0.00	$0.00	$2,969.00	$0.00	$0.00	$0.00	$2,969.00	$0.00
Backflow Prevention Devices (336)									

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Water Utility Plant Accounts (Ref Page: 14)

	Prev Year (c)	Additions (d)	Retirement (e)	Current Yr(f)	Intngble. Plant (g)	Supply & Pump.	Water Treatmnt.	Trans. and Distr.	General Plant
Other Plant and Misc. Equipment (339)	$861,964.00	$0.00	$0.00	$861,964.00	$0.00	$0.00	$0.00	$861,964.00	$0.00
Office Furniture and Equip. (340)	$175,251.00	$0.00	$0.00	$175,251.00	$0.00	$0.00	$0.00	$0.00	$175,251.00
Transportation Equipment (341)	$324,570.00	$0.00	$0.00	$324,570.00	$0.00	$0.00	$0.00	$0.00	$324,570.00
Stores Equipment (342)		$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Tools, Shop and Garage Equip (343)	$29,534.00	$0.00	$0.00	$29,534.00	$0.00	$0.00	$0.00	$0.00	$29,534.00
Laboratory Equipment (344)	$14,402.00	$0.00	$0.00	$14,402.00	$0.00	$0.00	$0.00	$0.00	$14,402.00
Power Operated Equipment (345)	$43,193.00	$0.00	$0.00	$43,193.00	$0.00	$0.00	$0.00	$0.00	$43,193.00
Communication Equipment (346)	$16,897.00	$0.00	$0.00	$16,897.00	$0.00	$0.00	$0.00	$0.00	$16,897.00
Miscellaneous Equipment (347)									
Other Tangible Plant (348)									
Total Water Plant	$33,230,746.00	$1,132,931.00	$0.00	$34,363,677.00	$0.00	$2,867,420.00	$4,960,759.00	$25,847,895.00	$687,603.00

Analysis of Accumulated Depreciation and Amortization by Primary Acct (Ref Page: 15)

	Balance Beg Yr(c)	Cr-Chg Dep Exp(d)	Other Credits (e)	Charges-Plant Ret(f)	Other Charges (g)	Balance End Yr (h)
Organization (301)						
Franchises (302)						
Land and Land Rights (303)	$0.00					
Structures and Improvements (304)	$97,892.00	$10,183.00	$0.00	$0.00	$0.00	$108,075.00
Collecting and Impounding Reservoirs (305)	$63,959.00	$1,555.00	$0.00	$0.00	$0.00	$65,514.00
Lake, River and Other Intakes (306)	$524,668.00	$29,865.00	$0.00	$0.00	$0.00	$554,533.00
Wells and Springs (307)	$0.00					
Infiltration Galleries and Tunnells (308)	$0.00					
Supply Mains (309)	$0.00					
Power Generating Equipment (310)	$0.00					
Pumping Equipment (311)	$268,642.00	$21,725.00	$0.00	$0.00	$0.00	$290,367.00
Water Treatment Equipment (320)	$1,291,307.00	$92,253.00	$0.00	$0.00	$0.00	$1,383,560.00
Distributions Reservoirs and Standpipes (330)	$854,392.00	$81,505.00	$0.00	$0.00	$0.00	$935,897.00
Transmission and Distribution Mains (331)	$7,303,779.00	$494,624.00	$0.00	$0.00	$0.00	$7,798,403.00
Services (333)	$0.00					
Meters and Meter Installations (334)	$185,083.00	$14,118.00	$0.00	$0.00	$0.00	$199,201.00
Hydrants (335)	$1,843.00	$89.00	$0.00	$0.00	$0.00	$1,932.00
Backflow Prevention Devices (336)	$0.00					
Other Plant and Miscellaneous Equipment (339)	$753,894.00	$16,256.00	$0.00	$0.00	$0.00	$770,150.00
Office Furniture and Equip. (340)	$171,917.00	$1,402.00	$0.00	$0.00	$0.00	$173,319.00
Transportation Equipment (341)	$311,355.00	$7,314.00	$0.00	$0.00	$0.00	$318,669.00
Stores Equipment (342)	$0.00					

Analysis of Accumulated Depreciation and Amortization by Primary Acct (Ref Page: 15)

	Balance Beg Yr(c)	Cr-Chg Dep Exp(d)	Other Credits (e)	Charges-Plant Ret(f)	Other Charges (g)	Balance End Yr (h)
Tools, Shop and Garage Equip (343)	$29,167.00	$80.00	$0.00	$0.00	$0.00	$29,247.00
Laboratory Equipment (344)	$14,401.00	$0.00	$0.00	$0.00	$0.00	$14,401.00
Power Operated Equipment (345)	$43,192.00	$0.00	$0.00	$0.00	$0.00	$43,192.00
Communication Equipment (346)	$15,647.00	$899.00	$0.00	$0.00	$0.00	$16,546.00
Miscellaneous Equipment (347)						
Other Tangible Plant (348)						
Totals	$11,931,138.00	$771,868.00	$0.00	$0.00	$0.00	$12,703,006.00

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Accumulated Amortization (Acct. 110) (Ref Page: 16)

Description	Total
Balance First of Year	
Credit during year	
Accruals Charged to Account 110.1	
Accruals Charged to Account 110.2	
Other Credits	
(specify)	
Total Credits	$0.00
Debits during year:	
Book Cost of Plant Retired	
Other Debits	
(specify)	
Total Debits	$0.00
Balance end of Year	$0.00

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Utility Plant Acquisition Adjustments (Accts. 114-115) (Ref Page: 16)

Description	Total
Acquistion Adjustments (114)	
(specify)	$0.00
Total Plant Acquisition Adjustments	
Accumulated Amortization (115)	
(specify)	
Total Accumulated Amortization	$0.00
Net Aquisition Adjustments	$0.00

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Accounts and Notes Receivable - Net (Accts 141-144) (Ref Page: 18)

Description		Total
Accounts and Notes Receivable		
Customer Accounts Receivable (141)		$524,025.00
Other Accounts Receivable (142)		
Total Other Accounts Receivable		$0.00
Notes Receivable (144)		
Total Notes Receivable		$0.00
Total Accounts and Notes Receivable		$524,025.00
Accumultated Provision for Uncollectible Accounts (143)		
Balance First of Year		$473,107.00
Add:		
Provision for uncollectibles for current year		$52,402.00
Collections of accounst previously written off		$0.00
Other		
(specify)		
Total Additions		$52,402.00
Deduct accounts written off during year:		
Other		
(specify)	Uncollectible Closed Accounts	$252,540.00
Total Deductions		$252,540.00
Balance end of Year		$272,969.00
Total Accounts and Notes Receivable - Net		$251,056.00

Investments and Special Funds (Ref Page: 17)

	Description (a)	Face or Par Value (b)	Year End Book Cost
Investment in Associated Companies (123)			
Total Investment in Associated Companies			$0.00
Utility Investments (124)			
Total Utility Investments			$0.00
Other Investments (125)			
Total Other Investments			$0.00
Sinking Funds (126)			
	Cash Checking Accounts	$6,442.00	$6,442.00
Total Sinking Funds		$6,442.00	$6,442.00
Other Special Funds (127)			
	Cash Checking Accounts	$38,234.00	$38,234.00
Total Other Special Funds		$38,234.00	$38,234.00

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Materials and Supplies (151-153) (Ref Page: 19)

	Total
Plant Materials and Supplies (151)	$26,272.00
Merchandise (152)	
Other Materials and Supplies (153)	
Total Materials and Supplies	$26,272.00

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Prepayments (Acct. 162) (Ref Page: 19)

Description	Total
Prepaid Insurance	$18,990.00
Prepaid Rents	
Prepaid Interest	
Prepaid Taxes	
Other Prepayments	
(Specify)	
Total Prepayments	$18,990.00

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Miscellaneous Deferred Debits (Acct. 186) (Ref Page: 20)

	Total
Miscellaneous Deferred Debits (186)	
Deferred Rate Case Expense (186.1)	
Other Deferred Debits (186.2)	
Regulatory Assets (186.3)	
Total Miscellaneous Deferred Debits	$0.00

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Unamortized Debt Discount and Expense and Premium on Debt (Accts 181 and 251) (Ref Page: 20)

Description	Amt Written Off during year	Year End Balance
Unamortized Debt Discount and Expense (181)		
Total Unamortized Debt Discount and Expense	$0.00	$0.00
Unamortized Premium on Debt (251)		
Total Unamortized Premium on Debt	$0.00	$0.00

25000 Martin County Water District 01/01/2014 - 12/31/2014

Extraordinary Property Losses (Acct. 182) (Ref Page: 21)

Description	Total
Extraordinary Property Losses (182)	
(Specify)	
Total Extraordinary Property Losses	$0.00

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Advances for Construction (Acct. 252) (Ref Page: 21)

	Total
Balance First of Year	
Add credits during year	
Deduct charges during year	
Balance end of year	$0.00

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Long Term Debt (Ref Page: 22)

	Description of Obligation (a)	Issue Date (b)	Mature Date (c)	Interest Expense for Year Rate (d)	Interest Expense for Year Amount(e)	Principal per Balance Sheet Date (f)
	KIA Note Payable	11/01/96	06/27	3.0000	$21,701.00	$655,302.00
	KACO Lease Payable	07/07/05	03/25	4.2500	$2,975.00	$126,222.00
				0.0000	$0.00	$0.00
				0.0000	$0.00	$0.00
				0.0000	$0.00	$0.00
				0.0000	$0.00	$0.00
Total				0.0000	$24,676.00	$781,524.00

25000 Martin County Water District 01/01/2014 - 12/31/2014

Bonds - Account 221 (Ref Page: 23)

	Par Value of Actual Issue (1)	Cash Realized on Actual Issue (2)	Par Val of Amt. Held by or for Respondent (3)	Actually Outstanding at Close of Year (4)	Interest During Year Accrued (5)	Interest During Year Actually Paid (6)
	$560,000.00	$560,000.00	$0.00	$0.00	$1,650.00	$3,275.00
	$554,000.00	$554,000.00	$0.00	$411,000.00	$19,013.00	$28,778.00
	$600,000.00	$600,000.00	$0.00	$493,000.00	$22,662.00	$34,220.00
	$910,000.00	$910,000.00	$0.00	$844,000.00	$37,450.00	$56,438.00
	$241,000.00	$241,000.00	$0.00	$223,000.00	$9,024.00	$14,034.00
Total	$2,865,000.00	$2,865,000.00	$0.00	$1,971,000.00	$89,799.00	$136,745.00

25000 Martin County Water District 01/01/2014 - 12/31/2014

Schedule of Bond Maturities (Ref Page: 23)

	Bond Numbers (7)	Maturity Date (8)	Interest Rate (9)	Principal Amt (10)	Amounts Paid (11)	Remaing Bonds Outstanding (12)
	BERKADIA	2015	5.0000	$560,000.00	$560,000.00	$0.00
	USDA RD1	2036	4.5000	$554,000.00	$143,000.00	$411,000.00
	USDA RD5	2040	4.5000	$600,000.00	$107,000.00	$493,000.00
	USDA RD8	2047	4.3750	$910,000.00	$66,000.00	$844,000.00
	USDA RD10	2047	4.3750	$241,000.00	$18,000.00	$223,000.00
Total				$2,865,000.00	$894,000.00	$1,971,000.00

(The total of Column 12 must agree with the total of col 4)

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Notes Payable (Accts 232 and 234) (Ref Page: 24)

	Description	Nominal Date of Issue	Date of Maturity	Int. Rate	Int. Payment	Principal Amt Per Bal Sheet
Account 232 - Notes Payable						
Total Account 232					$0.00	$0.00
Account 234 - Notes Payable to Associated Companies						
Total Account 234					$0.00	$0.00

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Accounts Payable to Associated Companies (Acct. 233) (Ref Page: 24)

Description	Total
Show Payable to Each Associated Company Seperately	
(Specify)	
Total	$0.00

25000 Martin County Water District 01/01/2014 - 12/31/2014

Taxes Accrued (Acct. 236) (Ref Page: 25)

	Total
Balance First of Year	$2,393.00
Accruals Charged:	
Utility regulatory assessment fees (408.10)	$4,214.00
Property taxes (408.11)	
Payroll taxes (employer`s portion) (408.12)	$42,025.00
Other taxes and licenses (408.13)	
Taxes other than income, other income and deductions (408.20)	
Total taxes accrued	$46,239.00
Taxes paid during year:	
Utility regulatory assessment fees (408.10)	$4,214.00
Property taxes (408.11)	
Payroll taxes (employer`s portion) (408.12)	$42,343.00
Other taxes and licenses (408.13)	
Taxes other than income, other income and deductions (408.20)	
Total Taxes Paid	$46,557.00
Balance end of year	$2,075.00

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Accrued Interest (Account 237) (Ref Page: 25)

	Description of Debt (a)	Balance Beg of Year (b)	Interest Accrued(c)	Interest Paid (d)	Balance End of Year (e)
Long Term Debt:					
		$49,002.00	$114,474.00	$161,546.00	$1,930.00
Notes Payable:					
Customer Deposits:					
		$2,807.00	$239.00	$0.00	$3,047.00
Other					
		$0.00	$0.00	$0.00	$0.00
Total Acct. No 237		$51,809.00	$114,713.00	$161,546.00	$4,977.00

25000 Martin County Water District 01/01/2014 - 12/31/2014

Miscellaneous Current and Accrued Liabilities (Acct. 242) (Ref Page: 26)

Description	Balance End Year
Accrued payroll and retirement	$48,256.00
Total Miscellaneous Current and Accrued Liabilities	$48,256.00

25000 Martin County Water District 01/01/2014 - 12/31/2014

Regulatory Commission Expense(Acct 666 and 667) (Ref Page: 26)

	Description of Case (Docket No.) (a)	Total Incurred During Year (b)	Amt Transferred to Acct 186.1 (c)	Expensed During Year Acct (d)	Expensed During Year Amount (e)
Total		$0.00	$0.00		$0.00

25000 Martin County Water District 01/01/2014 - 12/31/2014

Water Operating Revenue (Ref Page: 27)

	Beginning Year Customers	Year End Customers	Amount
Operating Revenues			
Unmetered Water Revenue (460)	4	5	$452.00
Metered Water Revenue (461)			
Sales to Residential Customers (461.1)	3,354	3,257	$1,581,512.00
Sales to Commercial Customers (461.2)	265	263	$385,079.00
Sales to Industrial Customers (461.3)	6	3	$12,592.00
Sales to Public Authorities (461.4)	5	0	$0.00
Sales to Multiple Family Dwellings (461.5)	1	2	$2,465.00
Sales through Bulk Loading Stations (461.6)			
Total Metered Sales	3,631	3,525	$1,981,648.00
Fire Protection Revenue (462)			
Public Fire Protection (462.1)			
Private Fire Protection (462.2)			
Total Fire Protection Revenue	0	0	$0.00
Other Sales to Public Authorities (464)	0	3	$51,121.00
Sales to Irrigation Customers (465)			
Sales for Resale (466)			
Interdepartmental Sales (467)			
Total Sales of Water	3,635	3,533	$2,033,221.00
Other Water Revenues			
Guaranteed Revenues (469)			
Forfeited Discounts (470)			
Miscellaneous Service Revenues (471)			$15,007.00
Rents from Water Property (472)			
Interdepartments Rents (473)			
Other Water Revenues (474)			$216,684.00
Total Other Water Revenues			$231,691.00
Total Water Operating Revenues			$2,264,912.00

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Water Utility Expense Accounts (Ref Page: 28)

	Current Year (c)	Supply and Exp-Op. (d)	Supply and Exp-Maint. (e)	Water Treatmnt. Exp-Op. (f)	Water Treatmnt Exp-Maint. (g)	Trans and Dist. Exp- Op (h)	Trans and Dist. Exp- Maint. (i)	Customer Accts Exp. (j)	Admin and Gen Exp.
Salaries and Wages-Employees (601)	$533,566.00	$0.00	$0.00	$264,575.00	$0.00	$48,941.00	$99,118.00	$75,136.00	$45,796.00
Salaries and Wages-Officers, Directors and Majority Stockholders (603)									
Employee Pensions and Benefits (604)	$237,107.00	$0.00	$0.00	$73,645.00	$0.00	$19,322.00	$104,779.00	$30,889.00	$8,472.00
Purchased Water (610)	$26,869.00	$26,869.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Purchased Power (615)	$307,968.00	$102,111.00	$0.00	$117,967.00	$0.00	$83,138.00	$0.00	$0.00	$4,752.00
Fuel for Power Production (616)									
Chemicals (618)	$146,849.00	$0.00	$0.00	$146,849.00	$0.00	$0.00	$0.00	$0.00	$0.00
Materials and Supplies (620)	$210,528.00	$12,817.00	$0.00	$840.00	$0.00	$20,419.00	$155,537.00	$0.00	$20,915.00
Contractual Services - Eng. (631)									
Contractual Services - Acct. (632)	$42,000.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$42,000.00
Contractual Services - Legal (633)									
Contractual Services - Management Fees (634)	$17,859.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$17,859.00
Contractual Serves - Water Testing (635)	$14,749.00	$0.00	$0.00	$14,749.00	$0.00	$0.00	$0.00	$0.00	$0.00
Contractual Services - Other (636)	$62,451.00	$0.00	$0.00	$402.00	$450.00	$3,795.00	$45,482.00	$10,345.00	$1,977.00
Rental of Bld./Real Property (641)	$7,100.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$7,100.00	$0.00

Water Utility Expense Accounts (Ref Page: 28)

	Current Year (c)	Supply and Exp-Op. (d)	Supply and Exp-Maint. (e)	Water Treatmnt. Exp-Op. (f)	Water Treatmnt Exp-Maint. (g)	Trans and Dist. Exp- Op (h)	Trans and Dist. Exp- Maint. (i)	Customer Accts Exp. (j)	Admin and Gen Exp.
Rental of Equipment (642)	$4,764.00	$4,764.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Transportation Expenses (650)	$68,800.00	$0.00	$0.00	$325.00	$0.00	$4,748.00	$59,032.00	$4,269.00	$426.00
Insurance - Vehicle (656)	$6,064.00	$303.00	$303.00	$303.00	$303.00	$1,941.00	$2,122.00	$303.00	$486.00
Insurance - General Liability (657)	$20,412.00	$1,200.00	$800.00	$2,401.00	$1,000.00	$6,610.00	$6,401.00	$800.00	$1,200.00
Insurance - Worker`s Compensation (658)	$21,936.00	$0.00	$0.00	$9,932.00	$0.00	$5,891.00	$4,228.00	$222.00	$1,663.00
Insurance - Other (659)	$11,036.00	$0.00	$0.00	$0.00	$0.00	$0.00	$320.00	$4,412.00	$6,304.00
Advertising Expenses (660)									
Regulatory Commission Exp.									
- Amortization of Rate Case (666)									
-Other (667)									
Water Resource Conservation Expense (668)									
Bad Debt (670)	$52,402.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$52,402.00	$0.00
Miscellaneous Expenses (675)	$53,427.00	$11,138.00	$0.00	$1,211.00	$1,088.00	$4,301.00	$1,323.00	$458.00	$33,908.00
Total	$1,845,887.00	$159,202.00	$1,103.00	$633,199.00	$2,841.00	$199,106.00	$478,342.00	$186,336.00	$185,758.00

25000 Martin County Water District 01/01/2014 - 12/31/2014

Pumping and Water Statistics - part one (Ref Page: 29)

	Water Purchased For Resale (Omit 000`s) (b)	Water Pumped from Wells (Omit 000`s) (c)	Total Water Pumped and Purchased (Omit 000`s) (d)	Water Sold To Customers (Omit 000`s) (e)
January	0	61,153	61,153	25,765
February	0	55,192	55,192	25,839
March	0	60,955	60,955	21,453
April	0	58,118	58,118	20,549
May	0	58,108	58,108	21,176
June	0	53,363	53,363	21,784
July	0	56,676	56,676	20,452
August	0	57,397	57,397	21,209
September	0	54,599	54,599	18,738
October	1,473	56,268	57,741	20,251
November	442	55,412	55,854	18,021
December	1,654	56,602	58,256	17,837
Total for the year	3,569	683,843	687,412	253,074

25000 Martin County Water District 01/01/2014 - 12/31/2014

Pumping and Water Statistics - part two (Ref Page: 29)

	Gallons	Date
Maximum Gallons pumped by all methods in any one day (Omit 000`s)	2,075	2/6/2014
Minimum Gallons pumped by all methods in any one day (Omit 000`s)	1,183	2/21/2014

25000 Martin County Water District 01/01/2014 - 12/31/2014

Pumping and Water Statistics - part three (Ref Page: 29)

	List
If water is purchased indicate the following:	
Vendor	Kermit Water District - Kermit, WV
Point of Delivery	Lovely, KY

25000 Martin County Water District 01/01/2014 - 12/31/2014

Pumping and Water Statistics - part four (Ref Page: 29)

	Entity Receiving Water	Maximum Daily	Maximum Monthly
If water is sold to other water utilities for redistribution, identify all entities with whom the utility has a water sales contract and the maximum quantity the utility is under contract to provide daily and monthly. If unlimited then list "unlimited" otherwise list in thousands of gallons.			

25000 Martin County Water District 01/01/2014 - 12/31/2014

Sales For Resale (466) (Ref Page: 30)

	Company	Gallons (Omit 000`s)	Avg. Rate Per 1000 Gallons (Cents)	Amount
Total				

25000 Martin County Water District 01/01/2014 - 12/31/2014

Water Statistics (Ref Page: 30)

	Gallons (Omit 000`s)	Percent
1. Water Produced, Purchased and Distributed		
2. Water Produced	683,843	
3. Water Purchased	3,569	
4. Total Produced and Purchased	687,412	
6. Water Sales:		
7. Residential	215,549	
8. Commercial	37,525	
9. Industrial		
10. Bulk Loading Stations		
11. Resale		
12. Other Sales		
13. Total Water Sales	253,074	
15. Other Water Used		
16. Utility/water treatment plant	5,865	
17. Wastewater plant		
18. System flushing	32,350	
19. Fire department	4,825	
20. Other		
21. Total Other Water Used	43,040	
23. Water Loss:		
24. Tank Overflows	550	
25. Line Breaks	33,950	
26. Line Leaks		
27. Other	356,798	
28. Total Line Loss	391,298	
Note: Line 13 + Line 21 + Line 28 must equal Line 4		
32. Water Loss Percentage		
33. Line 28 divided by Line 4		56.9234

Plant Statistics (Ref Page: 31)

	Give the following information
Number of fire hydrants, by size	207 5" X 21/2, 71 6", 7 2"
Number of private fire hydrants, by size	0
If produced whether water supply is river, impounded streams, well,springs,artificial lake,or collector well	Impounded lake (supplied by run off and pumping from Tug River)
If produced whether supply is by gravity, pumping or a combination	Combination
Type, capacity, and elevation of reservoirs at overflow and ground level	2 483' 1,000,000 gallons; 1 853' 150,000 gallons; 1 983' 50,000 gallons; 1 860' 150,000 gallons; 1 1171' 200,000 gallons; 1 542" 260,000 gallons; 1 1164' 100,000 gallons; 1 1,040 gallons; 3 100,000 gallons
Miles of main by size and kind	3", 4", 6", 8", total of 200 miles plus
Types of filters: gravity or pressure, number of units and total rated in capacity in gal. per min.	4 filter = Gravity, 2 units gpm = 1,400 max
Type of disinfectant, number of units and capacity in pounds per 24 hours	Chlorine Gas, 2 units 80 pounds per day
Station Equpment. List each pump,giving type and capacity, HP of driving unit and character of driving unit(steam/electric/int. combustion) also whether pump is high/ low duty	#2-200 HP - 3600 RPM Pumps capable of pumping 1,400 gallons per minute; 4 - 100 HP - 3,600 RPM pumps capable of pumping 240 GPM; 2 - 35 HP - RPM Pumps capable of pumping 130 GPM; 4 - 60 HP - 3600 RPM pumps capable of pumping 500 GPM; 4 -15 HP - 3575 RPM pumps capable of pumping 100 GPM; 2 - 50 HP - 3750 RPM pumps capable pf [u,ping 125 GPM; 6 - 5 HP - 3200 RPM in line pumps capable of pumping 35 GPM
Quantity of fuel used: coal in lbs., gas in cu.ft., oil in gals.,and electric in KWH	Approx. 2,514,011 KWH used
Give description and total cost of any sizable additions or retirements to plant and service outside the normal system of growth for the period covered by this report	
Capacity of clear well	100,000 gallons
Peak month, in gallons of water sold	January
Peak day, in gallons of water sold	February 6th

Plant Statistics - Part B (Ref Page: 31)

	Type
Choose one to indicate the type of Water Supply	Combination

25000 Martin County Water District 01/01/2014 - 12/31/2014

Plant Statistics - Part C (Ref Page: 31)

	Type
Choose one to indicate the type of Water Supply Method	Combination

CheckList

Item	Value 1	Value 2	Agree	Explain
NOTE: Any mention of page numbers or Line items refers to the annual report published and distrubuted for the 2002 report period.				
Identifications pages (ref 4-6) have been completed.				Yes
Balance Sheet - Assets and Other Debts (ref. pg 7)				
Utility Plant (Accts 101-106) agrees with Sched: Net Utility Plants Accts 101-106 (ref pg 13) Line: Total Utility Plant	34363677.00	34363677.00	OK	
Accts 108-110 Acc. Depreciation and Amort. agrees with Sched: Analysis of Acc. Dep. and Amort. (ref pg 15) Line: Total 301-348 Col h	12703006.00	12703006.00	OK	
Accts 114-115 Utility Plant Acquistion Adjustments agrees with Sched: Utility Plant Aquisition Adjustments (ref pg 16) Line: Net Acquisition Adjustments (114-115)	0	0.0000	OK	
Accts 123 Investment in Assoc. Companies agrees with Sched: Investments and Spec. Funds (ref pg 17) Line: Total Investment in Associated Companies	0	0.0000	OK	
Accts 124-125 Utility Investments agrees with Sched: Investments and Spec. Funds (ref pg 17) Sum of Lines: 124 Total Utility Investments and 125 Total Other Investments	0	0.0000	OK	
Accts 126 Sinking Funds agrees with Sched: Investments and Spec. Funds (ref pg 17) Line: 126 Total Sinking Funds	6442.00	6442.00	OK	
Accts 127 Other Special Funds agrees with Sched: Investments and Spec. Funds (ref pg 17) Line: Total 127 Other Special Funds	38234.00	38234.00	OK	
Accts 141-144 Accounts and Notes Receivable agrees with Sched: Accts and Notes Receivable (ref pg 18) Line: Net Balance141-144	251056.00	251056.00	OK	
Accts 151-153 Material and Supplies agrees with Sched: Material and Supplies (ref pg 19) Line: Total 151-153	26272.00	26272.00	OK	

CheckList

Item	Value 1	Value 2	Agree	Explain
Accts 162 Prepayments agrees with Sched: Prepayments (ref pg 19) Line: Total 162	18990.00	18990.00	OK	
Accts 181 Unamortized Debt Discount and Expense agrees with Sched: Unamortized Debt Discount and Exp. (ref pg 20) Line: Total 181	0	0.0000	OK	
Accts 182 Extraordinary Prop. losses agrees with Sched: Extraordinary Property Losses (ref pg 21) Line: Total 182	0	0.0000	OK	
Accts 186 Misc. Deferred Debits agrees with Sched: Misc. Deferred Debits (ref pg 20) Line: Total 186	0	0.0000	OK	
Balance Sheet - Equity Capitol and Liabilities (ref. pg 9)				
Accts 214 Appropriated Retained Earnings agrees with Sched: Statement of Retained Earnings (ref pg 12) Line: Total Appropriated Retained Earnings 214	0	0.0000	OK	
Accts 215.1 Retained Earnings from Income before Contributions with Sched: Statement of Retained Earnings (ref pg 12) Line: Balance End of Year 215.1	-9989978.00	-9989978.00	OK	
Accts 215.2 Donated Capital with Sched: Statement of Retained Earnings (cont. 215.2) (ref pg 12) Line: Balance End of Year 215.2	29111128.00	29111128.00	OK	
Accts 221 Bonds agrees with Sched: Account 221 (ref pg 23) Line: Total Outstanding Bonds Col 4	1971000.00	1971000.00	OK	
Accts 221 Bonds agrees with Sched: Schedule of Bond Maturities (ref pg 23) Line: Total Remaining Bonds (Col 12)	1971000.00	1971000.00	OK	
Accts 224 Other Long Term Debt agrees with Sched: Long Term Debt (ref pg 22) Line: Total Acct 224 col f	781524.00	781524.00	OK	
Accts 232 Notes Payable agrees with Sched: Notes Payable (Accts 232 and 234) (ref pg 24) Line: Total Acct 232	0	0.0000	OK	

CheckList

Item	Value 1	Value 2	Agree	Explain
Accts 233 Accounts Payable to Associated Co. agrees with Sched: Accounts Payable to Assoc. Companies (Accts 233) (ref pg 24) Line: Total Acct 233	0	0.0000	OK	
Accts 234 Notes Payable agrees with Sched: Notes Payable (Accts 232 and 234) (ref pg 24) Line: Total Acct 234	0	0.0000	OK	
Accts 236 Taxes Accrued Balance First of Year agrees with Sched: Taxes Accrued (Accts 236) (ref pg 25) Line: Beginning Balance	2393.00	2393.00	OK	
Accts 236 Taxes Accrued agrees with Sched: Taxes Accrued (Accts 236) (ref pg 25) Line: Ending Balance	2075.00	2075.00	OK	
Accts 237 Accrued Interest Balance from Prev Year agrees with Sched: Accrued Interest (Accts 237) (ref pg 25) Line: Total 237 Balance Beginning of Year -Col b	51809.00	51809.00	OK	
Accts 237 Accrued Interest agrees with Sched: Accrued Interest (Accts 237) (ref pg 25) Line: Total 237 Balance End of Year -Col e	4977.00	4977.00	OK	
Accts 242 Misc. Current and Accrued Liabilities agrees with Sched: Misc current and Accrued Liabilities (Accts 242) (ref pg 26) Line: Total Miscellaneous and Current Accrued Liabilities	48256.00	48256.00	OK	
Accts 251 Unamortized Premium on Debt agrees with Sched: Unamorted Debt Discount and Expense and Premium on Debt (Accts 181 - 251) (ref pg 20) Line: Total 251	0	0.0000	OK	
Accts 252 Advances for Contruction agrees with Sched: Advances for Contstruction (Accts 252) (ref pg 21) Line: Total 252	0	0.0000	OK	
Total Equity Capital and Liabilities agrees with Balance Sheet - Assets and Other Debits: Total Assets and Other Debits	22480196.00	22480196.00	OK	
Comparitive Operating Statement (ref pg 10)				

CheckList

Item	Value 1	Value 2	Agree	Explain
Accts 400 Operating Revenues agrees with Sched: Water Operating Revenue (Accts 400) (ref pg 27) Line: Total Water Operating Revenues - Col e	2264912.00	2264912.00	OK	
Accts 401 Operating Expenses agrees with Sched: Water Utility Expense Accounts (ref pg 28) Line: Total Accts (601-675) - Col c	1845887.00	1845887.00	OK	
Accts 408.1 Taxes Other than Income agrees with Schedule Taxes Accrued (Acct 236) (ref pg 26) Sum of Accts 408.10 - 408.13	46239.00	46239.00	OK	
Sum of Accts 408.1and 408.2 agrees with Sched: Taxes Accrued (Acct 236) (ref pg 25) Line: Total taxes Accrued	46239.00	46239.00	OK	
Accts 427 Interest Expense agrees with Sched: Accrued Interest (Acct 237) (ref pg 25) Line: Total Acct No 237 Col c - Interest Accrued	114713.00	114713.00	OK	
Net Income agrees with Sched: Retained Earnings (Acct 237) (ref pg 12) Line: Balance Transfered from Income (Acct 435)	-513538.00	-513538.00	OK	
Miscellaenous				
Schedule Net Utility Plant Accts 101 - 106 (ref pg 13) Utility Plant (101) agrees with Sched: Water Utility Plant Accounts (ref pg 14) Line: Total Water Plant Col f - Current Year	34363677.00	34363677.00	OK	
The analysis of water utility plant accounts Cols c though k has been completed (Ref pg 14)				Completed
The analysis of accumulated depreciation and amortization by primary account has been completed. (Ref pg 14)				Completed
Sched: Misc. Defferred Debits (Acct 186) Deferred Rate Case (Acct 186.1) agrees with Sched: Amort. of Rate Case (Acct 665 and 667) (ref pg 26) Line: Total Col c - Amt Transfered to 186.1	0	0.0000	OK	
Schedule of Long Term Debt has been completed (ref pg 22)				Completed

CheckList

Item	Value 1	Value 2	Agree	Explain
Schedule of Bond Maturities has been completed (ref pg 23)				Completed
Taxes collected (example: school tax, sales tax, franchise tax) have been excluded from Operating Revenue (Ref pg 29)				Completed
The analysis of water opertating revenue Cols c,d and e have been completed. (Ref pg 28)				Completed
The analysis of water utility expense accounts Cols c through k have been completed. (Ref pg 28)				Completed
Schedule of Pumping and Purchased Water Statistics has been completed (Ref pg 29)				Completed
Sched Pumping and Water Statistics - part one (ref pg 29) Line Total for the year - Col Total (d) agrees with Sched Water Statistics (ref pg 30) Line 4. Total Produced and Purchased Col Gallons	687412	687412	OK	
Sched Pumping and Water Statistics - part one (ref pg 29) Line Total for the year - Col Water Sold(e) agrees with Sched Water Statistics (ref pg 30) Line Total Water Sales Col Gallons	253074	253074	OK	
Sched Sales for Resale (ref pg 30) 466 Total Gal agrees with Sched Water Statistics (ref pg 30) Total Water Sales	0	0	OK	
Oath Page Has been Completed				Yes

Upload supporting documents

Document	Description	Supports

OATH

Commonwealth of Kentucky)
) ss:
County of MARTIN)

BILL HARVEY makes oath and says
(Name of Officer)

that he/she is CHAIRMAN of
(Official title of officer)

Martin County Water District
(Exact legal title or name of respondent)

that it is his/her duty to have supervision over the books of account of the respondent and to control the manner in which such books are kept; that he/she knows that such books have, during the period covered by the foregoing report, been kept in good faith in accordance with the accounting and other orders of the Public Service Commission of Kentucky, effective during the said period; that he/she has carefully examined the said report and to have the best of his/her knowledge and belief the entries contained in the said report have, so far as they relate to matters of account, been accurately taken from the said books of account and are in exact accordance therewith; that he/she believes that all other statements of fact contained in the said report are true; and that the said report is a correct and complete statement of the business and affairs of the above-named respondent during the period of time from and including

January 01, 2014 , to and including December 31, 2014

William J. Harvey
(Signature of Officer)

subscribed and sworn to before me, a NOTARY PUBLIC , in and for the State and County named in the above this 29TH DAY OF May 2015

"Notary Public"
Raymond E. Sumpter
State at Large, Kentucky

My Commission expires 2/5/18

Raymond E. Sumpter 505072
(Signature of officer authorized to administer oath)

[Persons making willful false statements in this report may be punished by fine or imprisonment under KRS 523.040 and 523.100.]

Title Page

	Name of Respondent	Addr Line 1	Addr Line 2	City	State	Zip
Water Districts/Associations Annual Report of Respondent	Martin County Water District	387 East Main Street, Suite 140		Inez	KY	41224

PSC EXHIBIT 1

25000 Martin County Water District 01/01/2015 - 12/31/2015

Principal Payment and Interest Information

	Amount	Yes/No	PSC Case No.
Amount of Principal Payment During Calendar Year	$2,027,810.00		
Is Principal Current?		Y	
Is Interest Current?		Y	
Has all long-term debt been approved by the Public Service Commission?		Y	

25000 Martin County Water District 01/01/2015 - 12/31/2015

Services Performed by Independent CPA

	Yes/No	A/C/R	Audit Date
Are your financial statements examined by a Certified Public Accountant?			
Enter Y for Yes or N for No	Y		
If yes, which service is performed?			
Enter an X on each appropriate line			
Audit	Y		
Compilation	Y		
Review	N		
Date of Audit			8/16/2016
Please enclose a copy of the accountant's report with annual report.			

25000 Martin County Water District 01/01/2015 - 12/31/2015

Additional Requested Information

	Name	Electronic Info
Name of Utility and Web Address	Martin County Water District	
Contact Name and Email Address		
	William J. Harvey	harveybk@suddenlink.net

Additional Information Required

Case Num	Date	Explain

Major Water Projects

Provide details about each major water project which is planned but has not yet been submitted for approval to the Public Service commission.

For the limited purpose of this report, a "Major Project" is defined as one which is not in the ordinary course of business, and will increase your current utilityplant by at least 20 percent.

Brief Project Description: (improvement, replacement,building construction, expansion. If expansion, provide the estimated number of new customers):	NONE
Projected Costs and Funding Sources/Amounts:	
Approval Status: (Application for financial assistance filed, but not approved; or application approved, but have not advertised for construction bids)	
Location: (community, area or nearby roads)	

History-Legal Name (Ref Page: 4)

1. Exact name of utility making this report.

(Use the words "The", "Company" or "Incorporated" only when part of the corporate name.)

Martin Co Water District

History-Location (Ref Page: 4)

	Name	Address	City	State	Zip	Phone
Give the location,including street and number, and TELEPHONE NUMBER of the principal office in KY.						
principal office in KY	Martin County Water District	387 East Main Street, Suite 140	Inez	KY	41224	(606) 298-3885
Give name, title, address and TELEPHONE NUMBER of the officer to whom correspondence concerning this report should be addressed.						
	William J. Harvey	387 East Main Street, Suite 140	Inez	KY	41224	(606) 298-3885
Location where books are located	Martin County Water District	387 East Main Street, Suite 140	Inez	KY	41224	
Name of the Headquartered County	Martin, KY					

History-Date Organized (Ref Page: 4)

	Date
Date of Organization	12/1/1962

History-Laws of Organization (Ref Page: 4)

	List
If a consolidated or merger company, name all contigent and all merged companies. Give reference to charters or general laws governing each, and all amendments of same	Martin County Water District A/ Martin County Water District B
Date and Authority for each consolidation and each merger.	8/96

History-Departments (Ref Page: 4)

	List
State whether respondent is a water district or association	Water District
Name all operating departments other than water	None/Except Lovely Sewer Demo Project

Martin

History - Number of Employees (Ref Page: 5)

	Count
Number of Full-time employees	12
Number of Part-time employees	4

Operational Boundaries and Service Area

	Describe
Describe Operational boundaries and Service Area	Martin County, KY

Contacts (Ref Page: 6)

	Title	Last Name	First Name	Bus. Addr.	Salary	Term Expires
Person to send correspondence:	Chairperson	Harvey	William	387 E Main St. Suite 140, Inez, KY 41224		
Person who prepared this report	CPA	Sumpter	Linda	910 Blackberry Rd., Inez, KY 41224		
Managers (List Board Members on the following Contact Page)						
	General Mgr of Operations	Mills	John	387 E Main St. Suite 140, Inez, KY 41224	$0.00	
	General Mgr of Finance	Hammond	Joe	387 E Main St. Suite 140, Inez, KY 41224	$0.00	

25000 Martin County Water District 01/01/2015 - 12/31/2015

Contacts - Board Members (Ref Page: 6)

	Title	Last Name	First Name	Bus. Addr.	Salary	Term Expires	Term	County of	Training Hours
Officers and Board Members									
	Chairperson	Harvey	William	387 E Main St. Suite 140, Inez, KY 41224	$0.00	2/1/2020	2nd	Martin	0
	Treasurer	Clark	James	387 E Main St. Suite 140, Inez, KY 41224	$0.00	2/1/2020	3rd	Martin	12
	Secretary	Collier	Nita	387 E Main St. Suite 140, Inez, KY 41224	$0.00	2/1/2018	1st	Martin	0
	Commissioner	Haney	John	387 E Main St. Suite 140, Inez, KY 41224	$0.00	2/1/2018	2nd	Martin	0

25000 Martin County Water District 01/01/2015 - 12/31/2015

Board Meetings (Water Districts REQUIRED)

Meeting Date	4th Tuesday of Each Month
Meeting Time	4:30 pm
Designated Meeting of Board Location	Roy F. Collier Com Center, 387 E Main St., Inez, K

25000 Martin County Water District 01/01/2015 - 12/31/2015

Adopted Ethics Ordinance (Water Districts REQUIRED)

	Ethics Code Originator	Name
Identify the county ethics codes that KRS 65 A.070 requires Water District to adapt. Select county from the drop down list. Then provide the name of the county.		
If the water district has adopted a more stringent ethics code than the county ethics code; select other from the drop down list. Then provide the name of the entity originating the ethics code.		
	county	Martin County Fiscal Court

25000 Martin County Water District 01/01/2015 - 12/31/2015

Government Entities (Water Districts REQUIRED)

	Oversight Government Entity	Name
List each Government Entity with Oversight Duties (Federal, State, Local)		
	KY Public Service Commission	
	Division of Water	
	other	Martin County Fiscal Court

25000 Martin County Water District 01/01/2015 - 12/31/2015

Balance Sheet - Assets and Other Debits (Ref Page: 7)

	Previous Year	Current Year
UTILITY PLANT		
Utility Plant (101-106)	$34,363,677.00	$34,501,631.00
Less: Accumulated Depreciation and Amortization (108-110)	$12,703,006.00	$13,476,309.00
Net Plant	$21,660,671.00	$21,025,322.00
Utility Plant Acquisition Adjustments (Net) (114-115)		$0.00
Other Utility Plant Adjustments (116)		
Total Net Utility Plant	$21,660,671.00	$21,025,322.00
OTHER PROPERTY AND INVESTMENTS		
Nonutility Property (121)		
Less: Accumulated Depreciation and Amortization (122)		
Net Nonutility Property		$0.00
Investment in Associated Companies (123)		
Utility and Other Investments (124-125)		
Sinking Funds (126)	$6,442.00	$94,766.00
Other Special Funds (127)	$38,234.00	$38,240.00
Total Other Property and Investments	$44,676.00	$133,006.00
CURRENT AND ACCRUED ASSETS		
Cash (131)	$82,395.00	$94,137.00
Special Deposits (132)	$148,432.00	$155,206.00
Other Special Deposits (133)	$825.00	$105.00
Working Funds (134)		
Temporary Cash Investments (135)		
Accounts and Notes Receivable, Less Accumulated Provision for Uncollectible Accounts (141-144)	$251,056.00	$235,876.00
Accounts Receivable from Associated Companies (145)	$3,227.00	$12,481.00
Notes Receivable from Associated Companies (146)		
Materials and Supplies (151-153)	$26,272.00	$24,067.00
Stores Expense (161)		
Prepayments (162)	$18,990.00	$24,484.00
Accrued Interest and Dividends Receivable (171)		
Rents Receivable (172)		
Accrued Utility Revenues (173)	$243,652.00	$258,199.00

25000 Martin County Water District 01/01/2015 - 12/31/2015

Balance Sheet - Assets and Other Debits (Ref Page: 7)

	Previous Year	Current Year
Misc. Current and Accrued Assets (174)		$0.00
Total Current and Accrued Assets	$774,849.00	$804,555.00
DEFERRED DEBITS		
Unamortized Debt Discount and Expense (181)		$0.00
Extaordinary Property Losses (182)		
Preliminary Survey and Investigation Charges (183)		
Clearing Accounts (184)		
Temporary Facilities (185)		
Misc. Deferred Debits (186)		$52,952.00
Research and Develpment Expenditure (187)		
Total Deffered Debits	$0.00	$52,952.00
TOTAL ASSETS AND OTHER DEBITS	$22,480,196.00	$22,015,835.00

25000 Martin County Water District 01/01/2015 - 12/31/2015

Balance Sheet - Equity Capital and Liabilities (Ref Page: 9)

	Previous Year	Current Year
EQUITY CAPITAL		
Appropriated Retained Earnings (214)		
Retained Earnings From Income before contributions (215.1)	($9,989,978.00)	($11,675,557.00)
Donated Capital (215.2)	$29,111,128.00	$29,178,095.00
Total Equity Capital	$19,121,150.00	$17,502,538.00
LONG-TERM DEBT		
Bonds (221)	$1,971,000.00	$1,980,000.00
Reaquired Bonds (222)		
Advances from Associated Companies (223)		
Other Long-Term Debt (224)	$781,524.00	$1,473,074.00
Total Long Term Debt	$2,752,524.00	$3,453,074.00
CURRENT AND ACCRUED LIABILITIES		
Accounts Payable (231)	$347,722.00	$609,532.00
Notes Payable (232)		
Accounts Payable to Associated Co. (233)		
Notes Payable to Associated Co (234)		
Customer Deposits (235)	$133,348.00	$139,998.00
Accrued Taxes (236)	$2,075.00	$2,566.00
Accrued Interest (237)	$4,977.00	$52,860.00
Matured Long-Term Debt (239)	$57,020.00	$88,450.00
Matured Interest (240)		
Tax Collections Payable (241)	$13,124.00	$11,610.00
Misc. Current and Accrued Liabilities (242)	$48,256.00	$49,314.00
Total Current and Accrued Liabilities	$606,522.00	$954,330.00
DEFFERRED CREDITS		
Unamortized Premium on Debt (251)		$21,893.00
Advances for Construction (252)		
Other Deferred Credits (253)		$84,000.00
Total Deferred Credits	$0.00	$105,893.00
OPERATING RESERVES		
Accumulated Provision For:		
Property Insurance (261)		

Balance Sheet - Equity Capital and Liabilities (Ref Page: 9)

	Previous Year	Current Year
Injuries and Damages (262)		
Pensions and Benefits (263)		
Miscellaneous Operating Reserves (265)		
Total Operating Reserves	$0.00	
Total Equity Capital and Liabilities	$22,480,196.00	$22,015,835.00

25000 Martin County Water District 01/01/2015 - 12/31/2015

Comparative Operating Statement (Ref Page: 11)

	Previous Year	Current Year
UTILITY OPERATING INCOME		
Operating Revenues (400)	$2,264,912.00	$2,097,496.00
Operating Expenses (401)	$1,845,887.00	$2,045,377.00
Depreciation Expenses (403)	$771,868.00	$773,303.00
Amortization of Utility Plant Acquisition Adjustment (406)		
Amortization Expense (407)		
Taxes Other Than Income (408.10-408.13)	$46,239.00	$47,092.00
Utility Operating Expenses	$2,663,994.00	$2,865,772.00
Utility Operating Income	($399,082.00)	($768,276.00)
Income From Utility Plant Leased to Others (413)		
Gains (Losses) from Disposition of Utility Property (414)		
Total Utility Operating Income	($399,082.00)	($768,276.00)
OTHER INCOME AND DEDUCTIONS		
Revenues From Merchandising, Jobbing and contract work (415)		
Costs and Expenses of Merchandising, Jobbing and Contract Work (416)		
Interest and Dividend Income (419)	$257.00	$284.00
Allowance for funds Used During Constructions (420)		
Nonutility Income (421)		$0.00
Miscellaneous Nonutility Expenses (426)		$67,250.00
Total Other Income and Deductions	$257.00	($66,966.00)
TAXES APPLICABLE TO OTHER INCOME		
Taxes Other Than Income (408.20)		
Total Taxes Applic. to Other Income		
INTEREST EXPENSE		
Interest Expense (427)	$114,713.00	$102,016.00
Amortization of Debt Discount and Exp. (428)		$0.00
Amortization of Premium on Debt (429)		($470.00)
Total Interest Expense	$114,713.00	$101,546.00
EXTRAORDINARY ITEMS		
Extraordinary Income (433)		
Extraordinary Deductions (434)		

Comparative Operating Statement (Ref Page: 11)

	Previous Year	Current Year
Total Extraordinary Items	$0.00	
NET INCOME BEFORE CONTRIBUTIONS	($513,538.00)	($936,788.00)

25000 Martin County Water District 01/01/2015 - 12/31/2015

Statement of Retained Earnings (Ref Page: 12)

Description	Total
Appropriated Retained earnings (214)	
(state balance and purpose of each appropriated amount at year end:)	
Total Appropriated Retained Earnings	$0.00
Retained Earnings From Income Before Contributions (215.1)	
Balance beginning of year	($9,989,978.00)
Balance transferred from Net Income Before Contributions (435)	($936,788.00)
Changes to account:	
Appropriations of Retained Earnings (436)	$0.00
Adjustments to Retained Earnings (439)	
(requires Commission approval prior to use):	
Credits	
Debits	
Implement GASB 68 - Pension Liability	$748,791.00
Balance End of Year	($11,675,557.00)

25000 Martin County Water District 01/01/2015 - 12/31/2015

Statement of Retained Earnings (cont. 215.2) (Ref Page: 12)

Description	Tapping Fees	Grants	Other	Total
Donated Capital (215.2)				
Balance Beginning of the Year	$1,237,335.00	$27,379,413.00	$494,380.00	$29,111,128.00
Credits				
Proceeds from capital contributions (432)	$14,352.00	$52,615.00	$0.00	$66,967.00
Other Credits (explain)				
Debits (explain - requires Commission Approval)				
Balance End of Year	$1,251,687.00	$27,432,028.00	$494,380.00	$29,178,095.00

25000 Martin County Water District 01/01/2015 - 12/31/2015

Net Utility Plant (Accts. 101-106) (Ref Page: 13)

	Total
Utility Plant in Service (101)	$34,481,663.00
Utility Plant Leased to Others (102)	
Property Held for Future Use (103)	
Utility Plant Purchased of Sold (104)	
Construction Work in Progress (105)	$19,968.00
Completed Construction Not Classified (106)	
Total Utility Plant	$34,501,631.00

25000 Martin County Water District 01/01/2015 - 12/31/2015

Accumulated Depreciation (Acct. 108) (Ref Page: 13)

Description	Total
Balance First of Year	$12,703,006.00
Credit during year	
Accruals Charged to Account 108.1	$773,303.00
Accruals Charged to Account 108.2	
Accruals Charged to Account 108.3	
Accruals Charged to Other Acccounts (specify)	
(specify)	
Salvage Value Recovered on Plant Retired	
Other Credits	
(specify)	
Total Credits	$773,303.00
Debits during year:	
Book Cost of Plant Retired	
Cost of Removal	
Other Debits	
(specify)	
Total Debits	$0.00
Balance at End of Year	$13,476,309.00

25000 Martin County Water District 01/01/2015 - 12/31/2015

Water Utility Plant Accounts (Ref Page: 14)

	Prev Year (c)	Additions (d)	Retirement (e)	Current Yr(f)	Intngble. Plant (g)	Supply & Pump.	Water Treatmnt.	Trans. and Distr.	General Plant
Organization (301)									
Franchises (302)									
Land and Land Rights (303)	$214,714.00	$0.00	$0.00	$214,714.00	$0.00	$83,722.00	$350.00	$80,642.00	$50,000.00
Structures and Improvements (304)	$500,264.00	$0.00	$0.00	$500,264.00	$0.00	$32,275.00	$147,439.00	$286,794.00	$33,756.00
Collecting and Impounding Reservoirs (305)	$288,203.00	$0.00	$0.00	$288,203.00	$0.00	$288,203.00	$0.00	$0.00	$0.00
Lakes, Rivers and Other Intakes (306)	$2,153,752.00	$0.00	$0.00	$2,153,752.00	$0.00	$2,153,752.00	$0.00	$0.00	$0.00
Wells and Springs (307)									
Infiltration Galleries and Tunnels (308)									
Supply Mains (309)									
Power Generation Equipment (310)		$15,000.00	$0.00	$15,000.00	$0.00	$0.00	$0.00	$0.00	$15,000.00
Pumping Equipment (311)	$309,468.00	$1,300.00	$0.00	$310,768.00	$0.00	$309,468.00	$0.00	$1,300.00	$0.00
Water Treatment Equipment (320)	$4,812,970.00	$64,449.00	$0.00	$4,877,419.00	$0.00	$4,877,419.00	$0.00	$0.00	$0.00
Distribution Reservoirs and Standpipes (330)	$4,071,502.00	$0.00	$0.00	$4,071,502.00	$0.00	$0.00	$0.00	$4,071,502.00	$0.00
Transmission and Distribution Mains (331)	$20,060,075.00	$0.00	$0.00	$20,060,075.00	$0.00	$0.00	$0.00	$20,060,075.00	$0.00
Services (333)									
Meters and Meter Installations (334)	$483,949.00	$20,553.00	$0.00	$504,502.00	$0.00	$0.00	$0.00	$504,502.00	$0.00
Hydrants (335)	$2,969.00	$0.00	$0.00	$2,969.00	$0.00	$0.00	$0.00	$2,969.00	$0.00
Backflow Prevention Devices (336)									

25000 Martin County Water District 01/01/2015 - 12/31/2015

Water Utility Plant Accounts (Ref Page: 14)

	Prev Year (c)	Additions (d)	Retirement (e)	Current Yr(f)	Intngble. Plant (g)	Supply & Pump.	Water Treatmnt.	Trans. and Distr.	General Plant
Other Plant and Misc. Equipment (339)	$861,964.00	$16,684.00	$0.00	$878,648.00	$0.00	$0.00	$0.00	$878,648.00	$0.00
Office Furniture and Equip. (340)	$175,251.00	$0.00	$0.00	$175,251.00	$0.00	$0.00	$0.00	$0.00	$175,251.00
Transportation Equipment (341)	$324,570.00	$0.00	$0.00	$324,570.00	$0.00	$0.00	$0.00	$0.00	$324,570.00
Stores Equipment (342)	$0.00								
Tools, Shop and Garage Equip (343)	$29,534.00	$0.00	$0.00	$29,534.00	$0.00	$0.00	$0.00	$0.00	$29,534.00
Laboratory Equipment (344)	$14,402.00	$0.00	$0.00	$14,402.00	$0.00	$0.00	$0.00	$0.00	$14,402.00
Power Operated Equipment (345)	$43,193.00	$0.00	$0.00	$43,193.00	$0.00	$0.00	$0.00	$0.00	$43,193.00
Communication Equipment (346)	$16,897.00	$0.00	$0.00	$16,897.00	$0.00	$0.00	$0.00	$0.00	$16,897.00
Miscellaneous Equipment (347)									
Other Tangible Plant (348)									
Total Water Plant	$34,363,677.00	$117,986.00	$0.00	$34,481,663.00	$0.00	$7,744,839.00	$147,789.00	$25,886,432.00	$702,603.00

Analysis of Accumulated Depreciation and Amortization by Primary Acct (Ref Page: 15)

	Balance Beg Yr(c)	Cr-Chg Dep Exp(d)	Other Credits (e)	Charges-Plant Ret(f)	Other Charges (g)	Balance End Yr (h)
Organization (301)						
Franchises (302)						
Land and Land Rights (303)						
Structures and Improvements (304)	$108,075.00	$10,183.00	$0.00	$0.00	$0.00	$118,258.00
Collecting and Impounding Reservoirs (305)	$65,514.00	$1,555.00	$0.00	$0.00	$0.00	$67,069.00
Lake, River and Other Intakes (306)	$554,533.00	$43,076.00	$0.00	$0.00	$0.00	$597,609.00
Wells and Springs (307)						
Infiltration Galleries and Tunnells (308)						
Supply Mains (309)						
Power Generating Equipment (310)		$1,500.00	$0.00	$0.00	$0.00	$1,500.00
Pumping Equipment (311)	$290,367.00	$10,694.00	$0.00	$0.00	$0.00	$301,061.00
Water Treatment Equipment (320)	$1,383,560.00	$92,575.00	$0.00	$0.00	$0.00	$1,476,135.00
Distributions Reservoirs and Standpipes (330)	$935,897.00	$81,505.00	$0.00	$0.00	$0.00	$1,017,402.00
Transmission and Distribution Mains (331)	$7,798,403.00	$493,995.00	$0.00	$0.00	$0.00	$8,292,398.00
Services (333)						
Meters and Meter Installations (334)	$199,201.00	$13,837.00	$0.00	$0.00	$0.00	$213,038.00
Hydrants (335)	$1,932.00	$89.00	$0.00	$0.00	$0.00	$2,021.00
Backflow Prevention Devices (336)						
Other Plant and Miscellaneous Equipment (339)	$770,150.00	$17,361.00	$0.00	$0.00	$0.00	$787,511.00
Office Furniture and Equip. (340)	$173,319.00	$1,070.00	$0.00	$0.00	$0.00	$174,389.00
Transportation Equipment (341)	$318,669.00	$5,433.00	$0.00	$0.00	$0.00	$324,102.00
Stores Equipment (342)						

Analysis of Accumulated Depreciation and Amortization by Primary Acct (Ref Page: 15)

	Balance Beg Yr(c)	Cr-Chg Dep Exp(d)	Other Credits (e)	Charges-Plant Ret(f)	Other Charges (g)	Balance End Yr (h)
Tools, Shop and Garage Equip (343)	$29,247.00	$80.00	$0.00	$0.00	$0.00	$29,327.00
Laboratory Equipment (344)	$14,401.00	$0.00	$0.00	$0.00	$0.00	$14,401.00
Power Operated Equipment (345)	$43,192.00	$0.00	$0.00	$0.00	$0.00	$43,192.00
Communication Equipment (346)	$16,546.00	$350.00	$0.00	$0.00	$0.00	$16,896.00
Miscellaneous Equipment (347)						
Other Tangible Plant (348)						
Totals	$12,703,006.00	$773,303.00	$0.00	$0.00	$0.00	$13,476,309.00

25000 Martin County Water District 01/01/2015 - 12/31/2015

Accumulated Amortization (Acct. 110) (Ref Page: 16)

Description	Total
Balance First of Year	
Credit during year	
Accruals Charged to Account 110.1	
Accruals Charged to Account 110.2	
Other Credits	
(specify)	
Total Credits	$0.00
Debits during year:	
Book Cost of Plant Retired	
Other Debits	
(specify)	
Total Debits	
Balance end of Year	$0.00

25000 Martin County Water District 01/01/2015 - 12/31/2015

Utility Plant Acquisition Adjustments (Accts. 114-115) (Ref Page: 16)

Description	Total
Acquistion Adjustments (114)	
(specify)	
Total Plant Acquisition Adjustments	$0.00
Accumulated Amortization (115)	
(specify)	
Total Accumulated Amortization	$0.00
Net Aquisition Adjustments	$0.00

Accounts and Notes Receivable - Net (Accts 141-144) (Ref Page: 18)

Description	Total
Accounts and Notes Receivable	
Customer Accounts Receivable (141)	$562,360.00
Other Accounts Receivable (142)	
Total Other Accounts Receivable	$0.00
Notes Receivable (144)	
Total Notes Receivable	$0.00
Total Accounts and Notes Receivable	$562,360.00
Accumultated Provision for Uncollectible Accounts (143)	
Balance First of Year	$272,968.00
Add:	
Provision for uncollectibles for current year	$53,516.00
Collections of accounst previously written off	$0.00
Other	
(specify)	
Total Additions	$53,516.00
Deduct accounts written off during year:	
Other	
(specify)	
Total Deductions	$0.00
Balance end of Year	$326,484.00
Total Accounts and Notes Receivable - Net	$235,876.00

Investments and Special Funds (Ref Page: 17)

	Description (a)	Face or Par Value (b)	Year End Book Cost
Investment in Associated Companies (123)			
Total Investment in Associated Companies			$0.00
Utility Investments (124)			
Total Utility Investments			$0.00
Other Investments (125)			
Total Other Investments			
Sinking Funds (126)			
	Cash Checking Accounts	$94,766.00	$94,766.00
Total Sinking Funds		$94,766.00	$94,766.00
Other Special Funds (127)			
	Cash Checking Accounts	$38,240.00	$38,240.00
Total Other Special Funds		$38,240.00	$38,240.00

25000 Martin County Water District 01/01/2015 - 12/31/2015

Materials and Supplies (151-153) (Ref Page: 19)

	Total
Plant Materials and Supplies (151)	$24,067.00
Merchandise (152)	
Other Materials and Supplies (153)	
Total Materials and Supplies	$24,067.00

25000 Martin County Water District 01/01/2015 - 12/31/2015

Prepayments (Acct. 162) (Ref Page: 19)

	Description	Total
Prepaid Insurance		$22,712.00
Prepaid Rents		
Prepaid Interest		
Prepaid Taxes		$20.00
Other Prepayments		
(Specify)	Other	$1,752.00
Total Prepayments		$24,484.00

25000 Martin County Water District 01/01/2015 - 12/31/2015

Miscellaneous Deferred Debits (Acct. 186) (Ref Page: 20)

	Total
Miscellaneous Deferred Debits (186)	
Deferred Rate Case Expense (186.1)	
Other Deferred Debits (186.2)	$52,952.00
Regulatory Assets (186.3)	
Total Miscellaneous Deferred Debits	$52,952.00

Unamortized Debt Discount and Expense and Premium on Debt (Accts 181 and 251) (Ref Page: 20)

	Description	Amt Written Off during year	Year End Balance
Unamortized Debt Discount and Expense (181)			
	Bond Issue	$0.00	$0.00
Total Unamortized Debt Discount and Expense		$0.00	$0.00
Unamortized Premium on Debt (251)			
	Bond Issue	$470.00	$21,893.00
Total Unamortized Premium on Debt		$470.00	$21,893.00

25000 Martin County Water District 01/01/2015 - 12/31/2015

Extraordinary Property Losses (Acct. 182) (Ref Page: 21)

Description	Total
Extraordinary Property Losses (182)	
(Specify)	
Total Extraordinary Property Losses	$0.00

25000 Martin County Water District 01/01/2015 - 12/31/2015

Advances for Construction (Acct. 252) (Ref Page: 21)

	Total
Balance First of Year	
Add credits during year	
Deduct charges during year	
Balance end of year	$0.00

25000 Martin County Water District 01/01/2015 - 12/31/2015

Long Term Debt (Ref Page: 22)

	Description of Obligation (a)	Issue Date (b)	Mature Date (c)	Interest Expense for Year Rate (d)	Interest Expense for Year Amount(e)	Principal per Balance Sheet Date (f)
	KIA Note Payable	11/01/96	06/27	3.0000	$20,309.00	$606,852.00
	KACO Lease Payable	07/07/05	03/25	4.2500	$2,185.00	$116,222.00
	Net Pension Liability			0.0000	$0.00	$750,000.00
Total				0.0000	$22,494.00	$1,473,074.00

25000 Martin County Water District 01/01/2015 - 12/31/2015

Bonds - Account 221 (Ref Page: 23)

	Par Value of Actual Issue (1)	Cash Realized on Actual Issue (2)	Par Val of Amt. Held by or for Respondent (3)	Actually Outstanding at Close of Year (4)	Interest During Year Accrued (5)	Interest During Year Actually Paid (6)
	$554,000.00	$554,000.00	$554,000.00	$0.00	$6,739.00	$6,739.00
	$600,000.00	$600,000.00	$600,000.00	$0.00	$8,084.00	$8,084.00
	$910,000.00	$910,000.00	$910,000.00	$0.00	$13,619.00	$13,619.00
	$241,000.00	$241,000.00	$241,000.00	$0.00	$3,102.00	$3,102.00
	$2,010,000.00	$2,032,363.00	$2,010,000.00	$1,980,000.00	$47,704.00	$0.00
Total	$4,315,000.00	$4,337,363.00	$4,315,000.00	$1,980,000.00	$79,248.00	$31,544.00

25000 Martin County Water District 01/01/2015 - 12/31/2015

Schedule of Bond Maturities (Ref Page: 23)

	Bond Numbers (7)	Maturity Date (8)	Interest Rate (9)	Principal Amt (10)	Amounts Paid (11)	Remaing Bonds Outstanding (12)
	KY Rural W	2047	3.8000	$2,010,000.00	$0.00	$1,980,000.00
Total				$2,010,000.00	$0.00	$1,980,000.00

(The total of Column 12 must agree with the total of col 4)

Notes Payable (Accts 232 and 234) (Ref Page: 24)

	Description	Nominal Date of Issue	Date of Maturity	Int. Rate	Int. Payment	Principal Amt Per Bal Sheet
Account 232 - Notes Payable						
Total Account 232					$0.00	$0.00
Account 234 - Notes Payable to Associated Companies						
Total Account 234					$0.00	$0.00

Accounts Payable to Associated Companies (Acct. 233) (Ref Page: 24)

Description	Total
Show Payable to Each Associated Company Seperately	
(Specify)	
Total	$0.00

25000 Martin County Water District 01/01/2015 - 12/31/2015

Taxes Accrued (Acct. 236) (Ref Page: 25)

	Total
Balance First of Year	$2,075.00
Accruals Charged:	
Utility regulatory assessment fees (408.10)	$4,298.00
Property taxes (408.11)	
Payroll taxes (employer`s portion) (408.12)	$42,794.00
Other taxes and licenses (408.13)	
Taxes other than income, other income and deductions (408.20)	
Total taxes accrued	$47,092.00
Taxes paid during year:	
Utility regulatory assessment fees (408.10)	$4,298.00
Property taxes (408.11)	
Payroll taxes (employer`s portion) (408.12)	$42,303.00
Other taxes and licenses (408.13)	
Taxes other than income, other income and deductions (408.20)	
Total Taxes Paid	$46,601.00
Balance end of year	$2,566.00

Accrued Interest (Account 237) (Ref Page: 25)

Description of Debt (a)	Balance Beg of Year (b)	Interest Accrued(c)	Interest Paid (d)	Balance End of Year (e)
Long Term Debt:				
	$1,930.00	$101,743.00	$54,133.00	$49,540.00
Notes Payable:				
Customer Deposits:				
	$3,047.00	$273.00	$0.00	$3,320.00
Other				
	$0.00	$0.00	$0.00	$0.00
Total Acct. No 237	$4,977.00	$102,016.00	$54,133.00	$52,860.00

Miscellaneous Current and Accrued Liabilities (Acct. 242) (Ref Page: 26)

Description	Balance End Year
Accrued Payroll and Association Liabilities	$49,314.00
Total Miscellaneous Current and Accrued Liabilities	$49,314.00

25000 Martin County Water District 01/01/2015 - 12/31/2015

Regulatory Commission Expense(Acct 666 and 667) (Ref Page: 26)

	Description of Case (Docket No.) (a)	Total Incurred During Year (b)	Amt Transferred to Acct 186.1 (c)	Expensed During Year Acct (d)	Expensed During Year Amount (e)
Total		$0.00	$0.00		$0.00

25000 Martin County Water District 01/01/2015 - 12/31/2015

Water Operating Revenue (Ref Page: 27)

	Beginning Year Customers	Year End Customers	Amount
Operating Revenues			
Unmetered Water Revenue (460)	5	0	$304.00
Metered Water Revenue (461)			
Sales to Residential Customers (461.1)	3,257	3,264	$1,624,198.00
Sales to Commercial Customers (461.2)	263	263	$361,679.00
Sales to Industrial Customers (461.3)	3	6	$9,836.00
Sales to Public Authorities (461.4)	0	5	$4,540.00
Sales to Multiple Family Dwellings (461.5)	2	4	$2,270.00
Sales through Bulk Loading Stations (461.6)			
Total Metered Sales	3,525	3,542	$2,002,523.00
Fire Protection Revenue (462)			
Public Fire Protection (462.1)			
Private Fire Protection (462.2)			
Total Fire Protection Revenue	0	0	$0.00
Other Sales to Public Authorities (464)	3	1	$724.00
Sales to Irrigation Customers (465)			
Sales for Resale (466)			
Interdepartmental Sales (467)			
Total Sales of Water	3,533	3,543	$2,003,551.00
Other Water Revenues			
Guaranteed Revenues (469)			
Forfeited Discounts (470)			
Miscellaneous Service Revenues (471)			$15,621.00
Rents from Water Property (472)			
Interdepartments Rents (473)			
Other Water Revenues (474)			$78,324.00
Total Other Water Revenues			$93,945.00
Total Water Operating Revenues			$2,097,496.00

Water Utility Expense Accounts (Ref Page: 28)

	Current Year (c)	Supply and Exp-Op. (d)	Supply and Exp-Maint. (e)	Water Treatmnt. Exp-Op. (f)	Water Treatmnt Exp-Maint. (g)	Trans and Dist. Exp- Op (h)	Trans and Dist. Exp- Maint. (i)	Customer Accts Exp. (j)	Admin and Gen Exp.
Salaries and Wages-Employees (601)	$550,131.00	$0.00	$0.00	$230,454.00	$0.00	$64,531.00	$127,483.00	$68,207.00	$59,456.00
Salaries and Wages-Officers, Directors and Majority Stockholders (603)									
Employee Pensions and Benefits (604)	$206,852.00	$0.00	$0.00	$64,176.00	$0.00	$3,604.00	$93,587.00	$31,088.00	$14,397.00
Purchased Water (610)	$111,620.00	$111,620.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Purchased Power (615)	$314,694.00	$130,724.00	$0.00	$109,987.00	$0.00	$68,747.00	$0.00	$0.00	$5,236.00
Fuel for Power Production (616)									
Chemicals (618)	$114,987.00	$0.00	$0.00	$114,987.00	$0.00	$0.00	$0.00	$0.00	$0.00
Materials and Supplies (620)	$223,500.00	$28,832.00	$1,339.00	$8,207.00	$3,997.00	$8,324.00	$150,494.00	$22,307.00	$0.00
Contractual Services - Eng. (631)	$4,400.00	$0.00	$4,400.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Contractual Services - Acct. (632)	$35,000.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$35,000.00
Contractual Services - Legal (633)									
Contractual Services - Management Fees (634)	$10,990.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$10,990.00
Contractual Serves - Water Testing (635)	$20,696.00	$0.00	$0.00	$20,696.00	$0.00	$0.00	$0.00	$0.00	$0.00
Contractual Services - Other (636)	$111,372.00	$9,264.00	$1,650.00	$8,189.00	$15,364.00	$4,098.00	$65,559.00	$5,620.00	$1,628.00
Rental of Bld./Real Property (641)	$6,750.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$6,750.00	$0.00

Water Utility Expense Accounts (Ref Page: 28)

	Current Year (c)	Supply and Exp-Op. (d)	Supply and Exp-Maint. (e)	Water Treatmnt. Exp-Op. (f)	Water Treatmnt Exp-Maint. (g)	Trans and Dist. Exp- Op (h)	Trans and Dist. Exp- Maint. (i)	Customer Accts Exp. (j)	Admin and Gen Exp.
Rental of Equipment (642)	$120,082.00	$111,732.00	$0.00	$3,624.00	$0.00	$4,726.00	$0.00	$0.00	$0.00
Transportation Expenses (650)	$66,617.00	$0.00	$0.00	$40.00	$0.00	$9,472.00	$52,836.00	$4,269.00	$0.00
Insurance - Vehicle (656)	$7,773.00	$358.00	$358.00	$358.00	$359.00	$2,295.00	$3,112.00	$359.00	$574.00
Insurance - General Liability (657)	$22,996.00	$1,382.00	$921.00	$2,764.00	$1,152.00	$7,104.00	$7,370.00	$921.00	$1,382.00
Insurance - Worker`s Compensation (658)	$20,219.00	$0.00	$0.00	$10,042.00	$0.00	$5,027.00	$3,339.00	$202.00	$1,609.00
Insurance - Other (659)	$4,860.00	$0.00	$0.00	$0.00	$0.00	$0.00	$368.00	$1,931.00	$2,561.00
Advertising Expenses (660)									
Regulatory Commission Exp.									
- Amortization of Rate Case (666)									
-Other (667)									
Water Resource Conservation Expense (668)									
Bad Debt (670)	$53,516.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$53,516.00	$0.00
Miscellaneous Expenses (675)	$38,322.00	$4,077.00	$0.00	$3,827.00	$1,388.00	$2,035.00	$3,107.00	$4,617.00	$19,271.00
Total	$2,045,377.00	$397,989.00	$8,668.00	$577,351.00	$22,260.00	$179,963.00	$507,255.00	$199,787.00	$152,104.00

25000 Martin County Water District 01/01/2015 - 12/31/2015

Pumping and Water Statistics - part one (Ref Page: 29)

	Water Purchased For Resale (Omit 000`s) (b)	Water Pumped from Wells (Omit 000`s) (c)	Total Water Pumped and Purchased (Omit 000`s) (d)	Water Sold To Customers (Omit 000`s) (e)
January	1,341	55,800	57,141	19,378
February	1,004	53,592	54,596	19,830
March	173	60,853	61,026	20,142
April	0	55,132	55,132	19,610
May	0	55,960	55,960	16,968
June	1,815	54,378	56,193	16,140
July	1,736	53,626	55,362	18,591
August	1,773	54,691	56,464	15,357
September	2,492	53,365	55,857	14,927
October	2,323	55,499	57,822	17,465
November	1,385	52,810	54,195	14,513
December	2,100	55,316	57,416	14,197
Total for the year	16,142	661,022	677,164	207,118

25000 Martin County Water District 01/01/2015 - 12/31/2015

Pumping and Water Statistics - part two (Ref Page: 29)

	Gallons	Date
Maximum Gallons pumped by all methods in any one day (Omit 000`s)	2,238	3/22/2015
Minimum Gallons pumped by all methods in any one day (Omit 000`s)	1,251	4/3/2015

25000 Martin County Water District 01/01/2015 - 12/31/2015

Pumping and Water Statistics - part three (Ref Page: 29)

	List
If water is purchased indicate the following:	
Vendor	Kermit Water District, Paintsville Utilities, Prestonsburg Utilities
Point of Delivery	Lovely, Spicy Gap, Honey Branch

25000 Martin County Water District 01/01/2015 - 12/31/2015

Pumping and Water Statistics - part four (Ref Page: 29)

	Entity Receiving Water	Maximum Daily	Maximum Monthly
If water is sold to other water utilities for redistribution, identify all entities with whom the utility has a water sales contract and the maximum quantity the utility is under contract to provide daily and monthly. If unlimited then list "unlimited" otherwise list in thousands of gallons.			

Sales For Resale (466) (Ref Page: 30)

	Company	Gallons (Omit 000`s)	Avg. Rate Per 1000 Gallons (Cents)	Amount
Total				

25000 Martin County Water District 01/01/2015 - 12/31/2015

Water Statistics (Ref Page: 30)

	Gallons (Omit 000`s)	Percent
1. Water Produced, Purchased and Distributed		
2. Water Produced	661,022	
3. Water Purchased	16,142	
4. Total Produced and Purchased	677,164	
6. Water Sales:		
7. Residential	198,118	
8. Commercial	9,000	
9. Industrial		
10. Bulk Loading Stations		
11. Resale		
12. Other Sales		
13. Total Water Sales	207,118	
15. Other Water Used		
16. Utility/water treatment plant	7,098	
17. Wastewater plant	6,350	
18. System flushing	33,900	
19. Fire department	3,300	
20. Other	0	
21. Total Other Water Used	50,648	
23. Water Loss:		
24. Tank Overflows	0	
25. Line Breaks	26,300	
26. Line Leaks	393,098	
27. Other	0	
28. Total Line Loss	419,398	
Note: Line 13 + Line 21 + Line 28 must equal Line 4		
32. Water Loss Percentage		
33. Line 28 divided by Line 4		61.9345

Plant Statistics (Ref Page: 31)

	Give the following information
Number of fire hydrants, by size	Flush Hydrants 257 5" X 21/2, 716", 7 2"
Number of private fire hydrants, by size	0
If produced whether water supply is river, impounded streams, well,springs,artificial lake,or collector well	Impounded lake (supplied by run off and pumping from Tug River)
If produced whether supply is by gravity, pumping or a combination	Combination
Type, capacity, and elevation of reservoirs at overflow and ground level	2 483' 1,000,000 gallons; 1 853' 150,000 gallons; 1 983' 50,000 gallons; 1 860' 150,000 gallons; 1 1171' 200,000 gallons; 1 542" 260,000 gallons; 1 1164' 100,000 gallons; 1 1,040 gallons; 3 100,000 gallons
Miles of main by size and kind	3", 4", 6", 8", total of 275 miles plus
Types of filters: gravity or pressure, number of units and total rated in capacity in gal. per min.	4 filter = Gravity, 2 units gpm = 1,400 max
Type of disinfectant, number of units and capacity in pounds per 24 hours	Hydrochloride (liquid), 20 lb
Station Equpment. List each pump,giving type and capacity, HP of driving unit and character of driving unit(steam/electric/int. combustion) also whether pump is high/ low duty	#2-200 HP - 3600 RPM Pumps capable of pumping 1,400 gallons per minute; 4 - 100 HP - 3,600 RPM pumps capable of pumping 240 GPM; 2 - 35 HP - RPM Pumps capable of pumping 130 GPM; 4 - 60 HP - 3600 RPM pumps capable of pumping 500 GPM; 4 - 15 HP - 3575 RPM pumps capable of pumping 100 GPM; 2 - 50 HP - 3750 RPM pumps capable of pumping 125 GPM: 6 - 5 HP - 3200 RPM in line pumps capable of pumping 35 GPM
Quantity of fuel used: coal in lbs., gas in cu.ft., oil in gals.,and electric in KWH	Approx. 2,514,011 KWH used
Give description and total cost of any sizable additions or retirements to plant and service outside the normal system of growth for the period covered by this report	
Capacity of clear well	1,000,000 gallons
Peak month, in gallons of water sold	February
Peak day, in gallons of water sold	2.238 MGD

Plant Statistics - Part B (Ref Page: 31)

	Type
Choose one to indicate the type of Water Supply	Combination

Plant Statistics - Part C (Ref Page: 31)

	Type
Choose one to indicate the type of Water Supply Method	Combination

CheckList

Item	Value 1	Value 2	Agree	Explain
NOTE: Any mention of page numbers or Line items refers to the annual report published and distrubuted for the 2002 report period.				
Identifications pages (ref 4-6) have been completed.				Yes
Balance Sheet - Assets and Other Debts (ref. pg 7)				
Utility Plant (Accts 101-106) agrees with Sched: Net Utility Plants Accts 101-106 (ref pg 13) Line: Total Utility Plant	34501631.00	34501631.00	OK	
Accts 108-110 Acc. Depreciation and Amort. agrees with Sched: Analysis of Acc. Dep. and Amort. (ref pg 15) Line: Total 301-348 Col h	13476309.00	13476309.00	OK	
Accts 114-115 Utility Plant Acquistion Adjustments agrees with Sched: Utility Plant Aquisition Adjustments (ref pg 16) Line: Net Acquisition Adjustments (114-115)	0.0000	0.0000	OK	
Accts 123 Investment in Assoc. Companies agrees with Sched: Investments and Spec. Funds (ref pg 17) Line: Total Investment in Associated Companies	0	0.0000	OK	
Accts 124-125 Utility Investments agrees with Sched: Investments and Spec. Funds (ref pg 17) Sum of Lines: 124 Total Utility Investments and 125 Total Other Investments	0	0.0000	OK	
Accts 126 Sinking Funds agrees with Sched: Investments and Spec. Funds (ref pg 17) Line: 126 Total Sinking Funds	94766.00	94766.00	OK	
Accts 127 Other Special Funds agrees with Sched: Investments and Spec. Funds (ref pg 17) Line: Total 127 Other Special Funds	38240.00	38240.00	OK	
Accts 141-144 Accounts and Notes Receivable agrees with Sched: Accts and Notes Receivable (ref pg 18) Line: Net Balance141-144	235876.00	235876.00	OK	
Accts 151-153 Material and Supplies agrees with Sched: Material and Supplies (ref pg 19) Line: Total 151-153	24067.00	24067.00	OK	

CheckList

Item	Value 1	Value 2	Agree	Explain
Accts 162 Prepayments agrees with Sched: Prepayments (ref pg 19) Line: Total 162	24484.00	24484.00	OK	
Accts 181 Unamortized Debt Discount and Expense agrees with Sched: Unamortized Debt Discount and Exp. (ref pg 20) Line: Total 181	0.0000	0.0000	OK	
Accts 182 Extraordinary Prop. losses agrees with Sched: Extraordinary Property Losses (ref pg 21) Line: Total 182	0	0.0000	OK	
Accts 186 Misc. Deferred Debits agrees with Sched: Misc. Deferred Debits (ref pg 20) Line: Total 186	52952.00	52952.00	OK	
Balance Sheet - Equity Capitol and Liabilities (ref. pg 9)				
Accts 214 Appropriated Retained Earnings agrees with Sched: Statement of Retained Earnings (ref pg 12) Line: Total Appropriated Retained Earnings 214	0	0.0000	OK	
Accts 215.1 Retained Earnings from Income before Contributions with Sched: Statement of Retained Earnings (ref pg 12) Line: Balance End of Year 215.1	-11675557.00	-11675557.00	OK	
Accts 215.2 Donated Capital with Sched: Statement of Retained Earnings (cont. 215.2) (ref pg 12) Line: Balance End of Year 215.2	29178095.00	29178095.00	OK	
Accts 221 Bonds agrees with Sched: Account 221 (ref pg 23) Line: Total Outstanding Bonds Col 4	1980000.00	1980000.00	OK	
Accts 221 Bonds agrees with Sched: Schedule of Bond Maturities (ref pg 23) Line: Total Remaining Bonds (Col 12)	1980000.00	1980000.00	OK	
Accts 224 Other Long Term Debt agrees with Sched: Long Term Debt (ref pg 22) Line: Total Acct 224 col f	1473074.00	1473074.00	OK	
Accts 232 Notes Payable agrees with Sched: Notes Payable (Accts 232 and 234) (ref pg 24) Line: Total Acct 232	0	0.0000	OK	

CheckList

Item	Value 1	Value 2	Agree	Explain
Accts 233 Accounts Payable to Associated Co. agrees with Sched: Accounts Payable to Assoc. Companies (Accts 233) (ref pg 24) Line: Total Acct 233	0	0.0000	OK	
Accts 234 Notes Payable agrees with Sched: Notes Payable (Accts 232 and 234) (ref pg 24) Line: Total Acct 234	0	0.0000	OK	
Accts 236 Taxes Accrued Balance First of Year agrees with Sched: Taxes Accrued (Accts 236) (ref pg 25) Line: Beginning Balance	2075.00	2075.00	OK	
Accts 236 Taxes Accrued agrees with Sched: Taxes Accrued (Accts 236) (ref pg 25) Line: Ending Balance	2566.00	2566.00	OK	
Accts 237 Accrued Interest Balance from Prev Year agrees with Sched: Accrued Interest (Accts 237) (ref pg 25) Line: Total 237 Balance Beginning of Year -Col b	4977.00	4977.00	OK	
Accts 237 Accrued Interest agrees with Sched: Accrued Interest (Accts 237) (ref pg 25) Line: Total 237 Balance End of Year -Col e	52860.00	52860.00	OK	
Accts 242 Misc. Current and Accrued Liabilities agrees with Sched: Misc current and Accrued Liabilities (Accts 242) (ref pg 26) Line: Total Miscellaneous and Current Accrued Liabilities	49314.00	49314.00	OK	
Accts 251 Unamortized Premium on Debt agrees with Sched: Unamorted Debt Discount and Expense and Premium on Debt (Accts 181 - 251) (ref pg 20) Line: Total 251	21893.00	21893.00	OK	
Accts 252 Advances for Contruction agrees with Sched: Advances for Contstruction (Accts 252) (ref pg 21) Line: Total 252	0	0.0000	OK	
Total Equity Capital and Liabilities agrees with Balance Sheet - Assets and Other Debits: Total Assets and Other Debits	22015835.00	22015835.00	OK	
Comparitive Operating Statement (ref pg 10)				

CheckList

Item	Value 1	Value 2	Agree	Explain
Accts 400 Operating Revenues agrees with Sched: Water Operating Revenue (Accts 400) (ref pg 27) Line: Total Water Operating Revenues - Col e	2097496.00	2097496.00	OK	
Accts 401 Operating Expenses agrees with Sched: Water Utility Expense Accounts (ref pg 28) Line: Total Accts (601-675) - Col c	2045377.00	2045377.00	OK	
Accts 408.1 Taxes Other than Income agrees with Schedule Taxes Accrued (Acct 236) (ref pg 26) Sum of Accts 408.10 - 408.13	47092.00	47092.00	OK	
Sum of Accts 408.1and 408.2 agrees with Sched: Taxes Accrued (Acct 236) (ref pg 25) Line: Total taxes Accrued	47092.00	47092.00	OK	
Accts 427 Interest Expense agrees with Sched: Accrued Interest (Acct 237) (ref pg 25) Line: Total Acct No 237 Col c - Interest Accrued	102016.00	102016.00	OK	
Net Income agrees with Sched: Retained Earnings (Acct 237) (ref pg 12) Line: Balance Transfered from Income (Acct 435)	-936788.00	-936788.00	OK	
Miscellaenous				
Schedule Net Utility Plant Accts 101 - 106 (ref pg 13) Utility Plant (101) agrees with Sched: Water Utility Plant Accounts (ref pg 14) Line: Total Water Plant Col f - Current Year	34481663.00	34481663.00	OK	
The analysis of water utility plant accounts Cols c though k has been completed (Ref pg 14)				Yes
The analysis of accumulated depreciation and amortization by primary account has been completed. (Ref pg 14)				Yes
Sched: Misc. Defferred Debits (Acct 186) Deferred Rate Case (Acct 186.1) agrees with Sched: Amort. of Rate Case (Acct 665 and 667) (ref pg 26) Line: Total Col c - Amt Transfered to 186.1	0	0.0000	OK	
Schedule of Long Term Debt has been completed (ref pg 22)				Yes

CheckList

Item	Value 1	Value 2	Agree	Explain
Schedule of Bond Maturities has been completed (ref pg 23)				Yes
Taxes collected (example: school tax, sales tax, franchise tax) have been excluded from Operating Revenue (Ref pg 29)				Yes
The analysis of water opertating revenue Cols c,d and e have been completed. (Ref pg 28)				Yes
The analysis of water utility expense accounts Cols c through k have been completed. (Ref pg 28)				Yes
Schedule of Pumping and Purchased Water Statistics has been completed (Ref pg 29)				Yes
Sched Pumping and Water Statistics - part one (ref pg 29) Line Total for the year - Col Total (d) agrees with Sched Water Statistics (ref pg 30) Line 4. Total Produced and Purchased Col Gallons	677164	677164	OK	
Sched Pumping and Water Statistics - part one (ref pg 29) Line Total for the year - Col Water Sold(e) agrees with Sched Water Statistics (ref pg 30) Line Total Water Sales Col Gallons	207118	207118	OK	
Sched Sales for Resale (ref pg 30) 466 Total Gal agrees with Sched Water Statistics (ref pg 30) Total Water Sales	0	0	OK	
Oath Page Has been Completed				Yes

Upload supporting documents

Document	Description	Supports
SD_25000_2015_2.pdf	(Describe File)	Audit Report

Utility ID: 25000

OATH

Commonwealth of Kentucky)
) ss:
County of Martin)

William J. Harvey makes oath and says
(Name of Officer)

that he/she is Chairperson of
(Official title of officer)

Martin County Water District
(Exact legal title or name of respondent)

that it is his/her duty to have supervision over the books of account of the respondent and to control the manner in which such books are kept; that he/she knows that such books have, during the period covered by the foregoing report, been kept in good faith in accordance with the accounting and other orders of the Public Service Commission of Kentucky, effective during the said period; that he/she has carefully examined the said report and to have the best of his/her knowledge and belief the entries contained in the said report have, so far as they relate to matters of account, been accurately taken from the said books of account and are in exact accordance therewith; that he/she believes that all other statements of fact contained in the said report are true; and that the said report is a correct and complete statement of the business and affairs of the above-named respondent during the period of time from and including

January 01, 2015 , to and including December 31, 2015

William J. Harvey
(Signature of Officer)

subscribed and sworn to before me, a notary public , in and for

the State and County named in the above this 31st day of May, 2015

"Notary Public" Raymond E. Sumpter State at Large, Kentucky My Commission Expires on 2/5/18 (Apply Seal Here)

My Commission expires 2/5/2018

Raymond E. Sumpter 505072
(Signature of officer authorized to administer oath)

[Persons making willful false statements in this report may be punished by fine or imprisonment under KRS 523.040 and 523.100.]

Title Page

	Name of Respondent	Addr Line 1	Addr Line 2	City	State	Zip
Water Districts/Associations						
Annual Report of						
Respondent	Martin Co Water District	387 East Main Street, Suite 140		Inez	KY	41224

PSC EXHIBIT 1

25000 Martin County Water District 01/01/2016 - 12/31/2016

Title Page

	Name of Respondent	Addr Line 1	Addr Line 2	City	State	Zip
Water Districts/Associations						
Annual Report of						
Respondent	Martin Co Water District	387 East Main Street, Suite 140		Inez	KY	41224

25000 Martin County Water District 01/01/2016 - 12/31/2016

Principal Payment and Interest Information

	Amount	Yes/No	PSC Case No.
Amount of Principal Payment During Calendar Year	$88,450.44		
Is Principal Current?		Y	
Is Interest Current?		Y	
Has all long-term debt been approved by the Public Service Commission?		Y	

25000 Martin County Water District 01/01/2016 - 12/31/2016

Services Performed by Independent CPA

	Yes/No	A/C/R	Audit Date
Are your financial statements examined by a Certified Public Accountant?			
Enter Y for Yes or N for No	Y		
If yes, which service is performed?			
Enter an X on each appropriate line			
Audit			
Compilation	Y		
Review			
Date of Audit			
Please enclose a copy of the accountant's report with annual report.			

25000 Martin County Water District 01/01/2016 - 12/31/2016

Additional Requested Information

	Name	Electronic Info
Name of Utility and Web Address	Martin County Water District	
Contact Name and Email Address		
	William J. Harvey	

25000 Martin County Water District 01/01/2016 - 12/31/2016

Additional Information Required

Case Num	Date	Explain

Major Water Projects

Provide details about each major water project which is planned but has not yet been submitted for approval to the Public Service commission.

For the limited purpose of this report, a "Major Project" is defined as one which is not in the ordinary course of business, and will increase your current utilityplant by at least 20 percent.

Brief Project Description: (improvement, replacement,building construction, expansion. If expansion, provide the estimated number of new customers):

Projected Costs and Funding Sources/Amounts:

Approval Status: (Application for financial assistance filed, but not approved; or application approved, but have not advertised for construction bids)

Location: (community, area or nearby roads)

History-Legal Name (Ref Page: 4)

1. Exact name of utility making this report.

(Use the words "The", "Company" or "Incorporated" only when part of the corporate name.)

Martin Co Water District

25000 Martin County Water District 01/01/2016 - 12/31/2016

History-Location (Ref Page: 4)

	Name	Address	City	State	Zip	Phone
Give the location,including street and number, and TELEPHONE NUMBER of the principal office in KY.						
principal office in KY	Martin County Water District	387 East Main Street, Suite 140	Inez	KY	41224	(606) 298-3885
Give name, title, address and TELEPHONE NUMBER of the officer						
to whom correspondence concerning this report should be addressed.						
	William J. Harvey	387 East Main Street, Suite 140	Inez	KY	41224	(606) 298-3885
Location where books are located	Martin County Water District	387 East Main Street, Suite 140	Inez	KY	41224	
Name of the Headquartered County	Martin, KY					

History-Date Organized (Ref Page: 4)

	Date
Date of Organization	12/1/1962

History-Laws of Organization (Ref Page: 4)

	List
If a consolidated or merger company, name all contigent and all merged companies. Give reference to charters or general laws governing each, and all amendments of same	Martin County Water District Section A and Martin County Water District Section B
Date and Authority for each consolidation and each merger.	August 1966

History-Departments (Ref Page: 4)

	List
State whether respondent is a water district or association	Water District
Name all operating departments other than water	None/ Except Lovely Demo Sewer District

History - Counties (Ref Page: 5)

Martin

History - Number of Employees (Ref Page: 5)

	Count
Number of Full-time employees	13
Number of Part-time employees	2

25000 Martin County Water District 01/01/2016 - 12/31/2016

Contacts (Ref Page: 6)

	Title	Last Name	First Name	Bus. Addr.	Salary	Term Expires	County of Residence
Person to send correspondence:	Chairperson	Harvey	William	387 E Main St. Suite 140, Inez, KY 41224			
Person who prepared this report	CPA	Sumpter	Linda	910 Blackberry Rd., Inez, KY 41224			
Managers							
	General Mgr of Operations	Mills	John	387 E Main St. Suite 140, Inez, KY 41224	$0.00		
	General Mgr of Finance	Hammond	Joe	387 E Main St. Suite 140, Inez, KY 41224	$0.00		
Officers and Board Members							
	Chairperson	Harvey	William		$0.00	2/1/2020	Martin
	Treasurer	Clark	James		$0.00	2/1/2020	Martin
	Secretary	Collier	Nita		$0.00	2/1/2018	Martin
	Commissioner	Haney	John		$0.00	2/1/2018	Martin
	Commissioner	Horn	John		$0.00	2/1/2020	Martin

25000 Martin County Water District 01/01/2016 - 12/31/2016

Balance Sheet - Assets and Other Debits (Ref Page: 7)

	Previous Year	Current Year
UTILITY PLANT		
Utility Plant (101-106)	$34,501,631.00	$34,740,012.00
Less: Accumulated Depreciation and Amortization (108-110)	$13,476,309.00	$14,221,012.00
Net Plant	$21,025,322.00	$20,519,000.00
Utility Plant Acquisition Adjustments (Net) (114-115)	$0.00	
Other Utility Plant Adjustments (116)		
Total Net Utility Plant	$21,025,322.00	$20,519,000.00
OTHER PROPERTY AND INVESTMENTS		
Nonutility Property (121)		
Less: Accumulated Depreciation and Amortization (122)		
Net Nonutility Property	$0.00	
Investment in Associated Companies (123)		
Utility and Other Investments (124-125)		
Sinking Funds (126)	$94,766.00	$98,828.00
Other Special Funds (127)	$38,240.00	$39,122.00
Total Other Property and Investments	$133,006.00	$137,950.00
CURRENT AND ACCRUED ASSETS		
Cash (131)	$94,137.00	$44,727.00
Special Deposits (132)	$155,206.00	$170,009.00
Other Special Deposits (133)	$105.00	
Working Funds (134)		
Temporary Cash Investments (135)		$0.00
Accounts and Notes Receivable, Less Accumulated Provision for Uncollectible Accounts (141-144)	$235,876.00	$221,444.00
Accounts Receivable from Associated Companies (145)	$12,481.00	$30,437.00
Notes Receivable from Associated Companies (146)		
Materials and Supplies (151-153)	$24,067.00	$27,164.00
Stores Expense (161)		
Prepayments (162)	$24,484.00	$23,200.00
Accrued Interest and Dividends Receivable (171)		
Rents Receivable (172)		
Accrued Utility Revenues (173)	$258,199.00	$221,857.00

25000 Martin County Water District 01/01/2016 - 12/31/2016

Balance Sheet - Assets and Other Debits (Ref Page: 7)

	Previous Year	Current Year
Misc. Current and Accrued Assets (174)	$0.00	
Total Current and Accrued Assets	$804,555.00	$738,838.00
DEFERRED DEBITS		
Unamortized Debt Discount and Expense (181)	$0.00	
Extaordinary Property Losses (182)		
Preliminary Survey and Investigation Charges (183)		
Clearing Accounts (184)		
Temporary Facilities (185)		
Misc. Deferred Debits (186)	$52,952.00	$166,297.00
Research and Develpment Expenditure (187)		
Total Deffered Debits	$52,952.00	$166,297.00
TOTAL ASSETS AND OTHER DEBITS	$22,015,835.00	$21,562,085.00

25000 Martin County Water District 01/01/2016 - 12/31/2016

Balance Sheet - Equity Capital and Liabilities (Ref Page: 9)

	Previous Year	Current Year
EQUITY CAPITAL		
Appropriated Retained Earnings (214)		
Retained Earnings From Income before contributions (215.1)	($11,675,557.00)	($12,549,010.00)
Donated Capital (215.2)	$29,178,095.00	$29,322,752.00
Total Equity Capital	$17,502,538.00	$16,773,742.00
LONG-TERM DEBT		
Bonds (221)	$1,980,000.00	$1,930,000.00
Reaquired Bonds (222)		
Advances from Associated Companies (223)		
Other Long-Term Debt (224)	$1,473,074.00	$1,727,430.00
Total Long Term Debt	$3,453,074.00	$3,657,430.00
CURRENT AND ACCRUED LIABILITIES		
Accounts Payable (231)	$609,532.00	$762,432.00
Notes Payable (232)		
Accounts Payable to Associated Co. (233)		
Notes Payable to Associated Co (234)		
Customer Deposits (235)	$139,998.00	$154,505.00
Accrued Taxes (236)	$2,566.00	$816.00
Accrued Interest (237)	$52,860.00	$37,114.00
Matured Long-Term Debt (239)	$88,450.00	$109,924.00
Matured Interest (240)		
Tax Collections Payable (241)	$11,610.00	$13,576.00
Misc. Current and Accrued Liabilities (242)	$49,314.00	$31,406.00
Total Current and Accrued Liabilities	$954,330.00	$1,109,773.00
DEFFERRED CREDITS		
Unamortized Premium on Debt (251)	$21,893.00	$21,140.00
Advances for Construction (252)		
Other Deferred Credits (253)	$84,000.00	
Total Deferred Credits	$105,893.00	$21,140.00
OPERATING RESERVES		
Accumulated Provision For:		
Property Insurance (261)		

25000 Martin County Water District 01/01/2016 - 12/31/2016

Balance Sheet - Equity Capital and Liabilities (Ref Page: 9)

	Previous Year	Current Year
Injuries and Damages (262)		
Pensions and Benefits (263)		
Miscellaneous Operating Reserves (265)		
Total Operating Reserves		
Total Equity Capital and Liabilities	$22,015,835.00	$21,562,085.00

25000 Martin County Water District 01/01/2016 - 12/31/2016

Comparative Operating Statement (Ref Page: 11)

	Previous Year	Current Year
UTILITY OPERATING INCOME		
Operating Revenues (400)	$2,097,496.00	$2,047,957.00
Operating Expenses (401)	$2,045,377.00	$2,049,969.00
Depreciation Expenses (403)	$773,303.00	$771,703.00
Amortization of Utility Plant Acquisition Adjustment (406)		
Amortization Expense (407)		
Taxes Other Than Income (408.10-408.13)	$47,092.00	$46,496.00
Utility Operating Expenses	$2,865,772.00	$2,868,168.00
Utility Operating Income	($768,276.00)	($820,211.00)
Income From Utility Plant Leased to Others (413)		
Gains (Losses) from Disposition of Utility Property (414)		$22,676.00
Total Utility Operating Income	($768,276.00)	($797,535.00)
OTHER INCOME AND DEDUCTIONS		
Revenues From Merchandising, Jobbing and contract work (415)		
Costs and Expenses of Merchandising, Jobbing and Contract Work (416)		
Interest and Dividend Income (419)	$284.00	$355.00
Allowance for funds Used During Constructions (420)		
Nonutility Income (421)	$0.00	$22,789.00
Miscellaneous Nonutility Expenses (426)	$67,250.00	
Total Other Income and Deductions	($66,966.00)	$23,144.00
TAXES APPLICABLE TO OTHER INCOME		
Taxes Other Than Income (408.20)		
Total Taxes Applic. to Other Income		
INTEREST EXPENSE		
Interest Expense (427)	$102,016.00	$99,816.00
Amortization of Debt Discount and Exp. (428)	$0.00	
Amortization of Premium on Debt (429)	($470.00)	($753.00)
Total Interest Expense	$101,546.00	$99,063.00
EXTRAORDINARY ITEMS		
Extraordinary Income (433)		
Extraordinary Deductions (434)		

25000 Martin County Water District 01/01/2016 - 12/31/2016

Comparative Operating Statement (Ref Page: 11)

	Previous Year	Current Year
Total Extraordinary Items		$0.00
NET INCOME BEFORE CONTRIBUTIONS	($936,788.00)	($873,453.00)

25000 Martin County Water District 01/01/2016 - 12/31/2016

Statement of Retained Earnings (Ref Page: 12)

Description	Total
Appropriated Retained earnings (214)	
(state balance and purpose of each appropriated amount at year end:)	
Total Appropriated Retained Earnings	$0.00
Retained Earnings From Income Before Contributions (215.1)	
Balance beginning of year	($11,675,557.00)
Balance transferred from Net Income Before Contributions (435)	($873,453.00)
Changes to account:	
Appropriations of Retained Earnings (436)	
Adjustments to Retained Earnings (439)	
(requires Commission approval prior to use):	
Credits	
Debits	
Balance End of Year	($12,549,010.00)

Statement of Retained Earnings (cont. 215.2) (Ref Page: 12)

Description	Tapping Fees	Grants	Other	Total
Donated Capital (215.2)				
Balance Beginning of the Year	$1,251,687.00	$27,432,028.00	$494,380.00	$29,178,095.00
Credits				
Proceeds from capital contributions (432)	$16,375.00	$128,282.00	$0.00	$144,657.00
Other Credits (explain)				
Debits (explain - requires Commission Approval)				
Balance End of Year	$1,268,062.00	$27,560,310.00	$494,380.00	$29,322,752.00

25000 Martin County Water District 01/01/2016 - 12/31/2016

Net Utility Plant (Accts. 101-106) (Ref Page: 13)

	Total
Utility Plant in Service (101)	$34,740,012.00
Utility Plant Leased to Others (102)	
Property Held for Future Use (103)	
Utility Plant Purchased of Sold (104)	
Construction Work in Progress (105)	
Completed Construction Not Classified (106)	
Total Utility Plant	$34,740,012.00

25000 Martin County Water District 01/01/2016 - 12/31/2016

Accumulated Depreciation (Acct. 108) (Ref Page: 13)

Description	Total
Balance First of Year	$13,476,309.00
Credit during year	
Accruals Charged to Account 108.1	$771,703.00
Accruals Charged to Account 108.2	
Accruals Charged to Account 108.3	
Accruals Charged to Other Acccounts (specify)	
(specify)	
Salvage Value Recovered on Plant Retired	
Other Credits	
(specify)	
Total Credits	$771,703.00
Debits during year:	
Book Cost of Plant Retired	$27,000.00
Cost of Removal	
Other Debits	
(specify)	
Total Debits	$27,000.00
Balance at End of Year	$14,221,012.00

25000 Martin County Water District 01/01/2016 - 12/31/2016

Water Utility Plant Accounts (Ref Page: 14)

	Prev Year (c)	Additions (d)	Retirement (e)	Current Yr(f)	Intngble. Plant (g)	Supply & Pump.	Water Treatmnt.	Trans. and Distr.	General Plant
Organization (301)									
Franchises (302)									
Land and Land Rights (303)	$214,714.00	$0.00	$0.00	$214,714.00	$0.00	$83,722.00	$350.00	$80,642.00	$50,000.00
Structures and Improvements (304)	$500,264.00	$0.00	$0.00	$500,264.00	$0.00	$32,275.00	$147,439.00	$286,794.00	$33,756.00
Collecting and Impounding Reservoirs (305)	$288,203.00	$0.00	$0.00	$288,203.00	$0.00	$288,203.00	$0.00	$0.00	$0.00
Lakes, Rivers and Other Intakes (306)	$2,153,752.00	$19,968.00	$0.00	$2,173,720.00	$0.00	$2,173,720.00	$0.00	$0.00	$0.00
Wells and Springs (307)									
Infiltration Galleries and Tunnels (308)									
Supply Mains (309)									
Power Generation Equipment (310)	$15,000.00	$0.00	$0.00	$15,000.00	$0.00	$0.00	$0.00	$0.00	$15,000.00
Pumping Equipment (311)	$310,768.00	$48,671.00	$0.00	$359,439.00	$0.00	$354,270.00	$0.00	$5,169.00	$0.00
Water Treatment Equipment (320)	$4,877,419.00	$52,449.00	$0.00	$4,929,868.00	$0.00	$0.00	$4,929,868.00	$0.00	$0.00
Distribution Reservoirs and Standpipes (330)	$4,071,502.00	$0.00	$0.00	$4,071,502.00	$0.00	$0.00	$0.00	$4,071,502.00	$0.00
Transmission and Distribution Mains (331)	$20,060,075.00	$123,596.00	$0.00	$20,183,671.00	$0.00	$0.00	$0.00	$20,183,671.00	$0.00
Services (333)									
Meters and Meter Installations (334)	$504,502.00	$6,895.00	$0.00	$511,397.00	$0.00	$0.00	$0.00	$511,397.00	$0.00
Hydrants (335)	$2,969.00	$0.00	$0.00	$2,969.00	$0.00	$0.00	$0.00	$2,969.00	$0.00
Backflow Prevention Devices (336)									

25000 Martin County Water District 01/01/2016 - 12/31/2016

Water Utility Plant Accounts (Ref Page: 14)

	Prev Year (c)	Additions (d)	Retirement (e)	Current Yr(f)	Intngble. Plant (g)	Supply & Pump.	Water Treatmnt.	Trans. and Distr.	General Plant
Other Plant and Misc. Equipment (339)	$878,648.00	$4,725.00	$0.00	$883,373.00	$0.00	$0.00	$0.00	$0.00	$883,373.00
Office Furniture and Equip. (340)	$175,251.00	$2,045.00	$0.00	$177,296.00	$0.00	$0.00	$0.00	$0.00	$177,296.00
Transportation Equipment (341)	$324,570.00	$27,000.00	$27,000.00	$324,570.00	$0.00	$0.00	$0.00	$0.00	$324,570.00
Stores Equipment (342)									
Tools, Shop and Garage Equip (343)	$29,534.00	$0.00	$0.00	$29,534.00	$0.00	$0.00	$0.00	$0.00	$29,534.00
Laboratory Equipment (344)	$14,402.00	$0.00	$0.00	$14,402.00	$0.00	$0.00	$0.00	$0.00	$14,402.00
Power Operated Equipment (345)	$43,193.00	$0.00	$0.00	$43,193.00	$0.00	$0.00	$0.00	$0.00	$43,193.00
Communication Equipment (346)	$16,897.00	$0.00	$0.00	$16,897.00	$0.00	$0.00	$0.00	$0.00	$16,897.00
Miscellaneous Equipment (347)									
Other Tangible Plant (348)									
Total Water Plant	$34,481,663.00	$285,349.00	$27,000.00	$34,740,012.00	$0.00	$2,932,190.00	$5,077,657.00	$25,142,144.00	$1,588,021.00

25000 Martin County Water District 01/01/2016 - 12/31/2016

Analysis of Accumulated Depreciation and Amortization by Primary Acct (Ref Page: 15)

	Balance Beg Yr(c)	Cr-Chg Dep Exp(d)	Other Credits (e)	Charges-Plant Ret(f)	Other Charges (g)	Balance End Yr (h)
Organization (301)						
Franchises (302)						
Land and Land Rights (303)						
Structures and Improvements (304)	$118,258.00	$10,183.00	$0.00	$0.00	$0.00	$128,441.00
Collecting and Impounding Reservoirs (305)	$67,069.00	$1,555.00	$0.00	$0.00	$0.00	$68,624.00
Lake, River and Other Intakes (306)	$597,609.00	$43,109.00	$0.00	$0.00	$0.00	$640,718.00
Wells and Springs (307)						
Infiltration Galleries and Tunnells (308)						
Supply Mains (309)						
Power Generating Equipment (310)	$1,500.00	$3,000.00	$0.00	$0.00	$0.00	$4,500.00
Pumping Equipment (311)	$301,061.00	$12,869.00	$0.00	$0.00	$0.00	$313,930.00
Water Treatment Equipment (320)	$1,476,135.00	$94,241.00	$0.00	$0.00	$0.00	$1,570,376.00
Distributions Reservoirs and Standpipes (330)	$1,017,402.00	$81,505.00	$0.00	$0.00	$0.00	$1,098,907.00
Transmission and Distribution Mains (331)	$8,292,398.00	$494,694.00	$0.00	$0.00	$0.00	$8,787,092.00
Services (333)						
Meters and Meter Installations (334)	$213,038.00	$13,999.00	$0.00	$0.00	$0.00	$227,037.00
Hydrants (335)	$2,021.00	$89.00	$0.00	$0.00	$0.00	$2,110.00
Backflow Prevention Devices (336)						
Other Plant and Miscellaneous Equipment (339)	$787,511.00	$11,777.00	$0.00	$0.00	$0.00	$799,288.00
Office Furniture and Equip. (340)	$174,389.00	$1,026.00	$0.00	$0.00	$0.00	$175,415.00
Transportation Equipment (341)	$324,102.00	$3,576.00	$0.00	$27,000.00	$0.00	$300,678.00
Stores Equipment (342)						

Analysis of Accumulated Depreciation and Amortization by Primary Acct (Ref Page: 15)

	Balance Beg Yr(c)	Cr-Chg Dep Exp(d)	Other Credits (e)	Charges-Plant Ret(f)	Other Charges (g)	Balance End Yr (h)
Tools, Shop and Garage Equip (343)	$29,327.00	$80.00	$0.00	$0.00	$0.00	$29,407.00
Laboratory Equipment (344)	$14,401.00	$0.00	$0.00	$0.00	$0.00	$14,401.00
Power Operated Equipment (345)	$43,192.00	$0.00	$0.00	$0.00	$0.00	$43,192.00
Communication Equipment (346)	$16,896.00	$0.00	$0.00	$0.00	$0.00	$16,896.00
Miscellaneous Equipment (347)						
Other Tangible Plant (348)						
Totals	$13,476,309.00	$771,703.00	$0.00	$27,000.00	$0.00	$14,221,012.00

25000 Martin County Water District 01/01/2016 - 12/31/2016

Accumulated Amortization (Acct. 110) (Ref Page: 16)

Description	Total
Balance First of Year	
Credit during year	
Accruals Charged to Account 110.1	
Accruals Charged to Account 110.2	
Other Credits	
(specify)	
Total Credits	
Debits during year:	
Book Cost of Plant Retired	
Other Debits	
(specify)	
Total Debits	
Balance end of Year	$0.00

25000 Martin County Water District 01/01/2016 - 12/31/2016

Utility Plant Acquisition Adjustments (Accts. 114-115) (Ref Page: 16)

Description	Total
Acquistion Adjustments (114)	
(specify)	
Total Plant Acquisition Adjustments	
Accumulated Amortization (115)	
(specify)	
Total Accumulated Amortization	
Net Aquisition Adjustments	$0.00

25000 Martin County Water District 01/01/2016 - 12/31/2016

Accounts and Notes Receivable - Net (Accts 141-144) (Ref Page: 18)

Description	Total
Accounts and Notes Receivable	
Customer Accounts Receivable (141)	$615,380.00
Other Accounts Receivable (142)	
	$91.00
Total Other Accounts Receivable	$91.00
Notes Receivable (144)	
Total Notes Receivable	$0.00
Total Accounts and Notes Receivable	$615,471.00
Accumultated Provision for Uncollectible Accounts (143)	
Balance First of Year	$326,484.00
Add:	
Provision for uncollectibles for current year	$67,543.00
Collections of accounst previously written off	
Other	
(specify)	
Total Additions	$67,543.00
Deduct accounts written off during year:	
Other	
(specify)	
Total Deductions	$0.00
Balance end of Year	$394,027.00
Total Accounts and Notes Receivable - Net	$221,444.00

Investments and Special Funds (Ref Page: 17)

	Description (a)	Face or Par Value (b)	Year End Book Cost
Investment in Associated Companies (123)			
Total Investment in Associated Companies			$0.00
Utility Investments (124)			
Total Utility Investments			$0.00
Other Investments (125)			
Total Other Investments			$0.00
Sinking Funds (126)			
	Cash Checking Accounts	$0.00	$98,828.00
Total Sinking Funds		$0.00	$98,828.00
Other Special Funds (127)			
	Cash Checking Account	$0.00	$39,122.00
		$0.00	$0.00
Total Other Special Funds		$0.00	$39,122.00

25000 Martin County Water District 01/01/2016 - 12/31/2016

Materials and Supplies (151-153) (Ref Page: 19)

	Total
Plant Materials and Supplies (151)	$27,164.00
Merchandise (152)	
Other Materials and Supplies (153)	
Total Materials and Supplies	$27,164.00

25000 Martin County Water District 01/01/2016 - 12/31/2016

Prepayments (Acct. 162) (Ref Page: 19)

Description	Total
Prepaid Insurance	$23,200.00
Prepaid Rents	
Prepaid Interest	
Prepaid Taxes	
Other Prepayments	
(Specify)	
Total Prepayments	$23,200.00

25000 Martin County Water District 01/01/2016 - 12/31/2016

Miscellaneous Deferred Debits (Acct. 186) (Ref Page: 20)

	Total
Miscellaneous Deferred Debits (186)	
Deferred Rate Case Expense (186.1)	
Other Deferred Debits (186.2)	$166,297.00
Regulatory Assets (186.3)	
Total Miscellaneous Deferred Debits	$166,297.00

25000 Martin County Water District 01/01/2016 - 12/31/2016

Unamortized Debt Discount and Expense and Premium on Debt (Accts 181 and 251) (Ref Page: 20)

Description	Amt Written Off during year	Year End Balance
Unamortized Debt Discount and Expense (181)		
Total Unamortized Debt Discount and Expense		
Unamortized Premium on Debt (251)		
Premium on Bond Issue	$0.00	$21,140.00
Total Unamortized Premium on Debt	$0.00	$21,140.00

25000 Martin County Water District 01/01/2016 - 12/31/2016

Extraordinary Property Losses (Acct. 182) (Ref Page: 21)

Description	Total
Extraordinary Property Losses (182)	
(Specify)	
Total Extraordinary Property Losses	

25000 Martin County Water District 01/01/2016 - 12/31/2016

Advances for Construction (Acct. 252) (Ref Page: 21)

	Total
Balance First of Year	
Add credits during year	
Deduct charges during year	
Balance end of year	$0.00

25000 Martin County Water District 01/01/2016 - 12/31/2016

Long Term Debt (Ref Page: 22)

	Description of Obligation (a)	Issue Date (b)	Mature Date (c)	Interest Expense for Year Rate (d)	Interest Expense for Year Amount(e)	Principal per Balance Sheet Date (f)
	KIA Note Payable	11/01/96	6/27	3.0000	$18,875.00	$556,928.00
	KACO Lease Payable	07/07/05	3/25	4.5000	$5,227.00	$106,222.00
	Net Pension Liability			0.0000	$0.00	$1,064,280.00
Total				0.0000	$24,102.00	$1,727,430.00

25000 Martin County Water District 01/01/2016 - 12/31/2016

Bonds - Account 221 (Ref Page: 23)

	Par Value of Actual Issue (1)	Cash Realized on Actual Issue (2)	Par Val of Amt. Held by or for Respondent (3)	Actually Outstanding at Close of Year (4)	Interest During Year Accrued (5)	Interest During Year Actually Paid (6)
	$2,010,000.00	$2,032,363.00	$2,010,000.00	$1,930,000.00	$75,435.00	$91,300.00
Total	$2,010,000.00	$2,032,363.00	$2,010,000.00	$1,930,000.00	$75,435.00	$91,300.00

25000 Martin County Water District 01/01/2016 - 12/31/2016

Schedule of Bond Maturities (Ref Page: 23)

	Bond Numbers (7)	Maturity Date (8)	Interest Rate (9)	Principal Amt (10)	Amounts Paid (11)	Remaing Bonds Outstanding (12)
	KY Rural W	2045	3.8084	$2,010,000.00	$30,000.00	$1,930,000.00
Total				$2,010,000.00	$30,000.00	$1,930,000.00

(The total of Column 12 must agree with the total of col 4)

25000 Martin County Water District 01/01/2016 - 12/31/2016

Notes Payable (Accts 232 and 234) (Ref Page: 24)

	Description	Nominal Date of Issue	Date of Maturity	Int. Rate	Int. Payment	Principal Amt Per Bal Sheet
Account 232 - Notes Payable						
Total Account 232					$0.00	$0.00
Account 234 - Notes Payable to Associated Companies						
Total Account 234					$0.00	$0.00

25000 Martin County Water District 01/01/2016 - 12/31/2016

Accounts Payable to Associated Companies (Acct. 233) (Ref Page: 24)

Description	Total
Show Payable to Each Associated Company Seperately	
(Specify)	
Total	$0.00

25000 Martin County Water District 01/01/2016 - 12/31/2016

Taxes Accrued (Acct. 236) (Ref Page: 25)

	Total
Balance First of Year	$2,566.00
Accruals Charged:	
Utility regulatory assessment fees (408.10)	$3,988.00
Property taxes (408.11)	
Payroll taxes (employer`s portion) (408.12)	$42,508.00
Other taxes and licenses (408.13)	
Taxes other than income, other income and deductions (408.20)	
Total taxes accrued	$46,496.00
Taxes paid during year:	
Utility regulatory assessment fees (408.10)	$3,988.00
Property taxes (408.11)	
Payroll taxes (employer`s portion) (408.12)	$44,258.00
Other taxes and licenses (408.13)	
Taxes other than income, other income and deductions (408.20)	
Total Taxes Paid	$48,246.00
Balance end of year	$816.00

25000 Martin County Water District 01/01/2016 - 12/31/2016

Accrued Interest (Account 237) (Ref Page: 25)

	Description of Debt (a)	Balance Beg of Year (b)	Interest Accrued(c)	Interest Paid (d)	Balance End of Year (e)
Long Term Debt:					
		$49,540.00	$99,538.00	$115,562.00	$33,516.00
Notes Payable:					
Customer Deposits:					
		$3,320.00	$278.00	$0.00	$3,598.00
Other					
		$0.00	$0.00	$0.00	$0.00
Total Acct. No 237		$52,860.00	$99,816.00	$115,562.00	$37,114.00

Miscellaneous Current and Accrued Liabilities (Acct. 242) (Ref Page: 26)

Description	Balance End Year
Payroll and Associated Liabilities	$31,406.00
Total Miscellaneous Current and Accrued Liabilities	$31,406.00

25000 Martin County Water District 01/01/2016 - 12/31/2016

Regulatory Commission Expense(Acct 666 and 667) (Ref Page: 26)

	Description of Case (Docket No.) (a)	Total Incurred During Year (b)	Amt Transferred to Acct 186.1 (c)	Expensed During Year Acct (d)	Expensed During Year Amount (e)
Total		$0.00	$0.00		$0.00

25000 Martin County Water District 01/01/2016 - 12/31/2016

Water Operating Revenue (Ref Page: 27)

	Beginning Year Customers	Year End Customers	Amount
Operating Revenues			
Unmetered Water Revenue (460)	0	2	$304.00
Metered Water Revenue (461)			
Sales to Residential Customers (461.1)	3,264	2,961	$1,504,601.00
Sales to Commercial Customers (461.2)	263	264	$356,337.00
Sales to Industrial Customers (461.3)	6	6	$9,888.00
Sales to Public Authorities (461.4)	5	5	$5,695.00
Sales to Multiple Family Dwellings (461.5)	4	4	$2,274.00
Sales through Bulk Loading Stations (461.6)	0	0	$0.00
Total Metered Sales	3,542	3,240	$1,878,795.00
Fire Protection Revenue (462)			
Public Fire Protection (462.1)			
Private Fire Protection (462.2)			
Total Fire Protection Revenue	0	0	$0.00
Other Sales to Public Authorities (464)	1	1	$62,792.00
Sales to Irrigation Customers (465)			
Sales for Resale (466)			
Interdepartmental Sales (467)			
Total Sales of Water	3,543	3,243	$1,941,891.00
Other Water Revenues			
Guaranteed Revenues (469)			
Forfeited Discounts (470)			
Miscellaneous Service Revenues (471)			$28,253.00
Rents from Water Property (472)			
Interdepartments Rents (473)			
Other Water Revenues (474)			$77,813.00
Total Other Water Revenues			$106,066.00
Total Water Operating Revenues			$2,047,957.00

25000 Martin County Water District 01/01/2016 - 12/31/2016

Water Utility Expense Accounts (Ref Page: 28)

	Current Year (c)	Supply and Exp-Op. (d)	Supply and Exp-Maint. (e)	Water Treatmnt. Exp-Op. (f)	Water Treatmnt Exp-Maint. (g)	Trans and Dist. Exp- Op (h)	Trans and Dist. Exp- Maint. (i)	Customer Accts Exp. (j)	Admin and Gen Exp.
Salaries and Wages-Employees (601)	$555,390.00	$0.00	$0.00	$210,395.00	$0.00	$72,458.00	$131,079.00	$67,039.00	$74,419.00
Salaries and Wages-Officers, Directors and Majority Stockholders (603)									
Employee Pensions and Benefits (604)	$296,755.00	$0.00	$0.00	$86,616.00	$0.00	$9,818.00	$121,374.00	$52,985.00	$25,962.00
Purchased Water (610)	$24,603.00	$24,603.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Purchased Power (615)	$373,353.00	$138,235.00	$0.00	$123,542.00	$0.00	$105,150.00	$0.00	$0.00	$6,426.00
Fuel for Power Production (616)									
Chemicals (618)	$115,033.00	$0.00	$0.00	$115,033.00	$0.00	$0.00	$0.00	$0.00	$0.00
Materials and Supplies (620)	$156,069.00	$16,315.00	$0.00	$428.00	$4,821.00	$19,280.00	$91,695.00	$0.00	$23,529.00
Contractual Services - Eng. (631)									
Contractual Services - Acct. (632)	$42,000.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$42,000.00
Contractual Services - Legal (633)	$2,844.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$2,844.00
Contractual Services - Management Fees (634)									
Contractual Serves - Water Testing (635)	$14,709.00	$0.00	$0.00	$14,709.00	$0.00	$0.00	$0.00	$0.00	$0.00
Contractual Services - Other (636)	$154,668.00	$0.00	$2,747.00	$13,615.00	$53,052.00	$4,318.00	$46,327.00	$4,047.00	$30,563.00
Rental of Bld./Real Property (641)	$7,898.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$7,898.00

Water Utility Expense Accounts (Ref Page: 28)

	Current Year (c)	Supply and Exp-Op. (d)	Supply and Exp-Maint. (e)	Water Treatmnt. Exp-Op. (f)	Water Treatmnt Exp-Maint. (g)	Trans and Dist. Exp- Op (h)	Trans and Dist. Exp- Maint. (i)	Customer Accts Exp. (j)	Admin and Gen Exp.
Rental of Equipment (642)	$51,314.00	$39,480.00	$0.00	$8,234.00	$0.00	$3,600.00	$0.00	$0.00	$0.00
Transportation Expenses (650)	$75,334.00	$0.00	$0.00	$0.00	$110.00	$9,541.00	$55,812.00	$5,500.00	$4,371.00
Insurance - Vehicle (656)	$8,042.00	$425.00	$425.00	$426.00	$425.00	$2,789.00	$2,977.00	$425.00	$150.00
Insurance - General Liability (657)	$25,079.00	$1,505.00	$1,003.00	$3,010.00	$1,254.00	$7,775.00	$8,025.00	$1,003.00	$1,504.00
Insurance - Worker`s Compensation (658)	$28,737.00	$0.00	$0.00	$13,188.00	$0.00	$5,886.00	$6,020.00	$287.00	$3,356.00
Insurance - Other (659)	$7,257.00	$0.00	$0.00	$0.00	$0.00	$153.00	$0.00	$3,930.00	$3,174.00
Advertising Expenses (660)									
Regulatory Commission Exp.									
- Amortization of Rate Case (666)									
-Other (667)	$3,000.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$3,000.00
Water Resource Conservation Expense (668)									
Bad Debt (670)	$67,543.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$67,543.00	$0.00
Miscellaneous Expenses (675)	$40,341.00	$288.00	$0.00	$6,528.00	$1,083.00	$1,613.00	$833.00	$4,934.00	$25,062.00
Total	$2,049,969.00	$220,851.00	$4,175.00	$595,724.00	$60,745.00	$242,381.00	$464,142.00	$207,693.00	$254,258.00

25000 Martin County Water District 01/01/2016 - 12/31/2016

Pumping and Water Statistics - part one (Ref Page: 29)

	Water Purchased For Resale (Omit 000`s) (b)	Water Pumped from Wells (Omit 000`s) (c)	Total Water Pumped and Purchased (Omit 000`s) (d)	Water Sold To Customers (Omit 000`s) (e)
January	2,528	58,557	61,085	20,806
February	2,430	56,058	58,488	15,398
March	2,823	59,366	62,189	21,455
April	419	57,406	57,825	18,662
May	348	58,563	58,911	15,774
June	285	58,356	58,641	17,797
July	668	58,102	58,770	20,179
August	762	56,347	57,109	14,492
September	78	57,596	57,674	18,687
October	0	60,697	60,697	18,945
November	0	55,721	55,721	14,723
December	0	59,523	59,523	15,399
Total for the year	10,341	696,292	706,633	212,317

25000 Martin County Water District 01/01/2016 - 12/31/2016

Pumping and Water Statistics - part two (Ref Page: 29)

	Gallons	Date
Maximum Gallons pumped by all methods in any one day (Omit 000`s)		
Minimum Gallons pumped by all methods in any one day (Omit 000`s)		

Pumping and Water Statistics - part three (Ref Page: 29)

	List
If water is purchased indicate the following:	
Vendor	Paintsville Utilities
Point of Delivery	Spicy Gap

25000 Martin County Water District 01/01/2016 - 12/31/2016

Pumping and Water Statistics - part four (Ref Page: 29)

	Entity Receiving Water	Maximum Daily	Maximum Monthly
If water is sold to other water utilities for redistribution, identify all entities with whom the utility has a water sales contract and the maximum quantity the utility is under contract to provide daily and monthly. If unlimited then list "unlimited" otherwise list in thousands of gallons.			

Sales For Resale (466) (Ref Page: 30)

	Company	Gallons (Omit 000`s)	Avg. Rate Per 1000 Gallons (Cents)	Amount
Total				

25000 Martin County Water District 01/01/2016 - 12/31/2016

Water Statistics (Ref Page: 30)

	Gallons (Omit 000`s)	Percent
1. Water Produced, Purchased and Distributed		
2. Water Produced	696,292	
3. Water Purchased	10,341	
4. Total Produced and Purchased	706,633	
6. Water Sales:		
7. Residential	191,752	
8. Commercial	0	
9. Industrial		
10. Bulk Loading Stations		
11. Resale		
12. Other Sales	20,565	
13. Total Water Sales	212,317	
15. Other Water Used		
16. Utility/water treatment plant	5,631	
17. Wastewater plant	50	
18. System flushing	30,050	
19. Fire department	3,725	
20. Other		
21. Total Other Water Used	39,456	
23. Water Loss:		
24. Tank Overflows		
25. Line Breaks	186,774	
26. Line Leaks	0	
27. Other	268,086	
28. Total Line Loss	454,860	
Note: Line 13 + Line 21 + Line 28 must equal Line 4		
32. Water Loss Percentage		
33. Line 28 divided by Line 4		64.3700

Plant Statistics (Ref Page: 31)

	Give the following information
Number of fire hydrants, by size	Flush Hydrants 257 5"X 21/2, 7 16",7 2"
Number of private fire hydrants, by size	0
If produced whether water supply is river, impounded streams, well,springs,artificial lake,or collector well	Impounded lake (supplied by run off and pumping from Tug River)
If produced whether supply is by gravity, pumping or a combination	Combination
Type, capacity, and elevation of reservoirs at overflow and ground level	2 483' 1,000,000 gallons; 1 853' 150,000 gallons; 1860' 150,000 gallons; 1 1171' 200,000 gallons; 1 542'260,000gallons; 1 1164' 100,000 gallons; 1 1,040 gallon; 3 100000 gallons
Miles of main by size and kind	3", 4", 8", total of 275 miles plus
Types of filters: gravity or pressure, number of units and total rated in capacity in gal. per min.	4 filter = Gravity, 2 units gpm = 1,400 max
Type of disinfectant, number of units and capacity in pounds per 24 hours	Hydrochloride (liquid, 20lb
Station Equpment. List each pump,giving type and capacity, HP of driving unit and character of driving unit(steam/electric/int. combustion) also whether pump is high/ low duty	#2-200 HP - 3600 RPM Pumps capable of pumping 1,400 gallons per minute; 4 - 100 HP - 3,600 RPM pumps capable of pumping 240 GPM; 2 - 35 HP - RPM Pumps capable of pumping 130 GPM; 4- 60 HP - 3,600 RPM pumps capable of pumping 500 GPM; 4 - 15 HP - 3575 RPM pumps capable of pumping 100 GPM; 2 - 50 HP - 3,750 RPM pumps capable of pumping 125 GPM; 6 - 5 HP - 3,200 RPM in line pumps capable of pumping 35 GPM
Quantity of fuel used: coal in lbs., gas in cu.ft., oil in gals.,and electric in KWH	Approx. 2,514,011 KWH used
Give description and total cost of any sizable additions or retirements to plant and service outside the normal system of growth for the period covered by this report	
Capacity of clear well	1,000,000 gallons
Peak month, in gallons of water sold	February
Peak day, in gallons of water sold	2,238 MGD

25000 Martin County Water District 01/01/2016 - 12/31/2016

Plant Statistics - Part B (Ref Page: 31)

	Type
Choose one to indicate the type of Water Supply	Combination

25000 Martin County Water District 01/01/2016 - 12/31/2016

Plant Statistics - Part C (Ref Page: 31)

	Type
Choose one to indicate the type of Water Supply Method	Combination

CheckList

Item	Value 1	Value 2	Agree	Explain
NOTE: Any mention of page numbers or Line items refers to the annual report published and distrubuted for the 2002 report period.				
Identifications pages (ref 4-6) have been completed.				Yes
Balance Sheet - Assets and Other Debts (ref. pg 7)				
Utility Plant (Accts 101-106) agrees with Sched: Net Utility Plants Accts 101-106 (ref pg 13) Line: Total Utility Plant	34740012.00	34740012.00	OK	
Accts 108-110 Acc. Depreciation and Amort. agrees with Sched: Analysis of Acc. Dep. and Amort. (ref pg 15) Line: Total 301-348 Col h	14221012.00	14221012.00	OK	
Accts 114-115 Utility Plant Acquistion Adjustments agrees with Sched: Utility Plant Aquisition Adjustments (ref pg 16) Line: Net Acquisition Adjustments (114-115)	0	0.0000	OK	
Accts 123 Investment in Assoc. Companies agrees with Sched: Investments and Spec. Funds (ref pg 17) Line: Total Investment in Associated Companies	0	0.0000	OK	
Accts 124-125 Utility Investments agrees with Sched: Investments and Spec. Funds (ref pg 17) Sum of Lines: 124 Total Utility Investments and 125 Total Other Investments	0	0.0000	OK	
Accts 126 Sinking Funds agrees with Sched: Investments and Spec. Funds (ref pg 17) Line: 126 Total Sinking Funds	98828.00	98828.00	OK	
Accts 127 Other Special Funds agrees with Sched: Investments and Spec. Funds (ref pg 17) Line: Total 127 Other Special Funds	39122.00	39122.00	OK	
Accts 141-144 Accounts and Notes Receivable agrees with Sched: Accts and Notes Receivable (ref pg 18) Line: Net Balance141-144	221444.00	221444.00	OK	
Accts 151-153 Material and Supplies agrees with Sched: Material and Supplies (ref pg 19) Line: Total 151-153	27164.00	27164.00	OK	

CheckList

Item	Value 1	Value 2	Agree	Explain
Accts 162 Prepayments agrees with Sched: Prepayments (ref pg 19) Line: Total 162	23200.00	23200.00	OK	
Accts 181 Unamortized Debt Discount and Expense agrees with Sched: Unamortized Debt Discount and Exp. (ref pg 20) Line: Total 181	0	0	OK	
Accts 182 Extraordinary Prop. losses agrees with Sched: Extraordinary Property Losses (ref pg 21) Line: Total 182	0	0	OK	
Accts 186 Misc. Deferred Debits agrees with Sched: Misc. Deferred Debits (ref pg 20) Line: Total 186	166297.00	166297.00	OK	
Balance Sheet - Equity Capitol and Liabilities (ref. pg 9)				
Accts 214 Appropriated Retained Earnings agrees with Sched: Statement of Retained Earnings (ref pg 12) Line: Total Appropriated Retained Earnings 214	0	0.0000	OK	
Accts 215.1 Retained Earnings from Income before Contributions with Sched: Statement of Retained Earnings (ref pg 12) Line: Balance End of Year 215.1	-12549010.00	-12549010.00	OK	
Accts 215.2 Donated Capital with Sched: Statement of Retained Earnings (cont. 215.2) (ref pg 12) Line: Balance End of Year 215.2	29322752.00	29322752.00	OK	
Accts 221 Bonds agrees with Sched: Account 221 (ref pg 23) Line: Total Outstanding Bonds Col 4	1930000.00	1930000.00	OK	
Accts 221 Bonds agrees with Sched: Schedule of Bond Maturities (ref pg 23) Line: Total Remaining Bonds (Col 12)	1930000.00	1930000.00	OK	
Accts 224 Other Long Term Debt agrees with Sched: Long Term Debt (ref pg 22) Line: Total Acct 224 col f	1727430.00	1727430.00	OK	
Accts 232 Notes Payable agrees with Sched: Notes Payable (Accts 232 and 234) (ref pg 24) Line: Total Acct 232	0	0.0000	OK	

CheckList

Item	Value 1	Value 2	Agree	Explain
Accts 233 Accounts Payable to Associated Co. agrees with Sched: Accounts Payable to Assoc. Companies (Accts 233) (ref pg 24) Line: Total Acct 233	0	0.0000	OK	
Accts 234 Notes Payable agrees with Sched: Notes Payable (Accts 232 and 234) (ref pg 24) Line: Total Acct 234	0	0.0000	OK	
Accts 236 Taxes Accrued Balance First of Year agrees with Sched: Taxes Accrued (Accts 236) (ref pg 25) Line: Beginning Balance	2566.00	2566.00	OK	
Accts 236 Taxes Accrued agrees with Sched: Taxes Accrued (Accts 236) (ref pg 25) Line: Ending Balance	816.00	816.00	OK	
Accts 237 Accrued Interest Balance from Prev Year agrees with Sched: Accrued Interest (Accts 237) (ref pg 25) Line: Total 237 Balance Beginning of Year -Col b	52860.00	52860.00	OK	
Accts 237 Accrued Interest agrees with Sched: Accrued Interest (Accts 237) (ref pg 25) Line: Total 237 Balance End of Year -Col e	37114.00	37114.00	OK	
Accts 242 Misc. Current and Accrued Liabilities agrees with Sched: Misc current and Accrued Liabilities (Accts 242) (ref pg 26) Line: Total Miscellaneous and Current Accrued Liabilities	31406.00	31406.00	OK	
Accts 251 Unamortized Premium on Debt agrees with Sched: Unamorted Debt Discount and Expense and Premium on Debt (Accts 181 - 251) (ref pg 20) Line: Total 251	21140.00	21140.00	OK	
Accts 252 Advances for Contruction agrees with Sched: Advances for Contstruction (Accts 252) (ref pg 21) Line: Total 252	0	0.0000	OK	
Total Equity Capital and Liabilities agrees with Balance Sheet - Assets and Other Debits: Total Assets and Other Debits	21562085.00	21562085.00	OK	
Comparitive Operating Statement (ref pg 10)				

CheckList

Item	Value 1	Value 2	Agree	Explain
Accts 400 Operating Revenues agrees with Sched: Water Operating Revenue (Accts 400) (ref pg 27) Line: Total Water Operating Revenues - Col e	2047957.00	2047957.00	OK	
Accts 401 Operating Expenses agrees with Sched: Water Utility Expense Accounts (ref pg 28) Line: Total Accts (601-675) - Col c	2049969.00	2049969.00	OK	
Accts 408.1 Taxes Other than Income agrees with Schedule Taxes Accrued (Acct 236) (ref pg 26) Sum of Accts 408.10 - 408.13	46496.00	46496.00	OK	
Sum of Accts 408.1and 408.2 agrees with Sched: Taxes Accrued (Acct 236) (ref pg 25) Line: Total taxes Accrued	46496.00	46496.00	OK	
Accts 427 Interest Expense agrees with Sched: Accrued Interest (Acct 237) (ref pg 25) Line: Total Acct No 237 Col c - Interest Accrued	99816.00	99816.00	OK	
Net Income agrees with Sched: Retained Earnings (Acct 237) (ref pg 12) Line: Balance Transfered from Income (Acct 435)	-873453.00	-873453.00	OK	
Miscellaenous				
Schedule Net Utility Plant Accts 101 - 106 (ref pg 13) Utility Plant (101) agrees with Sched: Water Utility Plant Accounts (ref pg 14) Line: Total Water Plant Col f - Current Year	34740012.00	34740012.00	OK	
The analysis of water utility plant accounts Cols c though k has been completed (Ref pg 14)				Yes
The analysis of accumulated depreciation and amortization by primary account has been completed. (Ref pg 14)				Yes
Sched: Misc. Defferred Debits (Acct 186) Deferred Rate Case (Acct 186.1) agrees with Sched: Amort. of Rate Case (Acct 665 and 667) (ref pg 26) Line: Total Col c - Amt Transfered to 186.1	0	0.0000	OK	
Schedule of Long Term Debt has been completed (ref pg 22)				Yes

CheckList

Item	Value 1	Value 2	Agree	Explain
Schedule of Bond Maturities has been completed (ref pg 23)				Yes
Taxes collected (example: school tax, sales tax, franchise tax) have been excluded from Operating Revenue (Ref pg 29)				Yes
The analysis of water opertating revenue Cols c,d and e have been completed. (Ref pg 28)				Yes
The analysis of water utility expense accounts Cols c through k have been completed. (Ref pg 28)				Yes
Schedule of Pumping and Purchased Water Statistics has been completed (Ref pg 29)				Yes
Sched Pumping and Water Statistics - part one (ref pg 29) Line Total for the year - Col Total (d) agrees with Sched Water Statistics (ref pg 30) Line 4. Total Produced and Purchased Col Gallons	706633	706633	OK	
Sched Pumping and Water Statistics - part one (ref pg 29) Line Total for the year - Col Water Sold(e) agrees with Sched Water Statistics (ref pg 30) Line Total Water Sales Col Gallons	212317	212317	OK	
Sched Sales for Resale (ref pg 30) 466 Total Gal agrees with Sched Water Statistics (ref pg 30) Total Water Sales	0	0	OK	
Oath Page Has been Completed				Yes

25000 Martin County Water District 01/01/2016 - 12/31/2016

Upload supporting documents

Document	Description	Supports

Utility ID: 25000

OATH

Commonwealth of Kentucky)
) ss:
County of Martin)

Nita Collier makes oath and says
(Name of Officer)

that he/she is Secretary of
(Official title of officer)

Martin County Water District
(Exact legal title or name of respondent)

that it is his/her duty to have supervision over the books of account of the respondent and to control the manner in which such books are kept; that he/she knows that such books have, during the period covered by the foregoing report, been kept in good faith in accordance with the accounting and other orders of the Public Service Commission of Kentucky, effective during the said period; that he/she has carefully examined the said report and to have the best of his/her knowledge and belief the entries contained in the said report have, so far as they relate to matters of account, been accurately taken from the said books of account and are in exact accordance therewith; that he/she believes that all other statements of fact contained in the said report are true; and that the said report is a correct and complete statement of the business and affairs of the above-named respondent during the period of time from and including

January 01, 2016 , to and including December 31, 2016

Nita Collier
(Signature of Officer)

subscribed and sworn to before me, a notary public , in and for

the State and County named in the above this 31st day of May, 2015

(Apply Seal Here)

My Commission expires 2/5/2018

Raymond E. Swafford 505072
(Signature of officer authorized to administer oath)

[Persons making willful false statements in this report may be punished by fine or imprisonment under KRS 523.040 and 523.100.]

D

Note re 2017 Annual Report MCWD

- Not accepted due to problems.
- Draft begun.

PSC EXHIBIT 1

E

Note re 2018 Annual Report MCWD

MCWD has not initiated the online process to file their 2018 Annual Report.

PSC EXHIBIT 1

807 KAR 5:006. General rules.

RELATES TO: KRS 65.810, 74, 96.934, 220.510, 278, 49 C.F.R. Part 192, 49 U.S.C. 60105
STATUTORY AUTHORITY: KRS 278.230, 278.280(2), 49 C.F.R. 192
NECESSITY, FUNCTION, AND CONFORMITY: KRS 278.230(3) requires every utility to file with the commission reports, schedules, and other information that the commission requires. KRS 278.280(2) requires the commission to promulgate an administrative regulation for the performance of a service or the furnishing of a commodity by a utility. This administrative regulation establishes requirements that apply to electric, gas, water, sewage, and telephone utilities.

Section 1. Definitions. (1) "Built-up community" means urban areas and those areas immediately adjacent.

(2) "Commission" is defined by KRS 278.010(15).

(3) "Corporation" is defined by KRS 278.010(1).

(4) "Customer" means a person, firm, corporation, or body politic applying for or receiving service from a utility.

(5) "Gross Annual Operating Revenue Reports" means reports that KRS 278.140 requires each utility to file with the commission.

(6) "Nonrecurring charge" means a charge or fee assessed to a customer to recover the specific cost of an activity, which:

(a) Is due to a specific request for a certain type of service activity for which, once the activity is completed, additional charges are not incurred; and

(b) Is limited to only recover the specific cost of the specific service.

(7) "Person" is defined by KRS 278.010(2).

(8) "Tariff" means a utility's schedule of all its rates, charges, tolls, maps, terms, and conditions of service over which the commission has jurisdiction.

(9) "Utility" is defined by KRS 278.010(3).

(10) "Water association" means a non-profit corporation, association, or cooperative corporation having as its purpose the furnishing of a public water supply.

(11) "Water District" means a special district formed pursuant to KRS 65.810 and KRS Chapter 74.

Section 2. General Provisions. Reference to standards or codes in 807 KAR Chapter 5 shall not prohibit a utility from continuing or initiating experimental work and installations to improve, decrease the cost of, or increase the safety of its service.

Section 3. Utility Contact Information. (1) A utility shall notify the commission in writing of:

(a) The address of its main corporate and Kentucky offices, including street address and post office box, city, state, and zip code;

(b) The name, telephone number, facsimile number, and mailing address of the person who serves as its primary liaison with the commission regarding its operations; and

(c) Its electronic mail address.

(2) The electronic mail address required in subsection (1) of this section shall be to an electronic mail account that the utility accesses at least once weekly and that is capable of receiving electronic mail from external sources and with attachments up to five (5) megabytes in size. Unless a utility otherwise advises the commission in writing, all electronic mail transmissions from the commission to the utility shall be sent to this address.

(3) A utility shall notify the commission in writing of a change in the information required in

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subsection (1) of this section within ten (10) days of the date of the change.

Section 4. Reports. (1) Gross annual operating revenue reports.

(a) Each utility shall file with the commission its gross operating revenue report on or before March 31 of each year.

(b) An extension request shall not be permitted for a gross annual operating revenue report.

(c) A utility may file an amendment to its report. An amendment shall be filed with the commission on or before May 24 of the same year.

(d) The commission shall:

1. Not certify to the Department of Revenue the amounts of intrastate business established in an amendment filed with the commission after May 24 of that year; and

2. Report those amounts to the Department of Revenue for informational purposes.

(2) Financial and statistical reports.

(a) Every utility shall file annually using the commission's electronic filing system a financial and statistical report on or before March 31 of each year.

(b) This report shall be based upon utility type and the accounts established in conformity with the uniform system of accounts prescribed for that utility type.

(c) If documents are required to supplement or complete the report and cannot be submitted through the commission's electronic filing system, the utility shall file these documents in paper form with the commission no later than March 31.

(d) The commission shall make the reporting forms available on the commission's Web site at http://psc.ky.gov/.

(e) For good cause shown, the executive director of the commission shall, upon application in writing, allow an appropriate extension of time for the filing.

(3) Financial statement audit reports. A utility required to file a report in accordance with subsection (2) of this section shall file with the commission on or before September 30 each year, a copy of the audit report of the Kentucky regulated entity, from the audit performed the previous year, or a statement that no audit was performed of the Kentucky regulated entity the previous year. For good cause shown, the executive director of the commission shall, upon application in writing, allow an appropriate extension of time for the filing.

(4) Report of meters, customers, and refunds. Each gas, electric, or water utility shall file quarterly either a Quarterly Meter Report-Electric, Quarterly Meter Report, or a Quarterly Meter Report-Electric-Gas-Water, of meter tests, number of customers, and amount of refunds.

(5) Report of terminations for nonpayment of bills. Each water, electric, or gas utility shall file either the Water Utility Non-Payment Disconnection/Reconnection Report, Electric Utility Non-Payment Disconnection/Reconnection Report, or Gas Utility Non-Payment Disconnection/Reconnection Report, annually to report the number of residential accounts terminated for nonpayment. These reports shall be filed no later than August 15 and shall cover the period ending June 30.

(6) Record and report retention. All records and reports shall be retained in accordance with the uniform system of accounts unless otherwise specified.

(7) Transmittal letter. Each report shall be accompanied by a transmittal letter describing the report being furnished.

(8) Amending reports. Upon discovering a material error in a report filed with the commission, a utility shall file an amended report to correct the error.

Section 5. Service Information. (1)(a) A utility shall, on request, give its customers or prospective customers information that enables the customers to secure safe, efficient, and continuous service.

Only 2015 Letter with no accompanying audit is on file for Martin County Water District

List Utility Filed Audit Documents completed by a C.P.A

Available Report Periods

- [ ] 2018
- [ ] 2017
- [ ] 2016
- [ ] 2015
- [ ] 2014
- [ ] 2013
- [ ] 2012
- [ ] 2011
- [ ] 2010
- [ ] 2009
- [ ] 2008

General Utility Types

- [ ] Electric
- [ ] Gas
- [ ] Sewer
- [ ] Telecom
- [x] Water

Marion County Water District	Water	2013
Marion County Water District	Water	2012
Marion County Water District	Water	2011
Martin County Water District	Water	2015
McCreary County Water District	Water	2018
McCreary County Water District	Water	2017
McCreary County Water District	Water	2016
McCreary County Water District	Water	2015
McCreary County Water District	Water	2014
McCreary County Water District	Water	2013
McCreary County Water District	Water	2012
McCreary County Water District	Water	2011
McKinney Water District	Water	2017
McKinney Water District	Water	2016
McKinney Water District	Water	2015

PSC EXHIBIT 3

B.

25000 Martin County Water District 01/01/2015 - 12/31/2015

Upload supporting documents

Document	Description	Supports
SD_25000_2015_2.pdf	(Describe File)	Audit Report

Linda F. Sumpter, CPA, PSC
Certified Public Accountant

To the Commissioners of the
Martin County Water District
Inez, Kentucky

Management is responsible for the accompanying financial statements of the business-type activities of the Martin County Water District (a special district) as of December 31, 2015, and the related comparative operating statement and supplemental information, except for pages 29 through 32, for the year then ended. I have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. I did not audit or review the financial statements, nor was I required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, I do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

Management has elected to omit substantially all of the disclosures required by accounting principles generally accepted in the United States of America. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the District's financial position. These financial statements (including supplemental information) are presented in accordance with the requirements of the Kentucky Public Service Commission, which differ from generally accepted accounting principals. Accordingly, these financial statements are not designed for those who are not informed about such matters.

Management has omitted the management's discussion and analysis information that is required to be presented for the purposes of additional analysis. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. The supplementary information has been compiled from information that is the representation of management, I have not audited or reviewed the supplementary information and accordingly, I do not express such an opinion or provide any assurance on such supplementary information.

I am not independent with respect to the Martin County Water District.

Linda F. Sumpter, CPA, PSC
May 30, 2016

Member of American Institute of CPA's
and Kentucky Society of CPA's

910 Blackberry Road • Inez, Kentucky 41224 • Phone (606) 298-4189 • Fax (606) 298-5982 • linda@lindasumptercpa.com

25000 Martin County Water District 01/01/2015 - 12/31/2015

Accumulated Depreciation (Acct. 108) (Ref Page: 13)

Description	Total
Balance First of Year	$12,703,006.00
Credit during year	
Accruals Charged to Account 108.1	$773,303.00
Accruals Charged to Account 108.2	
Accruals Charged to Account 108.3	
Accruals Charged to Other Acccounts (specify)	
(specify)	
Salvage Value Recovered on Plant Retired	
Other Credits	
(specify)	
Total Credits	$773,303.00
Debits during year:	
Book Cost of Plant Retired	
Cost of Removal	
Other Debits	
(specify)	
Total Debits	$0.00
Balance at End of Year	$13,476,309.00

25000 Martin County Water District 01/01/2015 - 12/31/2015

Water Utility Plant Accounts (Ref Page: 14)

	Prev Year (c)	Additions (d)	Retirement (e)	Current Yr(f)	Intngble. Plant (g)	Supply & Pump.	Water Treatmnt.	Trans. and Distr.	General Plant
Organization (301)									
Franchises (302)									
Land and Land Rights (303)	$214,714.00	$0.00	$0.00	$214,714.00	$0.00	$83,722.00	$350.00	$80,642.00	$50,000.00
Structures and Improvements (304)	$500,264.00	$0.00	$0.00	$500,264.00	$0.00	$32,275.00	$147,439.00	$286,794.00	$33,756.00
Collecting and Impounding Reservoirs (305)	$288,203.00	$0.00	$0.00	$288,203.00	$0.00	$288,203.00	$0.00	$0.00	$0.00
Lakes, Rivers and Other Intakes (306)	$2,153,752.00	$0.00	$0.00	$2,153,752.00	$0.00	$2,153,752.00	$0.00	$0.00	$0.00
Wells and Springs (307)									
Infiltration Galleries and Tunnels (308)									
Supply Mains (309)									
Power Generation Equipment (310)		$15,000.00	$0.00	$15,000.00	$0.00	$0.00	$0.00	$0.00	$15,000.00
Pumping Equipment (311)	$309,468.00	$1,300.00	$0.00	$310,768.00	$0.00	$309,468.00	$0.00	$1,300.00	$0.00
Water Treatment Equipment (320)	$4,812,970.00	$64,449.00	$0.00	$4,877,419.00	$0.00	$4,877,419.00	$0.00	$0.00	$0.00
Distribution Reservoirs and Standpipes (330)	$4,071,502.00	$0.00	$0.00	$4,071,502.00	$0.00	$0.00	$0.00	$4,071,502.00	$0.00
Transmission and Distribution Mains (331)	$20,060,075.00	$0.00	$0.00	$20,060,075.00	$0.00	$0.00	$0.00	$20,060,075.00	$0.00
Services (333)									
Meters and Meter Installations (334)	$483,949.00	$20,553.00	$0.00	$504,502.00	$0.00	$0.00	$0.00	$504,502.00	$0.00
Hydrants (335)	$2,969.00	$0.00	$0.00	$2,969.00	$0.00	$0.00	$0.00	$2,969.00	$0.00
Backflow Prevention Devices (336)									

25000 Martin County Water District 01/01/2015 - 12/31/2015

Water Utility Plant Accounts (Ref Page: 14)

	Prev Year (c)	Additions (d)	Retirement (e)	Current Yr(f)	Intngble. Plant (g)	Supply & Pump.	Water Treatmnt.	Trans. and Distr.	General Plant
Other Plant and Misc. Equipment (339)	$861,964.00	$16,684.00	$0.00	$878,648.00	$0.00	$0.00	$0.00	$878,648.00	$0.00
Office Furniture and Equip. (340)	$175,251.00	$0.00	$0.00	$175,251.00	$0.00	$0.00	$0.00	$0.00	$175,251.00
Transportation Equipment (341)	$324,570.00	$0.00	$0.00	$324,570.00	$0.00	$0.00	$0.00	$0.00	$324,570.00
Stores Equipment (342)	$0.00								
Tools, Shop and Garage Equip (343)	$29,534.00	$0.00	$0.00	$29,534.00	$0.00	$0.00	$0.00	$0.00	$29,534.00
Laboratory Equipment (344)	$14,402.00	$0.00	$0.00	$14,402.00	$0.00	$0.00	$0.00	$0.00	$14,402.00
Power Operated Equipment (345)	$43,193.00	$0.00	$0.00	$43,193.00	$0.00	$0.00	$0.00	$0.00	$43,193.00
Communication Equipment (346)	$16,897.00	$0.00	$0.00	$16,897.00	$0.00	$0.00	$0.00	$0.00	$16,897.00
Miscellaneous Equipment (347)									
Other Tangible Plant (348)									
Total Water Plant	$34,363,677.00	$117,986.00	$0.00	$34,481,663.00	$0.00	$7,744,839.00	$147,789.00	$25,886,432.00	$702,603.00

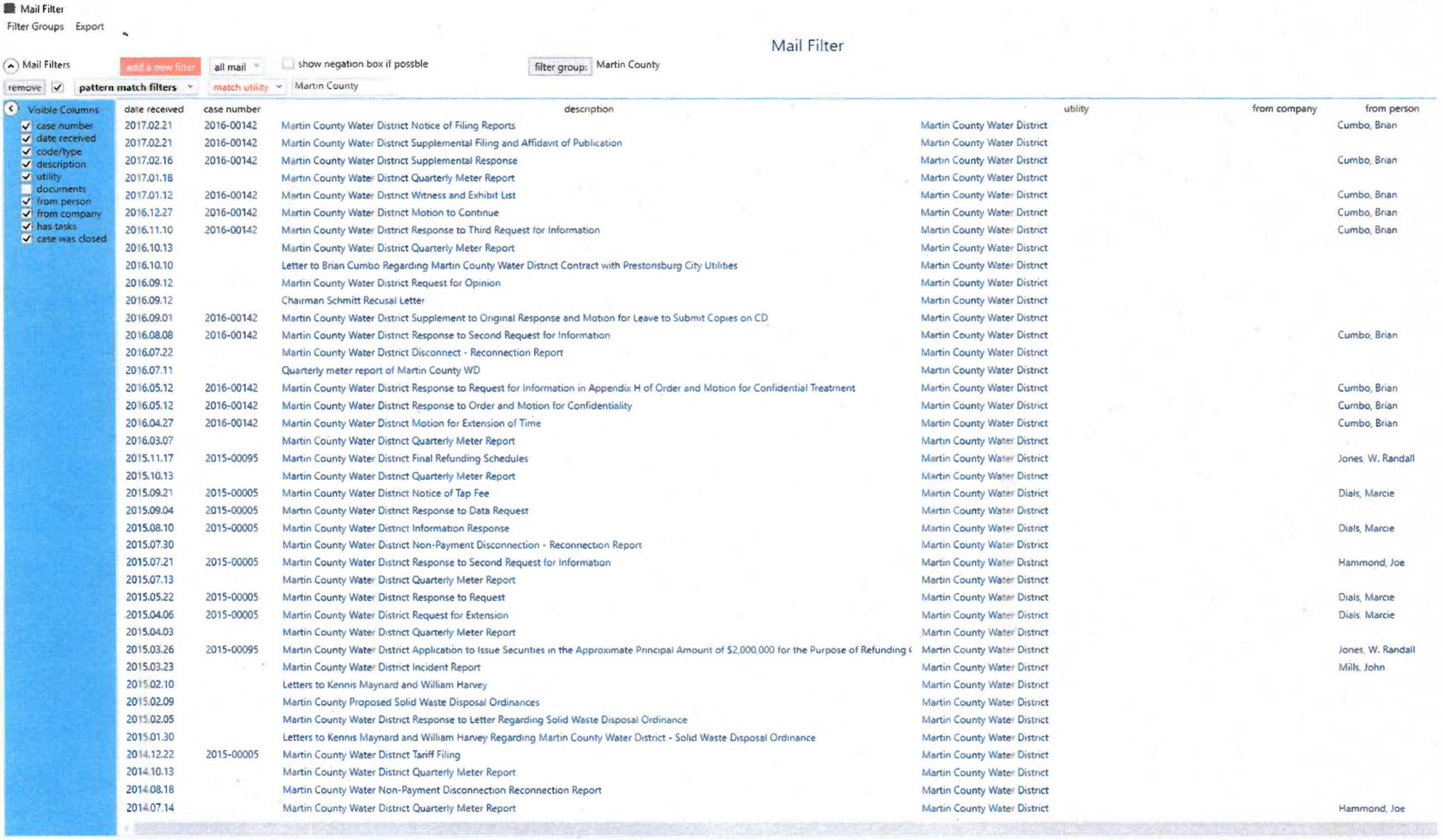
Analysis of Accumulated Depreciation and Amortization by Primary Acct (Ref Page: 15)

	Balance Beg Yr(c)	Cr-Chg Dep Exp(d)	Other Credits (e)	Charges-Plant Ret(f)	Other Charges (g)	Balance End Yr (h)
Organization (301)						
Franchises (302)						
Land and Land Rights (303)						
Structures and Improvements (304)	$108,075.00	$10,183.00	$0.00	$0.00	$0.00	$118,258.00
Collecting and Impounding Reservoirs (305)	$65,514.00	$1,555.00	$0.00	$0.00	$0.00	$67,069.00
Lake, River and Other Intakes (306)	$554,533.00	$43,076.00	$0.00	$0.00	$0.00	$597,609.00
Wells and Springs (307)						
Infiltration Galleries and Tunnells (308)						
Supply Mains (309)						
Power Generating Equipment (310)		$1,500.00	$0.00	$0.00	$0.00	$1,500.00
Pumping Equipment (311)	$290,367.00	$10,694.00	$0.00	$0.00	$0.00	$301,061.00
Water Treatment Equipment (320)	$1,383,560.00	$92,575.00	$0.00	$0.00	$0.00	$1,476,135.00
Distributions Reservoirs and Standpipes (330)	$935,897.00	$81,505.00	$0.00	$0.00	$0.00	$1,017,402.00
Transmission and Distribution Mains (331)	$7,798,403.00	$493,995.00	$0.00	$0.00	$0.00	$8,292,398.00
Services (333)						
Meters and Meter Installations (334)	$199,201.00	$13,837.00	$0.00	$0.00	$0.00	$213,038.00
Hydrants (335)	$1,932.00	$89.00	$0.00	$0.00	$0.00	$2,021.00
Backflow Prevention Devices (336)						
Other Plant and Miscellaneous Equipment (339)	$770,150.00	$17,361.00	$0.00	$0.00	$0.00	$787,511.00
Office Furniture and Equip. (340)	$173,319.00	$1,070.00	$0.00	$0.00	$0.00	$174,389.00
Transportation Equipment (341)	$318,669.00	$5,433.00	$0.00	$0.00	$0.00	$324,102.00
Stores Equipment (342)						

C

3. No letter re audit submitted by Linda Sumpter or MCWD in 2015 or 2016.

The "audit" letter was attached to the Annual Report under "other".



date received	case number	description	utility	from company	from person
2017.02.21	2016-00142	Martin County Water District Notice of Filing Reports	Martin County Water District		Cumbo, Brian
2017.02.21	2016-00142	Martin County Water District Supplemental Filing and Affidavit of Publication	Martin County Water District		
2017.02.16	2016-00142	Martin County Water District Supplemental Response	Martin County Water District		Cumbo, Brian
2017.01.18		Martin County Water District Quarterly Meter Report	Martin County Water District		
2017.01.12	2016-00142	Martin County Water District Witness and Exhibit List	Martin County Water District		Cumbo, Brian
2016.12.27	2016-00142	Martin County Water District Motion to Continue	Martin County Water District		Cumbo, Brian
2016.11.10	2016-00142	Martin County Water District Response to Third Request for Information	Martin County Water District		Cumbo, Brian
2016.10.13		Martin County Water District Quarterly Meter Report	Martin County Water District		
2016.10.10		Letter to Brian Cumbo Regarding Martin County Water District Contract with Prestonsburg City Utilities	Martin County Water District		
2016.09.12		Martin County Water District Request for Opinion	Martin County Water District		
2016.09.12		Chairman Schmitt Recusal Letter	Martin County Water District		
2016.09.01	2016-00142	Martin County Water District Supplement to Original Response and Motion for Leave to Submit Copies on CD	Martin County Water District		
2016.08.08	2016-00142	Martin County Water District Response to Second Request for Information	Martin County Water District		Cumbo, Brian
2016.07.22		Martin County Water District Disconnect - Reconnection Report	Martin County Water District		
2016.07.11		Quarterly meter report of Martin County WD	Martin County Water District		
2016.05.12	2016-00142	Martin County Water District Response to Request for Information in Appendix H of Order and Motion for Confidential Treatment	Martin County Water District		Cumbo, Brian
2016.05.12	2016-00142	Martin County Water District Response to Order and Motion for Confidentiality	Martin County Water District		Cumbo, Brian
2016.04.27	2016-00142	Martin County Water District Motion for Extension of Time	Martin County Water District		Cumbo, Brian
2016.03.07		Martin County Water District Quarterly Meter Report	Martin County Water District		
2015.11.17	2015-00095	Martin County Water District Final Refunding Schedules	Martin County Water District		Jones, W. Randall
2015.10.13		Martin County Water District Quarterly Meter Report	Martin County Water District		
2015.09.21	2015-00005	Martin County Water District Notice of Tap Fee	Martin County Water District		Dials, Marcie
2015.09.04	2015-00005	Martin County Water District Response to Data Request	Martin County Water District		
2015.08.10	2015-00005	Martin County Water District Information Response	Martin County Water District		Dials, Marcie
2015.07.30		Martin County Water District Non-Payment Disconnection - Reconnection Report	Martin County Water District		
2015.07.21	2015-00005	Martin County Water District Response to Second Request for Information	Martin County Water District		Hammond, Joe
2015.07.13		Martin County Water District Quarterly Meter Report	Martin County Water District		
2015.05.22	2015-00005	Martin County Water District Response to Request	Martin County Water District		Dials, Marcie
2015.04.06	2015-00005	Martin County Water District Request for Extension	Martin County Water District		Dials, Marcie
2015.04.03		Martin County Water District Quarterly Meter Report	Martin County Water District		
2015.03.26	2015-00095	Martin County Water District Application to Issue Securities in the Approximate Principal Amount of $2,000,000 for the Purpose of Refunding (	Martin County Water District		Jones, W. Randall
2015.03.23		Martin County Water District Incident Report	Martin County Water District		Mills, John
2015.02.10		Letters to Kennis Maynard and William Harvey	Martin County Water District		
2015.02.09		Martin County Proposed Solid Waste Disposal Ordinances	Martin County Water District		
2015.02.05		Martin County Water District Response to Letter Regarding Solid Waste Disposal Ordinance	Martin County Water District		
2015.01.30		Letters to Kennis Maynard and William Harvey Regarding Martin County Water District - Solid Waste Disposal Ordinance	Martin County Water District		
2014.12.22	2015-00005	Martin County Water District Tariff Filing	Martin County Water District		
2014.10.13		Martin County Water District Quarterly Meter Report	Martin County Water District		
2014.08.18		Martin County Water Non-Payment Disconnection Reconnection Report	Martin County Water District		
2014.07.14		Martin County Water District Quarterly Meter Report	Martin County Water District		Hammond, Joe

65A.030 Audits, financial statements, and attestation engagements for fiscal periods beginning on or after July 1, 2014 -- Alternative financial review -- Exclusion of some annual receipts.

(1) For fiscal periods beginning on or after July 1, 2014, requirements relating to audits and financial statements of special purpose governmental entities are as follows:

(a) Every special purpose governmental entity with the higher of annual receipts from all sources or annual expenditures of less than one hundred thousand dollars ($100,000) shall:

1. Annually prepare a financial statement; and
2. Once every four (4) years, contract for the application of an attestation engagement as determined by the DLG, as provided in subsection (2) of this section;

(b) Every special purpose governmental entity with the higher of annual receipts from all sources or annual expenditures equal to or greater than one hundred thousand dollars ($100,000) but less than five hundred thousand dollars ($500,000) shall:

1. Annually prepare a financial statement; and
2. Once every four (4) years, contract for the provision of an independent audit as provided in subsection (2) of this section; and

(c) Every special purpose governmental entity with the higher of annual receipts from all sources or annual expenditures equal to or greater than five hundred thousand dollars ($500,000) shall:

1. Annually prepare a financial statement; and
2. Be audited annually as provided in subsection (2) of this section.

(2) (a) To provide for the performance of an audit or attestation engagement as provided in subsection (1)(a) to (c) of this section, the governing body of a special purpose governmental entity shall employ an independent certified public accountant or contract with the Auditor of Public Accounts to conduct the audit or attestation engagement unless the provisions of subsection (3) of this section apply.

(b) The audit or attestation engagement shall be completed no later than twelve (12) months following the close of the fiscal year subject to the audit or the attestation engagement.

(c) 1. The special purpose governmental entity shall submit for publication on the registry the audit or attestation engagement, in the form and format required by the DLG.

2. A federally regulated municipal utility may comply with the requirements of this section for the public power component of its operations by submitting an audit that conforms to the requirements imposed by the federal agency with which it maintains a wholesale power contract.

3. A public utility established pursuant to KRS 96.740 that is not a

PSC EXHIBIT 4

federally regulated municipal utility may comply with the requirements of this section for the public power component of its operations by submitting a copy of its annual audit performed under KRS 96.840.

(d) 1. The audit or attestation engagement shall conform to:

a. Generally accepted governmental auditing or attestation standards, which means those standards for audits or attestations of governmental organizations, programs, activities, and functions issued by the Comptroller General of the United States;

b. Generally accepted auditing or attestation standards, which means those standards for all audits or attestations promulgated by the American Institute of Certified Public Accountants; and

c. Additional procedures and reporting requirements as may be required by the Auditor of Public Accounts.

2. Rather than meeting the standards established by subparagraph 1. of this paragraph, the audit submitted by a federally regulated municipal utility or a public utility established pursuant to KRS 96.740 that is not a federally regulated municipal utility with regard to the public power component of the utility's operations shall conform to KRS 96.840 and the financial standards of the Federal Energy Regulatory Commission's Uniform System of Accounts.

(e) Upon request, the Auditor of Public Accounts may review the final report and all related work papers and documents of the independent certified public accountant relating to the audit or attestation engagement.

(f) If a special purpose governmental entity is required by another provision of law to audit its funds more frequently or more stringently than is required by this section, the special purpose governmental entity shall comply with the provisions of that law, and shall comply with the requirements of paragraph (c) of this subsection.

(g) Notwithstanding any provision of the Kentucky Revised Statutes to the contrary, a unit of government furnishing funds directly to a special purpose governmental entity may require additional audits at the expense of the unit of government furnishing the funds.

(h) All audit reports, attestation engagement reports, and financial statements of special purpose governmental entities shall be public records.

(3) (a) Any board, commission, or agency established by statute with regulatory authority or oversight responsibilities for a category of special purpose governmental entities may apply to the Auditor of Public Accounts to be approved to provide an alternative financial review of the special purpose governmental entities it regulates or oversees that are required by subsection (1)(a) of this section to submit an attestation engagement. The application shall be in the form and format determined by the Auditor of Public Accounts.

(b) The Auditor of Public Accounts shall review the application and if the auditor determines that the board, commission, or agency has the resources and

capacity to conduct an acceptable alternative financial review, the auditor shall notify the DLG that the board, commission, or agency is approved to provide an alternative financial review of the special purpose governmental entities it regulates or oversees that are required by subsection (1)(a) of this section to submit an attestation engagement.

(c) The Auditor of Public Accounts shall advise the DLG and the board, commission, or agency regarding modifications to the proposed alternative financial review procedures necessary to obtain the Auditor of Public Accounts' approval.

(d) Any board, commission, or agency approved to provide alternative financial reviews shall reapply to the Auditor of Public Accounts for approval to continue to provide alternative financial reviews at least every four (4) years. The Auditor of Public Accounts may require more frequent approvals.

(e) The Auditor of Public Accounts or the DLG may withdraw any approval granted under this subsection if the board, commission, or agency fails to conduct alternative financial reviews using the procedures and including the terms and components agreed to with the DLG.

(f) Any board, commission, or agency approved to provide alternative financial reviews shall notify the Auditor of Public Accounts and the DLG if an irregularity is found in the alternative financial review.

(g) Any special purpose governmental entity subject to regulation or oversight by a board, commission, or agency that obtains approval to provide an alternative financial review under this subsection shall have the option of having an alternative financial review performed by the board, commission, or agency, or may contract for the application of an attestation engagement as provided in subsection (1)(a) of this section.

(4) The DLG shall determine which procedures conducted under attestation standards will apply to special purpose governmental entities meeting the conditions established by subsection (1)(a) of this section. The DLG may determine that additional procedures be conducted under attestation standards for specific categories of special purpose governmental entities or for specific special purpose governmental entities, as needed, to obtain the oversight and information deemed necessary by the DLG.

(5) Based on the information submitted by special purpose governmental entities under KRS 65A.020 and 65A.090, the DLG shall determine when each special purpose governmental entity was last audited, and shall notify the special purpose governmental entity of when each audit or attestation engagement is due under the new standards and requirements of this section.

(6) (a) In determining the requirements relating to audits and financial statements of special purpose governmental entities under subsection (1) of this section, the DLG may exclude annual receipts received by the special purpose governmental entity if:

1. The receipts constitute nonrecurring, nonoperating grants for the purpose

of capital asset acquisition, capital construction, disaster recovery efforts, or other one (1) time purposes as determined by the DLG; and

2. The special purpose governmental entity requests, in writing to the DLG and for each fiscal year it receives the revenue in question, that the revenues in question not be included in determining its annual revenues.

(b) Any receipts excluded under paragraph (a) of this subsection shall still be reported as required under KRS 65A.020(2)(a)2.

(7) The DLG may promulgate administrative regulations pursuant to KRS Chapter 13A to implement the provisions of this section.

Effective: June 24, 2015

History: Amended 2015 Ky. Acts ch. 17, sec. 3, effective June 24, 2015. -- Amended 2014 Ky. Acts ch. 7, sec. 3, effective March 19, 2014. -- Created 2013 Ky. Acts ch. 40, sec. 3, effective March 21, 2013.

Legislative Research Commission Note (3/19/2014). 2014 Ky. Acts ch. 7, sec. 11 provides that the amendments to this statute made in 2014 Ky. Acts ch. 7, sec. 3, shall apply retroactively beginning January 1, 2014.

PSC EXHIBIT 5

807 KAR 5:006. General rules.

RELATES TO: KRS 65.810, 74, 96.934, 220.510, 278, 49 C.F.R. Part 192, 49 U.S.C. 60105
STATUTORY AUTHORITY: KRS 278.230, 278.280(2), 49 C.F.R. 192
NECESSITY, FUNCTION, AND CONFORMITY: KRS 278.230(3) requires every utility to file with the commission reports, schedules, and other information that the commission requires. KRS 278.280(2) requires the commission to promulgate an administrative regulation for the performance of a service or the furnishing of a commodity by a utility. This administrative regulation establishes requirements that apply to electric, gas, water, sewage, and telephone utilities.

Section 1. Definitions. (1) "Built-up community" means urban areas and those areas immediately adjacent.

(2) "Commission" is defined by KRS 278.010(15).

(3) "Corporation" is defined by KRS 278.010(1).

(4) "Customer" means a person, firm, corporation, or body politic applying for or receiving service from a utility.

(5) "Gross Annual Operating Revenue Reports" means reports that KRS 278.140 requires each utility to file with the commission.

(6) "Nonrecurring charge" means a charge or fee assessed to a customer to recover the specific cost of an activity, which:

(a) Is due to a specific request for a certain type of service activity for which, once the activity is completed, additional charges are not incurred; and

(b) Is limited to only recover the specific cost of the specific service.

(7) "Person" is defined by KRS 278.010(2).

(8) "Tariff" means a utility's schedule of all its rates, charges, tolls, maps, terms, and conditions of service over which the commission has jurisdiction.

(9) "Utility" is defined by KRS 278.010(3).

(10) "Water association" means a non-profit corporation, association, or cooperative corporation having as its purpose the furnishing of a public water supply.

(11) "Water District" means a special district formed pursuant to KRS 65.810 and KRS Chapter 74.

Section 2. General Provisions. Reference to standards or codes in 807 KAR Chapter 5 shall not prohibit a utility from continuing or initiating experimental work and installations to improve, decrease the cost of, or increase the safety of its service.

Section 3. Utility Contact Information. (1) A utility shall notify the commission in writing of:

(a) The address of its main corporate and Kentucky offices, including street address and post office box, city, state, and zip code;

(b) The name, telephone number, facsimile number, and mailing address of the person who serves as its primary liaison with the commission regarding its operations; and

(c) Its electronic mail address.

(2) The electronic mail address required in subsection (1) of this section shall be to an electronic mail account that the utility accesses at least once weekly and that is capable of receiving electronic mail from external sources and with attachments up to five (5) megabytes in size. Unless a utility otherwise advises the commission in writing, all electronic mail transmissions from the commission to the utility shall be sent to this address.

(3) A utility shall notify the commission in writing of a change in the information required in

subsection (1) of this section within ten (10) days of the date of the change.

Section 4. Reports. (1) Gross annual operating revenue reports.

(a) Each utility shall file with the commission its gross operating revenue report on or before March 31 of each year.

(b) An extension request shall not be permitted for a gross annual operating revenue report.

(c) A utility may file an amendment to its report. An amendment shall be filed with the commission on or before May 24 of the same year.

(d) The commission shall:

1. Not certify to the Department of Revenue the amounts of intrastate business established in an amendment filed with the commission after May 24 of that year; and

2. Report those amounts to the Department of Revenue for informational purposes.

(2) Financial and statistical reports.

(a) Every utility shall file annually using the commission's electronic filing system a financial and statistical report on or before March 31 of each year.

(b) This report shall be based upon utility type and the accounts established in conformity with the uniform system of accounts prescribed for that utility type.

(c) If documents are required to supplement or complete the report and cannot be submitted through the commission's electronic filing system, the utility shall file these documents in paper form with the commission no later than March 31.

(d) The commission shall make the reporting forms available on the commission's Web site at http://psc.ky.gov/.

(e) For good cause shown, the executive director of the commission shall, upon application in writing, allow an appropriate extension of time for the filing.

(3) Financial statement audit reports. A utility required to file a report in accordance with subsection (2) of this section shall file with the commission on or before September 30 each year, a copy of the audit report of the Kentucky regulated entity, from the audit performed the previous year, or a statement that no audit was performed of the Kentucky regulated entity the previous year. For good cause shown, the executive director of the commission shall, upon application in writing, allow an appropriate extension of time for the filing.

(4) Report of meters, customers, and refunds. Each gas, electric, or water utility shall file quarterly either a Quarterly Meter Report-Electric, Quarterly Meter Report, or a Quarterly Meter Report-Electric-Gas-Water, of meter tests, number of customers, and amount of refunds.

(5) Report of terminations for nonpayment of bills. Each water, electric, or gas utility shall file either the Water Utility Non-Payment Disconnection/Reconnection Report, Electric Utility Non-Payment Disconnection/Reconnection Report, or Gas Utility Non-Payment Disconnection/Reconnection Report, annually to report the number of residential accounts terminated for nonpayment. These reports shall be filed no later than August 15 and shall cover the period ending June 30.

(6) Record and report retention. All records and reports shall be retained in accordance with the uniform system of accounts unless otherwise specified.

(7) Transmittal letter. Each report shall be accompanied by a transmittal letter describing the report being furnished.

(8) Amending reports. Upon discovering a material error in a report filed with the commission, a utility shall file an amended report to correct the error.

Section 5. Service Information. (1)(a) A utility shall, on request, give its customers or prospective customers information that enables the customers to secure safe, efficient, and continuous service.

807 KAR 5:006. General rules.

RELATES TO: KRS 65.810, 74, 96.934, 220.510, 278, 49 C.F.R. Part 192, 49 U.S.C. 60105
STATUTORY AUTHORITY: KRS 278.230, 278.280(2), 49 C.F.R. 192
NECESSITY, FUNCTION, AND CONFORMITY: KRS 278.230(3) requires every utility to file with the commission reports, schedules, and other information that the commission requires. KRS 278.280(2) requires the commission to promulgate an administrative regulation for the performance of a service or the furnishing of a commodity by a utility. This administrative regulation establishes requirements that apply to electric, gas, water, sewage, and telephone utilities.

Section 1. Definitions. (1) "Built-up community" means urban areas and those areas immediately adjacent.

(2) "Commission" is defined by KRS 278.010(15).

(3) "Corporation" is defined by KRS 278.010(1).

(4) "Customer" means a person, firm, corporation, or body politic applying for or receiving service from a utility.

(5) "Gross Annual Operating Revenue Reports" means reports that KRS 278.140 requires each utility to file with the commission.

(6) "Nonrecurring charge" means a charge or fee assessed to a customer to recover the specific cost of an activity, which:

(a) Is due to a specific request for a certain type of service activity for which, once the activity is completed, additional charges are not incurred; and

(b) Is limited to only recover the specific cost of the specific service.

(7) "Person" is defined by KRS 278.010(2).

(8) "Tariff" means a utility's schedule of all its rates, charges, tolls, maps, terms, and conditions of service over which the commission has jurisdiction.

(9) "Utility" is defined by KRS 278.010(3).

(10) "Water association" means a non-profit corporation, association, or cooperative corporation having as its purpose the furnishing of a public water supply.

(11) "Water District" means a special district formed pursuant to KRS 65.810 and KRS Chapter 74.

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(7) Transmittal letter. Each report shall be accompanied by a transmittal letter describing the report being furnished.

(8) Amending reports. Upon discovering a material error in a report filed with the commission, a utility shall file an amended report to correct the error.

Section 5. Service Information. (1)(a) A utility shall, on request, give its customers or prospective customers information that enables the customers to secure safe, efficient, and continuous service.

6.B. Dates on which annual reports and audits must be filed.

Q: List of official filing dates for Annual Reports (2014-2019) including any extensions granted by the PSC which would then reset the due date for the Annual Report.

A: Martin County's file dates: (bear in mind, these are not their "Approval dates" as most of the reports had errors that prevented them from being approved right away.)

a. The 2014 Annual Report was initially filed June 1, 2015 after requesting an extension for April 30, then May 29.

b. The 2015 Annual Report was initially filed June 1, 2016 after requesting an extension for April 29.

c. The 2016 Annual Report was initially filed August 29, 2017 after requesting an extension for May 31, pursuant to reporting net pension liability from County Employment Retirement System (CERS)

d. The 2017 Annual Report was initially filed August 31, 2018 after requesting an extension for May 31, June 29, and July 31. Filed after Jeff Cline issued response to AR extension request acknowledging that if AR is not filed by 8/31/2018, a formal Motion should be filed by an attorney with substantial explanation as to why company should not be subjected to penalties.

e. The 2018 Annual Report has yet to be filed despite multiple inquiries by Jeff Cline.

Information from PSC staff Brian Barnett and Jeff Cline. Email 10-17-19 at 9:10 AM to gg.

PSC EXHIBIT 7

807 KAR 5:006, Section 28 - Permit deviation from regulations in 807 KAR 5:006

Section 28. Deviations from Administrative Regulation. In special cases, for good cause shown, the commission shall permit deviations from this administrative regulation.

PSC EXHIBIT 8

A

COMMONWEALTH OF KENTUCKY
PUBLIC SERVICE COMMISSION
UTILITY INSPECTION REPORT
Report Date: December 12, 2014
Report Number: MartinCountyWD121014

BRIEF

Inspector:	Jason Pennell
Inspection Date:	December 10, 2014
Type of Inspection:	Periodic Regulatory Compliance Inspection
Type of Facility:	Treatment and Distribution
Name of Utility:	Martin County Water District
Location of Facility:	387 East Main Street Suite 140 Inez, KY 41224
Purpose of inspection:	Periodic inspection of utility facilities operation and maintenance practices to verify compliance with PSC regulations.
Applicable Regulations:	KRS Chapter 278 and 807 KAR Chapter 5

INSPECTION

Description of Utility:	Distribution system
Number of Customers:	3,700
Area of Operation:	Martin County
Supply Source:	Martin County Water District Water Treatment Plant
Distribution Description:	Average daily consumption of approximately 1,884,997 gallons; 300 miles of distribution line; total storage capacity of approximately 2,617,000
Workforce Summary:	13 Employees
Utility Reps. in Inspection:	Joe Hammond, Consultant, John Mills, Superintendent, and Tom Allley, Water Plant Operator
Date of Last Inspection:	April 11, 2012
DTR from Last Inspection:	5
DTRs not Cleared:	

COMMONWEALTH OF KENTUCKY
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FINDINGS

Utility did not produce pressure charts that showed a continuous 24 hour pressure recording for one week per month. 807 KAR 5:066, Section 5(2).

Martin County Water District has not filed with the Commission a copy of its water purchase contracts where the utility purchases water from Mountain Water District and Kermit, WV as required by 807 KAR 5:013, Section 13.

Utility does not have a tariff in place requiring fire departments, who withdraw water from its water distribution system for fire protection or training purposes, to report usage or a penalty for failure to submit the reports 807 KAR 5:095, Section 9(1)(2).

ADDITIONAL INPECTOR COMMENTS

Water loss for 2012 was 60.87 percent and water loss for 2013 was 60.86 percent.

During the inspection visit, the utility was made aware of the regulatory change to 807 KAR 5:006, Section 26 Section (3) which requires the addition of the date, time of inspection, and the person conducting the inspection onto inspection logs/forms of facilities. Commission Staff will verify this on the next inspection visit.

The utility stated that they have added two meters to its system to help monitor leaks. The utility is also working with Kentucky Rural Water to help identify leaks.

In 2013 the utility replaced 3 miles of distribution main and the service connections on the main. The project was financed with Coal Severance money.

Submitted by:

Jason Pennell
Utility Regulatory and Safety Investigator III

Division of Engineering
Water and Sewer Branch
Water Utility Inspection

General Information

TREATMENT FACILITY

1. **Source Water:**

   Reservoir lake supplied by pumping from the Tug River

2. **Plant Capacity:**

   2.3 million gallons per day

3. **Avg. Amount Produced:**

   1,884,997

4. **Plant Constructed**

   1969

5. **Plant Expansion (if any):**

   In 1987 clarifier # 2 was added and in 2000 clarifier # 3 was added.

DISTRIBUTION FACILITY

6. **Source Water:**

   The utilities water treatment plant, but the utility has the ability to purchase water from Kermit, WV and Mountain Water District in an emergency situation.

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7. **Area of Operation**

   Martin County

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8. **Miles of Water Line**

   300 miles of 14"-1"

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9. **Avg. Amount Purchased:**

   Does not purchase water from another utility

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10. **Yearly Avg. Loss:**

    2013-60.86%

    2012-60.87%

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11. **Does the utility's unaccounted-for water loss exceed fifteen percent (15%) of total water produced and purchased in accordance with 807 KAR 5:066, Section 6(3)?**

    Yes

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12. **How does the utility control its water loss in the system?**

    Leak detection, the utility has 16 master meters they use to help with leak detection. The utility is also starting to work with Kentucky Rural Water to help with locating leaks.

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13. **Does the utility have a proactive water loss prevention/leak detection program in place?**

    Yes

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14. **Does the utility have a tariff in place to require water users, for the purpose of fighting fires or training firefighters to any city, county, urban-county, charter county, fire protection district, or volunteer fire protection district, to maintain estimates of the amount of water used for fire protection and training, and to report this water usage to the utility on a regular basis per KRS 278.170(3)?**

Yes, but no fine

15. **Is the utility limited by contract to purchase a minimum amount of water per month? If so, List the minimum amount:**

No

16. **Is the utility limited by contract to a maximum amount of water per month? If so, what is the maximum amount allowed:**

No

17. **Does the utility wholesale water to other utilities? If so, what utilities:**

No

NUMBER OF CUSTOMERS

18. **List the number of customers last billing period:**

3,700

19. **List the number of requests for service (meter connections) received by the utility:**

2013-467

LAST INSPECTION FOLLOW-UP

20. **Date of last PSC inspection and number of deficiencies noted in the last report:**

April 11, 2012, 5 deficiencies (Unaccounted for water loss, fire department tariff, insufficient meter testing, not providing safety training, not providing instruction for its employees in accepted methods of artificial respiration).

21. **Did the utility respond to the deficiencies noted in the last inspection report?**

Could not find a response from the Utility

OFFICE INFORMATION

22. **Does the utility display its rates and conditions for service or a sign stating they are available for review in accordance with KRS 278.160(1)**

Yes

23. **Does the utility provide in its place of business a suitable area available to the public for inspection of its tariffs, rules and regulations, and statutes in accordance with 807 KAR 5:011Sec.12?**

Yes

24. **Does the utility have any special contracts in accordance with 807 KAR 5:011 Sec.13?**

Yes

25. **Has the utility filed these contracts with the Commission?**

No

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26. Is the utility posting and maintaining regular business hours and providing employees to assist their customers in accordance with 807 KAR 5:006 Sec. 13(1)?

Yes

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27. Is a telephone number published in all areas served (if service area extends to other counties) to permit customers to contact the utility in accordance with 807 KAR 5:006 Sec. 14(1)?

Yes

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28. Does the utility have at least one employee designated to resolve disputes, answer questions, and negotiate partial payment plans in accordance with 807 KAR 5:006 Sec.14 (1)(a):

Yes

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29. How many employees does the utility have?

13- 4 water treatment operators, 6 distribution operators, and 3 office employees

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30. How many days a week is the office open in accordance with 807 KAR 5:006 Sec. 14(1) (b)?

5

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31. As a minimum for utilities under $250,000 gross annual operating revenue, are the customers of the utility provided with a designated representative available during utility's established working hours at least one day a week for (7) hours to answer questions they may have?

N/A

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32. If the utility finds a customer's usage unduly high, are they notifying the customer in writing during or immediately after they do an investigation in accordance with 807 KAR 5:006 Sec. 11(4)(a)?

Yes

33. **Does utility have on file at its principal office an updated water distribution system map in accordance with 807 KAR 5:006 Sec.23?**

Yes

34. **Has utility filed a copy of such map upon request with the Commission?**

Not requested

35. **Are all records required by PSC regulations kept in the office of the utility and available to staff of the PSC upon reasonable notice at all reasonable hours per 807 KAR 5:006 Sec. 24?**

Yes

36. **Does the utility have an Operation and Maintenance Manual per DOW's regulation 401 KAR 8:020 Section 2(13) and PSC regulation 807 KAR 5:066 Section 3(1)?**

Yes

37. **Does this manual contain a proactive meter testing/replacement (change out) plan?**

Yes

38. **Does this manual contain a proactive leak detection/water loss prevention plan?**

Yes

39. **Does this manual contain a proactive asset management/replacement plan?**

No

CONSTRUCTION

40. **What was the last calendar year the utility performed any construction?**

    2013

41. **How was the project financed?**

    Coal Severance

42. **The construction project consists of:**
    Length of water line: 3 miles of water line and the service lines
    Number of pump stations:
    Number of water storage facilities

43. **Additional construction:**

    N/A

44. **Did the utility receive Commission approval for this project in accordance with KRS 278.020 or KRS 278.023?**

    No

45. **If yes, were as-built plans and a certified statement submitted to the Commission within 60 days of substantial project completion?**

    No

46. **If not, was a written opinion by Commission staff regarding ordinary course of business (807 KAR 5:001 Sec.9) received by utility?**

    No

47. **Proposed construction projects:**

None

48. **Will the utility be applying for a Certificate of Public Convenience and Necessity (CPCN)? If not, explain.**

N/A

49. **Will the utility be requesting Commission staff opinion to see if proposed construction is within ordinary course of business per 807 KAR 5:001, Sec. 9**

No

METER TESTING INFORMATION

50. **Does the utility make quarterly reports on forms prescribed by the Commission, of meter tests, number of customers and amount of refunds in accordance with 807 KAR 5:006 Sec. 4(4)?**

Yes

51. **Does the utility test its own meters?**

Yes up to a 1" meter

52. **Are utility employees certified by the Commission to do their own meter testing in accordance with 807 KAR 5:006 Sec. 17(4)?**

Yes

53. **How do you ensure utility meter testing staff are trained and updated on the latest procedures?**

Public Service Commission

54. How does the utility ensure that meter testing equipment remain in a condition to deliver reliable testing results?

Public Service Commission

55. Does the utility have an outside agency perform its meter testing per KAR 5:006 Sec. 16(2)? If yes, provide outside agency name:

CI Thornburg on meters over 1"

56. Has the Commission been notified?

Yes

57. Is the utility storing any or all of its meter test and historical data in a computer storage and retrieval system in accordance with 807 KAR 5:006 Sec. 18(4)?

Yes

58. Has the utility notified the Commission of this?

Yes

59. Does the utility keep a backup of this information? If so how often is this information backed up?

Yes, daily

60. Does the utility have installed at each source of supply, a suitable measuring device (master meter) per 807 KAR 5:066 Sec. 6(1)?

Yes

61. Who is responsible for the testing of the master meters?

Martin County Water District

62. Is meter testing responsibility explicitly specified in water purchase contract?

Yes

63. **Identify master meter, location, size and date last tested.**

	Master Meter Size (location)	Date Last Tested
1	Kermit, WV 2"	Not in use
2	Mountain Water District 2"	Not in use

64. **Is the utility testing all water meters periodically in accordance with the 807 KAR 5:066 Sec. 17(1)?**

Yes

65. **What test period is the utility on for meters 1" and smaller?**

10 years

66. **In the past year, how many meters 1" and smaller has the utility tested?**

600 for 2014

67. **How many 1" and smaller meters have been in service for 10 years without being tested?**

None

SAFETY PROGRAM

68. **Has the utility adopted and executed a safety program in accordance with 807 KAR 5:006 Sec. 25?**

Yes

69. **Does the utility have on site a safety manual with written guidelines for safe working practices and procedures to be followed by utility employees in accordance with 807 KAR 5:006 Sec. 25(1)?**

Yes

70. **How does the utility instruct its employees in safe methods of performing their work per 807 KAR 5:006, Section 25(2)?**

Safety Meetings

71. **Are regularly scheduled safety meetings held? (Give schedule and last meeting date)**

Yes, November 2014

72. **Do certain employees receive instruction in accepted methods of artificial respiration in accordance with 807 KAR 5:006 Sec.25 (3)?**

Yes

73. **Are all vehicles equipped with First Aid Kits?**

Yes

74. **Are all vehicles equipped with Fire Extinguishers?**

Yes

75. **Are safety lights used on all vehicles?**

Yes

76. **Identify the person responsible for the Utility's Safety Program?**

Albert Osborne

77. **Did the utility experience any work related accidents of its employees within the last 12 months?**

No

78. **Was there a record kept of these accidents?**

N/A

79. **Was the accident(s) reported to the Public Service Commission in accordance with 807 KAR 5:006 Sec. 27?**

N/A

80. **Do all employees have identification that will identify them as an employee of the utility in accordance with 807 KAR 5:006 Sec. 20?**

Yes

INSPECTION PROCEDURES

81. **Does the utility inspect all its facilities per 807 KAR 5:006 Sec. 26(6)(a), (b), and (c)?**

Yes

82. **Identify utility inspection personnel:**

John Mills

83. **Has the utility adopted a written inspection procedure to assure safe and adequate operation of its facilities per 807 KAR 5:006 Sec. 26(1)?**

Yes

84. **Has the utility conducted a vulnerability study for terrorist and other intentional acts in accordance with the Safe Drinking Water Act Title XIV Sec. 1433?**

Yes

85. **Is a written inspection record kept on the following per 807 KAR 5:006 Sec. 26(3)?**
Wells and/or raw water pumps: Yes
Treatment Plants: Yes

Valves:	Yes-on work orders
Pump Stations:	Yes
Blow-Off Valves:	Yes-on work orders
Water Storage Facilities:	Yes
Vehicles & Construction Equipment:	Yes
Buildings:	Yes

86. **Has the utility filed a copy of its inspection procedure with the Commission in accordance with 807 KAR 5:006 Sec. 26(1)?**

Yes

87. **Do the inspection records identify the inspections made, deficiencies found and action taken to correct the deficiencies in accordance with 807 KAR 5:006 Sec. 26(3)?**

Yes

88. **Is the utility allowed access to all utility's equipment located on a customer's property during reasonable hours for operation and maintenance in accordance with 807 KAR 5:006 Sec. 20?**

Yes

89. **Does the utility inspect all service lines between the water meter and the place of consumption in accordance with 807 KAR 5:066 Sec. 9(3)?**
If not, does the utility substitute its inspection for the inspection by an appropriate state health or local plumbing inspector?

Health Department

90. **Is proof of this inspection presented to the utility?**

Yes

METER READING

91. How often are the utility's meters read?

Monthly

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92. Who reads the utilities meters?

The utility reads all but approximately 2,000 meters. The meters that are not read are read by a contractor.

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93. Is the utility keeping a record of all meter reading information per 807 KAR 5:006 Sec. 7(5)?

Yes

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94. Is the meter registration the same units as used for billing per 807 KAR 5:006 Sec. 7(4)?

Yes

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95. Does the utility verify customer-read-meters at least once in a calendar year per 807 KAR 5:006 Sec. 6(5)? Has the utility included the form of bill to be used in its tariffed rules per 807 KAR 5:006 Sec. 6(5)?

N/A

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96. Does the utility charge any flat rates for unmetered service per 807 KAR 5:006, Sec. 7(2)?

No

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97. Does your utility provide free or reduced rate service to any person or entity per KRS 278.170? If yes, who?

No

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98. Do you have a PSC approved tariff setting those conditions?

N/A

CUSTOMER COMPLAINTS

99. Is the utility keeping a record of all customer complaints in accordance with 807 KAR 5:006 Sec. 10?

Yes

100. Does this record show the following in accordance with 807 KAR 5:006 Sec.10?

Name of complainant:
Address of complainant:
Date and nature of complaint:
Adjustment or disposition:

Yes

101. Are complaint records kept for two (2) years from the date of resolution?

Yes

102. Does the utility provide the complainant an oral or written notice of their right to file a complaint with the Commission including Commission's address and phone number for all complaints that are not resolved per 807 KAR 5:006 Sec. 10?

Yes

CUSTOMER SERVICE INFORMATION

103. Does the utility provide a schedule of rates for water service applicable to the service being rendered to the customer per 807 KAR 5:066 Sec. 2(2)?

Yes

104. Does the utility provide information to customers on the method of reading meters per 807 KAR 5:066 Sec. 2(3)?

Yes

105. Does the utility have a statement of the past meter reading of a customer for a period of two years per 807 KAR 5:066 Sec. 2(4)?

Yes

WATER QUALITY/RECORDS

106. Does the utility provide to any customer, upon request, a description in writing of chemical constituents and bacteriological standards of the treated water (such as the Consumer Confidence Reports "CCR" required by the Natural Resources Cabinet) per 807KAR 5:066 Sec. 2(1)?

Yes

107. Has the utility been in compliance with the water quality requirements of the Division of Water within the last twelve months per 807 KAR 5:066 Sec. 3(1)?

No

108. If not, how many violations did the utility receive, and what were they?

One for combined turbidity above the limit.

109. Is the utility under an Agreed Order with the Division of Water?

No

110. If yes, what are the issues?

N/A

111. Does DOW have utility on tap-on ban or a line extension ban?

No

112. Did the utility have any public notifications required by Division of Water regulations such as boil water advisories, notices, CCR, etc. that need to be reported to the Commission per 807 KAR 5:066Sec. 3(4)(b)?

No

113. Is the PSC notified of these public notifications?

Yes

114. Is a cross-connection prevention program available?

Yes

115. Has the utility made a physical connection between its distribution system and that of any other water supply in the past year per 807 KAR 5:066 Sec .3(3)(b)? If yes, what system?

No

116. Was the Commission notified prior to such connections?

N/A

117. Is there a contract between systems?

N/A

CONTINUITY OF SERVICE

118. Does the utility keep a record of all interruptions per 807 KAR 5:066 Sec. 4(5)?

On work orders

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119. Does this record contain the following information:

Date of interruption:
Cause of interruption:
Time of interruption:
Duration of interruption:
Remedy and steps taken to prevent recurrence:

Yes

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120. Does the utility notify all customers and fire officials, if applicable, affected by a scheduled interruption per 807 KAR 5:066 Sec. 4(2)?

Yes

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121. If yes, does this information state time and anticipated duration?

Yes

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122. Does utility notify fire protection officials, if applicable during emergency interruptions per 807 KAR 5:006 Sec. 4(1)?

Yes

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123. Does the utility have available dual/standby pumps capable of providing the maximum daily pumping demand of system for use when any pump is out of service pursuant to 807 KAR 5:066, Sec. 4 (3)?

Yes

---

124. Will one pump meet the maximum daily pumping demand for its affected customers?

Yes

---

125. Do both pumps need be operated simultaneously to meet maximum daily demand?

No

---

126. Are both pumps operational at this time?

Yes

---

127. How does utility ensure that both pumps are operational?

Inspection of pumps and alternate when the pumps are operating

---

128. How does utility operate/control its pump stations?

SCADA

---

129. If utility does not have dual pumps, are standby pumps available to meet the maximum daily demand?

N/A

---

130. Identify those locations of pumping stations in your system where standby pumps are not available, if any.

N/A

---

131. Does the utility keep a record of all water flushed from hydrants?

No

---

132. Are all dead ends provided with a flushing device per 807 KAR 5:066 Sec. 8(2)? If no, how many need a flushing device?

Yes

---

133. Are all dead ends flushed at least annually per 807 KAR 5:066 Sec. 8(2)?

Yes

134. Are all flush hydrants properly sized in accordance with 807 KAR 5:066 Sec. 8(2)?

Yes

135. Does the utility keep a maintenance record on flush valves?

On work orders

136. Who is in charge of the flushing program?

Raymond Jude

137. Does the utility keep a record of its valves in its distribution system?

Yes

138. Does the utility have a periodic exercise program for its valves?

Yes

139. Does the utility mark the location of its valves?

Yes

140. Who is in charge of the valve program?

Raymond Jude

141. Does the utility provide fire hydrants for fire protection?

No

142. Do the local fire officials provide the utility with records of water used for fire protection?

Rarely

143. Are fire hydrants constructed after 1992 certified as having adequate and reliable fire flows by a professional engineer with a Kentucky registration per 807 KAR 5:066 Sec. 10(2)(b)?

N/A

144. Who is responsible for maintenance of fire hydrants?

N/A

145. Does fire protection adversely affect utility customers' service quality during use? If yes, how:

N/A

WATER PRESSURE

146. Does the utility own at least one recording pressure gauge per 807 KAR 5:066 Sec. 5(2)?

Yes

147. Number of pressure recorders owned by the utility?

1

148. Number of pressure recorders in working order by the utility?

1

149. Is the utility maintaining a recording pressure gauge in its distribution system at least one week per month per 807 KAR 5:066 Sec. 5(2)?

No

150. **Number of pressure charts over the last twelve months?**

0

151. **Do pressure charts show the date and time of beginning and ending of the test and the location at which the test was made per 807 KAR 5:066 Sec. 5(3)?**

N/A

152. **Are pressure survey records maintained at the utility's principal office per 807 KAR 5:066 Sec. 5(3)?**

N/A

153. **Does the pressure at any customer's service pipe anywhere in system area fall below (30) psig or exceed (150) psig per 807 KAR 5:066 Sec. 5(1)?**

Utility stated it does not

WATER SHORTAGE RESPONSE PLAN

154. **Has the utility filed a Water Shortage Response Plan with the Natural Resources Cabinet?**

Yes

155. **Has the utility filed a copy of this plan with the Public Service Commission per 807 KAR 5:066 Sec. 17?**

Yes

WATER STORAGE FACILITIES

156. Provide tank location, storage capacity, last inspection and maintenance performed on all storage facilities:

	Tank and Location	Storage and Capacity Gallons	Last Inspection/ Maintenance
1	Bucks Creek	500,000	10/20/14
2	Little Rockcastle	150,000	10/25/14
3	292 South	100,000	10/25/14
4	Big Elk	100,000	11/2/14
5	Clear Well Tanks (2)	(2) 500,000	11/20/14
6	Turkey	50,000	11/6/14
7	Marcus Wells	200,000	10/28/14
8	Calloway	100,000	11/1/14
9	Otto Brown	260,000	12/7/14
10	Buffalo Horn	50,000	10/31/14
11	Big Sandy Airport	1,040,000	11/2/14
12	KY 645	67,000	12/1/14

157. Total Storage Capacity

2,617,000

158. Average Daily Consumption

2013 annual report 1,884,997 gallons per day

159. Will more storage facilities be proposed and when will this be done?

No

160. If total storage capacity is less than average daily consumption, will a deviation from 807 KAR 5:066 Sec. 4(4) be requested and when will this be done?

N/A

PUMPING FACILITIES

161. Provide pump location, number of Pumps/GPM, last inspection and maintenance performed on all pumping facilities:

	Pump Location	No. of Pumps GPM	Last Inspection/ Maintenance
1	KY 40 East	2/500	12/20/13
2	Big Elk	2/240	12/20/13
3	Bone Hollow	2/30	12/15/13
4	KY 292	2/130	12/29/13
5	Turkey	2/90	12/12/13
6	KY 40	2/420	12/20/13
7	Calloway	2/90	12/10/13
8	Otto Brown	2/245	11/2/14
9	KY 645	2/90	11/2/14
10	Peter Cave	2/30	11/2/14
11	Buffalo Horn	2/60	12/15/13
12	Davella	2/350	12/10/13
13	Cassell Branch	2/30	12/15/13
14	Big Lick Branch	2/30	12/15/13

15	Meathouse	2/25	12/15/13

Field Review: (System - Storage Tanks - Pump Stations)

Facilities Reviewed:

1.
Tank: Clearwell #1
Capacity: 250,000
Condition: No visible issues

2.
Tank: Clearwell #2
Capacity: 250,000
Condition: No visible issues

3.
Pump Station: 40 West
Condition: No visible issues

Martin County Water District
December 10, 2014



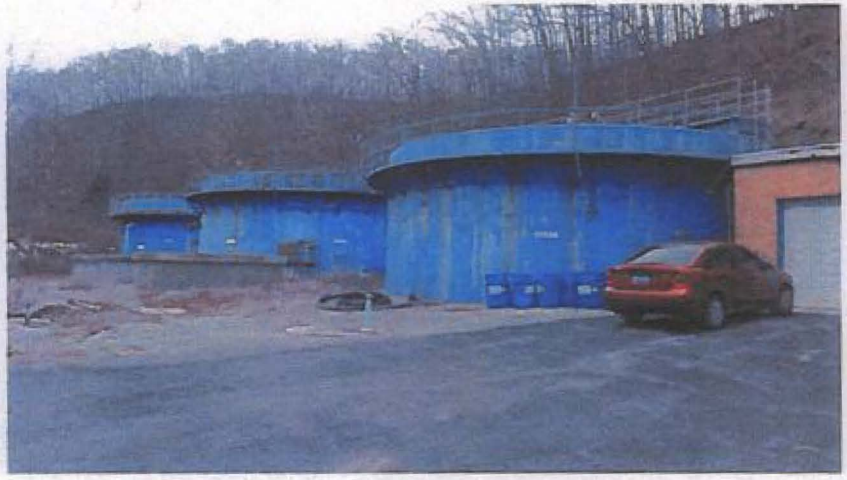
Meter Test Bench



Water Plant Pumps



Clarifier #2 at Water Treatment Plant



Clarifiers at Water Treatment Plant

B

Kentucky Public Service Commission

Periodic Compliance Inspection

Utility: Martin County Water District

Utility location: 387 East Main St. Suite 140
Inez, KY 41224

Investigator: Erin Donges

Date(s) of inspection: January 31, 2018

Date(s) of last inspection: December 10, 2014

Deficiencies noted during last inspection:

1. Martin County Water District was not conducting pressure recordings through its system as required in 807KAR 5:066, Section 5(2).
2. The Tariff for Martin Count Water District does not address a charge for fire departments not reporting their water usage as required by 807 KAR 5:095, Section 9.
3. Martin County Water District failed to obtain Certificates of Public Convenience and Necessity on construction projects that extended the area where water service is available to customers in 2013. This is a violation of KRS 278.020 which requires a Certificate of Public Convenience and Necessity before beginning construction on water line projects.
4. Unaccounted for water loss is over 60%, above the 15% recoverable water loss that is permitted to be recovered in rates as required in 807 KAR 5:066, Section 6(3).

Have deficiencies been corrected since last inspection: Yes ☐ No ☒ N/A ☐

Primary utility representative(s) involved with inspection:

Name: Joe Hammond Title: Business Manager
Name: Marcie Dials Title: Office Manager

Who with the utility should receive the inspection report cover letter from the commission?

Name: John Horn Title: Chairperson

Email address: Johnglennhorn@gmail.com

General Questions

Treatment Facility

Source Water: Reservoir Lake supplied by pumping from Tug River.

Plant Capacity: 2.3 million gallons a day.

Avg. Amount Produced: According to the 2016 annual report the Utility produced 1,907,649 gallons per day.

Distribution Facility

Source Water: The Utilities treatment plant, but also has the ability to purchase from Kermit, City of Prestonsburg, and Mountain Water District in an emergency situation.

Area of Operation: Martin County and Lawrence County, and Pike County

Miles of Water Line: 300 miles of 1"-16" distribution line.

Avg. Amount Purchased: According to the 2016 annual report the Utility purchased 28,331 gallons per day from Kermit(WV)

Water sold at wholesale rate to other water systems: N/A

Utility Information

Number of Employees: 13 Full-time and 2 Part-time

Number of Office Employees: 3

Number of Certified Water Treatment Employees: 4

Number of Certified Distribution Employees: 6

Number of Certified Meter Testers: 2

Utility Chairperson/President: John Glenn Horn

Metering System:

Number of Customers: 3,243

Meter Reading:

Kentucky Public Service Commission

Periodic Compliance Inspection

AMR ☐ AMI ☐ Other ☐ Manual ☒

Type of meter used for customers: 500 radios reads

Contractor(s): C.I. Thornburg (Testing of 1" or larger meters)

Review Current Emergency Response Plan (ERP):

Has the utility made any revisions to the ERP in the past 24 months?

Yes ☐ No ☒ N/A ☐

When was the last year construction was performed? No Construction since previous inspection on December 10, 2014.

What did the construction project consist of?

807 KAR 5:006
(General Rules)

Section 4: Reports

Has the utility filed its gross annual operating revenue report?

Yes ☒ No ☐ N/A ☐

Does the utility file Quarterly Meter Reports (QMR) indicating meter tested, number of customers, and amount of refunds? Yes ☒ No ☐ N/A ☐

Section 7: Billings, Meter Readings, and Information

Does each bill for utility service, issued periodically by a utility, clearly show the following?

The date the bill was issued:	Yes ☒	No ☐	N/A ☐
Class of service:	Yes ☐	No ☐	N/A ☒
Present and last preceding meter readings:	Yes ☒	No ☐	N/A ☐
Date of the present reading:	Yes ☒	No ☐	N/A ☐
Number of units consumed:	Yes ☒	No ☐	N/A ☐
Meter constant, if applicable:	Yes ☐	No ☐	N/A ☒

Net amount for service rendered:	Yes ☒	No ☐	N/A ☐
All taxes:	Yes ☒	No ☐	N/A ☐
Adjustments, if applicable:	Yes ☐	No ☐	N/A ☒
The gross amount of the bill:	Yes ☒	No ☐	N/A ☐
The date after which a penalty may apply to the gross amount:	Yes ☒	No ☐	N/A ☐
If the bill is estimated or calculated:	Yes ☐	No ☐	N/A ☒
Is the rate schedule under which the bill is computed posted on the utility's Web site (if it maintains a Web site)?	Yes ☒	No ☐	N/A ☐
Also furnished by one (1) of the following methods, by:			
Printing it on the bill:	Yes ☐	No ☐	N/A ☒
Publishing it in a newspaper of general circulation once each year:	Yes ☐	No ☐	N/A ☒
Mailing it to each customer once each year; or:	Yes ☐	No ☐	N/A ☒
Provide a place on each bill for a customer to indicate the customer's desire for a copy of the applicable rates:	Yes ☒	No ☐	N/A ☐
Does the utility (except if prevented by reasons beyond its control) read customer meters at least quarterly?	Yes ☒	No ☐	N/A ☐
Is each customer-read meter read manually, at least once during each calendar year?	Yes ☐	No ☐	N/A ☒
Does the utility maintain the information required by this subsection, and is it available to the commission and any customer requesting this information?	Yes ☒	No ☐	N/A ☐
If, due to reasons beyond its control, a utility is unable to read a meter in accordance with this subsection, does the utility record the date and time the attempt was made, if applicable, and the reason the utility was unable to read the meter?	Yes ☒	No ☐	N/A ☐

Section 9: Non-recurring Charges

Is a charge assessed if a customer requests the meter be tested pursuant to Section 19 of this administrative regulation and the tests show the as-found meter accuracy is within the limits established by 807 KAR 5:066, Section 15(2)(a)?	Yes ☒	No ☐	N/A ☐

Section 10: Customer Complaints to the Utility

Upon complaint to a utility by a customer at the utility's office, by telephone or in writing, does the utility make a prompt and complete investigation and advise the customer of the utility's findings?

Yes ☒ No ☐ N/A ☐

Does the utility keep a record of all written complaints concerning the utility's service?

Yes ☒ No ☐ N/A ☐

Does the record include the following?

The customer's name and address: Yes ☒ No ☐ N/A ☐

The date and nature of the complaint: Yes ☒ No ☐ N/A ☐

The disposition of the complaint: Yes ☒ No ☐ N/A ☐

Does the utility maintain these records for two (2) years from the date of resolution of the complaint?

Yes ☒ No ☐ N/A ☐

If a written complaint or a complaint made in person at the utility's office is not resolved, does the utility provide written notice to the customer of his or her right to file a complaint with the commission?

Yes ☒ No ☐ N/A ☐

Does the utility provide the customer with the mailing address, Web site address, and telephone number of the commission? Yes ☒ No ☐ N/A ☐

If a telephonic complaint is not resolved, does the utility provide at least oral notice to the customer of his or her right to file a complaint with the commission? Yes ☒ No ☐ N/A ☐

Section 11: Bill Adjustment

Does the utility monitor a customer's usage at least quarterly? Yes ☒ No ☐ N/A ☐

Are the utility's procedures designed to draw the utility's attention to unusual deviations in a customer's usage? Yes ☒ No ☐ N/A ☐

If a customer's usage is unduly high and the deviation is not otherwise explained, will the utility test the customer's meter? Yes ☒ No ☐ N/A ☐

If a utility's procedure for monitoring usage indicates that an investigation of a customer's usage is necessary, does the utility notify the customer in writing? Yes ☐ No ☐ N/A ☒

If knowledge of a serious situation requires more expeditious notice, does the utility notify the customer by the most expedient means available? Yes ☒ No ☐ N/A ☐

If the meter shows an average meter error greater than two (2) percent fast or slow, does the utility maintain the meter in question at a secure location under the utility's control, for a period of six (6) months from the date the customer is notified of the finding of the investigation and the time frame the meter will be secured by the utility or if the customer has filed a formal complaint?

Yes ☒ No ☐ N/A ☐

Section 14: Utility Customer Relations

Does the utility post and maintain regular business hours and provide representatives available to assist its customers and to respond to inquiries from the commission regarding customer complaints?
Yes ☒ No ☐ N/A ☐

Does the utility designate at least one (1) representative to be available to answer customer questions, resolve disputes, and negotiate partial payment plans at the utility's office?

Yes ☒ No ☐ N/A ☐

If the utility has annual operating revenues of $250,000 or more does it make a designated representative available during the utility's established working hours not fewer than seven (7) hours per day, five (5) days per week excluding legal holidays? Yes ☒ No ☐ N/A ☐

If the utility has annual operating revenues of less than $250,000 does it make a designated representative available during the utility's established working hours not fewer than seven (7) hours per day, one (1) days per week? Yes ☐ No ☐ N/A ☒

Does the utility provide the following?

Maintain a telephone: Yes ☒ No ☐ N/A ☐

Publish the telephone number in all service areas: Yes ☒ No ☐ N/A ☐

Permit all customers to contact the utility's designated representative without charge:
Yes ☒ No ☐ N/A ☐

Does the utility prominently display in each office open to the public for customer service (and shall post on its Web site, if it maintains a Web site) a summary, prepared and provided by the commission, of the customer's rights pursuant to this section and Section 16 of this administrative regulation?
Yes ☒ No ☐ N/A ☐

Does the utility inspect the condition of its meter and service connections before making service connections to a new customer so that prior or fraudulent use of the facilities shall not be attributed to the new customer? Yes ☒ No ☐ N/A ☐

Section 17: Meter Testing

Does the utility maintain meter standards and test facilities, as more specifically established in 807 KAR 5:066? Yes ☒ No ☐ N/A ☐

Before being installed for use by a customer, are all meters tested and in good working order (and adjusted as close to the optimum operating tolerance as possible) as more specifically established in 807 KAR 5:066, Section 15(2)(a)-(b)? Yes ☒ No ☐ N/A ☐

Does the utility have all or part of its testing of meters performed by another utility or agency? Yes ☒ No ☐ N/A ☐

Does the utility or agency doing meter testing for a utility have in its employ meter testers certified by the commission? Yes ☒ No ☐ N/A ☐

Does the utility or agency employ apprentices in training for certification as meter testers? Yes ☒ No ☐ N/A ☐

Are all tests performed during this period by an apprentice witnessed by a certified meter tester? Yes ☒ No ☐ N/A ☐

Section 18: Meter Test Records

Does the utility maintain a complete record of all meter tests and adjustments and data sufficient to allow checking of test calculations? Yes ☒ No ☐ N/A ☐

Do the records include the following?

Information to identify the unit and its location: Yes ☒ No ☐ N/A ☐

Date of tests: Yes ☒ No ☐ N/A ☐

Reason for the tests: Yes ☒ No ☐ N/A ☐

Readings before and after test: Yes ☒ No ☐ N/A ☐

Statement of "as found" and "as left" accuracies sufficiently complete to permit checking of calculations employed: Yes ☒ No ☐ N/A ☐

Statement of repairs made, if any: Yes ☐ No ☐ N/A ☒

Identifying number of the meter: Yes ☒ No ☐ N/A ☐

Type and capacity of the meter: Yes ☒ No ☐ N/A ☐

Does the utility maintain a complete record of tests of each meter continuous for at least two (2) periodic test periods and shall in no case be less than two (2) years? Yes ☒ No ☐ N/A ☐

Does the utility maintain numerically arranged and properly classified records for each meter that it owns, uses, and inventories? Yes ☒ No ☐ N/A ☐

Do these records include the following?

Identification number: Yes ☒ No ☐ N/A ☐

Date of purchase: Yes ☒ No ☐ N/A ☐

Name of manufacturer: Yes ☒ No ☐ N/A ☐

Serial number: Yes ☒ No ☐ N/A ☐

Type: Yes ☒ No ☐ N/A ☐

Name and address of each customer on whose premises the meter has been in service with date of installation and removal: Yes ☒ No ☐ N/A ☐

Do these records contain condensed information concerning all tests and adjustments including dates and general results of the adjustments? Yes ☒ No ☐ N/A ☐

Do these records reflect the date of the last test and indicate the proper date for the next periodic test? Yes ☒ No ☐ N/A ☐

Section 19: Request Tests

Does the utility make a test of a meter upon written request of a customer if the request is not made more frequently than once each twelve (12) months? Yes ☒ No ☐ N/A ☐

Does the utility afford the customer the opportunity to be present at the requested test? Yes ☒ No ☐ N/A ☐

If the tests show the as-found meter accuracy is within the limits allowed by 807 KAR 5:066, Section 15(2)(a), does the utility may make a reasonable charge for the test? Yes ☒ No ☐ N/A ☐

Has the utility filed a tariff (commission approved) establishing a meter test charge? Yes ☒ No ☐ N/A ☐

Section 20: Access to Property

Do employees of the utility (whose duties require him to enter the customer's premises) wear a distinguishing uniform or other insignia, identifying them as an employee of the utility, and show a badge or other identification that shall identify them as an employee of the utility? Yes ☒ No ☐ N/A ☐

Section 23: System Maps and Records

Does the utility have on file at its principal office located within the state and shall file upon request with the commission a map or maps of suitable scale of the general territory it serves or holds itself ready to serve? Yes ☒ No ☐ N/A ☐

Is the map or maps available in electronic format as a PDF file or as a digital geographic database? Yes ☐ No ☐ N/A ☒

Is following data available on the map or maps?

Operating districts: Yes ☒ No ☐ N/A ☐

Rate districts Yes ☐ No ☐ N/A ☒

Communities served: Yes ☒ No ☐ N/A ☐

Location and size of distribution lines, and service connections:
Yes ☒ No ☐ N/A ☐

Section 24: Location of Records

Are all records required by 807 KAR Chapter 5 kept in the office of the utility and made available to representatives, agents, or staff of the commission upon reasonable notice at all reasonable hours?
Yes ☒ No ☐ N/A ☐

Section 25: Safety Program

Has the utility adopted and executed a safety program, appropriate to the size and type of its operations?
Yes ☒ No ☐ N/A ☐

At a minimum, does the safety program include the following?

A safety manual with written guidelines for safe working practices and procedures to be followed by utility employees: Yes ☒ No ☐ N/A ☐

Instruct employees in safe methods of performing their work? Yes ☐ No ☒ N/A ☐

Instruct employees who, in the course of their work, are subject to the hazard of electrical shock, asphyxiation, or drowning, in accepted methods of artificial respiration:
Yes ☐ No ☒ N/A ☐

Section 26: Inspection of Systems

Has the utility adopted inspection procedures to assure safe and adequate operation of the utility's facilities and compliance with KRS Chapter 278 and 807 KAR Chapter 5?
Yes ☐ No ☒ N/A ☐

Have these inspection procedures been filed with the commission for review?
Yes ☐ No ☒ N/A ☐

Upon receipt of a report of a potentially hazardous condition at a utility facility, does the utility inspect all portions of the system that are the subject of the report? Yes ☐ No ☒ N/A ☐

Are appropriate records kept by a utility to identify the inspection made, the date and time of inspection, the person conducting the inspection, deficiencies found, and action taken to correct the deficiencies?
Yes ☐ No ☒ N/A ☐

Water utility inspections. Each water utility shall make systematic inspections of its system as established in paragraphs (a) through (c) of 807 KAR 5:006 Section (6) to insure that the commission's safety requirements are being met. These inspections shall be made as often as necessary but not less

frequently than as established in paragraphs (a) through (c) of 807 KAR 5:006 Section (6) for various classes of facilities and types of inspection.

The utility shall annually inspect all structures pertaining to source of supply for their safety and physical and structural integrity.

Does the utility inspect the structures listed below?

Dams	Yes ☐	No ☐	N/A ☒
Intakes	Yes ☐	No ☒	N/A ☐
Traveling screen	Yes ☐	No ☒	N/A ☐

Does the utility semiannually inspect the structures listed below?

Wells	Yes ☐	No ☐	N/A ☒
Well motors and structures	Yes ☐	No ☐	N/A ☒
Electric power wiring and controls	Yes ☐	No ☒	N/A ☐

The utility shall annually inspect all structures pertaining to purification for their safety, physical and structural integrity, and for leaks.

Does the utility annually inspect the structures listed below?

Sedimentation basins	Yes ☐	No ☒	N/A ☐
Filters	Yes ☐	No ☒	N/A ☐
Clear Wells	Yes ☐	No ☒	N/A ☐
Chemical feed equipment	Yes ☐	No ☒	N/A ☐
Pumping equipment	Yes ☐	No ☒	N/A ☐
Water storage facilities	Yes ☐	No ☒	N/A ☐
Hydrants	Yes ☐	No ☒	N/A ☐
Mains	Yes ☐	No ☒	N/A ☐
Meters	Yes ☒	No ☐	N/A ☐
Meter settings	Yes ☒	No ☐	N/A ☐
Valves	Yes ☐	No ☒	N/A ☐

Does the utility monthly inspect the equipment listed below for defects, wear, operational hazards, lubrication, and safety features?

Construction equipment	Yes ☐	No ☒	N/A ☐
Vehicles	Yes ☐	No ☒	N/A ☐

Section 27: Reporting of Accidents, Property Damage, or Loss of Service

Within two (2) hours following discovery does the utility notify the commission by telephone or electronic mail of a utility related accident that results in the following:

Death or shock or burn requiring medical treatment at a hospital or similar medical facility, or any accident requiring inpatient overnight hospitalization:	Yes ☒	No ☐	N/A ☐
Actual or potential property damage of $25,000 or more:	Yes ☒	No ☐	N/A ☐
Loss of service for four (4) or more hours to ten (10) percent or 500 or more of the utility's customers, whichever is less:	Yes ☒	No ☐	N/A ☐
Are summary written reports submitted by the utility to the commission within seven (7) calendar days of the utility related accident?	Yes ☒	No ☐	N/A ☐

Section 28: Deviations from Administrative Regulation:

Has the utility been permitted by the commission to deviate from these administrative regulations?
Yes ☐ No ☒ N/A ☐

807 KAR 5:011
(Tariffs)

Section 12: Posting tariffs, Administrative Regulations, and Statutes

Does the utility display a suitable placard, in large type, that states that the utility's tariff and statutes are available for public inspection?	Yes ☒	No ☐	N/A ☐
Does the utility provide a suitable table or desk in its office or place of business on which the public may view all effective tariffs?	Yes ☒	No ☐	N/A ☐

Section 13: Special Contracts

Does the utility have any special contracts that establish rates, charges, or conditions of service not contained in its tariff?	Yes ☒	No ☐	N/A ☐
If yes has the utility filed, the special contracts with the PSC?	Yes ☒	No ☐	N/A ☐

Kentucky Public Service Commission

Periodic Compliance Inspection

807 KAR 5:066
(Water)

Section 2: Information Available to Customers:

Does the utility provide the information listed below to any customer upon request?

A description in writing of chemical constitutes and bacteriological standards of the treated water as required by the Division of Water — Yes ☒ No ☐ N/A ☐

Schedule of rates for water service — Yes ☒ No ☐ N/A ☐

Method of reading meters — Yes ☒ No ☐ N/A ☐

Past readings of a customer's meter for a period of two (2) years — Yes ☒ No ☐ N/A ☐

Section 3: Quality of Water

Is the utility in compliance with the Division of Water? (TTHM's) Stage II DBP's — Yes ☐ No ☒ N/A ☐

When the utility is required by the Division of Water to make a public notification is the utility providing the Commission with a copy of the notification when it is made? — Yes ☐ No ☐ N/A ☒

Section 4: Continuity of Service

Does the utility immediately notify the fire chief if an emergency interruption of service affects service to any public fire protection device? — Yes ☐ No ☒ N/A ☐

If the utility schedules an interruption of service are all customers notified that are affected by the interruption? — Yes ☒ No ☐ N/A ☐

Does the utility have standby pumps capable of providing the maximum daily pumping demand? — Yes ☒ No ☐ N/A ☐

Does the utility's minimum storage capacity equal the average daily consumption? — Yes ☒ No ☐ N/A ☐

Does the utility keep a record of all interruption? — Yes ☒ No ☐ N/A ☐

Does the record contain the information listed below?

Cause of interruption	Yes ☒	No ☐	N/A ☐
Date	Yes ☒	No ☐	N/A ☐
Time	Yes ☒	No ☐	N/A ☐
Duration	Yes ☒	No ☐	N/A ☐
Remedy and steps taken to prevent recurrence	Yes ☒	No ☐	N/A ☐

Section 5: Pressure

Does the customer's service pipe under normal conditions fall below thirty (30) psig or static pressure exceed 150 psig? Yes ☐ No ☒ N/A ☐

Does the utility have one (1) or more recording pressure gauges to make pressure surveys? Yes ☒ No ☐ N/A ☐

Is the utility maintaining one (1) or more of these recording pressure gauges at some representative point on the utility's mains at a minimum of one (1) week per month in continuous service? Yes ☒ No ☐ N/A ☐

Is the utility, at least once annually, making a survey of pressures in its distribution system? Yes ☒ No ☐ N/A ☐

Section 6: Water Supply Measurement

Has the utility installed a measuring device at each source of supply? Yes ☒ No ☐ N/A ☐

Section 7: Standards of Construction

Is the utility failing to operate its facilities so as to provide adequate and safe service to its customers due to water loss exceeding 15 percent? Yes ☒ No ☐ N/A ☐

Section 8: Distribution Mains

Are dead ends provided with a hydrant, flushing hydrant, or blowoff for flushing purpose? Yes ☒ No ☐ N/A ☐

Section 9: Service Lines

Does the utility inspect the customer's service line? Yes ☐ No ☒ N/A ☐

Does the utility substitute its inspection for the proof of an inspection done by the appropriate state or local plumbing inspector? Yes ☒ No ☐ N/A ☐

Kentucky Public Service Commission

Periodic Compliance Inspection

Section 13: Measurement of Service

Does the utility meter all water sold? Yes ☒ No ☐ N/A ☐

Does the utility have any flat water rates? Yes ☐ No ☒ N/A ☐

Has the utility adopted a standard method of installing meters and service lines?
Yes ☒ No ☐ N/A ☐

Section 15: Accuracy requirement of Water Meters

Are all new meters, and any meter removed from service for any cause tested for accuracy prior to being placed into service?
Yes ☒ No ☐ N/A ☐

Do the meters tested register within the accuracy limits specified in 807 KAR 5:066, Section 15 (2)(a)?
Yes ☒ No ☐ N/A ☐

Section 16: Periodic Tests

Is the utility testing all water meters so that no meter remains in service without testing for a period longer than specified by the table in 807 KAR, Section 16 (1)? Yes ☒ No ☐ N/A ☐

Section 17: Water Shortage Response Plan

Has the utility submitted a copy of its Water Shortage Response Plan with the Commission?
Yes ☒ No ☐ N/A ☐

Section 18: Deviations from Administrative Regulation:

Has the utility been permitted by the commission to deviate from these administrative regulations?
Yes ☐ No ☒ N/A ☐

807 KAR 5:095
(Fire Protection Service for Water Utilities)

Section 9

Does the utility allow a utility to withdraw water from its distribution system for fire protection and training purposes at no charge? Yes ☒ No ☐ N/A ☐

Does the utility require a fire department to submit quarterly reports demonstrating its water usage?
Yes ☒ No ☐ N/A ☐

Does the utility's tariff state the penalty to be assessed for failure to submit water usage reports?

Yes ☐ No ☒ N/A ☐

Review of Facilities:

1.
Tank: Marcus Wells Water Storage Tank
Capacity: 200,000
Condition: No Visual Issues

2.
Pump Station: KY 40 West Pump Station
Condition: Was unable to view pump station picture supplied by utility

3.
Pump Station: Raw Intake Pumps
Condition: No Visual Issues

Kentucky Public Service Commission

Periodic Compliance Inspection

Deficiencies

1. The Tariff for Martin County Water District does not address penalties for fire departments not reporting their unmetered water usage to the District as required in 807 KAR 5:095, Section 9. This regulation requires fire departments to report their water use quarterly, and that the penalty for not submitting these reports shall be stated in the tariff. (repeat deficiency)

2. Martin County Water District is failing to operate its facilities so as to provide adequate and safe service to its customers as required by 807 KAR 5:066, Section 7, due to water loss exceeding 15 percent. (repeat deficiency)

3. Martin County Water District does not have annual written inspection records as required by 807 KAR 5:006, Section 26 6(a), 6(b), and 6(c).

4. Martin County Water District is not instructing their employees in safe methods of performing their work as required by 807 KAR 5:006, Section 25 (2), 25 (3). The Utilities CPR Certification has expired. Joe Hammonds stated it had been expired for a couple years.

5. Martin County Water District has not filed inspection procedures with the Commission. According to 807 KAR 5:006, Section 26 (1), A utility shall adopt inspection procedures to assure safe and adequate operation of the utility's facilities and compliance with KRS Chapter 278 and 807 KAR Chapter 5 and shall file these procedures with the commission for review.

6. Martin County Water District does not have a disconnect charge in their tariff as required by 807 KAR 5:006, Section 9(2).

Kentucky Public Service Commission

Periodic Compliance Inspection

Additional Inspector Comments

Failure to have records of inspections is considered to be an indicator that inspections were never conducted.

General housekeeping could greatly improve. The plant overall is in an unkept condition

During the inspection of the Water Storage Tank and Pump Station could not be accessed due to Joe Hammonds not having sufficient keys.

Martin County Water District is not in compliance with the Division of Water due to DBP's (Disinfection By-Products).

Comment: During this periodic regulatory compliance inspection, it was not possible to review/discuss every record relating to all Commission requirements. Therefore, in some instances the results contained in this report are indicative of those items inspected and reviewed on a sample basis.

Report by:

Date: February 23, 2018

Erin Donges

Utility Regulatory & Safety Investigator

Kentucky Public Service Commission

Attachment(s): A.) Water Storage Tanks, Pump Stations, Master Meters, Water Loss

B.) Pictures

Attachment A

MARTIN COUNTY WATER DISTRICT WST, PS, MM, WL 2018

WATER STORAGE TANKS	CAPACITY	INT INSP	EXT INSP
BUCKS CREEK	500,000		
LITTLE ROCKCASTLE	150,000		
292 SOUTH	100,000		
BIG ELK	100,000		
CLEAR WELL TANKS	(2) 500,000		
TURKEY	50,000		
MARCUS WELLS	200,000		
CALLOWAY	100,000		
OTTO BROWN	260,000		
BUFFALO HORN	50,000		
BIG SANDY AIRPORT	1,040,000		
KY 645	67,000		
TOTAL STORAGE CAPACITY	2,617,000		

PUMP STATIONS	# OF PUMPS/GPM	LAST INSP
KY 40 EAST	2(500)	2017
BIG ELK	2/240	2017
BONE HOLLOW	2(30)	2017
KY 292	2(130)	2017
TURKEY	2(90)	2017
KY 40	2(420)	2017
CALLOWAY	2(90)	2017
OTTO BROWN	2(245)	2017
KY 645	2(90)	2017
PETER CAVE	2(30)	2017
BUFFALO HORN	2(60)	2017
DAVELLA	2(350)	2017
CASSELL BRANCH	2(30)	2017
BIG LICK BRANCH	2(30)	2017
MEAT HOUSE	2(25)	2017

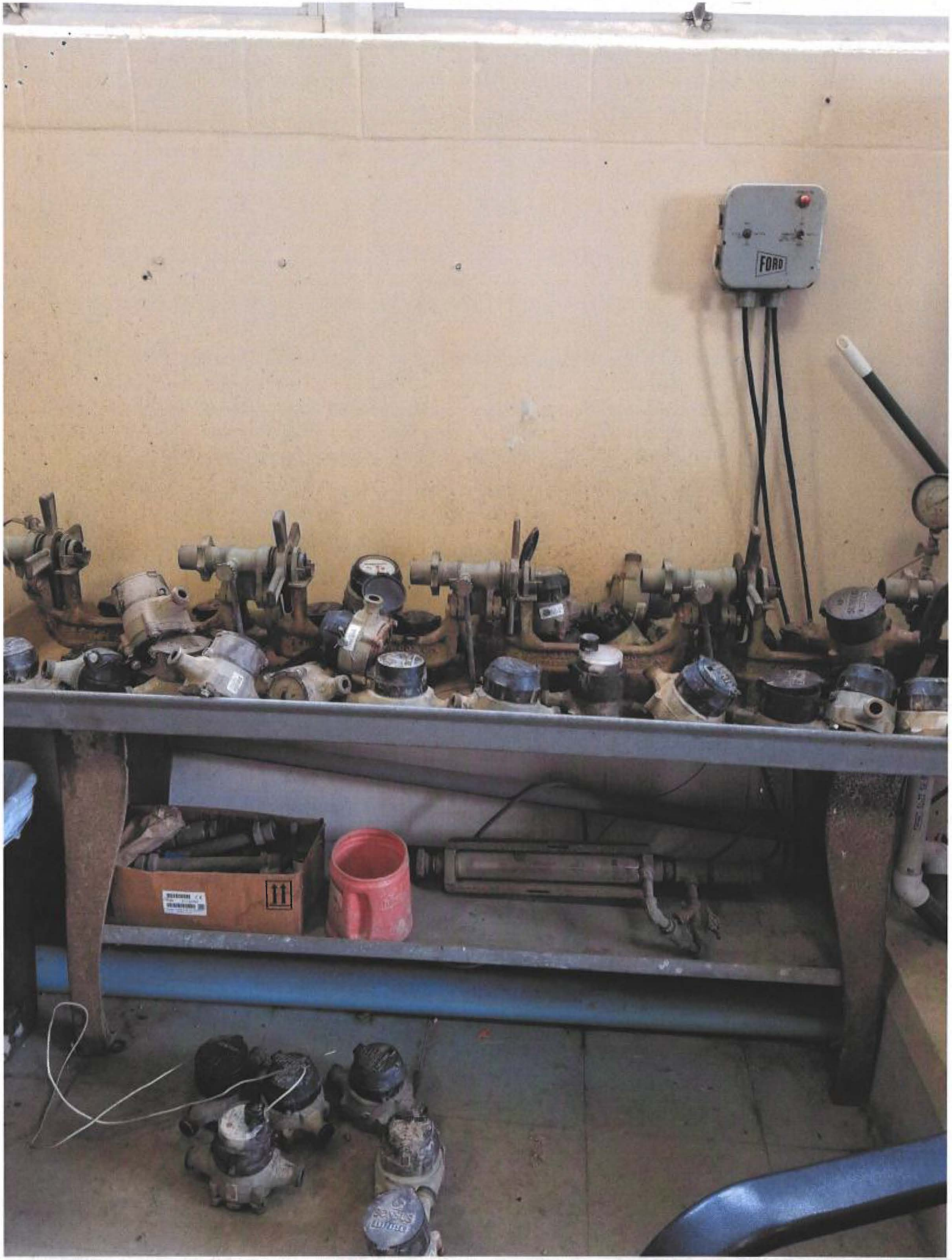
MASTER METERS	LAST TESTED
KERMIT WV 2"	NOT IN USE
MOUNTAIN WATER DISTRICT 2"	NOT IN USE

WATER LOSS	2016	2015	2014	2013	2012
PERCENTAGE	64.37	60.5	56.9	60.9	55.8

Attachment B






FORD

Martin County Water Meter Testing Results

METER SIZE: 5/8 MAKE: Badger SERIAL #: 29691278

Date: 11/14/18

TEST NO. 1
GPM 0.25
LOW FLOW

ENDING READING 385840.0
BEGINNING READING 385830.0

Accuracy
> 95 % FOR NEW <101.5%
> 90 % FOR USED <101.5%
10.0 %

TEST NO. 2
GPM 2
INTERMEDIATE FLOW

ENDING READING 385850.1
BEGINNING READING 385840.0

Accuracy
>98.5%
<101.5%
100.1 %

TEST NO. 3
GPM 15
MAXIMUM FLOW

ENDING READING 385949.7
BEGINNING READING 385850.1

Accuracy
>98.5%
<101.5%
99.6 %

METER SIZE: 5/8 MAKE: Badger SERIAL #: 29935151

Date:

TEST NO. 1
GPM 0.25
LOW FLOW

ENDING READING 217340.0
BEGINNING READING 217330.0

Accuracy
> 95 % FOR NEW <101.5%
> 90 % FOR USED <101.5%
10.0 %

TEST NO. 2
GPM 2
INTERMEDIATE FLOW

ENDING READING 217350.0
BEGINNING READING 217340.0

Accuracy
>98.5%
<101.5%
10.0 %

TEST NO. 3
GPM 15
MAXIMUM FLOW

ENDING READING 217449.6
BEGINNING READING 217350.0

Accuracy
>98.5%
<101.5%
99.6 %

METER SIZE: 5/8 MAKE: Badger SERIAL #: 18962987

Date: 11/14/18

TEST NO. 1
GPM 0.25
LOW FLOW

ENDING READING 380410.1
BEGINNING READING 380402.0

Accuracy
> 95 % FOR NEW <101.5%
> 90 % FOR USED <101.5%
100.1 %

TEST NO. 2
GPM 2
INTERMEDIATE FLOW

ENDING READING 380420.2
BEGINNING READING 380410.1

Accuracy
>98.5%
<101.5%
100.1 %

TEST NO. 3
GPM 15
MAXIMUM FLOW

ENDING READING 380519.9
BEGINNING READING 380420.2

Accuracy
>98.5%
<101.5%
99.6 %

METER SIZE: 5/8 MAKE: Sensus SERIAL #: 70472579

Date: 11/14/18

TEST NO. 1
GPM 0.25
LOW FLOW

ENDING READING 473219.2
BEGINNING READING 473210.0

Accuracy
> 95 % FOR NEW <101.5%
> 90 % FOR USED <101.5%
99.2 %

TEST NO. 2
GPM 2
INTERMEDIATE FLOW

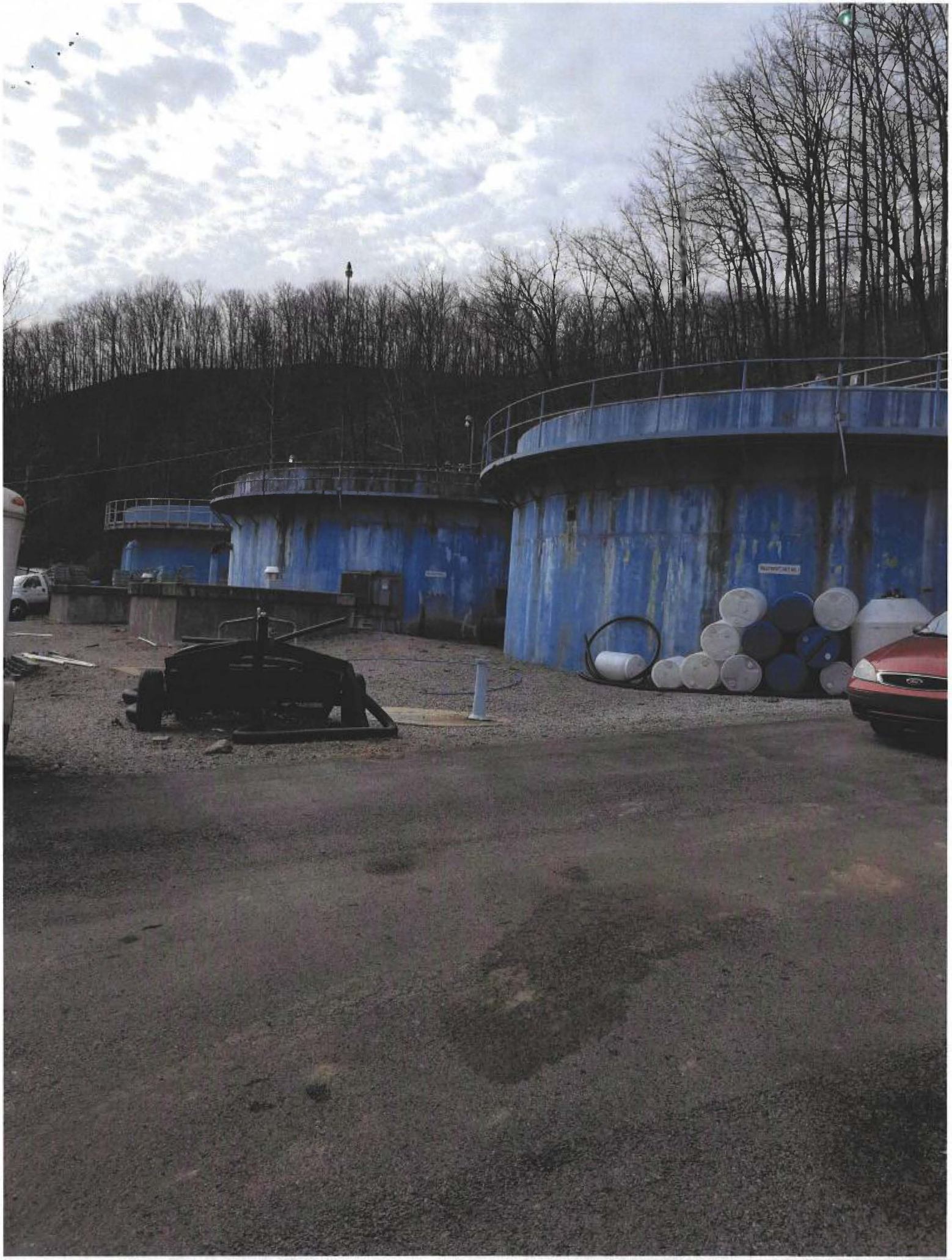
ENDING READING 473229.0
BEGINNING READING 473219.2

Accuracy
>98.5%
<101.5%
99.8 %

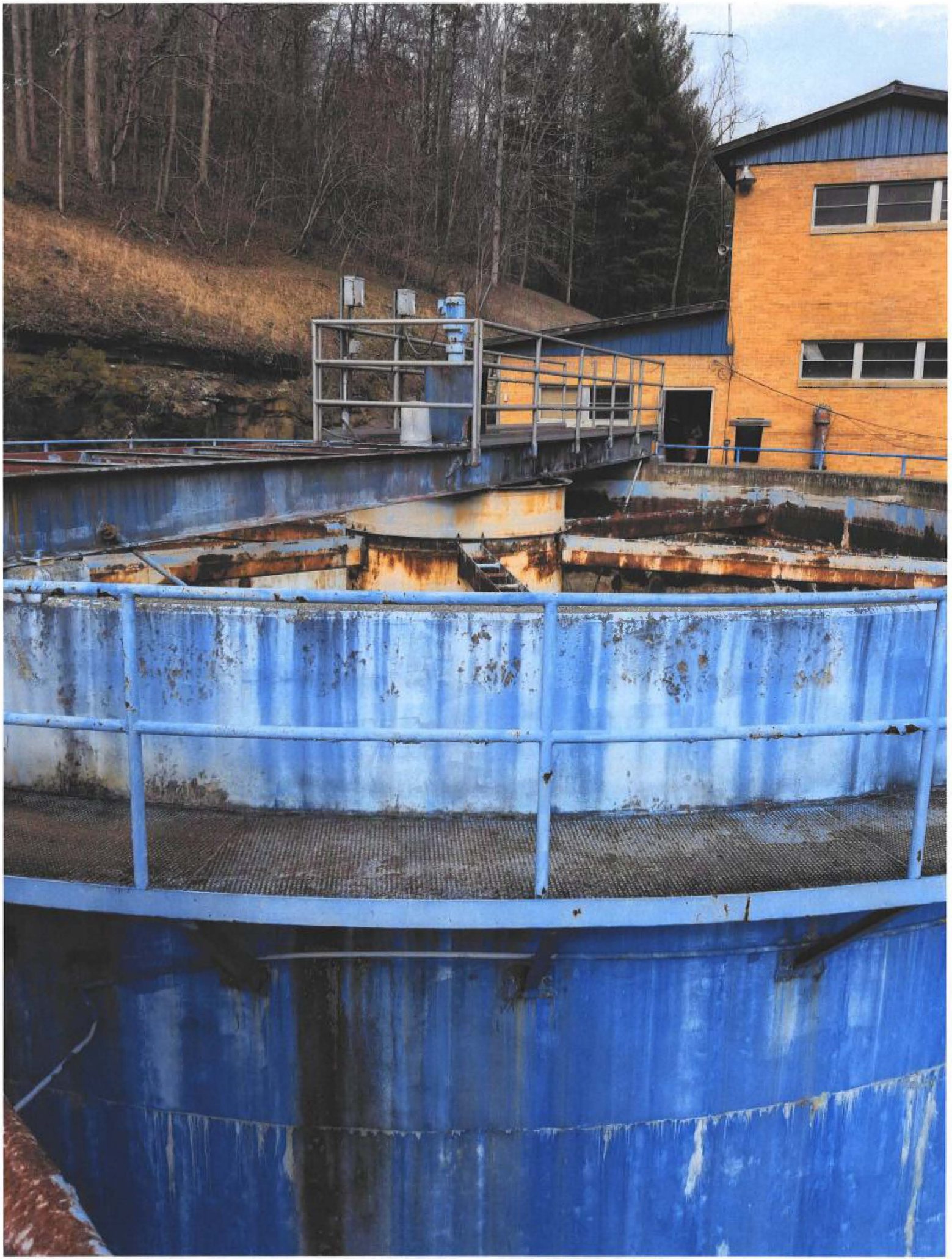
TEST NO. 3
GPM 15
MAXIMUM FLOW

ENDING READING 473328.7
BEGINNING READING 473229.0

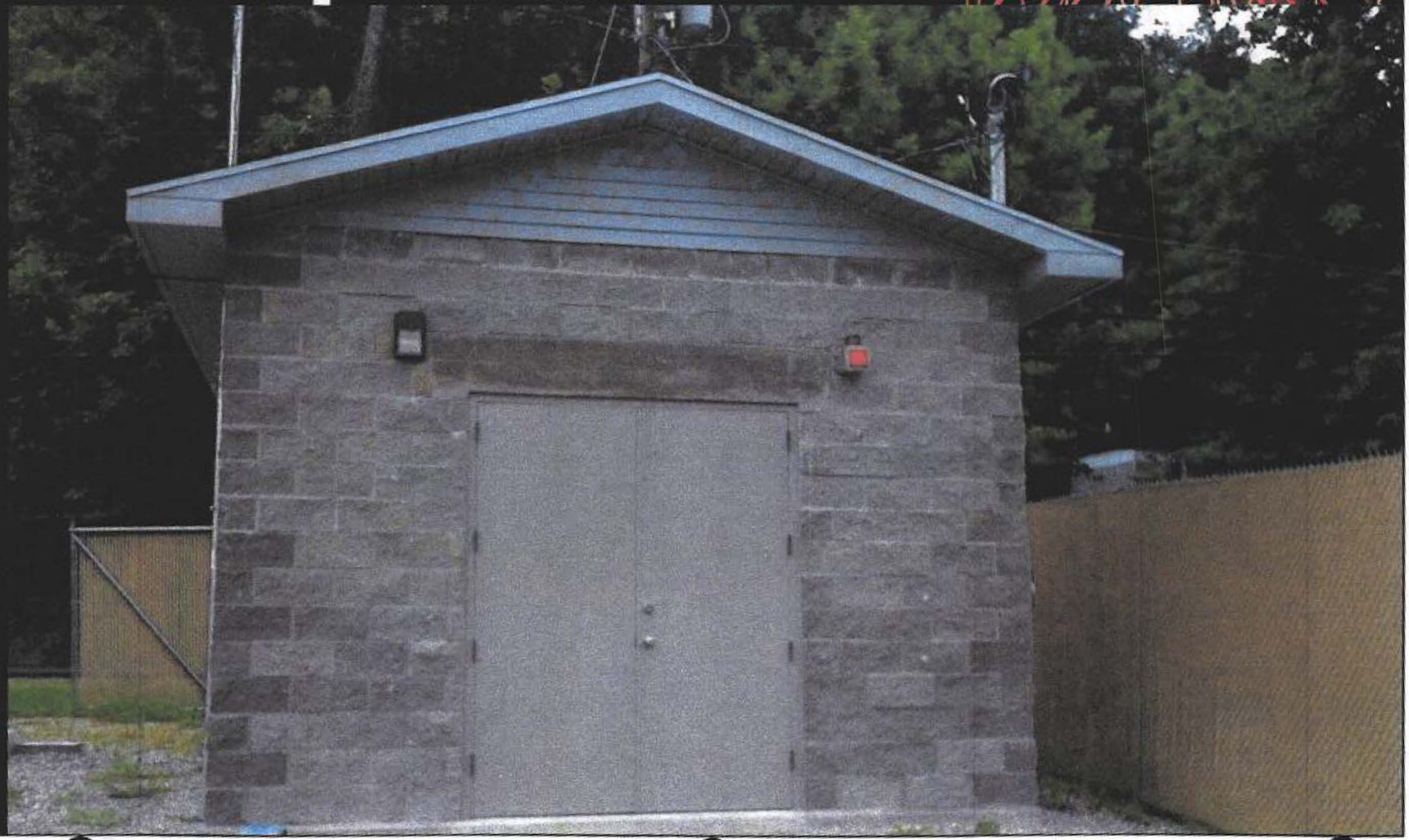
Accuracy
>98.5%
<101.5%
98.7 %







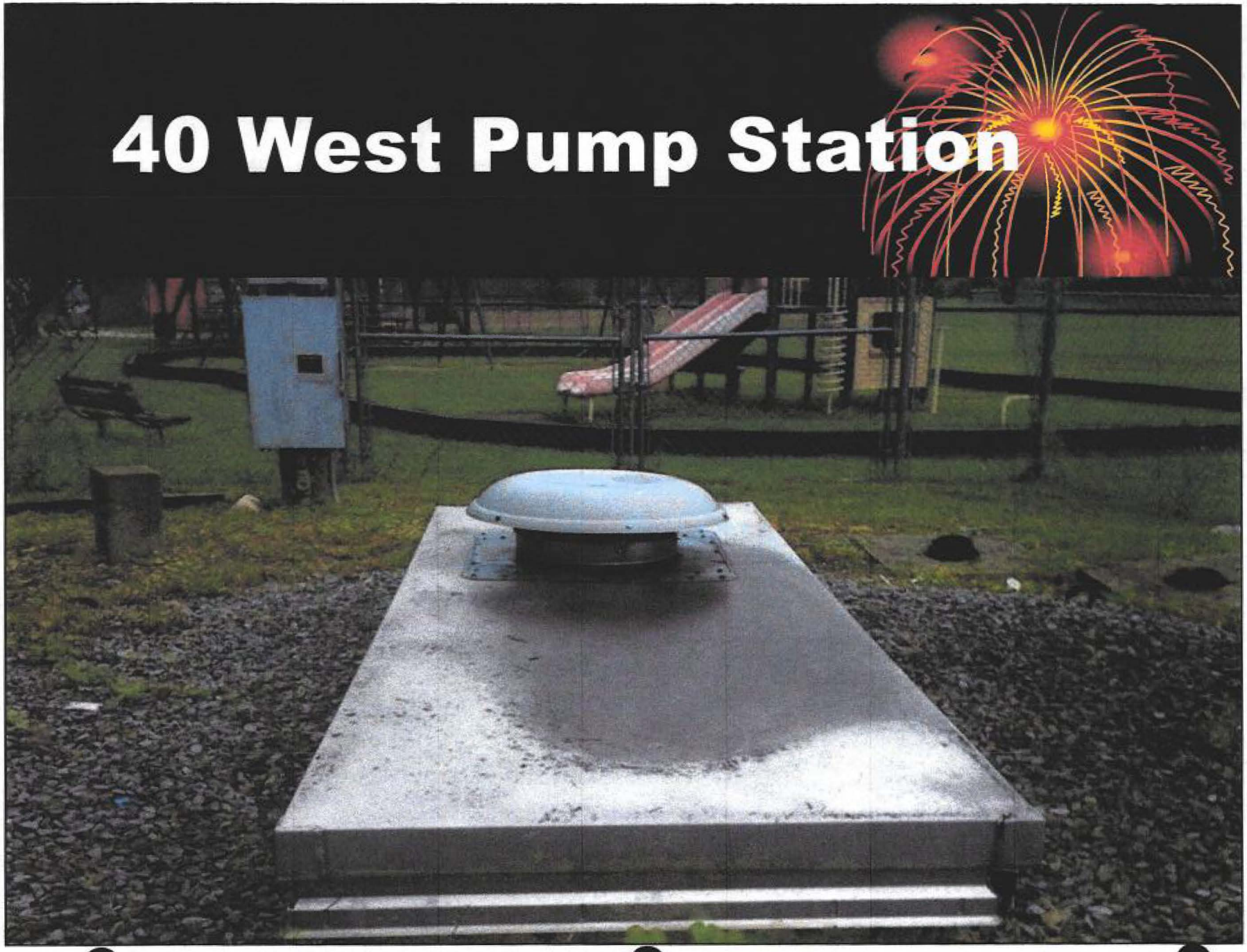
40 East and 40 West Pump Station



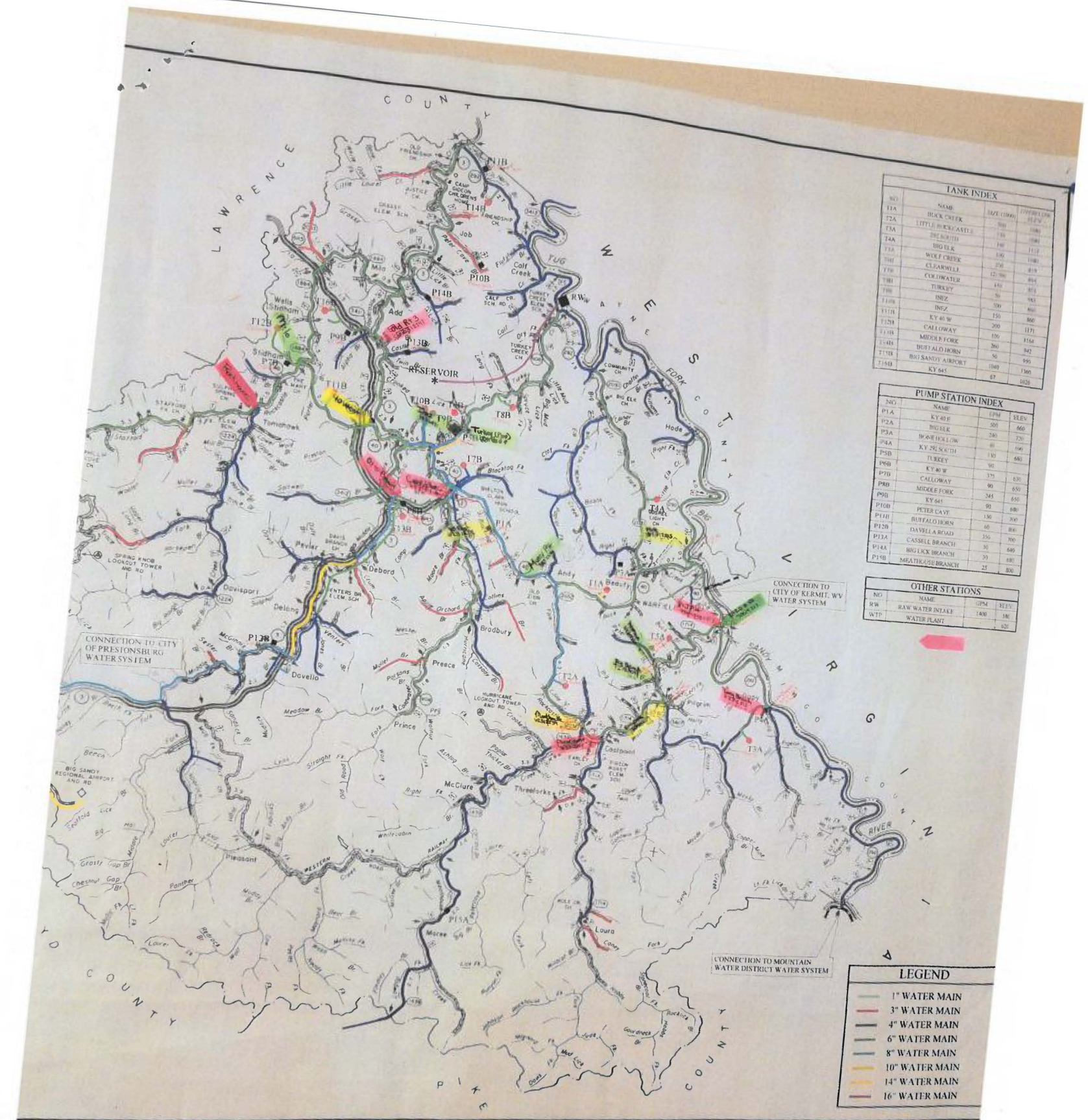
Inside of 40 West Pump Station



40 West Pump Station



Two 500,000 Clearwell


LAWRENCE COUNTY
WAYNE COUNTY
WEST VIRGINIA
PIKE COUNTY
KENTUCKY
RESERVOIR
CONNECTION TO CITY OF PRESTONSBURG WATER SYSTEM
CONNECTION TO CITY OF KERMIT, WV WATER SYSTEM
CONNECTION TO MOUNTAIN WATER DISTRICT WATER SYSTEM
Stidham
Tomahawk
Davisport
Peyler
Debord
Delong
Davella
Bradbury
Preece
Prince
McClure
Pleasant
Maree
Loura
Andy
Beauty
Hode
Calf Creek
Job
Wells
Add
Blackbog Fk
Big Elk Creek
Big Sandy River
Levisa Fork
Tug Fork
Spring Knob Lookout Tower and Rd
Big Sandy Regional Airport and Rd
Hurricane Lookout Tower and Rd
Rockhouse Fk
Pilgrim
Threelorks
Whitecabin
Panther
Chestnut Gap Br
Meadow Br
Straight Fk
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Goodmans Br
Rockhouse Br
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Muller Br
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Adkins Orchard Br
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Parsons Br Ch Ch Ch Ch Ch Ch Ch
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Kentucky Public Service Commission

Periodic Compliance Inspection

Utility: Martin County Water District

Utility location: 387 East Main Street Suite 140
Inez, KY 41224

Investigator: Erin Donges

Date(s) of inspection: March 21, 2019

Date(s) of last inspection: January 31, 2018

Deficiencies noted during last inspection:

1. Martin County Water District is failing to operate its facilities so as to provide adequate and safe service to its customers as required by 807 KAR 5:066, Section 7, due to water loss exceeding 15 percent.

2. The Tariff for Martin County Water District does not address penalties for fire departments not reporting their unmetered water usage to the district as required in 807 KAR 5:095, Section 9

3. Marin County Water District does not have annual written inspection records as required by 807 KAR 5:006, Section 26(6)(a), (6)(b), and (6)(c).

4. Martin County Water District is not instructing their employees in safe methods of performing their work as required by 807 KAR 5:006, Section 25 (2) and (3).

5. Martin County Water District has not filed inspection procedures with the Commission as required in 807 KAR 5:006, Section 26(1).

6. Martin County Water District does not have a disconnect charge in their tariff as required by 807 KAR 5:006, Section 9(2).

Have deficiencies been corrected since last inspection: Yes ☐ No ☒ N/A ☐

Primary utility representative(s) involved with inspection:

Name: Greg Scott Title: General Manager
Name: Marcie Dials Title: Office Administrator

Who with the utility should receive the inspection report cover letter from the commission?

Kentucky Public Service Commission

Periodic Compliance Inspection

Name: James Kerr Title: Chairman

Mailing address: 387 East Main Street Suite 140 Inez, KY 41224

Email address: greg_scott818@yahoo.com Phone number: (606) 298-3885

Kentucky Public Service Commission

Periodic Compliance Inspection

General Questions

Treatment Facility

Source Water: Reservoir Lake supplied by pumping from Tug River

Plant Capacity: 2.3 million gallons a day.

Avg. Amount Produced: According to the 2017 annual report the Utility produced gallons per day.

Distribution Facility

Source Water: The Utilities treatment plant, but also has the ability to purchase from Kermit, City of Prestonsburg, and Mountain Water District in an emergency situation.

Area of Operation: Martin, Lawrence, and Pike Counties

Miles of Water Line: 300 miles of 1"-16" distribution line.

Avg. Amount Purchased:

Water sold at wholesale rate to other water systems: N/A

Utility Information

Number of Employees: 11 fulltime and 2 part-time

Number of Office Employees: 4

Number of Certified Water Treatment Employees: 4

Number of Certified Distribution Employees: 4

Number of Certified Meter Testers: 2

Utility Chairperson/President: James Kerr

Metering System:

Number of Customers: 3500

Meter Reading:

AMR ☒ AMI ☐ Other ☐ Manual ☒

Type of meter used for customers: 600 radio reads sensus, badger, ipearts, mueller

Review of Facilities:

1. **Records, Clarifier 1, 2, and 3, Sludge Pit, Meter Test Bench, High Service Pumps**

Kentucky Public Service Commission

Periodic Compliance Inspection

Deficiencies

Utility is failing to operate its facilities so as to provide adequate and safe service to its customers as required by 807 KAR 5:066, Section 7, due to water loss exceeding 15 percent.

Utility is not in compliance with meter test facilities and equipment as required by 807 KAR 5:066, Section 14. (test bench certification expired)

Utility has 5/8" x 3/4" meters that have been in service for 10 years without being tested contrary to the table in 807 KAR 5:066, Section 16(1). (3,000 meters)

Additional Inspector Comments

Martin County Water District is in the engineering stages of a construction project consisting of river intake upgrade, upgrade to water treatment plant, and line replacement in the Eastern Part of the County.

- Water Treatment Plant Clarifier #1 will be rehabbed and put back in use to maximize MCWD's plant capacity.
- Adding a generator at Water Treatment Plant and purchasing portable generators to take to pump stations to counteract power outages.
- Intake will be reconfigured to be a top water feeder instead of a bottom feeder to prevent pumps from pumping sand off the bottom.

Greg Scott is in discussions with C.I. Thornburg about a total meter replacement project. C.I. Thornburg would do the installation of the meters and give MCWD a year before paying on the cost to do so.

MCWD has been providing water to the prison approximately 100,000 gallons per day and has been able to shut their water treatment plant down a couple hours every other day.

MCWD currently has a police officer working on theft and has cut down 70-80% of theft.

Greg Scott expressed the need for a water storage tank in between the tank that feeds the prison and the pump station. The need for the tank is due to psi being 350 at pump station in order to pump it up to the prison.

Bell Engineering is working on a 10-year improvement plan.

Mr. Scott is looking at getting the interior of the tanks inspected in the Fall of 2019 if funds are available.

Kentucky Public Service Commission

Periodic Compliance Inspection

Comment: During this periodic regulatory compliance inspection, it was not possible to review/discuss every record relating to all Commission requirements. Therefore, in some instances the results contained in this report are indicative of those items inspected and reviewed on a sample basis.

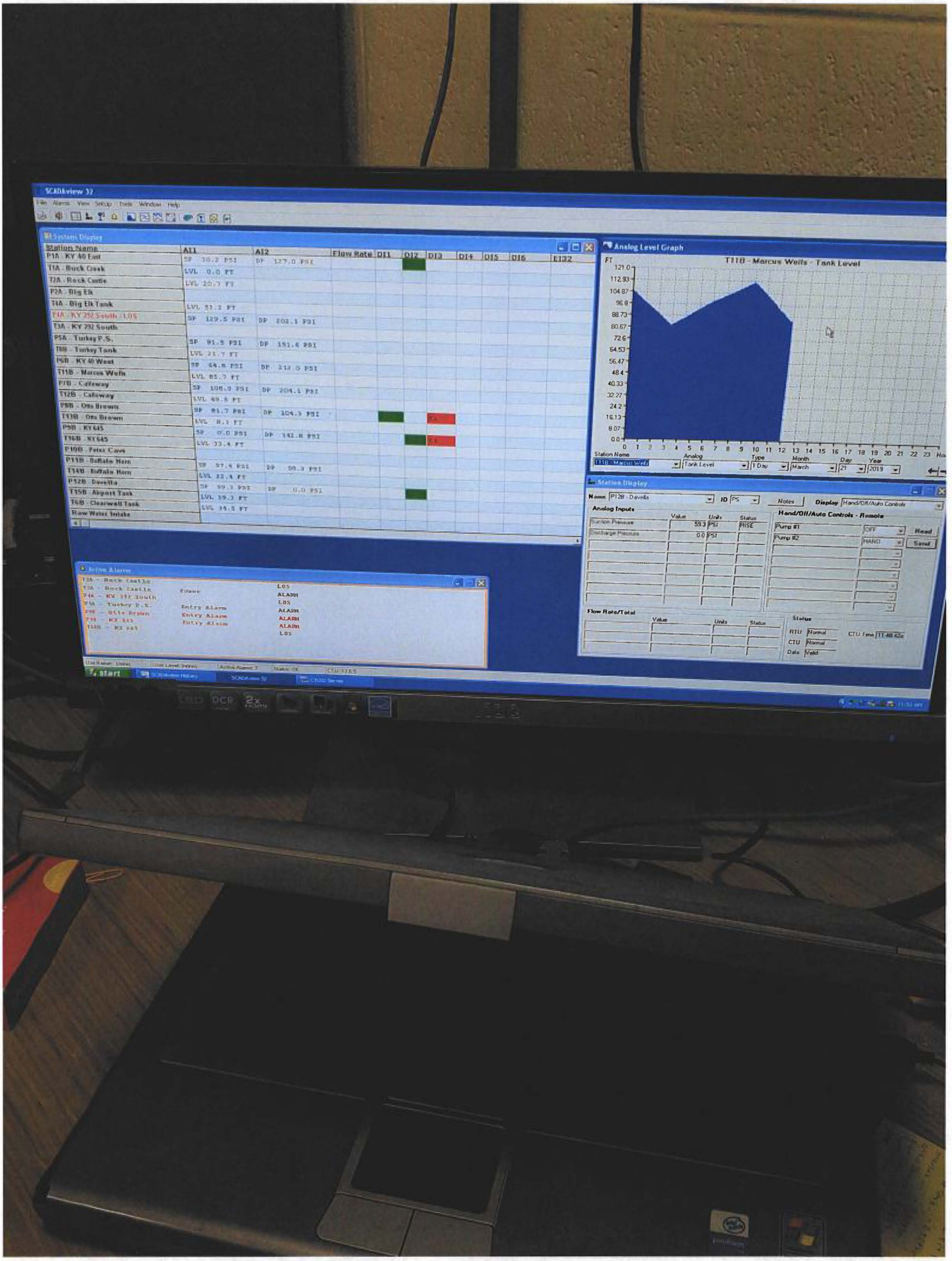
Report by: Date: April 19, 2019

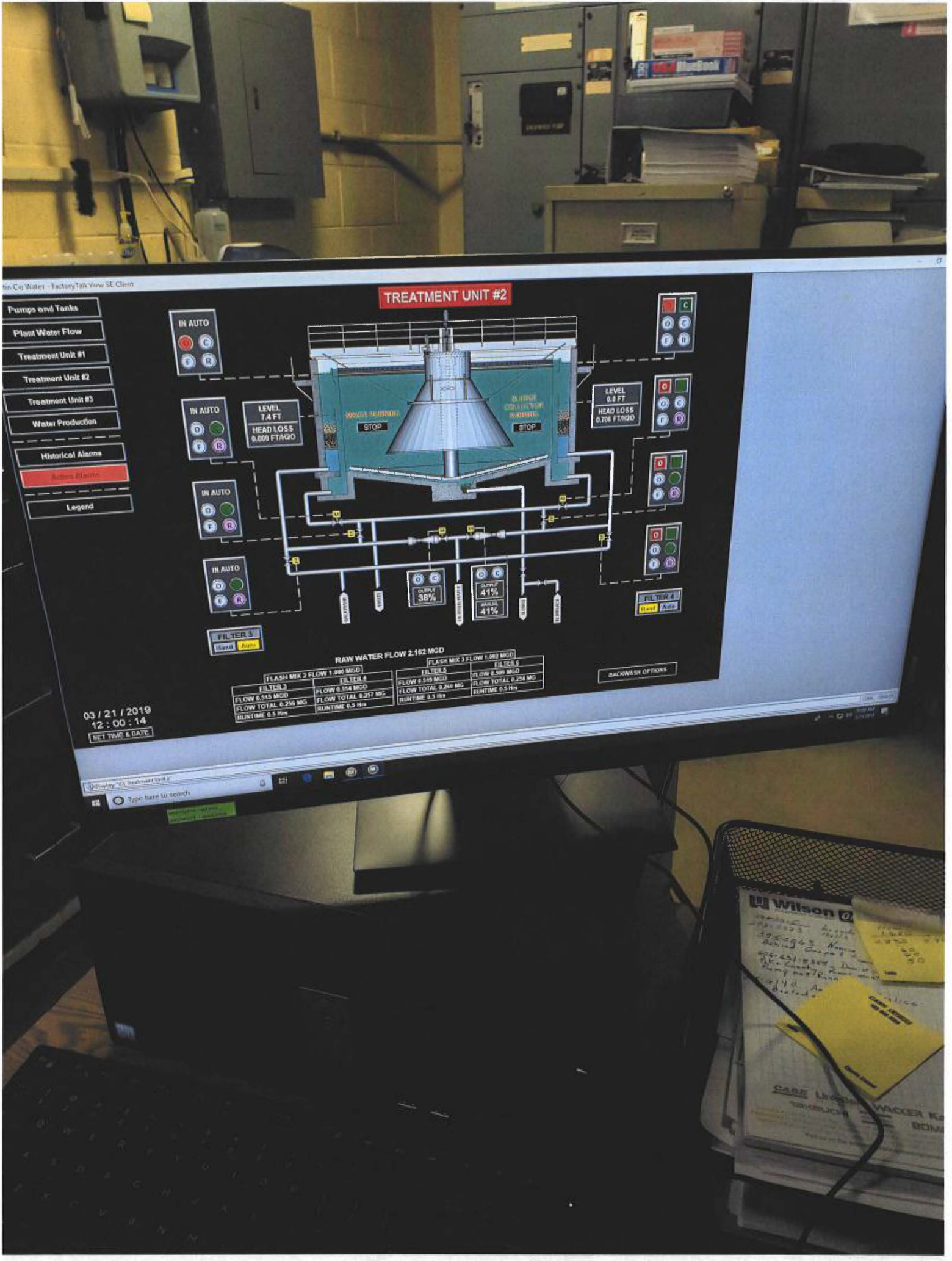
Erin Donges

Utility Regulatory & Safety Investigator

Kentucky Public Service Commission

Attachment(s): A.) Pictures


SCADAview 32
System Display
Station Name
P1A - KY 40 East
T1A - Buck Creek
T2A - Rock Castle
P2A - Big Elk
T4A - Big Elk Tank
T4A - KY 292 South - LOS
T3A - KY 292 South
P5A - Turkey P.S.
T5B - Turkey Tank
P6B - KY 40 West
T11B - Marcus Wells
P7B - Calloway
T12B - Calloway
P9B - Otis Brown
T13B - Otis Brown
P9B - KY 645
T16B - KY 645
P10B - Peter Cave
P11B - Buffalo Horn
T14B - Buffalo Horn
P12B - Daveila
T15B - Airport Tank
T6B - Clearwell Tank
Raw Water Intake
AI1
AI2
Flow Rate
DI1
DI2
DI3
DI4
DI5
DI6
EI32
Analog Level Graph
FT
T11B - Marcus Wells - Tank Level
121.0
112.93
104.87
96.8
88.73
80.67
72.6
64.53
56.47
48.4
40.33
32.27
24.2
16.13
8.07
0.0
Station Name
T11B - Marcus Wells
Analog
Tank Level
Type
1 Day
Month
March
Day
21
Year
2019
Station Display
Name
P12B - Daveila
ID
PS
Notes
Display
Hand/Off/Auto Controls
Analog Inputs
Value
Units
Status
Suction Pressure
59.3
PSI
RISE
Discharge Pressure
0.0
PSI
Hand/Off/Auto Controls - Remote
Pump #1
Off
Pump #2
HAND
Read
Send
Flow Rate/Total
Value
Units
Status
Status
RTU
Normal
CTU
Normal
Data
Valid
CTU Time
11:48:42a
Active Alarms
Entry Alarm
LOS
ALARM
Start


TREATMENT UNIT #2
Pumps and Tanks
Plant Water Flow
Treatment Unit #1
Treatment Unit #2
Treatment Unit #3
Water Production
Historical Alarms
Active Alarms
Legend
IN AUTO
LEVEL 7.4 FT
HEAD LOSS 0.000 FT/H2O
LEVEL 0.8 FT
HEAD LOSS 0.706 FT/H2O
STOP
OUTPUT 38%
OUTPUT 41%
ANALOG 41%
FILTER 3
FILTER 4
RAW WATER FLOW 2.162 MGD
FLASH MIX 2 FLOW 1.080 MGD
FLASH MIX 3 FLOW 1.082 MGD
FILTER 2
FILTER 4
FLOW 0.515 MGD
FLOW TOTAL 0.256 MG
RUNTIME 0.5 Hrs
FLOW 0.514 MGD
FLOW TOTAL 0.257 MG
RUNTIME 0.5 Hrs
FILTER 5
FILTER 6
FLOW 0.519 MGD
FLOW TOTAL 0.260 MG
RUNTIME 0.5 Hrs
FLOW 0.509 MGD
FLOW TOTAL 0.254 MG
RUNTIME 0.5 Hrs
BACKWASH OPTIONS
03 / 21 / 2019
12 : 00 : 14
SET TIME & DATE
Wilson

Martin County Water Plant Daily Log Sheet

PWSID # 0800273 Agency Interest # 2987

Date 3/21/19

Raw Water

Time	Water Temp	Ph	Turbidity	Fluroide	Alkalinity	Iron	Manganese	Hardness
8am	8.9	6.82	47.3	0	32	0.34	0.15	96
Avg								

Treated Filter Influent

Time	#2 Cl_2 Free	#2 Cl_2 Total	#3 Cl_2 Free	#3 Cl_2 Total	Free CL_2 #2+#3	Total CL_2 #2+#3	Ph	#2 Turbidity	#3 Turbidity	#2+#3 Turbidity	Top Of Filters Iron #2+#3	Manganese #2+#3	Peroxide #2+#3
7am	0.59	0.65	0.65	0.69	0.62	0.67	6.77	0.49	0.81	0.65			
8am	0.62	0.66	0.62	0.67	0.62	0.67	6.74	0.47	0.84	0.66			
9AM	0.71	0.75	0.63	0.67	0.	0.	6.63	0.58	0.76				
Avg													

Combined Filter Effluent

Time	#3+#4 Free CL_2	#3+#4 Total CL_2	#5+#6 Free CL_2	#5+#6 Total CL_2	Free CL_2 All filters	Total CL_2 All filters	Ph	#3 Turbidity	#4 Turbidity	#5 Turbidity	#6 Turbidity	Combined Turbidity
7am	0.57	0.66	0.48	0.52	0.53	0.56	6.58	0.042	0.052	0.046	0.029	0.023
8am	0.56	0.62	0.46	0.51	0.52	0.57	6.60	0.042	0.051	0.045	0.029	0.023
9AM	0.63	0.68	0.47	0.48	0.	0.	6.62	0.042	0.051	0.045	0.029	0.022
Avg												

Plant Tap Effluent

Time	Free Cl_2	Total CL_2	After Clearwell Tank Free Cl_2	Peroxide	Ph	Turbidity	Fluroide	Alkalinity	Iron	Manganese	Hardnes
7am	1.81	1.86	1.68		7.31	0.076	0.74	30	0.01	0.003	44
8am	1.80	1.84	1.65		7.30	0.075					
9AM	1.83	1.87	1.71		7.22	0.070					
Avg									0.03 is Meter Detect limit	0.007 is Meter Detect limit	

Direction	Clz Free	Clz Total	Location	By	Date
N	1.51	1.60	Zaxx Zip zone	BP	3/19/2019
S	1.02	1.11	Zip zone B73	BP	
E	1.33	1.41	Lovely zip zone	BP	
W	0.81	0.88	Johnny Preston's	BP	
N	1.27	1.34	Zaxx zip zone	BP	3/20/2019
S	0.98	1.05	B73 zip zone	BP	
E	1.41	1.53	Lovely zip zone	BP	
W	0.99	1.03	Johnny Preston	BP	
N	1.34	1.37	Zaxx zip zone	BP	3/21/2019
S	1.25	1.31	B73 zip zone	BP	
E	1.38	1.38	Lovely zip zone	BP	
W	0.68	0.88	Johnny Preston	BP	
N					3/22/2019
S					
E					
W					
N					3/23/2019
S					
E					
W					
N					3/24/2019
S					
E					
W					
N					3/25/2019
S					
E					
W					


HACH
Combined
sc200
Filter 6
TURBIDITY
0.028 NTU
TURBIDITY
0.022 NTU

3, 4, 5, 6

HACH

/SOM

INTEGRATED SIGNAL OUTPUT MODULE

DISPLAY DATA

A	0.042 NTU	#3 FILTER
B	0.051 NTU	4
C	0.045 NTU	#5 FILTER
D	CHANNEL NOT ASSIGNED	
E	CHANNEL NOT ASSIGNED	
F	----- ppm	Cl
G	1.81 ppm	Cl

03/21/19 4 N 11:48

Alarms

DISPLAY

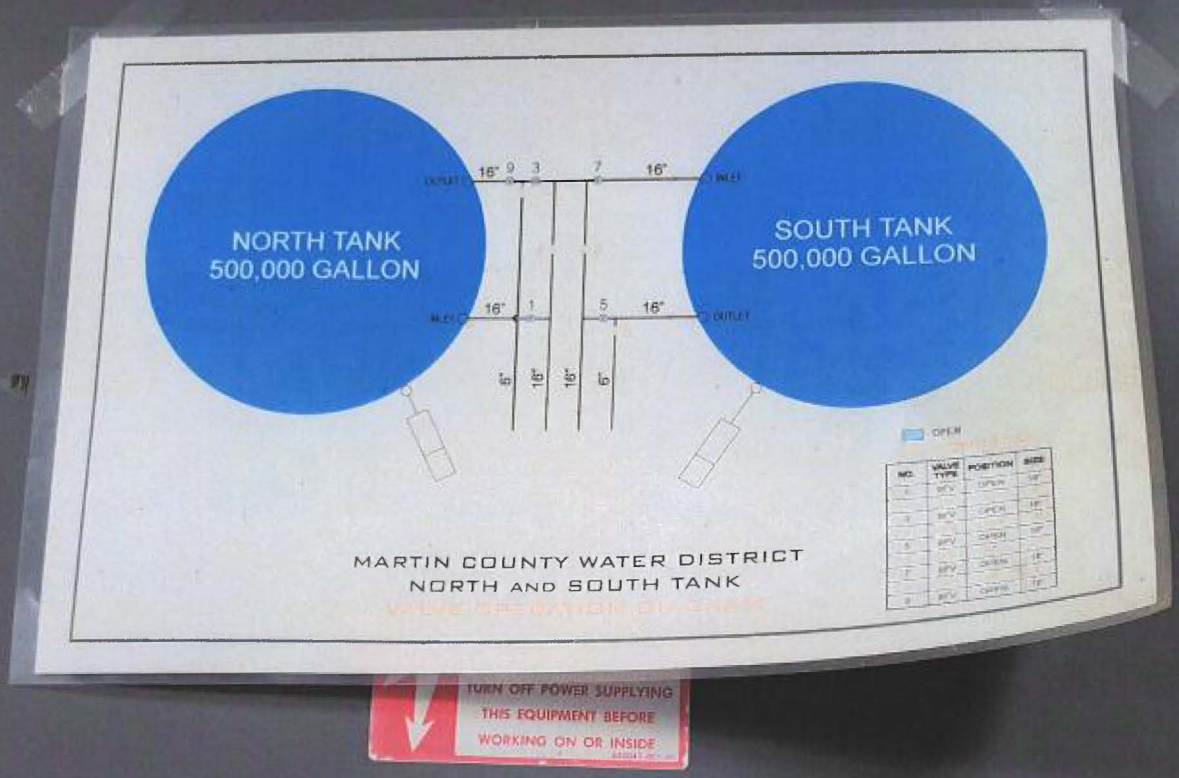
MENU

EXIT

ENTER


Environmental and Public Protection Cabinet
THIS IS TO CERTIFY THAT
Earl T Alley
has fulfilled the requirements of the law and regulations governing the Certification of Water Works Operators and is hereby granted this certificate.
Water Treatment Plant Operator
Class IVA Agency Interest # 27500 Certification No. 17562
Given under my hand this 20th day of May, 2008 at Frankfort, Kentucky
Kentucky
Energy and Environment Cabinet
THIS IS TO CERTIFY THAT
Michael Sartin
has fulfilled the requirements of the law and regulations governing operator certification and is hereby granted this certificate.
Water Treatment Plant Operator
Class IVA Agency Interest # 32746 Certification No. 21944
Given under my hand this 11th day of October, 2011 at Frankfort, Kentucky
Kentucky
Energy and Environment Cabinet
THIS IS TO CERTIFY THAT
Cameron C Gilman
has fulfilled the requirements of the law and regulations governing operator certification and is hereby granted this certificate.
Water Treatment Plant Operator
Class IIIA Agency Interest # 128227 Certification No. 30123
Given under my hand this 14th day of April, 2017 at Frankfort, Kentucky
Kentucky
Filters 3, 4, 5, 6
HACH
SOM

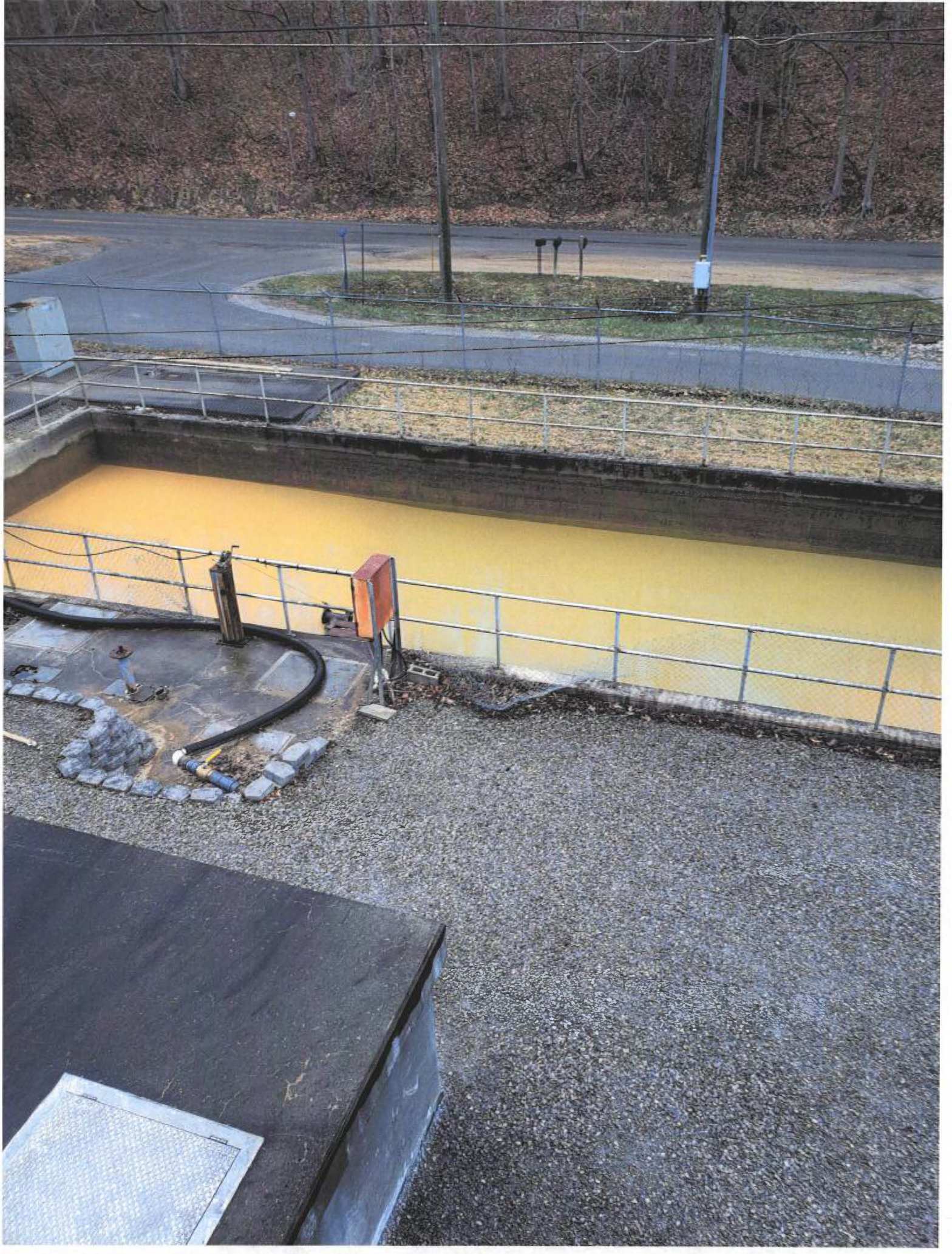

COMMONWEALTH OF KENTUCKY
Natural Resources and
Environmental Protection Cabinet
Earl Thomas Alley
Water Distribution System Operator
Environmental and Public
Protection Cabinet
Water Distribution System Operator
Energy and Environment
Cabinet
Elbert Osborne
Water Treatment Plant Operator
Kentucky
HACH
PH
Probe


NORTH TANK
500,000 GALLON
SOUTH TANK
500,000 GALLON
16"
16"
16"
16"
OUTLET
INLET
INLET
OUTLET
MARTIN COUNTY WATER DISTRICT
NORTH AND SOUTH TANK
TURN OFF POWER SUPPLYING
THIS EQUIPMENT BEFORE
WORKING ON OR INSIDE





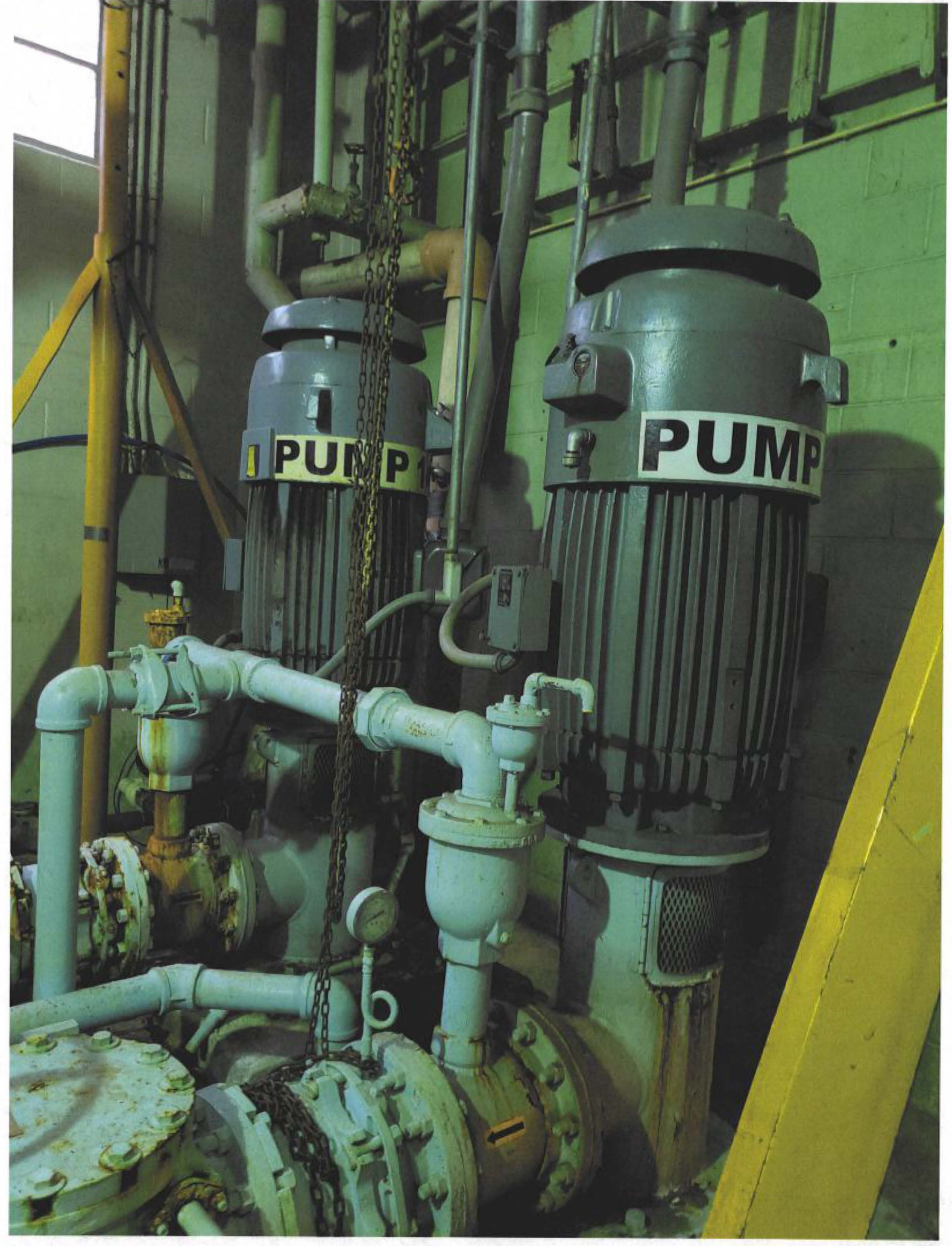








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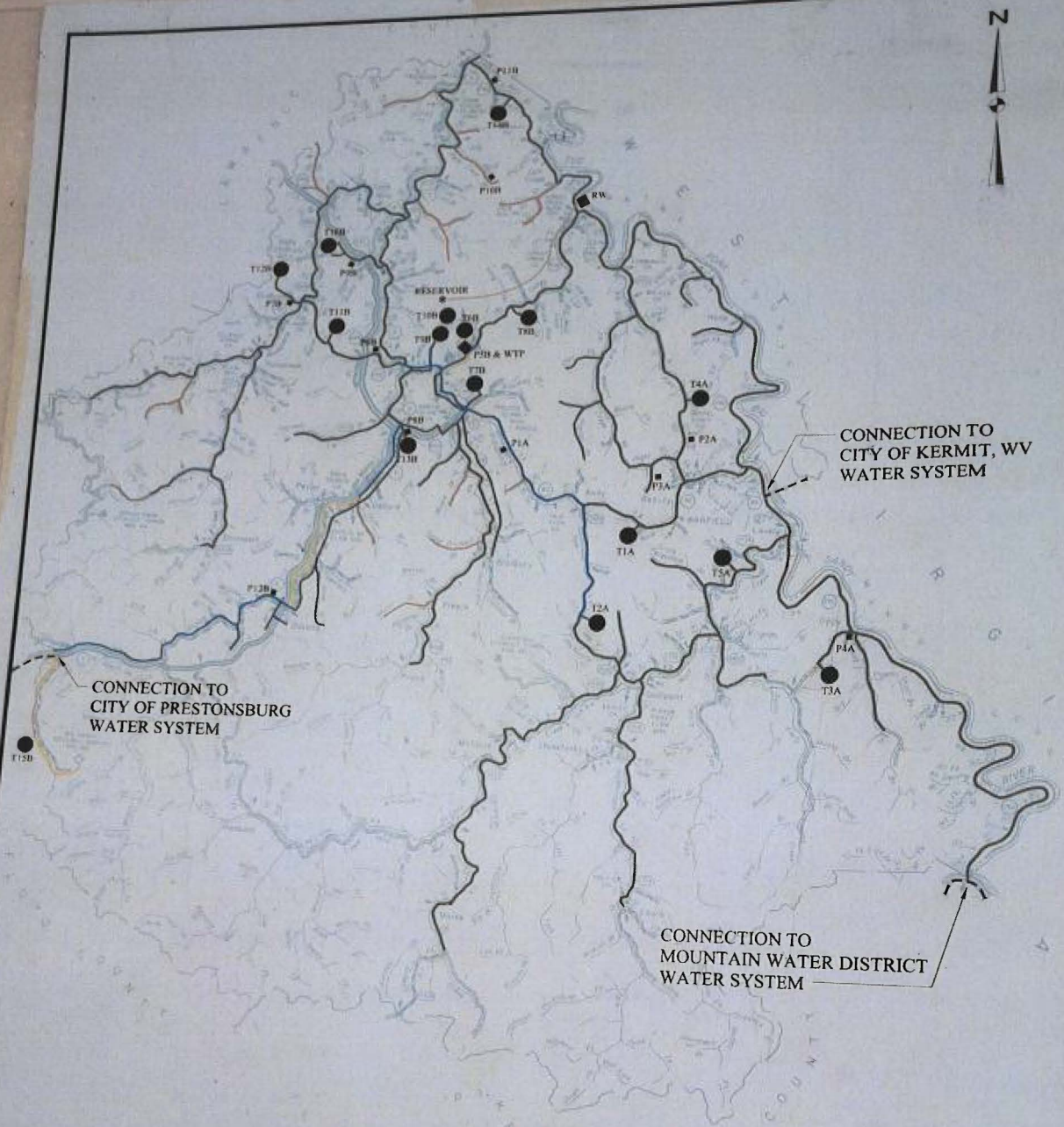


TANK INDEX

NO.	NAME	SIZE (1000)	OVERFLOW ELEV.
T1A	BUCK CREEK	150	991
T2A	LITTLE ROCKCASTLE	150	1080
T3A	292 SOUTH	100	1113
T4A	BIG ELK	100	1088
T5A	WOLF CREEK	100	819
T6B	CLEARWELL	300	866
T7B	COLDWATER	150	853
T8B	TURKEY	50	983
T9B	INEZ	500	860
T10B	INEZ	150	860
T11B	KY 40 W	200	1171
T12B	CALLOWAY	100	1164
T13B	MIDDLE FORK	260	942
T14B	BUFFALO HORN	50	950
T15B	BIGF SANDY AIRPORT	1040	1360
T16B	KY 645	-	[illegible]

PUMP STATION INDEX

NO.	NAME	GPM	ELEV.
P1A	KY 40 E	670	660
P2A	BIG ELK	240	720
P3A	BONE HOLLOW	40	690
P4A	KY 292 SOUTH	130	680
P5B	TURKEY	90	-
P6B	KY 40 W	420	630
P7B	CALLOWAY	90	650
P8B	MIDDLE FORK	245	650
P9B	KY 645	90	680
P10B	PETER CAVE	130	700
P11B	BUFFALO HORN	60	800
P12B	DAVELLA ROAD	350	700

OTHER STATIONS

NO.	NAME	GPM	ELEV.
RW	RAW WATER INTAKE	1400	580
WTP	WATER PLANT	-	620

LEGEND

- 3" WATER MAIN
- 4" WATER MAIN
- 6" WATER MAIN
- 8" WATER MAIN
- 10" WATER MAIN
- 14" WATER MAIN
- 16" WATER MAIN

D

Kentucky Public Service Commission

Periodic Compliance Inspection

Utility: Martin County Water District

Utility location: 387 Main Street Suite 140
Inez, KY 41224

Investigator: Erin Donges and Roy Gray

Date(s) of inspection: October 9, 2019

Date(s) of last inspection: March 21, 2019

Deficiencies noted during last inspection:

1. Martin County is not in compliance with meter test facilities and equipment as required by 807 KAR 5:066, Section 14.
2. Utility has 5/8" x 3/4" meters that have been in service for 10 years without veing tested contrary to the table in 807 KAR 5:066, Section 16(1).
3. Utility is failing to operate its facilities so as to provide adequate and safe service to its customers as required by 807 KAR 5:066, Section 7, due to water loss exceeding 15 percent.

Have deficiencies been corrected since last inspection: Yes ☐ No ☒ N/A ☐

Primary utility representative(s) involved with inspection:

Name: Greg Scott Title: General Manager
Name: Jimmy Don Kerr Title: Chairman
Name: John Paul Hensley Title: Commissioner
Name: Marcia Dials Title: Office Manager
Name: Katrina Sansom Title: Accountant

Who with the utility should receive the inspection report cover letter from the commission?

Name: Jimmy Don Kerr Title: Chairman

Mailing address: 387 Main Street Suite 140 Inez, KY 41224

Email address: greg_scott818@yahoo.com Phone number: (606) 298-3885

Kentucky Public Service Commission

Periodic Compliance Inspection

General Questions

Treatment Facility

Source Water: Reservoir Lake supplied by pumping from Tug River

Plant Capacity: 2 million gallons a day currently. If Clarifier #1 is fixed it will go up to 2.8 million gallons a day.

Avg. Amount Produced:

Distribution Facility

Source Water: The Utilities treatment plant, but also has the ability to purchase from Kermit, city of Prestonsburg, and Mountain Water District in an emergency.

Area of Operation: Martin, Lawrence and Pike Counties

Miles of Water Line: 300 miles of 1"-16" distribution line

Avg. Amount Purchased:

Water sold at wholesale rate to other water systems: Will be selling to Kermit once all the details are worked out.

Utility Information

Number of Employees: 17 full time and 3 part-time

Number of Office Employees: 3 fulltime and 2 part-time

Number of Certified Water Treatment Employees: 4

Number of Certified Distribution Employees: 2 (3 more getting ready to take Class I test)

Number of Certified Meter Testers: 2

Utility Chairperson/President: Jimmy Don Kerr

Metering System:

Number of Customers: 3,550

Meter Reading:

AMR ☒ AMI ☐ Other ☐ Manual ☒

Kentucky Public Service Commission

Periodic Compliance Inspection

Type of meter used for customers: 600 radio reads 3,000 manual

Contractor(s): Contracted meter readers, C.I. Thornburg

Review Current Emergency Response Plan (ERP):

Has the utility made any revisions to the ERP in the past 24 months?
(Put a committee in place for emergency situations)

Yes ☒ No ☐ N/A ☐

When was the last year construction was performed? 2014

What did the construction project consist of? Replaced 3 miles of distribution main with Coal Severance Money.

807 KAR 5:006
(General Rules)

Section 4: Reports

Has the utility filed its gross annual operating revenue report?

Yes ☐ No ☒ N/A ☐

Does the utility file Quarterly Meter Reports (QMR) indicating meter tested, number of customers, and amount of refunds? Yes ☒ No ☐ N/A ☐

Section 7: Billings, Meter Readings, and Information

Does each bill for utility service, issued periodically by a utility, clearly show the following?

The date the bill was issued:	Yes ☒	No ☐	N/A ☐
Class of service:	Yes ☒	No ☐	N/A ☐
Present and last preceding meter readings:	Yes ☒	No ☐	N/A ☐
Date of the present reading:	Yes ☒	No ☐	N/A ☐
Number of units consumed:	Yes ☒	No ☐	N/A ☐
Meter constant, if applicable:	Yes ☐	No ☒	N/A ☐
Net amount for service rendered:	Yes ☒	No ☐	N/A ☐

All taxes:	Yes ☒	No ☐	N/A ☐
Adjustments, if applicable:	Yes ☒	No ☐	N/A ☐
The gross amount of the bill:	Yes ☒	No ☐	N/A ☐
The date after which a penalty may apply to the gross amount:	Yes ☒	No ☐	N/A ☐
If the bill is estimated or calculated:	Yes ☐	No ☒	N/A ☐
Is the rate schedule under which the bill is computed posted on the utility's Web site (if it maintains a Web site)?	Yes ☐	No ☒	N/A ☐
Also furnished by one (1) of the following methods, by:			
Printing it on the bill:	Yes ☐	No ☒	N/A ☐
Publishing it in a newspaper of general circulation once each year:	Yes ☐	No ☒	N/A ☐
Mailing it to each customer once each year; or:	Yes ☐	No ☒	N/A ☐
Provide a place on each bill for a customer to indicate the customer's desire for a copy of the applicable rates:	Yes ☒	No ☐	N/A ☐
Does the utility (except if prevented by reasons beyond its control) read customer meters at least quarterly?	Yes ☒	No ☐	N/A ☐
Is each customer-read meter read manually, at least once during each calendar year?	Yes ☐	No ☐	N/A ☒
Does the utility maintain the information required by this subsection, and is it available to the commission and any customer requesting this information?	Yes ☒	No ☐	N/A ☐
If, due to reasons beyond its control, a utility is unable to read a meter in accordance with this subsection, does the utility record the date and time the attempt was made, if applicable, and the reason the utility was unable to read the meter?	Yes ☒	No ☐	N/A ☐

Section 9: Non-recurring Charges

Is a charge assessed if a customer requests the meter be tested pursuant to Section 19 of this administrative regulation and the tests show the as-found meter accuracy is within the limits established by 807 KAR 5:066, Section 15(2)(a)?	Yes ☒	No ☐	N/A ☐

Section 10: Customer Complaints to the Utility

Upon complaint to a utility by a customer at the utility's office, by telephone or in writing, does the utility make a prompt and complete investigation and advise the customer of the utility's findings?

Yes ☒ No ☐ N/A ☐

Does the utility keep a record of all written complaints concerning the utility's service?
Yes ☒ No ☐ N/A ☐

Does the record include the following?

The customer's name and address: Yes ☒ No ☐ N/A ☐

The date and nature of the complaint: Yes ☒ No ☐ N/A ☐

The disposition of the complaint: Yes ☒ No ☐ N/A ☐

Does the utility maintain these records for two (2) years from the date of resolution of the complaint?
Yes ☒ No ☐ N/A ☐

If a written complaint or a complaint made in person at the utility's office is not resolved, does the utility provide written notice to the customer of his or her right to file a complaint with the commission?
Yes ☒ No ☐ N/A ☐

Does the utility provide the customer with the mailing address, Web site address, and telephone number of the commission? Yes ☒ No ☐ N/A ☐

If a telephonic complaint is not resolved, does the utility provide at least oral notice to the customer of his or her right to file a complaint with the commission? Yes ☒ No ☐ N/A ☐

Section 11: Bill Adjustment

Does the utility monitor a customer's usage at least quarterly? Yes ☒ No ☐ N/A ☐

Are the utility's procedures designed to draw the utility's attention to unusual deviations in a customer's usage? Yes ☒ No ☐ N/A ☐

If a customer's usage is unduly high and the deviation is not otherwise explained, will the utility test the customer's meter? Yes ☒ No ☐ N/A ☐

If a utility's procedure for monitoring usage indicates that an investigation of a customer's usage is necessary, does the utility notify the customer in writing? Yes ☒ No ☐ N/A ☐

If knowledge of a serious situation requires more expeditious notice, does the utility notify the customer by the most expedient means available? Yes ☒ No ☐ N/A ☐

If the meter shows an average meter error greater than two (2) percent fast or slow, does the utility maintain the meter in question at a secure location under the utility's control, for a period of six (6) months from the date the customer is notified of the finding of the investigation and the time frame the meter will be secured by the utility or if the customer has filed a formal complaint?

Yes ☒ No ☐ N/A ☐

Section 14: Utility Customer Relations

Does the utility post and maintain regular business hours and provide representatives available to assist its customers and to respond to inquiries from the commission regarding customer complaints?
Yes ☒ No ☐ N/A ☐

Does the utility designate at least one (1) representative to be available to answer customer questions, resolve disputes, and negotiate partial payment plans at the utility's office?
Yes ☒ No ☐ N/A ☐

If the utility has annual operating revenues of $250,000 or more does it make a designated representative available during the utility's established working hours not fewer than seven (7) hours per day, five (5) days per week excluding legal holidays? Yes ☒ No ☐ N/A ☐

If the utility has annual operating revenues of less than $250,000 does it make a designated representative available during the utility's established working hours not fewer than seven (7) hours per day, one (1) days per week? Yes ☐ No ☐ N/A ☒

Does the utility provide the following?

Maintain a telephone: Yes ☒ No ☐ N/A ☐

Publish the telephone number in all service areas: Yes ☒ No ☐ N/A ☐

Permit all customers to contact the utility's designated representative without charge:
Yes ☒ No ☐ N/A ☐

Does the utility prominently display in each office open to the public for customer service (and shall post on its Web site, if it maintains a Web site) a summary, prepared and provided by the commission, of the customer's rights pursuant to this section and Section 16 of this administrative regulation?
Yes ☒ No ☐ N/A ☐

Does the utility inspect the condition of its meter and service connections before making service connections to a new customer so that prior or fraudulent use of the facilities shall not be attributed to the new customer? Yes ☒ No ☐ N/A ☐

Section 17: Meter Testing

Does the utility maintain meter standards and test facilities, as more specifically established in 807 KAR 5:066? Yes ☐ No ☒ N/A ☐

Before being installed for use by a customer, are all meters tested and in good working order (and adjusted as close to the optimum operating tolerance as possible) as more specifically established in 807 KAR 5:066, Section 15(2)(a)-(b)? Yes ☒ No ☐ N/A ☐

Does the utility have all or part of its testing of meters performed by another utility or agency?
Yes ☒ No ☐ N/A ☐

Does the utility or agency doing meter testing for a utility have in its employ meter testers certified by the commission? Yes ☒ No ☐ N/A ☐

Does the utility or agency employ apprentices in training for certification as meter testers?
Yes ☒ No ☐ N/A ☐

Are all tests performed during this period by an apprentice witnessed by a certified meter tester?
Yes ☒ No ☐ N/A ☐

Section 18: Meter Test Records

Does the utility maintain a complete record of all meter tests and adjustments and data sufficient to allow checking of test calculations? Yes ☒ No ☐ N/A ☐

Do the records include the following?

Information to identify the unit and its location: Yes ☒ No ☐ N/A ☐

Date of tests: Yes ☒ No ☐ N/A ☐

Reason for the tests: Yes ☒ No ☐ N/A ☐

Readings before and after test: Yes ☒ No ☐ N/A ☐

Statement of "as found" and "as left" accuracies sufficiently complete to permit checking of calculations employed: Yes ☒ No ☐ N/A ☐

Statement of repairs made, if any: Yes ☐ No ☒ N/A ☐

Identifying number of the meter: Yes ☒ No ☐ N/A ☐

Type and capacity of the meter: Yes ☒ No ☐ N/A ☐

Does the utility maintain a complete record of tests of each meter continuous for at least two (2) periodic test periods and shall in no case be less than two (2) years? Yes ☒ No ☐ N/A ☐

Does the utility maintain numerically arranged and properly classified records for each meter that it owns, uses, and inventories? Yes ☒ No ☐ N/A ☐

Do these records include the following?

Identification number: Yes ☒ No ☐ N/A ☐

Date of purchase: Yes ☒ No ☐ N/A ☐

Name of manufacturer: Yes ☒ No ☐ N/A ☐

Serial number: Yes ☒ No ☐ N/A ☐

Type: Yes ☒ No ☐ N/A ☐

Name and address of each customer on whose premises the meter has been in service with date of installation and removal: Yes ☒ No ☐ N/A ☐

Do these records contain condensed information concerning all tests and adjustments including dates and general results of the adjustments? Yes ☒ No ☐ N/A ☐

Do these records reflect the date of the last test and indicate the proper date for the next periodic test? Yes ☒ No ☐ N/A ☐

Section 19: Request Tests

Does the utility make a test of a meter upon written request of a customer if the request is not made more frequently than once each twelve (12) months? Yes ☒ No ☐ N/A ☐

Does the utility afford the customer the opportunity to be present at the requested test? Yes ☒ No ☐ N/A ☐

If the tests show the as-found meter accuracy is within the limits allowed by 807 KAR 5:066, Section 15(2)(a), does the utility may make a reasonable charge for the test? Yes ☒ No ☐ N/A ☐

Has the utility filed a tariff (commission approved) establishing a meter test charge? Yes ☒ No ☐ N/A ☐

Section 20: Access to Property

Do employees of the utility (whose duties require him to enter the customer's premises) wear a distinguishing uniform or other insignia, identifying them as an employee of the utility, and show a badge or other identification that shall identify them as an employee of the utility? Yes ☒ No ☐ N/A ☐

Section 23: System Maps and Records

Does the utility have on file at its principal office located within the state and shall file upon request with the commission a map or maps of suitable scale of the general territory it serves or holds itself ready to serve? Yes ☐ No ☐ N/A ☐

Is the map or maps available in electronic format as a PDF file or as a digital geographic database? Yes ☒ No ☐ N/A ☐

Is following data available on the map or maps?

Operating districts: Yes ☒ No ☐ N/A ☐

Rate districts Yes ☒ No ☐ N/A ☐

Communities served: Yes ☒ No ☐ N/A ☐

Location and size of distribution lines, and service connections: Yes ☒ No ☐ N/A ☐

Section 24: Location of Records

Are all records required by 807 KAR Chapter 5 kept in the office of the utility and made available to representatives, agents, or staff of the commission upon reasonable notice at all reasonable hours?

Yes ☒ No ☐ N/A ☐

Section 25: Safety Program

Has the utility adopted and executed a safety program, appropriate to the size and type of its operations?

Yes ☒ No ☐ N/A ☐

At a minimum, does the safety program include the following?

A safety manual with written guidelines for safe working practices and procedures to be followed by utility employees: Yes ☒ No ☐ N/A ☐

Instruct employees in safe methods of performing their work? Yes ☒ No ☐ N/A ☐

Instruct employees who, in the course of their work, are subject to the hazard of electrical shock, asphyxiation, or drowning, in accepted methods of artificial respiration:

Yes ☒ No ☐ N/A ☐

Section 26: Inspection of Systems

Has the utility adopted inspection procedures to assure safe and adequate operation of the utility's facilities and compliance with KRS Chapter 278 and 807 KAR Chapter 5?

Yes ☒ No ☐ N/A ☐

Have these inspection procedures been filed with the commission for review?

Yes ☒ No ☐ N/A ☐

Upon receipt of a report of a potentially hazardous condition at a utility facility, does the utility inspect all portions of the system that are the subject of the report? Yes ☒ No ☐ N/A ☐

Are appropriate records kept by a utility to identify the inspection made, the date and time of inspection, the person conducting the inspection, deficiencies found, and action taken to correct the deficiencies?

Yes ☒ No ☐ N/A ☐

Water utility inspections. Each water utility shall make systematic inspections of its system as established in paragraphs (a) through (c) of 807 KAR 5:006 Section 26(6) to insure that the commission's safety requirements are being met. These inspections shall be made as often as necessary but not less frequently than as established in paragraphs (a) through (c) of 807 KAR 5:006 Section 26(6) for various classes of facilities and types of inspection.

The utility shall annually inspect all structures pertaining to source of supply for their safety and physical and structural integrity.

Does the utility inspect the structures listed below?

Dams	Yes ☐	No ☐	N/A ☒
Intakes	Yes ☒	No ☐	N/A ☐
Traveling screen	Yes ☐	No ☐	N/A ☒

Does the utility semiannually inspect the structures listed below?

Wells	Yes ☐	No ☐	N/A ☒
Well motors and structures	Yes ☐	No ☐	N/A ☒
Electric power wiring and controls	Yes ☒	No ☐	N/A ☐

The utility shall annually inspect all structures pertaining to purification for their safety, physical and structural integrity, and for leaks.

Does the utility annually inspect the structures listed below?

Sedimentation basins	Yes ☒	No ☐	N/A ☐
Filters	Yes ☒	No ☐	N/A ☐
Clear Wells	Yes ☒	No ☐	N/A ☐
Chemical feed equipment	Yes ☒	No ☐	N/A ☐
Pumping equipment	Yes ☒	No ☐	N/A ☐
Water storage facilities	Yes ☒	No ☐	N/A ☐
Hydrants	Yes ☒	No ☐	N/A ☐
Mains	Yes ☒	No ☐	N/A ☐
Meters	Yes ☐	No ☒	N/A ☐
Meter settings	Yes ☐	No ☒	N/A ☐
Valves	Yes ☒	No ☐	N/A ☐

Does the utility monthly inspect the equipment listed below for defects, wear, operational hazards, lubrication, and safety features?

Construction equipment	Yes ☒	No ☐	N/A ☐
Vehicles	Yes ☒	No ☐	N/A ☐

Section 27: Reporting of Accidents, Property Damage, or Loss of Service

Within two (2) hours following discovery does the utility notify the commission by telephone or electronic mail of a utility related accident that results in the following:

Death or shock or burn requiring medical treatment at a hospital or similar medical facility, or any accident requiring inpatient overnight hospitalization: Yes ☐ No ☐ N/A ☒

Actual or potential property damage of $25,000 or more: Yes ☐ No ☐ N/A ☒

Loss of service for four (4) or more hours to ten (10) percent or 500 or more of the utility's customers, whichever is less: Yes ☐ No ☐ N/A ☒

Are summary written reports submitted by the utility to the commission within seven (7) calendar days of the utility related accident? Yes ☐ No ☐ N/A ☒

Section 28: Deviations from Administrative Regulation:

Has the utility been permitted by the commission to deviate from these administrative regulations? Yes ☐ No ☒ N/A ☐

807 KAR 5:011
(Tariffs)

Section 12: Posting tariffs, Administrative Regulations, and Statutes

Does the utility display a suitable placard, in large type, that states that the utility's tariff and statutes are available for public inspection? Yes ☒ No ☐ N/A ☐

Does the utility provide a suitable table or desk in its office or place of business on which the public may view all effective tariffs? Yes ☒ No ☐ N/A ☐

Section 13: Special Contracts

Does the utility have any special contracts that establish rates, charges, or conditions of service not contained in its tariff? Yes ☐ No ☒ N/A ☐

If yes has the utility filed, the special contracts with the PSC? Yes ☐ No ☐ N/A ☒

807 KAR 5:066
(Water)

Section 2: Information Available to Customers:

Does the utility provide the information listed below to any customer upon request?

A description in writing of chemical constitutes and bacteriological standards of the treated water as required by the Division of Water Yes ☒ No ☐ N/A ☐

Schedule of rates for water service	Yes ☒	No ☐	N/A ☐
Method of reading meters	Yes ☒	No ☐	N/A ☐
Past readings of a customer's meter for a period of two (2) years	Yes ☒	No ☐	N/A ☐

Section 3: Quality of Water

Is the utility in compliance with the Division of Water?	Yes ☒	No ☐	N/A ☐

Section 4: Continuity of Service

Does the utility immediately notify the fire chief if an emergency interruption of service affects service to any public fire protection device?	Yes ☒	No ☐	N/A ☐
If the utility schedules an interruption of service are all customers notified that are affected by the interruption?	Yes ☒	No ☐	N/A ☐
Does the utility have standby pumps capable of providing the maximum daily pumping demand?	Yes ☒	No ☐	N/A ☐
Does the utility's minimum storage capacity equal the average daily consumption?	Yes ☒	No ☐	N/A ☐
Does the utility keep a record of all interruption?	Yes ☒	No ☐	N/A ☐
Does the record contain the information listed below?			
Cause of interruption	Yes ☒	No ☐	N/A ☐
Date	Yes ☒	No ☐	N/A ☐
Time	Yes ☒	No ☐	N/A ☐
Duration	Yes ☒	No ☐	N/A ☐
Remedy and steps taken to prevent recurrence	Yes ☒	No ☐	N/A ☐

Section 5: Pressure

Does the customer's service pipe under normal conditions fall below thirty (30) psig or static pressure exceed 150 psig? Yes ☐ No ☒ N/A ☐

Does the utility have one (1) or more recording pressure gauges to make pressure surveys? Yes ☒ No ☐ N/A ☐

Is the utility maintaining one (1) or more of these recording pressure gauges at some representative point on the utility's mains at a minimum of one (1) week per month in continuous service? Yes ☒ No ☐ N/A ☐

Is the utility, at least once annually, making a survey of pressures in its distribution system? Yes ☒ No ☐ N/A ☐

Section 6: Water Supply Measurement

Has the utility installed a measuring device at each source of supply? Yes ☒ No ☐ N/A ☐

Section 7: Standards of Construction

Is the utility failing to operate its facilities so as to provide adequate and safe service to its customers due to water loss exceeding 15 percent? Yes ☒ No ☐ N/A ☐

Section 8: Distribution Mains

Are dead ends provided with a hydrant, flushing hydrant, or blowoff for flushing purpose? Yes ☒ No ☐ N/A ☐

Section 9: Service Lines

Does the utility inspect the customer's service line? Yes ☐ No ☒ N/A ☐

Does the utility substitute its inspection for the proof of an inspection done by the appropriate state or local plumbing inspector? Yes ☒ No ☐ N/A ☐

Section 13: Measurement of Service

Does the utility meter all water sold? Yes ☐ No ☒ N/A ☐

Does the utility have any flat water rates? Yes ☐ No ☒ N/A ☐

Has the utility adopted a standard method of installing meters and service lines? Yes ☒ No ☐ N/A ☐

Section 15: Accuracy requirement of Water Meters

Are all new meters, and any meter removed from service for any cause tested for accuracy prior to being placed into service? Yes ☒ No ☐ N/A ☐

Do the meters tested register within the accuracy limits specified in 807 KAR 5:066, Section 15 (2)(a)?
Yes ☒ No ☐ N/A ☐

Section 16: Periodic Tests

Is the utility testing all water meters so that no meter remains in service without testing for a period longer than specified by the table in 807 KAR, Section 16 (1)? Yes ☐ No ☒ N/A ☐

Section 17: Water Shortage Response Plan

Has the utility submitted a copy of its Water Shortage Response Plan with the Commission?
Yes ☒ No ☐ N/A ☐

Section 18: Deviations from Administrative Regulation:

Has the utility been permitted by the commission to deviate from these administrative regulations?
Yes ☐ No ☒ N/A ☐

807 KAR 5:095
(Fire Protection Service for Water Utilities)

Section 9

Does the utility allow a utility to withdraw water from its distribution system for fire protection and training purposes at no charge? Yes ☒ No ☐ N/A ☐

Does the utility require a fire department to submit quarterly reports demonstrating its water usage?
Yes ☒ No ☐ N/A ☐

Does the utility's tariff state the penalty to be assessed for failure to submit water usage reports?
Yes ☒ No ☐ N/A ☐

Review of Facilities:

1.

Water Treatment Plant, Meter Test Bench, Scada System, Reservoir Intake, River Intake, High Service Pumps

Kentucky Public Service Commission

Periodic Compliance Inspection

Deficiencies

Martin County Water District is failing to operate its facilties so as to provide adequate and safe service to its customers as required by 807 KAR 5:066, Section 7, due to water loss exceeding 15 percent.

Martin County Water District does not have annual written inspection records as required by 807 KAR 5:006, Section 26(6)(b).

Martin County Water District is not in compliance with meter test facilities and equipment as required by 807 KAR 5:066, Section 14.

Utility has 5/8" x 3/4" meters that have been in service for 10 years without being tested contrary to the table in 807 KAR 5:066, Section 16(1).

Additional Inspector Comments

Commissioners:
Jimmy Don Kerr-Chairman-business owner
John Paul Hensley-business owner
Jared Crum-Secretary-lawyer
Ernest Hale-Treasurer-Board of Education
Open Seat

AML Grant:
4,000,000 gallon per day pump, 2,000,000 gallon a day pump, Fixing and rehabbing clarifier #1.

Once clarifier #1 is rehabbed they will take clarifier #2 offline and clean and make repairs to it, same as clarifier #3.

Finished meter at plant needs replaced believed to be running 10-15% fast.

Looking at full meter replacement and adding zone meters to give them the ability to isolate troubled areas into smaller manageable areas.
Bids given by Ferguson Water, C.I. Thornburg, and United Systems

Oldham County Water District is currently selling Martin County Water District meters they are taking out of their system at $10 a meter and trade in of old meter from Martin County. Martin County Water District is picking up roughly 75 meters a week.

Martin County Water District is currently having a hydraulic model done of system and currently has determined Rt. 3 has a psi of 350 and the pipe rating in that area is 180 psi.

Martin County Water District wants to get monthly audits done.

Starting debt of Martin County Water District was $1,100,000 and now they are at $780,000.

Requesting to amend order to include debt between April-December 2018- during that time picked up $150,000.

Currently Martin County Water District's bills do not state if they have been estimated nor does the utility conduct re-reads on high, low, and no flow meter readings.

Kermit, West Virginia wants to purchase water from Martin County.

Flushing 1,000,000 gallons a month.

Martin County is currently not charging for excavation damages.

Martin County will be updating their tariff to reading per 100 gallons instead of 1,000 gallons.

Intake Issues:
Vandalism issues, Intake at reservoir has been filled with rocks, screws have been taken out of pumps, pumps have been beaten with a hammer, cameras have been installed at river intake.

Martin County stated they have slowed the plant down which has helped with treatment.

Disconnections have been changed to every 30 days instead of 90 days.
300 disconnection notices went out in July, 48 customers actually got shut off and 19 stayed shut off
August 300 disconnection notices went out, 24 shut off , 4 customers stayed shut off.

Theft: Martin County tries to work payments out with the customer but if no agreement can be made then gets sent to county attorney. County Attorney then tries to work out a deal if not then prosecutes.

Martin County is sending 4,000,000 gallons a month to the prison.

Kentucky Public Service Commission

Periodic Compliance Inspection

Comment: During this periodic regulatory compliance inspection, it was not possible to review/discuss every record relating to all Commission requirements. Therefore, in some instances the results contained in this report are indicative of those items inspected and reviewed on a sample basis.

Report by: Date: October 22, 2019

Erin Donges

Utility Regulatory & Safety Investigator

Kentucky Public Service Commission

Attachment(s): A.) Water Storage Tanks, Pump Stations, Master Meters, Water Loss

B.) Pictures

Attachment A

MARTIN COUNTY WATER DISTRICT

WATER STORAGE TANKS	CAPACITY	LAST INT INSP	LAST EXT INSP
BUCKS CREEK	500,000		2019
LITTLE ROCKCASTLE	150,000		2019
292 SOUTH	100,000		2019
BIG ELK	100,000		2019
CLEARWELL TANKS	2(500,000)		2019
TURKEY	50,000		2019
MARCUS WELLS	200,000		2019
CALLOWAY	100,000		2019
OTTO BROWN	260,000		2019
BUFFALO HORN	50,000		2019
BIG SANDY AIRPORT	1,040,000		2019
KY 645	67,000		2019
TOTAL STORAGE CAPACITY			

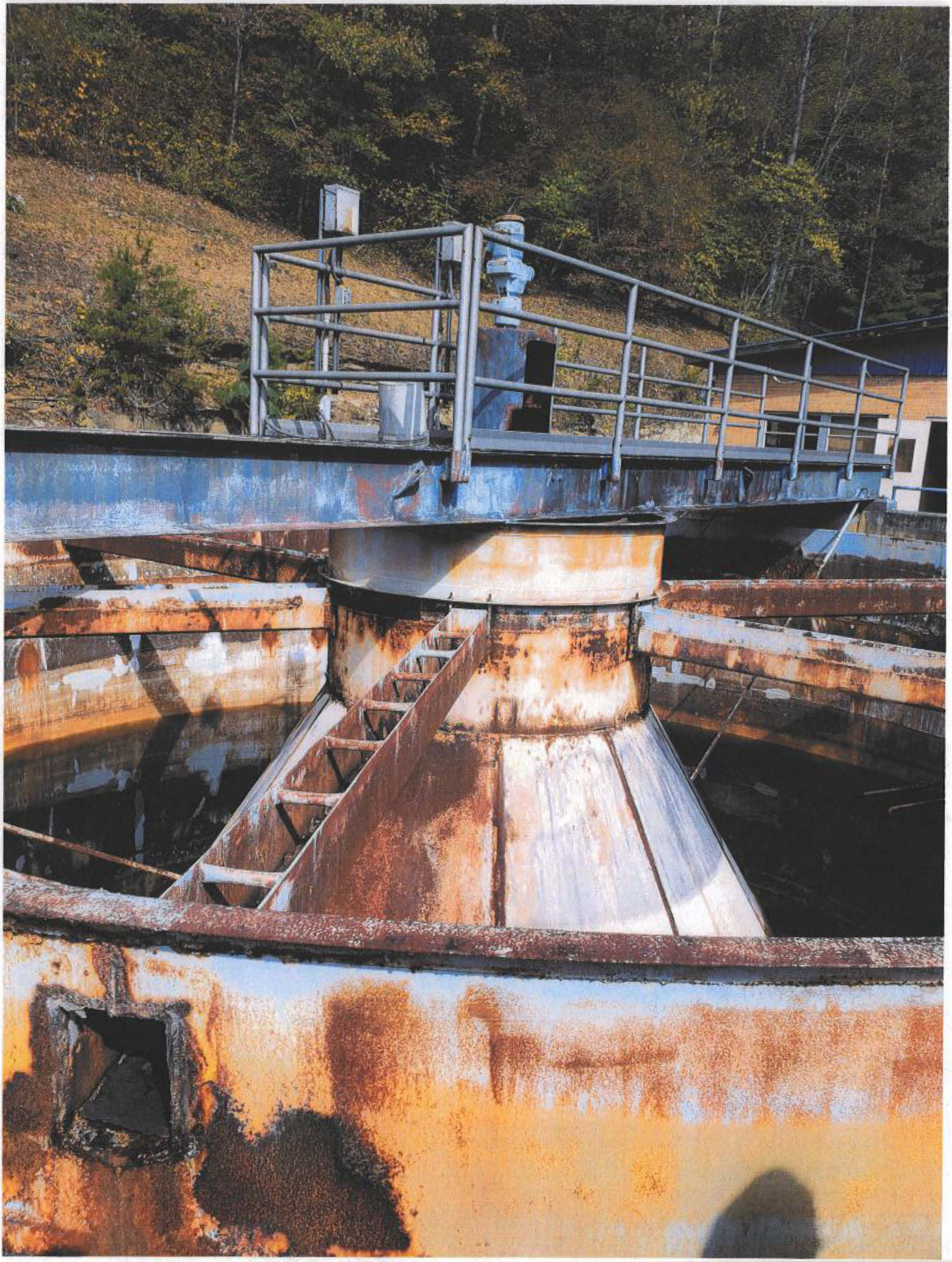
PUMP STATION	PUMPS/GPM	LAST INSP
KY 40 EAST	2(500)	2019
BIG ELK	2(240)	2019
BONE HOLLOW	2(30)	2019
KY 292	2(130)	2019
TURKEY	2(90)	2019
KY 40	2(420)	2019
CALLOWAY	2(90)	2019
OTTO BROWN	2(245)	2019
KY 645	2(90)	2019
PETER CAVE	2(30)	2019
BUFFALO HORN	2(60)	2019
DAVELLA	2(350)	2019
CASSELL BRANCH	2(30)	2019
BIG LICK BRANCH	2(30)	2019
MEAT HOUSE	2(25)	2019

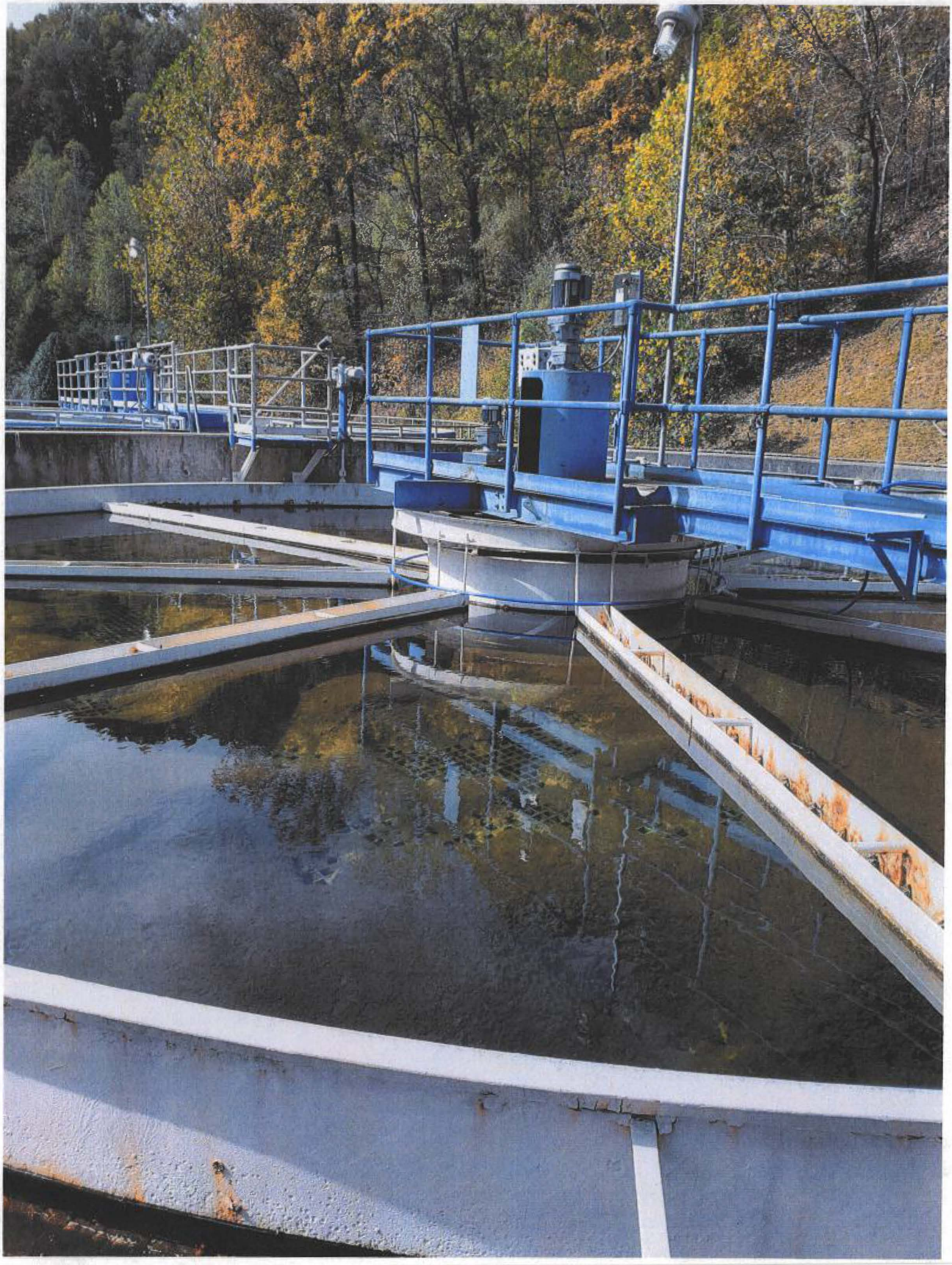
MASTER METERS	LAST TESTED
KERMIT WV 2"	NOT IN USE
MOUNTAIN WATER DISTRICT 2"	NOT IN USE

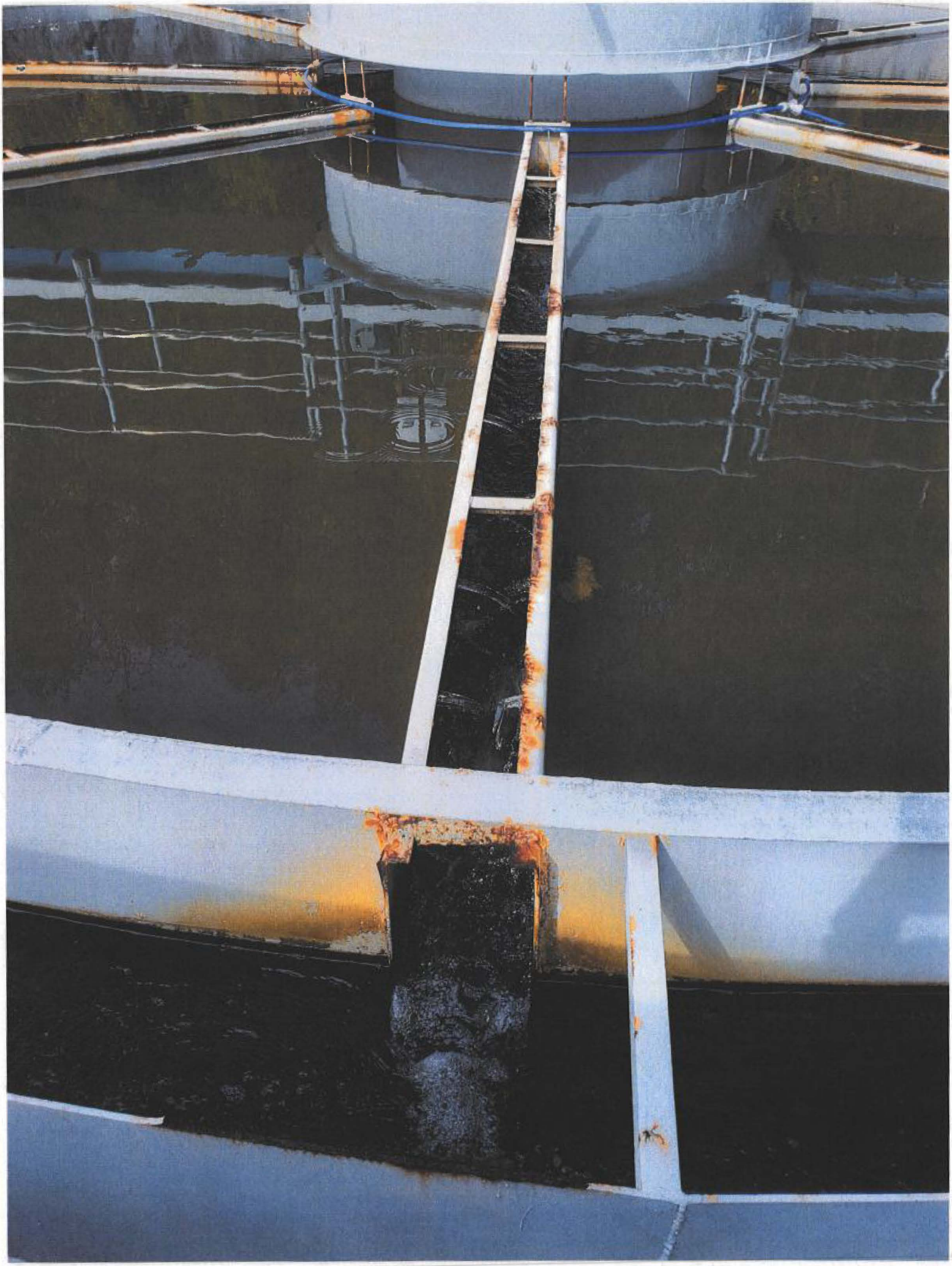
WATER LOSS 2019	JAN	FEB	MARCH	APRIL	MAY
PERCENTAGE	58.2	57.4	71.1	48.5	67.8

JUNE	JULY
67.5	59.2

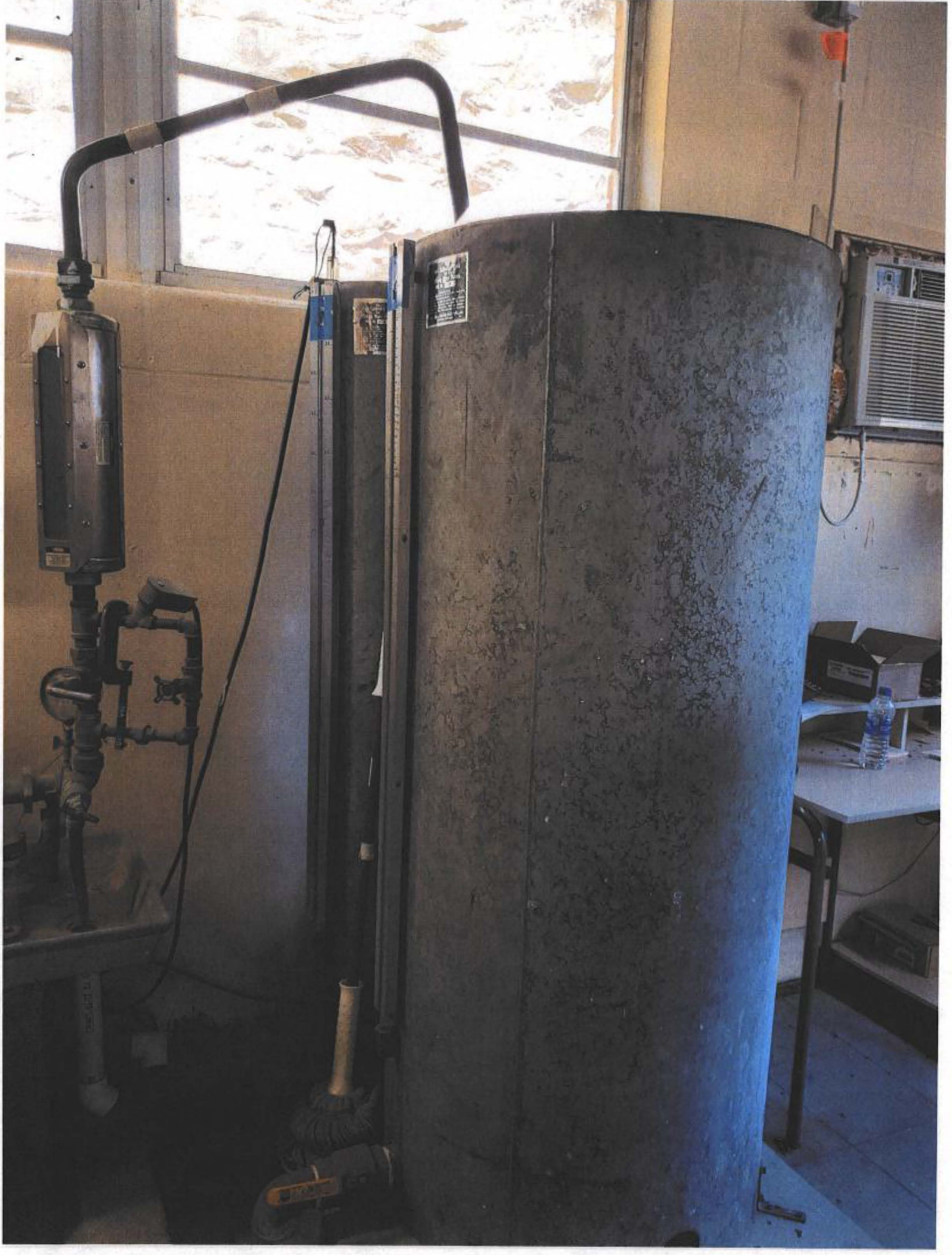
Attachment B

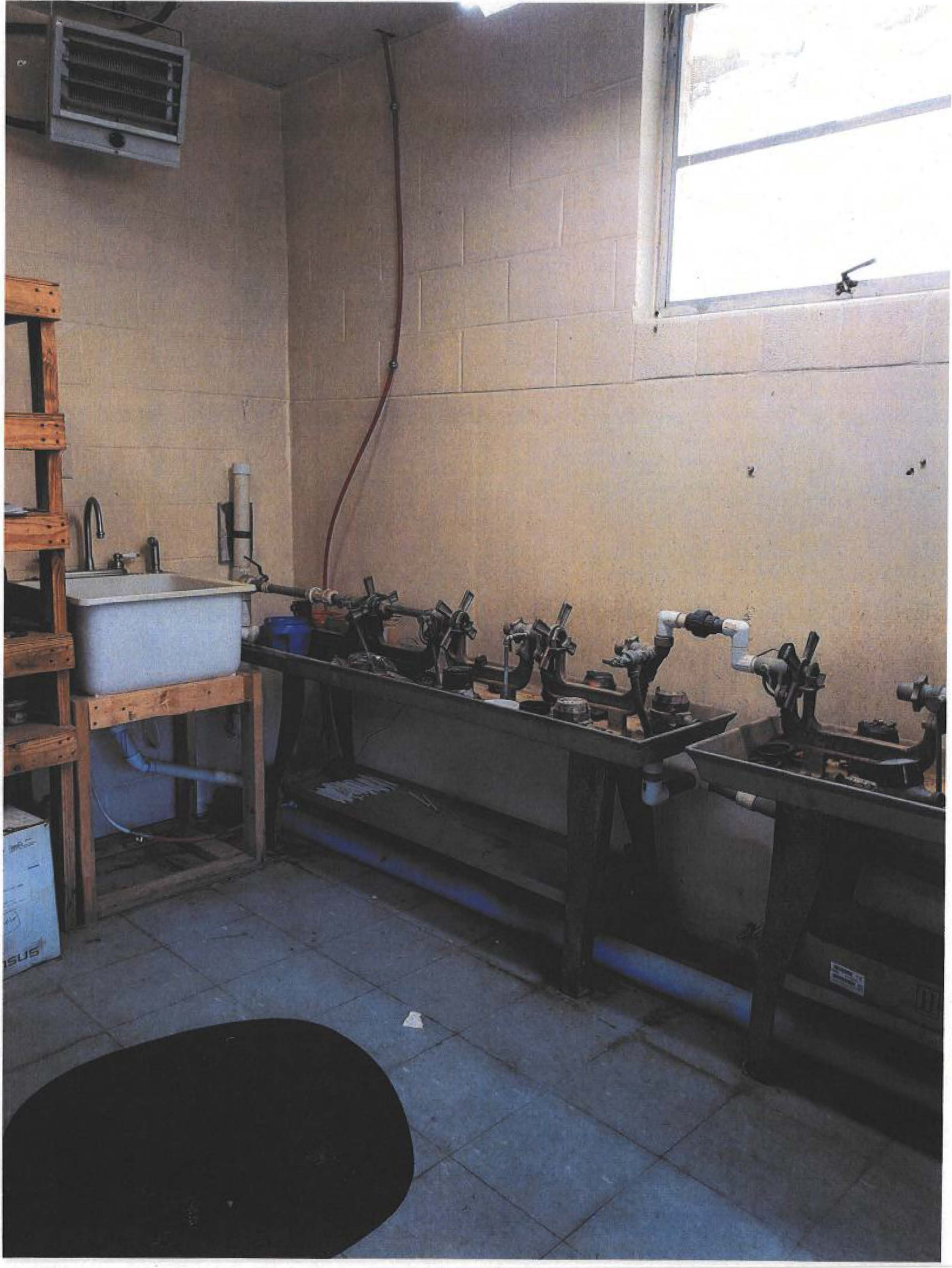


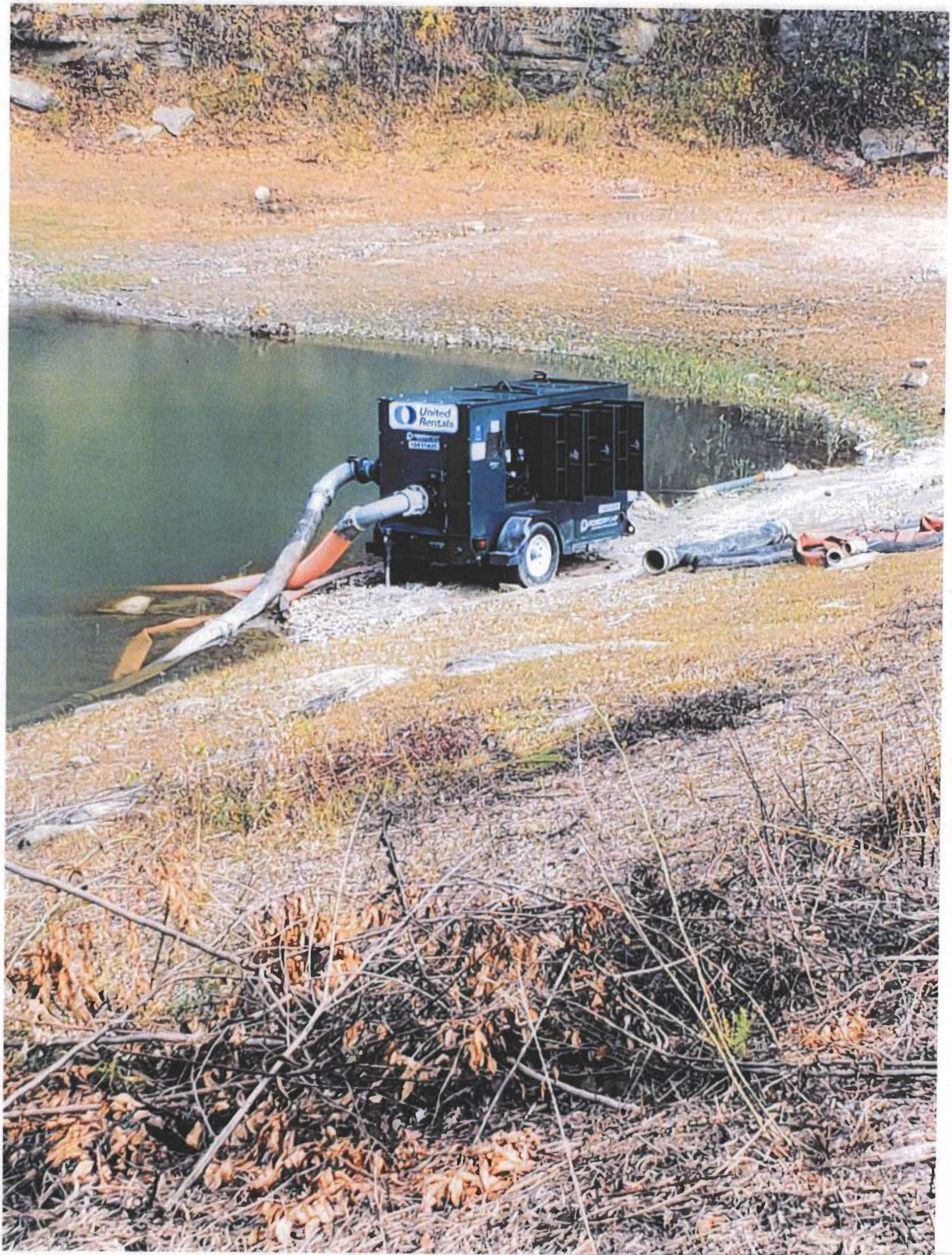


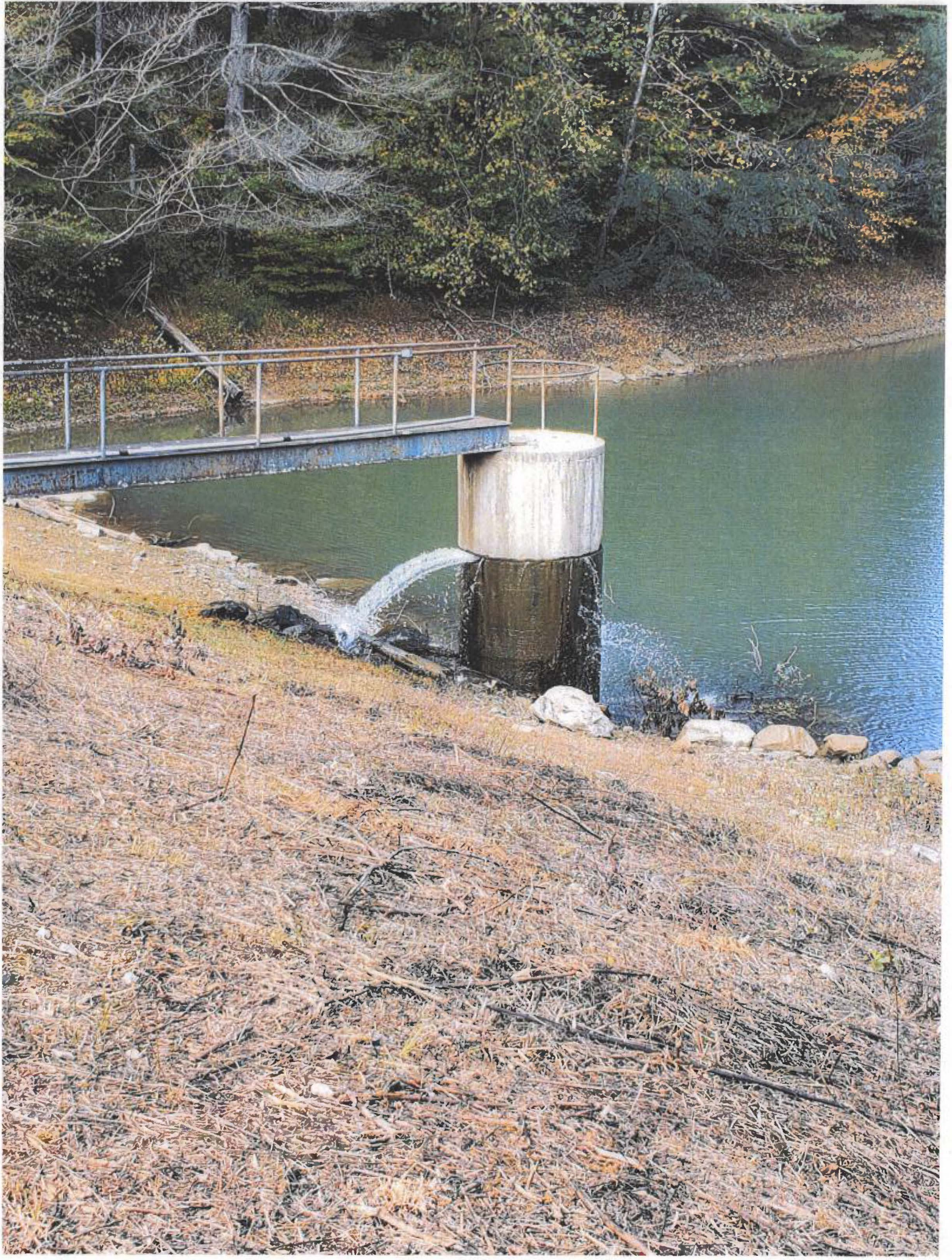


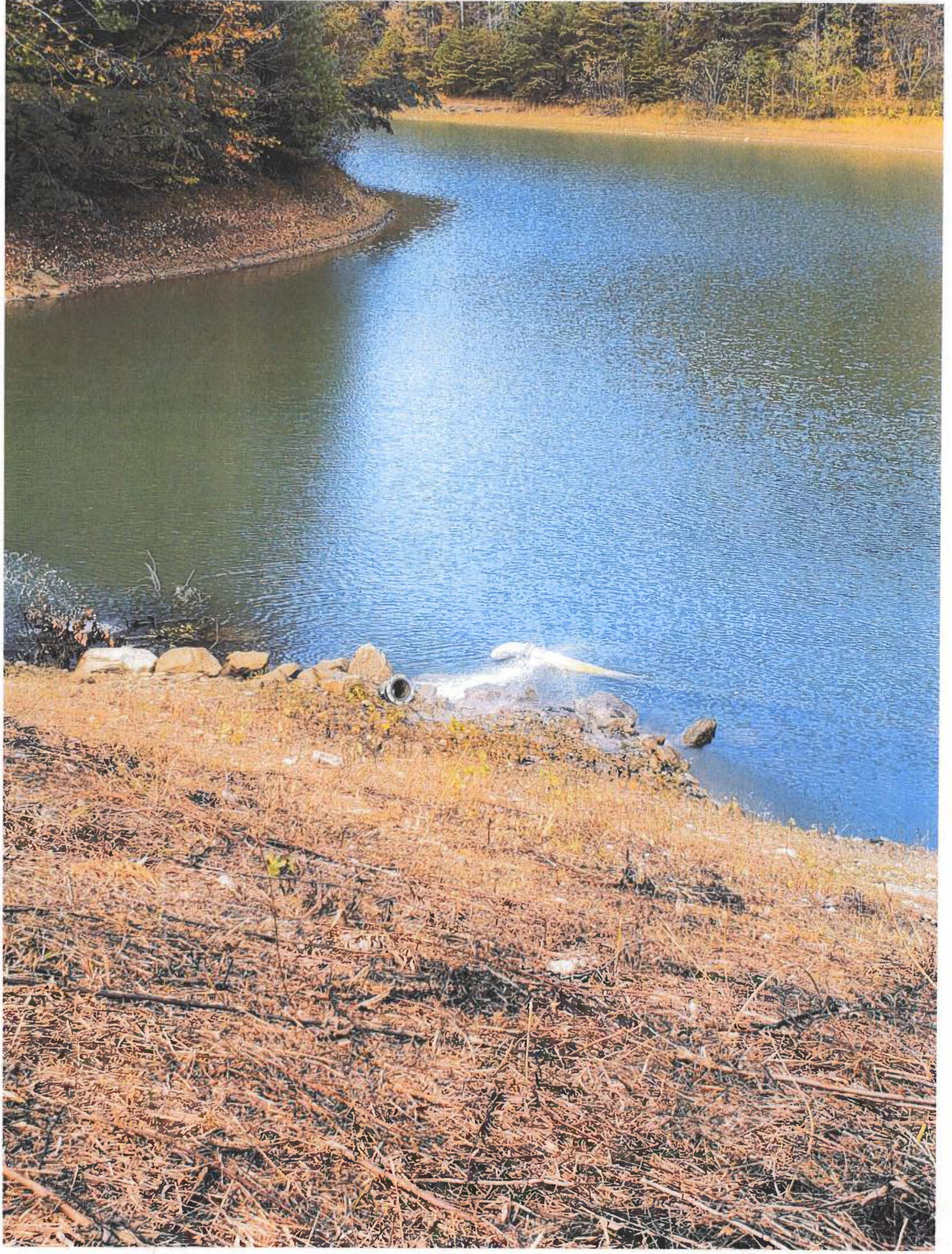

MP 2
PW to TC Tank

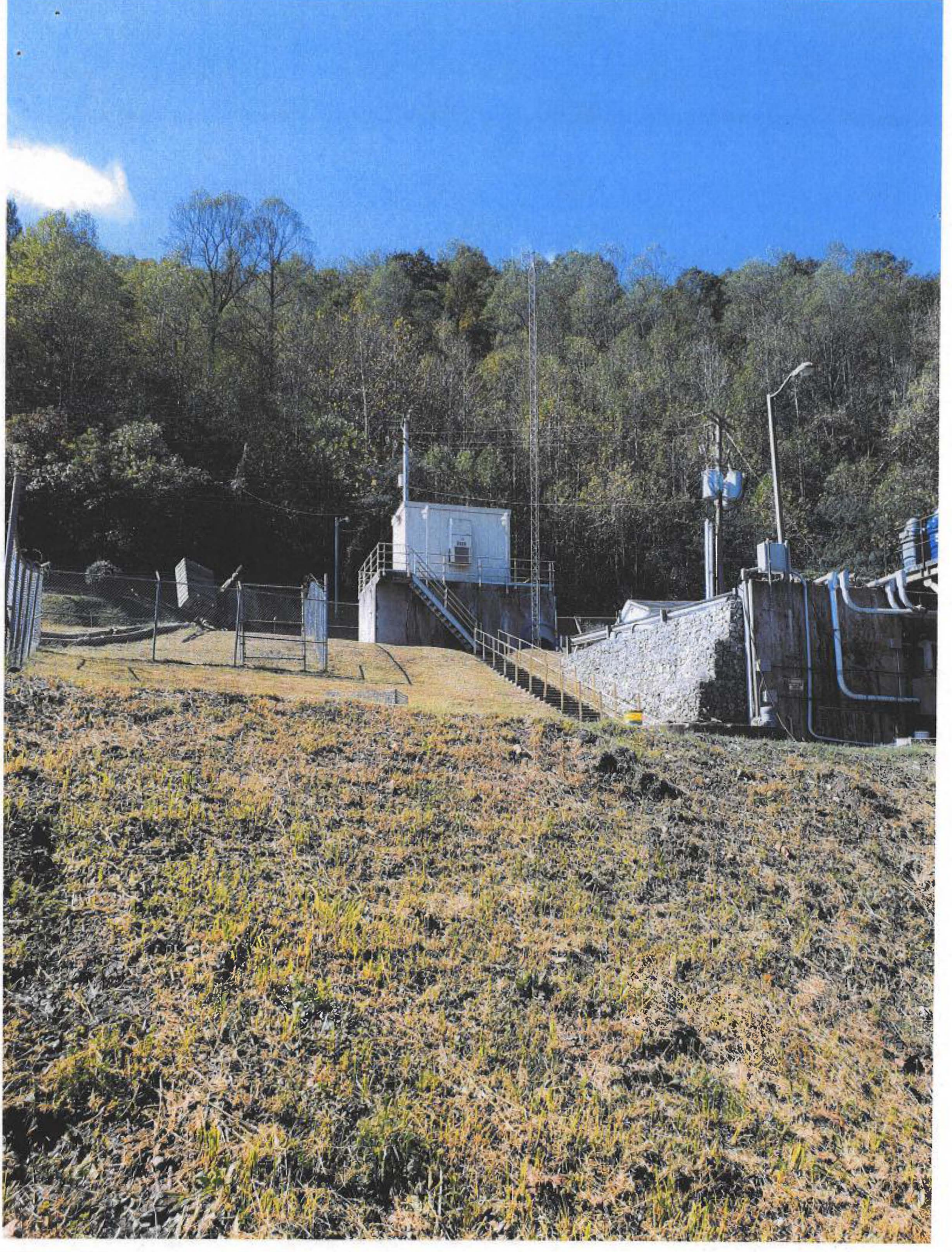


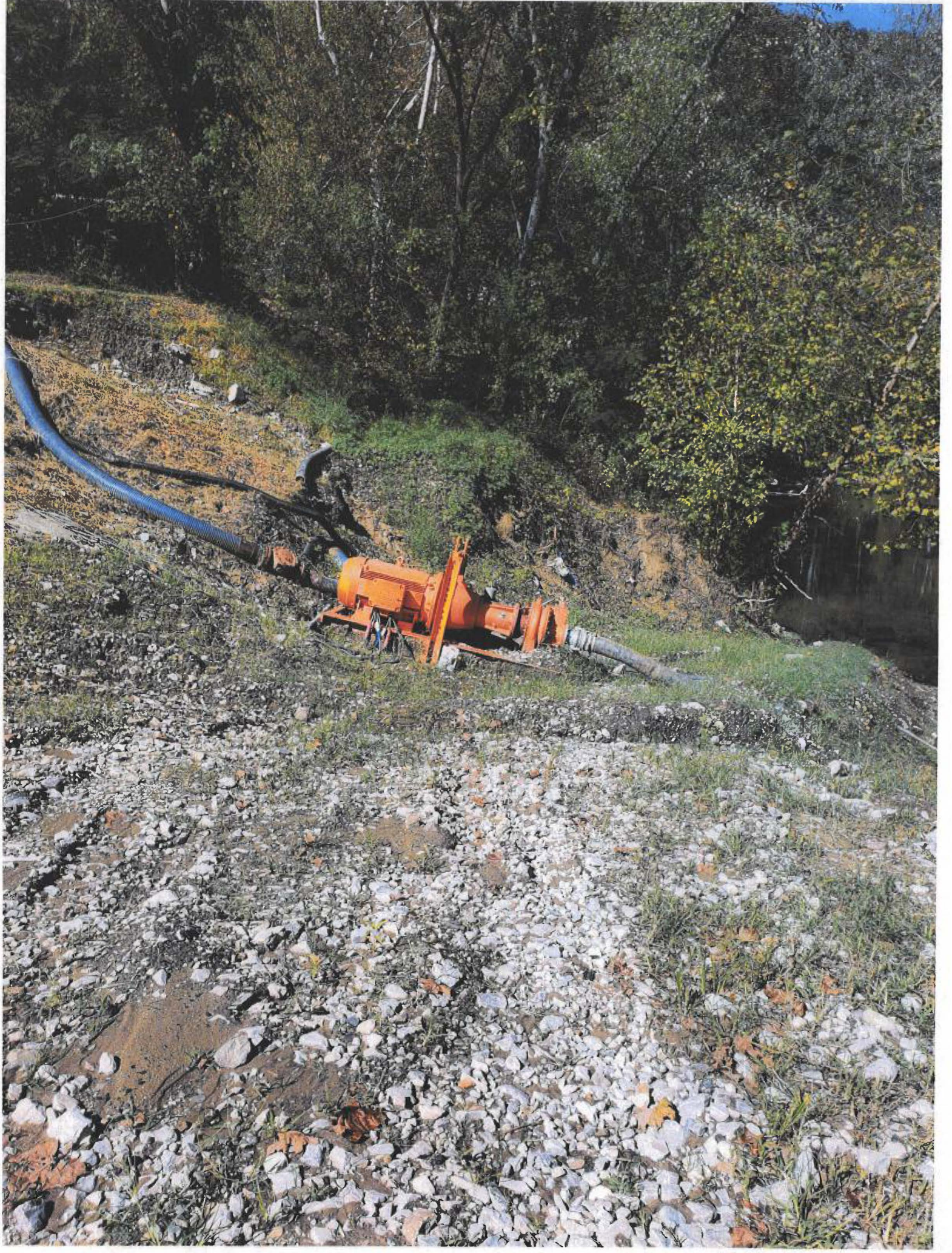


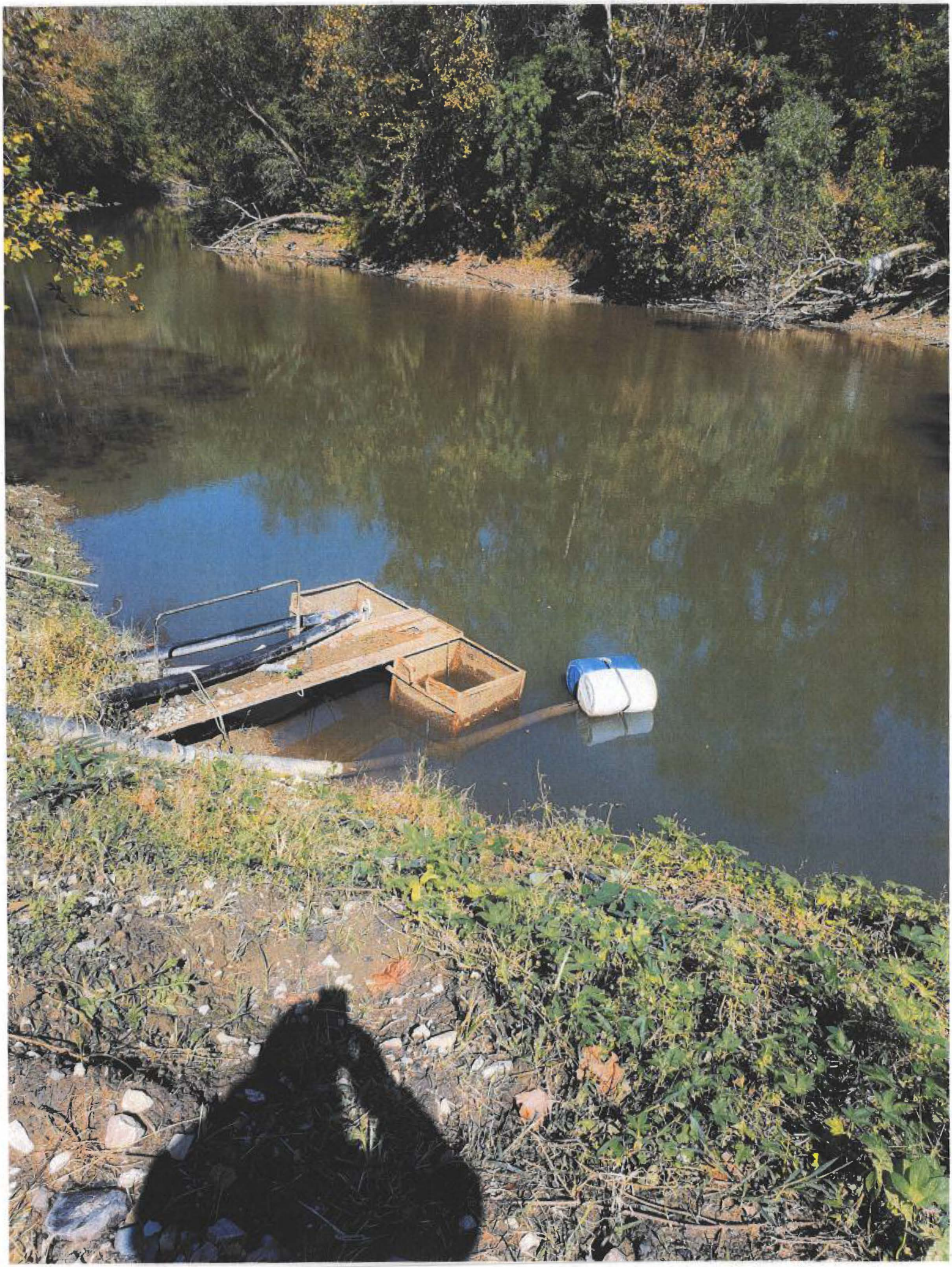

United Rentals

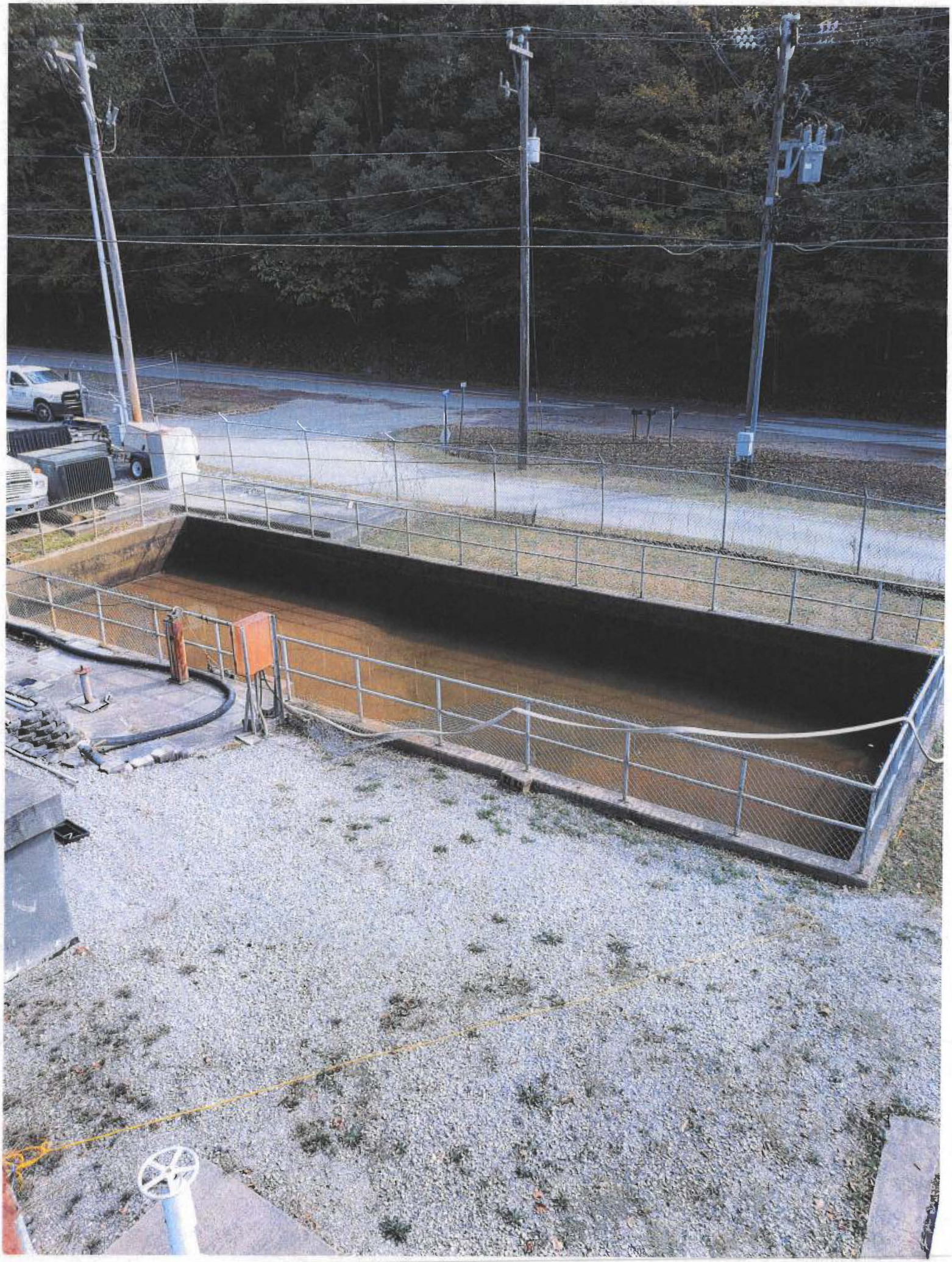


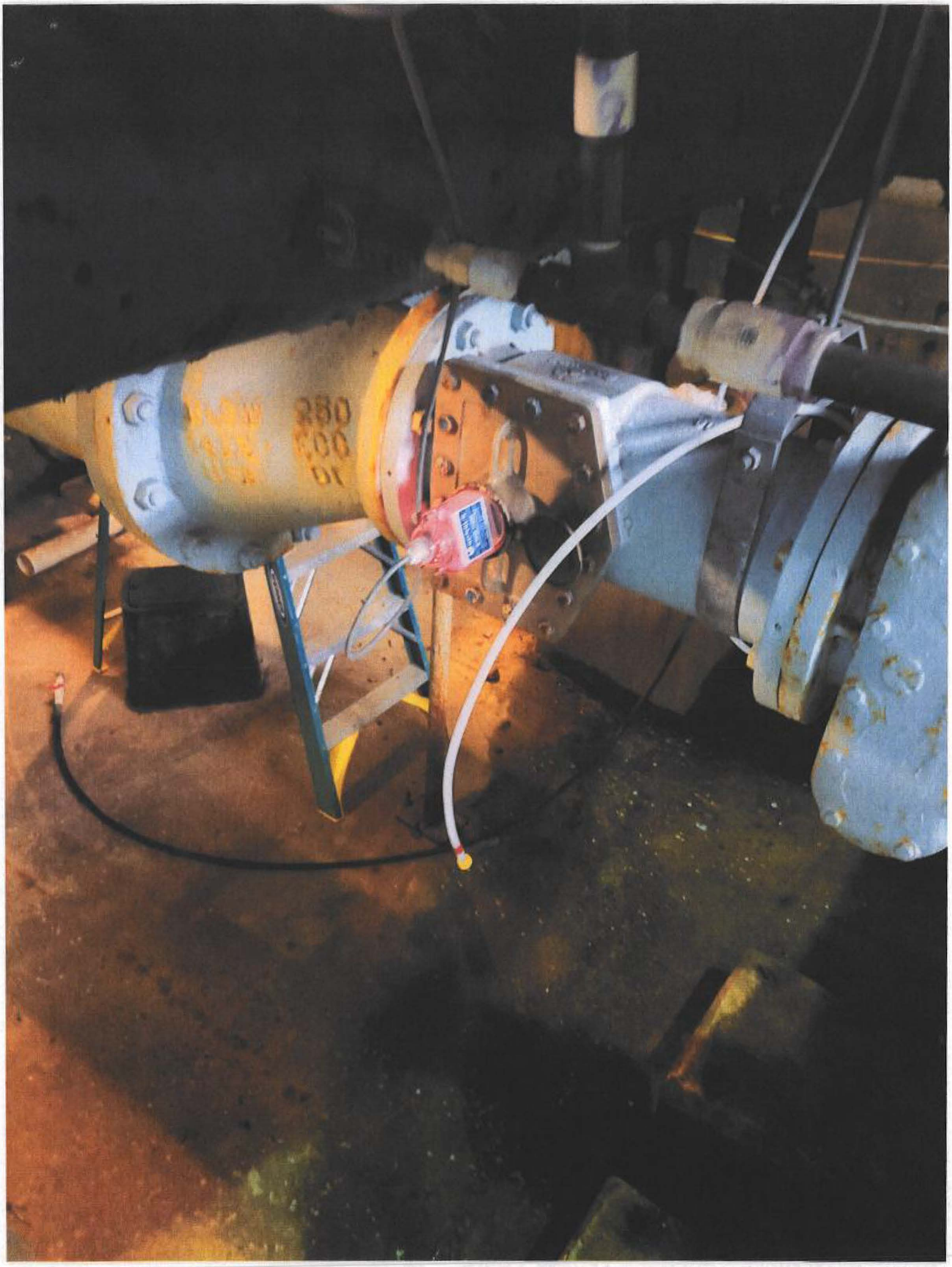




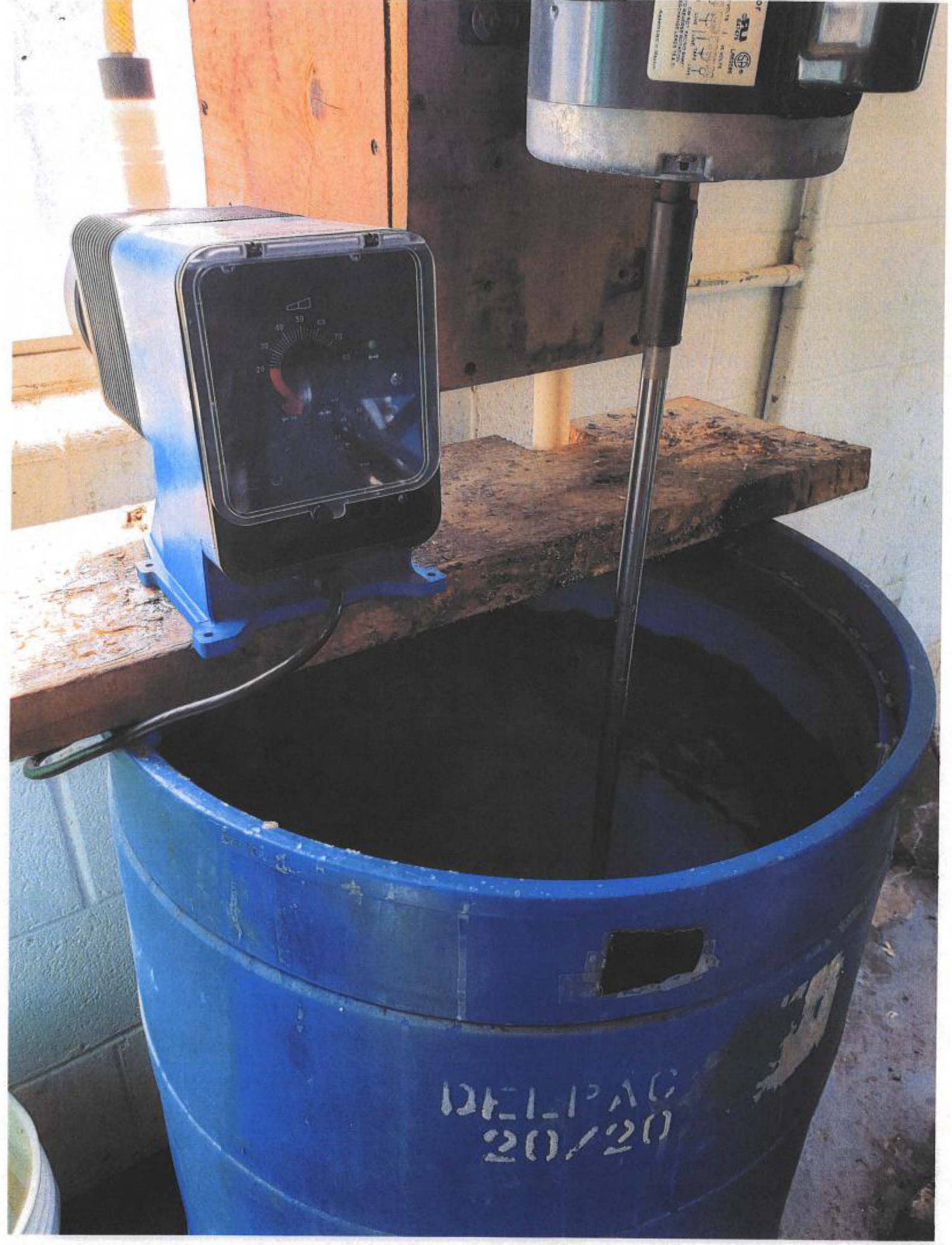


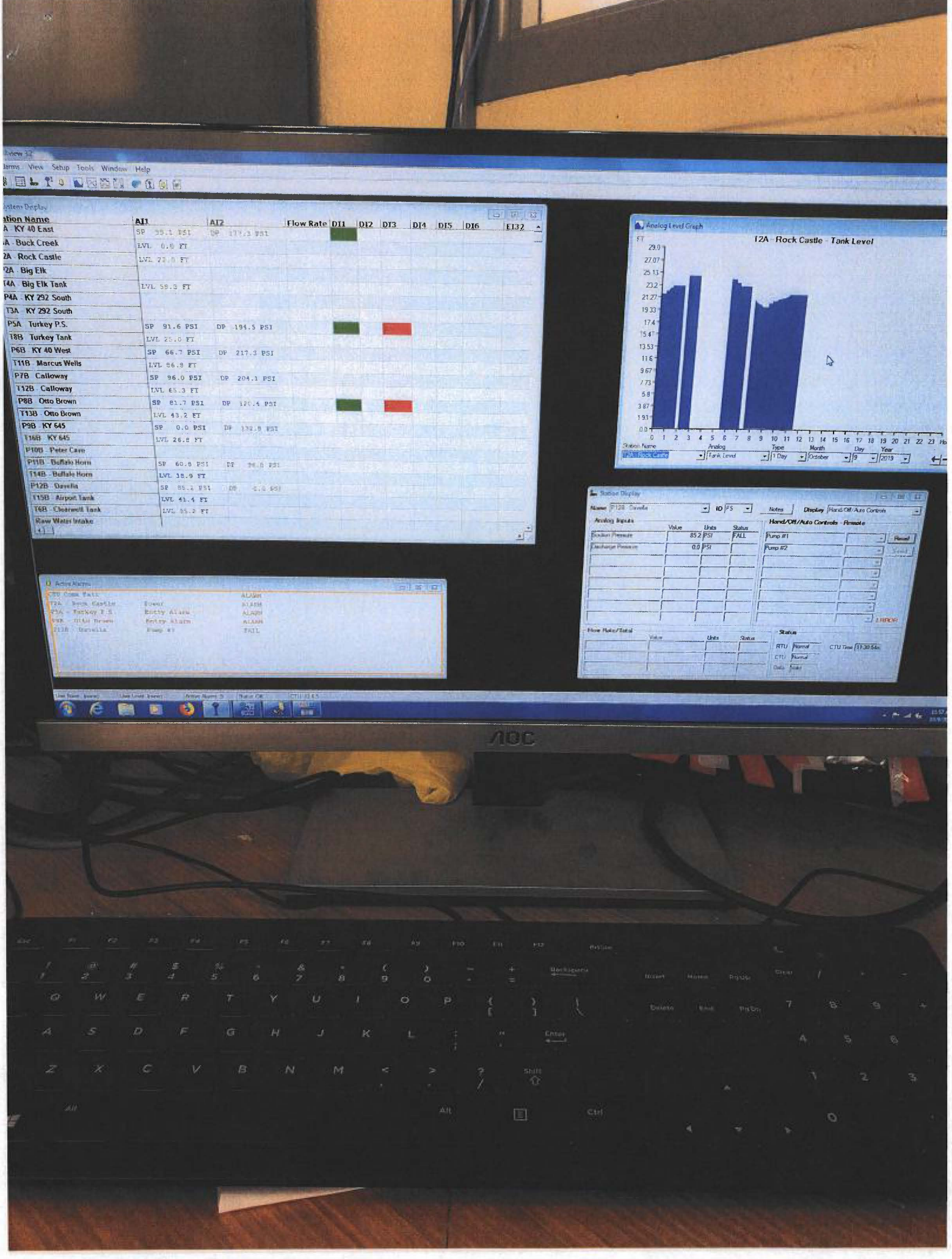


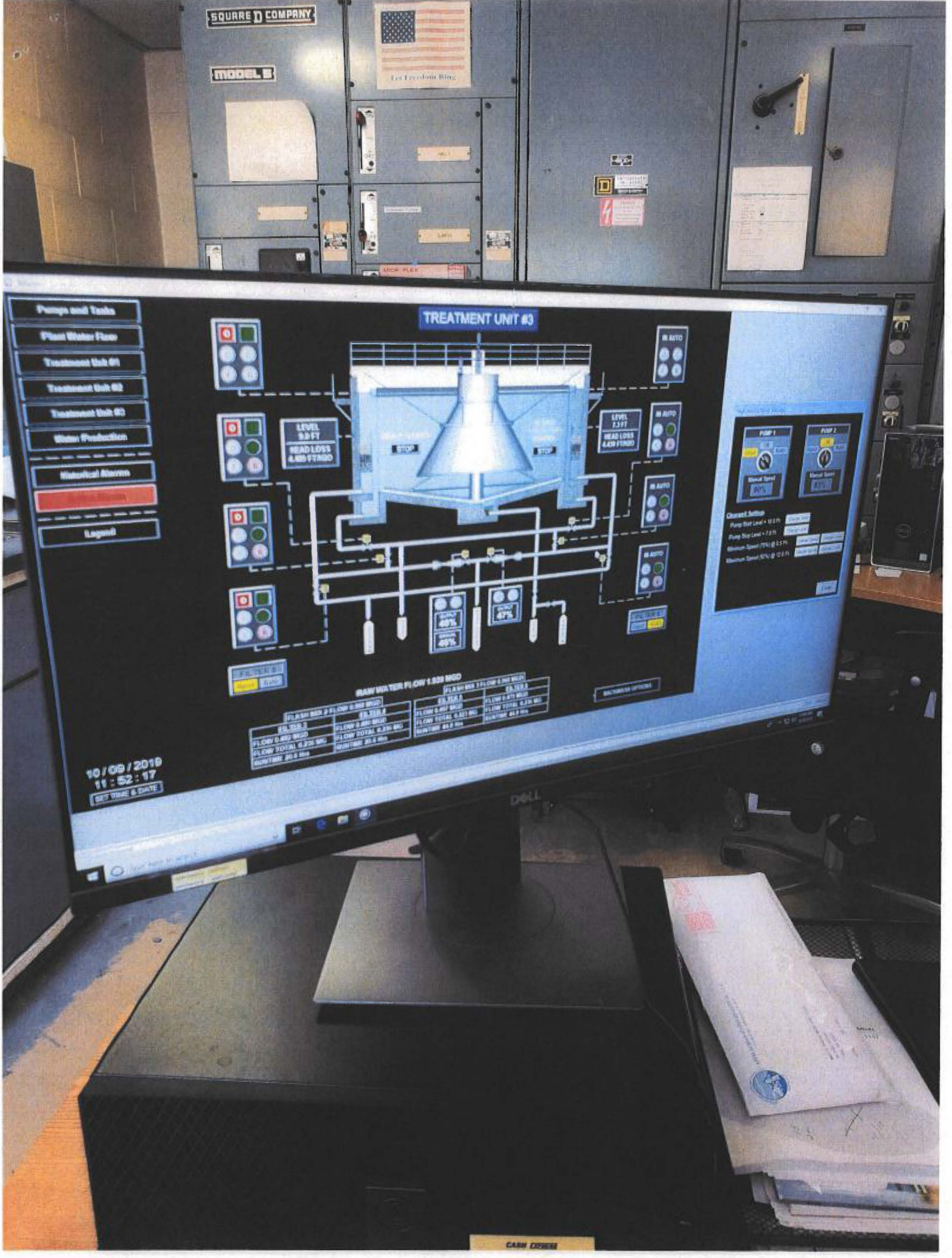







DELPAC
20/20


Alarms View Setup Tools Window Help
Station Name
A - KY 40 East
A - Buck Creek
2A - Rock Castle
2A - Big Elk
T4A - Big Elk Tank
P4A - KY 292 South
T3A - KY 292 South
P5A - Turkey P.S.
T8B - Turkey Tank
P6B - KY 40 West
T11B - Marcus Wells
P7B - Calloway
T12B - Calloway
P8B - Otto Brown
T13B - Otto Brown
P9B - KY 645
T16B - KY 645
P10B - Peter Cave
P11B - Buffalo Horn
T14B - Buffalo Horn
P12B - Oavella
T15B - Airport Tank
T6B - Clearwell Tank
Raw Water Intake
AI1
AI2
Flow Rate
DI1
DI2
DI3
DI4
DI5
DI6
EI32
Analog Level Graph
T2A - Rock Castle - Tank Level
Station Name
Analog
Type
Month
Day
Year
Active Alarms
Station Display
Hand/Off/Auto Controls - Remote
Pump #1
Pump #2
Status
RTU
CTU
AOC


SQUARE D COMPANY
MODEL 5
Pumps and Tanks
Plant Water Flow
Treatment Unit #1
Treatment Unit #2
Treatment Unit #3
Water Production
Historical Alarms
Legend
TREATMENT UNIT #3
IN AUTO
LEVEL
HEAD LOSS
STOP
RAW WATER FLOW
10 / 09 / 2019
11 : 52 : 17
SET TIME & DATE
DELL


PENNWALT
WALLACE & TIERNAN

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PUBLIC SERVICE COMMISSION

Monthly Water Loss Report

Water Utility: Martin County

For the Month of: June Year: 2018

LINE #	ITEM	GALLONS (Omit 000's)	
1	**WATER PRODUCED, PURCHASED & DISTRIBUTED**		
2	Martin WTP	52,384	
3	Prestonsburg (Honey Branch)	595	
3a	Kermit	-	
3b	Mountain Water District	-	
4	**TOTAL PRODUCED AND PURCHASED**	52,979	
5			
6	**WATER SALES**		
7	Residential	11,627	
8	Commercial	2,872	
9	Industrial	-	
9a	Prestonsburg (Honey Branch)	-	
10	Wholesale	-	
11	Bulk Loading Stations	-	
12	Other Sales 0	-	
13	**TOTAL WATER SALES**	14,499	27.4%
14			
15	**OTHER WATER USED**		
16	Utility and/or Water Treatment Plant	595	
17	Wastewater Plant	37	
18	System Flushing	-	
19	Fire Department	121	
20	Other	-	
21	**TOTAL OTHER WATER USED**	753	1.4%
22			
23	**WATER LOSS**		
24	Tank Overflows	-	
25	Line Breaks	1,750	
26	Line Leaks	35,977	
27	Other	-	
28	**TOTAL LINE LOSS**	37,727	71.2%
29			
30	Note: Line 13 + Line 21 + Line 28 Must Equal Line 4		
31			
32	**WATER LOSS PERCENTAGE**		
33	Unaccounted-For Water (Line 28 divided by Line 4)	71.2%	

PSC EXHIBIT 9

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Monthly Water Use Report

Water Utility: Martin County Water District **PWSID:** Ky0800273

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

1	**PRODUCTION COST PER THOUSAND**		$3.05	?
2	**PURCHASE COST PER THOUSAND**		$7.75	?
			GALLONS	
	WATER PRODUCED or PURCHASED			
3	Martin Co.	$172,392.10	56,522,000	99.0%
4	Prestonsburg (Honey Branch)	$4,376.74	564,740	1.0%
5	Kermit	$0.00	0	0.0%
6	Mountain Water District	$0.00	0	0.0%
7	**TOTAL PRODUCED AND PURCHASED**		57,086,740	
8	**TOTAL COST**	$176,768.84		
	WATER SOLD			
9	Residential		13,278,000	
10	Commercial		2,994,000	
11	Industrial		0	
12	Prestonsburg (Honey Branch)		0	?
13	Wholesale		0	
14	Other Sales (explain)		0	
15	**TOTAL WATER SOLD**		16,272,000	28.5%
16	**TOTAL WATER NOT SOLD**		40,814,740	**71.5%**
	BREAKDOWN OF WATER USAGE			
17	Water Treatment Plant		1,346,000	
18	Wastewater Treatment Plant		360,000	
19	System Flushing		0	
20	Fire Department Usage		109,000	$337.52
21	DBP Flushing		0	
22	**TOTAL USAGE**		1,815,000	
23	**WATER LOSS PERCENTAGE FOR RATE PURPOSES**			**68.3%**
	BREAKDOWN OF WATER LOST			
24	Tank Overflows (other than for DBP maintenance)		0	
25	Excavation Breaks		0	
26	Repaired Line Breaks		1,432,920	$4,437.03
27	Unknown Loss		37,566,820	**65.8%**
28	**TOTAL WATER NOT SOLD OR USED**		**38,999,740**	
29	**COST OF WATER NOT SOLD OR USED**		**$120,762.52**	

	"UNKNOWN LOSS" FLOW RATE AND COST:	
30	"Unknown Loss"	37,566,820
31	% "Unknown Loss"	65.8%
32	Number of Days in Period	31
33	"Unknown Loss" per Day (Gallons per Day)	1,211,833
34	"Unknown Loss" per Minute (GPM)	841.55
33	"Unknown Loss" Cost for Month	$116,325.49

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Monthly Water Loss Report

Water Utility: Martin County Water District

For the Month of: September Year: 2018

LINE #	ITEM	GALLONS (Omit 000's)	
1	**WATER PRODUCED, PURCHASED & DISTRIBUTED**		
2	Martin WTP	55,021	
3	Prestonsburg (Honey Branch)	1,128	
3a	Kermit	-	
3b	Mountain Water District	-	
4	**TOTAL PRODUCED AND PURCHASED**	56,149	
5			
6	**WATER SALES**		
7	Residential	13,034	
8	Commercial	2,855	
9	Industrial	-	
9a	Prestonsburg (Honey Branch)	-	
10	Wholesale	-	
11	Bulk Loading Stations	-	
12	Other Sales 0	-	
13	**TOTAL WATER SALES**	15,889	28.3%
14			
15	**OTHER WATER USED**		
16	Utility and/or Water Treatment Plant	715	
17	Wastewater Plant	30	
18	System Flushing	701	
19	Fire Department	32	
20	Other	-	
21	**TOTAL OTHER WATER USED**	1,478	2.6%
22			
23	**WATER LOSS**		
24	Tank Overflows	-	
25	Line Breaks	24,078	
26	Line Leaks	14,704	
27	Other		
28	**TOTAL LINE LOSS**	38,782	69.1%
29			
30	Note: Line 13 + Line 21 + Line 28 Must Equal Line 4		
31			
32	**WATER LOSS PERCENTAGE**		
33	Unaccounted-For Water (Line 28 divided by Line 4)	69.1%	

Monthly Water Use Report

Water Utility: Martin County Water District **PWSID:** Ky0800273

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

1	**PRODUCTION COST PER THOUSAND**		$3.05	
2	**PURCHASE COST PER THOUSAND**		$3.05	
			GALLONS	
	WATER PRODUCED or PURCHASED			
3	Martin Co.	$167,814.05	55,021,000	98.0%
4	Prestonsburg (Honey Branch)	$3,440.71	1,128,100	2.0%
5	Kermit	$0.00	0	0.0%
6	Mountain Water District	$0.00	0	0.0%
7	**TOTAL PRODUCED AND PURCHASED**		56,149,100	
8	**TOTAL COST**	$171,254.76		
	WATER SOLD			
9	Residential		13,034,000	
10	Commercial		2,855,000	
11	Industrial		0	
12	Prestonsburg (Honey Branch)		0	
13	Wholesale		0	
14	Other Sales (explain)		0	
15	**TOTAL WATER SOLD**		15,889,000	28.3%
16	**TOTAL WATER NOT SOLD**		40,260,100	**71.7%**
	BREAKDOWN OF WATER USAGE			
17	Water Treatment Plant		715,000	
18	Wastewater Treatment Plant		30,000	
19	System Flushing		701,398	$2,139.26
20	Fire Department Usage		31,700	$96.69
21	DBP Flushing		0	
22	**TOTAL USAGE**		1,478,098	
23	**WATER LOSS PERCENTAGE FOR RATE PURPOSES**			69.1%
	BREAKDOWN OF WATER LOST			
24	Tank Overflows (other than for DBP maintenance)		0	
25	Excavation Breaks		0	
26	Repaired Line Breaks		24,078,487	$73,439.38
27	Unknown Loss		14,703,515	**26.2%**
28	**TOTAL WATER NOT SOLD OR USED**		**38,782,002**	
29	**COST OF WATER NOT SOLD OR USED**		**$118,285.11**	

	"UNKNOWN LOSS" FLOW RATE AND COST:	
30	"Unknown Loss"	14,703,515
31	% "Unknown Loss"	26.2%
32	Number of Days in Period	31
33	"Unknown Loss" per Day (Gallons per Day)	474,307
34	"Unknown Loss" per Minute (GPM)	329.38
33	"Unknown Loss" Cost for Month	$44,845.72

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Monthly Hydrant Flushing Report (Flushing for other than DBP maintenance)

Martin County Water District	(name of Water System)	Month	September
		Year	2018
Ky0800273	(PWSID)		

unit conversion factor: 29.83

Formula: $GPM = 29.83\ cd^2\sqrt{p}$ coefficient value: 0.95

Date	Hydrant Location and/or Number	Reason Operated	Total Minutes Operated	Nozzle size (typically 2.5 or 4.5)	Pitot Pressure	GPM	Gallons Flowed	Estimated Flow if Pitot not used
9/17/2018	180900174/ Davella area	sampling	231.00	2.5	6	434	100,218	250,000
9/10/2018	180900159/ Davella Pump St	sampling	180.00	2.5	3	307	55,219	
9/18/2018	180900178/ Holden Spur	sampling	60.00	4.0	1	476	28,533	250,000
9/15/2018	180900031/ 2826 N. Wolf crk	sampling	30.00	2.5	4	354	10,627	
9/15/2018	180900117/ 8607 Mhouse Rd	sampling	30.00	2.0	4	227	6,801	

Total Gallons for Month: 701,398

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Monthly Leak Repair Report

Martin County Water District
(Water System)

Ky0800273
(PWSID)

Month	**September**
Year	**2018**

Area Calculator

diameter in inches

Hole= 4
Area= 12.560 sq. in.

	length (in)	width (in)
Crack=	1	0.118
Area=	0.118	sq. in.

Insert the approximate dimensions of the hole or crack to determine the area of the break. Insert the area in the spreadsheet below.

Date of Repair	Location of Leak or Line Break	Days Line Leaked?	Hole or Crack?	Area of hole or crack	Normal PSI	GPM	Calculated Loss for Month	Estimated Loss for Month
9/4/18	180800291/ 9193 Rockcastle Rd	8	crack	0.020	80	4	46,977	7,692,000
9/4/18	180800331/ 1257 Saltwell Rd	6	crack	0.040	80	8	70,466	
9/6/18	180800358/ 66 Melvin Lane	7	crack	0.040	100	9	91,913	
9/6/18	180900001/ 360 Groundhog Hollow	3	crack	0.030	90	6	28,028	
9/13/18	180900008/ 3079 Davella Rd	10	hole	0.018	80	5	70,464	
9/12/18	180900009/ 80 Tomahawk Estates	8	hole	0.008	80	2	25,054	
9/4/18	180900010/ River Front rd. Lovely	0.5	crack	0.088	90	19	13,702	
9/4/18	180900018/ Buffalo Horn	0.5	hole	0.442	100	134	96,726	
9/5/18	180900022/ Turkey Mountain	0.5	crack	0.236	90	51	36,747	
9/11/18	180900110/ 10046 Meathouse Rd.	1	crack	0.392	100	89	128,679	
9/26/18	180900111/ 4519 Hode Rd.	16	hole	0.442	90	127	2,936,391	
9/12/18	180900121/ 49 Doc lane Peter Cave	1	hole	0.001	100	0	438	
9/14/18	180900122/ 1428 S Wolf Crk,Pilgrm	6	crack	0.030	75	6	50,318	
9/12/18	180900124/ 9226 Rockcastle Rd	1	crack	0.235	80	48	68,998	
9/25/18	180900126/ 1014 West Main St.	14	crack	0.628	80	128	2,581,391	
9/12/18	180900133/ 4352 Rockcastle Rd	0.5	crack	0.039	80	8	5,769	
9/16/18	180900140/ 4282 N. Milo Rd	3	crack	0.059	90	13	55,121	
9/13/18	180900142/ 9153 Rockcastle Rd	0.5	hole	0.442	80	120	86,514	
9/15/18	180900144/ Crum Br. Debord	7	crack	0.039	100	9	90,305	
9/14/18	180900154/ 15 Spence Br. Milo Rd	0.5	crack	0.078	90	17	12,145	
9/14/18	180900163/ Saltwell	0.5	crack	0.019	80	4	2,789	
9/14/18	180900164/ Hode Rd Warfield Park	0.5	crack	0.019	90	4	2,958	
9/24/18	180900196/ 28 Floyd St Warfield	30	crack	0.117	90	25	1,093,074	
9/26/18	180900206/ 346 Collins Crk	5	crack	0.039	90	8	60,726	
9/26/18	180900221/ 8 Chase Lane	1	crack	0.078	75	15	22,174	
9/26/18	180900237/ New Rt 3 under ovrpass	1.5	hole	7.065	80	1921	4,148,573	
9/29/18	180900242/ 137 Creekwd Estates	2	crack	0.001	80	0	352	
9/23/18	180900259/ Upper Alpha	14	crack	0.785	100	179	3,607,604	
9/29/18	181000002/ 328 Frog Pond Rd.	1	crack	0.001	80	0	294	
9/29/18	181000003/ 136 Blackberry Rd.	1	crack	0.078	100	18	25,604	
9/30/18	181000005/ btwn 3759 & 3817 rd292	1	crack	0.059	80	12	17,323	
9/28/18	180800265/ 207 uppr alpha	30	crack	0.078	140	21	908,868	

Total Gallons Lost Due to Line Breaks **24,078,487**

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Monthly Water Use Report

Water Utility: Martin County Water District **PWSID:** Ky0800273

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

1	**PRODUCTION COST PER THOUSAND**		$1.21	
2	**PURCHASE COST PER THOUSAND**		$7.75	
			GALLONS	
	WATER PRODUCED or PURCHASED			
3	Martin Co.	$67,372.80	55,680,000	98.1%
4	Prestonsburg (Honey Branch)	$8,427.82	1,087,460	1.9%
5	Kermit	$0.00	0	0.0%
6	Mountain Water District	$0.00	0	0.0%
7	**TOTAL PRODUCED AND PURCHASED**		56,767,460	
8	**TOTAL COST**	$75,800.62		
	WATER SOLD			
9	Residential		11,207,000	
10	Commercial		3,273,000	
11	Industrial		0	
12	Prestonsburg (Honey Branch)		111,700	
13	Wholesale		0	
14	Other Sales (explain)		0	
15	**TOTAL WATER SOLD**		14,591,700	25.7%
16	**TOTAL WATER NOT SOLD**		42,175,760	**74.3%**
	BREAKDOWN OF WATER USAGE			
17	Water Treatment Plant		778,000	
18	Wastewater Treatment Plant		55,000	
19	System Flushing		788,100	$1,052.34
20	Fire Department Usage		136,350	$182.07
21	DBP Flushing		884,188	$1,180.64
22	**TOTAL USAGE**		2,641,638	
23	**WATER LOSS PERCENTAGE FOR RATE PURPOSES**			69.6%
	BREAKDOWN OF WATER LOST			
24	Tank Overflows (other than for DBP maintenance)			
25	Excavation Breaks		0	
26	Repaired Line Breaks		16,276,544	$21,733.79
27	Unknown Loss		23,257,578	**41.0%**
28	**TOTAL WATER NOT SOLD OR USED**		**39,534,122**	
29	**COST OF WATER NOT SOLD OR USED**		**$52,789.23**	

	"UNKNOWN LOSS" FLOW RATE AND COST:	
30	"Unknown Loss"	23,257,578
31	% "Unknown Loss"	41.0%
32	Number of Days in Period	31
33	"Unknown Loss" per Day (Gallons per Day)	750,244
34	"Unknown Loss" per Minute (GPM)	521.00
33	"Unknown Loss" Cost for Month	$31,055.44

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Monthly Water Loss Report

Water Utility: Martin County Water District

For the Month of: October Year: 2018

LINE #	ITEM	GALLONS (Omit 000's)	
1	**WATER PRODUCED, PURCHASED & DISTRIBUTED**		
2	Martin WTP	55,680	
3	Prestonsburg (Honey Branch)	1,087	
3a	Kermit	-	
3b	Mountain Water District	-	
4	**TOTAL PRODUCED AND PURCHASED**	56,767	
5			
6	**WATER SALES**		
7	Residential	11,207	
8	Commercial	3,273	
9	Industrial	-	
9a	Prestonsburg (Honey Branch)	112	
10	Wholesale	-	
11	Bulk Loading Stations	-	
12	Other Sales 0	-	
13	**TOTAL WATER SALES**	14,592	25.7%
14			
15	**OTHER WATER USED**		
16	Utility and/or Water Treatment Plant	778	
17	Wastewater Plant	55	
18	System Flushing	788	
19	Fire Department	136	
20	Other IDENTIFY OTHER USE	884	
21	**TOTAL OTHER WATER USED**	2,642	4.7%
22			
23	**WATER LOSS**		
24	Tank Overflows	-	
25	Line Breaks	16,277	
26	Line Leaks	23,258	
27	Other		
28	**TOTAL LINE LOSS**	39,534	69.6%
29			
30	Note: Line 13 + Line 21 + Line 28 Must Equal Line 4		
31			
32	**WATER LOSS PERCENTAGE**		
33	Unaccounted-For Water (Line 28 divided by Line 4)	69.6%	

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Monthly Water Use Report

Water Utility: Martin County Water District **PWSID:** Ky0800273

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

1	**PRODUCTION COST PER THOUSAND**		$1.21	
2	**PURCHASE COST PER THOUSAND**		$7.75	
			GALLONS	
	WATER PRODUCED or PURCHASED			
3	Martin Co.	$65,949.84	54,504,000	96.5%
4	Prestonsburg (Honey Branch)	$15,422.50	1,990,000	3.5%
5	Kermit	$0.00	0	0.0%
6	Mountain Water District	$0.00	0	0.0%
7	**TOTAL PRODUCED AND PURCHASED**		56,494,000	
8	**TOTAL COST**	$81,372.34		
	WATER SOLD			
9	Residential		12,039,000	
10	Commercial		3,203,000	
11	Industrial		0	
12	Prestonsburg (Honey Branch)		0	
13	Wholesale		0	
14	Other Sales (explain)		0	
15	**TOTAL WATER SOLD**		15,242,000	27.0%
16	**TOTAL WATER NOT SOLD**		41,252,000	**73.0%**
	BREAKDOWN OF WATER USAGE			
17	Water Treatment Plant		848,000	
18	Wastewater Treatment Plant		44,000	
19	System Flushing		474,180	$683.00
20	Fire Department Usage		61,920	$89.19
21	DBP Flushing		507,187	$730.54
22	**TOTAL USAGE**		1,935,287	
23	**WATER LOSS PERCENTAGE FOR RATE PURPOSES**			69.6%
	BREAKDOWN OF WATER LOST			
24	Tank Overflows (other than for DBP maintenance)		0	
25	Excavation Breaks		0	
26	Repaired Line Breaks		6,717,404	$9,675.56
27	Unknown Loss		32,599,309	**57.7%**
28	**TOTAL WATER NOT SOLD OR USED**		**39,316,713**	
29	**COST OF WATER NOT SOLD OR USED**		**$56,630.67**	

	"UNKNOWN LOSS" FLOW RATE AND COST:	
30	"Unknown Loss"	32,599,309
31	% "Unknown Loss"	57.7%
32	Number of Days in Period	30
33	"Unknown Loss" per Day (Gallons per Day)	1,086,644
34	"Unknown Loss" per Minute (GPM)	754.61
33	"Unknown Loss" Cost for Month	$46,955.11

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Monthly Water Loss Report

Water Utility: Martin County Water District

For the Month of: November Year: 2018

LINE #	ITEM	GALLONS (Omit 000's)	
1	**WATER PRODUCED, PURCHASED & DISTRIBUTED**		
2	Martin WTP	54,504	
3	Prestonsburg (Honey Branch)	1,990	
3a	Kermit	-	
3b	Mountain Water District	-	
4	**TOTAL PRODUCED AND PURCHASED**	56,494	
5			
6	**WATER SALES**		
7	Residential	12,039	
8	Commercial	3,203	
9	Industrial	-	
9a	Prestonsburg (Honey Branch)	-	
10	Wholesale	-	
11	Bulk Loading Stations	-	
12	Other Sales 0	-	
13	**TOTAL WATER SALES**	15,242	27.0%
14			
15	**OTHER WATER USED**		
16	Utility and/or Water Treatment Plant	848	
17	Wastewater Plant	44	
18	System Flushing	474	
19	Fire Department	62	
20	Other IDENTIFY OTHER USE	507	
21	**TOTAL OTHER WATER USED**	1,935	3.4%
22			
23	**WATER LOSS**		
24	Tank Overflows	-	
25	Line Breaks	6,717	
26	Line Leaks	32,599	
27	Other		
28	**TOTAL LINE LOSS**	39,317	69.6%
29			
30	Note: Line 13 + Line 21 + Line 28 Must Equal Line 4		
31			
32	**WATER LOSS PERCENTAGE**		
33	Unaccounted-For Water (Line 28 divided by Line 4)	69.6%	

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Monthly Water Use Report

Water Utility: Martin County Water District **PWSID:** Ky0800273

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

1	**PRODUCTION COST PER THOUSAND**		$1.21	
2	**PURCHASE COST PER THOUSAND**		$7.75	
			GALLONS	
	WATER PRODUCED or PURCHASED			
3	Martin Co.	$67,518.00	55,800,000	97.8%
4	Prestonsburg (Honey Branch)	$9,852.11	1,271,240	2.2%
5	Kermit	$0.00	0	0.0%
6	Mountain Water District	$0.00	0	0.0%
7	**TOTAL PRODUCED AND PURCHASED**		57,071,240	
8	**TOTAL COST**	$77,370.11		
	WATER SOLD			
9	Residential		10,781,000	
10	Commercial		3,930,000	
11	Industrial		0	
12	Prestonsburg (Honey Branch)		277,840	
13	Wholesale		0	
14	Other Sales (explain)		0	
15	**TOTAL WATER SOLD**		14,988,840	26.3%
16	**TOTAL WATER NOT SOLD**		42,082,400	**73.7%**
	BREAKDOWN OF WATER USAGE			
17	Water Treatment Plant		852,000	
18	Wastewater Treatment Plant		44,000	
19	System Flushing		2,050,140	$2,779.33
20	Fire Department Usage		25,000	$33.89
21	DBP Flushing		1,992,024	$2,700.54
22	**TOTAL USAGE**		4,963,164	
23	**WATER LOSS PERCENTAGE FOR RATE PURPOSES**			65.0%
	BREAKDOWN OF WATER LOST			
24	Tank Overflows (other than for DBP maintenance)		0	
25	Excavation Breaks		0	
26	Repaired Line Breaks		16,659,618	$22,585.04
27	Unknown Loss		20,459,618	**35.8%**
28	**TOTAL WATER NOT SOLD OR USED**		**37,119,236**	
29	**COST OF WATER NOT SOLD OR USED**		**$50,321.66**	

	"UNKNOWN LOSS" FLOW RATE AND COST:	
30	"Unknown Loss"	20,459,618
31	% "Unknown Loss"	35.8%
32	Number of Days in Period	31
33	"Unknown Loss" per Day (Gallons per Day)	659,988
34	"Unknown Loss" per Minute (GPM)	458.32
33	"Unknown Loss" Cost for Month	$27,736.61

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Monthly Water Loss Report

Water Utility: Martin County Water District

For the Month of: December Year: 2018

LINE #	ITEM	GALLONS (Omit 000's)	
1	**WATER PRODUCED, PURCHASED & DISTRIBUTED**		
2	Martin WTP	55,800	
3	Prestonsburg (Honey Branch)	1,271	
3a	Kermit	-	
3b	Mountain Water District	-	
4	**TOTAL PRODUCED AND PURCHASED**	57,071	
5			
6	**WATER SALES**		
7	Residential	10,781	
8	Commercial	3,930	
9	Industrial	-	
9a	Prestonsburg (Honey Branch)	278	
10	Wholesale	-	
11	Bulk Loading Stations	-	
12	Other Sales 0	-	
13	**TOTAL WATER SALES**	14,989	26.3%
14			
15	**OTHER WATER USED**		
16	Utility and/or Water Treatment Plant	852	
17	Wastewater Plant	44	
18	System Flushing	2,050	
19	Fire Department	25	
20	Other IDENTIFY OTHER USE	1,992	
21	**TOTAL OTHER WATER USED**	4,963	8.7%
22			
23	**WATER LOSS**		
24	Tank Overflows	-	
25	Line Breaks	16,660	
26	Line Leaks	20,460	
27	Other		
28	**TOTAL LINE LOSS**	37,119	65.0%
29			
30	Note: Line 13 + Line 21 + Line 28 Must Equal Line 4		
31			
32	**WATER LOSS PERCENTAGE**		
33	Unaccounted-For Water (Line 28 divided by Line 4)	65.0%	

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Monthly Water Loss Report

Water Utility: MCWD

For the Month of: January Year: 2019

LINE #	ITEM		GALLONS (Omit 000's)	
1	**WATER PRODUCED, PURCHASED & DISTRIBUTED**			
2	Martin WTP		45,815	
3	Prestonsburg (Honey Branch)		-	
3a	Kermit		-	
3b	Mountain Water District		-	
4		**TOTAL PRODUCED AND PURCHASED**	45,815	
5				
6	**WATER SALES**			
7	Residential		11,131	
8	Commercial		3,152	
9	Industrial		-	
9a	Prestonsburg (Honey Branch)		1,954	
10	Wholesale		-	
11	Bulk Loading Stations		1,926	
12	Other Sales	Leak Adjustments	-	
13		**TOTAL WATER SALES**	18,163	39.6%
14				
15	**OTHER WATER USED**			
16	Utility and/or Water Treatment Plant		417	
17	Wastewater Plant		319	
18	System Flushing		229	
19	Fire Department		41	
20	Other	DBP Flushing	-	
21		**TOTAL OTHER WATER USED**	1,006	2.2%
22				
23	**WATER LOSS**			
24	Tank Overflows		-	
25	Line Breaks		7,876	
26	Line Leaks		18,770	
27	Other			
28		**TOTAL LINE LOSS**	26,646	58.2%
29				
30	Note: Line 13 + Line 21 + Line 28 Must Equal Line 4			
31				
32	**WATER LOSS PERCENTAGE**			
33	Unaccounted-For Water (Line 28 divided by Line 4)		58.2%	

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Greg Scott/General Manager

Martin County Water District
387 Main Street, Suite 140
Roy F. Collier Community Center Bldg.
Inez, KY 41224

Kentucky Public Service Commission

To whom it may concern:

Please note that the total gallons reported as produced are in dispute due to the plant master meter requiring calibration or replacement. Moreover, tests conducted on the distribution systems primary water supply tanks by Ky Rural Water has proven that the master meter used by the Martin County Water Plant is unreliable. More Specifically, the master meter is accounting for more water than what is actually being released into the distribution system.

Sincerely,

Greg Scott/ General Manager

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Monthly Water Use Report

Water Utility: MCWD **PWSID:** KY0800273

For the Month of: March **Year:** 2019

1	**PRODUCTION COST PER THOUSAND**		$1.21	
2	**PURCHASE COST PER THOUSAND**		$7.75	
			GALLONS	
	WATER PRODUCED or PURCHASED			
3	Martin Co.	$72,159.56	59,636,000	100.0%
4	Prestonsburg (Honey Branch)	$0.00	0	0.0%
5	Kermit	$0.00	0	0.0%
6	Mountain Water District	$0.00	0	0.0%
7	**TOTAL PRODUCED AND PURCHASED**		59,636,000	
8	**TOTAL COST**	$72,159.56		
	WATER SOLD			
9	Residential		11,486,000	
10	Commercial		2,708,000	
11	Industrial		0	
12	Prestonsburg (Honey Branch)		1,680,620	
13	Wholesale		0	
14	Other Sales (explain)	Leak Adjustments	357,000	
15	**TOTAL WATER SOLD**		16,231,620	27.2%
16	**TOTAL WATER NOT SOLD**		43,404,380	**72.8%**
	BREAKDOWN OF WATER USAGE			
17	Water Treatment Plant		959,000	
18	Wastewater Treatment Plant		14,000	
19	System Flushing		14,751	$17.85
20	Fire Department Usage		34,000	
21	DBP Flushing		0	
22	**TOTAL USAGE**		1,021,751	
23	**WATER LOSS PERCENTAGE FOR RATE PURPOSES**			71.1%
	BREAKDOWN OF WATER LOST			
24	Tank Overflows (other than for DBP maintenance)		124,800	$151.01
25	Excavation Breaks		0	
26	Repaired Line Breaks		11,628,292	$14,070.23
27	Unknown Loss		30,629,537	**51.4%**
28	**TOTAL WATER NOT SOLD OR USED**		**42,382,629**	
29	**COST OF WATER NOT SOLD OR USED**		**$51,282.98**	

	"UNKNOWN LOSS" FLOW RATE AND COST:	
30	"Unknown Loss"	30,629,537
31	% "Unknown Loss"	51.4%
32	Number of Days in Period	31
33	"Unknown Loss" per Day (Gallons per Day)	988,050
34	"Unknown Loss" per Minute (GPM)	686.15
33	"Unknown Loss" Cost for Month	$37,061.74

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Monthly Water Loss Report

Water Utility: MCWD

For the Month of: March Year: 2019

LINE #	ITEM	GALLONS (Omit 000's)	
1	**WATER PRODUCED, PURCHASED & DISTRIBUTED**		
2	Martin WTP	59,636	
3	Prestonsburg (Honey Branch)	-	
3a	Kermit	-	
3b	Mountain Water District	-	
4	**TOTAL PRODUCED AND PURCHASED**	59,636	
5			
6	**WATER SALES**		
7	Residential	11,486	
8	Commercial	2,708	
9	Industrial	-	
9a	Prestonsburg (Honey Branch)	1,681	
10	Wholesale	-	
11	Bulk Loading Stations	357	
12	Other Sales Leak Adjustments	-	
13	**TOTAL WATER SALES**	16,232	27.2%
14			
15	**OTHER WATER USED**		
16	Utility and/or Water Treatment Plant	959	
17	Wastewater Plant	14	
18	System Flushing	15	
19	Fire Department	34	
20	Other	-	
21	**TOTAL OTHER WATER USED**	1,022	1.7%
22			
23	**WATER LOSS**		
24	Tank Overflows	125	
25	Line Breaks	11,628	
26	Line Leaks	30,630	
27	Other		
28	**TOTAL LINE LOSS**	42,383	71.1%
29			
30	Note: Line 13 + Line 21 + Line 28 Must Equal Line 4		
31			
32	**WATER LOSS PERCENTAGE**		
33	Unaccounted-For Water (Line 28 divided by Line 4)	71.1%	

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Martin County Water District
387 Main Street, Suite 140
Roy F. Collier Community Center Bldg.
Inez, KY 41224

From: Greg Scott/General Manager

To: Kentucky Public Service Commission

Date: 5-18-19

Subject: ERRONEOUS ACCOUNTABILITY OF TREATED WATER BY PLANT TECH

Kentucky Public Service Commission

To whom it may concern:

Please be advised that the total gallons reported as produced are in dispute due to the plant master meter requiring calibration or replacement. Moreover, numerous tests conducted on the distribution systems primary water supply tanks by KY Rural Water and the Utility's leak detection unit have proven that the master meter used by the Martin County Water Plant is unreliable. More Specifically, the master meter is accounting for more water than what is actually being released into the distribution system. The same water flow tests have generated data supporting claims that much less water is actually being treated and released to the public. At the same time, the technology used by the water plant to monitor tank levels and usage has been found to be very inaccurate. As a result, the water district is submitting two monthly water loss reports for April. One showing gallons produced from the water plant and one showing a lesser gallon produced due to conducted field tests mentioned above. Certainly, both amounts are listed on line 2 of the PSC Water Loss Report. In closing, this letter is being submitted in the interest and eagerness of the water district to aggressively attack its water loss.

Sincerely,

Greg Scott/ General Manager



Monthly Water Use Report

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Water Utility: MCWD **PWSID:** KY0800273

For the Month of: April **Year:** 2019

1	**PRODUCTION COST PER THOUSAND**		$1.21
2	**PURCHASE COST PER THOUSAND**		$7.75

			GALLONS	
	WATER PRODUCED or PURCHASED			
3	Martin Co.	$67,346.18	55,658,000	100.0%
4	Prestonsburg (Honey Branch)	$0.00	0	0.0%
5	Kermit	$0.00	0	0.0%
6	Mountain Water District	$0.00	0	0.0%
7	**TOTAL PRODUCED AND PURCHASED**		55,658,000	
8	**TOTAL COST**	$67,346.18		
	WATER SOLD			
9	Residential		8,853,000	
10	Commercial		2,157,000	
11	Industrial			
12	Prestonsburg (Honey Branch)		2,618,000	
13	Wholesale			
14	Other Sales (explain)	Leak Adjustments	173,000	
15	**TOTAL WATER SOLD**		13,801,000	24.8%
16	**TOTAL WATER NOT SOLD**		41,857,000	**75.2%**
	BREAKDOWN OF WATER USAGE			
17	Water Treatment Plant		855,000	
18	Wastewater Treatment Plant		16,000	
19	System Flushing		150,155	$181.69
20	Fire Department Usage		122,000	$147.62
21	DBP Flushing		140,429	$169.92
22	**TOTAL USAGE**		1,283,584	
23	**WATER LOSS PERCENTAGE FOR RATE PURPOSES**			72.9%
	BREAKDOWN OF WATER LOST			
24	Tank Overflows (other than for DBP maintenance)		144,600	$174.97
25	Excavation Breaks		0	
26	Repaired Line Breaks		13,451,952	$16,276.86
27	Unknown Loss		26,976,864	**48.5%**
28	**TOTAL WATER NOT SOLD OR USED**		**40,573,416**	
29	**COST OF WATER NOT SOLD OR USED**		**$49,093.83**	

	"UNKNOWN LOSS" FLOW RATE AND COST:	
30	"Unknown Loss"	26,976,864
31	% "Unknown Loss"	48.5%
32	Number of Days in Period	30
33	"Unknown Loss" per Day (Gallons per Day)	899,229
34	"Unknown Loss" per Minute (GPM)	624.46
33	"Unknown Loss" Cost for Month	$32,642.01

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Monthly Water Loss Report

Water Utility: MCWD

For the Month of: April Year: 2019

LINE #	ITEM	GALLONS (Omit 000's)	
1	**WATER PRODUCED, PURCHASED & DISTRIBUTED**		
2	Martin WTP	55,658	
3	Prestonsburg (Honey Branch)	-	
3a	Kermit	-	
3b	Mountain Water District	-	
4	**TOTAL PRODUCED AND PURCHASED**	55,658	
5			
6	**WATER SALES**		
7	Residential	8,853	
8	Commercial	2,157	
9	Industrial	-	
9a	Prestonsburg (Honey Branch)	2,618	
10	Wholesale	-	
11	Bulk Loading Stations	173	
12	Other Sales Leak Adjustments	-	
13	**TOTAL WATER SALES**	13,801	24.8%
14			
15	**OTHER WATER USED**		
16	Utility and/or Water Treatment Plant	855	
17	Wastewater Plant	16	
18	System Flushing	150	
19	Fire Department	122	
20	Other DBP Flushing	140	
21	**TOTAL OTHER WATER USED**	1,284	2.3%
22			
23	**WATER LOSS**		
24	Tank Overflows	145	
25	Line Breaks	13,452	
26	Line Leaks	26,977	
27	Other	-	
28	**TOTAL LINE LOSS**	40,573	72.9%
29			
30	Note: Line 13 + Line 21 + Line 28 Must Equal Line 4		
31			
32	**WATER LOSS PERCENTAGE**		
33	Unaccounted-For Water (Line 28 divided by Line 4)	72.9%	

Comments and Adjustments

MCWD	PWSID:	KY0800273

April	2019

In the areas below list any comments, adjustments, etc. to explain monthly water accountability entries.

Please reference dispute letter of gallons produced.

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Monthly Water Use Report

Water Utility: MCWD **PWSID:** KY0800273

For the Month of: April **Year:** 2019

1	**PRODUCTION COST PER THOUSAND**		$1.21	
2	**PURCHASE COST PER THOUSAND**		$7.75	
			GALLONS	
	WATER PRODUCED or PURCHASED			
3	Martin Co.	$40,510.80	33,480,000	100.0%
4	Prestonsburg (Honey Branch)	$0.00	0	0.0%
5	Kermit	$0.00	0	0.0%
6	Mountain Water District	$0.00	0	0.0%
7	**TOTAL PRODUCED AND PURCHASED**		33,480,000	
8	**TOTAL COST**	$40,510.80		
	WATER SOLD			
9	Residential		8,853,000	
10	Commercial		2,157,000	
11	Industrial			
12	Prestonsburg (Honey Branch)		2,618,000	
13	Wholesale			
14	Other Sales (explain)	Leak Adjustments	173,000	
15	**TOTAL WATER SOLD**		13,801,000	41.2%
16	**TOTAL WATER NOT SOLD**		19,679,000	**58.8%**
	BREAKDOWN OF WATER USAGE			
17	Water Treatment Plant		855,000	
18	Wastewater Treatment Plant		16,000	
19	System Flushing		150,155	$181.69
20	Fire Department Usage		122,000	$147.62
21	DBP Flushing		140,429	$169.92
22	**TOTAL USAGE**		1,283,584	
23	**WATER LOSS PERCENTAGE FOR RATE PURPOSES**			54.9%
	BREAKDOWN OF WATER LOST			
24	Tank Overflows (other than for DBP maintenance)		144,600	$174.97
25	Excavation Breaks		0	
26	Repaired Line Breaks		13,451,952	$16,276.86
27	Unknown Loss		4,798,864	**14.3%**
28	**TOTAL WATER NOT SOLD OR USED**		**18,395,416**	
29	**COST OF WATER NOT SOLD OR USED**		**$22,258.45**	

	"UNKNOWN LOSS" FLOW RATE AND COST:	
30	"Unknown Loss"	4,798,864
31	% "Unknown Loss"	14.3%
32	Number of Days in Period	30
33	"Unknown Loss" per Day (Gallons per Day)	159,962
34	"Unknown Loss" per Minute (GPM)	111.08
33	"Unknown Loss" Cost for Month	$5,806.63

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Monthly Water Loss Report

Water Utility: MCWD

For the Month of: April Year: 2019

LINE #	ITEM		GALLONS (Omit 000's)	
1	**WATER PRODUCED, PURCHASED & DISTRIBUTED**			
2	Martin WTP		33,480	
3	Prestonsburg (Honey Branch)		-	
3a	Kermit		-	
3b	Mountain Water District		-	
4	**TOTAL PRODUCED AND PURCHASED**		33,480	
5				
6	**WATER SALES**			
7	Residential		8,853	
8	Commercial		2,157	
9	Industrial		-	
9a	Prestonsburg (Honey Branch)		2,618	
10	Wholesale		-	
11	Bulk Loading Stations		173	
12	Other Sales	Leak Adjustments	-	
13	**TOTAL WATER SALES**		13,801	41.2%
14				
15	**OTHER WATER USED**			
16	Utility and/or Water Treatment Plant		855	
17	Wastewater Plant		16	
18	System Flushing		150	
19	Fire Department		122	
20	Other	DBP Flushing	140	
21	**TOTAL OTHER WATER USED**		1,284	3.8%
22				
23	**WATER LOSS**			
24	Tank Overflows		145	
25	Line Breaks		13,452	
26	Line Leaks		4,799	
27	Other		-	
28	**TOTAL LINE LOSS**		18,395	54.9%
29				
30	Note: Line 13 + Line 21 + Line 28 Must Equal Line 4			
31				
32	**WATER LOSS PERCENTAGE**			
33	Unaccounted-For Water (Line 28 divided by Line 4)		54.9%	

PUBLIC SERVICE COMMISSION

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Monthly Water Loss Report

Water Utility: MCWD

For the Month of: MAY Year: 2019

LINE #	ITEM	GALLONS (Omit 000'S)	
1	**WATER PRODUCED, PURCHASED & DISTRIBUTED**		
2	Martin WTP	58,058	
3	Prestonsburg (Honey Branch)	-	
3a	Kermit	-	
3b	Mountain Water District	-	
4	**TOTAL PRODUCED AND PURCHASED**	58,058	
5			
6	**WATER SALES**		
7	Residential	10,763	
8	Commercial	3,048	
9	Industrial	-	
9a	Prestonsburg (Honey Branch)	2,644	
10	Wholesale	-	
11	Bulk Loading Stations	137	
12	Other Sales — Leak Adjustments	-	
13	**TOTAL WATER SALES**	16,592	28.6%
14			
15	**OTHER WATER USED**		
16	Utility and/or Water Treatment Plant	613	
17	Wastewater Plant	476	
18	System Flushing	92	
19	Fire Department	13	
20	Other — IDENTIFY OTHER USE	891	
21	**TOTAL OTHER WATER USED**	2,085	3.6%
22			
23	**WATER LOSS**		
24	Tank Overflows	-	
25	Line Breaks	3,599	
26	Line Leaks	35,782	
27	Other		
28	**TOTAL LINE LOSS**	39,381	67.8%
29			
30	Note: Line 13 + Line 21 + Line 28 Must Equal Line 4		
31			
32	**WATER LOSS PERCENTAGE**		
33	Unaccounted-For Water (Line 28 divided by Line 4)	67.8%	

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Monthly Water Loss Report

Water Utility: MCWD

For the Month of: JUNE Year: 2019

LINE #	ITEM	GALLONS (Omit 000's)	
1	**WATER PRODUCED, PURCHASED & DISTRIBUTED**		
2	Martin WTP	54,748	
3	Prestonsburg (Honey Branch)		
3a	Kermit	-	
3b	Mountain Water District	-	
4	**TOTAL PRODUCED AND PURCHASED**	54,748	
5			
6	**WATER SALES**		
7	Residential	12,083	
8	Commercial	2,476	
9	Industrial	#VALUE!	
9a	Prestonsburg (Honey Branch)	240	
10	Wholesale	#VALUE!	
11	Bulk Loading Stations	#VALUE!	
12	Other Sales 0	-	
13	**TOTAL WATER SALES**	16,959	31.0%
14			
15	**OTHER WATER USED**		
16	Utility and/or Water Treatment Plant	589	
17	Wastewater Plant	22	
18	System Flushing	804	
19	Fire Department	35	
20	Other #VALUE!	#VALUE!	
21	**TOTAL OTHER WATER USED**	1,350	2.5%
22			
23	**WATER LOSS**		
24	Tank Overflows	#VALUE!	
25	Line Breaks	150	
26	Line Leaks	#VALUE!	
27	Other		
28	**TOTAL LINE LOSS**	150	0.3%
29			
30	Note: Line 13 + Line 21 + Line 28 Must Equal Line 4		
31			
32	**WATER LOSS PERCENTAGE**		
33	Unaccounted-For Water (Line 28 divided by Line 4)	0.3%	

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Monthly Water Loss Report

Water Utility: MCWD

For the Month of: JULY Year: 2019

LINE #	ITEM	GALLONS (Omit 000's)	
1	**WATER PRODUCED, PURCHASED & DISTRIBUTED**		
2	Martin WTP	54,872	
3	Prestonsburg (Honey Branch)		
3a	Kermit	-	
3b	Mountain Water District	-	
4	**TOTAL PRODUCED AND PURCHASED**	54,872	
5			
6	**WATER SALES**		
7	Residential	12,727	
8	Commercial	2,391	
9	Industrial	#VALUE!	
9a	Prestonsburg (Honey Branch)	249	
10	Wholesale	#VALUE!	
11	Bulk Loading Stations	#VALUE!	
12	Other Sales 0	-	
13	**TOTAL WATER SALES**	15,367	28.0%
14			
15	**OTHER WATER USED**		
16	Utility and/or Water Treatment Plant	594	
17	Wastewater Plant	13	
18	System Flushing	6,403	
19	Fire Department	35,890	
20	Other #VALUE!	#VALUE!	
21	**TOTAL OTHER WATER USED**	7,010	12.8%
22			
23	**WATER LOSS**		
24	Tank Overflows	#VALUE!	
25	Line Breaks	399	
26	Line Leaks	#VALUE!	
27	Other		
28	**TOTAL LINE LOSS**	399	0.7%
29			
30	Note: Line 13 + Line 21 + Line 28 Must Equal Line 4		
31			
32	**WATER LOSS PERCENTAGE**		
33	Unaccounted-For Water (Line 28 divided by Line 4)	0.7%	

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Monthly Water Loss Report

Water Utility: MCWD

For the Month of: AUGUST Year: 2019

LINE #	ITEM		GALLONS (Omit 000's)	
1	**WATER PRODUCED, PURCHASED & DISTRIBUTED**			
2	Martin WTP		56,904	
3	Prestonsburg (Honey Branch)		1,769	
3a	Kermit		-	
3b	Mountain Water District		-	
4	**TOTAL PRODUCED AND PURCHASED**		57,673	
5				
6	**WATER SALES**			
7	Residential		11,893	
8	Commercial		2,724	
9	Industrial	#VALUE!		
9a	Prestonsburg (Honey Branch)		1,769	
10	Wholesale	#VALUE!		
11	Bulk Loading Stations	#VALUE!		
12	Other Sales 0		-	
13	**TOTAL WATER SALES**		16,959	29.4%
14				
15	**OTHER WATER USED**			
16	Utility and/or Water Treatment Plant		1,011	
17	Wastewater Plant		26	
18	System Flushing		828	
19	Fire Department		39	
20	Other #VALUE!	#VALUE!		
21	**TOTAL OTHER WATER USED**		1,904	3.3%
22				
23	**WATER LOSS**			
24	Tank Overflows	#VALUE!		
25	Line Breaks		210	
26	Line Leaks	#VALUE!		
27	Other			
28	**TOTAL LINE LOSS**		210	0.4%
29				
30	Note: Line 13 + Line 21 + Line 28 Must Equal Line 4			
31				
32	**WATER LOSS PERCENTAGE**			
33	Unaccounted-For Water (Line 28 divided by Line 4)		0.4%	

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Monthly Water Use Report

Water Utility: Martin County Water District **PWSID:** Ky0800273

For the Month of: August **Year:** 2019

1	**PRODUCTION COST PER THOUSAND**		$3.50	
2	**PURCHASE COST PER THOUSAND**		$0.00	
			GALLONS	
	WATER PRODUCED or PURCHASED			
3	Martin Co.	$199,164.00	56,904,000	100.0%
4	Mountain Water	$0.00	0	0.0%
5	Kermit	$0.00	0	0.0%
6	Davela (HoneyBr. Out)	$0.00	270,000	0.5%
7	**TOTAL PRODUCED AND PURCHASED**		56,904,000	
8	**TOTAL COST**	$199,164.00		
	WATER SOLD			
9	Residential		11,893,000	
10	Commercial		2,724,000	
11	Industrial			
12	Honey Branch (in)		1,769,000	
13	Wholesale			
14	Other Sales (explain)			
15	**TOTAL WATER SOLD**		16,386,000	28.8%
16	**TOTAL WATER NOT SOLD**		40,518,000	**71.2%**
	BREAKDOWN OF WATER USAGE			
17	Water Treatment Plant		570,000	
18	Wastewater Treatment Plant		40,000	
19	System Flushing		761,400	$2,664.90
20	Fire Department Usage		172,000	$602.00
21	DBP Flushing		249,000	$871.50
22	**TOTAL USAGE**		1,792,400	
23	**WATER LOSS PERCENTAGE FOR RATE PURPOSES**			**68.1%**
	BREAKDOWN OF WATER LOST			
24	Tank Overflows (other than for DBP maintenance)		18,000	$63.00
25	Excavation Breaks		5,500,000	$19,250.00
26	Repaired Line Breaks		0	
27	Unknown Loss		33,207,600	**58.4%**
28	**TOTAL WATER NOT SOLD OR USED**		**38,725,600**	
29	**COST OF WATER NOT SOLD OR USED**		**$135,539.60**	

	"UNKNOWN LOSS" FLOW RATE AND COST:	
30	"Unknown Loss"	33,207,600
31	% "Unknown Loss"	58.4%
32	Number of Days in Period	31
33	"Unknown Loss" per Day (Gallons per Day)	1,071,213
34	"Unknown Loss" per Minute (GPM)	743.90
33	"Unknown Loss" Cost for Month	$116,226.60

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Monthly Water Loss Report

Water Utility: MCWD

For the Month of: SEPTEMBER Year: 2019

LINE #	ITEM	GALLONS (Omit 000's)	
1	**WATER PRODUCED, PURCHASED & DISTRIBUTED**		
2	Martin WTP	53,157	
3	Prestonsburg (Honey Branch)		
3a	Kermit	-	
3b	Mountain Water District	-	
4	**TOTAL PRODUCED AND PURCHASED**	53,157	
5			
6	**WATER SALES**		
7	Residential	12,697	
8	Commercial	3,371	
9	Industrial	#VALUE!	
9a	Prestonsburg (Honey Branch)	3,667	
10	Wholesale	#VALUE!	
11	Bulk Loading Stations	#VALUE!	
12	Other Sales 0	-	
13	**TOTAL WATER SALES**	19,735	37.1%
14			
15	**OTHER WATER USED**		
16	Utility and/or Water Treatment Plant	1,023	
17	Wastewater Plant	4	
18	System Flushing	718	
19	Fire Department	737	
20	Other #VALUE!	#VALUE!	
21	**TOTAL OTHER WATER USED**	2,482	4.7%
22			
23	**WATER LOSS**		
24	Tank Overflows	56	
25	Line Breaks	4,800	
26	Line Leaks		
27	Other		
28	**TOTAL LINE LOSS**	4,856	9.1%
29			
30	Note: Line 13 + Line 21 + Line 28 Must Equal Line 4		
31			
32	**WATER LOSS PERCENTAGE**		
33	Unaccounted-For Water (Line 28 divided by Line 4)	9.1%	

Monthly Water Use Report

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Water Utility: Martin County Water District **PWSID:** Ky0800273

For the Month of: SEPYEMBER **Year:** 2019

1	**PRODUCTION COST PER THOUSAND**		$3.05
2	**PURCHASE COST PER THOUSAND**		$3.05
			GALLONS
	WATER PRODUCED or PURCHASED		
3	Martin Co.	$162.13	53,157
4	Prestonsburg (Honey Branch)	$0.00	
5	Kermit	$0.00	
6	Mountain Water District	$0.00	
7	**TOTAL PRODUCED AND PURCHASED**		
8	**TOTAL COST**		
	WATER SOLD		
9	Residential		12,697
10	Commercial		3,371
11	Industrial		
12	Prestonsburg (Honey Branch)		367
13	Wholesale		
14	Other Sales (explain)		
15	**TOTAL WATER SOLD**		16,435
16	**TOTAL WATER NOT SOLD**		-16,435
	BREAKDOWN OF WATER USAGE		
17	Water Treatment Plant		1,023
18	Wastewater Treatment Plant		4
19	System Flushing		718 #VALUE!
20	Fire Department Usage		737 #VALUE!
21	DBP Flushing		
22	**TOTAL USAGE**		2,482
23	**WATER LOSS PERCENTAGE FOR RATE PURPOSES**		
	BREAKDOWN OF WATER LOST		
24	Tank Overflows (other than for DBP maintenance)		56 #VALUE!
25	Excavation Breaks		
26	Repaired Line Breaks		4,800
27	Unknown Loss		
28	**TOTAL WATER NOT SOLD OR USED**		4,856
29	**COST OF WATER NOT SOLD OR USED**		

	"UNKNOWN LOSS" FLOW RATE AND COST:	
30	"Unknown Loss"	0
31	% "Unknown Loss"	
32	Number of Days in Period	30
33	"Unknown Loss" per Day (Gallons per Day)	0
34	"Unknown Loss" per Minute (GPM)	0.00
33	"Unknown Loss" Cost for Month	

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QUARTERLY METER REPORT
TO THE KENTUCKY PUBLIC SERVICE COMMISSION

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Public Service Commission

GENERAL INFORMATION

NAME OF UTILITY Martin County Water District
ADDRESS 387 East Main St. Suite 140
CITY, STATE, ZIP Inez KY 41224

QUARTER 2
TEST YEAR 2016
DATE SUBMITTED Friday, July 08 2016

METER STATISTICS

CUSTOMER TYPE	METERED	NON-METERED	TOTAL
RESIDENTIAL	3210	0	3210
COMMERCIAL	280	0	280
INDUSTRIAL	0	0	0
OTHER	0	0	0
TOTALS	3490	0	3490

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STATUS OF METER TEST PROGRAM	QUANTITY
METERS TO BE TESTED THIS YEAR	0
METERS TESTED THIS YEAR TO DATE	194
METERS STILL TO TEST THIS YEAR	0 - GOOD JOB

METER TESTING

YEARS SINCE METER WAS LAST TESTED	METER TEST RESULTS				METERS TESTED	METERS NOT TESTED
	WITHIN +/- 2%	> 2% FAST	> 2% SLOW	NR *		
NEW - 5 YEARS	36	0	0	0	36	0
5 - 8 YEARS	0	0	0	0	0	0
9 YEARS	0	0	0	0	0	0
10 YEARS	0	0	0	0	0	0
10+ YEARS	0	0	0	0	0	0
UNKNOWN	68	0	1	0	69	0
TOTALS	104	0	1	0	105	0
PERCENT	99 05%	0 00%	0 95%	0 00%	100 00%	0 00%

* Non-Registering

PERIODIC METER TEST PROGRAM	
CASE NUMBER and/or SAMPLE METHOD PLAN	
METERS REMOVED FROM SERVICE AND TESTED THIS QUARTER	105
NEW SERVICE CONNECTIONS (METERS) INSTALLED THIS QUARTERS	119
TOTAL METERS TESTED THIS QUARTER	105
UTILITY OR APPROVED AGENCY DOING METER TESTING	Martin County Water District
METERS THAT TEST MORE THAN 2% FAST OR 2% SLOW	1

PSC EXHIBIT 10

CUSTOMER AND REFUND INFORMATION

NUMBER OF TESTS MADE AT CUSTOMER'S REQUEST	0
NUMBER OF TESTS MADE AT COMMISSION'S REQUEST	0
NUMBER OF METERS ON WHICH REFUNDS WERE MADE	
TOTAL AMOUNT OF REFUNDS MADE DURING THIS QUARTER	
NUMBER OF CUSTOMERS BILLED FOR SLOW METERS	0
TOTAL AMOUNT BILLED ON SLOW METERS	$0 00
NUMBER OF CUSTOMERS BILLED FOR NON-REGISTERING METERS	0
TOTAL AMOUNT BILLED ON NON-REGISTERING METERS	$0 00

METER TESTING INFORMATION APPROVED BY:
SIGNED Joe Hamrock
TITLE Business Manager

CUSTOMER & REFUND INFORMATION APPROVED BY:
SIGNED
TITLE

QUARTERLY METER REPORT
TO THE KENTUCKY PUBLIC SERVICE COMMISSION

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Public Service Commission

GENERAL INFORMATION

NAME OF UTILITY Martin County Water District
ADDRESS 387 East Main St . Suite 140
CITY, STATE, ZIP Inez KY 41224

QUARTER 2
TEST YEAR 2016
DATE SUBMITTED Friday, July 08, 2016

METER STATISTICS

CUSTOMER TYPE	METERED	NON-METERED	TOTAL
RESIDENTIAL	3210	0	3210
COMMERCIAL	280	0	280
INDUSTRIAL	0	0	0
OTHER	0	0	0
TOTALS	3490	0	3490

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JUL 11 201
Public Service Commission

STATUS OF METER TEST PROGRAM	QUANTITY
METERS TO BE TESTED THIS YEAR	0
METERS TESTED THIS YEAR TO DATE	194
METERS STILL TO TEST THIS YEAR	0 - GOOD JOB

METER TESTING

YEARS SINCE METER WAS LAST TESTED	METER TEST RESULTS				METERS TESTED	METERS NOT TESTED
	WITHIN +/- 2%	> 2% FAST	> 2% SLOW	NR *		
NEW - 5 YEARS	36	0	0	0	36	0
5 - 8 YEARS	0	0	0	0	0	0
9 YEARS	0	0	0	0	0	0
10 YEARS	0	0	0	0	0	0
10+ YEARS	0	0	0	0	0	0
UNKNOWN	68	0	1	0	69	0
TOTALS	104	0	1	0	105	0
PERCENT	99.05%	0.00%	0.95%	0.00%	100.00%	0.00%

* Non-Registering

PERIODIC METER TEST PROGRAM	
CASE NUMBER and/or SAMPLE METHOD PLAN	
METERS REMOVED FROM SERVICE AND TESTED THIS QUARTER	105
NEW SERVICE CONNECTIONS (METERS) INSTALLED THIS QUARTERS	119
TOTAL METERS TESTED THIS QUARTER	105
UTILITY OR APPROVED AGENCY DOING METER TESTING	Martin County Water District
METERS THAT TEST MORE THAN 2% FAST OR 2% SLOW	1

CUSTOMER AND REFUND INFORMATION

NUMBER OF TESTS MADE AT CUSTOMER'S REQUEST	0
NUMBER OF TESTS MADE AT COMMISSION'S REQUEST	0
NUMBER OF METERS ON WHICH REFUNDS WERE MADE	
TOTAL AMOUNT OF REFUNDS MADE DURING THIS QUARTER	
NUMBER OF CUSTOMERS BILLED FOR SLOW METERS	0
TOTAL AMOUNT BILLED ON SLOW METERS	$0.00
NUMBER OF CUSTOMERS BILLED FOR NON-REGISTERING METERS	0
TOTAL AMOUNT BILLED ON NON-REGISTERING METERS	$0.00

METER TESTING INFORMATION APPROVED BY:
SIGNED: Joe Hamrick
TITLE Business, Manager

CUSTOMER & REFUND INFORMATION APPROVED BY::
SIGNED.
TITLE

QUARTERLY METER REPORT
TO THE KENTUCKY PUBLIC SERVICE COMMISSION

RECEIVED

OCT 18 2016

Public Service Commission

GENERAL INFORMATION

NAME OF UTILITY Martin County Water District
ADDRESS 387 East Main St., Suite 140
CITY, STATE, ZIP Inez, KY 41224

QUARTER 3
TEST YEAR 2016
DATE SUBMITTED Tuesday, October 04, 2016

METER STATISTICS

CUSTOMER TYPE	METERED	NON-METERED	TOTAL
RESIDENTIAL	3241	0	3241
COMMERCIAL	280	0	280
INDUSTRIAL	0	0	0
OTHER	0	0	0
TOTALS	3521	0	3521

STATUS OF METER TEST PROGRAM	QUANTITY
METERS TO BE TESTED THIS YEAR	0
METERS TESTED THIS YEAR TO DATE	281
METERS STILL TO TEST THIS YEAR	0 - GOOD JOB

METER TESTING

YEARS SINCE METER WAS LAST TESTED	METER TEST RESULTS				METERS TESTED	METERS NOT TESTED
	WITHIN +/- 2%	> 2% FAST	> 2% SLOW	NR *		
NEW - 5 YEARS	33	0	0	0	33	0
5 - 8 YEARS	2	0	0	0	2	0
9 YEARS	0	0	0	0	0	0
10 YEARS	0	0	0	0	0	0
10+ YEARS	0	0	0	0	0	0
UNKNOWN	52	0	0	0	52	0
TOTALS	87	0	0	0	87	0
PERCENT	100.00%	0.00%	0.00%	0.00%	100.00%	0.00%

* Non-Registering

PERIODIC METER TEST PROGRAM	
CASE NUMBER and/or SAMPLE METHOD PLAN	
METERS REMOVED FROM SERVICE AND TESTED THIS QUARTER	87
NEW SERVICE CONNECTIONS (METERS) INSTALLED THIS QUARTERS	121
TOTAL METERS TESTED THIS QUARTER	87
UTILITY OR APPROVED AGENCY DOING METER TESTING	Martin County Water District
METERS THAT TEST MORE THAN 2% FAST OR 2% SLOW	0

CUSTOMER AND REFUND INFORMATION

NUMBER OF TESTS MADE AT CUSTOMER'S REQUEST	0
NUMBER OF TESTS MADE AT COMMISSION'S REQUEST	0
NUMBER OF METERS ON WHICH REFUNDS WERE MADE	
TOTAL AMOUNT OF REFUNDS MADE DURING THIS QUARTER	
NUMBER OF CUSTOMERS BILLED FOR SLOW METERS	0
TOTAL AMOUNT BILLED ON SLOW METERS	$0.00
NUMBER OF CUSTOMERS BILLED FOR NON-REGISTERING METERS	0
TOTAL AMOUNT BILLED ON NON-REGISTERING METERS	$0.00

METER TESTING INFORMATION APPROVED BY:

SIGNED: Joel Hammond

TITLE Business Mgr.

CUSTOMER & REFUND INFORMATION APPROVED BY::

SIGNED:

TITLE

QUARTERLY METER REPORT
TO THE KENTUCKY PUBLIC SERVICE COMMISSION

JAN 18 2017
Public Service

GENERAL INFORMATION

NAME OF UTILITY Martin County Water District
ADDRESS 387 East Main St , Suite 140
CITY, STATE, ZIP Inez, KY 41224

QUARTER 4
TEST YEAR 2016
DATE SUBMITTED Wednesday, January 04, 2017

Public Service Commission

METER STATISTICS

CUSTOMER TYPE	METERED	NON-METERED	TOTAL
RESIDENTIAL	3223	0	3223
COMMERCIAL	274	0	274
INDUSTRIAL	0	0	0
OTHER	0	0	0
TOTALS	3497	0	3497

STATUS OF METER TEST PROGRAM	QUANTITY
METERS TO BE TESTED THIS YEAR	0
METERS TESTED THIS YEAR TO DATE	360
METERS STILL TO TEST THIS YEAR	0 - GOOD JOB

METER TESTING

YEARS SINCE METER WAS LAST TESTED	METER TEST RESULTS				METERS TESTED	METERS NOT TESTED
	WITHIN +/- 2%	> 2% FAST	> 2% SLOW	NR *		
NEW - 5 YEARS	32	0	0	0	32	0
5 - 8 YEARS	3	0	0	0	3	0
9 YEARS	0	0	0	0	0	0
10 YEARS	0	0	0	0	0	0
10+ YEARS	0	0	0	0	0	0
UNKNOWN	44	0	0	0	44	0
TOTALS	79	0	0	0	79	0
PERCENT	100.00%	0.00%	0.00%	0.00%	100.00%	0.00%

* Non-Registering

PERIODIC METER TEST PROGRAM	
CASE NUMBER and/or SAMPLE METHOD PLAN	
METERS REMOVED FROM SERVICE AND TESTED THIS QUARTER	79
NEW SERVICE CONNECTIONS (METERS) INSTALLED THIS QUARTERS	81
TOTAL METERS TESTED THIS QUARTER	79
UTILITY OR APPROVED AGENCY DOING METER TESTING	Martin County Water District
METERS THAT TEST MORE THAN 2% FAST OR 2% SLOW	0

CUSTOMER AND REFUND INFORMATION

NUMBER OF TESTS MADE AT CUSTOMER'S REQUEST	0
NUMBER OF TESTS MADE AT COMMISSION'S REQUEST	0
NUMBER OF METERS ON WHICH REFUNDS WERE MADE	
TOTAL AMOUNT OF REFUNDS MADE DURING THIS QUARTER	
NUMBER OF CUSTOMERS BILLED FOR SLOW METERS	0
TOTAL AMOUNT BILLED ON SLOW METERS	$0.00
NUMBER OF CUSTOMERS BILLED FOR NON-REGISTERING METERS	0
TOTAL AMOUNT BILLED ON NON-REGISTERING METERS	$0.00

METER TESTING INFORMATION APPROVED BY:
SIGNED: Joel Hammond
TITLE Business Mgr

CUSTOMER & REFUND INFORMATION APPROVED BY::
SIGNED:
TITLE

QUARTERLY METER REPORT
TO THE KENTUCKY PUBLIC SERVICE COMMISSION

RECEIVED

APR 10 2017

Public Service Commission

GENERAL INFORMATION

NAME OF UTILITY Martin County Water District

ADDRESS 387 East Main St., Suite 140

CITY, STATE, ZIP Inez, KY 41224

QUARTER 1

TEST YEAR 2017

DATE SUBMITTED Wednesday, April 05, 2017

METER STATISTICS

CUSTOMER TYPE	METERED	NON-METERED	TOTAL
RESIDENTIAL	3201	0	3201
COMMERCIAL	271	0	271
INDUSTRIAL	0	0	0
OTHER	0	0	0
TOTALS	3472	0	3472

STATUS OF METER TEST PROGRAM	QUANTITY
METERS TO BE TESTED THIS YEAR	0
METERS TESTED THIS YEAR TO DATE	59
METERS STILL TO TEST THIS YEAR	0 - GOOD JOB

METER TESTING

YEARS SINCE METER WAS LAST TESTED	METER TEST RESULTS				METERS TESTED	METERS NOT TESTED
	WITHIN +/- 2%	> 2% FAST	> 2% SLOW	NR *		
NEW - 5 YEARS	29	0	0	0	29	0
5 - 8 YEARS	0	0	0	0	0	0
9 YEARS	0	0	0	0	0	0
10 YEARS	0	0	0	0	0	0
10+ YEARS	0	0	0	0	0	0
UNKNOWN	29	0	1	0	30	0
TOTALS	58	0	1	0	59	0
PERCENT	98.31%	0.00%	1.69%	0.00%	100.00%	0.00%

* Non-Registering

PERIODIC METER TEST PROGRAM	
CASE NUMBER and/or SAMPLE METHOD PLAN	
METERS REMOVED FROM SERVICE AND TESTED THIS QUARTER	59
NEW SERVICE CONNECTIONS (METERS) INSTALLED THIS QUARTERS	66
TOTAL METERS TESTED THIS QUARTER	59
UTILITY OR APPROVED AGENCY DOING METER TESTING	Martin County Water District
METERS THAT TEST MORE THAN 2% FAST OR 2% SLOW	1

CUSTOMER AND REFUND INFORMATION

NUMBER OF TESTS MADE AT CUSTOMER'S REQUEST	0
NUMBER OF TESTS MADE AT COMMISSION'S REQUEST	0
NUMBER OF METERS ON WHICH REFUNDS WERE MADE	
TOTAL AMOUNT OF REFUNDS MADE DURING THIS QUARTER	
NUMBER OF CUSTOMERS BILLED FOR SLOW METERS	1
TOTAL AMOUNT BILLED ON SLOW METERS	$0.00
NUMBER OF CUSTOMERS BILLED FOR NON-REGISTERING METERS	0
TOTAL AMOUNT BILLED ON NON-REGISTERING METERS	$0.00

METER TESTING INFORMATION APPROVED BY:

SIGNED: Jill Harmon

TITLE Business Mgr.

CUSTOMER & REFUND INFORMATION APPROVED BY::

SIGNED:

TITLE

QUARTERLY METER REPORT
TO THE KENTUCKY PUBLIC SERVICE COMMISSION

RECEIVED
JUL 10 2017
Public Service Commission

GENERAL INFORMATION

NAME OF UTILITY: Martin County Water District
ADDRESS: 387 East Main St., Suite 140
CITY, STATE, ZIP: Inez, KY 41224
QUARTER: 2
TEST YEAR: 2017
DATE SUBMITTED: Thursday, July 06, 2017

METER STATISTICS

CUSTOMER TYPE	METERED	NON-METERED	TOTAL
RESIDENTIAL	3221	0	3221
COMMERCIAL	277	0	277
INDUSTRIAL	0	0	0
OTHER	0	0	0
TOTALS	3498	0	3498

STATUS OF METER TEST PROGRAM	QUANTITY
METERS TO BE TESTED THIS YEAR	0
METERS TESTED THIS YEAR TO DATE	93
METERS STILL TO TEST THIS YEAR	0 - GOOD JOB

METER TESTING

YEARS SINCE METER WAS LAST TESTED	METER TEST RESULTS				METERS TESTED	METERS NOT TESTED
	WITHIN +/- 2%	> 2% FAST	> 2% SLOW	NR *		
NEW - 5 YEARS	17	0	0	0	17	0
5 - 8 YEARS	2	0	0	0	2	0
9 YEARS	0	0	0	0	0	0
10 YEARS	0	0	0	0	0	0
10+ YEARS	0	0	0	0	0	0
UNKNOWN	15	0	0	0	15	0
TOTALS	34	0	0	0	34	0
PERCENT	100.00%	0.00%	0.00%	0.00%	100.00%	0.00%

* Non-Registering

PERIODIC METER TEST PROGRAM	
CASE NUMBER and/or SAMPLE METHOD PLAN	
METERS REMOVED FROM SERVICE AND TESTED THIS QUARTER	34
NEW SERVICE CONNECTIONS (METERS) INSTALLED THIS QUARTERS	81
TOTAL METERS TESTED THIS QUARTER	34
UTILITY OR APPROVED AGENCY DOING METER TESTING	Martin County Water District
METERS THAT TEST MORE THAN 2% FAST OR 2% SLOW	0

CUSTOMER AND REFUND INFORMATION

NUMBER OF TESTS MADE AT CUSTOMER'S REQUEST	0
NUMBER OF TESTS MADE AT COMMISSION'S REQUEST	0
NUMBER OF METERS ON WHICH REFUNDS WERE MADE	
TOTAL AMOUNT OF REFUNDS MADE DURING THIS QUARTER	
NUMBER OF CUSTOMERS BILLED FOR SLOW METERS	0
TOTAL AMOUNT BILLED ON SLOW METERS	$0.00
NUMBER OF CUSTOMERS BILLED FOR NON-REGISTERING METERS	0
TOTAL AMOUNT BILLED ON NON-REGISTERING METERS	$0.00

METER TESTING INFORMATION APPROVED BY:
SIGNED: Joe Hammond
TITLE Business Mgr.

CUSTOMER & REFUND INFORMATION APPROVED BY::
SIGNED:
TITLE

QUARTERLY METER REPORT
TO THE KENTUCKY PUBLIC SERVICE COMMISSION

RECEIVED
OCT 06 2017
PUBLIC SERVICE COMMISSION

GENERAL INFORMATION

NAME OF UTILITY Martin County Water District
ADDRESS 387 East Main St., Suite 140
CITY, STATE, ZIP Inez, KY 41224

QUARTER 3
TEST YEAR 2017
DATE SUBMITTED Tuesday October 03, 2017

METER STATISTICS

CUSTOMER TYPE	METERED	NON-METERED	TOTAL
RESIDENTIAL	3228	0	3228
COMMERCIAL	276	0	276
INDUSTRIAL	0	0	0
OTHER	0	0	0
TOTALS	3504	0	3504

STATUS OF METER TEST PROGRAM	QUANTITY
METERS TO BE TESTED THIS YEAR	0
METERS TESTED THIS YEAR TO DATE	104
METERS STILL TO TEST THIS YEAR	0 - GOOD JOB

METER TESTING

YEARS SINCE METER WAS LAST TESTED	METER TEST RESULTS				METERS TESTED	METERS NOT TESTED
	WITHIN +/- 2%	> 2% FAST	> 2% SLOW	NR *		
NEW - 5 YEARS	3	0	0	0	3	0
5 - 8 YEARS	1	0	0	0	1	0
9 YEARS	0	0	0	0	0	0
10 YEARS	0	0	0	0	0	0
10+ YEARS	0	0	0	0	0	0
UNKNOWN	7	0	0	0	7	0
TOTALS	11	0	0	0	11	0
PERCENT	100.00%	0.00%	0.00%	0.00%	100.00%	0.00%

* Non-Registering

PERIODIC METER TEST PROGRAM	
CASE NUMBER and/or SAMPLE METHOD PLAN	
METERS REMOVED FROM SERVICE AND TESTED THIS QUARTER	11
NEW SERVICE CONNECTIONS (METERS) INSTALLED THIS QUARTERS	76
TOTAL METERS TESTED THIS QUARTER	11
UTILITY OR APPROVED AGENCY DOING METER TESTING	Martin County Water District
METERS THAT TEST MORE THAN 2% FAST OR 2% SLOW	0

CUSTOMER AND REFUND INFORMATION

NUMBER OF TESTS MADE AT CUSTOMER'S REQUEST	0
NUMBER OF TESTS MADE AT COMMISSION'S REQUEST	0
NUMBER OF METERS ON WHICH REFUNDS WERE MADE	
TOTAL AMOUNT OF REFUNDS MADE DURING THIS QUARTER	
NUMBER OF CUSTOMERS BILLED FOR SLOW METERS	0
TOTAL AMOUNT BILLED ON SLOW METERS	$0.00
NUMBER OF CUSTOMERS BILLED FOR NON-REGISTERING METERS	0
TOTAL AMOUNT BILLED ON NON-REGISTERING METERS	$0.00

METER TESTING INFORMATION APPROVED BY:
SIGNED: Joel Hammond
TITLE Business Mgr

CUSTOMER & REFUND INFORMATION APPROVED BY:
SIGNED:
TITLE

QUARTERLY METER REPORT
TO THE KENTUCKY PUBLIC SERVICE COMMISSION

RECEIVED

JAN 10 2018

PUBLIC SERVICE COMMISSION

GENERAL INFORMATION

NAME OF UTILITY Martin County Water District

ADDRESS 387 East Main St., Suite 140

CITY, STATE, ZIP Inez, KY 41224

QUARTER 4

TEST YEAR 2017

DATE SUBMITTED Friday, January 05, 2018

METER STATISTICS

CUSTOMER TYPE	METERED	NON-METERED	TOTAL
RESIDENTIAL	3221	0	3221
COMMERCIAL	270	0	270
INDUSTRIAL	0	0	0
OTHER	0	0	0
TOTALS	3491	0	3491

STATUS OF METER TEST PROGRAM	QUANTITY
METERS TO BE TESTED THIS YEAR	0
METERS TESTED THIS YEAR TO DATE	147
METERS STILL TO TEST THIS YEAR	0 - GOOD JOB

METER TESTING

YEARS SINCE METER WAS LAST TESTED	METER TEST RESULTS				METERS	METERS NOT
	WITHIN +/- 2%	> 2% FAST	> 2% SLOW	NR *	TESTED	TESTED
NEW - 5 YEARS	12	0	0	0	12	0
5 - 8 YEARS	2	0	0	0	2	0
9 YEARS	0	0	0	0	0	0
10 YEARS	0	0	0	0	0	0
10+ YEARS	0	0	0	0	0	0
UNKNOWN	24	1	4	0	29	0
TOTALS	38	1	4	0	43	0
PERCENT	88.37%	2.33%	9.30%	0.00%	100.00%	0.00%

* Non-Registering

PERIODIC METER TEST PROGRAM	
CASE NUMBER and/or SAMPLE METHOD PLAN	
METERS REMOVED FROM SERVICE AND TESTED THIS QUARTER	43
NEW SERVICE CONNECTIONS (METERS) INSTALLED THIS QUARTERS	66
TOTAL METERS TESTED THIS QUARTER	43
UTILITY OR APPROVED AGENCY DOING METER TESTING	Martin County Water District
METERS THAT TEST MORE THAN 2% FAST OR 2% SLOW	5

CUSTOMER AND REFUND INFORMATION

NUMBER OF TESTS MADE AT CUSTOMER'S REQUEST	0
NUMBER OF TESTS MADE AT COMMISSION'S REQUEST	0
NUMBER OF METERS ON WHICH REFUNDS WERE MADE	
TOTAL AMOUNT OF REFUNDS MADE DURING THIS QUARTER	
NUMBER OF CUSTOMERS BILLED FOR SLOW METERS	4
TOTAL AMOUNT BILLED ON SLOW METERS	$86.20
NUMBER OF CUSTOMERS BILLED FOR NON-REGISTERING METERS	0
TOTAL AMOUNT BILLED ON NON-REGISTERING METERS	$0.00

METER TESTING INFORMATION APPROVED BY:

SIGNED: Joe Hammond

TITLE Business Manager

CUSTOMER & REFUND INFORMATION APPROVED BY::

SIGNED:

TITLE

QUARTERLY METER REPORT
TO THE KENTUCKY PUBLIC SERVICE COMMISSION

GENERAL INFORMATION

NAME OF UTILITY Martin County Water District
ADDRESS 387 East Main St., Suite 140
CITY, STATE, ZIP Inez, KY 41224

QUARTER 1
TEST YEAR 2018
DATE SUBMITTED Tuesday, April 03, 2018

RECEIVED
APR 06 2018
PUBLIC SERVICE COMMISSION

METER STATISTICS

CUSTOMER TYPE	METERED	NON-METERED	TOTAL
RESIDENTIAL	3184	0	3184
COMMERCIAL	274	0	274
INDUSTRIAL	0	0	0
OTHER	0	0	0
TOTALS	3458	0	3458

STATUS OF METER TEST PROGRAM	QUANTITY
METERS TO BE TESTED THIS YEAR	0
METERS TESTED THIS YEAR TO DATE	41
METERS STILL TO TEST THIS YEAR	0 - GOOD JOB

METER TESTING

YEARS SINCE METER WAS LAST TESTED	METER TEST RESULTS				METERS TESTED	METERS NOT TESTED
	WITHIN +/- 2%	> 2% FAST	> 2% SLOW	NR *		
NEW - 5 YEARS	9	0	0	0	9	0
5 - 8 YEARS	2	0	0	0	2	0
9 YEARS	0	0	0	0	0	0
10 YEARS	0	0	0	0	0	0
10+ YEARS	0	0	0	0	0	0
UNKNOWN	30	0	0	0	30	0
TOTALS	41	0	0	0	41	0
PERCENT	100.00%	0.00%	0.00%	0.00%	100.00%	0.00%

* Non-Registering

PERIODIC METER TEST PROGRAM	
CASE NUMBER and/or SAMPLE METHOD PLAN	
METERS REMOVED FROM SERVICE AND TESTED THIS QUARTER	41
NEW SERVICE CONNECTIONS (METERS) INSTALLED THIS QUARTERS	68
TOTAL METERS TESTED THIS QUARTER	41
UTILITY OR APPROVED AGENCY DOING METER TESTING	Martin County Water District
METERS THAT TEST MORE THAN 2% FAST OR 2% SLOW	0

CUSTOMER AND REFUND INFORMATION

NUMBER OF TESTS MADE AT CUSTOMER'S REQUEST	0
NUMBER OF TESTS MADE AT COMMISSION'S REQUEST	0
NUMBER OF METERS ON WHICH REFUNDS WERE MADE	
TOTAL AMOUNT OF REFUNDS MADE DURING THIS QUARTER	
NUMBER OF CUSTOMERS BILLED FOR SLOW METERS	0
TOTAL AMOUNT BILLED ON SLOW METERS	$0.00
NUMBER OF CUSTOMERS BILLED FOR NON-REGISTERING METERS	0
TOTAL AMOUNT BILLED ON NON-REGISTERING METERS	$0.00

METER TESTING INFORMATION APPROVED BY:

SIGNED:
TITLE

CUSTOMER & REFUND INFORMATION APPROVED BY::

SIGNED:
TITLE

QUARTERLY METER REPORT
TO THE KENTUCKY PUBLIC SERVICE COMMISSION

GENERAL INFORMATION

NAME OF UTILITY Martin County Water District
ADDRESS 387 East Main St., Suite 140
CITY, STATE, ZIP Inez, KY 41224

QUARTER 2
TEST YEAR 2018
DATE SUBMITTED Thursday, July 05, 2018

RECEIVED
JUL 09 2018
PUBLIC SERVICE COMMISSION

METER STATISTICS

CUSTOMER TYPE	METERED	NON-METERED	TOTAL
RESIDENTIAL	3156	0	3156
COMMERCIAL	276	0	276
INDUSTRIAL	0	0	0
OTHER	0	0	0
TOTALS	3432	0	3432

STATUS OF METER TEST PROGRAM	QUANTITY
METERS TO BE TESTED THIS YEAR	0
METERS TESTED THIS YEAR TO DATE	77
METERS STILL TO TEST THIS YEAR	0 - GOOD JOB

METER TESTING

YEARS SINCE METER WAS LAST TESTED	METER TEST RESULTS				METERS TESTED	METERS NOT TESTED
	WITHIN +/- 2%	> 2% FAST	> 2% SLOW	NR *		
NEW - 5 YEARS	8	0	0	0	8	0
5 - 8 YEARS	0	0	0	0	0	0
9 YEARS	0	0	0	0	0	0
10 YEARS	0	0	0	0	0	0
10+ YEARS	0	0	0	0	0	0
UNKNOWN	27	0	1	0	28	0
TOTALS	35	0	1	0	36	0
PERCENT	97.22%	0.00%	2.78%	0.00%	100.00%	0.00%

* Non-Registering

PERIODIC METER TEST PROGRAM	
CASE NUMBER and/or SAMPLE METHOD PLAN	
METERS REMOVED FROM SERVICE AND TESTED THIS QUARTER	36
NEW SERVICE CONNECTIONS (METERS) INSTALLED THIS QUARTERS	70
TOTAL METERS TESTED THIS QUARTER	36
UTILITY OR APPROVED AGENCY DOING METER TESTING	Martin County Water District
METERS THAT TEST MORE THAN 2% FAST OR 2% SLOW	1

CUSTOMER AND REFUND INFORMATION

NUMBER OF TESTS MADE AT CUSTOMER'S REQUEST	0
NUMBER OF TESTS MADE AT COMMISSION'S REQUEST	0
NUMBER OF METERS ON WHICH REFUNDS WERE MADE	
TOTAL AMOUNT OF REFUNDS MADE DURING THIS QUARTER	
NUMBER OF CUSTOMERS BILLED FOR SLOW METERS	1
TOTAL AMOUNT BILLED ON SLOW METERS	$46.88
NUMBER OF CUSTOMERS BILLED FOR NON-REGISTERING METERS	0
TOTAL AMOUNT BILLED ON NON-REGISTERING METERS	$0.00

METER TESTING INFORMATION APPROVED BY:
SIGNED:
TITLE G.M

CUSTOMER & REFUND INFORMATION APPROVED BY::
SIGNED:
TITLE

RECEIVED
OCT 05 2018
COMMISSION

QUARTERLY METER REPORT
TO THE KENTUCKY PUBLIC SERVICE COMMISSION

GENERAL INFORMATION

NAME OF UTILITY Martin County Water District
ADDRESS 387 East Main St., Suite 140
CITY, STATE, ZIP Inez, KY 41224

QUARTER 3
TEST YEAR 2018
DATE SUBMITTED Monday, October 01, 2018

METER STATISTICS

CUSTOMER TYPE	METERED	NON-METERED	TOTAL
RESIDENTIAL	3162	0	3162
COMMERCIAL	277	0	277
INDUSTRIAL	0	0	0
OTHER	0	0	0
TOTALS	3439	0	3439

STATUS OF METER TEST PROGRAM	QUANTITY
METERS TO BE TESTED THIS YEAR	0
METERS TESTED THIS YEAR TO DATE	178
METERS STILL TO TEST THIS YEAR	0 - GOOD JOB

METER TESTING

YEARS SINCE METER WAS LAST TESTED	METER TEST RESULTS				METERS TESTED	METERS NOT TESTED
	WITHIN +/- 2%	> 2% FAST	> 2% SLOW	NR *		
NEW - 5 YEARS	33	0	0	0	33	0
5 - 8 YEARS	3	0	0	0	3	0
9 YEARS	0	0	0	0	0	0
10 YEARS	0	0	0	0	0	0
10+ YEARS	0	0	0	0	0	0
UNKNOWN	63	0	2	0	65	0
TOTALS	99	0	2	0	101	0
PERCENT	98.02%	0.00%	1.98%	0.00%	100.00%	0.00%

* Non-Registering

PERIODIC METER TEST PROGRAM	
CASE NUMBER and/or SAMPLE METHOD PLAN	
METERS REMOVED FROM SERVICE AND TESTED THIS QUARTER	101
NEW SERVICE CONNECTIONS (METERS) INSTALLED THIS QUARTERS	81
TOTAL METERS TESTED THIS QUARTER	101
UTILITY OR APPROVED AGENCY DOING METER TESTING	Martin County Water District
METERS THAT TEST MORE THAN 2% FAST OR 2% SLOW	2

CUSTOMER AND REFUND INFORMATION

NUMBER OF TESTS MADE AT CUSTOMER'S REQUEST	0
NUMBER OF TESTS MADE AT COMMISSION'S REQUEST	0
NUMBER OF METERS ON WHICH REFUNDS WERE MADE	
TOTAL AMOUNT OF REFUNDS MADE DURING THIS QUARTER	
NUMBER OF CUSTOMERS BILLED FOR SLOW METERS	2
TOTAL AMOUNT BILLED ON SLOW METERS	$361.34
NUMBER OF CUSTOMERS BILLED FOR NON-REGISTERING METERS	0
TOTAL AMOUNT BILLED ON NON-REGISTERING METERS	$0.00

METER TESTING INFORMATION APPROVED BY
SIGNED:
TITLE GM

CUSTOMER & REFUND INFORMATION APPROVED BY::
SIGNED
TITLE

QUARTERLY METER REPORT
TO THE KENTUCKY PUBLIC SERVICE COMMISSION

RECEIVED
JAN 07 2019
COMMISSION

GENERAL INFORMATION

NAME OF UTILITY Martin County Water District
ADDRESS 387 East Main St., Suite 140
CITY, STATE, ZIP Inez, KY 41224

QUARTER 4
TEST YEAR 2018
DATE SUBMITTED Wednesday, January 02, 2019

METER STATISTICS

CUSTOMER TYPE	METERED	NON-METERED	TOTAL
RESIDENTIAL	3160	0	3160
COMMERCIAL	277	0	277
INDUSTRIAL	0	0	0
OTHER	0	0	0
TOTALS	3437	0	3437

STATUS OF METER TEST PROGRAM	QUANTITY
METERS TO BE TESTED THIS YEAR	0
METERS TESTED THIS YEAR TO DATE	213
METERS STILL TO TEST THIS YEAR	0 - GOOD JOB

METER TESTING

YEARS SINCE METER WAS LAST TESTED	METER TEST RESULTS				METERS TESTED	METERS NOT TESTED
	WITHIN +/- 2%	> 2% FAST	> 2% SLOW	NR *		
NEW - 5 YEARS	15	0	0	0	15	0
5 - 8 YEARS	1	0	0	0	1	0
9 YEARS	0	0	0	0	0	0
10 YEARS	0	0	0	0	0	0
10+ YEARS	0	0	0	0	0	0
UNKNOWN	18	0	0	0	18	0
TOTALS	34	0	0	0	34	0
PERCENT	100.00%	0.00%	0.00%	0.00%	100.00%	0.00%

* Non-Registering

PERIODIC METER TEST PROGRAM	
CASE NUMBER and/or SAMPLE METHOD PLAN	
METERS REMOVED FROM SERVICE AND TESTED THIS QUARTER	34
NEW SERVICE CONNECTIONS (METERS) INSTALLED THIS QUARTERS	72
TOTAL METERS TESTED THIS QUARTER	34
UTILITY OR APPROVED AGENCY DOING METER TESTING	Martin County Water District
METERS THAT TEST MORE THAN 2% FAST OR 2% SLOW	0

CUSTOMER AND REFUND INFORMATION

NUMBER OF TESTS MADE AT CUSTOMER'S REQUEST	0
NUMBER OF TESTS MADE AT COMMISSION'S REQUEST	0
NUMBER OF METERS ON WHICH REFUNDS WERE MADE	
TOTAL AMOUNT OF REFUNDS MADE DURING THIS QUARTER	
NUMBER OF CUSTOMERS BILLED FOR SLOW METERS	0
TOTAL AMOUNT BILLED ON SLOW METERS	$0.00
NUMBER OF CUSTOMERS BILLED FOR NON-REGISTERING METERS	0
TOTAL AMOUNT BILLED ON NON-REGISTERING METERS	$0.00

METER TESTING INFORMATION APPROVED BY:

SIGNED:
TITLE G.M

CUSTOMER & REFUND INFORMATION APPROVED BY::

SIGNED:
TITLE

QUARTERLY METER REPORT
TO THE KENTUCKY PUBLIC SERVICE COMMISSION

GENERAL INFORMATION

NAME OF UTILITY: Martin County Water District
ADDRESS: 387 East Main St., Suite 140
CITY, STATE, ZIP: Inez, KY 41224
QUARTER: 1
TEST YEAR: 2019
DATE SUBMITTE: Friday, March 29, 2019

METER STATISTICS

CUSTOMER TYPE	METERED	NON-METERED	TOTAL
RESIDENTIAL	3100	0	3100
COMMERCIAL	276	0	276
INDUSTRIAL	0	0	0
OTHER	0	0	0
TOTALS	3376	0	3376

STATUS OF METER TEST PROGRAM	QUANTITY
METERS TO BE TESTED THIS YEAR	0
METERS TESTED THIS YEAR TO DATE	73
METERS STILL TO TEST THIS YEAR	0 - GOOD JOB

METER TESTING

YEARS SINCE METER WAS LAST TESTED	METER TEST RESULTS				METERS TESTED	METERS NOT TESTED
	WITHIN +/- 2%	> 2% FAST	> 2% SLOW	NR *		
NEW - 5 YEARS	23	0	0	0	23	0
5 - 8 YEARS	5	0	0	0	5	0
9 YEARS	0	0	0	0	0	0
10 YEARS	1	0	0	0	1	0
10+ YEARS	0	0	0	0	0	0
UNKNOWN	44	0	0	0	44	0
TOTALS	73	0	0	0	73	0
PERCENT	100.00%	0.00%	0.00%	0.00%	100.00%	0.00%

* Non-Registering

PERIODIC METER TEST PROGRAM	
CASE NUMBER and/or SAMPLE METHOD PLAN	
METERS REMOVED FROM SERVICE AND TESTED THIS QUARTER	73
NEW SERVICE CONNECTIONS (METERS) INSTALLED THIS QUARTERS	61
TOTAL METERS TESTED THIS QUARTER	73
UTILITY OR APPROVED AGENCY DOING METER TESTING	Martin County Water District
METERS THAT TEST MORE THAN 2% FAST OR 2% SLOW	0

CUSTOMER AND REFUND INFORMATION

NUMBER OF TESTS MADE AT CUSTOMER'S REQUEST	0
NUMBER OF TESTS MADE AT COMMISSION'S REQUEST	0
NUMBER OF METERS ON WHICH REFUNDS WERE MADE	
TOTAL AMOUNT OF REFUNDS MADE DURING THIS QUARTER	
NUMBER OF CUSTOMERS BILLED FOR SLOW METERS	0
TOTAL AMOUNT BILLED ON SLOW METERS	$0.00
NUMBER OF CUSTOMERS BILLED FOR NON-REGISTERING METERS	0
TOTAL AMOUNT BILLED ON NON-REGISTERING METERS	$0.00

METER TESTING INFORMATION APPROVED BY:

SIGNED: G. M

TITLE

CUSTOMER & REFUND INFORMATION APPROVED BY::

SIGNED:

TITLE

QUARTERLY METER REPORT
TO THE KENTUCKY PUBLIC SERVICE COMMISSION

RECEIVED
APR 01 2019
PUBLIC SERVICE COMMISSION

GENERAL INFORMATION

NAME OF UTILITY	Martin County Water District	QUARTER	1
ADDRESS	387 East Main St . Suite 140	TEST YEAR	2019
CITY, STATE, ZIP	Inez, KY 41224	DATE SUBMITTE	Friday, March 29, 2019

METER STATISTICS

CUSTOMER TYPE	METERED	NON-METERED	TOTAL
RESIDENTIAL	3100	0	3100
COMMERCIAL	276	0	276
INDUSTRIAL	0	0	0
OTHER	0	0	0
TOTALS	3376	0	3376

STATUS OF METER TEST PROGRAM	QUANTITY
METERS TO BE TESTED THIS YEAR	0
METERS TESTED THIS YEAR TO DATE	73
METERS STILL TO TEST THIS YEAR	0 - GOOD JOB

METER TESTING

YEARS SINCE METER WAS LAST TESTED	METER TEST RESULTS				METERS TESTED	METERS NOT TESTED
	WITHIN +/- 2%	> 2% FAST	> 2% SLOW	NR *		
NEW - 5 YEARS	23	0	0	0	23	0
5 - 8 YEARS	5	0	0	0	5	0
9 YEARS	0	0	0	0	0	0
10 YEARS	1	0	0	0	1	0
10+ YEARS	0	0	0	0	0	0
UNKNOWN	44	0	0	0	44	0
TOTALS	73	0	0	0	73	0
PERCENT	100 00%	0 00%	0 00%	0 00%	100 00%	0 00%

* Non-Registering

PERIODIC METER TEST PROGRAM	
CASE NUMBER and/or SAMPLE METHOD PLAN	
METERS REMOVED FROM SERVICE AND TESTED THIS QUARTER	73
NEW SERVICE CONNECTIONS (METERS) INSTALLED THIS QUARTERS	61
TOTAL METERS TESTED THIS QUARTER	73
UTILITY OR APPROVED AGENCY DOING METER TESTING	Martin County Water District
METERS THAT TEST MORE THAN 2% FAST OR 2% SLOW	0

CUSTOMER AND REFUND INFORMATION

NUMBER OF TESTS MADE AT CUSTOMER'S REQUEST	0
NUMBER OF TESTS MADE AT COMMISSION'S REQUEST	0
NUMBER OF METERS ON WHICH REFUNDS WERE MADE	
TOTAL AMOUNT OF REFUNDS MADE DURING THIS QUARTER	
NUMBER OF CUSTOMERS BILLED FOR SLOW METERS	0
TOTAL AMOUNT BILLED ON SLOW METERS	$0 00
NUMBER OF CUSTOMERS BILLED FOR NON-REGISTERING METERS	0
TOTAL AMOUNT BILLED ON NON-REGISTERING METERS	$0 00

METER TESTING INFORMATION APPROVED BY:

SIGNED:

TITLE G.M

CUSTOMER & REFUND INFORMATION APPROVED BY::

SIGNED:

TITLE

QUARTERLY METER REPORT
TO THE KENTUCKY PUBLIC SERVICE COMMISSION

GENERAL INFORMATION

NAME OF UTILITY	Martin County Water District	QUARTER	1
ADDRESS	387 East Main St., Suite 140	TEST YEAR	2019
CITY, STATE, ZIP	Inez, KY 41224	DATE SUBMITTE	Friday, March 29, 2019

METER STATISTICS

CUSTOMER TYPE	METERED	NON-METERED	TOTAL
RESIDENTIAL	3100	0	3100
COMMERCIAL	276	0	276
INDUSTRIAL	0	0	0
OTHER	0	0	0
TOTALS	3376	0	3376

STATUS OF METER TEST PROGRAM	QUANTITY
METERS TO BE TESTED THIS YEAR	0
METERS TESTED THIS YEAR TO DATE	73
METERS STILL TO TEST THIS YEAR	0 - GOOD JOB

METER TESTING

YEARS SINCE METER WAS LAST TESTED	METER TEST RESULTS				METERS TESTED	METERS NOT TESTED
	WITHIN +/- 2%	> 2% FAST	> 2% SLOW	NR *		
NEW - 5 YEARS	23	0	0	0	23	0
5 - 8 YEARS	5	0	0	0	5	0
9 YEARS	0	0	0	0	0	0
10 YEARS	1	0	0	0	1	0
10+ YEARS	0	0	0	0	0	0
UNKNOWN	44	0	0	0	44	0
TOTALS	73	0	0	0	73	0
PERCENT	100.00%	0.00%	0.00%	0.00%	100.00%	0.00%

* Non-Registering

PERIODIC METER TEST PROGRAM	
CASE NUMBER and/or SAMPLE METHOD PLAN	
METERS REMOVED FROM SERVICE AND TESTED THIS QUARTER	73
NEW SERVICE CONNECTIONS (METERS) INSTALLED THIS QUARTERS	61
TOTAL METERS TESTED THIS QUARTER	73
UTILITY OR APPROVED AGENCY DOING METER TESTING	Martin County Water District
METERS THAT TEST MORE THAN 2% FAST OR 2% SLOW	0

CUSTOMER AND REFUND INFORMATION

NUMBER OF TESTS MADE AT CUSTOMER'S REQUEST	0
NUMBER OF TESTS MADE AT COMMISSION'S REQUEST	0
NUMBER OF METERS ON WHICH REFUNDS WERE MADE	
TOTAL AMOUNT OF REFUNDS MADE DURING THIS QUARTER	
NUMBER OF CUSTOMERS BILLED FOR SLOW METERS	0
TOTAL AMOUNT BILLED ON SLOW METERS	$0.00
NUMBER OF CUSTOMERS BILLED FOR NON-REGISTERING METERS	0
TOTAL AMOUNT BILLED ON NON-REGISTERING METERS	$0.00

METER TESTING INFORMATION APPROVED BY:

SIGNED:

TITLE

CUSTOMER & REFUND INFORMATION APPROVED BY::

SIGNED:

TITLE

Martin County Water District

387 East Main St., Suite 140
Inez, KY 41224
(606) 298-3885

Test Records Between The Following Dates 1/1/2019 And 3/31/2019

Meter Serial #	Manufacturer	Date	Test 1 GPM	Test 1 Acc	Test 2 GPM	Test 2 Acc	Test 3 GPM	Test 3 Acc	Total	Avg.
+	Badger	2/6/2019	0.25	98.00%	2	100.00%	15	99.40%	297.40%	99.13%
09537596 NA	Badger	1/17/2019	0.25	99.00%	2	100.00%	15	99.00%	298.00%	99.33%
16368672	Badger	1/1/2019	0.25	100.00%	2	100.00%	15	99.20%	299.20%	99.73%
17762764	Badger	1/2/2019	0.25	97.00%	2	99.00%	15	98.20%	294.20%	98.07%
18963034	Badger	2/2/2019	0.25	100.00%	2	100.00%	15	99.80%	299.80%	99.93%
19109862	Badger	1/3/2019	0.25	100.00%	2	101.00%	15	99.80%	300.80%	100.27%
19158479	Badger	1/17/2019	0.25	95.00%	2	101.00%	15	99.60%	295.60%	98.53%
19667274	Badger	1/3/2019	0.25	98.00%	2	100.00%	15	98.30%	296.30%	98.77%
19667422NA1	Badger	1/3/2019	0.25	101.00%	2	100.00%	15	99.90%	300.90%	100.30%
19906224	Badger	1/3/2019	0.25	95.00%	2	101.00%	15	99.00%	295.00%	98.33%
19906306	Badger	2/15/2019	0.25	99.00%	2	99.00%	15	99.00%	297.00%	99.00%
29541632	Badger	1/17/2019	0.25	99.00%	2	100.00%	15	99.10%	298.10%	99.37%
29802307	Badger	2/2/2019	0.25	99.00%	2	100.00%	15	99.90%	298.90%	99.63%
29934516	Badger	1/17/2019	0.25	100.00%	2	100.00%	15	99.90%	299.90%	99.97%
29934538	Badger	2/6/2019	0.25	99.00%	2	100.00%	15	98.70%	297.70%	99.23%
29934580	Badger	1/1/2019	0.25	101.00%	2	101.00%	15	100.40%	302.40%	100.80%
29934587	Badger	1/4/2019	0.25	98.00%	2	100.00%	15	99.30%	297.30%	99.10%
29934593NA1	Badger	1/2/2019	0.25	100.00%	2	101.00%	15	100.30%	301.30%	100.43%
29934671	Badger	2/6/2019	0.25	100.00%	2	100.00%	15	100.10%	300.10%	100.03%
29934790	Badger	1/17/2019	0.25	101.00%	2	101.00%	15	99.50%	301.50%	100.50%
29934847	Badger	2/6/2019	0.25	100.00%	2	100.00%	15	99.30%	299.30%	99.77%
29934866	Badger	1/4/2019	0.25	100.00%	2	100.00%	15	99.40%	299.40%	99.80%
29934935	Badger	2/2/2019	0.25	93.00%	2	99.00%	15	99.30%	291.30%	97.10%
29934962	Badger	1/2/2019	0.25	101.00%	2	100.00%	15	100.10%	301.10%	100.37%
29934981	Badger	1/1/2019	0.25	101.00%	2	101.00%	15	99.00%	301.00%	100.33%
29934989	Badger	1/1/2019	0.25	100.00%	2	101.00%	15	99.00%	300.00%	100.00%
29934992NA1	Badger	1/3/2019	0.25	101.00%	2	100.00%	15	98.60%	299.60%	99.87%
29935001NA1	Badger	1/2/2019	0.25	100.00%	2	101.00%	15	100.10%	301.10%	100.37%
29935022NA1	Badger	1/17/2019	0.25	98.00%	2	101.00%	15	99.50%	298.50%	99.50%
29935117	Badger	1/4/2019	0.25	99.00%	2	99.00%	15	99.50%	297.50%	99.17%
29935136	Badger	1/2/2019	0.25	98.00%	2	98.00%	15	98.50%	294.50%	98.17%
29935151	Badger	1/2/2019	0.25	98.00%	2	100.00%	15	99.40%	297.40%	99.13%
29935182	Badger	1/3/2019	0.25	98.00%	2	101.00%	15	99.40%	298.40%	99.47%
29935205NA1	Badger	1/17/2019	0.25	98.00%	2	100.00%	15	99.20%	297.20%	99.07%

Meter Serial #	Manufacturer	Date	Test 1 GPM	Test 1 Acc	Test 2 GPM	Test 2 Acc	Test 3 GPM	Test 3 Acc	Total	Avg.
29935300 NA	Badger	1/4/2019	0.25	101.00%	2	100.00%	15	100.10%	301.10%	100.37%
29935403	Badger	2/15/2019	0.25	100.00%	2	100.00%	15	99.20%	299.20%	99.73%
29935422	Badger	2/2/2019	0.25	100.00%	2	101.00%	15	99.30%	300.30%	100.10%
33001044	Badger	2/2/2019	0.25	100.00%	2	101.00%	15	99.30%	300.30%	100.10%
33075775	Badger	1/3/2019	0.25	100.00%	2	100.00%	15	99.80%	299.80%	99.93%
46991445	Sensus	2/6/2019	0.25	92.00%	2	100.00%	15	98.40%	290.40%	96.80%
47823575	Sensus	1/17/2019	0.25	98.00%	2	100.00%	15	99.40%	297.40%	99.13%
47823641	Sensus	2/2/2019	0.25	98.00%	2	101.00%	15	99.70%	298.70%	99.57%
47823675	Sensus	1/4/2019	0.25	96.00%	2	99.00%	15	99.40%	294.40%	98.13%
47823677	Sensus	1/3/2019	0.25	98.00%	2	100.00%	15	99.40%	297.40%	99.13%
47823801	Sensus	1/4/2019	0.25	98.00%	2	100.00%	15	100.20%	298.20%	99.40%
47823867 NA	Badger	2/15/2019	0.25	98.00%	2	100.00%	15	100.30%	298.30%	99.43%
48122968	Sensus	1/2/2019	0.25	96.00%	2	99.00%	15	98.40%	293.40%	97.80%
61459226NA1	Badger	1/1/2019	0.25	97.00%	2	100.00%	15	100.10%	297.10%	99.03%
61535009	Sensus	1/4/2019	0.25	91.00%	2	100.00%	15	99.30%	290.30%	96.77%
63860622	Sensus Radi	1/2/2019	0.25	97.00%	2	100.00%	15	100.10%	297.10%	99.03%
66790516	Sensus	1/3/2019	0.25	93.00%	2	99.00%	15	100.00%	292.00%	97.33%
67403912	Sensus	1/2/2019	0.25	98.00%	2	100.00%	15	100.70%	298.70%	99.57%
67403920NA1	Sensus	2/6/2019	0.25	100.00%	2	100.00%	15	100.40%	300.40%	100.13%
69574515	Sensus	1/2/2019	0.25	95.00%	2	100.00%	15	100.40%	295.40%	98.47%
69574515	Sensus	1/2/2019	0.25	76.00%	2	98.00%	15	97.30%	271.30%	90.43%
69574538NA1	Badger	1/4/2019	0.25	97.00%	2	100.00%	15	100.30%	297.30%	99.10%
70166440	Sensus	2/1/2019	0.25	95.00%	2	100.00%	15	100.10%	295.10%	98.37%
70472581NA1	Sensus	1/17/2019	0.25	92.00%	2	100.00%	15	99.40%	291.40%	97.13%
70616446	Sensus SR II	1/2/2019	0.25	95.00%	2	100.00%	3	99.70%	294.70%	98.23%
70616500NA1	Sensus Radi	1/4/2019	0.25	99.00%	2	100.00%	15	100.30%	299.30%	99.77%
70616608	Sensus Radi	2/1/2019	0.25	99.00%	2	100.00%	15	100.20%	299.20%	99.73%
70750177NA1	Sensus	1/3/2019	0.25	91.00%	2	99.00%	15	100.00%	290.00%	96.67%
70840721	Sensus	1/3/2019	0.25	97.00%	2	101.00%	15	100.00%	298.00%	99.33%
71498947	Sensus	1/3/2019	0.25	96.00%	2	100.00%	15	99.40%	295.40%	98.47%
72305550	Sensus	1/4/2019	0.25	93.00%	2	100.00%	15	100.00%	293.00%	97.67%
72305553	Sensus	1/4/2019	0.25	95.00%	2	100.00%	15	100.00%	295.00%	98.33%
82978956	Badger	1/4/2019	0.25	92.00%	2	99.00%	15	100.40%	291.40%	97.13%
95378644	Badger	1/17/2019	0.25	100.00%	2	101.00%	15	99.40%	300.40%	100.13%
96434313	Badger	2/15/2019	0.25	93.00%	2	99.00%	15	99.50%	291.50%	97.17%
97354420	Badger	1/17/2019	0.25	98.00%	2	101.00%	15	100.10%	299.10%	99.70%
98607414	Badger	1/1/2019	0.25	100.00%	2	100.00%	15	99.10%	299.10%	99.70%
98655291 NA	Badger	2/15/2019	0.25	98.00%	2	98.00%	15	98.10%	294.10%	98.03%
98655404	Badger	2/15/2019	0.25	100.00%	2	100.00%	15	98.90%	298.90%	99.63%

#Error

Martin County Water Meter Testing Results

METER SIZE: 5/8 MAKE: Sensus SRII SERIAL #: 66790516

TEST NO. 1 Date: 1/3/19
GPM 0.25
LOW FLOW
ENDING READING 21041.8
BEGINNING READING 21032.5
Accuracy
> 95 % FOR NEW <101.5%
> 90 % FOR USED <101.5%
93 %

TEST NO. 2
GPM 2
INTERMEDIATE FLOW
ENDING READING 21051.7
BEGINNING READING 21041.8
Accuracy
>98.5%
<101.5%
99 %

TEST NO. 3
GPM 15
MAXIMUM FLOW
ENDING READING 21151.7
BEGINNING READING 21051.7
Accuracy
>98.5%
<101.5%
100.0 %

METER SIZE: 5/8 MAKE: Badger SERIAL #: 29935182

TEST NO. 1 Date: 1/3/19
GPM 0.25
LOW FLOW
ENDING READING 545242.8
BEGINNING READING 545233.0
Accuracy
> 95 % FOR NEW <101.5%
> 90 % FOR USED <101.5%
98 %

TEST NO. 2
GPM 2
INTERMEDIATE FLOW
ENDING READING 545252.9
BEGINNING READING 545242.8
Accuracy
>98.5%
<101.5%
101 %

TEST NO. 3
GPM 15
MAXIMUM FLOW
ENDING READING 545352.3
BEGINNING READING 545252.9
Accuracy
>98.5%
<101.5%
99.4 %

METER SIZE: 5/8 MAKE: Badger SERIAL #: 19906224

TEST NO. 1 Date: 1/3/19
GPM 0.25
LOW FLOW
ENDING READING 862663.1
BEGINNING READING 862653.6
Accuracy
> 95 % FOR NEW <101.5%
> 90 % FOR USED <101.5%
95 %

TEST NO. 2
GPM 2
INTERMEDIATE FLOW
ENDING READING 862673.1
BEGINNING READING 862663.1
Accuracy
>98.5%
<101.5%
101 %

TEST NO. 3
GPM 15
MAXIMUM FLOW
ENDING READING 862772.1
BEGINNING READING 862673.1
Accuracy
>98.5%
<101.5%
99.0 %

METER SIZE: 5/8 MAKE: Badger SERIAL #: 33075775

TEST NO. 1 Date: 1/3/19
GPM 0.25
LOW FLOW
ENDING READING 226002.1
BEGINNING READING 225992.1
Accuracy
> 95 % FOR NEW <101.5%
> 90 % FOR USED <101.5%
100 %

TEST NO. 2
GPM 2
INTERMEDIATE FLOW
ENDING READING 226012.1
BEGINNING READING 226002.1
Accuracy
>98.5%
<101.5%
100 %

TEST NO. 3
GPM 15
MAXIMUM FLOW
ENDING READING 226111.9
BEGINNING READING 226012.1
Accuracy
>98.5%
<101.5%
99.8 %

Martin County Water Meter Testing Results

METER SIZE: 5/8 MAKE: Sensus SERIAL #: 70614434

TEST NO. 1 Radio Date: 12/27/18
GPM 0.25
LOW FLOW
ENDING READING 339044.7
BEGINNING READING 339035.4
Accuracy
> 95 % FOR NEW <101.5%
> 90 % FOR USED <101.5%
93 %

TEST NO. 2
GPM 2
INTERMEDIATE FLOW
ENDING READING 339054.7
BEGINNING READING 339044.7
Accuracy
>98.5%
<101.5%
100 %

TEST NO. 3
GPM 15
MAXIMUM FLOW
ENDING READING 339154.7
BEGINNING READING 339054.7
Accuracy
>98.5%
<101.5%
100.0 %

METER SIZE: 5/8 MAKE: Sensus SERIAL #: 70616365

TEST NO. 1 Radio Date: 12/27/18
GPM 0.25
LOW FLOW
ENDING READING 61068.9
BEGINNING READING 61059.0
Accuracy
> 95 % FOR NEW <101.5%
> 90 % FOR USED <101.5%
99 %

TEST NO. 2
GPM 2
INTERMEDIATE FLOW
ENDING READING 61078.9
BEGINNING READING 61068.9
Accuracy
>98.5%
<101.5%
108 %

TEST NO. 3
GPM 15
MAXIMUM FLOW
ENDING READING 61179.4
BEGINNING READING 61078.9
Accuracy
>98.5%
<101.5%
100.5 %

METER SIZE: 5/8 MAKE: Badger SERIAL #: 29934981

TEST NO. 1 Date: 1/1/19
GPM 0.25
LOW FLOW
ENDING READING 514955.1
BEGINNING READING 514945.0
Accuracy
> 95 % FOR NEW <101.5%
> 90 % FOR USED <101.5%
101 %

TEST NO. 2
GPM 2
INTERMEDIATE FLOW
ENDING READING 514965.1
BEGINNING READING 514945.0
Accuracy
>98.5%
<101.5%
101 %

TEST NO. 3
GPM 15
MAXIMUM FLOW
ENDING READING 515064.1
BEGINNING READING 514965.1
Accuracy
>98.5%
<101.5%
99.0 %

METER SIZE: 5/8 MAKE: Badger SERIAL #: 16368672

TEST NO. 1 Date: 1/1/19
GPM 0.25
LOW FLOW
ENDING READING 587752.0
BEGINNING READING 587742.0
Accuracy
> 95 % FOR NEW <101.5%
> 90 % FOR USED <101.5%
100 %

TEST NO. 2
GPM 2
INTERMEDIATE FLOW
ENDING READING 587762.0
BEGINNING READING 587752.0
Accuracy
>98.5%
<101.5%
100 %

TEST NO. 3
GPM 15
MAXIMUM FLOW
ENDING READING 587861.2
BEGINNING READING 587762.0
Accuracy
>98.5%
<101.5%
99.2 %

Kc 1cst - Changed Chamber

Martin County Water Meter Testing Results

METER SIZE: 5/8 MAKE: Sensus SERIAL #: 61459226

TEST NO. 1 Radio Date: 1/1/19
GPM 0.25
LOW FLOW

		Accuracy
		> 95 % FOR NEW <101.5%
		> 90 % FOR USED <101.5%
ENDING READING	450535.0	
BEGINNING READING	450525.3	97 %

TEST NO. 2
GPM 2
INTERMEDIATE FLOW

		Accuracy
		>98.5%
		<101.5%
ENDING READING	450545.0	
BEGINNING READING	450535.0	100 %

TEST NO. 3
GPM 15
MAXIMUM FLOW

		Accuracy
		>98.5%
		<101.5%
ENDING READING	450645.1	
BEGINNING READING	450545.0	100.1 %

METER SIZE: 5/8 MAKE: Badger SERIAL #: 29934580

TEST NO. 1 Date: 1/1/19
GPM 0.25
LOW FLOW

		Accuracy
		> 95 % FOR NEW <101.5%
		> 90 % FOR USED <101.5%
ENDING READING	182972.0	
BEGINNING READING	182961.9	101 %

TEST NO. 2
GPM 2
INTERMEDIATE FLOW

		Accuracy
		>98.5%
		<101.5%
ENDING READING	182982.1	
BEGINNING READING	182972.0	101 %

TEST NO. 3
GPM 15
MAXIMUM FLOW

		Accuracy
		>98.5%
		<101.5%
ENDING READING	183082.5	
BEGINNING READING	182982.1	100.1 %

METER SIZE: 5/8 MAKE: Badger SERIAL #: 98607414

TEST NO. 1 Date: 1/1/19
GPM 0.25
LOW FLOW

		Accuracy
		> 95 % FOR NEW <101.5%
		> 90 % FOR USED <101.5%
ENDING READING	615998.6	
BEGINNING READING	615988.6	100 %

TEST NO. 2
GPM 2
INTERMEDIATE FLOW

		Accuracy
		>98.5%
		<101.5%
ENDING READING	616008.6	
BEGINNING READING	615998.6	100 %

TEST NO. 3
GPM 15
MAXIMUM FLOW

		Accuracy
		>98.5%
		<101.5%
ENDING READING	616107.7	
BEGINNING READING	616008.6	99.1 %

METER SIZE: 5/8 MAKE: Badger SERIAL #: 29934989

TEST NO. 1 Date:
GPM 0.25
LOW FLOW

		Accuracy
		> 95 % FOR NEW <101.5%
		> 90 % FOR USED <101.5%
ENDING READING	768048.3	
BEGINNING READING	768038.3	100 %

TEST NO. 2
GPM 2
INTERMEDIATE FLOW

		Accuracy
		>98.5%
		<101.5%
ENDING READING	768058.4	
BEGINNING READING	768048.3	101 %

TEST NO. 3
GPM 15
MAXIMUM FLOW

		Accuracy
		>98.5%
		<101.5%
ENDING READING	768157.4	
BEGINNING READING	768058.4	99.0 %

Martin County Water Meter Testing Results

METER SIZE: 5/8 MAKE: Badger SERIAL #: 17762764

TEST NO. 1 Date: 1/2/19
GPM 0.25
LOW FLOW
ENDING READING 548162.2
BEGINNING READING 548152.5
Accuracy > 95 % FOR NEW <101.5% > 90 % FOR USED <101.5%
97 %

TEST NO. 2
GPM 2
INTERMEDIATE FLOW
ENDING READING 548172.1
BEGINNING READING 548162.2
Accuracy >98.5% <101.5%
99 %

TEST NO. 3
GPM 15
MAXIMUM FLOW
ENDING READING 548270.3
BEGINNING READING 548172.1
Accuracy >98.5% <101.5%
98.2 %

METER SIZE: 5/8 MAKE: Sensus SR II SERIAL #: 48122968

TEST NO. 1 Date: 1/2/19
GPM 0.25
LOW FLOW
ENDING READING 679434.6
BEGINNING READING 679425.0
Accuracy > 95 % FOR NEW <101.5% > 90 % FOR USED <101.5%
94 %

TEST NO. 2
GPM 2
INTERMEDIATE FLOW
ENDING READING 679444.5
BEGINNING READING 679434.6
Accuracy >98.5% <101.5%
99 %

TEST NO. 3
GPM 15
MAXIMUM FLOW
ENDING READING 679542.9
BEGINNING READING 679444.5
Accuracy >98.5% <101.5%
98.4 %

METER SIZE: 5/8 MAKE: Badger SERIAL #: 29935151

TEST NO. 1 Date: 1/2/19
GPM 0.25
LOW FLOW
ENDING READING 220378.3
BEGINNING READING 220368.5
Accuracy > 95 % FOR NEW <101.5% > 90 % FOR USED <101.5%
98 %

TEST NO. 2
GPM 2
INTERMEDIATE FLOW
ENDING READING 220388.3
BEGINNING READING 220378.3
Accuracy >98.5% <101.5%
100 %

TEST NO. 3
GPM 15
MAXIMUM FLOW
ENDING READING 220487.7
BEGINNING READING 220388.3
Accuracy >98.5% <101.5%
99.4 %

METER SIZE: 5/8 MAKE: Sensus SR II SERIAL #: 69574515

TEST NO. 1 Date: 1/2/19
GPM 0.25
LOW FLOW
ENDING READING 184535.2
BEGINNING READING 184527.6
Accuracy > 95 % FOR NEW <101.5% > 90 % FOR USED <101.5%
76 % slow

TEST NO. 2
GPM 2
INTERMEDIATE FLOW
ENDING READING 184545.0
BEGINNING READING 184535.2
Accuracy >98.5% <101.5%
98 %

TEST NO. 3
GPM 15
MAXIMUM FLOW
ENDING READING 184642.3
BEGINNING READING 184545.0
Accuracy >98.5% <101.5%
97.3 % slow

Martin County Water Meter Testing Results

METER SIZE: 5/8 MAKE: Sensus SERIAL #: 63860622

TEST NO. 1 Radio Date: 1/2/19
GPM 0.25
LOW FLOW
Accuracy
> 95 % FOR NEW <101.5%
> 90 % FOR USED <101.5%
ENDING READING 126267.8
BEGINNING READING 126258.1
97 %

TEST NO. 2
GPM 2
INTERMEDIATE FLOW
Accuracy
>98.5%
<101.5%
ENDING READING 126277.8
BEGINNING READING 126267.8
100 %

TEST NO. 3
GPM 15
MAXIMUM FLOW
Accuracy
>98.5%
<101.5%
ENDING READING 126377.9
BEGINNING READING 126277.8
100.1 %

METER SIZE: 5/8 MAKE: Sensus SERIAL #: 70616414

TEST NO. 1 Radio Date: 1/2/19
GPM 0.25
LOW FLOW
Accuracy
> 95 % FOR NEW <101.5%
> 90 % FOR USED <101.5%
ENDING READING 293685.1
BEGINNING READING 293675.6
95 %

TEST NO. 2
GPM 2
INTERMEDIATE FLOW
Accuracy
>98.5%
<101.5%
ENDING READING 293695.1
BEGINNING READING 293685.1
100 %

TEST NO. 3
GPM 15
MAXIMUM FLOW
Accuracy
>98.5%
<101.5%
ENDING READING 293794.8
BEGINNING READING 293695.1
99.7 %

METER SIZE: 5/8 MAKE: Badger SERIAL #: 29934593

TEST NO. 1 Date: 1/2/19
GPM 0.25
LOW FLOW
Accuracy
> 95 % FOR NEW <101.5%
> 90 % FOR USED <101.5%
ENDING READING 380501.5
BEGINNING READING 380491.5
100 %

TEST NO. 2
GPM 2
INTERMEDIATE FLOW
Accuracy
>98.5%
<101.5%
ENDING READING 380511.6
BEGINNING READING 380501.5
101 %

TEST NO. 3
GPM 15
MAXIMUM FLOW
Accuracy
>98.5%
<101.5%
ENDING READING 380611.9
BEGINNING READING 380511.6
100.3 %

METER SIZE: 5/8 MAKE: Badger SERIAL #: 29934962

TEST NO. 1 Date: 1/2/19
GPM 0.25
LOW FLOW
Accuracy
> 95 % FOR NEW <101.5%
> 90 % FOR USED <101.5%
ENDING READING 515367.8
BEGINNING READING 515357.7
101 %

TEST NO. 2
GPM 2
INTERMEDIATE FLOW
Accuracy
>98.5%
<101.5%
ENDING READING 515377.8
BEGINNING READING 515367.8
100 %

TEST NO. 3
GPM 15
MAXIMUM FLOW
Accuracy
>98.5%
<101.5%
ENDING READING 515477.9
BEGINNING READING 515377.8
100.1 %

Kelest - Changed Chamber

Martin County Water Meter Testing Results

METER SIZE: 5/8 MAKE: Badger SERIAL #: 29935001

TEST NO. 1 Date: 1/2/19
GPM 0.25
LOW FLOW
Accuracy
> 95 % FOR NEW <101.5%
> 90 % FOR USED <101.5%
ENDING READING 1250462.6
BEGINNING READING 1250452.6
100 %

TEST NO. 2
GPM 2
INTERMEDIATE FLOW
Accuracy
>98.5%
<101.5%
ENDING READING 1250472.7
BEGINNING READING 1250462.6
101 %

TEST NO. 3
GPM 15
MAXIMUM FLOW
Accuracy
>98.5%
<101.5%
ENDING READING 1250572.8
BEGINNING READING 1250472.7
100.1 %

METER SIZE: 5/8 MAKE: Sensus SERIAL #: 69574515
SR II

TEST NO. 1 Date: 1/2/19
GPM 0.25
LOW FLOW
Accuracy
> 95 % FOR NEW <101.5%
> 90 % FOR USED <101.5%
ENDING READING 184703.6
BEGINNING READING 184694.1
95 %

TEST NO. 2
GPM 2
INTERMEDIATE FLOW
Accuracy
>98.5%
<101.5%
ENDING READING 184713.2
BEGINNING READING 184703.6
100 %

TEST NO. 3
GPM 15
MAXIMUM FLOW
Accuracy
>98.5%
<101.5%
ENDING READING 184814.0
BEGINNING READING 184713.6
100.4 %

METER SIZE: 5/8 MAKE: Badger SERIAL #: 29935136

TEST NO. 1 Date: 1/2/19
GPM 0.25
LOW FLOW
Accuracy
> 95 % FOR NEW <101.5%
> 90 % FOR USED <101.5%
ENDING READING 281264.5
BEGINNING READING 281254.7
98 %

TEST NO. 2
GPM 2
INTERMEDIATE FLOW
Accuracy
>98.5%
<101.5%
ENDING READING 281274.5
BEGINNING READING 281264.7
98 %

TEST NO. 3
GPM 15
MAXIMUM FLOW
Accuracy
>98.5%
<101.5%
ENDING READING 281373.0
BEGINNING READING 281274.5
98.5 %

METER SIZE: 5/8 MAKE: Sensus SERIAL #: 67403912
SR II

TEST NO. 1 Date: 1/2/19
GPM 0.25
LOW FLOW
Accuracy
> 95 % FOR NEW <101.5%
> 90 % FOR USED <101.5%
ENDING READING 367001.3
BEGINNING READING 366991.5
98 %

TEST NO. 2
GPM 2
INTERMEDIATE FLOW
Accuracy
>98.5%
<101.5%
ENDING READING 367011.3
BEGINNING READING 367001.3
100 %

TEST NO. 3
GPM 15
MAXIMUM FLOW
Accuracy
>98.5%
<101.5%
ENDING READING 367112.0
BEGINNING READING 367011.3
100.7 %

Martin County Water Meter Testing Results

METER SIZE: 5/8 MAKE: Sensus SR II SERIAL #: 21498947

TEST NO. 1 Date: 1/3/19
GPM 0.25
LOW FLOW
ENDING READING 915931.8
BEGINNING READING 915922.2
Accuracy
> 95 % FOR NEW <101.5%
> 90 % FOR USED <101.5%
96 %

TEST NO. 2
GPM 2
INTERMEDIATE FLOW
ENDING READING 915941.8
BEGINNING READING 915931.8
Accuracy
>98.5%
<101.5%
100 %

TEST NO. 3
GPM 15
MAXIMUM FLOW
ENDING READING 916041.2
BEGINNING READING 915941.8
Accuracy
>98.5%
<101.5%
99.4 %

METER SIZE: 5/8 MAKE: Sensus SR II SERIAL #: 47823677

TEST NO. 1 Date: 1/3/19
GPM 0.25
LOW FLOW
ENDING READING 915002.8
BEGINNING READING 914993.0
Accuracy
> 95 % FOR NEW <101.5%
> 90 % FOR USED <101.5%
98 %

TEST NO. 2
GPM 2
INTERMEDIATE FLOW
ENDING READING 915012.8
BEGINNING READING 915002.8
Accuracy
>98.5%
<101.5%
100 %

TEST NO. 3
GPM 15
MAXIMUM FLOW
ENDING READING 915111.2
BEGINNING READING 915012.8
Accuracy
>98.5%
<101.5%
99.4 %

METER SIZE: 5/8 MAKE: Badger SERIAL #: 19667422

TEST NO. 1 Date: 1/3/19
GPM 0.25
LOW FLOW
ENDING READING 844477.8
BEGINNING READING 844467.7
Accuracy
> 95 % FOR NEW <101.5%
> 90 % FOR USED <101.5%
101 %

TEST NO. 2
GPM 2
INTERMEDIATE FLOW
ENDING READING 844487.8
BEGINNING READING 844477.8
Accuracy
>98.5%
<101.5%
100 %

TEST NO. 3
GPM 15
MAXIMUM FLOW
ENDING READING 844587.7
BEGINNING READING 844487.8
Accuracy
>98.5%
<101.5%
99.9 %

METER SIZE: 5/8 MAKE: Badger SERIAL #: 29934992

TEST NO. 1 Date: 1/3/19
GPM 0.25
LOW FLOW
ENDING READING 384646.0
BEGINNING READING 384635.9
Accuracy
> 95 % FOR NEW <101.5%
> 90 % FOR USED <101.5%
101 %

TEST NO. 2
GPM 2
INTERMEDIATE FLOW
ENDING READING 384656.0
BEGINNING READING 384646.0
Accuracy
>98.5%
<101.5%
100 %

TEST NO. 3
GPM 15
MAXIMUM FLOW
ENDING READING 384754.6
BEGINNING READING 384656.8
Accuracy
>98.5%
<101.5%
98.6 %

Martin County Water Meter Testing Results

METER SIZE : 5/8 MAKE: Sensus SR II SERIAL # : 70840721

TEST NO. 1 Date: 1/3/19
GPM 0.25
LOW FLOW
ENDING READING 327174.5
BEGINNING READING 327164.8
Accuracy
> 95 % FOR NEW <101.5%
> 90 % FOR USED <101.5%
97 %

TEST NO. 2
GPM 2
INTERMEDIATE FLOW
ENDING READING 327184.6
BEGINNING READING 327174.5
Accuracy
>98.5%
<101.5%
101 %

TEST NO. 3
GPM 15
MAXIMUM FLOW
ENDING READING 327284.6
BEGINNING READING 327184.6
Accuracy
>98.5%
<101.5%
100.0 %

METER SIZE : 5/8 MAKE: Sensus SR II SERIAL # : 70750177

TEST NO. 1 Date: 1/3/19
GPM 0.25
LOW FLOW
ENDING READING 283895.5
BEGINNING READING 283886.4
Accuracy
> 95 % FOR NEW <101.5%
> 90 % FOR USED <101.5%
91 %

TEST NO. 2
GPM 2
INTERMEDIATE FLOW
ENDING READING 283905.4
BEGINNING READING 283895.5
Accuracy
>98.5%
<101.5%
99 %

TEST NO. 3
GPM 15
MAXIMUM FLOW
ENDING READING 284005.4
BEGINNING READING 283905.4
Accuracy
>98.5%
<101.5%
100.0 %

METER SIZE : 5/8 MAKE: Badger SERIAL # : 19109862

TEST NO. 1 Date: 1/3/19
GPM 0.25
LOW FLOW
ENDING READING 1023101.5
BEGINNING READING 1023091.5
Accuracy
> 95 % FOR NEW <101.5%
> 90 % FOR USED <101.5%
100 %

TEST NO. 2
GPM 2
INTERMEDIATE FLOW
ENDING READING 1023111.6
BEGINNING READING 1023101.5
Accuracy
>98.5%
<101.5%
101 %

TEST NO. 3
GPM 15
MAXIMUM FLOW
ENDING READING 1023211.4
BEGINNING READING 1023111.6
Accuracy
>98.5%
<101.5%
99.8 %

METER SIZE : 5/8 MAKE: Badger SERIAL # : 19667274

TEST NO. 1 Date: 1/3/19
GPM 0.25
LOW FLOW
ENDING READING 403082.7
BEGINNING READING 403072.9
Accuracy
> 95 % FOR NEW <101.5%
> 90 % FOR USED <101.5%
98 %

TEST NO. 2
GPM 2
INTERMEDIATE FLOW
ENDING READING 403092.7
BEGINNING READING 403082.7
Accuracy
>98.5%
<101.5%
100 %

TEST NO. 3
GPM 15
MAXIMUM FLOW
ENDING READING 403191.0
BEGINNING READING 403092.7
Accuracy
>98.5%
<101.5%
98.3 %

Martin County Water Meter Testing Results

METER SIZE: 5/8 MAKE: Sensus SR II SERIAL #: 61535009

TEST NO. 1 Date: 1/4/19
GPM 0.25
LOW FLOW
ENDING READING 767013.4
BEGINNING READING 767004.3
Accuracy
> 95 % FOR NEW <101.5%
> 90 % FOR USED <101.5%
91 %

TEST NO. 2
GPM 2
INTERMEDIATE FLOW
ENDING READING 767023.4
BEGINNING READING 767013.4
Accuracy
>98.5%
<101.5%
100 %

TEST NO. 3
GPM 15
MAXIMUM FLOW
ENDING READING 767122.7
BEGINNING READING 767023.4
Accuracy
>98.5%
<101.5%
99.3 %

METER SIZE: 5/8 MAKE: Badger SERIAL #: 29934866

TEST NO. 1 Date: 1/4/19
GPM 0.25
LOW FLOW
ENDING READING 471755.7
BEGINNING READING 471745.7
Accuracy
> 95 % FOR NEW <101.5%
> 90 % FOR USED <101.5%
100 %

TEST NO. 2
GPM 2
INTERMEDIATE FLOW
ENDING READING 471765.7
BEGINNING READING 471755.7
Accuracy
>98.5%
<101.5%
100 %

TEST NO. 3
GPM 15
MAXIMUM FLOW
ENDING READING 471865.1
BEGINNING READING 471765.7
Accuracy
>98.5%
<101.5%
99.4 %

METER SIZE: 5/8 MAKE: Sensus SR II SERIAL #: 47823675

TEST NO. 1 Date: 1/4/19
GPM 0.25
LOW FLOW
ENDING READING 1358351.5
BEGINNING READING 1358341.9
Accuracy
> 95 % FOR NEW <101.5%
> 90 % FOR USED <101.5%
96 %

TEST NO. 2
GPM 2
INTERMEDIATE FLOW
ENDING READING 1358361.4
BEGINNING READING 1358351.5
Accuracy
>98.5%
<101.5%
99 %

TEST NO. 3
GPM 15
MAXIMUM FLOW
ENDING READING 1358460.8
BEGINNING READING 1358361.4
Accuracy
>98.5%
<101.5%
99.4 %

METER SIZE: 5/8 MAKE: Sensus SR II SERIAL #: 72305553

TEST NO. 1 Date: 1/4/19
GPM 0.25
LOW FLOW
ENDING READING 74253.3
BEGINNING READING 74243.8
Accuracy
> 95 % FOR NEW <101.5%
> 90 % FOR USED <101.5%
95 %

TEST NO. 2
GPM 2
INTERMEDIATE FLOW
ENDING READING 74263.3
BEGINNING READING 74253.3
Accuracy
>98.5%
<101.5%
100 %

TEST NO. 3
GPM 15
MAXIMUM FLOW
ENDING READING 74363.3
BEGINNING READING 74263.3
Accuracy
>98.5%
<101.5%
100.0 %

Martin County Water Meter Testing Results

METER SIZE: 5/8 MAKE: Sensus SERIAL #: 49574538
SR II

TEST NO. 1 Date: 1/4/19
GPM 0.25
LOW FLOW
ENDING READING 172291.7
BEGINNING READING 172282.0
Accuracy
> 95 % FOR NEW <101.5%
> 90 % FOR USED <101.5%
97 %

TEST NO. 2
GPM 2
INTERMEDIATE FLOW
ENDING READING 172301.7
BEGINNING READING 172291.7
Accuracy
>98.5%
<101.5%
100 %

TEST NO. 3
GPM 15
MAXIMUM FLOW
ENDING READING 172402.0
BEGINNING READING 172301.7
Accuracy
>98.5%
<101.5%
100.3 %

METER SIZE: 5/8 MAKE: Badger SERIAL #: 29935300

TEST NO. 1 Date: 1/4/19
GPM 0.25
LOW FLOW
ENDING READING 209132.9
BEGINNING READING 209122.8
Accuracy
> 95 % FOR NEW <101.5%
> 90 % FOR USED <101.5%
101 %

TEST NO. 2
GPM 2
INTERMEDIATE FLOW
ENDING READING 209142.9
BEGINNING READING 209132.9
Accuracy
>98.5%
<101.5%
100 %

TEST NO. 3
GPM 15
MAXIMUM FLOW
ENDING READING 209243.0
BEGINNING READING 209142.9
Accuracy
>98.5%
<101.5%
100.1 %

METER SIZE: 5/8 MAKE: Badger SERIAL #: 29935117

TEST NO. 1 Date: 1/4/19
GPM 0.25
LOW FLOW
ENDING READING 895814.4
BEGINNING READING 895804.5
Accuracy
> 95 % FOR NEW <101.5%
> 90 % FOR USED <101.5%
99 %

TEST NO. 2
GPM 2
INTERMEDIATE FLOW
ENDING READING 895824.3
BEGINNING READING 895814.4
Accuracy
>98.5%
<101.5%
99 %

TEST NO. 3
GPM 15
MAXIMUM FLOW
ENDING READING 895923.8
BEGINNING READING 895824.3
Accuracy
>98.5%
<101.5%
99.5 %

METER SIZE: 5/8 MAKE: Sensus SERIAL #: 47823801
SR II

TEST NO. 1 Date: 1/4/19
GPM 0.25
LOW FLOW
ENDING READING 785272.3
BEGINNING READING 785262.5
Accuracy
> 95 % FOR NEW <101.5%
> 90 % FOR USED <101.5%
98 %

TEST NO. 2
GPM 2
INTERMEDIATE FLOW
ENDING READING 785282.3
BEGINNING READING 785272.3
Accuracy
>98.5%
<101.5%
100 %

TEST NO. 3
GPM 15
MAXIMUM FLOW
ENDING READING 785382.5
BEGINNING READING 785282.3
Accuracy
>98.5%
<101.5%
100.2 %

Martin County Water Meter Testing Results

METER SIZE : 5/8 MAKE: Sensus SERIAL # : 82978954
SR II Date: 1/4/19

TEST NO. 1
GPM 0.25
LOW FLOW
ENDING READING 40273.3
BEGINNING READING 40264.1
Accuracy
> 95 % FOR NEW <101.5%
> 90 % FOR USED <101.5%
92 %

TEST NO. 2
GPM 2
INTERMEDIATE FLOW
ENDING READING 40283.2
BEGINNING READING 40273.3
Accuracy
>98.5%
<101.5%
99 %

TEST NO. 3
GPM 15
MAXIMUM FLOW
ENDING READING 40383.6
BEGINNING READING 40283.2
Accuracy
>98.5%
<101.5%
100.4 %

METER SIZE : 5/8 MAKE: Badger SERIAL # : 29934587
Date: 1/4/19

TEST NO. 1
GPM 0.25
LOW FLOW
ENDING READING 228563.0
BEGINNING READING 228553.2
Accuracy
> 95 % FOR NEW <101.5%
> 90 % FOR USED <101.5%
98 %

TEST NO. 2
GPM 2
INTERMEDIATE FLOW
ENDING READING 228573.0
BEGINNING READING 228563.0
Accuracy
>98.5%
<101.5%
100 %

TEST NO. 3
GPM 15
MAXIMUM FLOW
ENDING READING 228672.3
BEGINNING READING 228573.0
Accuracy
>98.5%
<101.5%
99.3 %

METER SIZE : 5/8 MAKE: Sensus SERIAL # : 7230555
SR II Date: 1/4/19

TEST NO. 1
GPM 0.25
LOW FLOW
ENDING READING 172341.8
BEGINNING READING 172332.5
Accuracy
> 95 % FOR NEW <101.5%
> 90 % FOR USED <101.5%
93 %

TEST NO. 2
GPM 2
INTERMEDIATE FLOW
ENDING READING 172351.8
BEGINNING READING 172341.8
Accuracy
>98.5%
<101.5%
100 %

TEST NO. 3
GPM 15
MAXIMUM FLOW
ENDING READING 172451.8
BEGINNING READING 172351.8
Accuracy
>98.5%
<101.5%
100.0 %

METER SIZE : 5/8 MAKE: Sensus SERIAL # : 70616500
Rad.O Date: 1/4/19

TEST NO. 1
GPM 0.25
LOW FLOW
ENDING READING 549233.4
BEGINNING READING 549223.5
Accuracy
> 95 % FOR NEW <101.5%
> 90 % FOR USED <101.5%
99 %

TEST NO. 2
GPM 2
INTERMEDIATE FLOW
ENDING READING 549243.4
BEGINNING READING 549233.4
Accuracy
>98.5%
<101.5%
100 %

TEST NO. 3
GPM 15
MAXIMUM FLOW
ENDING READING 549343.7
BEGINNING READING 549243.4
Accuracy
>98.5%
<101.5%
100.3 %

Charles Mills

Martin County Water Meter Testing Results

METER SIZE : 5/8 MAKE: IPerL SERIAL # : 72225164

TEST NO. 1 Date: 1/17/19
GPM 0.25
LOW FLOW
Accuracy
> 95 % FOR NEW <101.5%
> 90 % FOR USED <101.5%
ENDING READING 219868.12
BEGINNING READING 219858.08
100.1 %

TEST NO. 2
GPM 2
INTERMEDIATE FLOW
Accuracy
>98.5%
<101.5%
ENDING READING 219877.96
BEGINNING READING 219868.12
98.4 %

TEST NO. 3
GPM 15
MAXIMUM FLOW
Accuracy
>98.5%
<101.5%
ENDING READING 219976.84
BEGINNING READING 219877.96
98.88 %

METER SIZE : 5/8 MAKE: Badger SERIAL # : 09537596

TEST NO. 1 Date: 1/17/19
GPM 0.25
LOW FLOW
Accuracy
> 95 % FOR NEW <101.5%
> 90 % FOR USED <101.5%
ENDING READING 614557.5
BEGINNING READING 614547.6
99 %

TEST NO. 2
GPM 2
INTERMEDIATE FLOW
Accuracy
>98.5%
<101.5%
ENDING READING 614567.5
BEGINNING READING 614557.5
100 %

TEST NO. 3
GPM 15
MAXIMUM FLOW
Accuracy
>98.5%
<101.5%
ENDING READING 614666.5
BEGINNING READING 614567.5
99.0 %

METER SIZE : 5/8 MAKE: Sensus SR II SERIAL # : 417823575

TEST NO. 1 Date: 1/17/19
GPM 0.25
LOW FLOW
Accuracy
> 95 % FOR NEW <101.5%
> 90 % FOR USED <101.5%
ENDING READING 934366.6
BEGINNING READING 934356.8
98 %

TEST NO. 2
GPM 2
INTERMEDIATE FLOW
Accuracy
>98.5%
<101.5%
ENDING READING 934376.6
BEGINNING READING 934366.6
100 %

TEST NO. 3
GPM 15
MAXIMUM FLOW
Accuracy
>98.5%
<101.5%
ENDING READING 934476.0
BEGINNING READING 934376.6
99.4 %

METER SIZE : 5/8 MAKE: Badger SERIAL # : 29541632

TEST NO. 1 Date: 1/17/19
GPM 0.25
LOW FLOW
Accuracy
> 95 % FOR NEW <101.5%
> 90 % FOR USED <101.5%
ENDING READING 1102462.6
BEGINNING READING 1102452.7
99 %

TEST NO. 2
GPM 2
INTERMEDIATE FLOW
Accuracy
>98.5%
<101.5%
ENDING READING 1102472.6
BEGINNING READING 1102462.6
100 %

TEST NO. 3
GPM 15
MAXIMUM FLOW
Accuracy
>98.5%
<101.5%
ENDING READING 1102571.7
BEGINNING READING 1102472.6
99.1 %

Martin County Water Meter Testing Results

METER SIZE : 5/8 MAKE: Badger SERIAL # : 29934516

TEST NO. 1 Date: 1/17/19
GPM 0.25
LOW FLOW
Accuracy
> 95 % FOR NEW <101.5%
> 90 % FOR USED <101.5%
ENDING READING 1077317.7
BEGINNING READING 1077307.7 100 %

TEST NO. 2
GPM 2
INTERMEDIATE FLOW
Accuracy
>98.5%
<101.5%
ENDING READING 1077327.7
BEGINNING READING 1077317.7 100 %

TEST NO. 3
GPM 15
MAXIMUM FLOW
Accuracy
>98.5%
<101.5%
ENDING READING 1077427.6
BEGINNING READING 1077327.7 99.9 %

METER SIZE : 5/8 MAKE: Badger SERIAL # : 19158479

TEST NO. 1 Date: 1/17/19
GPM 0.25
LOW FLOW
Accuracy
> 95 % FOR NEW <101.5%
> 90 % FOR USED <101.5%
ENDING READING 813404.5
BEGINNING READING 813395.0 95 %

TEST NO. 2
GPM 2
INTERMEDIATE FLOW
Accuracy
>98.5%
<101.5%
ENDING READING 813414.6
BEGINNING READING 813404.5 101 %

TEST NO. 3
GPM 15
MAXIMUM FLOW
Accuracy
>98.5%
<101.5%
ENDING READING 813514.2
BEGINNING READING 813414.6 99.6 %

METER SIZE : 5/8 MAKE: Badger SERIAL # : 29935022

TEST NO. 1 Date: 1/17/19
GPM 0.25
LOW FLOW
Accuracy
> 95 % FOR NEW <101.5%
> 90 % FOR USED <101.5%
ENDING READING 503272.8
BEGINNING READING 503263.0 98 %

TEST NO. 2
GPM 2
INTERMEDIATE FLOW
Accuracy
>98.5%
<101.5%
ENDING READING 503282.9
BEGINNING READING 503272.8 101 %

TEST NO. 3
GPM 15
MAXIMUM FLOW
Accuracy
>98.5%
<101.5%
ENDING READING 503382.4
BEGINNING READING 503282.9 99.5 %

METER SIZE : 5/8 MAKE: Sensus SR II SERIAL # : 704/72581

TEST NO. 1 Date: 1/17/19
GPM 0.25
LOW FLOW
Accuracy
> 95 % FOR NEW <101.5%
> 90 % FOR USED <101.5%
ENDING READING 489867.7
BEGINNING READING 489858.5 92 %

TEST NO. 2
GPM 2
INTERMEDIATE FLOW
Accuracy
>98.5%
<101.5%
ENDING READING 489877.7
BEGINNING READING 489867.7 100 %

TEST NO. 3
GPM 15
MAXIMUM FLOW
Accuracy
>98.5%
<101.5%
ENDING READING 489977.1
BEGINNING READING 489877.7 99.4 %

Martin County Water Meter Testing Results

METER SIZE : 5/8 MAKE: Badger SERIAL # : 29934790

Date: 1/17/19

TEST NO. 1
GPM 0.25
LOW FLOW

ENDING READING 563221.8
BEGINNING READING 563211.7

Accuracy
> 95 % FOR NEW <101.5%
> 90 % FOR USED <101.5%
101 %

TEST NO. 2
GPM 2
INTERMEDIATE FLOW

ENDING READING 563231.9
BEGINNING READING 563221.8

Accuracy
>98.5%
<101.5%
101 %

TEST NO. 3
GPM 15
MAXIMUM FLOW

ENDING READING 563331.4
BEGINNING READING 563231.9

Accuracy
>98.5%
<101.5%
99.5 %

METER SIZE : 5/8 MAKE: Badger SERIAL # : 29935205

Date: 1/17/19

TEST NO. 1
GPM 0.25
LOW FLOW

ENDING READING 572811.2
BEGINNING READING 572801.4

Accuracy
> 95 % FOR NEW <101.5%
> 90 % FOR USED <101.5%
98 %

TEST NO. 2
GPM 2
INTERMEDIATE FLOW

ENDING READING 572821.2
BEGINNING READING 572811.2

Accuracy
>98.5%
<101.5%
100 %

TEST NO. 3
GPM 15
MAXIMUM FLOW

ENDING READING 572920.4
BEGINNING READING 572821.2

Accuracy
>98.5%
<101.5%
99.2 %

METER SIZE : 5/8 MAKE: Badger SERIAL # : 95378644

Date: 1/17/19

TEST NO. 1
GPM 0.25
LOW FLOW

ENDING READING 486374.3
BEGINNING READING 486364.3

Accuracy
> 95 % FOR NEW <101.5%
> 90 % FOR USED <101.5%
100 %

TEST NO. 2
GPM 2
INTERMEDIATE FLOW

ENDING READING 486384.4
BEGINNING READING 486374.3

Accuracy
>98.5%
<101.5%
101 %

TEST NO. 3
GPM 15
MAXIMUM FLOW

ENDING READING 486483.8
BEGINNING READING 486384.4

Accuracy
>98.5%
<101.5%
99.4 %

METER SIZE : 5/8 MAKE: Badger SERIAL # : 97354420

Date: 1/17/19

TEST NO. 1
GPM 0.25
LOW FLOW

ENDING READING 1068477.1
BEGINNING READING 1068467.3

Accuracy
> 95 % FOR NEW <101.5%
> 90 % FOR USED <101.5%
98 %

TEST NO. 2
GPM 2
INTERMEDIATE FLOW

ENDING READING 1068487.2
BEGINNING READING 1068477.1

Accuracy
>98.5%
<101.5%
101 %

TEST NO. 3
GPM 15
MAXIMUM FLOW

ENDING READING 1068587.3
BEGINNING READING 1068487.2

Accuracy
>98.5%
<101.5%
100.1 %

Changed Fogged Register - 05216636

Martin County Water Meter Testing Results

METER SIZE : 5/8 MAKE: Perl SERIAL # : 74604139

TEST NO. 1 Date: 2/1/19
GPM 0.25
LOW FLOW
ENDING READING 59965.02
BEGINNING READING 59955.08
Accuracy
> 95 % FOR NEW <101.5%
> 90 % FOR USED <101.5%
99.4 %

TEST NO. 2
GPM 2
INTERMEDIATE FLOW
ENDING READING 59974.85
BEGINNING READING 59965.02
Accuracy
>98.5%
<101.5%
98.3 %

TEST NO. 3
GPM 15
MAXIMUM FLOW
ENDING READING 60073.61
BEGINNING READING 59974.85
Accuracy
>98.5%
<101.5%
98.76 %

METER SIZE : 5/8 MAKE: Perl SERIAL # : 74604151

TEST NO. 1 Date: 2/1/19
GPM 0.25
LOW FLOW
ENDING READING 337494.98
BEGINNING READING 337484.96
Accuracy
> 95 % FOR NEW <101.5%
> 90 % FOR USED <101.5%
100.2 %

TEST NO. 2
GPM 2
INTERMEDIATE FLOW
ENDING READING 337584.95
BEGINNING READING 337494.98
Accuracy
>98.5%
<101.5%
99.7 %

TEST NO. 3
GPM 15
MAXIMUM FLOW
ENDING READING 337604.91
BEGINNING READING 337504.95
Accuracy
>98.5%
<101.5%
99.96 %

METER SIZE : 5/8 MAKE: Sensus Radio SERIAL # : 70166410

TEST NO. 1 Date: 2/1/19
GPM 0.25
LOW FLOW
ENDING READING 126577.3
BEGINNING READING 126567.8
Accuracy
> 95 % FOR NEW <101.5%
> 90 % FOR USED <101.5%
95 %

TEST NO. 2
GPM 2
INTERMEDIATE FLOW
ENDING READING 126587.3
BEGINNING READING 126577.3
Accuracy
>98.5%
<101.5%
100 %

TEST NO. 3
GPM 15
MAXIMUM FLOW
ENDING READING 126687.4
BEGINNING READING 126587.3
Accuracy
>98.5%
<101.5%
100.1 %

METER SIZE : 5/8 MAKE : Perl SERIAL # : 74604150

TEST NO. 1 Date: 2/1/19
GPM 0.25
LOW FLOW
ENDING READING 95125.99
BEGINNING READING 95115.96
Accuracy
> 95 % FOR NEW <101.5%
> 90 % FOR USED <101.5%
100.3 %

TEST NO. 2
GPM 2
INTERMEDIATE FLOW
ENDING READING 95135.92
BEGINNING READING 95125.99
Accuracy
>98.5%
<101.5%
99.3 %

TEST NO. 3
GPM 15
MAXIMUM FLOW
ENDING READING 95235.28
BEGINNING READING 95135.92
Accuracy
>98.5%
<101.5%
99.36 %

Martin County Water Meter Testing Results

METER SIZE : 5/8 MAKE: Sensus SERIAL # : 70616608

TEST NO. 1 Radio Date: 2/1/19
GPM 0.25
LOW FLOW
ENDING READING 202.3
BEGINNING READING 192.4
Accuracy > 95 % FOR NEW <101.5% > 90 % FOR USED <101.5%
99 %

TEST NO. 2
GPM 2
INTERMEDIATE FLOW
ENDING READING 212.3
BEGINNING READING 202.3
Accuracy >98.5% <101.5%
100 %

TEST NO. 3
GPM 15
MAXIMUM FLOW
ENDING READING 312.5
BEGINNING READING 212.3
Accuracy >98.5% <101.5%
100.2 %

METER SIZE : 5/8 MAKE: Pier 1 SERIAL # : 74846459

TEST NO. 1 Date: 2/1/19
GPM 0.25
LOW FLOW
ENDING READING 138569.09
BEGINNING READING 138559.16
Accuracy > 95 % FOR NEW <101.5% > 90 % FOR USED <101.5%
99.3 %

TEST NO. 2
GPM 2
INTERMEDIATE FLOW
ENDING READING 138578.94
BEGINNING READING 138569.09
Accuracy >98.5% <101.5%
98.5 %

TEST NO. 3
GPM 15
MAXIMUM FLOW
ENDING READING 138677.94
BEGINNING READING 138578.94
Accuracy >98.5% <101.5%
90.0 %

METER SIZE : 5/8 MAKE: Badger SERIAL # : 29934935

TEST NO. 1 Date: 2/2/19
GPM 0.25
LOW FLOW
ENDING READING 943563.5
BEGINNING READING 943554.2
Accuracy > 95 % FOR NEW <101.5% > 90 % FOR USED <101.5%
93 %

TEST NO. 2
GPM 2
INTERMEDIATE FLOW
ENDING READING 943573.4
BEGINNING READING 943563.5
Accuracy >98.5% <101.5%
99 %

TEST NO. 3
GPM 15
MAXIMUM FLOW
ENDING READING 943672.7
BEGINNING READING 943573.4
Accuracy >98.5% <101.5%
99.3 %

METER SIZE : 5/8 MAKE: Badger SERIAL # : 29802307

TEST NO. 1 Date: 2/2/19
GPM 0.25
LOW FLOW
ENDING READING 674624.5
BEGINNING READING 674614.6
Accuracy > 95 % FOR NEW <101.5% > 90 % FOR USED <101.5%
99 %

TEST NO. 2
GPM 2
INTERMEDIATE FLOW
ENDING READING 674634.5
BEGINNING READING 674624.5
Accuracy >98.5% <101.5%
100 %

TEST NO. 3
GPM 15
MAXIMUM FLOW
ENDING READING 674734.4
BEGINNING READING 674634.5
Accuracy >98.5% <101.5%
99.9 %

Martin County Water Meter Testing Results

METER SIZE : 5/8 MAKE: Badger SERIAL # : 29935422

TEST NO. 1 Date: 2/2/19
GPM 0.25
LOW FLOW
ENDING READING 451813.8
BEGINNING READING 451803.8
Accuracy
> 95 % FOR NEW <101.5%
> 90 % FOR USED <101.5%
100 %

TEST NO. 2
GPM 2
INTERMEDIATE FLOW
ENDING READING 451823.9
BEGINNING READING 451813.8
Accuracy
>98.5%
<101.5%
101 %

TEST NO. 3
GPM 15
MAXIMUM FLOW
ENDING READING 451923.2
BEGINNING READING 451823.9
Accuracy
>98.5%
<101.5%
99.3 %

METER SIZE : 5/8 MAKE: Badger SERIAL # : 33001044

TEST NO. 1 Date: 2/2/19
GPM 0.25
LOW FLOW
ENDING READING 216883.9
BEGINNING READING 216873.9
Accuracy
> 95 % FOR NEW <101.5%
> 90 % FOR USED <101.5%
100 %

TEST NO. 2
GPM 2
INTERMEDIATE FLOW
ENDING READING 216894.0
BEGINNING READING 216883.9
Accuracy
>98.5%
<101.5%
101 %

TEST NO. 3
GPM 15
MAXIMUM FLOW
ENDING READING 216993.3
BEGINNING READING 216894.0
Accuracy
>98.5%
<101.5%
99.3 %

METER SIZE : 5/8 MAKE: Badger SERIAL # : 18963034

TEST NO. 1 Date: 2/2/19
GPM 0.25
LOW FLOW
ENDING READING 453771.8
BEGINNING READING 453761.8
Accuracy
> 95 % FOR NEW <101.5%
> 90 % FOR USED <101.5%
100 %

TEST NO. 2
GPM 2
INTERMEDIATE FLOW
ENDING READING 453781.8
BEGINNING READING 453771.8
Accuracy
>98.5%
<101.5%
100 %

TEST NO. 3
GPM 15
MAXIMUM FLOW
ENDING READING 453881.6
BEGINNING READING 453781.8
Accuracy
>98.5%
<101.5%
99.8 %

METER SIZE : 5/8 MAKE: Sensus SR II SERIAL # : 47823641

TEST NO. 1 Date: 2/2/19
GPM 0.25
LOW FLOW
ENDING READING 1481233.7
BEGINNING READING 1481223.9
Accuracy
> 95 % FOR NEW <101.5%
> 90 % FOR USED <101.5%
98 %

TEST NO. 2
GPM 2
INTERMEDIATE FLOW
ENDING READING 1481243.8
BEGINNING READING 1481233.7
Accuracy
>98.5%
<101.5%
101 %

TEST NO. 3
GPM 15
MAXIMUM FLOW
ENDING READING 1481343.5
BEGINNING READING 1481243.8
Accuracy
>98.5%
<101.5%
99.7 %

Martin County Water Meter Testing Results

METER SIZE : 5/8 MAKE: Sensus SERIAL # : 67403920
SR II

TEST NO. 1 Date: 2/6/19
GPM 0.25
LOW FLOW
Accuracy
> 95 % FOR NEW <101.5%
> 90 % FOR USED <101.5%
ENDING READING 495522.1
BEGINNING READING 495512.1
100 %

TEST NO. 2
GPM 2
INTERMEDIATE FLOW
Accuracy
>98.5%
<101.5%
ENDING READING 495532.1
BEGINNING READING 495522.1
100 %

TEST NO. 3
GPM 15
MAXIMUM FLOW
Accuracy
>98.5%
<101.5%
ENDING READING 495632.5
BEGINNING READING 495532.1
160.4 %

METER SIZE : 5/8 MAKE: Badger SERIAL # : 29934671

TEST NO. 1 Date: 2/6/19
GPM 0.25
LOW FLOW
Accuracy
> 95 % FOR NEW <101.5%
> 90 % FOR USED <101.5%
ENDING READING 886906.9
BEGINNING READING 886896.9
100 %

TEST NO. 2
GPM 2
INTERMEDIATE FLOW
Accuracy
>98.5%
<101.5%
ENDING READING 886916.9
BEGINNING READING 886906.9
100 %

TEST NO. 3
GPM 15
MAXIMUM FLOW
Accuracy
>98.5%
<101.5%
ENDING READING 887017.0
BEGINNING READING 886916.9
100.1 %

METER SIZE : 5/8 MAKE: Sensus SERIAL # : 46991445
SR II

TEST NO. 1 Date: 2/6/19
GPM 0.25
LOW FLOW
Accuracy
> 95 % FOR NEW <101.5%
> 90 % FOR USED <101.5%
ENDING READING 501691.2
BEGINNING READING 501682.0
9.2 %

TEST NO. 2
GPM 2
INTERMEDIATE FLOW
Accuracy
>98.5%
<101.5%
ENDING READING 501701.2
BEGINNING READING 501691.2
100 %

TEST NO. 3
GPM 15
MAXIMUM FLOW
Accuracy
>98.5%
<101.5%
ENDING READING 501799.6
BEGINNING READING 501701.2
98.4 %

METER SIZE : 5/8 MAKE: Badger SERIAL # : 29934847

TEST NO. 1 Date: 2/6/19
GPM 0.25
LOW FLOW
Accuracy
> 95 % FOR NEW <101.5%
> 90 % FOR USED <101.5%
ENDING READING 623088.3
BEGINNING READING 623078.3
100 %

TEST NO. 2
GPM 2
INTERMEDIATE FLOW
Accuracy
>98.5%
<101.5%
ENDING READING 623098.3
BEGINNING READING 623088.3
100 %

TEST NO. 3
GPM 15
MAXIMUM FLOW
Accuracy
>98.5%
<101.5%
ENDING READING 623197.6
BEGINNING READING 623098.3
99.3 %

Martin County Water Meter Testing Results

METER SIZE : 5/8 MAKE: Badger SERIAL # : 29935403

TEST NO. 1 Date: 2/15/19
GPM 0.25
LOW FLOW
Accuracy
> 95 % FOR NEW <101.5%
> 90 % FOR USED <101.5%
ENDING READING 860532.1
BEGINNING READING 860522.1
100 %

TEST NO. 2
GPM 2
INTERMEDIATE FLOW
Accuracy
>98.5%
<101.5%
ENDING READING 860542.1
BEGINNING READING 860532.1
100 %

TEST NO. 3
GPM 15
MAXIMUM FLOW
Accuracy
>98.5%
<101.5%
ENDING READING 860641.3
BEGINNING READING 860542.1
99.2 %

METER SIZE : 5/8 MAKE: Badger SERIAL # : 19906306

TEST NO. 1 Date: 2/15/19
GPM 0.25
LOW FLOW
Accuracy
> 95 % FOR NEW <101.5%
> 90 % FOR USED <101.5%
ENDING READING 927438.3
BEGINNING READING 927428.4
99 %

TEST NO. 2
GPM 2
INTERMEDIATE FLOW
Accuracy
>98.5%
<101.5%
ENDING READING 927448.3
BEGINNING READING 927438.3
99 %

TEST NO. 3
GPM 15
MAXIMUM FLOW
Accuracy
>98.5%
<101.5%
ENDING READING 927547.3
BEGINNING READING 927448.3
99.0 %

METER SIZE : 5/8 MAKE: Badger SERIAL # : 98655291

TEST NO. 1 Date: 2/15/19
GPM 0.25
LOW FLOW
Accuracy
> 95 % FOR NEW <101.5%
> 90 % FOR USED <101.5%
ENDING READING 7753416.8
BEGINNING READING 7753407.0
98 %

TEST NO. 2
GPM 2
INTERMEDIATE FLOW
Accuracy
>98.5%
<101.5%
ENDING READING 7753426.6
BEGINNING READING 7753416.8
98 %

TEST NO. 3
GPM 15
MAXIMUM FLOW
Accuracy
>98.5%
<101.5%
ENDING READING 7753524.3
BEGINNING READING 7753426.2
98.1 %

METER SIZE : 5/8 MAKE: Badger SERIAL # : 96434313

TEST NO. 1 Date: 2/15/19
GPM 0.25
LOW FLOW
Accuracy
> 95 % FOR NEW <101.5%
> 90 % FOR USED <101.5%
ENDING READING 1594392.1
BEGINNING READING 1594382.8
93 %

TEST NO. 2
GPM 2
INTERMEDIATE FLOW
Accuracy
>98.5%
<101.5%
ENDING READING 1594402.0
BEGINNING READING 1594392.1
99 %

TEST NO. 3
GPM 15
MAXIMUM FLOW
Accuracy
>98.5%
<101.5%
ENDING READING 1594501.5
BEGINNING READING 1594402.0
99.5 %

Martin County Water Meter Testing Results

METER SIZE : 5/8 MAKE: Badger SERIAL # : 29924538

TEST NO. 1 Date: 2/6/19
GPM 0.25
LOW FLOW
ENDING READING 401525.0
BEGINNING READING 401515.1
Accuracy
> 95 % FOR NEW <101.5%
> 90 % FOR USED <101.5%
99 %

TEST NO. 2
GPM 2
INTERMEDIATE FLOW
ENDING READING 401535.0
BEGINNING READING 401525.0
Accuracy
>98.5%
<101.5%
100 %

TEST NO. 3
GPM 15
MAXIMUM FLOW
ENDING READING 401633.7
BEGINNING READING 401535.0
Accuracy
>98.5%
<101.5%
98.7 %

METER SIZE : 5/8 MAKE: Badger SERIAL # : 29934628

TEST NO. 1 Date: 2/6/19
GPM 0.25
LOW FLOW
ENDING READING 351351.4
BEGINNING READING 351341.6
Accuracy
> 95 % FOR NEW <101.5%
> 90 % FOR USED <101.5%
98 %

TEST NO. 2
GPM 2
INTERMEDIATE FLOW
ENDING READING 351361.4
BEGINNING READING 351351.4
Accuracy
>98.5%
<101.5%
106 %

TEST NO. 3
GPM 15
MAXIMUM FLOW
ENDING READING 351460.8
BEGINNING READING 351361.4
Accuracy
>98.5%
<101.5%
99.4 %

METER SIZE : 5/8 MAKE: Sensus SR II SERIAL # : 17823867

TEST NO. 1 Date: 2/15/19
GPM 0.25
LOW FLOW
ENDING READING 2117052.1
BEGINNING READING 2117042.3
Accuracy
> 95 % FOR NEW <101.5%
> 90 % FOR USED <101.5%
98 %

TEST NO. 2
GPM 2
INTERMEDIATE FLOW
ENDING READING 2117062.1
BEGINNING READING 2117052.1
Accuracy
>98.5%
<101.5%
100 %

TEST NO. 3
GPM 15
MAXIMUM FLOW
ENDING READING 2117162.4
BEGINNING READING 2117062.1
Accuracy
>98.5%
<101.5%
100.3 %

METER SIZE : 5/8 MAKE: Badger SERIAL # : 98655404

TEST NO. 1 Date: 2/15/19
GPM 0.25
LOW FLOW
ENDING READING 609367.2
BEGINNING READING 609357.2
Accuracy
> 95 % FOR NEW <101.5%
> 90 % FOR USED <101.5%
100 %

TEST NO. 2
GPM 2
INTERMEDIATE FLOW
ENDING READING 609377.2
BEGINNING READING 609367.2
Accuracy
>98.5%
<101.5%
100 %

TEST NO. 3
GPM 15
MAXIMUM FLOW
ENDING READING 609476.1
BEGINNING READING 609377.2
Accuracy
>98.5%
<101.5%
98.9 %

QUARTERLY METER REPORT
TO THE KENTUCKY PUBLIC SERVICE COMMISSION

RECEIVED
JUL 03 2019
PUBLIC SERVICE COMMISSION

GENERAL INFORMATION

NAME OF UTILITY: Martin County Water District
ADDRESS: 387 East Main St., Suite 140
CITY, STATE, ZIP: Inez, KY 41224
QUARTER: 2
TEST YEAR: 2019
DATE SUBMITTE: Monday, July 1, 2019

METER STATISTICS

CUSTOMER TYPE	METERED	NON-METERED	TOTAL
RESIDENTIAL	3124	0	3124
COMMERCIAL	274	0	274
INDUSTRIAL	0	0	0
OTHER	0	0	0
TOTALS	3398	0	3398

STATUS OF METER TEST PROGRAM	QUANTITY
METERS TO BE TESTED THIS YEAR	0
METERS TESTED THIS YEAR TO DATE	111
METERS STILL TO TEST THIS YEAR	0 - GOOD JOB

METER TESTING

YEARS SINCE METER WAS LAST TESTED	METER TEST RESULTS				METERS TESTED	METERS NOT TESTED
	WITHIN +/- 2%	> 2% FAST	> 2% SLOW	NR *		
NEW - 5 YEARS	14	0	2	0	16	0
5 - 8 YEARS	5	0	0	0	5	0
9 YEARS	0	0	0	0	0	0
10 YEARS	0	0	0	0	0	0
10+ YEARS	0	0	0	0	0	0
UNKNOWN	17	0	0	0	17	0
TOTALS	36	0	2	0	38	0
PERCENT	94.74%	0.00%	5.26%	0.00%	100.00%	0.00%

* Non-Registering

PERIODIC METER TEST PROGRAM	
CASE NUMBER and/or SAMPLE METHOD PLAN	
METERS REMOVED FROM SERVICE AND TESTED THIS QUARTER	38
NEW SERVICE CONNECTIONS (METERS) INSTALLED THIS QUARTERS	82
TOTAL METERS TESTED THIS QUARTER	38
UTILITY OR APPROVED AGENCY DOING METER TESTING	Martin County Water District
METERS THAT TEST MORE THAN 2% FAST OR 2% SLOW	2

CUSTOMER AND REFUND INFORMATION

NUMBER OF TESTS MADE AT CUSTOMER'S REQUEST	0
NUMBER OF TESTS MADE AT COMMISSION'S REQUEST	0
NUMBER OF METERS ON WHICH REFUNDS WERE MADE	
TOTAL AMOUNT OF REFUNDS MADE DURING THIS QUARTER	
NUMBER OF CUSTOMERS BILLED FOR SLOW METERS	2
TOTAL AMOUNT BILLED ON SLOW METERS	$66.64
NUMBER OF CUSTOMERS BILLED FOR NON-REGISTERING METERS	0
TOTAL AMOUNT BILLED ON NON-REGISTERING METERS	$0.00

METER TESTING INFORMATION APPROVED BY:

SIGNED:

TITLE G.M

CUSTOMER & REFUND INFORMATION APPROVED BY::

SIGNED:

TITLE

QUARTERLY METER REPORT
TO THE KENTUCKY PUBLIC SERVICE COMMISSION

GENERAL INFORMATION

NAME OF UTILITY	Martin County Water District	QUARTER	3
ADDRESS	387 East Main St., Suite 140	TEST YEAR	2019
CITY, STATE, ZIP	Inez, KY 41224	DATE SUBMITTE	Thursday, October 3, 2019

RECEIVED
OCT 10 2019
PUBLIC SERVICE COMMISSION

METER STATISTICS

CUSTOMER TYPE	METERED	NON-METERED	TOTAL
RESIDENTIAL	3123	0	3123
COMMERCIAL	276	0	276
INDUSTRIAL	0	0	0
OTHER	0	0	0
TOTALS	3399	0	3399

STATUS OF METER TEST PROGRAM	QUANTITY
METERS TO BE TESTED THIS YEAR	0
METERS TESTED THIS YEAR TO DATE	140
METERS STILL TO TEST THIS YEAR	0 - GOOD JOB

METER TESTING

YEARS SINCE METER WAS LAST TESTED	METER TEST RESULTS				METERS TESTED	METERS NOT TESTED
	WITHIN +/- 2%	> 2% FAST	> 2% SLOW	NR *		
NEW - 5 YEARS	7	0	0	0	7	0
5 - 8 YEARS	3	0	0	0	3	0
9 YEARS	0	0	0	0	0	0
10 YEARS	0	0	0	0	0	0
10+ YEARS	0	0	0	0	0	0
UNKNOWN	15	0	0	0	15	0
TOTALS	25	0	0	0	25	0
PERCENT	100.00%	0.00%	0.00%	0.00%	100.00%	0.00%

* Non-Registering

PERIODIC METER TEST PROGRAM	
CASE NUMBER and/or SAMPLE METHOD PLAN	
METERS REMOVED FROM SERVICE AND TESTED THIS QUARTER	25
NEW SERVICE CONNECTIONS (METERS) INSTALLED THIS QUARTERS	83
TOTAL METERS TESTED THIS QUARTER	25
UTILITY OR APPROVED AGENCY DOING METER TESTING	Martin County Water District
METERS THAT TEST MORE THAN 2% FAST OR 2% SLOW	0

CUSTOMER AND REFUND INFORMATION

NUMBER OF TESTS MADE AT CUSTOMER'S REQUEST	0
NUMBER OF TESTS MADE AT COMMISSION'S REQUEST	0
NUMBER OF METERS ON WHICH REFUNDS WERE MADE	
TOTAL AMOUNT OF REFUNDS MADE DURING THIS QUARTER	
NUMBER OF CUSTOMERS BILLED FOR SLOW METERS	0
TOTAL AMOUNT BILLED ON SLOW METERS	$0.00
NUMBER OF CUSTOMERS BILLED FOR NON-REGISTERING METERS	0
TOTAL AMOUNT BILLED ON NON-REGISTERING METERS	$0.00

METER TESTING INFORMATION APPROVED BY:

SIGNED:

TITLE G.M

CUSTOMER & REFUND INFORMATION APPROVED BY::

SIGNED:

TITLE

PSC EXHIBIT 11

Ernie Fletcher
Governor

Teresa J. Hill, Secretary
Environmental and Public
Protection Cabinet

Timothy J. LeDonne
Commissioner
Department of Public Protection

Commonwealth of Kentucky
Public Service Commission
211 Sower Blvd.
P.O. Box 615
Frankfort, Kentucky 40602-0615
Telephone: (502) 564-3940
Fax: (502) 564-3460
psc.ky.gov

Mark David Goss
Chairman

John W. Clay
Commissioner

April 18, 2007

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COMMISSION

Beth O'Donnell, Executive Director
Public Service Commission
211 Sower Blvd.
Frankfort, KY 20601

Dear Ms. O'Donnell,

The Management Audit Branch has received the Final Report from the Barrington-Wellesley Group for the Management Audit of Martin County Water District in Case No. 2006-00303. The Final Report which is attached to this letter and the consultant's work papers will be placed into the case file. The Consultants and Martin County Water District are currently completing the Management Audit Action Plans (MAAPs), which should be completed on or before June 16, 2007.

The MAAPs contain a statement and background of each recommendation in the Final Report and an explanation of what the consultants expect the company to do and an estimate of the costs and benefits of implementing the recommendation. Martin County will also have a formal response to each recommendation including the person responsible, whether or not the company accepts the recommendation, its interpretation of the recommendation and what implementation steps are for the recommendation. Finally, the consultants will comment on whether or not they think the company's

response is reasonable. Once completed, the MAAPs will also be placed into the case file.

Respectfully submitted,

John A. Rogness III, Manager
Management Audit Branch

A

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Management and Process Audit of Martin County Water District

For the
Kentucky Public Service Commission

FINAL REPORT

March 19, 2007

Barrington-Wellesley Group, Inc.

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CHAPTER I

INTRODUCTION AND EXECUTIVE SUMMARY

A. Introduction and Background

On August 1, 2006, the Kentucky Public Service Commission (KPSC or Commission) issued a Request for Proposal for a consulting firm to complete a management and process audit of the Martin County Water District (MCWD or District). The primary objective of this audit was to determine what improvements can be made in the management and operation of MCWD's water system, as well as to assess MCWD's financial condition and its possible need for a rate adjustment. The Barrington-Wellesley Group, Inc. (BWG) was awarded the contract for this study, which commenced on October 30, 2006.

MCWD is a rural water district whose offices are located in Inez, Kentucky (Inez). Martin County comprises MCWD's total service territory - an area of 231 square miles. For the year ending December 31, 2006, MCWD had total operating revenues of $1.1 million, 3,512 customers, and 173.5 miles of mains. In 2006, the District produced and purchased 601.3 million gallons of water. Water sales during 2006 totaled 271.0 million gallons. Water loss was fifty-one percent of water produced and purchased in 2006.

Exhibit I-1 presents the District's summary income statements for fiscal years 2001 through 2006 and **Exhibit I-2** presents the District's summary balance sheets as of December 31 for fiscal years 2001 through 2006.

Exhibit I-1
MCWD Summary Income Statements
2001 - 2006

	2006	2005	2004	2003	2001
Operating Revenues	$1,135,790	$1,067,083	$1,158,589	$1,156,159	$969,744
Total Operating Expenses	1,032,404	1,060,279	1,038,067	993,460	700,822
Operating Margin (EBITDA)[1]	**103,386**	**6,804**	**120,522**	**162,699**	**268,922**
Depreciation Expense	552,015	527,490	531,518	539,450	355,784
Taxes Other than Income Taxes	35,069	37,392	38,471	0	28,472
Utility Operating Income	**(483,698)**	**(558,078)**	**(449,467)**	**(376,751)**	**(115,334)**
Other Income (Deductions)	746	1,261	521	1550	11,076
Interest Expense	115,644	116,924	101,736	105,498	110,265
Net Income	**$(598,596)**	**$(673,741)**	**$(550,682)**	**$(480,699)**	**$(214,523)**

Source: Annual Reports filed with the KPSC and BWG analysis

Exhibit I-2
MCWD Summary Balance Sheets
2001 - 2006

	2006	2005	2004	2003	2002	2001
Assets and Other Debits						
Utility Plant	$21,809,147	$20,633,853	$19,150,007	$18,415,244	$18,240,156	$17,986,661
Accumulated Depreciation	7,008,728	6,456,713	5,929,223	5,397,705	4,858,255	4,423,591
Net Utility Plant	14,800,419	14,177,140	13,220,784	13,017,539	13,381,901	13,563,070
Cash	72,823	54,465	52,366	86,868	129,376	49,594
Accounts Receivable	304,887	258,923	278,695	216,941	113,607	102,666
Total Current and Accrued Assets	534,676	456,599	493,294	386,750	321,880	235,354
Total Assets and Other Debits	$15,446,612	$15,164,320	$13,927,789	$13,598,542	$13,974,694	$14,232,185
Equity Capital and Liabilities						
Retained Earnings	$(5,353,911)	$(4,755,315)	$(4,081,574)	$(3,530,892)	$(3,050,193)	$(2,605,303)
Donated Capital / CIAC	17,293,679	16,720,939	14,966,046	14,197,636	13,996,723	13,880,154
Long-Term Debt	2,479,108	2,570,464	2,608,436	2,538,555	2,614,853	2,688,859
Accounts Payable	531,030	260,724	301,257	223,571	270,782	96,411
Total Current and Accrued Liabilities	1,027,736	628,232	434,881	393,243	413,311	268,475
Total Equity Capital and Liabilities	**$15,446,612**	$15,164,320	$13,927,**789**	**$13,598,542**	$13,974,**694**	**$14,232,185**

Source: Annual Reports filed with the KPSC and BWG analysis

As can be seen from the above financial information, the financial condition of the District has deteriorated since 2001. Utility operating margins, represented by earnings before interest, taxes, depreciation and amortization (EBITDA), decreased from $269,000 in fiscal 2001 to $103,000 in fiscal 2006. Net income decreased from $(215,000) to $(599,000) during this same period. At the same time, accounts receivable increased from $103,000 in 2001 to $305,000 in 2006, driven primarily by increases in past due accounts receivable. Accounts payable, which increased by $435,000 from December 31, 2001 to December 31, 2006, provided a source of funds to the District. The increase in gross utility plant of $3.8 million during this period was funded almost exclusively by the increase in donated capital (previously referred to as contributions in aid of construction) by $3.4 million.

[1] Earnings before interest, taxes, depreciation and amortization. EBITDA is a commonly used measure of financial condition.

Exhibit I-3 presents actual to budget results for 2005 and 2006.

Exhibit I-3
Summary Actual to Budget Results
Fiscal Years 2005 and 2006

	2005			2006		
	Budget	Actual	Variance	Budget	Actual	Variance
Operating Revenues	$1,214,000	$1,067,083	$(147,087)	$1,440,000	$1,135,790	$(304,210)
O&M Expenses	753,520	1,060,279	(247,313)	1,264,230	1,032,404	231,826
Operating Margin	460,480	6,804	(453,676)	175,770	103,386	(72,384)
Depreciation Expense	500,000	527,490	(27,490)	535,000	552,015	(17,015)
Taxes Other Than Income Taxes	20,795	37,392	(16,597)	42,000	35,069	6,931
Interest Income	500	1,261	761	400	746	346
Interest Expense	105,500	116,924	(11,424)	110,500	115,644	(5,144)
Net Income	(165,315)	(673,741)	(508,426)	(511,330)	(598,596)	(87,266)
Capital Contributions	700,000	1,754,893	1,054,893	850,000	572,740	(277,260)
Change in Net Assets	$534,685	$1,081,154	$546,467	$338,670	$(25,856)	$(364,526)

Source: MCWD Budgets and Budget Variance Reports

Actual O&M expenses in 2005 were 40.7 percent higher than budget, but only 2.1 percent higher than 2004. The 2005 over budget variances occurred in numerous budget line items. Actual O&M expenses in 2006 were 18.3 percent under budget and 2.6 percent lower than 2005.

Exhibit I-4 on the following page presents the District's Fiscal 2007 budget and compares the amounts budgeted to both Fiscal 2006 actual and budgeted results.

Exhibit I-4
Fiscal 2007 Budget Summary and Comparison

	Fiscal 2006		Fiscal 2007		
	Budget	Actual	Budget	Variance From 2006 Budget	Variance From 2006 Actual
Operating Revenues	$1,440,000	$1,135,790	$1,597,000	$157,000	$461,210
Total Operating Expenses	1,264,230	1,032,404	1,326,300	62,070	293,896
Operating Margin (EBITDA)	175,770	103,386	270,700	94,930	167,314
Depreciation Expense	535,000	552,015	560,000	25,000	7,985
Taxes Other Than Income Taxes	42,000	35,069	47,000	5,000	11,931
Utility Operating Income	(401,230)	(483,698)	(336,300)	64,930	147,398
Interest Income	400	746	500	100	(246)
Interest Expense	110,500	115,644	115,700	5,200	56
Net Income	(511,330)	(598,596)	(451,500)	59,830	147,096
Capital Contributions	850,000	572,740	1,250,000	400,000	677,260
Change in Net Assets	$338,670	$(25,856)	$798,500	$459,830	$824,356

Source: Budget Summary of Martin County Water District

Fiscal 2007 budgeted revenues exceed Fiscal 2006 actual revenues by 40.6 percent. Fiscal 2007 budgeted operating expenses exceed Fiscal 2006 actual operating expenses by 28.5 percent and Fiscal 2006 budgeted expenses by 4.9 percent. The budgeted Net Loss for Fiscal 2007 is 24.6 percent less than the actual Net Loss for Fiscal 2006. The increase in operating revenues is due to the anticipated rate increase associated with the RD loan.

Compared to Fiscal 2001 actual results, the compound annual growth rate (CAGR) for revenues is 8.7 percent and for operating expenses is 11.2 percent. For these same periods, the CAGR for revenues and operating expenses on a "per customer" basis are 7.03 percent and 9.54 percent, respectively.

During the period from 2002 to 2004, MCWD experienced significant changes in its management personnel. In 2002 several members of the MCWD Board of Commissioners (Board) resigned or left due to the expiration of their terms. New members were appointed to replace these members. In 2003 the Martin County Judge Executive removed the new members appointed in 2002 and appointed others in their place.

In 2002, the Board executed an agreement with American Water Services, Inc. to manage and operate MCWD's water treatment and distribution system. In late 2003, the Board began questioning the appropriateness of several bills for water system repairs that American Water Services submitted. The Board also expressed dissatisfaction with MCWD's

contract with American Water Services and sought to renegotiate several of its terms. Relations between the Board and American Water Service continued to deteriorate in 2004. At one point, American Water Services asserted that MCWD was over $600,000 delinquent in payments for repairs and monthly fees. Ultimately MCWD and American Water Services agreed to the early termination of the management services agreement and MCWD resumed responsibility for the operation of its water treatment and distribution system in 2004.

While these changes were going on, the Commission was conducting its own series of inspections and investigations of District operations, facilities and records. Staff's April 4, 2002 Utility Inspection Report described the District's water treatment plant as "in a general state of disrepair." Following the issuance of this report the Commission initiated an investigation to address the conditions reported and the long-term actions necessary to ensure the continuity of service to the District's customers. The Commission expanded the scope of its investigation following a July 1, 2002 hearing on the condition of the District's water treatment plant to include the assessment of "the current condition of Martin District's operations and management, to determine the rules, methods, and the practices that are required to ensure the water district provides adequate and reasonable service, and to restore public confidence in the water district's operations."

In response to this investigation, the Commission and District management entered into a settlement agreement in which the District agreed to take the following extensive actions:[2] The settlement agreement was accepted by the Commission on November 13, 2003.

- Prepare a long-range plan for the provision of water service
- Develop a program for testing water meters
- Develop a safety program
- Develop a written inspection procedure to assure a safe and adequate operation of the District's system components and facilities
- Develop a program to test the District's flush hydrants
- Develop a program for charting, inspecting and exercising distribution system valves
- Maintain inspection records
- Maintain a record of customer complaints
- File monthly status reports
- Develop a water shortage response plan
- Develop a plan for installing, repairing and maintaining a functioning telemetry system
- Repair its radio signaling equipment
- Develop a plan for inspecting all water storage tanks
- Complete a preliminary engineering and operational review of its facilities and system

[2] Settlement Agreement in Case No. 2002-00116 dated October 20, 2003 between the Staff of the PSC of Kentucky and the Martin County Water District.

- Review security at all facilities
- Make all necessary improvements and repairs to enable automatic control of all pumping stations equipped with automatic controls
- Report on its plan to install a new billing system
- Implement procedures and controls designed to improve the accuracy of monthly meter readings, and provide training on the detection of water leaks and theft of water service
- Cease computing a late payment charge on taxes for water service
- Review all customer accounts to ensure that sales tax is collected for all accounts who have not provided a tax exemption certificate
- Bill all sewer customers
- Uniformly assess and charge all fees for services included in its filed rate schedules
- Develop and implement appropriate cash management procedures
- Perform timely bank statement reconciliations
- Document the Board of Commissioners review of proposed disbursements
- Elect a Treasurer who will sign all checks
- Implement appropriate procedures for the review of invoices prior to payment
- Develop internal controls to ensure that work orders are completed
- Install and connect services within Administrative Regulation required time periods
- Pay interest on customer deposits
- Prepare annual operating budgets
- File Annual Reports for 2001 and 2002
- Discontinue water service to customers failing to pay their bills on time
- Require members of the District's Board of Commissioners to attend at least 12 hours of certified water district commissioner training biennially with expenses to be reimbursed by the District
- Reaffirm its code of ethics for the members of the Board of Commissioners
- Reaffirm its adoption of the provisions of KRS 45A.343 to 45A.460 to govern its procurement decisions.
- Review the use of the county attorney to provide legal services to the District
- Develop written emergency planning procedures
- Develop written leak detection procedures, including meaningful monthly water loss reports
- Develop and implement written procedures and policies for the hiring, evaluation and retention of employees

- Develop and maintain an up-to-date distribution system map
- Comply with all regulations and requirements of the Kentucky Cabinet for Natural Resources and Environmental Protection

On July 28, 2004 and May 10, 2005, the Commission issued reports of periodic facilities inspections completed on July 21, 2004 and January 10-11, 2005, respectively. These inspections continued to identify deficiencies – eleven in the 2004 report and twelve in the 2005 report. Some of these were repeat deficiencies. The remaining deficiencies noted in the 2005 report include:

- Water loss exceeds fifteen percent (it likely exceeds fifty percent) (repeat deficiency)
- Master meters not tested (repeat deficiency)
- Interest on deposits not accrued properly
- Customer complaint files not complete
- Fire hydrant minimum fire flow requirements not certified (repeat deficiency)
- Recording pressure gauge not properly maintained
- Service pressures below minimum required pressure in some areas (repeat deficiency)
- Commission not properly notified of public notifications and boiled water advisories (repeat deficiency)
- Not in full compliance with DOW's requirements
- Customer reported potentially hazardous condition
- Clearwell water storage facility in need of maintenance (repeat deficiency)
- Annual reports not filed for 2002 and 2003 (repeat deficiency)

Taking timely action on all items agreed to in the settlement agreement requires resources not readily available to the District. The District could have, but has not, pursued an increase in revenues by filing a general rate case with the Commission. However, the filing of a rate case is complicated, in part because Kentucky Administrative Regulations do not allow the recovery of the cost of unaccounted-for-water exceeding fifteen (15) percent, thus creating the dilemma the District currently faces.[3] That is, the District does not have the resources required to make the investments needed to reduce water loss but cannot obtain the revenues required to make those investments because its water loss is too high without making a special request to the Commission. In the past, the Commission has authorized a surcharge to address water loss problems. As an example, in "An Investigation into the Operations and Management of Mountain Water District," Case No. 96-126 Order dated

[3] The regulation does allow the utility to request and the Commission to grant exceptions to the 15 percent rule. KAR 5:066 (3) Unaccounted-for water loss. Except for purchased water rate adjustments for water districts and water associations, and rate adjustments pursuant to KRS 278.023(4), for rate making purposes a utility's unaccounted-for water loss shall not exceed fifteen (15) percent of total water produced and purchased, excluding water used by a utility in its own operations. Upon application by a utility in a rate case filing or by separate filing, or upon motion by the commission, an alternative level of reasonable unaccounted-for water loss may be established by the commission. A utility proposing an alternative level shall have the burden of demonstrating that the alternative level is more reasonable than the level prescribed in this section.

August 11, 1997, the Commission found and ordered that the Mountain Water District should be authorized to assess a surcharge of $0.45 per thousand gallons for a period not to exceed three years, or until $831,675 has been collected. The proceeds of the surcharge were ordered to be invested in a separate interest bearing account and used solely for line loss reduction efforts.

B. Objectives of the Audit

MCWD faces significant financial and operational challenges. Previous Commission Staff inspections and financial reviews revealed poor recordkeeping practices and an absence of significant internal management, budgeting and financial controls. They also indicated significant operational problems, including excessively high levels of water loss, inadequate meter reading and testing programs, poor equipment and plant maintenance practices, and a persistent inability to comply with regulatory requirements. Customer complaints of poor water quality and service pressure in the period from 2002 through 2005 support these findings. The absence of any adjustment in MCWD's general service rates since 1996, moreover, raises concerns that MCWD's present rates are not producing revenues sufficient to allow MCWD to provide adequate and reasonable service.

The primary objective of this audit is to determine what improvements can be made in the management and operation of MCWD's water system, as well as to assess MCWD's financial condition and its possible need for a rate adjustment.

C. Overall Assessment

The District made significant improvements in many areas in 2005 and 2006. Both customer service and water quality have improved, water losses have been reduced and customer complaints have decreased. The only remaining recurring customer service problem appears to be delays in the installation of taps for new customers. Regulatory reports are now current. In general, recordkeeping practices and internal management, budgeting and financial controls have improved as well.

The largest and most daunting problems remaining relate to continuing to reduce water loss, which still exceeds fifty (50) percent and the lack of the financial wherewithal to fund the investments needed to fix the water loss problem and make other needed expenditures. The delayed Rural Development (RD) project related rate increase will provide significant additional revenues when implemented but will not generate sufficient revenues to fix these problems; neither will additional cash received from increased collections of delinquent accounts receivable and reductions in theft of service.

D. Summary of Findings

Specific audit findings by process examined are as follows:

Water Provisioning Process

1. MCWD's water provisioning process delivers adequate quality water to its customers, with the exception of total organic compounds (TOC) which are turned into trihalomethanes (THM) and haloacedic acids (HAA) by chlorine treatment.
2. The system generally delivers a reliable supply of water to its customers. However, the current design of the system is vulnerable to supply interruptions.
3. MCWD makes good use of technical services available to assist it.
4. MCWD has significantly reduced water losses, but the system still incurs excessive water losses.
5. There is a large backlog of distribution work.
6. MCWD does not have a damage prevention program.
7. There is no watershed management program.
8. There is no organized preventive maintenance program.
9. Adequate resources – labor, materials and equipment – are not available for the water provisioning process.

Capital Process

1. MCWD has successfully addressed several of the KPSC concerns with its water provisioning process through its recent capital program.
2. MCWD customer demand forecasting, system planning, capital project identification and prioritization, capital budgeting, capital program development and funding management resources are not adequate.
3. Capital projects are not identified and prioritized properly.
4. The past and current capital program has focused on system expansion over water loss reduction.
5. Current capital funding does not adequately support needed capital programs.

Customer Service and Revenue Process

1. Customer service is effective except that customers' requests for service taps are not completed promptly.
2. Controls are generally adequate to ensure the accuracy of customers' bills except that procedures to monitor for high usage may not be in compliance with the District's tariff.
3. Appropriate procedures and checklists exist and are used for customer service activities.
4. Procedures to identify theft of service are incomplete.

5. Procedures to collect past due accounts are inadequate.
6. Meter reading controls are inadequate.
7. Meter reading costs are slightly below the industry average, and can be further reduced.
8. The meter reading-to-billing cycle does not maximize cash flow to the District.
9. Mis-read meters and un-read meters do not appear to have contributed noticeably to the lost water problem.
10. While likely to provide some benefits, it is unlikely that the automated meter reading (AMR) pilot project is cost beneficial if the expenditure utilized borrowed or revenue-generated funds.
11. Bad debt records do not exist, so trends in delinquencies are unknown. As a result, it is impossible to determine whether delinquent accounts receivable are increasing, decreasing or staying the same
12. Meter test records indicate that metering inaccuracies are not a significant contributor to lost water.
13. Customer payments could be processed more quickly, thereby making cash available sooner for bill payment and other District needs.

Administrative and General Processes

1. Current rates are significantly below those of surrounding water districts.
2. Even with the RD rate increase, rates will not be sufficient to fully fund all needed activities.
3. The roles and responsibilities of the General Manager and the Board of Commissioners are not clearly defined and the organization is not appropriately structured as the District evolves from its crisis mode of operations.
4. The members of the Board of Commissioners are not properly compensated for services provided.
5. The District has current written policies and procedures.
6. Financial audits have not been completed for years subsequent to fiscal 2001.
7. The District has now filed all required regulatory reports.
8. The District's Fiscal Policies are generally reasonable for a utility of its size.
9. While the District has taken advantage of some State sponsored training for management staff and members of the Board of Commissioners in the past, it has not taken full advantage of the training offered by the State and the Kentucky Rural Water Association.
10. Information technology (hardware and software) is sufficient to meet the basic needs of District employees.

E. Summary of Recommendations

BWG identified twenty-five (25) recommendations as summarized in **Exhibit I-5**. Each recommendation is assigned a priority from A through C, with an A being the highest priority.

Exhibit I-5
Summary of Recommendations

Recommendation	Priority
Water Provisioning	
1. Through a combination of revenue increases and cost reductions, increase water provisioning process resources.	A
2. Develop a comprehensive water loss reduction program.	A
3. Implement a preventive maintenance program including upgrading the leak detection and repair program.	B
4. Implement a damage prevention program.	C
5. Establish a watershed pollution control program.	C
6. Develop and implement a long-term plan to reduce the system's vulnerability to supply disruptions.	C
Capital Process	
1. Establish an in-house capital program planning and management function staffed by one engineer. Alternatively, this capital program planning and management function could be provided by a regional resource.	B
2. As practical, prioritize water loss reduction programs over system expansion programs until water losses are reduced to 15 percent or less.	A
Customer Service and Revenue	
1. Improve procedures to identify theft of service.	B
2. Establish procedures and take action necessary to assure compliance with MCWD Tariff Sheet No. 19.	B
3. Improve collections of past due accounts.	A
4. Improve meter reading controls.	C
5. Provide meter readers additional tools to complete their routes timely and safely.	C

Recommendation	Priority
6. Consider implementing cycle billing to shorten the meter reading-to-billing cycle and improve cash flows to the District.	C
7. Consider implementing bi-monthly meter reading for residential customers while continuing to bill customers monthly.	C
8. As services are replaced, those meters located in difficult to read locations should be moved to locations that are less difficult to reach and placed in a consistent manner relative to the main and customer's premises.	C
9. Complete a cost-benefit study of AMR prior to making further investments in AMR technology.	C
10. Process customer payments on the day received so the payments are posted to the District's account on the day received.	B
Administrative and General	
1. The District should file a rate case with the Kentucky Public Service Commission.	A
2. Clearly define the roles of the Commissioners and General Manager. The definitions should be explicit as to the scope and limits of authority, the types of decisions that can be made, and areas of responsibility.	A
3. As soon as funding is available, begin to pay the members of the Board of Commissioners salaries based on guidelines provided by Kentucky Administrative Regulations.	C
4. As soon as funding is available, arrange for an external audit of the District's financial statements and then continue these audits on a timely basis going forward.	A
5. As soon as funding becomes available, establish a position of bookkeeper / accountant with responsibility for accounting and other transactional accounting processes.	C
6. The District should encourage its management staff and the members of the Board of Commissioners to take better advantage of State sponsored training opportunities	B
7. Consider increased regionalization to achieve economies of scale and reduce vulnerabilities to supply and personnel interruptions.	A

CHAPTER II

WATER PROVISIONING PROCESS

A. Introduction

The Water Provisioning Process task area includes the following topics from the request for proposals:

- Identify specific management and administrative areas with potential for improvement and develop an action plan to address those areas more extensively.
- Identify the root cause(s) for Martin County Water District's (MCWD's) significant water loss and assist MCWD in the development of near-term and long-term water loss reduction and control programs.
- In addition to water loss, identify MCWD's specific operational and infrastructure situation in order to identify immediate needs or deficiencies and develop a work plan to address those areas.
  - Distribution water system operations and maintenance
  - Water treatment system operations and maintenance

The tasks and subtasks for each area included:

- Interviews
- Data requests and analysis
- Informal discussions with Board, District and KPSC representatives
- Deliverables
  - Draft task report
  - Three party meeting to discuss the draft task reports
  - Final task report
  - Action plans

The scope of the water provisioning process task area included the operations and maintenance activities for:

- River intake
- Reservoir and watershed
- Purchased water
- Treatment
- Transmission
- Pumping

- Storage tanks
- Distribution up to the meter

The audit objectives and evaluative criteria for the water provisioning process task area are:

- Is the system adequately reliable?
- Is the damage prevention program sound?
- Does the system deliver adequate quality water?
- Is the metering of produced and distributed water adequate?
- Are water loss calculations accurate?
- Are water losses due to leaks reasonable?
- Are adequate resources – labor, materials and equipment – available?
- Are costs reasonable?

B. Background

Raw water is taken from the Tug Fork of the Big Sandy River (Tug Fork) and is pumped approximately five miles up to the Crum Reservoir. The raw water intake is at 580 feet elevation and its pumping capacity is rated at 1400 gallons per minute (GPM). There is a single transmission line from the raw water intake to the Crum Reservoir. The Crum Reservoir water elevation ranges from 750 feet when full to 671 feet when empty. The raw water pumped into the Crum Reservoir is supplemented by precipitation falling within the Crum Reservoir watershed. The Crum Reservoir is an open impoundment reservoir behind a man made dam. It has a maximum cumulative storage capacity of 512 million gallons. The Crum Reservoir watershed contains approximately 10 homes and two roads.[4]

The following table shows water supply statistics for October 2006.

Exhibit II-1
Water Supply for October 2006

Factor	Value
Water Pumped from the Tug Fork into the Crum Reservoir	32.679 million gallons
Rainfall	5.34 inches
Water into the Treatment Plant from the Crum Reservoir	50.225 million gallons
Percentage of Raw Water from the Tug River Assuming the Crum Reservoir Level Stayed the Same	65 percent

Sources: October 2006 Reports: Monthly Operation Report to the Kentucky Division of Water and Monitoring Results Submittal Forms to the Kentucky Department of Environmental Protection for the Tug River and Crum Reservoir

[4] The background information was collected through interviews with and documents provided by the General Manager and O'Brien & Gere, the District's engineering consultant.

There has been no ongoing measurement of the distribution of raw water supplies between the Tug Fork and the reservoir watershed. Approximately 65 percent of the water transmitted from the Crum Reservoir to the Water Treatment Plant was from the Tug Fork and 35 percent was collected in the watershed in October 2006, assuming the level of the Crum reservoir remained unchanged.

Recent annual rainfall amounts, as measured at the Treatment Plant, are shown in the following table.

Exhibit II-2
Rainfall Trend

Year	Rainfall in Inches
2003	48.8
2004	49.8
2005	41.6
2006	46.9

Source: Rainfall measurements taken at the Water Treatment Plant by the plant operators.

There is a gravity feed system from Crum Reservoir to the Water Treatment Plant, which is at 620 feet, utilizing two transmission lines. Raw water from the Crum Reservoir is treated in the Water Treatment Plant using two up-flow clarifiers. Plant capacity is rated at 2 million gallons per day. Chemicals are added to settled and filtered water to meet water quality guidelines and the finished water is pumped up to the 300,000 gallon Clearwell Tank by two high lift pumps rated at 1400 GPM each through a single transmission line. The Clearwell Tank feeds the entire MCWD system, typically through transmission lines and supplemental pumping to subsidiary distribution tanks. MCWD has 15 subsidiary distribution tanks as follows:

Exhibit II-3
MCWD Subsidiary Distribution Tanks

Number	Tank	Size	Overflow Elevation
T1A	Buck Creek	150	991
T2A	Little Rock Castle	150	1080
T3A	292 South	100	1113
T4A	Big Elk	100	1080
T5A	Wolf Creek	100	819
T7B	Coldwater	150	853
T8B	Turkey	50	983
T9B	Inez (1)	500	860

Number	Tank	Size	Overflow Elevation
T10B	Inez (2)	150	860
T11B	KY 40 W	200	1171
T12B	Calloway	100	1164
T13B	Middle Fork	260	942
T14B	Buffalo Horn	50	950
T15B	Big Sandy Airport	1040	1360
T16B	KY645	60	985

Source: MCWD Water System Map by O'Brien & Gere

To the extent practical, the distribution system is designed to use gravity feed from the subsidiary distribution tanks to the customers. However, many distribution mains require in-line pumping to reach some customers on the main. MCWD, like similar Kentucky water utilities, is required to provide a minimum of 30 pounds per square inch (PSI) pressure to each customer at the meter.

MCWD has twelve pumping stations, as follow:

Exhibit III-4
MCWD Pumping Stations

Number	Name	GPM	Elevation
P1A	KY 40 B	670	660
P2A	Big Elk	240	720
P3A	Bone Hollow	40	690
P4A	KY 292 South	130	680
P5B	Turkey	90	620
P6B	KY 40 W	420	680
P7B	Calloway	90	650
P8B	Middle Fork	245	650
P9B	KY 645	90	680
P10B	Peter Cave	130	700
P11B	Buffalo Horn	60	800
P12B	Davella Road	350	700

Source: MCWD Water System Map by O'Brien & Gere

MCWD originally developed as two distinct distribution systems that were later merged. Common terminology is to refer to the Warfield, Kentucky side as the "A" system and the Inez, Kentucky side as the "B" system. All water is treated on the B system and the A

system is served by pumping treated water over a hill to the A side. The P1A pump station located at KY 40 B pumps water treated at the Water Treatment Plant to the A system.

MCWD has recently installed and initiated operation of a new telemetry system. The system monitors storage tank levels and allows remote operation of the pumps that feed them. Water Treatment Plant operators can refill tanks as needed without risk of overflowing them. The use of the telemetry system has virtually eliminated the previous problem of inadvertently overflowing tanks by leaving the pumps on too long.

The Crum Reservoir level is not telemetered or metered in any other way. Visual observations of the Crum Reservoir level are relayed to the Water Treatment Plant operators daily.

MCWD has approximately 174 miles of transmission and distribution mains ranging in size from 2 to 16 inches. The distribution mains serve approximately 3,500 customers. Typically, each customer is served from the main by a service line to a meter at the property line. MCWD estimates that it serves approximately 95 percent of the Martin County population. The remainder of the county's citizens is served by wells or other means.

MCWD is interconnected to three other systems:

- City of Kermit, West Virginia (interconnected to the A system in the far southeast end)
- City of Prestonsburg, Kentucky (interconnected to the B system in the far southwest end)
- Mountain Water District (interconnected to the A side in the far southern end)

MCWD is able to purchase water from or sell water to these interconnected systems. There are no formal agreements regarding sales and purchases and the systems operate on a "good neighbor" basis in cases of emergency. For example, at the time of this writing, the Mountain Water District was serving approximately ninety MCWD customers from its interconnection because the MCWD main to the customers was broken.

MCWD has an agreement with Prestonsburg to jointly serve the prison near the Big Sandy Airport. Both MCWD and Prestonsburg supply water to the distribution tank and Prestonsburg distributes it to the prison and bills the customer. MCWD supplies about 25 million gallons per year to the prison.

Water purchases from the interconnected systems in recent years were as follows:

Exhibit II-5
Water Purchases (Gallons)

Interconnection	2005	2006
Kermit	2,087,000	2,036,000
Prestonsburg	0	0
Mountain Water	2,701,000	3,985,000

Source: MCWD Lost Water Reports

No sales from MCWD to the other systems were noted.

C. Findings and Conclusions

1. **MCWD's water provisioning process delivers adequate quality water to its customers, with the exception of total organic compounds (TOC's), which are turned into trihalomethanes (THM's) and haloacedic acids (HAA's) by chlorine treatment.[5]**
    - MCWD is currently in compliance with all water testing and reporting regulations. These testing requirements include:
        - Raw water once per day
        - Treatment Plant influent every four hours
        - Combined filter effluent every four hours
        - Plant tap effluent every four hours
        - Distribution system – four samples per day
    - MCWD is now on good terms with the Kentucky Department of Water Drinking Water Branch. Prior deficiencies have been corrected.
    - The Kentucky Department of Health reports no known public health issues related to water quality.
    - The Water Quality Reports filed by MCWD note only one chronic problem. The raw surface water used by MCWD naturally contains high levels of TOC's from vegetation and other sources flowing into the water supply. Adequate removal of TOC's is necessary to prevent the formation of THM's and HAA's when the TOC's react with chlorine. MCWD received two monthly violations for failing to meet the treatment requirements for TOC's in 2005. Similar results occurred in prior years. MCWD detects levels exceeding the maximum contaminant levels for THM's and HAA's from time to time. Some people who drink water containing THM's or HAA's in excess of the maximum contaminant levels over many years may experience problems with their liver, kidneys, or central nervous systems, and may have an increased risk of getting cancer.
    - The TOC/THM/HAA problem is exacerbated by MCWD's current system of pre-chlorinating the raw water prior to treatment. This allows early formation of THM's and HAA's. The District plans to switch to post-chlorination, after more TOC's have been removed. This process change is expected to solve this problem.

2. **The system generally delivers a reliable supply of water to its customers. However, the current design of the system is vulnerable to supply interruptions.[6]**

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[5] Interviews with Treatment Plant operators, Kentucky Department of Health and Kentucky Department of Water Drinking Water Branch; and annual Water Quality Reports to customers.

[6] Interviews with MCWD personnel, O'Brien & Gere representatives, and state regulatory personnel.

- MCWD routinely provides reliable delivery of all the water customers require. Other than for intermittent main breaks that are repaired on an emergency basis[7], only two notable supply disruptions have been experienced in recent years. The drought of 1998 caused the Tug Fork to run low and the mine containment sludge spill in 2000 caused the Tug Fork to be contaminated.
- In the future, the Tug Fork could again run low or be contaminated
- There is a single transmission line to the Crum Reservoir from the Tug Fork intake that could be compromised.
- Reserve capacities within the system are limited should the river source be diminished:
  - Crum Reservoir's nominal storage capacity is 60 million gallons, a one to two month supply.
  - The Crum Reservoir was constructed in the 1960's and the dam leaks. The reservoir has never been dredged and accumulating sediment reduces its capacity and introduces risk of contamination.
  - MCWD cannot bypass the Crum Reservoir if the reservoir is contaminated or requires maintenance. The raw water supply feeds into and out of the Crum Reservoir, there is no pipe bypass.
  - Maximum Water Treatment Plant capacity is two million gallons per day, the maximum recorded production amount. Maximum day water pumped in 2004 was 1.99 million gallons, 2005, 1.948, and 2006, 1.849.
  - Clarifier maintenance and repairs could reduce the plant capacity by half for a period of a month or more.
  - The Clearwell tank, which feeds the entire system, is only 300,000 gallons, only a few hours supply at peak consumption.
  - Subsidiary storage tanks are only designed to provide 24 hours supply for their distribution area if full when supplies are interrupted.
  - There are few looped mains because of topography, causing vulnerability to transmission and distribution main breaks that cannot be repaired quickly.
  - Interconnected systems can provide only limited relief because of their limited capacities, reliance on similar raw water supplies and limited water pressure at the interconnection points.
- There are two projects planned but not yet funded to address some of these vulnerabilities, including:

[7] The January 4, 2006 Kentucky Rural Water Association Peer Review Report noted that in the spring flooding of 2005, MCWD was able to repair five creek crossing washouts in a single day, a "job well done."

- Adding a third clarifier and making other improvements to the Treatment Plant. This will increase treatment capacity by fifty percent and resolve the THM/HAA problem mentioned above.

- The current 300,000 gallon Clearwell tank is to be replaced by two 500,000 tanks, more than tripling the Clearwell capacity.

3. **MCWD makes good use of technical services available to assist it.**[8]

   - MCWD has developed a good rapport with the Kentucky Department of Water (DOW) Drinking Water Branch. MCWD regularly receives and follows technical advice from Drinking Water Branch experts. DOW technical services are provided without charge.
   - MCWD extensively utilizes the assistance of the Big Sandy Area Development District (Big Sandy) in identifying, securing and administering grants and loans. The Authority also promotes economic development in the county. Funding and economic development is provided without charge and grant administration is provided by a fee taken from the grant.
   - MCWD regularly seeks the assistance of the Kentucky Rural Water Association. For example, the Association conducted a Peer Review of MCWD in 2005 and issued its report in January 2006. MCWD pays membership dues to the Association, but specific assistance activities, such as the peer review, are provided without additional charge.
   - MCWD routinely receives technical assistance and advice from its principal engineering firm, O'Brien & Gere (OB&G). OB&G provides advice and counsel on many technical topics to the District. OB&G only receives payments for specific engineering and construction management projects once the project has been bid. The frequent advice and assistance is provided without charge.

4. **MCWD has significantly reduced water losses, but the system still incurs excessive water losses.**[9]

   - The following table shows water production, purchase and sale trends as reported to the PSC.

[8] Interviews with MCWD personnel, DOW personnel, Big Sandy representatives, Kentucky Rural Water Association personnel, and OB&G representatives.

[9] Interviews with MCWD personnel, O'Brien & Gere representatives and Kentucky Rural Water Association personnel.

Exhibit II-6
Water Pumped and Sold
(Million Gallons)

	2006	2005	2004	2003
Water Purchased	6.02	6.34	14.67	19.39
Water Pumped	595.31	635.82	654.92	651.60
Total Purchased and Pumped	601.33	642.17	669.59	670.99
Total Water Sold to Customers	271.05	224.02	N/A	N/A
Water Purchased or Pumped but not Sold	330.28	418.15	N/A	N/A
Percent not Sold	55	65	N/A	N/A
Maximum Gallons Pumped in One Day	1.849	1.948	1.99	N/A

Source: Annual reports to the PSC and BWG calculations

- MCWD has recently developed a more detailed water loss analysis. The results of this analysis for 2006 are shown in the following table.

Exhibit II-7
MCWD 2006 Water Loss Analysis
(Million Gallons)

	2006
Treated Water into Clearwells - Water Produced	595.3
Purchased Water:	
Kermit Water Purchases	2.0
Mountain Water Purchases	4.0
Net Purchased Water	6.0
Total Produced and Purchased Treated Water	601.3
Water Supply to End Users	
Plant Use	21.1
Fire Department Use (estimated)	2.7
Prison Tank Use	34.6
Books 9-18 A Side Customer Metered Use	87.6
Books 1-8 B Side Customer Metered Use	148.8
Total Treated Water Consumption	294.8
Total Treated Water Loss	306.5
Treated Water Percentage Loss	51.0%

	2006
Total Prison Tank and Customer Metered Use	271.0
Water Sold as a Percentage of Water Produced	**45.1%**
Average Gallons per Day Produced or Purchased	1.65
Average Gallons per Day Sold	.74

Source: MCWD Water Loss Analysis and BWG calculations

- Water purchased or produced but not sold fell from 65 percent in 2005 to 55 percent in 2006.
- From 2005 to 2006, MCWD purchased and produced less water, but sold more. This is largely due to reducing subsidiary distribution tank overruns, fixing main and service leaks and replacing meters (to get more accurate usage numbers).
- MCWD has reduced its water purchases 69 percent from 2003 to 2006.
- The metering of produced and distributed water is not comprehensive. There is only one transmission and distribution meter. It is at the pump station serving the A system. It has not been read and therefore has not been used for determining the A system water losses versus the B system water losses. More in-line "master" meters are planned, but have not yet been funded or installed. Additional transmission and distribution master meters will allow the pinpointing of water losses by distribution main. This will allow precise prioritization of leak reduction efforts.
- By long standing, but informal, practice, MCWD supplies water to the five volunteer fire department stations in the county at no charge. This is in addition to the customary practice of not charging for fire hydrant water used in fighting fires and training. At present, water used by the fire department stations is not metered.
- Water losses due to leaks and other causes are not reasonable. The PSC standard is to have water losses of less than 15 percent. Water professionals familiar with Eastern Kentucky (see footnote 9) are in agreement that MCWD could meet this standard. Now that the overflowing tank problem has been fixed, the remaining water losses are likely attributable to:
  - Main and service leaks, with the consensus that service leaks are the larger problem. Main leaks are easier to visually identify and typically cause water pressure problems for customers on the main, triggering an investigation. Services, however, can have relatively small leaks that are not readily identifiable because they are near creeks or streams and can still provide basic water pressure. Service line leaks are estimated (see footnote 9) to cause 50 to 90 percent of the water losses.
  - Customer metering problems and water theft is the other potential category of water losses. This category can include: slow meters, meters

that were never installed on service lines, unauthorized taps, and meter bypasses.

- In a PSC rate case, recovery of the costs of water losses in excess of 15 percent, excluding water used by the utility in its own operations, is not allowed according to PSC 807 KAR 5:066 Sec. 6(3). (See footnote 3 on page I-7).
- By achieving a 15 percent water loss target, 2006 water treated and purchased would have been 346.8 million gallons, rather than the actual amount of 601.3 million gallons, a reduction of 254.5 million gallons, or about 42 percent. A 42 percent reduction in water production would result in estimated direct savings of $100,000 per year. These savings come from a reduced need for electricity for pumping and chemicals for treatment. Further indirect savings could be expected from fewer leak calls and repairs and less damage caused by leaks. An additional benefit would be that a larger proportion of the raw water would come from the Crum Reservoir watershed rather than the Tug Fork.

5. **There is a large backlog of distribution work.**[10]
   - There were approximately 50 tap requests not yet completed as of November 14, 2006; tap fees had been collected for 13 of these tap requests .
   - There were 246 work orders not yet completed for leak repairs, meter sets, meter rereads, meter pulls, low pressure, meter reads in, meter reads out, tap relocates, and similar distribution work.
   - Main leaks are prioritized for repair over other work. However, failing to reduce the backlog of work orders has allowed service leaks to continue un-repaired for a period of time and revenue from new and delinquent customers to be delayed.

6. **MCWD does not have a damage prevention program.**[11]
   - MCWD does not participate in Kentucky's one call – call before you dig - program and has no excavator education program.
   - MCWD does not normally mark its facilities in advance of excavation by others.
   - MCWD experiences many third party damages from dig-ins to its facilities.[12]
   - The District has little recourse to collect damages if the perpetrator used the one call system and the District did not mark its facilities in a timely manner as required by the one call system.
   - When MCWD does have recourse against a party responsible for damage to its facilities, MCWD has generally chosen not to bill the perpetrators and sue to collect damages because of a lack of resources.

7. **There is no watershed management program.**[13]

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10 MCWD Office Work Order Log as of November 14, 2006.
11 Interviews with MCWD personnel.
12 Anecdotal reports only. Statistics are not kept.

- All of MCWD's water supply is from surface water. Surface water is highly vulnerable to contamination.
- As much as one-third of MCWD's water comes from water collected in the Crum Reservoir watershed.
- The septic systems for the houses within the Crum Reservoir watershed are not tested for effectiveness.
- There is no mitigation of runoff from the roads in the Crum Reservoir watershed.
- Water in the Tug Fork is collected from a much larger watershed that includes several wastewater treatment plants.
- There are many reports of raw sewage flowing into the Tug Fork watershed as well as possible pollution from improperly disposed solid waste. There is no enforcement of septic tank regulations other than for new installations and solid waste disposal facilities are limited.
- There is no regional watershed management program that addresses pollution control in the Tug Fork watershed prior to the MCWD intake. A comprehensive regional watershed management program would have to include the West Virginia side of the Tug Fork watershed as well as the Kentucky side.

8. **There is no organized preventive maintenance program.**[14]
   - MCWD operates on a largely "repair it when it breaks" mode.
   - MCWD lacks organized equipment (e.g., tanks, pumps, valves, and filters) records and main and service records and recommended preventive maintenance routines.
   - Most MCWD equipment and mains would benefit from an organized preventive maintenance program. A preventive maintenance program would result in fewer service interruptions and lower costs in the future.
   - The Kentucky Rural Water Association Peer Review Report specifically recommended a Water Storage Tank Operation and Maintenance Program with the American Water Works Association recommended practices.

9. **Adequate resources – labor, materials and equipment – are not available for the water provisioning process.**[15]
   - Water provisioning process costs are low. The total operating expenses for MCWD in 2006 were $1,032,404. The following table shows expense trends for the District. Accounting classification changes and reduction in treated water are responsible for the differences in individual accounts from 2005 to 2006.

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[13] Interviews with MCWD personnel, Kentucky Department of Health personnel and Department of Water personnel.

[14] Interviews with MCWD personnel.

[15] Interviews with MCWD personnel.

Exhibit II-8
MCWD Expense Trends

Expense Account	2006	2005	2004	2003
Source of Supply & Pumping – Operation	$74,968	$170,763	$125,523	$109,583
Source of Supply & Pumping – Maintenance	13,376	7,666	59,109	121,394
Water Treatment – Operation	354,259	311,889	210,193	109,403
Water Treatment – Maintenance	909	5,587	57,767	110,060
Transmission & Distribution – Operation	179,285	181,178	178,055	116,989
Transmission & Distribution – Maintenance	179,666	163,936	170,269	184,625
Customer Accounts	96,434	98,489	120,020	120,437
Administrative & General	133,507	120,771	117,131	120,969
Total	1,032,404	1,060,279	1,038,067	993,460
Customers at Year End	3,506	3,411	3,434	3,376
Expenses per Customer	294	311	302	294

Source: Annual reports to the Commission and BWG calculations

- The largest expense categories in 2006 were:
  - Salaries, wages, pension and benefits for employees - $534,426
  - Purchased power - $179,697
  - Chemicals - $51,187
  - These three categories accounted for 74 percent of the total operating expenses
- Unit costs for providing water in 2006 are shown in Exhibit II-9.

Exhibit II-9
2006 Unit Operating Costs
(With No Administrative and General Overhead Costs Applied)

Cost Area	Total Cost	Thousand Gallons Produced	Cost per Thousand Gallons Produced
Supply and Treatment	$443,512	595,314	$.745
		Thousand Gallons Produced and Purchased (Distributed)	**Cost per Thousand Gallons Distributed**
Transmission and Distribution	$358,951	601,335	$.597
	Total MCWD Operating Expense	**Thousand Gallons of Water Sold**	**Cost per Thousand Gallons Sold**

Cost Area	Total Cost	Thousand Gallons Produced	Cost per Thousand Gallons Produced
Total Cost for All Functions	$1,032,404	271,046	$3.81
			Cost per Thousand Gallons Distributed
			$1.72

Sources: MCWD Annual Reports and BWG calculations

- Total inventory for plant materials and supplies at the end of 2006 was only $17,529. A treatment and distribution operation the scale of MCWD requires a larger inventory of materials and supplies for efficient operations.
- There are only four full-time water treatment plant operators and two on-call part-time operators. A seven by 24 hour operation requires a minimum of five full-time operators to cover 21 shifts per week and have spare capacity for vacations, illness, training and other absences.
- There are only five distribution employees. The sixth distribution employee, the supervisor, recently became the fourth treatment plant operator and was not replaced in distribution. One of the distribution employees is largely occupied by sampling and other duties and is normally unavailable for main, service and meter work. Many jobs require a crew of four or more because of difficult traffic management conditions. With vacations and other absences, this often results in having a single crew doing one job at a time each day.
- The distribution crew does not have a trailer for its only backhoe and, even if there was a trailer, there is no vehicle capable of towing the backhoe and trailer. This results in highly inefficient and dangerous driving of the backhoe from job to job.
- The distribution crew does not have an assembly area or proper facilities for garaging equipment and storage of materials and supplies.

D. Recommendations

1. **Through a combination of revenue increases and cost reductions, increase water provisioning process resources.** (Reference Findings 5 and 9)
   - Increase rates above the RD Grant rate increase in process. (See Chapter V)
   - Consider selling unused property such as the old Tug Fork raw water intake site and the old Route 40 pump station site.
   - Prioritize water loss reductions (see below) to qualify for PSC rate increases and petition the PSC for interim relief from the water loss requirement if necessary.
   - Install paid tap requests in a timely manner. The District will begin collecting monthly payments sooner.

- Support bill collection turn-offs and theft investigations in a timely manner to increase bill collections.
- Reduce electricity, chemicals and leak repair costs by reducing water losses (see below).
- Further reduce electricity costs by:
  - Adding additional capacitor banks on pumps as economically justified.
  - Exploring the possibility of time of day off peak rates and do as much required pumping as possible in lower rate periods.
  - Considering natural gas powered pump replacements for electric pumps if the total cost is lower.
- Replace the distribution supervisor and add one four-person distribution crew to reduce the work backlog and implement the water loss reduction program, damage prevention program, watershed management program and preventive maintenance program recommended below.
- Add a fifth water treatment plant operator to reduce overtime and provide a resource for preventive maintenance and record keeping assistance.
- Add an additional back hoe or excavator and two trucks and trailers appropriate to haul the additional equipment.
- Add additional facilities, vehicles, equipment, materials, and supplies as necessary to make the distribution crews as efficient as possible. A service center with a garage for minor maintenance, warehouse, meeting/training rooms, computer access and offices would be ideal.

2. **Develop a comprehensive water loss reduction program.** (Reference Finding 4)
   - Improve the metering of produced and distributed water to include in-line master meters from the Clearwell tank, all subsidiary distribution tanks and on all major distribution mains. Make immediate use of the existing A system meter for determining the relative water loss between the A and B systems.
   - Use the information from additional metering of distributed water as compared to metered consumed water to identify water losses by main. Rank them from highest to lowest water loss. The Kentucky Rural Water Association Peer Review Report contains detailed recommendations for this process.
   - Prioritize, based on volumes of water lost, the mains and services for replacement or repair.
   - Prior to commencing repair and replacement work on each main, identify and resolve any water theft, metering or related problems.
   - Replace or repair all excessively leaking mains and services over a three year period.

3. **Implement a preventive maintenance program including upgrading the leak detection and repair program.** (Reference Finding 8)
    - Establish records for each piece of equipment (such as pumps, injectors and valves) and pipe segment.
    - Track all maintenance performed on each piece of equipment and pipe segment.
    - Develop preventive maintenance routines for select facilities including routine flushing and valve maintenance. Implement manufacturers' recommended maintenance and AWWA guidelines as available.
    - Establish an ongoing leak detection and repair program following the completion of the water loss reduction program (see above).

4. **Implement a damage prevention program**. (Reference Finding 6)
    - Join and actively participate in Kentucky's Call Before You Dig (one call) program.
    - Mark involved facilities in a timely manner as one call notices are received.
    - Develop and implement a damage prevention education program for State and County road crews and local civil contractors.
    - Bill perpetrators who damage marked District facilities.
    - Sue perpetrators who do not pay billed damages.

5. **Establish a watershed pollution control program.** (Reference Finding 7)
    - Implement a Crum Reservoir pollution control program including annual septic tank system dye tests by the Health Department and mitigation of roadway runoff.
    - Regularly test creeks flowing into the reservoir and trace problems found back to the source.
    - Work cooperatively with other water districts to establish an upstream regional watershed management program for the Tug Fork including septic tank monitoring, solid waste disposal programs and tributary testing and remediation.

6. **Develop and implement a long-term plan to reduce the system's vulnerability to supply disruptions**. (Reference Finding 2) Alternatives to be considered include:
    - Expand the Crum Reservoir capacity by raising and repairing the dam and/or dredging the reservoir.
    - Install a Crum Reservoir bypass (pipe and valves).
    - Expand the Treatment Plant capacity (in process).
    - Install a second line to the Clearwell tank.
    - Expand the Clearwell tank capacity (in-process).
    - Expand looping and valving of the transmission and distribution system.

- Expand distribution tank capacities or add additional distribution tanks.
- Expand the telemetry system to cover the Crum Reservoir, master meters and pressure control valves to provide early detection and resolution of problems.

CHAPTER III

CAPITAL PROCESS

A. Introduction

The capital process task area includes the following topics specified in the request for proposals.

- Identify specific management and administrative areas with potential for improvement and develop an action plan to address those areas more extensively.
- Identify the root cause(s) for MCWD's significant water loss and assist MCWD in the development of near-term and long-term water loss reduction and control programs.
- In addition to water loss, identify MCWD's specific operational and infrastructure situation in order to identify immediate needs or deficiencies and develop a work plan to address those areas.
    - Priority listing of necessary infrastructure improvements
    - Water system planning, engineering and construction

The tasks and subtasks for this task area were:

- Interviews
- Data requests and analysis
- Informal discussions with Board, District and PSC representatives
- Deliverables
    - Draft task report
    - Three party meeting to discuss the draft task reports
    - Final task report
    - Action plans

The scope of the capital process task area includes:

- Customer demand forecasting
- System planning
- Capital program planning, prioritization and budgeting
- Financing
- Implementation / Construction

The audit objectives and evaluative criteria for the capital process task area are:

- Are customer demand forecasting and system planning adequate?

- Are capital projects identified and prioritized properly?
- Is there adequate financing for all capital program needs?

B. Background

MCWD has an extensive capital program. The table below summarizes the current and recently completed major projects.

Exhibit III-1
MCWD Capital Projects, Major Repairs and Improvements
Completed in the Last Five Years

Completed Projects
• Replacement of Control Valves and Pressure Reducing Valves in the Distribution System
• Completion of Raw Water Intake and Transmission Main from the Tug Fork to Crum Reservoir
• Restoration and Maintenance of the Raw Water Intake Station
• County Wide Telemetry System Providing Automated Control of Pumping Stations and Monitoring of all Storage Tanks
• Rehabilitation of Peter Cave Branch Booster Pumping Station
• Replacement of Feed Line to Twin Water Storage Tanks
• Cleaning, Sterilization and Return to Service of Twin Water Storage Tanks
• Design of Replacement of Four Inch Water Main to Pike County Line (Flood Damage)
• Contract 12 - Water Main Extension Serving 230 Customers
• Eden School Tank
• KY 645 Water Main Extension, Booster Pump Station and Water Storage Tank
• Contract 14 - KY 40 Buck Creek Hill KDOH Water Main Relocation
• Water Meter Replacement Program (Over 1,000 Residential Meters Replaced to Date)
• County Wide Fire Hydrant Evaluation, Flow Testing and Certification
• Contract 16 - Water Main Extension to New KDOH Maintenance Garage on KY 645
• Contract 17 - Water Main Extension to Correct Low Pressure at Eden Subdivision
• Evaluation and Inspection of Twin Tanks, Buck Creek Hill and Clearwell Tank
• Upgrade of Otto Brown Booster Pumping Station to Correct a Flow Problem
• Installation of New Booster Pumping Station at Meathouse Branch to Correct Low Pressure and Flow Problem
• Security Vulnerability and Assessment and Emergency Response Plan Completed and Submitted to EPA

• Replacement of Drive Unit in Clarifier Number 2 in the Water Treatment Plant
• Various Minor Plant Improvements Required by the PSC Order
• Resolution of Numerous Low Pressure and Low Flow Customer Complaints
In Process
• KY 40 Warfield Road KDOH Water Main Relocation
• Upper Alpha Branch Water Main Replacement to Correct Low Pressure and Flow Problem
• Johnson Bottom Water Main Replacement to Correct Low Pressure and Flow Problem
• Water Treatment Plant Expansion and Improvements Phase I (Increases Capacity to 2.95 MGC per Day)
• Water Treatment Plant Expansion and Improvements Phase II (Renovate Building and Eqt, Add Offices and Conf Area)
• RD Phase I - Clearwell Tank Replacement - Single 300,000 Gallon Tank to Two 500,000 Tanks
• Wolfe Creek Water Main and Services Replacement (To Reduce Water Loss)
• Master Meter Installation - 12 Distribution Master Meters
• RD Phase II - Upgrade and Replacement of Buck Creek Hill and Stepp Water Storage Tanks
• KDOH Water Main Relocation at KY 3 and KY 645 (Will Correct Saltwell Branch Low Pressure Problem)
• Residential and Commercial Radio Read Meter Trial
• New Automated Billing System and Hardware

Source: MCWD Management Audit Kickoff Meeting Presentation confirmed by a letter from OBG

Summary details (start and completion dates, change orders, funding sources and contractors) on these projects were unavailable.

Most of the MCWD capital projects are funded by grants. A small amount of capital expenditures is funded by debt. MCWD capitalizes all capital expenditures regardless of funding source and depreciates the assets. The following table shows the additions to gross plant and donated capital (grants and contributions in aid of construction) in recent years.

Exhibit III-2
MCWD Additions to Gross Utility Plant and Donated Capital
(in thousands)

Fiscal Year	2006	2005	2004	2003	2002	2001	2000
Utility Plant	$21,809	$20,634	$19,150	$18,415	$18,240	$17,987	$17,040
Plant Additions	1,175	1,484	735	175	253	947	NA
Donated Capital (Contributions in Aid of Construction in 2001and 2002)	17,294	16,721	14,966	14,198	13,997	13,880	12,651

Fiscal Year	2006	2005	2004	2003	2002	2001	2000
Donated Capital Additions	573	1,755	768	201	117	1,229	NA

Source: MCWD Annual Reports to the PSC and BWG calculations

Utility plant additions totaled $4.8 million for the last six years. Donated capital / contributions in aid of construction totaled $4.6 million for the last six years. As of the end of 2006, MCWD had just $2.5 million in long-term debt on net plant of $14.8 million ($21.8 million gross plant less $7.0 million accumulated depreciation and amortization). Depreciation and amortization is not net of amortization of contributions-in-aid-of-construction.

The MCWD 2006 Budget lists state grant proceeds of $768 thousand in 2004 and $700 thousand and $850 thousand budgeted for 2005 and 2006, respectively.

C. Findings and Conclusions

1. MCWD has successfully addressed several of the PSC concerns with its water provisioning process through its recent capital program.[16]

- The following table correlates the recent PSC concerns with recent capital projects:

Exhibit III-3
MCWD Projects that Address PSC Concerns

PSC Concern	Relevant Capital Projects
High Unaccounted for Water	Replacement of Control Valves and Pressure Reducing Valves in the Distribution System, Telemetry System to Eliminate Tank Overflows, and Numerous Main Replacement and Repair Projects
Lack of Meter Testing	Water Meter Replacement Program and Testing of Replaced Meters
Low Fire Hydrant Flow Rates	County-wide Fire Hydrant Evaluation, Flow Testing, and Certification
Customers With Less than 30 PSI at the Meter	Multiple booster station, main replacements and extensions, and tank upgrades and rehabilitations
Functioning Telemetry System	Completion of the County Wide Telemetry System Installation and Implementation
Mapping and Inventory of Assets	Maps and records provided with each project completion

Source: BWG analysis of completed projects

- While unaccounted water remains too high, it has been reduced by these efforts. See Chapter II, Water Provisioning Process, for more information on water loss reductions.
- Over one thousand meters have been replaced and the meter replacement program is continuing.

[16] Interviews with MCWD.

- The backlog of customer complaints of low pressure at the meter has been eliminated and new complaints are addressed in a more timely fashion.
- The telemetry system has been installed and is used as intended on a daily basis, virtually eliminating storage tank overflows.

2. **MCWD customer demand forecasting, system planning, capital project identification and prioritization, capital budgeting, capital program development and funding management resources are not adequate.**[17]
   - MCWD is an organization with a small number of employees. The organization consists of a general manager, treatment section, distribution section and office section. Each section has only a handful of employees.
   - MCWD has no in-house planning, engineering, modeling nor mapping capability. None of the employees are engineers and the utility does not possess engineering, modeling or mapping tools of any type. Paper drawings and maps are provided to MCWD by the outside engineer for completed projects. Virtually no capital project engineering work is done by MCWD employees.
   - MCWD relies on its engineering consulting engineering firm, O'Brien & Gere (OB&G) for planning, engineering, modeling, mapping and funding development assistance. OB&G maintains a strong relationship with the District and is highly responsive for requests for assistance. It has served the District well for many years. However, MCWD has no expense budget to engage capital program planning services. OB&G provides capital program planning services as part of a business development effort hoping to create funded capital projects for which it can be paid for engineering and construction management services. While there is no evidence of bias in its advice, the current arrangement would provide an incentive to any engineering firm to promote large projects with substantial construction budgets over small projects with limited engineering requirements.
   - OB&G has developed both geographical information system (GIS) maps and a hydraulic pressure model of the MCWD system. The firm provides engineering advice and assistance using these tools freely to MCWD. However, MCWD does not own and cannot operate the GIS mapping system and hydraulic model. MCWD does not have paper maps of its entire system. OB&G is willing to share and further develop these resources, but would have to be compensated beyond incidental use.
   - MCWD relies primarily on the Big Sandy Area Development Authority (Big Sandy) and OB&G to identify and secure external financing for its capital projects.
   - MCWD does not have an employee available to coordinate and manage the capital program, including:
     - Customer demand forecasting
     - System planning

[17] Interviews with MCWD personnel, Big Sandy and OB&G representatives.

- Capital project identification and prioritization
- Capital budgeting
- Capital funding development including grant and loan applications
- Capital project implementation

3. **Capital projects are not identified and prioritized properly.**[18]
   - The last capital program planning effort was the Capital Improvement Plan developed by OB&G in June 2003. This plan included recommendations and cost estimates for capital improvements in the water treatment plant, Crum Reservoir, telemetry system, meter replacements, storage tank renovations, and water main replacements. Several of the projects have been completed and others are in process. However, the plan has not been updated since it was first written.
   - There is no formal capital budget.
   - There is no formal capital program planning process.
   - There is no customer demand forecast or long-term system plan.
   - Capital projects are suggested by many sources, including:
     - MCWD employees
     - MCWD Board Members
     - MCWD customers
     - Kentucky DOW professionals
     - OB&G professionals
     - Big Sandy professionals
   - The availability of funding strongly impacts the capital projects selected for implementation. Certain funds can only be used for certain types of projects. When those funds are available, the applicable projects are implemented.
   - The Board members informally evaluate all potential capital projects and select the ones to be implemented based upon funding availability and their collective judgment.

4. **The past and current capital program has focused on system expansion over water loss reduction.**[19]
   - As noted in Chapter II, Water Provisioning Process, unaccounted for water losses are, and have chronically been, exceptionally high. This results in higher than necessary O&M costs for pumping, treatment chemicals and operations, and leak repairs.

[18] Interviews with MCWD personnel and OB&G representatives.
[19] Interviews with MCWD personnel.

- Prior Boards exhibited a bias towards capacity expansions over water loss reduction projects.
- Many of the past and planned capital projects are for system capacity expansion rather than for water loss reduction, for example:
  - Contract 12 Water Main Expansion
  - Contract 16 Water Main Expansion
  - Contract 17 water Main Expansion
  - Water Treatment Plant Expansion (planned)
  - Clearwell Tank Replacement and Expansion (Planned)
- While MCWD has a clear mission to serve all County citizens, its prioritization of projects has been out of balance. It has continued to expand capacity before the major water loss problems have been solved.

5. **Current capital funding does not adequately support needed capital programs.**[20]
   - Current rates do not support any revenue funding of capital or additional debt for capital projects. MCWD relies on external grants or combinations of grants and loans.
   - MCWD has multiple sources for capital funds:
     - Kentucky Infrastructure for Economic Development (IED) grants (severance tax funded); for example, Water Treatment Plant Grant WX21159002 for $3.1 million, of which $1.4 million has been spent or obligated and $1.7 million remains.
     - 502C3 Community Development grants (HUD money administered by the State through the County to MCWD)
     - US Department of Commerce Economic Development Administration grants through the County for the creation of jobs
     - Appalachian Regional Commission grants through the County for infrastructure
     - USDA Rural Development (RD) combination grants and loans (two prior and one current application in progress). RD loans have a 40 year term
     - Kentucky Association of County Organization (KACO)
     - Kentucky Department of Water State Revolving Fund (SRF) loans for drinking water improvements to quality and pressure. SRF has a one percent interest rate and a twenty year term
     - Appalachian Regional Commission matching grants to make up shortfalls in other funding sources

[20] Interviews with MCWD personnel, OB&G representatives, and Big Sandy professionals.

- PRIDE funds for watershed pollution control
- Kentucky Department of Water KIA Fund B low cost loans (less than one percent)

- The Board has broad discretion in how Kentucky IED grants are spent. However, each project must have Big Sandy and Fiscal Court approval and money cannot be spent on employees, only contractors and materials. Federal grants are more specific to individual projects.
- MCWD has not gotten HUD block grants, Economic Development grants or Appalachian Regional Commission grants recently. It may be eligible to receive these types of grants through County applications.
- OB&G partners with MCWD and Big Sandy to secure grants and loans. It is not compensated for this assistance. It can only recoup its investment through engineering and construction management fees on financed projects. Further, OG&G must compete for the engineering and construction management awards which it may not win.
- Big Sandy normally administers MCWD grant and loan capital projects. Big Sandy receives an administration fee for its work out of the grant funds except for the RD projects. OB&G may administer the RD projects if Big Sandy cannot.
- There is no external requirement to have a capital plan. Projects are submitted individually to multiple funding sources. Big Sandy maintains a list of potential capital projects identified by MCWD, but it is not based on a plan.
- With additional effort, MCWD would likely be able to secure additional external funding for its capital projects. A well conceived capital program plan would aid in attracting additional funding.

D. Recommendations

1. **Establish an in-house capital program planning and management function staffed by one engineer. Alternatively, this capital program planning and management function could be provided by a regional resource.** (Reference Findings 2, 3, 4, and 5). This function would:
   - Develop and implement simple customer demand forecasting, system planning, capital program planning and budgeting processes
   - Increase efforts to attract infrastructure grants and loans to fulfill the capital program as planned
   - Oversee capital project engineering and construction
   - Bring the GIS maps and pressure model in-house. Further development of the GIS mapping may be enhanced by cooperating with the County's enhanced 911 mapping initiative.
   - Advise on the preventive maintenance program (see Chapter II)

2. **As practical, prioritize water loss reduction programs over system expansion programs until water losses are reduced to 15 percent or less.** (Reference Findings 3 and 4)

   - The 2007 IED grant money should be applied first to installing in-line master meters and pinpointing water losses by main.
   - After the water losses have been pinpointed, consider a service line leak repair / replacement program rather than a combined main and service line replacement program where practical. Service line repair/replacements are estimated to cost $400-500 each.[21] Repairing or replacing all 3,500 service lines (which is not necessary) would likely cost less than $1.5 million. However, in some cases, it is impractical to fix the service line without repairing or replacing the main.

[21] Based on information provided by the Kentucky Rural Water Association.

CHAPTER IV

CUSTOMER SERVICE AND REVENUE PROCESS

A. Introduction

The customer service and revenue process task area includes the following topics specified in the request for proposals.

- Identify specific management and administrative areas with potential for improvement and develop an action plan to address those areas more extensively, including Customer Service, Meter Reading, Billing and Collections.
- Identify the root cause(s) for MCWD's significant water loss and assist MCWD in the development of near-term and long-term water loss reduction and control programs.

The tasks and subtasks for this task area were:

- Interviews
- Data requests and analysis
- Informal discussions with Board, District and PSC representatives
- Deliverables
  - Draft task report
  - Three party meeting to discuss the draft task reports
  - Final task report
  - Action plans

The scope of the capital process task area includes:

- New customers and credit
- Main and service extensions, tap fees, deposits
- Revenue cycle (meter reading, billing, cashiering, payment processing and collections)
- Customer service and complaints

The audit objectives and evaluative criteria for the customer service and revenue process task area are:

- Are water losses due to theft reasonable?
- Are meters registering consumption accurate?
- Are meter reading and billing processes effective?
- Are collections processes effective?

- Can MCWD participate in and benefit from the Martin County enhanced 911 GIS/GPS project?
- Is customer service adequate?
- Are customer services provided consistent with Commission and tariff requirements?
- Are revenue cycle systems of internal controls adequate?

B. Background

MCWD provides service to 1,382 "A-Section" water customers, 2,153 "B-Section" water customers, and a handful of sewer customers. The District provided service to 259, or eight percent, more customers at December 31, 2006, than January 1, 2001.

The Customer Service office, which recently relocated to the more convenient Martin County Community Center in Inez, is managed by an Office Manager and two part-time Customer Service Representatives (CSRs). Customers and prospective customers contacting the District may do so in person or by telephone at this office. In addition, the bank in Warfield accepts customer's payments.

For customers requiring field service (e.g., service connection or disconnection), a Work Order is completed by customer service office personnel. These work orders are picked-up by distribution personnel to be completed in the morning and during the day in an emergency. Completed work orders are returned to the customer service office at the end of the day.

Meter reading is performed by two, part-time salaried employees: one meter reader reads A-Section meters and the other reads B-Section meters. Meters are read monthly and customers are billed monthly; however, the District does not bill its customers on a cycle basis (that is, throughout the month as meter routes are completed) and the District does not rotate meter readers. The A-Section meter reader has been reading meters for approximately four years while the B-Section meter reader has been reading meters for only six months.

In a typical month, the meter readers pick-up their meter reading books on about the 15th of the month. Meters will then be read from about the 15th to the 27th. Meter readings will be entered into the billing system and reads verified from about the 28th to the 30th or 31st. Bills will be printed on the 30th or 31st and mailed on the 1st or 2nd of the following month.

C. Findings and Conclusions

1. **Customer service is effective except that customer's requests for service taps are not worked promptly.**
    - BWG observed that walk-in customers and customers telephoning the District received prompt and courteous attention.
    - The new customer service office is conveniently located.
    - There is a significant back log of requested service taps. The District will not take a customer's payment for the service tap fee because the District is then

obligated to provide that service within a given time period which cannot be met with current staffing levels.

2. **Controls are generally adequate to ensure the accuracy of customers' bills except that procedures to monitor for high usage may not be in compliance with the District's tariff.**
   - Each entered meter reading is checked against the meter reading book by the CSRs to ensure it has been entered properly.
   - If the current month meter reading is less than the prior month meter reading, an adjustment will be made to the customer's bill.
   - The District relies on its customers to determine whether a meter reading was too high. It is not common in the industry to rely almost exclusively on customers' calls before investigating potential high bills. However, based on interviews with customer service representatives, meter readers and the distribution employee assigned to perform field customer service, the number of high bill complaints is minimal.
   - Tariff Sheet 19 requires the District to monitor customer usage at least annually and, if usage is 100 percent or more above historical levels, test that meter for registration error.

3. **Appropriate procedures and checklists exist and are used for customer service activities.**
   - CSRs complete a daily checklist of activities that are to be completed to ensure all work gets done.
   - Written procedures exist for customer service office activities and are contained in a binder readily available to all CSRs.

4. **Procedures to identify theft of service are incomplete.**
   - Meter readers will report suspected theft of service based on evidence of meter tampering or neighbors reports. These reports are promptly investigated.
   - Customers found to have been involved in theft of service are not prosecuted. According to the County Attorney, he would be pleased to assist the District with the prosecution of these cases and at no cost other than court fees to the District.[22]
   - District employees receive no financial incentive for the detection of theft of service and recovery of lost revenues.
   - The County's enhanced 911 service, which will be implemented in 2007, provides an opportunity to confirm who is receiving District-supplied water. This information could then be matched against District billing records to identify theft of service.

[22] Based on a discussion with Martin County Attorney Kennis Maynard on November 15, 2006.

- Based on interviews with District personnel, it does not appear that theft of service is a major contributor to the water loss problem. However, in addition to the use of "cheater" bars to bypass residential water meters there are anecdotal reports of improper use of water from fire hydrants, that is, other than use by the fire departments.

5. **Procedures to collect past due accounts are inadequate.**
   - CSRs check past due accounts receivable for customers applying for new service and will not prepare a work order for service to be turned-on without having first collected the past due balance (or made payment arrangements for the collection of the past due balance) and a meter deposit.
   - The District has not sent out disconnect notices for six months. As a result, no customers have had their service disconnected for non-payment during that time.
   - Recently, the District has started printing notices on bills that past due accounts may be shut-off for non-payment. According to the Office Manager, this has prompted some customers to pay past due balances. Printing this notice avoids the cost of mailing a separate disconnect notice, but does not satisfy Commission requirements for notification prior to actual physical disconnection for non-payment.
   - The District does not call customers in an attempt to collect past due balances and does not turn accounts over to collection agencies.
   - Tenants rather than landlords are generally responsible for water bills in rental properties.
   - The County Attorney has indicated a willingness to prosecute individuals for non-payment of bills.

6. **Meter reading controls are inadequate.**
   - Meter reading routes are not rotated and meter readings are not spot-checked by supervisors for accuracy.
   - Prior meter readings are shown in the meter reading book which provides an opportunity for meter readers to 'curb" meter readings. Curbing refers to the practice of entering a meter reading into the meter reading book without having actually read the meter. However, there is no evidence that suggests that the curbing of meter readings is occurring.
   - The Office Manager requested in October 2006 that meter readers write an explanation in the meter reading book when unable to obtain a meter reading. While this information will be valuable in monitoring meter reading performance, the information has not been compiled since October due to a lack of resources. In addition, no specific action has been taken based on the information reported for October.

- In October 2006, 70 A-Section meters, or 5 percent of all A-Section meters, were not read and 46 B-Section meters, or 2 percent of all B-Section meters were not read.
- All B-Section no-reads were explained with only one meter not read because it could not be located. Sixty-one percent of all A-Section no-reads did not have an explanation, and of the unread meters with an explanation, over one-half were because the meter could not be located.

- Routine reporting and analysis of meter reading performance does not include monitoring the percentage of meters read by meter reader by month, the percentage of meter reading errors per meter reader per month, and the identification of the number meters not read by reason (e.g., can't find, hazardous condition, covered by water).

7. Meter reading costs are slightly below the industry average, and can be further reduced.

- The District pays approximately $0.81 per meter reading, including labor and transportation costs.[23] The water industry average based on a 2005 study is $0.82 per meter reading for comparable costs.
- The District's difficult terrain and lack of density suggests that costs to read meters should be higher than the industry average.
- The District attempts to read each meter monthly.
  - Water utilities commonly read residential meters less frequently than monthly. In some jurisdictions, meters are read bi-monthly or quarterly.
  - These utilities may then bill customers coincident with the meter readings or bill customers monthly using estimated meter readings in those months in which actual reads are not obtained.
- Some meters are difficult to locate and reach due to the inconsistent placement of meters and the terrain in which those meters are located.
- Meter readers do not have all the tools needed to complete their routes timely and safely.
  - Meters readers do not have hand pumps for the removal of water from meter pits
  - Meter readers do not have devices (e.g., pepper spray) that can be used to protect the meter reader from hazardous situations

8. The meter reading-to-billing cycle does not maximize cash flow to the District.

- Meters are read from approximately the 15th to the 29th of each month and are billed at month-end.
- For meters read on the 15th, it is over two weeks before those accounts are billed.

[23] BWG calculation based on payroll documents provided by the District.

- Cash flow could be improved

9. **Mis-read meters and un-read meters do not appear to have contributed noticeably to the lost water problem.**
    - In January 2007, as a test of the accuracy of meter readings, the Office Manager whited-out the previous meter reading from the meter reading book for selected meter routes. If the previous month meter readings were not accurate, BWG expected this test to identify instances in which the current month consumption was not reasonable compared to prior months. This was not the case.
    - As mentioned above, there are several A System meters that could not be located in October. This problem may have existed for some time, but no records exist to confirm this.
    - Some of the lost water problem is likely due to mis-read and un-read meters, but these meters are not a significant contributor to the lost water problem.

10. **While likely to provide some benefits, it is unlikely that the AMR pilot project can be cost-justified if the expenditure was based on borrowed or revenue-generated funds.**
    - The District has contracted for the installation of 400 AMR devices at a cost of $94,500.
    - The AMR pilot program is totally funded by grants. As a result, there was no cost-benefit study prepared to justify this expenditure.
    - This meter requires that a meter reader drive by in order to pick-up the radio transmitted meter reading, thus resulting in some efficiency gains.
    - The meters to be installed will be more tamper-proof, will generate a "tamper notice" if the wire is disconnected, and even if the wire disconnected, the meter will continue to record water consumption.[24] Therefore, the AMR devices will be more effective against theft-of-service than the current meters.

11. **Bad debt records do not exist so trends in delinquencies are unknown. As a result, it is impossible to determine whether delinquent accounts receivable are increasing, decreasing or staying the same**

12. **Meter test records indicate that metering inaccuracies are not a significant contributor to lost water.**
    - BWG reviewed the Quarterly Meter Reports provided to the Commission since 2003. These reports document the test results for meters removed from service.
    - For meter tests reported since 2003, the majority of the meters tested less than two percent slow as shown in **Exhibit IV-1**.

Exhibit IV-1

[24] Based on discussion with the Sensus area representative for Wisconsin and Minnesota on January 29, 2007.

Meter Test Results

Period Covered	Within 2%+/-	More than 2% Fast	More than 2% Slow	Did Not Register
Apr-Jun 2003	30	1	1	0
Jul-Sep 2003	NA	NA	NA	NA
Oct-Dec 2003	NA	NA	NA	NA
Jan-Mar 2004	1	2	12	0
Jul-Sep 2004	16	4	8	0
Oct-Dec 2004	0	0	4	0
Jan-Mar 2005	132	0	2	0
Apr-Jun 2005	10	0	1	0
Jul-Sep 2005	0	0	0	0
Oct-Dec 2005	7	0	0	0
Jan-Mar 2006	0	0	0	0
Total	196	7	28	0

Source: Quarterly Meter Report to the Kentucky Public Service Commission.

13. **Customer payments could be processed more quickly, thereby making cash available sooner for bill payment and other District needs.**
    - Since moving to the new customer service office, mail is now delivered by the United States Postal Service at 2:30 PM rather than in the morning, as was the case at the former location.
    - Customer payments that arrive in the 2:30 PM mail are processed the next day.
    - After processing, customer payments will be taken to the bank for deposit. However, the bank deposit will be made at 4:00 PM, after the 2:30 PM bank cut-off for same day posting.
    - As a result, for example, payments delivered by mail on Tuesday will be processed and deposited on Wednesday but not posted to the District's account until Thursday.

D. Recommendations

1. **Improve procedures to identify theft of service.** (Refers to Finding No. 4)
    - Provide incentives to meter readers and other District employees to identify thefts of service that lead to the recovery of amounts owed to the District.

- Use the County Attorney to recover amounts owed for the theft of service and publicize the District's intent to do so.
- Use the 2007 Martin County enhanced 911 GIS/GPS initiative to identify premises receiving District-supplied water who are not being billed for that service.

2. **Establish procedures and take action necessary to assure compliance with MCWD Tariff Sheet No. 19.** (Refers to Finding No. 2)

3. **Improve collections of past due accounts** (Refers to Finding No. 5)
   - Change credit policy so that responsibility for the payment of water bills remains with the landlord rather than tenant for rental properties. This will help reduce the number of uncollectible accounts going forward.
   - Send disconnect notices to those customers who have not paid their bills on time as allowed by Commission-approved rules and regulations.
   - Use the County Attorney to recover delinquent past due accounts.

4. **Improve meter reading controls**. (Refers to Finding No. 6)
   - Perform periodic rotation of meter reading routes
   - Develop and implement monthly performance reporting and analysis processes
   - Perform supervisory test inspections of meter readings, including meters not read

5. **Provide meter readers additional tools to complete their routes timely and safely**. (Refers to Finding No.7)
   - Provide hand pumps for the removal of water from meter pits
   - Provide devices (e.g., pepper spray) that can be used to protect the meter reader from hazardous situations

6. **Consider implementing cycle billing to shorten the meter reading-to-billing cycle and improve cash flows to the District**. (Refers to Finding No. 8)

7. **Consider implementing bi-monthly meter reading for residential customers while continuing to bill customers monthly**. (Refers to Finding No. 7)

8. **As services are replaced, those meters located in difficult to read locations should be moved to locations that are less difficult to reach and placed in a consistent manner relative to the main and customer's premises**. (Refers to Finding No. 7)

9. **Complete a cost-benefit study of AMR prior to making further investments in AMR technology**. (Refers to Finding No. 10)

10. **Process customer payments on the day received so the payments are posted to the District's account on the day received.** (Refers to Finding No. 13)

CHAPTER V

ADMINISTRATIVE AND GENERAL PROCESSES

A. Introduction

The administrative and general task area includes the following topics specified in the request for proposals.

- Identify specific management and administrative areas with potential for improvement and develop an action plan to address those areas more extensively, including:
  - Organization and General Management
  - Financial Management, including a Review of Accounting Procedures and Controls and an Analysis of Overall Expense Trends
  - Management's Relationship with MCWD's Board of Commissioners
- Assess the reasonableness of MCWD's rates and the need for a rate adjustment.

The tasks and subtasks for this task area were:

- Interviews
- Data requests and analysis
- Informal discussions with Board, District and KPSC representatives
- Deliverables
  - Draft task report
  - Three party meeting to discuss the draft task reports
  - Final task report
  - Action plans

The scope of the capital process task area includes:

- Governance
- General management and organization structure
- Benchmarking
- Rates and rate design
- Accounting
- Human resources
- Information technology
- PSC compliance and relationship

The audit objectives and evaluative criteria for the administrative and general processes task area are:

- Are rates adequate?
- Is rate design optimal?
- Are accounting and financial transactions properly controlled?
- Are administrative policies and procedures adequate and up-to-date?
- Are personnel policies and procedures adequate and up-to-date?
- Are adequate controls in place to ensure that regulatory requirements, including Commission requirements, are complied with?
- Are governance practices adequate?
- Are management practices and organization structure adequate?
- Is information technology (hardware and software) adequately and properly controlled?

B. Background

MCWD is governed by a three member Board of Commissioners. The District is headed by a General Manager (GM), however, all functional areas do not report to the General Manager. The office manager, who is responsible for customer service, billing, remittance processing and collections primarily takes direction from a local CPA, a non-District employee who is also responsible for finance and accounting for the District. The activities of this individual (the CPA) related to the District are directed by the Board of Commissioners.

The General Manager has responsibility for all water provisioning activities (see Chapter III) and field customer service activities such as meter re-reads, shut-off and turn-on of water service, and tap installations. Responsibility for meter reading is shared between the GM and the Office Manager. Capital planning and funding is a responsibility primarily directed by the Board.

Rates have not increased since the mid-1990s. The District will increase its rates in connection with obtaining funds from Rural Development (RD) in connection with a new water tank project. Kentucky law allows for water utility rates to be changed as a result of certain construction projects without the utility having to go through a general rate case. One condition of obtaining the RD funding is the maintenance of a debt service coverage ratio of 1.1; a coverage ratio the District cannot achieve without a significant rate increase. The rate increase was expected to take place in 2006. However, due to delays in the funding process the increase has not yet occurred. Most recently, the planned January 2007 increase has been delayed due to property title issues associated with the location of planned new water tank.

Kentucky Administrative Regulation 278.023 requires the Commission to issue a certificate of necessity and convenience and such other orders as may be required to implement the terms of agreements between the water utility and federal agencies providing funding for construction projects such as the abovementioned RD project within 30 days of

the filing. Because federal funding of such projects entails prior review and oversight by the federal agency and obligates the utility to certain actions, the State of Kentucky requires that such agreements be accepted by the Commission. The Commission shall not prohibit the inclusion of any cost or the use of any accounting procedure in reviewing or setting the rates of the utility if such cost or procedure is required as a condition for federal funding of a construction project under an approved agreement between the water utility and the federal agency.

Exhibit V-1 presents the District's income statements for fiscal years 2001 through 2006 and **Exhibit V-2** presents the District's balance sheets as of December 31 for fiscal years 2001 through 2006.

Exhibit V-1
MCWD Income Statements
2001 - 2006

	2006	2005	2004	2003	2001
Operating Revenues	$1,135,790	$1,067,083	$1,158,589	$1,156,159	$969,744
Operating Expenses:					
Salaries and Wages	431,633	437,323	210,580		265,823
Pensions and Benefits	102,793	59,446	28,644		13,642
Purchased Water	8,688	17,060	12,344		10,032
Purchased Power	179,697	179,785	78,161	7,304	140,288
Chemicals	51,187	38,453	21,188		49,923
Materials and Supplies	54,430	83,113	92,777	22,451	58,689
Contractual Services – Engineering	0				9,132
Contractual Services – Accounting	39,050	39,000	33,750		16,615
Contractual Services – Legal	0	3,000			0
Contractual Services – Management Fee	5,000	0	426,735	850,194	2,000
Contractual Services – Water Testing	17,807	12,227	6,939		
Contractual Services – Other	5,734	16,350	41,770	69,537	13,985
Rental of Buildings and Equipment	2,000	308	3,702		
Transportation Expense	28,278	28,997	16,841	1,269	10,405
Insurance – Vehicles	10,094	10,054	9,056	6,305	6,651
Insurance – General Liability	20,457	23,461	18,385	18,916	15,940
Insurance – Workers Comp	21,584	29,345	0		4,884
Insurance – Other	4,907	39,207	2,402	1,950	38,009
Advertising	520	686	3,091	753	451
Bad Debt Expense	24,631	22,153	22,537	10,035	0
Miscellaneous Expense	23,914	20,491	9,165	4,706	44,353

	2006	2005	2004	2003	2001
Total Operating Expenses	1,032,404	1,060,279	1,038,067	993,460	700,822
EBITDA	**103,386**	**6,804**	**120,522**	**162,699**	**268,922**
Depreciation Expense	552,015	527,490	531,518	539,450	355,784
Taxes Other than Income Taxes	35,069	37,392	38,471	0	28,472
Utility Operating Income	**(483,698)**	**(558,078)**	**(449,467)**	(376,751)	**(115,334)**
Other Income (Deductions)	746	1,261	521	1550	11,076
Interest Expense	115,644	116,924	101,736	105,498	110,265
Net **Income**	$(598,596)	$(673,741)	$(550,682)	$(480,699)	**$(214,523)**

Source: Annual Reports filed with the KPSC

Revenues increased by four percent[25] per year from 2001 through 2006. This increase would have been larger had the RD loan-related rate increase occurred in 2006 as originally planned. At this same time, operating expenses increased by 10.2 percent per year, driven primarily by increases in salaries and wages, pensions and benefits, and workers compensation insurance which represent 81.9 percent of the $332,000 increase in operating expenses from 2001 to 2006. Salaries and wages increased 12.9 percent per year, pensions and benefits increased 65.7 percent per year, and workers compensation insurance increased 45.0 percent per year during this period.

Exhibit V-2
MCWD Balance Sheets
2001 - 2006

	2006	2005	2004	2003	2002	2001
Assets and Other Debits						
Utility Plant	$21,809,147	$20,633,853	$19,150,007	$18,415,244	$18,240,156	$17,986,661
Accumulated Depreciation	7,008,728	6,456,713	5,929,223	5,397,705	4,858,255	4,423,591
Net Utility Plant	14,800,419	14,177,140	13,220,784	13,017,539	13,381,901	13,563,070
Special Funds	111,517	530,581	213,711	194,253	270,913	433,761
Total Long-Term Assets	**14,911,936**	**14,707,721**	**13,434,495**	13,211,792	13,652,814	**13,996,831**
Cash	72,823	54,465	52,366	86,868	129,376	49,594
Accounts Receivable	304,887	258,923	278,695	216,941	113,607	102,666
Materials and Supplies	17,529	19,834	27,042	40,102	40,516	40,316
Prepayments	6,833	4,717	2,873	14,761	9,874	15,463

[25] All of the percent increases in revenues and expenses from 2001 to 2006 discussed in this chapter represent compound annual growth rates.

	2006	2005	2004	2003	2002	2001
Accrued Utility Revenues	132,604	118,660	132,318	28,078	28,507	27,318
Total Current and Accrued Assets	534,676	456,599	493,294	386,750	321,880	235,354
Total Assets and Other Debits	$15,446,612	$15,164,320	$13,927,789	$13,598,542	$13,974,694	$14,232,185
Equity Capital and Liabilities						
Retained Earnings	$(5,353,911)	$(4,755,315)	$(4,081,574)	$(3,530,892)	$(3,050,193)	$(2,605,303)
Donated Capital / CIAC	17,293,679	16,720,939	14,966,046	14,197,636	13,996,723	13,880,154
Total Equity Capital	**11,939,768**	**11,965,624**	**10,884,472**	10,666,744	10,946,530	11,274,851
Long-Term Debt	2,479,108	2,570,464	**2,608,436**	2,538,555	2,614,853	2,688,859
Total Equity and Long-Term Debt	14,418,876	14,536,088	13,492,908	13,205,299	13,561,383	13,963,710
Accounts Payable	531,030	260,724	301,257	223,571	270,782	96,411
Customer Deposits	59,415	49,743	40,036	39,298	31,413	90,542
Accrued Taxes	1,407	380	8,246	0	7,063	1,678
Accrued Interest	71,970	36,229	4,603	37,598	12,404	3,841
Matured Long-Term Debt	277,228	237,972	45,819	76,298	60,806	41,844
Tax Collections Payable	70,773	33,442	26,833	16,478	26,073	2,849
Misc. Current and Accrued Liabilities	15,913	9,742	8,087	0	4,770	31,310
Total Current and Accrued Liabilities	1,027,736	628,232	434,881	393,243	413,311	268,475
Total Equity Capital and Liabilities	**$15,446,612**	$15,164,320	**$13,927,789**	**$13,598,542**	$13,974,694	$14,232,185

Source: Annual Reports filed with the KPSC

Utility plant increased by $3.8 million from 2001 to 2006. $3.4 million, or 89.5 percent, of this increase was funded by donated capital – primarily grants. Accounts receivable increased by $200,000 from 2001 to 2006. At December 31, 2006, accounts receivable represent 26.8 percent of annual revenues compared to only 10.6 percent in 2001. While long-term debt decreased by $210,000 from 2001 to 2006, accrued interest and current maturities of long-term debt increased $303,000. Accounts payable at December 31, 2006 represented 51.4 percent of fiscal 2006 operating expenses compared to accounts payable at December 31, 2001, which represented 13.8 percent of fiscal 2001 operating expenses. Accounts payable increased by $435,000 from 2001 to 2006. In total, current and accrued liabilities increased by $759,000 from December 31, 2001 to December 31, 2006. The District has relied on its vendors to provide the cash flow needed to fund District operations

(by delaying the payment of amounts due for goods and services purchased) in the absence of a rate increase and effective collection practices.

Exhibit V-3
Actual to Budget Results
Fiscal Years 2005 and 2006

	2005			2006		
	Budget	Actual	Variance	Budget	Actual	Variance
Operating Revenues	$1,214,000	$1,067,083	$(147,087)	**$1,440,000**	**$1,135,790**	**$(304,210)**
O&M Expenses:						
Salaries and Wages	360,000	437,323	(77,323)	575,000	431,633	143,367
Employee Pensions and Benefits	31,808	59,446	(27,638)	118,700	102,793	15,907
Purchased Water	4,200	17,060	(12,860)	14,000	8,688	5,312
Purchased Power	156,000	179,785	(23,785)	180,000	179,697	303
Chemicals	27,000	38,453	(11,453)	40,000	51,187	(11,187)
Materials and Supplies	29,500	83,113	(56,613)	85,000	54,430	30,570
Contractual Services - Engineering	25,000	0	25,000	0	0	0
Contractual Services - Accounting	1,620	39,000	(37,380)	39,000	39,050	(50)
Contractual Services - Legal	0	3,000	(3,000)	3,000	0	3,000
Contractual Services - Testing	7,500	12,227	(4,727)	13,000	17,807	(4,807)
Contractual Services - Other	36,000	16,350	19,650	20,000	5,734	14,266
Rental of Equipment	0	308	(308)	4,000	2,000	2,000
Transportation Expenses	10,000	28,997	(18,997)	30,000	28,278	1,722
Insurance – Vehicle	4,300	10,054	(5,754)	10,500	10,094	406
Insurance – General Liability	25,442	23,461	1,981	24,000	20,457	3,543
Insurance – Workers' Comp	13,500	29,345	(15,845)	30,000	21,584	8,416
Insurance – Other	650	39,027	(38,377)	35,000	4,907	30,093
Advertising	1,000	686	314	1,000	520	480
Bad Debt Expense	0	22,153	(22,153)	22,000	24,631	(2,631)
Miscellaneous Expenses	20,000	20,491	(491)	20,000	23,914	(3,914)
Total Operating Expenses	**753,520**	**1,060,279**	**(247,313)**	**1,264,230**	**1,032,404**	**231,826**

	2005			2006		
	Budget	Actual	Variance	Budget	Actual	Variance
Operating Margin (EBITDA)	460,480	6,804	(453,676)	175,770	103,386	72,384
Depreciation Expense	500,000	527,490	(27,490)	535,000	552,015	(17,015)
Taxes Other Than Income Taxes	20,795	37,392	(16,597)	42,000	35,069	6,931
Interest Income	500	1,261	761	400	746	346
Interest Expense	105,500	116,924	(11,424)	110,500	115,644	(5,144)
Net Income	**(165,315)**	**(673,741)**	**(508,426)**	**(511,330)**	**(598,596)**	**(87,266)**
Capital Contributions	700,000	1,754,893	1,054,893	850,000	572,740	(277,260)
Change in Net Assets	$534,685	$1,081,154	$546,467	$338,670	$(25,856)	$(364,526)

Source: Response to Initial Data Request

The District experienced a revenue shortfall of over $300,000 in fiscal 2006 due to the timing of the RD-related rate increase. To respond to this revenue shortfall, the District carefully managed its spending in fiscal 2006 so that the actual unfavorable net income variance was only $87,000. Favorable expenses variances occurred in most budget line items, with the most significant variance being the $143,000 favorable variance in salaries and wages. This contrasts sharply with 2005 in which actual expenditures exceeded budget for most expense line items. Budgeting appears to have significantly improved from fiscal 2005 to fiscal 2006. The $143,000 favorable labor variance is due to delays in filling open positions in response to cash flow constraints. This includes two distribution crew positions.[26]

Exhibit V-4 presents the District's Fiscal 2007 budget and compares the amounts budgeted to both Fiscal 2006 actual and budgeted results.

Exhibit V-4
Fiscal 2007 Budget Comparison

	Fiscal 2006		Fiscal 2007		
	Budget	Actual	Budget	Variance From 2006 Budget	Variance From 2006 Actual
Operating Revenues	$1,440,000	$1,135,790	$1,597,000	$157,000	$461,210
O&M Expenses:					
Salaries and Wages	575,000	431,633	600,000	25,000	168,367

[26] Based on information provided by Raymond Sumpter on February 14, 2007.

	Fiscal 2006		Fiscal 2007		
	Budget	Actual	Budget	Variance From 2006 Budget	Variance From 2006 Actual
Employee Pensions and Benefits	118,700	102,793	118,700	0	15,907
Purchased Water	14,000	8,688	12,000	(2,000)	3,312
Purchased Power	180,000	179,697	190,000	10,000	10,303
Chemicals	40,000	51,187	60,000	20,000	8,813
Materials and Supplies	85,000	54,430	90,000	5,000	35,570
Contractual Services - Engineering	0	0	0	0	0
Contractual Services - Accounting	39,000	39,050	39,000	0	(50)
Contractual Services - Legal	3,000	0	3,000	0	3,000
Contractual Services - Testing	13,000	17,807	30,000	17,000	12,193
Contractual Services - Other	20,000	5,734	10,000	(10,000)	4,266
Rental of Building and Equipment	4,000	2,000	10,100	6,100	8,100
Transportation Expenses	30,000	28,278	35,000	5,000	6,722
Insurance – Vehicle	10,500	10,094	10,500	0	406
Insurance – General Liability	24,000	20,457	25,000	1,000	4,543
Insurance – Workers' Comp	30,000	21,584	30,000	0	8,416
Insurance – Other	35,000	4,907	10,000	(25,000)	5,093
Advertising	1,000	520	2,000	1,000	1,480
Bad Debt Expense	22,000	24,631	26,000	4,000	1,369
Miscellaneous Expenses	20,000	23,914	25,000	5,000	1,086
Total Operating Expenses	1,264,230	**1,032,404**	**1,326,300**	**62,070**	**293,896**
Operating Margin (EBITDA)	**175,770**	**103,386**	**270,700**	**94,930**	**167,314**
Depreciation Expense	535,000	552,015	560,000	25,000	7,985
Taxes Other Than Income Taxes	42,000	35,069	47,000	5,000	11,931
Interest Income	400	746	500	100	(246)
Interest Expense	110,500	115,644	115,700	5,200	56
Net Income	**(511,330)**	(598,596)	(451,500)	**59,830**	**147,096**

	Fiscal 2006		Fiscal 2007		
	Budget	Actual	Budget	Variance From 2006 Budget	Variance From 2006 Actual
Capital Contributions	850,000	572,740	1,250,000	400,000	677,260
Change in Net Assets	$338,670	$(25,856)	$798,500	$459,830	$824,356

Source: Budget Summary of Martin County Water District

Fiscal 2007 budgeted revenues exceed Fiscal 2006 actual revenues by 40.6 percent. Fiscal 2007 budgeted operating expenses exceed Fiscal 2006 actual operating expenses by 28.5 percent and Fiscal 2006 budgeted expenses by 4.9 percent. The budgeted Net Loss for Fiscal 2007 is 24.6 percent less than the actual Net Loss for Fiscal 2006. The increase in operating revenues is due to the anticipated rate increase associated with the RD loan.

Compared to Fiscal 2001 actual results, the compound annual growth rate for revenues is 8.7 percent and for operating expenses is 11.2 percent.

C. Findings and Conclusions

1. Current rates are significantly below those of surrounding water districts.

- **Exhibit V-5** compares MCWD rates with those of surrounding water districts.

Exhibit V-5
MCWD Rate Comparison

District	Rate Structure
Martin County Water District	First 2,000 Gallons @ $13.00 Minimum Over 2,000 Gallons @ $3.05 per 1000 Gallons
Auxier Water District	First 1,000 Gallons @ $12.15 Minimum Next 1,000 Gallons @ $7.90 per 1000 Gallons Next 6,000 Gallons @ $6.45 per 1000 Gallons Next 6,000 Gallons @ $5.45 per 1000 Gallons Over 14,000 Gallons @ $4.55 per 1000 Gallons
Big Sandy Water District	First 2,000 Gallons @ $15.32 Minimum Over 2,000 Gallons @ $5.76 per 1000 Gallons
Cannonsburg Water District	First 2,000 Gallons @ $14.46 Minimum Next 3,000 Gallons @ $5.13 per 1000 Gallons Next 15,000 Gallons @ $4.75 per 1000 Gallons Next 30,000 Gallons @ $4.37 per 1000 Gallons Next 50,000 Gallons @ $4.00 per 1000 Gallons

District	Rate Structure
	Over 100,000 Gallons @ $3.60 per 1000 Gallons
Knott County Water District	First 2,000 Gallons @ $18.25 Minimum Next 8,000 Gallons @ $5.63 per 1000 Gallons Over 10,000 Gallons @ $4.55 per 1000 Gallons
Letcher County Water District	First 2,000 Gallons @ $20.54 Minimum Over 2,000 Gallons @ $4.75 per 1000 Gallons
Magoffin County Water District	First 2,000 Gallons @ $13.86 Minimum Next 3,000 Gallons @ $6.13 per 1000 Gallons Next 5,000 Gallons @ $5.63 per 1000 Gallons Over 10,000 Gallons @ $5.13 per 1000 Gallons
Morgan County Water District	First 2,000 Gallons @ $19.41 Minimum Next 3,000 Gallons @ $7.03 per 1000 Gallons Next 5,000 Gallons @ $6.43 per 1000 Gallons Next 5,000 Gallons @ $5.83 per 1000 Gallons Over 15,000 Gallons @ $5.25 per 1000 Gallons
Mountain Water District	First 2,000 Gallons @ $18.00 Minimum Over 2,000 Gallons @ $5.16 per 1000 Gallons
Rattlesnake Ridge Water District	First 1,000 Gallons @ $12.50 Minimum Next 4,000 Gallons @ $7.90 per 1000 Gallons Next 5,000 Gallons @ $6.80 per 1000 Gallons Next 10,000 Gallons @ $5.80 per 1000 Gallons Next 20,000 Gallons @ $4.00 per 1000 Gallons Over 40,000 Gallons @ $3.10 per 1000 Gallons
Southern Water and Sewer District	First 2,000 Gallons @ $16.50 Minimum Over 2,000 Gallons @ $5.50 per 1000 Gallons

Source: O'Brien & Gere

- The RD rate increase is expected to increase revenues by approximately 50 percent; with the minimum charge increasing from $13.00 to $18.00 per month.

2. Even with the RD rate increase, rates will not be sufficient to fully fund all needed activities.

- The RD rate increase was based on the 2006 Budget and assumptions related to debt service for the new debt and the refinancing of a small amount of existing debt. Annual debt service costs funded by the RD rates are $400,080 ($217,855 of principal and $182,225 of interest).

- The RD rate increase provides for $43,000 for the replacement of short-lived assets annually as follows:
  - Computers, Billing Program and Small Pick-up Trucks (1-5 year life) - $4,500
  - Class 4 Vehicles (6-10 year life) - $8,500
  - Storage Tanks, Pump Stations (11-15 year life) - $30,000
- The RD-required coverage ratio of 1.10 provides $39,605 annually for "Coverage and Depreciation."
- The 2006 Budget does not fund expenditures needed to reduce water loss as discussed in Chapter II, Water Provisioning Process. (See Recommendation II-1).
- While the eventual reduction of water loss will reduce certain expenses (i.e., chemicals, electricity, leak repair), these expenses cannot be reduced without first making those expenditures required to reduce the water loss.
- The District is discussing opportunities to consolidate and re-finance debt with the Kentucky Infrastructure Agency (KIA). If certain conditions are met, the new interest rate may be as low as one percent. However, reductions in debt service costs resulting from reducing interest rates to one percent may be offset by a shortening of the debt repayment period. MCWD has issued debt with maturities up to forty years. KIA debt would have a repayment period of no more than twenty years.
- Efforts to collect past due accounts receivable and reduce theft of service as discussed in Chapter IV, Customer Service and Revenues, will also serve to partially mitigate the need for future rate increase.
- At September 30, 2006, MCWD had accounts payable over 90 days which totaled $228,339.46. Future revenue streams should be sufficient to keep accounts payable current and reduce these significantly past due accounts payables. The accounts payable over 90 days include $15,200 to the CPA firm that completed the financial audit of the District's fiscal 2001 financial statements and $91,500 to the CPA firm currently providing finance and accounting services to the District.
- The District was 40 days late on the payment due in December 2006 for its existing RD loans and was close to being put on the federal default list.[27]

3. **The roles and responsibilities of the General Manager and Board of Commissioners are not clearly defined and the organization is not appropriately structured as the District evolves from its crisis mode of operations.**
   - The current organization structure in which all functional areas do not report to the General Manager and in which members of the Board of Commissioners have significant hands-on involvement in the day to day operations of the District is not typical in the utility industry.

[27] Based on interview with Holly Nicholas, O'Brien & Gere, on January 11, 2007

- As noted in Chapter One, many significant problems facing the District over the past few years have been fixed in large part by the active participation of the individual members of the Board of Commissioners.
- Given that so many of these problems have been resolved, the District should evolve back to a more traditional organization and management structure for the day-to-day operations of the District. That is, an organization structure in which all functional areas report to the General Manager and the Board of Commissioners becomes an oversight body rather than one involved in the day-to-day activities of the District.
- The General Manager does not currently direct accounting and finance and customer service activities (i.e., the business office activities).

4. **The members of the Board of Commissioners are not properly compensated for services provided.**
   - Board members receive no compensation from the District.
   - Board members view the services they provide to the District as a personal and civic responsibility. These services and the level of effort expended by the current Board on behalf of MCWD ratepayers has been significant.
   - MCWD ratepayers should not expect that Commissioners continue to provide these services on a volunteer basis.

5. **The District has written policies and procedures that are current, including:**
   - Code of Ethics
   - Confidentiality Policy
   - Sexual Harassment Policy
   - Personnel Policies and Procedures
   - Fiscal Policies

6. **Financial audits have not been completed for years subsequent to fiscal 2001.**
   - The last audited financial statements are for the year ended December 31, 2001.
   - The District does not currently have the funds to pay for annual financial audits.
   - The CPA firm hired to complete the Fiscal 2001 audit was not fully paid as of September 30, 2006.
   - The local CPA firm's independence is impaired given their primary role in developing the District's financial statements. Therefore, they will be unable to be engaged to audit those financial statements

7. **The District has now filed all required regulatory reports.**

- However, the District only recently became current in its regulatory filings (e.g., Annual Reports) with the Commission after having been delinquent for several years.
- The District is required to complete separate Annual Reports for both water and sewer operations.
  - Annual Reports for water operations had been completed through 2005 at the time the audit started.
  - Annual Reports for sewer operations had not been completed for several years. The District was hoping to avoid the time and expense of the sewer reports since there are only four sewer customers, but a waiver could not be obtained from the Commission.
  - The 2006 Annual Reports and the delinquent sewer reports were submitted to the Commission in early 2007.
- The District relies on its outsourced provider of accounting services to prepare both regulatory and financial reports. As of September 30, 2006, the District had not paid invoices for these services since July 2003.

8. The District's Fiscal Policies are generally reasonable for a utility of its size.

- The District has well-defined and up-to-date Fiscal Policies.
- All finance and accounting services are provided by an outside CPA firm. According to the firm's response to the District's RFP, it will provide services to the District including but not limited to:

> *"(A)ccounts payable services with purchase order system development and maintenance, accounts receivable service development and reconciliation, cash reconciliation and internal control development and maintenance, complete payroll services and reporting, relative accounting services and general ledger maintenance in accordance with the PSC prescribed chart of accounts, special reporting as needed including PSC reports, budgeting and analysis, assistance with required audits, and other accounting services as required for a flat fee of $3,250 per month."*

- While members of the Board of Commissioners interact frequently with the outside CPA firm, no one at the District appears to have the financial expertise needed to provide accounting direction or perform effective analyses of financial results.
- The District's Fiscal Policies do not provide for active involvement of the General Manager. For example, the role of the General Manager related to budget development and approval and the approval of disbursements is not defined in the Fiscal Policies. Also, the General Manager does not see financial results and budget variances until the financial information is presented to the Board each month.

- The accuracy of accounts receivable balances is in question as a result of the difficulty reconciling information coming from the billing / customer information system.
- Checks are signed by members of the Board of Commissioners.
- Bank accounts are reconciled on a timely basis. The District has the following bank accounts:

Exhibit V-6
District Bank Accounts and Balances at September 30, 2006

Description	Bank Balance at 9/30/06	Level of Activity
128b-04-138-6 Sec B Depreciation	$3,586.97	None[28]
131.2b-04-137-8 Sec B Revenue	$49.82	None
132b-10-550-3 Sec B Security Deposit	$53,186.67	Low
128a-17-492-0 Sec A Depreciation	$1,041.46	None
126a-17-493-9 Sec A Sinking Fund	$196.91	None
132a-18-445-4 Sec A Security Deposit	$15,634.85	Low
127a-51-136-6 Sec A KIA - Other Special Fund	$621.65	None
131.2a-51-757-7 Sec A Revenue	$55,222.15	High
131.4b-76-994-0 Payroll	$16,511.75	Medium
129-56-407-9 Grant Fund	$103,875.30	Low
133b-53-694-6 Rockhs Project – Other Special Deposit	$104.40	None
133b-52-720-3 Airport Project – Other Special Deposit	$8,196.74	None
126b-04-135-1 Sec B Sinking Fund	$1,276.05	None
131.3b-04-134-3 Operations and Maintenance	$15,124.98	Medium

Source: District Response to Initial Data Request and BWG Analysis

9. **While the District has taken advantage of some State sponsored training for management staff and members of the Board of Commissioners in the past, it has not taken full advantage of the training offered by the State and the Kentucky Rural Water Association.**

[28] Service charges and / or interest only

10. **Information technology (hardware and software) is sufficient to meet the basic needs of District employees.**

- Hardware appears to be up-to-date.
- Microsoft Office applications are available to District employees.
- Accounting software is owned by the outsourced provider of finance and accounting services.
- The District is in the process of installing a new Customer Information System.

D. Recommendations

1. **The District should file a rate case with the Kentucky Public Service Commission.** (Refers to Finding No.2)

- This increase is needed to provide funding for increased resources that cannot be funded by the implementation of its RD-related rate increase.
- The additional expenses not included in the 2007 budget (and, as a result, not funded by the RD rate increase) include: (a) wages and benefits for a four man distribution crew and water treatment plant operator, (c) new Service Building-related costs, (d) vehicle expenses for the new crew, (e) annual audit fees, (f) Board of Commissioners salaries, and (g) debt service costs to fund the main and service replacement program. These additional expenditures could total in excess of $250,000 per year.
- Within twelve months of reducing its water loss to 15 percent, the District should be required to file a subsequent rate case to determine its on-going revenue requirements.

2. **Clearly define the roles of the Commissioners and General Manager. The definitions should be explicit as to the scope and limits of authority, the types of decisions that can be made, and areas of responsibility.** (Refers to Finding No. 3)

- Change the District's management and governance processes so that the General Manager has responsibility for all functional areas, including finance and accounting and customer service. (See Recommendation No. 7)
- Clearly define decision making responsibilities for the following:
  - Personnel matters (e.g., hiring and firing, authorizing overtime, pay raises for individuals, benefits)
  - Financial decisions (e.g., spending authorization, limits on the ability to commit the District to contracts, spending outside the budget)
  - Operating decisions (e.g., setting construction and maintenance priorities)
- Expand the District's Fiscal Policies to fully define the role of the General Manager including roles related to budget development and approval, variance analysis, and disbursement approval.

- The objective is to eliminate any overlap between the Board and the General Manager. The General Manager should have full authority for all decisions in his areas of responsibility, with the Board providing after-the-fact oversight.

3. **As soon as funding is available, begin to pay the members of the Board of Commissioners salaries based on guidelines provided by Kentucky Administrative Regulations.** (Refers to Finding No. 4)
    - Include Board salaries as an operating expense in the 2007 budget, the RD loan application, and the KPSC rate case, when filed.

4. **As soon as funding is available, arrange for an external audit of the District's financial statements and then continue these audits on a timely basis going forward.** (Refers to Finding No. 6)

5. **As soon as funding becomes available, establish a position of bookkeeper / accountant with responsibility for accounting and other transactional accounting processes.** (Refers to Finding No. 8)
    - Check signing and bank account reconciliations should remain separate from the duties of the bookkeeper / accountant.
    - In the event the District pursues the regionalization of certain functions, this could be a function that becomes regionalized. (See Recommendation 6)

6. **The District should encourage its management staff and the members of the Board of Commissioners to take better advantage of State-sponsored training opportunities.** (Refers to Finding No. 9)
    - Include training fees and out-of-pocket expenses as an operating expense in the 2007 budget, the RD loan application, and the KPSC rate case, when filed.

7. **Consider increased regionalization to achieve economies of scale and reduce vulnerabilities to supply and personnel interruptions.** (Refer to Chapter II, Findings 3 and 9)
    - MCWD lacks adequate scale to provide consistently all professional functions necessary, such as engineering, laboratory, bookkeeping, and pollution control.
    - An unplanned loss of personnel in any section creates immediate problems in timely completion of work or performance of critical functions.
    - MCWD relies on free or low cost services not under its control for technical services. These services are provided by DOW, Kentucky Rural Water Association and Big Sandy.
    - MCWD lacks significant scale to leverage lower costs from suppliers and cannot maintain a full inventory of materials.

B



Management and Process Audit of
Martin County Water District

For the
Kentucky Public Service Commission

Management Audit Action Plans

June 14, 2007

Barrington-Wellesley Group, Inc.

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Martin County Water District
Management Audit Action Plan

I. Report Reference

- **Chapter II**
- **Recommendation Number -- 1**
- **Priority – A**

II. Recommendation Statement

1. Through a combination of revenue increases and cost reductions, increase water provisioning process resources. (Reference Final Report Findings 5 and 9)
   - Increase rates above the RD Grant rate increase in process. (See Chapter V)
   - Consider selling unused property such as the old Tug Fork raw water intake site and the old Route 40 pump station site.
   - Prioritize water loss reductions (see below) to qualify for PSC rate increases and petition the PSC for interim relief from the water loss requirement if necessary.
   - Install paid tap requests in a timely manner. The District will begin collecting monthly payments sooner.
   - Support bill collection turn-offs and theft investigations in a timely manner to increase bill collections.
   - Reduce electricity, chemicals and leak repair costs by reducing water losses (see below).
   - Further reduce electricity costs by:
     - Adding additional capacitor banks on pumps as economically justified.
     - Exploring the possibility of time of day off peak rates and do as much required pumping as possible in lower rate periods.
     - Considering natural gas powered pump replacements for electric pumps if the total cost is lower.
   - Fill the vacant distribution supervisor position and add one four person distribution crew to reduce the work backlog and implement the water loss reduction program, damage prevention program, watershed management program and preventive maintenance program recommended below.
   - Add a fifth water treatment plant operator to reduce overtime and provide a resource for preventive maintenance and record keeping assistance.

- Add an additional back hoe or excavator and two trucks and trailers appropriate to haul the additional equipment.
- Add additional facilities, vehicles, equipment, materials, and supplies as necessary to make the distribution crews as efficient as possible. A service center with a garage for minor maintenance, warehouse, meeting/training rooms, computer access and offices would be ideal.

III. Background/Findings

Revenue is not adequate to support necessary water provisioning process work. Increased revenue is required to support specific increases in distribution resources. Relevant portions of the findings from the Chapter II of the Final Report are shown below.

5. There is a large backlog of distribution work. (Final Report page II-11)
   - There were approximately 50 tap requests not yet completed as of November 14, 2006; tap fees had been collected for 13 of these tap requests.
   - There were 246 work orders not yet completed for leak repairs, meter sets, meter rereads, meter pulls, low pressure, meter reads in, meter reads out, tap relocates, and similar distribution work.
   - Main leaks are prioritized for repair over other work. However, failing to reduce the backlog of work orders has allowed service leaks to continue un-repaired for a period of time and revenue from new and delinquent customers to be delayed.

9. Adequate resources – labor, materials and equipment – are not available for the water provisioning process. (Final Report page II-12)
   - Water provisioning process costs are low. The total operating expenses for MCWD in 2006 were $1,032,404. The following table shows expense trends for the District. Accounting classification changes and reduction in treated water are responsible for the differences in individual accounts from 2005 to 2006.

Exhibit II-8
MCWD Expense Trends

Expense Account	2006	2005	2004	2003
Source of Supply & Pumping – Operation	$74,968	$170,763	$125,523	$109,583
Source of Supply & Pumping – Maintenance	13,376	7,666	59,109	121,394
Water Treatment – Operation	354,259	311,889	210,193	109,403
Water Treatment – Maintenance	909	5,587	57,767	110,060
Transmission & Distribution – Operation	179,285	181,178	178,055	116,989
Transmission & Distribution – Maintenance	179,666	163,936	170,269	184,625
Customer Accounts	96,434	98,489	120,020	120,437
Administrative & General	133,507	120,771	117,131	120,969
Total	1,032,404	1,060,279	1,038,067	993,460
Customers at Year End	3,506	3,411	3,434	3,376
Expenses per Customer	294	311	302	294

Source: Annual reports to the Commission and BWG calculations

- The largest expense categories in 2006 were:
  - Salaries, wages, pension and benefits for employees - $534,426
  - Purchased power - $179,697
  - Chemicals - $51,187
  - These three categories accounted for 74 percent of the total operating expenses
- Unit costs for providing water in 2006 are shown in Exhibit II-9.

Exhibit II-9
2006 Unit Operating Costs
(With No Administrative and General Overhead Costs Applied)

Cost Area	Total Cost	Thousand Gallons Produced	Cost per Thousand Gallons Produced
Supply and Treatment	$443,512	595,314	$.745
		Thousand Gallons Produced and Purchased (Distributed)	Cost per Thousand Gallons Distributed
Transmission and Distribution	$358,951	601,335	$.597
	Total MCWD Operating Expense	Thousand Gallons of Water Sold	Cost per Thousand Gallons Sold

Cost Area	Total Cost	Thousand Gallons Produced	Cost per Thousand Gallons Produced
Total Cost for All Functions	$1,032,404	271,046	$3.81
			Cost per Thousand Gallons Distributed
			$1.72

Sources: MCWD Annual Reports and BWG calculations

- Total inventory for plant materials and supplies at the end of 2006 was only $17,529. A treatment and distribution operation the scale of MCWD requires a larger inventory of materials and supplies for efficient operations.
- There are only four full-time water treatment plant operators and two on-call part-time operators. A seven by 24 hour operation requires a minimum of five full-time operators to cover 21 shifts per week and have spare capacity for vacations, illness, training and other absences.
- There are only five distribution employees. The sixth distribution employee, the supervisor, recently became the fourth treatment plant operator and was not replaced in distribution. One of the distribution employees is largely occupied by sampling and other duties and is normally unavailable for main, service and meter work. Many jobs require a crew of four or more because of difficult traffic management conditions. With vacations and other absences, this often results in having a single crew doing one job at a time each day.
- The distribution crew does not have a trailer for its only backhoe and, even if there was a trailer, there is no vehicle capable of towing the backhoe and trailer. This results in highly inefficient and dangerous driving of the backhoe from job to job.
- The distribution crew does not have an assembly area or proper facilities for garaging equipment and storage of materials and supplies.

IV. Expected Improvement/Improvement Timeline

One year for adding the necessary revenue, hiring and beginning training for the new personnel, and adding the recommended equipment and materials. Two years to add the recommended service center.

V. Cost/Benefit Analysis and Support

Cost Analysis

- 2006 supply, treatment, transmission and distribution costs were $802,463. This amount is estimated to increase by $500,000 for the five additional employees (the distribution supervisor is in the 2006 amounts) and additional operations and maintenance expense for equipment and materials.

- The new service center and additional equipment is estimated to cost approximately $500,000.

Benefit Analysis

- Sale of unused property is estimated to net $50,000.
- Reduced backlog of customer related work orders and more timely taps, turnoffs, and theft investigations supporting increased revenue sooner and reduced bad debt write offs and water thefts estimated at $25,000 per year savings.
- Reduced leaks through prompt response to leak calls will contribute to the water loss savings quantified in II-2 below.
- The benefits of the water loss reduction, preventive maintenance program, upgraded leak detection and repair program, damage prevention program, and watershed pollution control program are covered in the respective management audit action plans.
- Further reduction of electricity costs due to pump capacitor banks or a switch to natural gas pumping would have to be economically justified.
- The potential for implementing time of day rates must be investigated for feasibility.

Cost/Benefit Summary

Category	One Time	Annual Recurring
Cost	$500,000	$500,000
Benefits	$50,000	$25,000

Other Costs or Benefits

- The above costs represent the bulk of the costs for Recommendations II-2, 3, 4, and 5 as well. The additional personnel, equipment and facilities will provide the resources necessary for the water loss reduction, preventive maintenance, upgraded leak detection and repair, damage prevention and watershed pollution control programs.

VI. Utility Response

Recommended Action

_____ Approved ___x__ Approved with Exception _____ Rejected

- The sale of surplus property needs additional investigation as to the disposal procedure. Tug River raw water intake should be renovated and be used as back-up for the present system.

VII. Implementation Steps

Step 1: Increase rates above the RD Grant rate in process.

- Response: Board approval has been granted to request assistance from the Public Service Commission. Letter sent to the Public Service Commission for assistance on May 22, 2007

- Person Responsible: Board and General Manager. Completion date will be determined by the PSC.

Step 2: Consider selling unused property such as the old Tug Fork raw water intake site and the old Route 40 pump station site.

- Response: The old Tug Fork raw water intake site needs to be evaluated for possible renovation to be used as a back-up to the New Raw Water Intake. The other unused property such as the old Route 40 Pump Station and the old Wolf Creek Tank site needs to be evaluated for liability purposes and a value applied to each site by the Board. This should be completed by July 2007.

- Person Responsible: Board and General Manager.

Step 3: Prioritize water loss reductions to qualify for PSC rate increases and petition the PSC for interim relief from the water loss requirement if necessary.

- Response: The District has a plan in effect at present. A bid package, for In-Line Master Meters is being prepared as of May 22, 2007. After the Master Meters has been installed, the meter books will be realigned to correspond with the Master Meters and monitoring of the usage and meters will be conducted each month to determine where the water loss is occurring. This will be an ongoing process.

- Person Responsible: Board and General Manager.

Step 4: Install paid tap requests in a timely manner.

- Response: The District's Policy is to collect the tap fee on the day the tap is completed. The Tariff states that if we collect the tap fee, we have 72 hours to complete the work. That's the reason we collect the day we install. When funds become available to hire additional help the process will be completed in a timely manner.

- Person Responsible: General Manager

Step 5: Support bill collection turn-offs and theft investigations in a timely manner to increase bill collections.

- Response: As funds become available, the Board has authorized a position for an Accounts Receivable person. The primary duties will be to monitor Accounts Receivable, pull and install meters that were pulled for non-payment. Also, monitor theft of services. December 2007 will be the target date for this position.

- Person Responsible: General Manager, District, and Accounts Receivable person.

Step 6: Reduced electricity, chemicals and leak repair costs by reducing water losses.

- Response: Reference Step 3.

Step 7: Further reduce electricity costs

- Response: Due to the water storage capacity, a more thorough research of the further reduction of electricity costs will need to be completed. December 2008.

- Person Responsible: General Manager

Step 8: Fill the vacant distribution supervisor position and add one four person distribution crew to reduce the work backlog and implement the water loss reduction program, damage prevention program, watershed management program and preventive maintenance program recommended below.

- Response: Due to funding, July 2008 could be the projected date for implementing this process.

- Person Responsible: General Manager

Step 9: Add a fifth water treatment plant operator to reduce overtime and provide a resource for preventive maintenance and record keeping assistance.

- Response: As funds become available. One year.

- Person Responsible: General Manager.

Step 10: Add an additional back hoe or excavator and two trucks and trailers appropriate to haul the additional equipment.

- Response: As funds become available. Two years.

- Person Responsible: General Manager

Step 11: Add additional facilities, vehicles, equipment, materials, and supplies as necessary to make the distribution crews as efficient as possible. A service center

with a garage for minor maintenance, warehouse, meeting/training rooms, computer access and offices would be ideal.

- Response: As funds become available, and with the plant upgrade within the next Two years, this would be a great asset to the District.
- Person Responsible: Board and General Manager

VIII. Comments/Clarification of Intent

Consultant Name: David Vondle

Discussion

Step 1: Increase rates above the RD Grant rate in process.

Most of the recommended improvements are dependent on increased revenue. If it appears that the PSC rate increase process will take several months or years or may be unsuccessful, the District should consider a second expedited RD Grant related increase.

Step 2: Consider selling unused property such as the old Tug Fork raw water intake site and the old Route 40 pump station site.

Renovating the old Tug Fork intake and the associated transmission line to the reservoir should be included in the vulnerability assessment. Any renovation should be included in the capital planning process.

Step 4: Install paid tap requests in a timely manner.

The spirit of this recommendation is to work down the backlog to the point where as soon as the site is ready for the tap, the District can collect the tap fee and do the tap to provide responsive service and begin collecting the new revenue.

Step 5: *Support bill collection turn-offs and theft investigations in a timely manner to increase bill collections.*

The management audit did not recommend an Accounts Receivable person. This recommendation was intended for the distribution section. Again, the backlog should be worked down to the point that services can be turned off and theft investigations made no later than the day after the request is made.

Step 8: Fill the vacant distribution supervisor position and add one four person distribution crew to reduce the work backlog and implement the recommended distribution improvements.

The July 2008 schedule date is too late. Many distribution improvements are contingent on increased distribution work capacity. The supporting rate increase should be accelerated to allow quicker implementation of this recommendation.

Martin County Water District
Management Audit Action Plan

I. Report Reference

- **Chapter -- II**
- **Recommendation Number -- 2**
- **Priority – A**

II. Recommendation Statement

2. Develop a comprehensive water loss reduction program. (Reference Final Report Finding 4)
    - Improve the metering of produced and distributed water to include in-line master meters from the Clearwell tank, all subsidiary distribution tanks and on all major distribution mains. Make immediate use of the existing A system meter for determining the relative water loss between the A and B systems.
    - Use the information from additional metering of distributed water as compared to metered consumed water to identify water losses by main. Rank them from highest to lowest water loss. The Kentucky Rural Water Association Peer Review Report contains detailed recommendations for this process.
    - Prioritize, based on volumes of water lost, the mains and services for replacement or repair.
    - Prior to commencing repair and replacement work on each main, identify and resolve any water theft, metering or related problems.
    - Replace or repair all excessively leaking mains and services over a three year period.

III. Background/Findings

4. MCWD has significantly reduced water losses, but the system still incurs excessive water losses. (Final Report page II-8)
    - The following table shows water production, purchase and sale trends as reported to the PSC.

Exhibit II-6
Water Pumped and Sold
(Million Gallons)

	2006	2005	2004	2003
Water Purchased	6.02	6.34	14.67	19.39
Water Pumped	595.31	635.82	654.92	651.60
Total Purchased and Pumped	601.33	642.17	669.59	670.99
Total Water Sold to Customers	271.05	224.02	N/A	N/A
Water Purchased or Pumped but not Sold	330.28	418.15	N/A	N/A
Percent not Sold	55	65	N/A	N/A
Maximum Gallons Pumped in One Day	1.849	1.948	1.99	N/A

Source: Annual reports to the PSC and BWG calculations

- MCWD has recently developed a more detailed water loss analysis. The results of this analysis for 2006 are shown in the following table.

Exhibit II-7
MCWD 2006 Water Loss Analysis
(Million Gallons)

	2006
Treated Water into Clearwells - Water Produced	595.3
Purchased Water:	
Kermit Water Purchases	2.0
Mountain Water Purchases	4.0
Net Purchased Water	6.0
Total Produced and Purchased Treated Water	**601.3**
Water Supply to End Users	
Plant Use	21.1
Fire Department Use (estimated)	2.7
Prison Tank Use	34.6
Books 9-18 A Side Customer Metered Use	87.6
Books 1-8 B Side Customer Metered Use	148.8
Total Treated Water Consumption	**294.8**
Total Treated Water Loss	**306.5**
Treated Water Percentage Loss	51.0%
Total Prison Tank and Customer Metered Use	**271.0**

	2006
Water Sold as a Percentage of Water Produced	45.1%
Average Gallons per Day Produced or Purchased	1.65
Average Gallons per Day Sold	.74

Source: MCWD Water Loss Analysis and BWG calculations

- Water purchased or produced but not sold fell from 65 percent in 2005 to 55 percent in 2006.
- From 2005 to 2006, MCWD purchased and produced less water, but sold more. This is largely due to reducing subsidiary distribution tank overruns, fixing main and service leaks and replacing meters (to get more accurate usage numbers).
- MCWD has reduced its water purchases 69 percent from 2003 to 2006.
- The metering of produced and distributed water is not comprehensive. There is only one transmission and distribution meter. It is at the pump station serving the A system. It has not been read and therefore has not been used for determining the A system water losses versus the B system water losses. More in-line "master" meters are planned, but have not yet been funded or installed. Additional transmission and distribution master meters will allow the pinpointing of water losses by distribution main. This will allow precise prioritization of leak reduction efforts.
- By long standing, but informal, practice, MCWD supplies water to the five volunteer fire department stations in the county at no charge. This is in addition to the customary practice of not charging for fire hydrant water used in fighting fires and training. At present, water used by the fire department stations is not metered.
- Water losses due to leaks and other causes are not reasonable. The PSC standard is to have water losses of less than 15 percent. Water professionals familiar with Eastern Kentucky (see footnote 9) are in agreement that MCWD could meet this standard. Now that the overflowing tank problem has been fixed, the remaining water losses are likely attributable to:
  - Main and service leaks, with the consensus that service leaks are the larger problem. Main leaks are easier to visually identify and typically cause water pressure problems for customers on the main, triggering an investigation. Services, however, can have relatively small leaks that are not readily identifiable because they are near creeks or streams and can still provide basic water pressure. Service line leaks are estimated (see footnote 9) to cause 50 to 90 percent of the water losses.
  - Customer metering problems and water theft is the other potential category of water losses. This category can include: slow meters,

meters that were never installed on service lines, unauthorized taps, and meter bypasses.

- In a PSC rate case, recovery of the costs of water losses in excess of 15 percent, excluding water used by the utility in its own operations, is not allowed according to PSC 807 KAR 5:066 Sec. 6(3). (See footnote 3 on page I-7).
- By achieving a 15 percent water loss target, 2006 water treated and purchased would have been 346.8 million gallons, rather than the actual amount of 601.3 million gallons, a reduction of 254.5 million gallons, or about 42 percent. A 42 percent reduction in water production would result in estimated direct savings of $100,000 per year. These savings come from a reduced need for electricity for pumping and chemicals for treatment. Further indirect savings could be expected from fewer leak calls and repairs and less damage caused by leaks. An additional benefit would be that a larger proportion of the raw water would come from the Crum Reservoir watershed rather than the Tug Fork.

IV. Expected Improvement/Improvement Timeline

- Water losses should be less than 15 percent within three years.

V. Cost/Benefit Analysis and Support

Cost Analysis

- The additional employee personnel, equipment and facilities for this activity are covered in Recommendations II-1 and III-1
- Approximately $100,000 for the additional in-line master meters
- Additional contractor assistance to supplement employees to make repairs as prioritized are estimated at $250,000 per year for three years

Benefit Analysis

- Direct cost savings in electricity from pumping and chemicals from reduced water losses are estimated at $100,000 per year
- Indirect cost savings will result from fewer leak calls

Cost/Benefit Summary

Category	One Time	Annual Recurring
Cost	$100,000	$250,000 for three years
Benefits		$100,000

Other Costs or Benefits

- MCWD's ability to utilize the normal PSC rate making process will be enabled

- Public and industry perception of MCWD will improve
- The additional contracted leak repair crew is likely eligible for grant funding (See Recommendation III-2)

VI. Company Response

Recommended Action

____x_ Approved _____ Approved with Exception _____ Rejected

VII. Implementation Steps

Step 1: Improve the metering of produced and distributed water to include in-line master meters from the Clearwell tank, all subsidiary distribution tanks and on all major distribution mains. Make immediate use of the existing A system meter for determining the relative water loss between the A and B systems.

- Response: A plan was developed and presented to BSADD and DOW in February 2006 to install in-line Master Meters. (See p. 6, Step 3, Chapter II)
- Person Responsible: General Manager and O'Brien & Gere

Step 2: Use the information from additional metering of distributed water as compared to metered consumed water to identify water losses by main. Rank them from highest to lowest water loss. The Kentucky Rural Water Association Peer Review Report contains detailed recommendations for this process.

- Response: Same as Step 1 above.
- Person Responsible: General Manager

Step 3: Prioritize, based on volumes of water lost, the mains and services for replacement or repair.

- Response: After careful study of the plan implemented above, a prioritized list will be formulated and repairs will began. December 2007.

Step 4: Prior to commencing repair and replacement work on each main, identify and resolve any water theft, metering or related problems.

- Response: Begin a public awareness program and stress to present customers, meter readers, and employees, to report any person or persons receiving water illegally. This will be an ongoing process.
- Person Responsible: General Manager

Step 5: Replace or repair all excessively leaking mains and services over a three year period.

- Response: The District concurs will progress as funds become available.
- Person Responsible: General Manager

VIII. **Comments/Clarification of Intent**

- **Consultant Name: David Yondle**
- **Discussion**

Step 4: Prior to commencing repair and replacement work on each main, identify and resolve any water theft, metering or related problems.

The response is good and an ongoing program is needed. However, the intent of this recommendation was specific to projects to repair or replace sections of main. Prior to commencing main repair or replacement projects, a patrol and survey of the affected line should be made to identify theft, metering, meter placement, or other related problems. Identified problems should be resolved prior to commencing work or the solution should be included in the project.

Martin County Water District
Management Audit Action Plan

I. Report Reference

- **Chapter -- II**
- **Recommendation Number -- 3**
- **Priority – B**

II. Recommendation Statement

3. Implement a preventive maintenance program including upgrading the leak detection and repair program. (Reference Final Report Finding 8)
   - Establish records for each piece of equipment (such as pumps, injectors and valves) and pipe segment.
   - Track all maintenance performed on each piece of equipment and pipe segment.
   - Develop preventive maintenance routines for select facilities including routine flushing and valve maintenance. Implement manufacturers' recommended maintenance and AWWA guidelines as available.
   - Establish an on going leak detection and repair program following the completion of the water loss reduction program (see above).

III. Background/Findings

8. There is no organized preventive maintenance program. (Final Report page II-12)
   - MCWD operates on a largely "repair it when it breaks" mode.
   - MCWD lacks organized equipment (e.g., tanks, pumps, valves, and filters) records and main and service records and recommended preventive maintenance routines.
   - Most MCWD equipment and mains would benefit from an organized preventive maintenance program. A preventive maintenance program would result in fewer service interruptions and lower costs in the future.
   - The Kentucky Rural Water Association Peer Review Report specifically recommended a Water Storage Tank Operation and Maintenance Program with the American Water Works Association recommended practices.

IV. Expected Improvement/Improvement Timeline

- Implemented preventive maintenance program operational by the end of the second year

V. Cost/Benefit Analysis and Support

Cost Analysis

- Cost of a preventive maintenance computer system and hardware is estimated at $10,000
- Operation and maintenance costs for employees, equipment and facilities are included in Recommendations II-1 and III-1

Benefit Analysis

- Fewer water delivery outages due to equipment failures (e.g., pumps and transmission mains)
- Lower repair costs due to fewer repairs
- Fewer water quality problems due to equipment failures (e.g., clarifiers, filters, and chemical injectors) and fewer instances of water quality non-compliance
- Cost savings due to fewer equipment breakdowns (overtime, contractors, parts, etc.) and lost sales due to outages estimated at $50,000 per year

Cost/Benefit Summary

Category	One Time	Annual Recurring
Cost	$10,000	0
Benefits	0	$50,000

Other Costs or Benefits

- The preventive maintenance computer system and computer equipment is likely eligible for grant funding.

VI. Utility Response

Recommended Action

__x_ Approved _____ Approved with Exception _____ Rejected

VII. Implementation Steps

Step 1: Establish records for each piece of equipment (such as pumps, injectors, valves, pipe segments and vehicles.)

- Response: Using computer software records will be maintained to tract all maintenance and inspections of all equipment in the District. December 2007 will be the target date for complete implementation of this item.

- Person Responsible: General Manager

Step 2: Track all maintenance performed on each piece of equipment and pipe segment.

- Response: Continuation of Step 1.
- Person Responsible: Distribution Supervisor

Step 3: Develop preventive maintenance routines for select facilities including routine flushing and valve maintenance. Implement manufacturers' recommended maintenance and AWWA guidelines as available.

- Response: Check all O & M Manuals and develop a preventive maintenance program according to manufacturing guide lines. One year to complete this task.
- Person Responsible: General Manager

Step 4: Establish ongoing leak detection and repair program following the completion of the water loss reduction program.

- Response: Continue to monitor the in-line meters and the customer usage records to determine if the water loss is in an acceptable range or not. On going process
- Person Responsible: Office personnel and General Manager.

VIII. Comments/Clarification of Intent

- **Consultant Name: David Vondle**
- **Discussion**

Good management action plan.

Martin County Water District
Management Audit Action Plan

I. **Report Reference**

- **Chapter -- II**
- **Recommendation Number -- 4**
- **Priority – C**

II. **Recommendation Statement**

4. Implement a damage prevention program. (Reference Final Report Finding 6)
   - Join and actively participate in Kentucky's Call Before You Dig (one call) program.
   - Mark involved facilities in a timely manner as one call notices are received.
   - Develop and implement a damage prevention education program for State and County road crews and local civil contractors.
   - Bill perpetrators who damage marked District facilities.
   - Sue perpetrators who do not pay billed damages.

III. **Background/Finding**

6. MCWD does not have a damage prevention program. (Final Report page II-11)
   - MCWD does not participate in Kentucky's one call – call before you dig - program and has no excavator education program.
   - MCWD does not normally mark its facilities in advance of excavation by others.
   - MCWD experiences many third party damages from dig-ins to its facilities.
   - The District has little recourse to collect damages if the perpetrator used the one call system and the District did not mark its facilities in a timely manner as required by the one call system.
   - When MCWD does have recourse against a party responsible for damage to its facilities, MCWD has generally chosen not to bill the perpetrators and sue to collect damages because of a lack of resources.

IV. **Expected Improvement/Improvement Timeline**

- Damage prevention program operational by the end of the second year

V. **Cost/Benefit Analysis and Support**

Cost Analysis

- Employee, equipment and facilities costs included in Recommendations II-1 and III-1.

Benefit Analysis

- Fewer third-party damages to facilities
- Lower damage repair costs
- Increased damage repair cost collected
- Fewer water outages due to third-party damages
- Total cost savings estimated at $25,000 per year

Cost/Benefit Summary

Category	One Time	Annual Recurring
Cost	0	0
Benefits	0	$25,000

Other Costs or Benefits

- None

VI. **Utility Response**

Recommended Action

__x___ Approved _____ Approved with Exception _____ Rejected

VII. **Implementation Steps**

Step 1: Join and actively participate in Kentucky's Call Before You Dig (one call) program.

- Response: We are now actively participating in this program. However, the District needs to stress this program to our Local and State road crews. Publication, concerning this program, should be published in our local newspapers. Timeline: This is a continuous process.
- Person Responsible: General Manager and Distribution Supervisor.

Step 2: Mark involved facilities in a timely manner as one call notices are received.

- Response: Facilities are being marked in a timely manner. However, all contractors are not following procedures. This will take time to educate all concern parties.

- Person Responsible: General Manager and Distribution Supervisor

Step 3: Develop and implement a damage prevention education program for State and County road crews and local civil contractors.

- Response: (See Step 1 above) Copies of water line maps will be distributed accordingly.

- Person Responsible: General Manager

Step 4: Bill perpetrators who damage marked District facilities:

- Response: This process will be implemented immediately.

- Person Responsible: Office Manager

Step 5: Sue perpetrators who do not pay billed damages.

- Response: The County Attorney will assist the District in this matter. Timeline: Immediately.

- Person Responsible: General Manager

VIII. Comments/Clarification of Intent

- **Consultant Name: David Vondle**

- ***Discussion***

Good management action plan.

Martin County Water District
Management Audit Action Plan

I. Report Reference

- **Chapter -- II**
- **Recommendation Number -- 5**
- **Priority – C**

II. Recommendation Statement

5. Establish a watershed pollution control program. (Reference Final Report Finding 7)
   - Implement a Crum Reservoir pollution control program including annual septic tank system dye tests by the Health Department and mitigation of roadway runoff.
   - Regularly test creeks flowing into the reservoir and trace problems found back to the source.
   - Work cooperatively with other water districts to establish an upstream regional watershed management program for the Tug Fork including septic tank monitoring, solid waste disposal programs and tributary testing and remediation.

III. Background/Findings

7. There is no watershed management program. (Final Report page II-11)
   - All of MCWD's water supply is from surface water. Surface water is highly vulnerable to contamination.
   - As much as one-third of MCWD's water comes from water collected in the Crum Reservoir watershed.
   - The septic systems for the houses within the Crum Reservoir watershed are not tested for effectiveness.
   - There is no mitigation of runoff from the roads in the Crum Reservoir watershed.
   - Water in the Tug Fork is collected from a much larger watershed that includes several wastewater treatment plants.
   - There are many reports of raw sewage flowing into the Tug Fork watershed as well as possible pollution from improperly disposed solid waste. There is no enforcement of septic tank regulations other than for new installations and solid waste disposal facilities are limited.

- There is no regional watershed management program that addresses pollution control in the Tug Fork watershed prior to the MCWD intake. A comprehensive regional watershed management program would have to include the West Virginia side of the Tug Fork watershed as well as the Kentucky side.

IV. Expected Improvement/Improvement Timeline

- Implemented within one year

V. Cost/Benefit Analysis and Support

Cost Analysis

- Employee, equipment and facilities costs included in Recommendation II-1. Possible incidental costs for the Health Department to test septic tanks and mitigation of problems found.

Benefit Analysis

- Better quality raw water
- Easier treatment
- Fewer chances of water quality problems

Cost/Benefit Summary

Category	One Time	Annual Recurring
Cost	0	0
Benefits	0	0

Other Costs or Benefits

- Successful initiation of a regional watershed management program might lead to further regional cooperation
- Grant money may be available to low income homeowners to mitigate septic tank problems
- Grant money may be available to study regional watershed management options

VI. Utility Response

Recommended Action

__x___ **Approved** _____ **Approved with Exception** _____ **Rejected**

VII. Implementation Steps

Step 1: Implement a Crum Reservoir pollution control program including annual septic tank system dye test by the Health Department and mitigation of roadway runoff.

- Response: The District will work with the Health Department to design a plan that will help monitor and correct any problems associated with the pollution of Crum Reservoir. Timeline: December 2007.

- Person Responsible: General Manager

Step 2: Regularly test creeks flowing into the reservoir and trace problems found back to the source.

- Response: No creeks flow into Crum Reservoir.

Step 3: Work cooperatively with other water districts to establish an upstream regional watershed management program for the Tug Fork including septic tank monitoring, solid waste disposal programs and tributary testing and remediation.

- Response: The DOW monitors the Tug Fork River on a routine basis. Kermit Water Company and 911 Services keeps the District informed of any spills or other contaminants that would be harmful to the watershed. MCWD will initiate meetings with Kermit Water and Mountain Water to plan improvement for watershed protection. Timeline: This program is presently in effect.

VIII. Comments/Clarification of Intent

- **Consultant Name: David Vondle**

- **Discussion**

Step 2: Regularly test creeks flowing into the reservoir and trace problems back to the source.

Suggest patrolling the perimeter of the reservoir after a storm to identify and mark significant surface water runoffs into the reservoir. Then periodically test these sites after storms.

Martin County Water District
Management Audit Action Plan

I. Report Reference

- **Chapter -- II**
- **Recommendation Number -- 6**
- **Priority – C**

II. Recommendation Statement

6. Develop and implement a long-term plan to reduce the system's vulnerability to supply disruptions. (Reference Finding 2) Alternative to be considered include:
   - Expand the Crum Reservoir capacity by raising and repairing the dam and/or dredging the reservoir.
   - Install a Crum Reservoir bypass (pipe and valves).
   - Expand the Treatment Plant capacity (in process).
   - Install a second line to the Clearwell tank.
   - Expand the Clearwell tank capacity (in process).
   - Expand looping and valving of the transmission and distribution tanks.
   - Expand distribution tank capacities or add additional distribution tanks.
   - Expand the telemetry system to cover the Crum Reservoir, master meters and pressure control valves to provide early detection and resolution of problems.

III. Background/Findings

Raw water is taken from the Tug Fork of the Big Sandy River (Tug Fork) and is pumped approximately five miles up to the Crum Reservoir. The raw water intake is at 580 feet elevation and its pumping capacity is rated at 1400 gallons per minute (GPM). There is a single transmission line from the raw water intake to the Crum Reservoir. The Crum Reservoir water elevation ranges from 750 feet when full to 671 feet when empty. The raw water pumped into the Crum Reservoir is supplemented by precipitation falling within the Crum Reservoir watershed. The Crum Reservoir is an open impoundment reservoir behind a man made dam. It has a maximum cumulative storage capacity of 512 million gallons. The Crum Reservoir watershed contains approximately 10 homes and two roads.[1]

The following table shows water supply statistics for October 2006.

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[1] The background information was collected through interviews with and documents provided by the General Manager and O'Brien & Gere, the District's engineering consultant.

Exhibit II-1
Water Supply for October 2006

Factor	Value
Water Pumped from the Tug Fork into the Crum Reservoir	32.679 million gallons
Rainfall	5.34 inches
Water into the Treatment Plant from the Crum Reservoir	50.225 million gallons
Percentage of Raw Water from the Tug River Assuming the Crum Reservoir Level Stayed the Same	65 percent

Sources: *October 2006 Reports: Monthly Operation Report to the Kentucky Division of Water and Monitoring Results Submittal Forms to the Kentucky Department of Environmental Protection for the Tug River and Crum Reservoir*

There has been no ongoing measurement of the distribution of raw water supplies between the Tug Fork and the reservoir watershed. Approximately 65 percent of the water transmitted from the Crum Reservoir to the Water Treatment Plant was from the Tug Fork and 35 percent was collected in the watershed in October 2006, assuming the level of the Crum reservoir remained unchanged.

Recent annual rainfall amounts, as measured at the Treatment Plant, are shown in the following table.

Exhibit II-2
Rainfall Trend

Year	Rainfall in Inches
2003	48.8
2004	49.8
2005	41.6
2006	46.9

Source: Rainfall measurements taken at the Water Treatment Plant by the plant operators.

There is a gravity feed system from Crum Reservoir to the Water Treatment Plant, which is at 620 feet, utilizing two transmission lines. Raw water from the Crum Reservoir is treated in the Water Treatment Plant using two up-flow clarifiers. Plant capacity is rated at 2 million gallons per day. Chemicals are added to settled and filtered water to meet water quality guidelines and the finished water is pumped up to the 300,000 gallon Clearwell Tank by two high lift pumps rated at 1400 GPM each through a single transmission line. The Clearwell Tank feeds the entire MCWD system, typically through transmission lines and supplemental pumping to subsidiary distribution tanks. MCWD has 15 subsidiary distribution tanks as follows:

Exhibit II-3
MCWD Subsidiary Distribution Tanks

Number	Tank	Size	Overflow Elevation
T1A	Buck Creek	150	991
T2A	Little Rock Castle	150	1080
T3A	292 South	100	1113
T4A	Big Elk	100	1080
T5A	Wolf Creek	100	819
T7B	Coldwater	150	853
T8B	Turkey	50	983
T9B	Inez (1)	500	860
T10B	Inez (2)	150	860
T11B	KY 40 W	200	1171
T12B	Calloway	100	1164
T13B	Middle Fork	260	942
T14B	Buffalo Horn	50	950
T15B	Big Sandy Airport	1040	1360
T16B	KY645	60	985

Source: MCWD Water System Map by O'Brien & Gere

To the extent practical, the distribution system is designed to use gravity feed from the subsidiary distribution tanks to the customers. However, many distribution mains require in-line pumping to reach some customers on the main. MCWD, like similar Kentucky water utilities, is required to provide a minimum of 30 pounds per square inch (PSI) pressure to each customer at the meter.

MCWD has twelve pumping stations, as follow:

Exhibit III-4
MCWD Pumping Stations

Number	Name	GPM	Elevation
P1A	KY 40 B	670	660
P2A	Big Elk	240	720
P3A	Bone Hollow	40	690
P4A	KY 292 South	130	680
P5B	Turkey	90	620

P6B	KY 40 W	420	680
P7B	Calloway	90	650
P8B	Middle Fork	245	650
P9B	KY 645	90	680
P10B	Peter Cave	130	700
P11B	Buffalo Horn	60	800
P12B	Davella Road	350	700

Source: MCWD Water System Map by O'Brien & Gere

MCWD originally developed as two distinct distribution systems that were later merged. Common terminology is to refer to the Warfield, Kentucky side as the "A" system and the Inez, Kentucky side as the "B" system. All water is treated on the B system and the A system is served by pumping treated water over a hill to the A side. The P1A pump station located at KY 40 B pumps water treated at the Water Treatment Plant to the A system.

MCWD has recently installed and initiated operation of a new telemetry system. The system monitors storage tank levels and allows remote operation of the pumps that feed them. Water Treatment Plant operators can refill tanks as needed without risk of overflowing them. The use of the telemetry system has virtually eliminated the previous problem of inadvertently overflowing tanks by leaving the pumps on too long.

The Crum Reservoir level is not telemetered or metered in any other way. Visual observations of the Crum Reservoir level are relayed to the Water Treatment Plant operators daily.

MCWD has approximately 174 miles of transmission and distribution mains ranging in size from 2 to 16 inches. The distribution mains serve approximately 3,500 customers. Typically, each customer is served from the main by a service line to a meter at the property line. MCWD estimates that it serves approximately 95 percent of the Martin County population. The remainder of the county's citizens is served by wells or other means.

MCWD is interconnected to three other systems:

- City of Kermit, West Virginia (interconnected to the A system in the far southeast end)
- City of Prestonsburg, Kentucky (interconnected to the B system in the far southwest end)
- Mountain Water District (interconnected to the A side in the far southern end)

MCWD is able to purchase water from or sell water to these interconnected systems. There are no formal agreements regarding sales and purchases and the systems operate on a "good neighbor" basis in cases of emergency. For example, at the time of this writing, the Mountain Water District was serving approximately ninety MCWD customers from its interconnection because the MCWD main to the customers was broken.

MCWD has an agreement with Prestonsburg to jointly serve the prison near the Big Sandy Airport. Both MCWD and Prestonsburg supply water to the distribution tank and Prestonsburg distributes it to the prison and bills the customer. MCWD supplies about 25 million gallons per year to the prison.

Water purchases from the interconnected systems in recent years were as follows:

Exhibit II-5
Water Purchases (Gallons)

Interconnection	2005	2006
Kermit	2,087,000	2,036,000
Prestonsburg	0	0
Mountain Water	2,701,000	3,985,000

Source: MCWD Lost Water Reports

No sales from MCWD to the other systems were noted.

IV. Expected Improvement/Improvement Timeline

- Implemented within five years.

V. Cost/Benefit Analysis and Support

Cost Analysis

- None

Benefit Analysis

- A faster response to disruptions in service.

Cost/Benefit Summary

Category	One Time	Annual Recurring
Cost	0	0
Benefits	0	0

Other Costs or Benefits

- None

VI. Utility Response

Recommended Action

____x_ Approved _____ Approved with Exception _____ Rejected

VII. Implementation Steps

Step 1: Expand the Crum Reservoir capacity by raising and repairing the dam and/or dredging the reservoir.

- Response: The District is currently working with the Soil Conservation District to obtain funding to dredge the reservoir. Timeline: When funding becomes available.
- Person Responsible: General Manager

Step 2: Install a Crum Reservoir bypass (pipe and valves).

- Response: This process was in the planning stage, however due to funding being cut, this has not been completed. When funding becomes available this will be a number one priority.
- Person Responsible: General Manager

Step 3: Expand the Treatment Plant capacity (in process).

- Response: An upgrade of the Treatment Plant to increase the capacity was submitted for bids and all the bids were to high. The District is seeking additional funds to cover the increase in cost to upgrade. Timeline: One year.

Step 4: Install a second line to the Clearwell tank.

- Response: A new 16" line has been proposed to replace existing water line. Timeline: When funding becomes available.
- Person Responsible: General Manager

Step 5: Expand the Clearwell tank capacity (in process).

- Response: When funding becomes available
- Person Responsible: General Manager

Step 6: Expand looping and valving of the transmission and distribution system.

- Response: This practice is being utilized where practical.
- Person Responsible: General Manager

Step 7: Expand distribution tank capacities or add additional distribution tanks.

- Response: The District has initiated the first phase of increasing the distribution's tank capacity beginning with the Clearwell tank. The second phase will be the Buck Creek tank and then the Coldwater tank. Timeline: When funding becomes available.

- Person Responsible: The Board and General Manager

VIII. Comments/Clarification of Intent

- **Consultant Name: David Vondle**
- **Discussion**

Step 3: Expand the Treatment Plant capacity.

As an alternative to finding more money for the planned expansion, the District should consider reducing the scope to fit the money available. As a second alternative, it may be possible to redirect the available money to water loss reductions which reduce the stress on the Treatment Plant capacity.

Step 4: Install a second line to the Clearwell tank.

The District should consider retaining and rehabilitating the existing line after the new line is installed.

Martin County Water District
Management Audit Action Plan

I. Report Reference

- **Chapter III**
- **Recommendation Number – 1**
- **Priority – B**

II. Recommendation Statement

1. Establish an in house capital program planning and management functions staffed by one engineer. Alternatively, this capital program management and function could be provided by a regional resource.

III. Background Findings

MCWD has an extensive capital program. The table below summarizes the current and recently completed major projects.

Exhibit III-1
MCWD Capital Projects, Major Repairs and Improvements
Completed in the Last Five Years

Completed Projects
• Replacement of Control Valves and Pressure Reducing Valves in the Distribution System
• Completion of Raw Water Intake and Transmission Main from the Tug Fork to Crum Reservoir
• Restoration and Maintenance of the Raw Water Intake Station
• County Wide Telemetry System Providing Automated Control of Pumping Stations and Monitoring of all Storage Tanks
• Rehabilitation of Peter Cave Branch Booster Pumping Station
• Replacement of Feed Line to Twin Water Storage Tanks
• Cleaning, Sterilization and Return to Service of Twin Water Storage Tanks
• Design of Replacement of Four Inch Water Main to Pike County Line (Flood Damage)
• Contract 12 - Water Main Extension Serving 230 Customers
• Eden School Tank
• KY 645 Water Main Extension, Booster Pump Station and Water Storage Tank
• Contract 14 - KY 40 Buck Creek Hill KDOH Water Main Relocation
• Water Meter Replacement Program (Over 1,000 Residential Meters Replaced to Date)

• County Wide Fire Hydrant Evaluation, Flow Testing and Certification
• Contract 16 - Water Main Extension to New KDOH Maintenance Garage on KY 645
• Contract 17 - Water Main Extension to Correct Low Pressure at Eden Subdivision
• Evaluation and Inspection of Twin Tanks, Buck Creek Hill and Clearwell Tank
• Upgrade of Otto Brown Booster Pumping Station to Correct a Flow Problem
• Installation of New Booster Pumping Station at Meathouse Branch to Correct Low Pressure and Flow Problem
• Security Vulnerability and Assessment and Emergency Response Plan Completed and Submitted to EPA
• Replacement of Drive Unit in Clarifier Number 2 in the Water Treatment Plant
• Various Minor Plant Improvements Required by the PSC Order
• Resolution of Numerous Low Pressure and Low Flow Customer Complaints
In Process
• KY 40 Warfield Road KDOH Water Main Relocation
• Upper Alpha Branch Water Main Replacement to Correct Low Pressure and Flow Problem
• Johnson Bottom Water Main Replacement to Correct Low Pressure and Flow Problem
• Water Treatment Plant Expansion and Improvements Phase I (Increases Capacity to 2.95 MGC per Day)
• Water Treatment Plant Expansion and Improvements Phase II (Renovate Building and Eqt, Add Offices and Conf Area)
• RD Phase I - Clearwell Tank Replacement - Single 300,000 Gallon Tank to Two 500,000 Tanks
• Wolfe Creek Water Main and Services Replacement (To Reduce Water Loss)
• Master Meter Installation - 12 Distribution Master Meters
• RD Phase II - Upgrade and Replacement of Buck Creek Hill and Stepp Water Storage Tanks
• KDOH Water Main Relocation at KY 3 and KY 645 (Will Correct Saltwell Branch Low Pressure Problem)
• Residential and Commercial Radio Read Meter Trial
• New Automated Billing System and Hardware

Source: MCWD Management Audit Kickoff Meeting Presentation confirmed by a letter from OBG

Summary details (start and completion dates, change orders, funding sources and contractors) on these projects were unavailable.

Most of the MCWD capital projects are funded by grants. A small amount of capital expenditures is funded by debt. MCWD capitalizes all capital expenditures regardless of funding source and depreciates the assets. The following table shows the additions to gross plant and donated capital (grants and contributions in aid of construction) in recent years.

Exhibit III-2
MCWD Additions to Gross Utility Plant and Donated Capital
(in thousands)

Fiscal Year	2006	2005	2004	2003	2002	2001	2000
Utility Plant	$21,809	$20,634	$19,150	$18,415	$18,240	$17,987	$17,040
Plant Additions	1,175	1,484	735	175	253	947	NA
Donated Capital (Contributions in Aid of Construction in 2001and 2002)	17,294	16,721	14,966	14,198	13,997	13,880	12,651
Donated Capital Additions	573	1,755	768	201	117	1,229	NA

Source: MCWD Annual Reports to the PSC and BWG calculations

- Utility plant additions totaled $4.8 million for the last six years. Donated capital / contributions in aid of construction totaled $4.6 million for the last six years. As of the end of 2006, MCWD had just $2.5 million in long-term debt on net plant of $14.8 million ($21.8 million gross plant less $7.0 million accumulated depreciation and amortization). Depreciation and amortization is not net of amortization of contributions-in-aid-of-construction.
- The MCWD 2006 Budget lists state grant proceeds of $768 thousand in 2004 and $700 thousand and $850 thousand budgeted for 2005 and 2006, respectively.
- MCWD has successfully addressed several of the KPSC concerns with its water provisioning process through its recent capital program.
- MCWD customer demand forecasting, system planning, capital project identification and prioritization, capital budgeting, capital program development and funding management resources are not adequate.
- Capital projects are not identified and prioritized properly.
- The past and current capital program has focused on system expansion over water loss reduction.
- Current capital funding does not adequately support needed capital programs.

IV. Expected Improvement/Improvement Timeline/Baseline

- A hope for better access of funding and may support Big Sandy ADD in better application for funds. Timeline: 6 months

V. Cost/Benefit Analysis and Support

Cost Analysis

- No cost for planning

Benefit Analysis

- Help to prioritize needs toward funding

VI. Company Response

Recommended Action

_____ Approved __X___ Approved with Exception _____ Rejected

- We agree that a Capital Program needs to be established, but do not agree that an in house engineer is necessary. We currently work with engineers through a contractual basis and they work closely with Big Sandy ADD toward capital projects deemed necessary by board approval.

VII. Implementation Steps

- This is already in progress.

VIII. Comments/Clarification of Intent

- **Consultant Name: David Vondle**
- **Discussion**

  An engineer should be hired or a regionally provided engineering function should be established. In addition to establishing the capital management process and managing the capital program, the engineer would be expected to increase capital funding from the several available sources and provide maintenance engineering assistance to the treatment and distribution sections. The District does not have adequate in-house capacity or expertise to achieve these objectives. An in-house engineer or regionally provided engineering function is required. A portion of the cost of the in-house engineer or regional engineering service can be charged to capital projects.

Martin County Water District
Management Audit Action Plan

I. Report Reference

- **Chapter -- III**
- **Recommendation Number -- 2**
- **Priority – A**

II. Recommendation Statement

2. As practical, prioritize water loss reduction programs over system expansion programs until water losses are reduced to 15 percent or less. (Reference Findings 3 and 4)
   - The 2007 IED grant money should be applied first to installing in-line master meters and pinpointing water losses by main.
   - After the water losses have been pinpointed, consider a service line leak repair / replacement program rather than a combined main and service line replacement program where practical. Service line repair/replacements are estimated to cost $400-500 each. Repairing or replacing all 3,500 service lines (which is not necessary) would likely cost less than $1.5 million. However, in some cases, it is impractical to fix the service line without repairing or replacing the main.

III. Background/Findings

3. Capital projects are not identified and prioritized properly. (Final Report page III-6)
   - The last capital program planning effort was the Capital Improvement Plan developed by OB&G in June 2003. This plan included recommendations and cost estimates for capital improvements in the water treatment plant, Crum Reservoir, telemetry system, meter replacements, storage tank renovations, and water main replacements. Several of the projects have been completed and others are in process. However, the plan has not been updated since it was first written.
   - There is no formal capital budget.
   - There is no formal capital program planning process.
   - There is no customer demand forecast or long-term system plan.
   - Capital projects are suggested by many sources, including:
     - MCWD employees
     - MCWD Board Members

- MCWD customers
- Kentucky DOW professionals
- OB&G professionals
- Big Sandy professionals

- The availability of funding strongly impacts the capital projects selected for implementation. Certain funds can only be used for certain types of projects. When those funds are available, the applicable projects are implemented.
- The Board members informally evaluate all potential capital projects and select the ones to be implemented based upon funding availability and their collective judgment.

4. The past and current capital program has focused on system expansion over water loss reduction. (Final Report page III-6)

- As noted in Chapter II, Water Provisioning Process, unaccounted for water losses are, and have chronically been, exceptionally high. This results in higher than necessary O&M costs for pumping, treatment chemicals and operations, and leak repairs.
- Prior Boards exhibited a bias towards capacity expansions over water loss reduction projects.
- Many of the past and planned capital projects are for system capacity expansion rather than for water loss reduction, for example:
  - Contract 12 Water Main Expansion
  - Contract 16 Water Main Expansion
  - Contract 17 water Main Expansion
  - Water Treatment Plant Expansion (planned)
  - Clearwell Tank Replacement and Expansion (Planned)
- While MCWD has a clear mission to serve all County citizens, its prioritization of projects has been out of balance. It has continued to expand capacity before the major water loss problems have been solved.

IV. Expected Improvement/Improvement Timeline

- Decease in water loss and increase in revenues to be an ongoing process.

V. Cost/Benefit Analysis and Support

Cost Analysis

- No cost for planning.

Benefit Analysis

Cost/Benefit Summary

Other Costs or Benefits

- None

VI. Utility Response

Recommended Action

___X__ Approved _____ Approved with Exception _____ Rejected

- We agree that accomplishing this goal would be great!

VII. Implementation Steps

Step 1: The 2007 IED grant money should be applied first to installing in-line master meters and pinpointing water losses by main.

- Response: The board has approved this and Bid Packages are being prepared.
- Person Responsible: Board of Commissioners

Step 2: After the water losses have been pinpointed, consider a service line leak repair replacement program rather than a combined main and service line replacement program where practical.

- Response: *MCWD agrees that this should be done.*
- Person Responsible: General Manager

VIII. Comments/Clarification of Intent

- **Consultant Name: David Vondle**
- **Discussion**

  Good management response.

Martin County Water District
Management Audit Action Plan

I. Report Reference

- **Chapter -- IV**
- **Recommendation Number -- 1**
- **Priority – B**

II. Recommendation Statement

1. Improve procedures to identify theft of service. (Refers to Finding No. 4)
   - *Provide incentives to meter readers and other District employees to* identify thefts of service that lead to the recovery of amounts owed to the District.
   - Use the County Attorney to recover amounts owed for the theft of service and publicize the District's intent to do so.
   - Use the 2007 Martin County enhanced 911 GIS/GPS initiative to identify premises receiving District-supplied water who are not being billed for that service.

III. Background/Findings[2]

4. Procedures to identify theft of service are incomplete.
   - Meter readers will report suspected theft of service based on evidence of meter tampering or neighbors reports. These reports are promptly investigated.
   - Customers found to have been involved in theft of service are not prosecuted. According to the County Attorney, he would be pleased to assist the District with the prosecution of these cases and at no cost other than court fees to the District.
   - District employees receive no financial incentive for the detection of theft of service and recovery of lost revenues.
   - The County's enhanced 911 service, which will be implemented in 2007, provides an opportunity to confirm who is receiving District-supplied water. This information could then be matched against District billing records to identify theft of service.
   - Based on interviews with District personnel, it does not appear that theft of service is a major contributor to the water loss problem. However, in addition to the use of "cheater" bars to bypass residential water meters

[2] See Final Report, pages IV-3 to IV-4

there are anecdotal reports of improper use of water from fire hydrants, that is, other than use by the fire departments.

IV. Expected Improvement/Improvement Timeline

- Implemented within one year

V. Cost/Benefit Analysis and Support

Cost Analysis

- Incentives paid to meter readers and other District employees to identify thefts of service that lead to the recovery of amounts owed to the District. (These amounts will be directly offset by collections of amounts owed)
- Court fees associated with using the County Attorney to recover amounts owed for the theft of service
- There will be no incremental costs associated with publicizing the District's intent to prosecute thefts of service.

Benefit Analysis

- Collections of amounts owed for theft of service
- Reduction of thefts of service going forward

Cost/Benefit Summary

Category	One Time	Annual Recurring
Cost – Court Fees	$0	$1,000
Cost - Incentives	$0	$5,000
Benefits - Recoveries	$0	$10,000

Other Costs or Benefits

- None

VI. Utility Response

Recommended Action

__x__ Approved _____ Approved with Exception _____ Rejected

VII. Implementation Steps

Step 1: Provide incentives to meter readers and other District employees to identify thefts of service that lead to the recovery of amounts owed to the District.

- Response: Offer to pay the meter readers or District employees a reward of 10% or $25.00 for the recovery of amounts owed the

District, this would be for each occurrence. This would need Board approval. Timeline: Ninety days.

- Person Responsible: Office Manager

Step 2: Use the County Attorney to recover amounts owed for the theft of service and publicize the District's intent to do so.

- Response: The District will discuss the procedures with the County Attorney and initiate this procedure immediately. Timeline: Immediately

- Person Responsible: General Manager

Step 3: Use the 2007 Martin County enhance 911 GIS/GPS initiative to identify premises receiving District-supplied water who are not being billed for that service.

- Response: Once enhanced 911 system is implemented, MCWD will begin to determine theft through use of this system. Timeline: Completion of 911 system

- Person Responsible: Office Manager

VIII. Comments/Clarification of Intent

- **Consultant Name: Joel F. Jeanson**
- **Discussion**

  Step 1 should be clarified to indicate whether the $25 is a minimum or maximum payout.

Martin County Water District
Management Audit Action Plan

I. Report Reference

- **Chapter -- IV**
- **Recommendation Number -- 2**
- **Priority – B**

II. Recommendation Statement

2. Establish procedures and take action necessary to assure compliance with MCWD Tariff Sheet No. 19. (Refers to Finding No. 2)

III. Background/Findings[3]

10. Controls are generally adequate to ensure the accuracy of customers' bills except that procedures to monitor for high usage may not be in compliance with the District's tariff.
    - Tariff Sheet 19 requires the District to monitor customer usage at least annually and, if usage is 100 percent or more above historical levels, test that meter for registration error.

IV. Expected Improvement/Improvement Timeline

- Implemented within one year

V. Cost/Benefit Analysis and Support

Cost Analysis

- Programming costs associated with exception reporting high usage
- Meter testing costs

Benefit Analysis

- Compliance with Tariff Sheet 19
- Increased customer satisfaction

Cost/Benefit Summary

Category	One Time	Annual Recurring
Costs – Programming	$500	$0
Costs – Meter Testing	$0	$500
Benefits	$0	$0

[3] See Final Report, page IV-3

Other Costs or Benefits

VI. **Utility Response**

Recommended Action

____x_ Approved _____ Approved with Exception _____ Rejected

VII. **Implementation Steps**

Step 1: Establish procedures and take action necessary to assure compliance with MCWD Tariff Sheet No. 19. (Refers to Finding No. 2)

- Response: The District developed a plan to replace all meters in the system. The District purchased one thousand (1000) meters and replaced the first one thousand (1000) meters. Tracking the customer usage was to begin with those meters, however, a change of Management occurred and this did not happened. Procedures will be put into effect to ensure compliance with the Tariff Sheet No. 19. The new software billing system is now in place and this will be completed once we have one year's data. Timeline: November 2008.

- Person Responsible: Office Manager

VIII. ***Comments/Clarification of Intent***

- **Consultant Name: Joel F. Jeanson**
- **Discussion**

  It would be helpful to provide an outline of what will be included in the procedures. Also, the process by which the new billing system will be used to test for high usage should be described. If the new billing system must be enhanced to perform the needed tests for high usage, the plan to add that functionality should be described.

Martin County Water District
Management Audit Action Plan

I. Report Reference

- **Chapter -- IV**
- **Recommendation Number -- 3**
- **Priority – A**

II. Recommendation Statement

3. Improve collection of past due accounts. (Refers to Finding No. 5)
   - Change credit policy so that responsibility for the payment of water bills remains with the landlord rather than with the tenant for rental properties. This will help reduce the number of uncollectible accounts going forward.
   - Send disconnect notices to those customers who have not paid their bills on time as allowed by Commission-approved rules and regulations.
   - Use the County Attorney to recover delinquent past due accounts.

III. Background/Findings[4]

5. Procedures to collect past due accounts are inadequate.
   - CSRs check past due accounts receivable for customers applying for new service and will not prepare a work order for service to be turned-on without having first collected the past due balance (or made payment arrangements for the collection of the past due balance) and a meter deposit.
   - The District has not sent out disconnect notices for six months. As a result, no customers have had their service disconnected for non-payment during that time.
   - Recently, the District has started printing notices on bills that past due accounts may be shut-off for non-payment. According to the Office Manager, this has prompted some customers to pay past due balances. Printing this notice avoids the cost of mailing a separate disconnect notice, but does not satisfy Commission requirements for notification prior to actual physical disconnection for non-payment.
   - The District does not call customers in an attempt to collect past due balances and does not turn accounts over to collection agencies.
   - Tenants rather than landlords are generally responsible for water bills in rental properties.

[4] See Final Report, page IV-4

- The County Attorney has indicated a willingness to prosecute individuals for non-payment of bills.

IV. Expected Improvement/Improvement Timeline

- Implemented within one to two years

V. Cost/Benefit Analysis and Support

Cost Analysis

- Legal costs associated with changing credit policies and developing landlord agreements. These costs could be avoided if the County Attorney is used to provide these services.
- Costs (including printing and postage) to mail disconnect notices. The new Customer Information System should have the capability to print disconnect notices).
- Court fees associated with using the court system to recover past due accounts receivable.

Benefit Analysis

- Reduced bad debt expenses
- Improved cash flows

Cost/Benefit Summary

Category	One Time	Annual Recurring
Costs – Legal Fees	$0	$0
Costs – Mailing	$0	$1,800
Benefits	$0	$18,000

Other Costs or Benefits

VI. Utility Response

Recommended Action

___x__ Approved _____ Approved with Exception _____ Rejected

VII. Implementation Steps

Step 1: Change credit policy so that responsibility for the payment of water bills remains with the landlord rather than with the tenant for rental properties.

- Response: The PSC informed the District that this was not legal and we could not do this.

- Person Responsible: General Manager

Step 2: Send disconnect notices to those customers who have not paid their bills on time as allowed by Commission-approved rules and regulations.

- Response: The District has implemented this procedure effective May 2007.
- Person Responsible: Office Manager

Step 3: Use the County Attorney to recover delinquent past due accounts.

- Response: The County Attorney has assured the District that he will assist in any way he can to help with the past due accounts. Timeline: Immediately
- Person Responsible: General Manager

VII. Comments/Clarification of Intent

- **Consultant Name: Joel F. Jeanson**
- **Discussion**

  No comment, assuming the policies and procedures have been updated in writing for both the sending of disconnect notices and for the use of the County Attorney.

  More detail should be provided on how the District intends to use the County Attorney to recover delinquent past due accounts.

Martin County Water District
Management Audit Action Plan

I. Report Reference

- **Chapter -- IV**
- **Recommendation Number -- 4**
- **Priority – C**

II. Recommendation Statement

4. Improve meter reading controls. (Refers to Finding No. 6)
   - Perform periodic rotation of meter reading routes.
   - Develop and implement monthly performance reporting and analysis processes.
   - Perform supervisory test inspections of meter readings, including meters not read.

III. Background/Findings

6. Meter reading controls are inadequate.
   - Meter reading routes are not rotated and meter readings are not spot-checked by supervisors for accuracy.
   - Prior meter readings are shown in the meter reading book which provides an opportunity for meter readers to 'curb" meter readings. Curbing refers to the practice of entering a meter reading into the meter reading book without having actually read the meter. However, there is no evidence that suggests that the curbing of meter readings is occurring.
   - The Office Manager requested in October 2006 that meter readers write an explanation in the meter reading book when unable to obtain a meter reading. While this information will be valuable in monitoring meter reading performance, the information has not been compiled since October due to a lack of resources. In addition, no specific action has been taken based on the information reported for October.
     - In October 2006, 70 A-Section meters, or 5 percent of all A-Section meters, were not read and 46 B-Section meters, or 2 percent of all B-Section meters were not read.
     - All B-Section no-reads were explained with only one meter not read because it could not be located. Sixty-one percent of all A-Section no-reads did not have an explanation, and of the unread meters with an explanation, over one-half were because the meter could not be located.

- Routine reporting and analysis of meter reading performance does not include monitoring the percentage of meters read by meter reader by month, the percentage of meter reading errors per meter reader per month, and the identification of the number meters not read by reason (e.g., can't find, hazardous condition, covered by water).

IV. Expected Improvement/Improvement Timeline

- Implement within one year
- Develop guidelines for the meter readers to follow.

V. Cost/Benefit Analysis and Support

Cost Analysis

Benefit Analysis

Cost/Benefit Summary

Category	One Time	Annual Recurring
Cost	0	0
Benefits	0	0

- **Other Costs or Benefits**

VI. Utility Response

Recommended Action

___x__ Approved _____ Approved with Exception _____ Rejected

VII. Implementation Steps

Step 1: Perform periodic rotation of meter reading routes.

- Response: Guidelines will be developed and implemented August 2007.
- Person Responsible: Office Manager

Step 2: Develop and implement monthly performance reporting and analysis process.

- Response: Guidelines will be developed and implemented by August 2007.
- Person Responsible: Office Manager.

Step 3: Perform supervisory test inspections of meter readings, including meters not read.

- Response: Guidelines will be developed and implemented by August 2007.

VIII. Comments/Clarification of Intent

- **Consultant Name: Joel F. Jeanson**
- **Discussion**

No comments, but would suggest that the guidelines be provided to the PSC when completed.

Martin County Water District
Management Audit Action Plan

I. **Report Reference**

- **Chapter -- IV**
- **Recommendation Number -- 5**
- **Priority – C**

II. **Recommendation Statement**

5. Provide meter readers additional tools to complete their routes timely and safely. (Refers to Finding No. 5)
   - Provide hand pumps for the removal of water from meter pits
   - Provide devices (e.g., pepper spray) that can be used to protect the meter readers from hazardous situations

III. **Background/Findings**

5. Meter reading costs are slightly below the industry average, and can be further reduced.
   - Meter readers do not have all the tools needed to complete their routes timely and safely.
     - *Meters readers do not have hand pumps for the removal of water from* meter pits
     - Meter readers do not have devices (e.g., pepper spray) that can be used to protect the meter reader from hazardous situations

IV. **Expected Improvement/Improvement Timeline**

- Implement when funds become available

V. **Cost/Benefit Analysis and Support**

Cost Analysis

- Costs of hand pumps and pepper spray (or equivalent)

Benefit Analysis

- Reduced workers compensation costs
- Improved employee safety and satisfaction

Cost/Benefit Summary

Category	One Time	Annual Recurring
Costs – Hand Pumps	$100	$0
Costs – Pepper Spray	$0	$200
Benefits	$0	$0

Other Costs or Benefits

VI. Utility Response

Recommended Action

___x__ Approved _____ Approved with Exception _____ Rejected

VII. Implementation Steps

Step 1: Provide hand pumps for the removal of water from meter pits.

- Response: The District agrees the recommendation. Timeline: August 2007 or when funds become available.
- Person Responsible: General Manager

Step 2: Provide devices (e.g., pepper spray) that can be used to protect the meter reader from hazardous situations.

- Response: The District agrees the recommendation. Timeline: August 2007 or when funds become available.

VIII. Comments/Clarification of Intent

- **Consultant Name: Joel F. Jeanson**
- **Discussion**

The timeline should mean no later than August 2007, and sooner if funds become available. This should be a relatively low cost recommendation.

Martin County Water District
Management Audit Action Plan

I. Report Reference

- **Chapter -- IV**
- **Recommendation Number -- 6**
- **Priority – C**

II. Recommendation Statement

6. Consider implementing cycle billing to shorten the meter reading-to-billing cycle and improve cash flows to the District. (Refers to Finding No. 8).

III. Background/Findings

8. The meter reading-to-billing cycle does not maximize cash flow to the District.
   - Meters are read from approximately the 15th to the 29th of each month and are billed at month-end.
   - For meters read on the 15th, it is over two weeks before those accounts are billed.
   - Cash flow could be improved

IV. Expected Improvement/Improvement Timeline

- **Evaluate**

V. Cost/Benefit Analysis and Support

Cost Analysis

- Programming costs associated with changing bill due dates.

Benefit Analysis

- Improved cash flows

Cost/Benefit Summary

Category	One Time	Annual Recurring
Costs – Programming	$500	$0
Benefits – Cash Flow	$0	$4,000

Other Costs or Benefits

VI. **Utility Response**

Recommended Action

_____ Approved __x__ Approved with Exception _____ Rejected

VII. **Implementation Step**

Step 1: Consider implementing cycle billing to shorten the meter reading-to-billing cycle and improve cash flows to the District. (Refers to Finding No. 8).

- Response: The District will need to evaluate the cost to implement this procedure
- Person Responsible: General Manager

VIII. **Comments/Clarification of Intent**

- **Consultant Name: Joel F. Jeanson**
- **Discussion**

  The evaluation process and timeframe should be spelled out more clearly together with defining a process for reporting the status of the evaluation to PSC staff.

Martin County Water District
Management Audit Action Plan

I. **Report Reference**

- **Chapter -- IV**
- **Recommendation Number -- 7**
- **Priority – C**

II. **Recommendation Statement**

7. Consider implementing bi-monthly meter reading for residential customers while continuing to bill customers monthly. (Refers to Finding No. 7)

III. **Background/Findings**

7. Meter reading costs are slightly below the industry average, and can be further reduced.

- The District pays approximately $0.81 per meter reading, including labor and transportation costs.[5] The water industry average based on a 2005 study is $0.82 per meter reading for comparable costs.
- The District's difficult terrain and lack of density suggests that costs to read meters should be higher than the industry average.
- The District attempts to read each meter monthly.
  - Water utilities commonly read residential meters less frequently than monthly. In some jurisdictions, meters are read bi-monthly or quarterly.
  - These utilities may then bill customers coincident with the meter readings or bill customers monthly using estimated meter readings in those months in which actual reads are not obtained.

IV. **Expected Improvement/Improvement Timeline**

- Timeline: December 2007

V. **Cost/Benefit Analysis and Support**

Cost Analysis

Benefit Analysis

Cost/Benefit Summary

[5] BWG calculation based on payroll documents provided by the District.

Category	One Time	Annual Recurring
Cost	0	0
Benefits	0	0

Other Costs or Benefits

VI. **Utility Response**

Recommended Action

_____ Approved ___x__ Approved with Exception _____ Rejected

VII. **Implementation Steps**

- Step 1: Consider implementing bi-monthly meter reading for residential customers while continuing to bill customers monthly.
    - Response: The District will investigate and evaluate this method. However, at this point, funding this process could be a problem.
    - Person Responsible: General Manager

VIII. **Comments/Clarification of Intent**

- **Consultant Name: Joel F. Jeanson**
- **Discussion**

The nature of the perceived funding issue should be discussed in more detail. The new billing system should have the capacity to render a bill based on an estimated meter read. Implementation steps should include testing the new billing systems ability to render a reasonable estimated bill.

Martin County Water District
Management Audit Action Plan

I. **Report Reference**

- **Chapter -- IV**
- ***Recommendation Number -- 8***
- **Priority – C**

II. **Recommendation Statement**

8. As services are replaced, those meters located in difficult to read locations should be moved to locations that are less difficult to reach and placed in a consistent manner relative to the main and customer's premises. (Refers to Finding No. 7)

III. **Background/Findings**

7. Meter reading costs are slightly below the industry average, and can be further reduced.
   - The District pays approximately $0.81 per meter reading, including labor and transportation costs.[6] The water industry average based on a 2005 study is $0.82 per meter reading for comparable costs.
   - The District's difficult terrain and lack of density suggests that costs to read meters should be higher than the industry average.
   - Some meters are difficult to locate and reach due to the inconsistent placement of meters and the terrain in which those meters are located.

IV. **Expected Improvement/Improvement Timeline**

- Timeline: September 2007.

V. **Cost/Benefit Analysis and Support**

Cost Analysis

Benefit Analysis

Cost/Benefit Summary

Category	One Time	Annual Recurring
Cost	0	0
Benefits	0	0

Other Costs or Benefits

[6] BWG calculation based on payroll documents provided by the District.

VI. **Utility Response**

Recommended Action

____x_ Approved _____ Approved with Exception _____ Rejected

VII. **Implementation Steps**

Step 1: As services are replaced, those meters located in difficult to read locations should be moved to locations that are less difficult to reach and placed in a consistent manner relative to the main and customer's premises. (Refers to Finding No. 7)

- Response: Adopt a policy to insure that the majority of taps made are placed in a consistent pattern. Timeline: September 2007
- Person Responsible: General Manager and Distribution Supervisor

VIII. **Comments/Clarification of Intent**

- **Consultant Name: Joel F. Jeanson**
- **Discussion**

No comment

Martin County Water District
Management Audit Action Plan

I. Report Reference

- **Chapter -- IV**
- **Recommendation Number -- 9**
- **Priority – C**

II. Recommendation Statement

9. Complete a cost-benefit study of AMR prior to making further investments in AMR technology. (Refers to Finding No. 13)

III. Background/Findings

13. While likely to provide some benefits, it is unlikely that the AMR pilot project can be cost-justified if the expenditure was based on borrowed or revenue-generated funds.
    - The District has contracted for the installation of 400 AMR devices at a cost of $94,500.
    - The AMR pilot program is totally funded by grants. As a result, there was *no cost-benefit study prepared to justify this expenditure.*
    - This meter requires that a meter reader drive by in order to pick-up the radio transmitted meter reading, thus resulting in some efficiency gains.
    - The meters to be installed will be more tamper-proof, will generate a "tamper notice" if the wire is disconnected, and even if the wire disconnected, the meter will continue to record water consumption.[7] Therefore, the AMR devices will be more effective against theft-of-service than the current meters.

IV. Expected Improvement/Improvement Timeline

- Timeline: This process will be on-going as funding becomes available.

V. Cost/Benefit Analysis and Support

Cost Analysis

Benefit Analysis

- The District will be able to detect theft of service easier.

Cost/Benefit Summary

[7] Based on discussion with the Sensus area representative for Wisconsin and Minnesota on January 29, 2007.

Category	One Time	Annual Recurring
Cost	0	0
Benefits	0	0

Other Costs or Benefits

VI. Utility Response

Recommended Action

___x__ Approved _____ Approved with Exception _____ Rejected

VII. Implementation Steps

Step 1: Complete a cost-benefit study of AMR prior to making further investments in AMR technology. (Refers to Finding No. 13)

- Response: The District has purchased 326 AMR with grant monies. The District will evaluate the benefits of these meters and decide on the next step whether to invest more money in this technology. Timeline: December 2007
- Person Responsible: Board and General Manager

VIII. Comments/Clarification of Intent

- **Consultant Name: Joel F. Jeanson**
- **Discussion**

  A step should be added to consider alternative uses for grant monies when making the investment decision.

Martin County Water District
Management Audit Action Plan

I. Report Reference

- **Chapter -- IV**
- ***Recommendation Number* -- 10**
- **Priority – C**

II. Recommendation Statement

10. Process customer payments on the day received so the payments are posted to the District's account on the day received. (Refers to Finding No. 13)

III. Background/Findings

13. Customer payments could be processed more quickly, thereby making cash available sooner for bill payment and other District needs.
    - Since moving to the new customer service office, mail is now delivered by the United States Postal Service at 2:30 PM rather than in the morning, as was the case at the former location.
    - Customer payments that arrive in the 2:30 PM mail are processed the next day.
    - After processing, customer payments will be taken to the bank for deposit. However, the bank deposit will be made at 4:00 PM, after the 2:30 PM bank cut-off for same day posting.
    - As a result, for example, payments delivered by mail on Tuesday will be processed and deposited on Wednesday but not posted to the District's account until Thursday.

IV. Expected Improvement/Improvement Timeline

- Timeline: Within one year

V. Cost/Benefit Analysis and Support

- **Cost Analysis**
- **Benefit Analysis**
- **Cost/Benefit Summary**

Category	One Time	Annual Recurring
Cost	0	0
Benefits	0	0

- **Other Costs or Benefits**

VI. Utility Response

Recommended Action

_____ Approved __x__ Approved with Exception _____ Rejected

VII. Implementation Steps

Step 1: Process customer payments on the day received so the payments are posted to the District's account on the day received. (Refers to Finding No. 13)

- Response: The District's account at the bank is a non-interest bearing account. The District attempts to process all payments on the day they arrive, however, during the busy part of the month, this does not always happen.

- Person Responsible: Office Manager

VIII. Comments/Clarification of Intent

- **Consultant Name: Joel F. Jeanson**

- **Discussion**

  This response does not appear to respond to the issues identified in the finding and recommendation.

Martin County Water District
Management Audit Action Plan

I. Report Reference

- **Chapter -- V**
- **Recommendation Number -- 1**
- **Priority – A**

II. Recommendation Statement

1. The District should file a rate case with the Kentucky Public Service Commission.

III. Background/Findings

Exhibit V-4
Fiscal 2007 Budget Comparison

	Fiscal 2006		Fiscal 2007		
	Budget	Actual	Budget	Variance From 2006 Budget	Variance From 2006 Actual
Operating Revenues	**$1,440,000**	**$1,135,790**	**$1,597,000**	**$157,000**	**$461,210**
O&M Expenses:					
Salaries and Wages	575,000	431,633	600,000	25,000	168,367
Employee Pensions and Benefits	118,700	102,793	118,700	0	15,907
Purchased Water	14,000	8,688	12,000	(2,000)	3,312
Purchased Power	180,000	179,697	190,000	10,000	10,303
Chemicals	40,000	51,187	60,000	20,000	8,813
Materials and Supplies	85,000	54,430	90,000	5,000	35,570
Contractual Services - Engineering	0	0	0	0	0
Contractual Services - Accounting	39,000	39,050	39,000	0	(50)
Contractual Services - Legal	3,000	0	3,000	0	3,000
Contractual Services - Testing	13,000	17,807	30,000	17,000	12,193
Contractual Services - Other	20,000	5,734	10,000	(10,000)	4,266
Rental of Building and Equipment	4,000	2,000	10,100	6,100	8,100
Transportation Expenses	30,000	28,278	35,000	5,000	6,722

	Fiscal 2006		Fiscal 2007		
	Budget	Actual	Budget	Variance From 2006 Budget	Variance From 2006 Actual
Insurance – Vehicle	10,500	10,094	10,500	0	406
Insurance – General Liability	24,000	20,457	25,000	1,000	4,543
Insurance – Workers' Comp	30,000	21,584	30,000	0	8,416
Insurance – Other	35,000	4,907	10,000	(25,000)	5,093
Advertising	1,000	520	2,000	1,000	1,480
Bad Debt Expense	22,000	24,631	26,000	4,000	1,369
Miscellaneous Expenses	20,000	23,914	25,000	5,000	1,086
Total Operating Expenses	**1,264,230**	**1,032,404**	**1,326,300**	**62,070**	**293,896**
Operating Margin (EBITDA)	**175,770**	**103,386**	**270,700**	**94,930**	**167,314**
Depreciation Expense	535,000	552,015	560,000	25,000	7,985
Taxes Other Than Income Taxes	42,000	35,069	47,000	5,000	11,931
Interest Income	400	746	500	100	(246)
Interest Expense	110,500	115,644	115,700	5,200	56
Net Income	**(511,330)**	**(598,596)**	**(451,500)**	**59,830**	**147,096**
Capital Contributions	850,000	572,740	1,250,000	400,000	677,260
Change in Net Assets	$338,670	$(25,856)	$798,500	$459,830	$824,356

Source: Budget Summary of Martin County Water District

Fiscal 2007 budgeted revenues exceed Fiscal 2006 actual revenues by 40.6 percent. Fiscal 2007 budgeted operating expenses exceed Fiscal 2006 actual operating expenses by 28.5 percent and Fiscal 2006 budgeted expenses by 4.9 percent. The budgeted Net Loss for Fiscal 2007 is 24.6 percent less than the actual Net Loss for Fiscal 2006. The increase in operating revenues is due to the anticipated rate increase associated with the RD loan.

Compared to Fiscal 2001 actual results, the compound annual growth rate for revenues is 8.7 percent and for operating expenses is 11.2 percent.

VI. Expected Improvement/Improvement Timeline/Baseline

- Within one year based on financial reports indication MCWD is in the red.

VII. Cost/Benefit Analysis and Support

Cost Analysis

- An increase will be beneficial in many ways. A Rate Case will help in determining this.

Benefit Analysis

- The district is in a financial crunch and additional funds are desperately needed in order to continue to function.

Cost/Benefit Summary

Other Costs or Benefits

VIII. Company Response

Recommended Action

___x Approved _____ Approved with Exception _____ Rejected

- MCWD agrees with the recommendation and plans to implement as intended.

IX. Implementation Steps

Step 1: Place Rate Case Analysis on the next MCWD Board agenda and determine if Board is willing to do so.

- Person Responsible: Board of Commissioners and General Manager Timeline: May 21, 2007.

Step 2: Pending Board approval, send a letter of request to PSC for Rate Case Analysis.

- Person Responsible: Joe Hammond Timeline: May 22, 2007

Step 3: Pending response from PSC, schedule a time for completing a rate case.

- Person Responsible: Board of Commissioners and General Manager Timeline: Pending PSC Approval

X. Comments/Clarification of Intent

- **Consultant Name: Joel F. Jeanson**
- **Discussion**

  No comment assuming the actions to be taken in May occurred as described.

Martin County Water District
Management Audit Action Plan

I. Report Reference

- **Chapter -- V**
- **Recommendation Number -- 2**
- ***Priority* – A**

II. Recommendation Statement

2. Clearly define the roles of the Commissioners and General Manager. The definitions should be explicit as to the scope and limits of authority, the types of decisions that can be made, and areas of responsibility. (Refers to Finding No. 3)
   - Change the District's management and governance processes so that the General Manager has responsibility for all functional areas, including finance and accounting and customer service. (See Recommendation No. 7)
   - Clearly define decision making responsibilities for the following:
     - Personnel matters (e.g., hiring and firing, authorizing overtime, pay raises for individuals, benefits)
     - Financial decisions (e.g., spending authorization, limits on the ability to commit the District to contracts, spending outside the budget)
     - Operating decisions (e.g., setting construction and maintenance priorities)
   - Expand the District's Fiscal Policies to fully define the role of the General Manager including roles related to budget development and approval, variance analysis, and disbursement approval.
   - The objective is to eliminate any overlap between the Board and the General Manager. The General Manager should have full authority for all decisions in his areas of responsibility, with the Board providing after-the-fact oversight.

III. Background/Findings

3. The roles and responsibilities of the General Manager and Board of Commissioners are not clearly defined and the organization is not appropriately structured as the District evolves from its crisis mode of operations.
   - The current organization structure in which all functional areas do not report to the General Manager and in which members of the Board of

Commissioners have significant hands-on involvement in the day to day operations of the District is not typical in the utility industry.

- As noted in Chapter One, many significant problems facing the District over the past few years have been fixed in large part by the active participation of the individual members of the Board of Commissioners.
- Given that so many of these problems have been resolved, the District should evolve back to a more traditional organization and management structure for the day-to-day operations of the District. That is, an organization structure in which all functional areas report to the General Manager and the Board of Commissioners becomes an oversight body rather than one involved in the day-to-day activities of the District.
- The General Manager does not currently direct accounting and finance and customer service activities (*i.e., the business office activities*).

IV. Expected Improvement/Improvement Timeline/Baseline

- Implemented immediately based on the need for a more standard organization.

V. Cost/Benefit Analysis and Support

Cost Analysis

- No cost necessary

Benefit Analysis

- Better communication with the General Manager regarding financial expenditures

Cost/Benefit Summary

Other Costs or Benefits

VI. Company Response

Recommended Action

___x_ Approved _____ Approved with Exception _____ Rejected

Because of the current financial strain, the district works very closely with our accounting firm to prioritize bills to be paid and orders to be processed. The manager will need to continue to do this until we are in a better financial status.

MCWD agrees with the recommendation and plans to implement as intended.

VII. Implementation Steps

Step 1: Change the District's management and governance processes so that the General Manager has responsibility for all functional areas, including finance, accounting and customer service. (See Recommendation No. 7) The district will begin to address all issues through board meetings involving the General Manager.

- Person Responsible: Board of Commissioners and General Manager Timeline: Immediately

Step 2: Clearly define decision making responsibilities for the following:

- *Personnel matters* (e.g., hiring and firing, authorizing overtime, pay raises for individuals, benefits)
- Financial decisions (e.g., spending authorization, limits on the ability to commit the District to contracts, spending outside the budget)
- Operating decisions (e.g., setting construction and maintenance priorities)

- Person Responsible: Board of Commissioners and Joe Hammond Timeline: Immediately

Step 3: Expand the District's Fiscal Policies to fully define the role of the General Manager including roles related to budget development and approval, variance analysis, and disbursement approval.

- Person Responsible: Board of Commissioners and General Manager Timeline: Immediately

VIII. Comments/Clarification of Intent

- **Consultant Name: Joel F. Jeanson**
- **Discussion**

No comment

Martin County Water District
Management Audit Action Plan

I. Report Reference

- **Chapter -- V**
- **Recommendation Number -3**
- **Priority – C**

II. Recommendation Statement

3. As soon as funding is available, begin to pay the members of the Board of Commissioners salaries based on guidelines provided by Kentucky Administrative Regulations. (Refers to Finding No. 4)

III. Background/Findings

4. The members of the Board of Commissioners are not properly compensated for services provided.
   - Board members receive no compensation from the District.
   - Board members view the services they provide to the District as a personal and civic responsibility. These services and the level of effort expended by the current Board on behalf of MCWD ratepayers has been significant.
   - MCWD ratepayers should not expect that Commissioners continue to provide these services on a volunteer basis.

IV. Expected Improvement/Improvement Timeline/Baseline

- Implemented within three years based on the fact that rates have not increased and current funding is needed to keep operations running.

V. Cost/Benefit Analysis and Support

Cost Analysis

- This would need to be determined by the Board of Commissioners when funding is available.

Benefit Analysis

- If the operation is financially successful, these positions should be compensated so that people will not be discouraged from giving of their time.

Cost/Benefit Summary

- The benefit would show Board Members an appreciation for service to the community.

Other Costs or Benefits

VI. Company Response

Recommended Action

__x___ Approved _____ Approved with Exception _____ Rejected

- MCWD agrees with the recommendation and plans to implement as intended.

VII. Implementation Steps

Step 1: The district will place on board agenda on May 21 to approve filing for rate case.

- Person Responsible: Board of Commissioners Timeline: 5-21-2007

Step 2: Once approved by board, send letter of request to PSC.

- Person Responsible: Joe Hammond Timeline: 5-23-2007

Step 3: Wait for approval and hopefully schedule with PSC for Rate Case analysis

- Person Responsible: Joe Hammond Timeline: 6-30--2007

VIII. Comments/Clarification of Intent

- **Consultant Name: Joel F. Jeanson**
- **Discussion**

  The implementation steps should be reviewed and reconsidered. It is not clear how these implementation steps relate to the recommendation.

Martin County Water District
Management Audit Action Plan

I. Report Reference

- **Chapter -- V**
- **Recommendation Number – 4**
- **Priority – A**

II. Recommendation Statement

4. As soon as funding is available, arrange for an external audit of the District's financial statements and then continue these audits on a timely basis going forward.

III. Background/Findings

4. The last audited financial statements are for the year ended December 31, 2001.
    - The District does not currently have the funds to pay for annual financial audits.
    - The CPA firm hired to complete the Fiscal 2001 audit was not fully paid as of September 30, 2006.
    - The local CPA firm's independence is impaired given their primary role in developing the District's financial statements. Therefore, they will be unable to be engaged to audit those financial statements

IV. Expected Improvement/Improvement Timeline/Baseline

- Within two years based on financial reports and the need for MCWD to build funds for this.

V. Cost/Benefit Analysis and Support

Cost Analysis

- This is an activity which would need to go through the bidding process.

Benefit Analysis

- This would benefit MCWD in protection of funds, the way they are processed, budgeted and expended.

Cost/Benefit Summary

Other Costs or Benefits

VI. **Company Response**

Recommended Action

__x___ Approved _____ Approved with Exception _____ Rejected

- MCWD agrees with the recommendation and plans to implement as intended.

VII. **Implementation Steps**

Step 1: Place on Board Agenda for discussion.

- Person Responsible: Board of Commissioners and General Manager Timeline: When money becomes available.

Step 2: Pending board approval, take bids for an external audit

- Person Responsible: Board of Commissioners and Joe Hammond Timeline: When money becomes available.

Step 3: Bring bids to board for approval.

- Person Responsible: Board of Commissioners and General Manager Timeline: When money becomes available.

Step 4: Contact accepted bidder to schedule audit

- Person Responsible: General Manager Timeline: When money becomes available.

VIII. **Comments/Clarification of Intent**

- **Consultant Name: Joel F. Jeanson**
- **Discussion**

  It is important to address the funding issue. The answer should be to include the pro forma expense in the rate case.

Martin County Water District
Management Audit Action Plan

I. Report Reference

- **Chapter – V**
- **Recommendation Number – 5**
- **Priority – C**

II. Recommendation Statement

5. As soon as funding becomes available, establish a position of bookkeeper / accountant with responsibility for accounting and other transactional accounting processes. (Refers to Finding No. 8)
   - Check signing and bank account reconciliations should remain separate from the duties of the bookkeeper / accountant.
   - In the event the District pursues the regionalization of certain functions, this could be a function that becomes regionalized. (See Recommendation 6)

III. Background/Findings

8. The District's Fiscal Policies are generally reasonable for a utility of its size.
   - The District has well-defined and up-to-date Fiscal Policies.
   - All finance and accounting services are provided by an outside CPA firm. According to the firm's response to the District's RFP, it will provide services to the District including but not limited to:

     "(A)ccounts payable services with purchase order system development and maintenance, accounts receivable service development and reconciliation, cash reconciliation and internal control development and maintenance, complete payroll services and reporting, relative accounting services and general ledger maintenance in accordance with the PSC prescribed chart of accounts, special reporting as needed including PSC reports, budgeting and analysis, assistance with required audits, and other accounting services as required for a flat fee of $3,250 per month."

   - While members of the Board of Commissioners interact frequently with the outside CPA firm, no one at the District appears to have the financial expertise needed to provide accounting direction or perform effective analyses of financial results.
   - The District's Fiscal Policies do not provide for active involvement of the General Manager. For example, the role of the General Manager related to budget development and approval and the approval of disbursements is not defined in the Fiscal Policies. Also, the General Manager does not see

financial results and budget variances until the financial information is presented to the Board each month.

- The accuracy of accounts receivable balances is in question as a result of the difficulty reconciling information coming from the billing / customer information system.

IV. Expected Improvement/Improvement Timeline/Baseline

- Within three years based on financial reports and the need for MCWD to build revenue.

V. Cost/Benefit Analysis and Support

Cost Analysis

- Personnel Salary

Benefit Analysis

- ***We are very satisfied with the work our current CPA is doing. This position might make things smoother for them.***

Cost/Benefit Summary

Other Costs or Benefits

VI. Company Response

Recommended Action

____x_ Approved _____ Approved with Exception _____ Rejected

- MCWD agrees with the recommendation and plans to implement as intended.

VII. Implementation Steps

Step 1: Place on Board Agenda for discussion.

- Person Responsible: Board of Commissioners and General Manager Timeline: May 30, 2010.

Step 2: Pending board approval, go through the hiring process

- Person Responsible: Board of Commissioners and General Manager Timeline: June 30, 2010.

VIII. Comments/Clarification of Intent

- **Consultant Name: Joel F. Jeanson**
- **Discussion**

  No comment

Martin County Water District
Management Audit Action Plan

I. **Report Reference**

- **Chapter – V**
- **Recommendation Number – 6**
- **Priority – B**

II. **Recommendation Statement**

- The District should encourage its management staff and the members of the Board of Commissioners to take better advantage of State sponsored training opportunities

III. **Background/Findings**

- While the District has taken advantage of some State sponsored training for management staff and members of the Board of Commissioners in the past, it has not taken full advantage of the training offered by the State and the Kentucky Rural Water Association.

IV. **Expected Improvement/Improvement Timeline/Baseline**

- Within one year based on the need for additional training.

V. **Cost/Benefit Analysis and Support**

Cost Analysis

- Registration Fees and Room and Board during the training.

Benefit Analysis

- Commissioners and personnel who are more informed and updated on training.

Cost/Benefit Summary

Other Costs or Benefits

VI. **Company Response**

Recommended Action

____x_ Approved _____ Approved with Exception _____ Rejected

- MCWD agrees with the recommendation and plans to implement as intended.

VII. **Implementation Steps**

Step 1: When trainings are scheduled, they will be brought to the Board's attention during meetings, so the Board can decide who needs to go.

- **Response:** District agrees this needs to be done.
- **Person Responsible**: Board of Commissioners and General Manager **Timeline:** On-going.

IX. Comments/Clarification of Intent

- **Consultant Name: Joel F. Jeanson**
- **Discussion**

  No comment

Martin County Water District
Management Audit Action Plan

I. Report Reference

- **Chapter -- V**
- **Recommendation Number –7**
- **Priority – A**

II. Recommendation Statement

7. Consider increased regionalization to achieve economies of scale and reduce vulnerabilities to supply and personnel interruptions. (Refers to Chapter II, Findings 3 and 9)
   - MCWD lacks adequate scale to provide consistently all professional functions necessary, such as engineering, laboratory, bookkeeping, and pollution control.
   - An unplanned loss of personnel in any section creates immediate problems in timely completion of work or performance of critical functions.
   - MCWD relies on free or low cost services not under its control for technical services. These services are provided by DOW, Kentucky Rural Water Association and Big Sandy.
   - MCWD lacks significant scale to leverage lower costs from suppliers and cannot maintain a full inventory of materials.

III. Background/Findings

3. MCWD makes good use of technical services available to assist it.
   - MCWD has developed a good rapport with the Kentucky Department of Water (DOW) Drinking Water Branch. MCWD regularly receives and follows technical advice from Drinking Water Branch experts. DOW technical services are provided without charge.
   - MCWD extensively utilizes the assistance of the Big Sandy Area Development District (Big Sandy) in identifying, securing and administering grants and loans. The Authority also promotes economic development in the county. Funding and economic development is provided without charge and grant administration is provided by a fee taken from the grant.
   - MCWD regularly seeks the assistance of the Kentucky Rural Water Association. For example, the Association conducted a Peer Review of MCWD in 2005 and issued its report in January 2006. MCWD pays membership dues to the Association, but specific assistance activities, such as the peer review, are provided without additional charge.

- MCWD routinely receives technical assistance and advice from its principal engineering firm, O'Brien & Gere (OB&G). OB&G provides advice and counsel on many technical topics to the District. OB&G only receives payments for specific engineering and construction management projects once the project has been bid. The frequent advice and assistance is provided without charge.

9. Adequate resources – labor, materials and equipment – are not available for the water provisioning process.
   - There are only four full-time water treatment plant operators and two on-call part-time operators. A seven by 24 hour operation requires a minimum of five full-time operators to cover 21 shifts per week and have spare capacity for vacations, illness, training and other absences.
   - There are only five distribution employees. The sixth distribution employee, the supervisor, recently became the fourth treatment plant operator and was not replaced in distribution. One of the distribution employees is largely occupied by sampling and other duties and is normally unavailable for main, service and meter work. Many jobs require a crew of four or more because of difficult traffic management conditions. With vacations and other absences, this often results in having a single crew doing one job at a time each day.

IV. Expected Improvement/Improvement Timeline/Baseline

- Never

- **Cost Analysis**
- **Benefit Analysis**
- **Cost Benefit Summary**
- **Other Costs or Benefits**

V. Company Response

Recommended Action

____ Approved _____ Approved with Exception ___x__ Rejected

- **MCWD does not agree with this recommendation.**

VI. Comments/Clarification of Intent

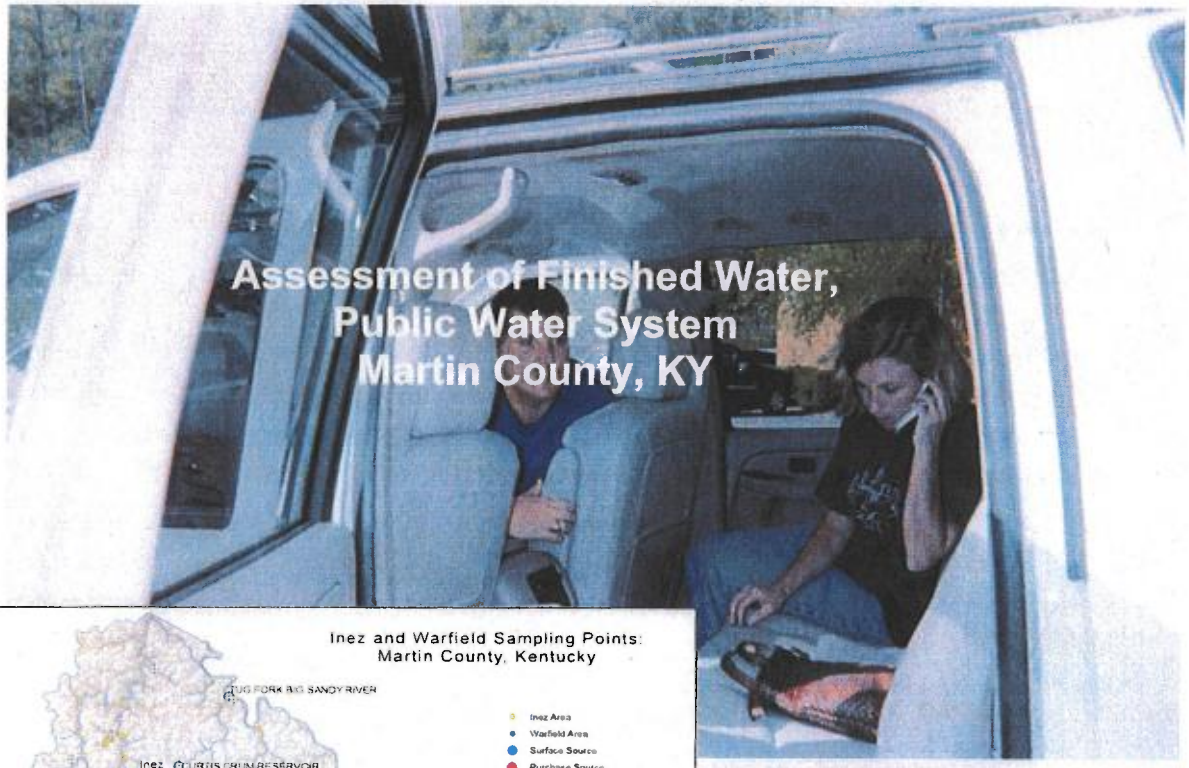
- **Consultant Name: Joel F. Jeanson / David Vondle**
- **Discussion**

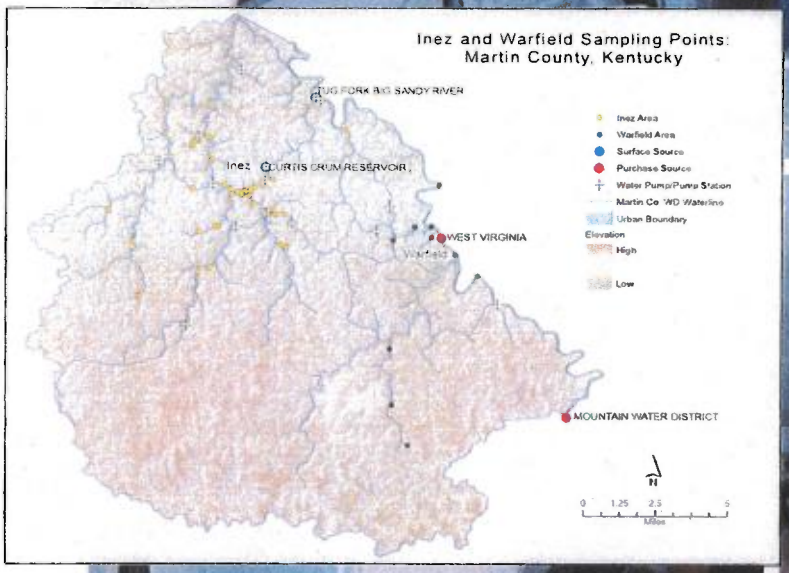
BWG disagrees with the District's response. In our opinion, MCWD by itself cannot afford the availability of resources that larger entities benefit from. It is not necessary to fully merge MCWD with other entities to achieve the economies of scale and other benefits of a larger organization. MCWD could enter into resource sharing agreements with other like minded regional utilities for some or all of the areas that could benefit from larger scale.

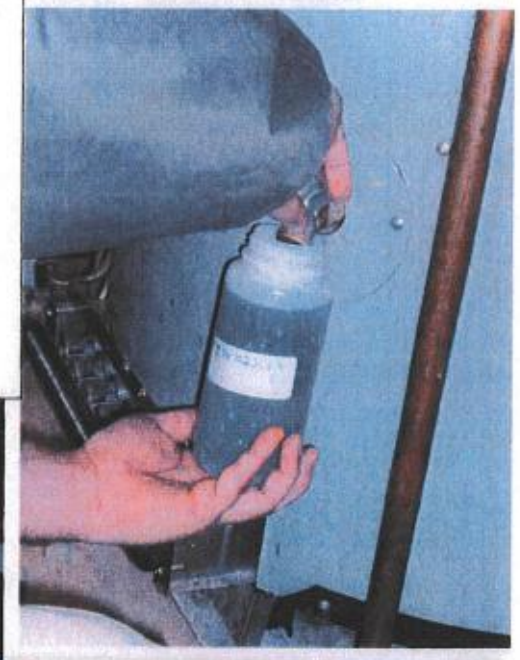
Areas in which MCWD could benefit from regional resource sharing include:

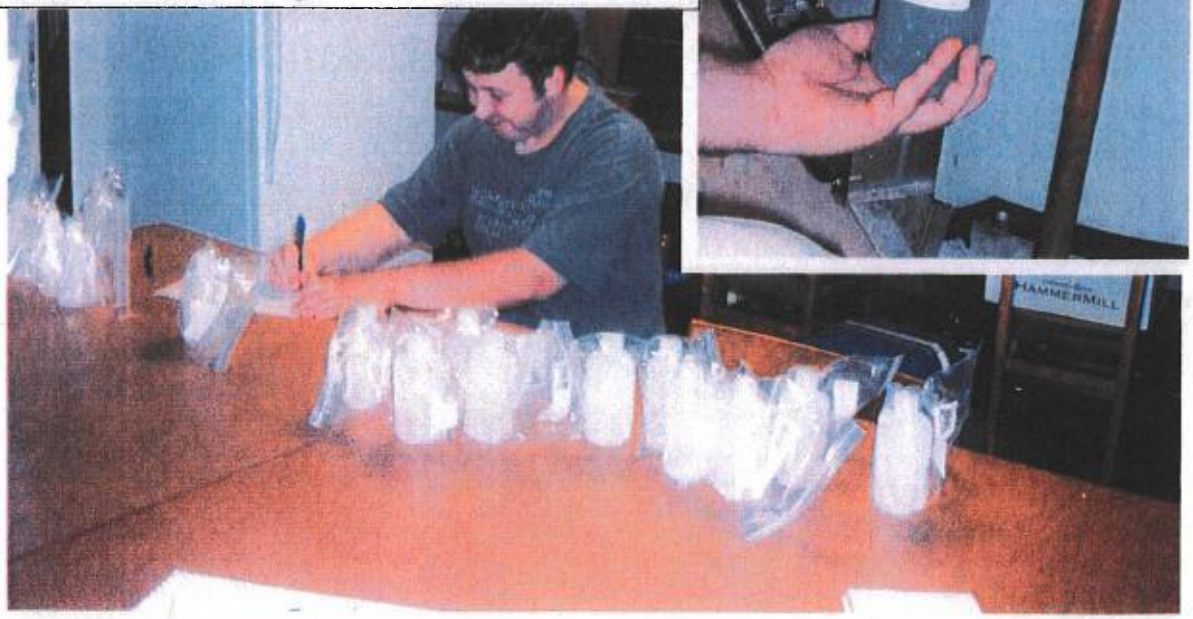
- Capital program planning, funding and management, which MCWD does not have the capability for in-house
- Maintenance engineering and technical services – problem solving could be improved by sharing scarce technical resources with several utilities
- Water treatment plant control rooms – control rooms could be consolidated and the remote plants would not need 7 X 24 attendance
- Distribution crew reinforcement for emergencies and special projects - traveling crews with specialized equipment could assist MCWD
- Watershed management and pollution control programs upstream of MCWD to improve raw water quality
- Materials management – cooperative procurement could lower material, equipment and tool prices. A cooperative warehouse could provide better availability of critical, but rarely used items
- Information systems – cooperative billing, customer service and accounting systems could improve efficiency, customer responsiveness and financial integrity

PSC EXHIBIT 12









Assessment of Finished Water, Public Water System: Martin County, KY

Stephanie McSpirit, Ph.D.
Project Director, Martin County Project
Associate Professor, Sociology
Eastern Kentucky University

Andrew Wigginton, Ph.D.
Post Doctorate Fellow, Department of Biology
University of Kentucky

Research Assistance/ Field Team: Chris Cordell, Stella Gibson, Rhon Blevins, Matt Caddell, Sharon Hardesty,
Eastern Kentucky University

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Kentucky Division of Water and Eastern Kentucky University, Martin County Project
MOA #M-05255003.

Photo Credits: Photo 1: Rhon Blevins –research team- and Nina McCoy –citizen advisory committee -in field in September 2005 recruiting and sampling water from households in Martin County; Photo 2: Map of sampling locations (homes, businesses and other establishments); Photo 3: Taking a sample from hot water tank; Photo 4: Chris Cordell –research team – preparing to send some final water samples to STL St. Louis, our commercial laboratory. (These water samples are from our cold water tap field collection efforts in June 2006).

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Appendix E: 2002-2005 MCWD Water Quality Reports, TOC, THM, HAA Reporting

Introduction

In 2000, a massive breach in a coal waste impoundment in Martin County, KY released over 300 million gallons of coal sludge and black water into area creeks and eastern KY waterways. Under the oversight of the federal EPA, a series of environmental impact assessments were initiated and submitted by both state agencies and private subcontracting firms. However, the results of these impact assessments received little credibility among the impacted public. Early field interviews and newspaper reports showed many local residents giving little weight to the methods and conclusions reached by environmental engineering firms and laboratories under subcontract with the responsible party, -e.g. the Coal Company. [1]

In 2005, due to the efforts of area citizens and the KY State Environmental Quality Commission, an act was passed by the Kentucky General Assembly to release $150,000 of the natural resource damage settlement for an independent outside assessment of the long-term impacts of sludge spill on the local environment.[2] The money was specifically earmarked to conduct an assessment of the public water system, this time, with full citizen oversight and participation to assure transparency and credibility of the results. Our project team at Eastern Kentucky University was tagged to administer and implement this initiative. [3]

In assessing the possible impacts of coal sludge and black water on the county public water system, our team -in consultation with our citizen advisory committee- decided to include 1) an on-site assessment of the water utility 2) constituent analysis of coal slurry 3) analysis of core sediments of the impacted river and reservoir and 4) analysis of finished water. The following is a report on phase 4 of our assessment.

Assessment of Finished Water

The following assessment examines finished water taken from the effluent of hot water heaters rather than from tap water samples. Hot water tanks are potentially useful reservoirs indicating previous contamination from the water supply. Since sediment and

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[1] McSpirit, S. Scott, S. Hardesty, S. and R. Welch. 2002. "The Martin County Project: A Student, Faculty and Citizen Effort at Researching the Effects of a Technological Disaster." *Southern Rural Sociology*. 18 (2). 162-182. See also Newspaper accounts and editorials: See, for example, Adkins, Lilly. 2000. Water quality being questioned after sludge disaster. The *Martin County Sun*. November 15, p.12. Pamela Hall Smith . 2001. Smith has questions about chemicals in county water. *The Martin County Sun*. January 31, p. 4; Adkins, Lilly. 2001. Citizens outraged when EPA says water is "Safe" and MCC won't be fined. *The Martin County Sun*. March 14, p.1; HELP Committee. 2001. HELP asks Slone for safe water for students. *The Martin County Sun*. October 25, p. 2.; Adkins, Lilly. 2001. HELP to demand safe drinking water. *The Martin County Sun*. January 41, p.11; Ball, Gary. 2001. Editorial: Unity big key to resolving sludge/ water-releated issues. *The Mountain Citizen*. March 14, p.6.

[2] Kentucky Legislature. 2005. Conference Budget Report. HB 267. Available online: http://www.lrc.ky.gov/budget/05rs/50f.pdf p.17. See also: Stephens, Mary. 2004. Memorandum. RE: Legal Opinion Request from Commissioner's Office Martin County Coal Corporation Agreed Order July 31, 2002 DOW-25070-042, DOW-25151-042 and DOW-21509-042. Kentucky Environmental and Public Protection Cabinet Office of Legal Services, September 16.

[3] See: Memorandum of Agreement between the Commonwealth of Kentucky Environmental and Public Protection Cabinet, Department for Environmental Protection. Kentucky Division of Water and Eastern Kentucky University, Martin County Project: MOA #M-05255003.

precipitates may accumulate in the tanks from the moment the tank is installed, they may reflect historical accumulation either through long term low level buildup up or though high level spikes that may periodically occur. For example, in an assessment of coal slurry impacts on well water, Stout and Papillo found that iron was concentrated in hot water heaters 1179 times higher than the source well water, lead was concentrated by a factor of 11.75, and arsenic, while not detected in the source well was concentrated to 150 µg/L (ppb)[4] in the hot water tank, 15 times greater than the U.S. EPA drinking water standard.[5]

Another heavy metal, uranium has been found to accumulate in hot water tanks from long-term, naturally occurring sources in well water in South Carolina. Uranium from the source water accumulated as sediment in the bottom of the tank as well as on the heating element. Uranium concentrations were actually lower in the water passing through the hot water tank than in the source water indicating that the metal was being stored in the tanks. However, when the source water was remediated and source metal levels were reduced, the metal levels in water passing through the hot water tank were higher than in the source water, indicating that it was being remobilized and contributing uranium after source water exposure had ceased.[6]

Field Methods

Site Selection

The purpose of our research design was to examine whether there had been any long term human health exposures to heavy metal pollutants derived from coal slurry releases via the county public water supply. As stated above, in order to model long term possible cumulative exposures, water samples were taken from the tanks of hot water heaters and were lab analyzed for specific metals. The metals that were analyzed were those that the U.S. EPA had identified in the past as being associated with slurry releases and potential environmental and drinking water impacts. [7] The metals of interest

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[4] ppb = parts per billion

[5] Stout, Ben and Jomana Papillo. 2004 Well water quality in the vicinity of a coal slurry impoundment near Williamson, West Virginia. *Prepared in response to:* Questions from citizens attending the January 15, 2004 training session of the Coal Impoundment Location and Warning System, Delbarton, West Virginia.

[6] De Vol T.A. and R.L. Woodruff. 2004. Uranium in hot water tanks: A source of ternorm. Health Physics 87 (6): 659-663.

[7] See, for example, Eastern Coal Corporation. Docket No. IV-85-UIC-101 (Proceeding under Section 7003 of the Solid Waste Disposal Act 42 U.S.C. § 6973). Note the *Endangerment Assessment* reads (p.3) "The principal pollutant of coal washing water is suspended solids; the clays, shales and coal fines present in the raw coal are responsible for the large quantities of semi-colloidal particles present in suspension, giving the slurry its "blackwater appearance." Moreover, the fine clay particles absorb significant amounts of the chemical constituents of the slurry to their surface areas, thus compounding the water quality problems associated with the presence of the suspended solids. Eastern's slurry contains a number of significant chemical contaminants. The following contaminants are present in Eastern's injected slurry at concentrations that exceed the maximum contaminant levels (MCLs) as stated in the National Interim Primary Drinking Water Regulations under the Safe Drinking Water Act:"

Parameter	MCL	Observed	% Exceeded
Arsenic	.01 Mg/l	1.82 mg/l	18,100
Barium	1.0 mg/l	38.60 mg/l	3,760
Cadmium	.01 mg/l	.54 mg/l	5,300

included mercury, arsenic, barium, cadmium, chromium, cobalt, copper, iron, lead, manganese and selenium.

Calcium was also of interest as an important conservative tracer insofar as moderate calcium levels in water are good, but high calcium levels often accompany high levels of heavy metals.[8] In addition, calcium was included because of the massive amounts of lime (calcium carbonate) that were dumped on the sludge spill to neutralize acid and solidify the material. According to our consultation with our citizen advisory committee, during the months after the sludge event, a white substance was noticeable in tap water from the public water system. Especially when boiled, a white powdery residue was left inside the pots. This is further verified from local reports dating from the time of the spill.[9] For this historical reason as well, it was decided to look at cumulative levels of calcium in hot water tanks in order to look for possible footprints of past water management issues that have possibly faced the water district due to unstable source water possibly due to the 2000 massive slurry release and possible recurrent black water spills since.

In collecting hot water tank data in Martin County, our project team worked with area citizen members of the SAVE organization -*Supporting Appalachia's Vital Environment*. SAVE members helped to recruit potential participants into our study. In addition to single family homes, hot water tanks from stores, schools, government buildings, and other establishments were also recruited into our study and tested. While in Martin County, we collected a total of 87 samples across 4 scheduled field sweeps (Aug 6, Sept 15/16, October 18 and October 22, 2005). In February 2006, our citizen advisory committee collected an additional 15 samples by targeting businesses and other establishments where metals might tend to settle in hot water tanks due to low hot water use among such establishments. Numbers collected during each sweep are reported in Table 1.A.

Chromium	.05 mg/l	11.92 mg/l	23,740
Lead	.05 mg/l	3.89 mg/l	7,680
Selenium	.01 mg/l	.23 mg/l	2,200
Silver	.05 mg/l	.58 mg/l	1,060

"The injected slurry also exceeds the following secondary MCLs as adopted by the state"

Parameter	MCL	Observed	% Exceeded
Copper	1.0 mg/l	5 mg/l	400
Iron	.3 mg/l	3833 mg/l	1,277,567
Manganese	.05 mg/l	20 mg/l	300

See also: the *Determination* (22): "On the basis of the information recited above and other information available, EPA has determined that the slurry injection operation conducted by Eastern Coal Corporation constitutes handling and disposal of a solid waste which may present an imminent and substantial endangerment to health and the environment within the meaning of Section 7003(a) RCRA, 42, U.S.C 6973 (a)."

[8] Stout, Ben. January 4, 2006. Email correspondence.

[9] See, for example: Turner, Cletus. 2000. Whats that white stuff in your water? *The Martin County Sun*. November 29, p.7.

Table 1. A. Number of Samples Collected from Hot Water Tanks by County and by Field Sweep (Date)

County	Date	# of Samples
Martin County	August 6, 2005	19
	September 16/17 2005	46
	October 18, 2005	6
	October 22, 2005	16
	February 17, 2006	15
	Subtotal	102
Pulaski County (Somerset)	October 1, 2005	20
	October 26, 2005	10
	Subtotal	30
Madison County (Berea)	December 9, 10 and 12	33
	Subtotal	33
	Total Water Tank Samples Collected	165

Table 1 also reports on the number of samples collected on our comparison sites of the Somerset area of Pulaski County (n=30) and in Berea of Madison County (n=33). Somerset and Berea were selected as comparison (reference) communities mostly as "convenience samples" due to the fact that several field team members were residents of either county and were in a convenient position to help recruit local participants, schools and businesses into our comparison study.

Selection of an adequate reference group will always be an issue in any scientific study. Table 1.B reports on differences and similarities between Martin County and our selected reference communities based on data collected from various government sources. A quick review of Table 1.B. allows for comparisons between counties with regard to economic activity (1.B.1), water utilities (1.B.2) and pollution releases (1.B.3). These characteristics tend to show that these three counties tend to be largely representative of the range of differences and similarities of communities across eastern Kentucky and this, therefore, can be used to further justify or validate the selection of each county or area into our study design.

Table 1. B.1, Comparison of Communities by Economic Activity [a]			
	Martin County	**Pulaski County (Somerset)**	**Madison County (Berea)**
Profile of Selected Economic Characteristics: (employment) 2000 a	1) Educational, Health, & Social Services: 29% 2) Agriculture, Forestry, Fishing and Hunting, and Mining: 19% 3) Retail Trade: 14%	1) Educational, Health, & Social Services: 29% 2) Manufacturing: 20% 3) Retail Trade: 14%	1) Educational, Health, & Social Services: 25% 2) Manufacturing: 17% 3) Retail Trade: 14%

Table 1.B.2. Comparison of Communities by Water Utility [b]			
	Martin County	**Pulaski County (Somerset)**	**Madison County (Berea)**
Water Utility - (Name)	Martin County Water District #1	Somerset Water Service	Berea Municipal Utilities
Water Source - (Type)	Surface Water	Surface Water	Surface Water
Population Served	10,461	28,370	12,883

Table 1.B.3. Comparison of Communities by (TRI) Toxic Release Inventory data (2003) [c]			
	Martin County	**Pulaski County (Somerset)**	**Madison County (Berea)**
Facilities	Martin County Coal Preparation Plant	Cornett Machine, Crane/Fiat/SanyMetal, Hartco Flooring Co, Kentucky Energy LLC, Somerset Refinery Inc., and Southern Belle Dairy Co.	Alcan Aluminum Corp, Dresser Inc. Instrument Div., Hayes Lemmerz International Inc., KI (USA) Corp., Nacco Materials Handling Group Inc., PPG Industries Inc., Tokico (USA) Inc.
Released:	Ammonia, Ethylene Glycol, Zinc Compounds	Naphthalene, Methyl Isobutyl Ketone, Toluene (x2), *Lead Compounds (x3), Vinyl Acetate, *Mercury Compounds, 1,2,4-Trimethylbenzene, Benzene, Benzo(G,H,I)Perylene, Biphenyl, Cumene, Cyclohexane, Ethylbenzene, *Mercury, N-Hexane, Naphthalene, Phenol, Polycyclic Aromatic Compounds, Xylene (Mixed Isomers), Nitrate Compounds, Nitric Acid, Peracetic Acid	Aluminum (Fume or Dust), Chlorine, *Copper, Dioxin & Dioxin-like Compounds, Hydrochloric Acid (1995) & After "Acid Aerosols" only, *Lead, *Manganese, Beryllium Compounds, *Copper Compounds, *Chromium, *Manganese, Nickel, Ethylene Glycol, Zinc Compounds, Certain Glycol Ethers, *Chromium Compounds (Except Chromite Ore mined in the Transvaal Region).

Source [a]: U.S. Department of Labor Bureau of Labor Statistics. Available online: http://www.bls.gov/

Source [b]: Kentucky Infrastructure Authority. Available online: http://kia.ky.gov/

Source [c]: U.S. Environmental Protection Agency. Available online: http://www.epa.gov/tri/

Field Protocols and Sampling Methods

When in Martin County, sample collection was conducted by teams consisting of 1 to 3 EKU personnel (a faculty member, student or subcontractor) and 1 member of SAVE. SAVE members recruited participants for the study and then on the scheduled field day served as community representatives and guides to pre-contacted households. When arriving at households, residents were provided with an informational sheet describing the study and with a request for a signature of consent before collecting the water sample. These protocols were in accord with our human subjects protections. When in our control communities, field protocols were slightly modified with field team members that were residents of either community helping to recruit participants and serving as field guides to sample locations. [10]

In collecting water samples (except on the initial August 6 sweep), new polyethylene (PE) bottles were used to collect samples. These were labeled with an identifying code that included the date and collection team leader. After collection, sample bottles were placed in plastic, sealable bags and kept in ice until they were acidified using trace metal grade nitric acid (HNO_3), in accordance with U.S. EPA standard methods.[11] Two specific methods were used to collect the water from the tanks, each of which is described below.

Method 1: Based on methods outlined in Stout and Papillo 2004, a 2 meter polyvinyl chloride (PVC) reinforced high pressure hose with a clean brass female fitting was used to fill an 11 liter polypropylene bucket. From this sample, two 250ml PE bottles were filled and then stored as described above. These two samples were combined in the laboratory to make one 500ml sample. Hoses and buckets were rinsed thoroughly between houses using distilled water and on-site cool tap water. Periodically, blank samples were collected by rinsing the hose and tub with distilled water and collecting the rinse water for metal analysis. These methods are summarized in Figure 1.A of Appendix A.

Method 2: Based on field recommendations by Stout, the sampling technique was simplified to reduce the number of steps, thus increasing the efficiency of operation while reducing possible sources of error and contamination associated with the bucket and hose.[12] New 500ml (PE) bottles were used to collect water samples directly from the drain valve of water heaters. If sufficient space was available, the bottle was simply placed under the valve and filled. If the water heater was mounted so that the faucet was relatively inaccessible, it was sometimes necessary to use either a PE cup rinsed 3 times with cool tap water on site, or a new, clean PE bottle to collect small portions of water to be subsequently transferred to the definitive collection bottle. These methods are summarized in Figure 2 Appendix A and were the methods that were used in collecting 69% (n=60) of our samples from Martin County [13] and 100% of our samples from Pulaski (n= 30) and Madison (n= 33) Counties. These methods are summarized in Figure 1.B of Appendix A.

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[10] During the last round of collection (February 17th) on hot water tanks, SAVE members collected samples independently and in accord with standard EPA protocols, this –in itself- marked a key performance standard in the community-based focus of our overall research design and methodology.

[11] U.S. EPA-U.S. Environmental Protection Agency. 1997. Test Methods for Evaluating Solid Wastes, SW-846, Final Update 3. Office of Solid Waste and Emergency Response, Washington, DC.

[12] Stout, Ben. On-site field assessment, 9/16/2005.

[13] During the February 17th sweep where SAVE, members of our citizen advisory committee, focused collections methods on low-flow hot water tanks to determine the extent to which metals might be better represented in low-flow tanks.

Face Sheet Information

With one field team member drawing the water sample, another member would collect other information using a standardized face-sheet. On the face sheet, the team recorded additional information on the hot water tank, regarding water usage, flushing of tank, age of home (or establishment) and years spent living in the home. GPS data was also recorded in order to possibly match households with their corresponding water distribution lines for future and further analysis as our research team believed that age and type of distribution line might be a possible and potential source of explanation for variations in cumulative metal loads across counties and across areas. These analyses, however, are not reported in this document as this study's focus is on first identifying more general patterns of possible differences in cumulative metal levels and possible exposure differences across counties, with the focus naturally on Martin County.

With regard to GPS data on location, full anonymity and confidentiality of households and other establishments was assured in accord with our human subject protocols. Subsequently, in all future reports, GPS data will be reported at higher levels of aggregation than at the address level to protect confidentiality. Moreover, GPS address information will not be publicly available for future release.

In short, some of the face sheet data on age of hot water tanks, gallon flow and whether the unit had ever been flushed are summarized below in Table 1.C with breakdowns presented for Martin County and Pulaski (reference) and Madison (reference) communities. A review of Table 1.C shows that our data includes a "representative" sample showing a wide range of ages and most hot water tanks not being drained on a regular basis.

Table 1.C. Hot Water Tank Data (Homes, Schools and Businesses) by Age of Tank and Flushing (n=150)

	Martin County	Pulaski County (Somerset)	Madison County (Berea)
Age			
Less than 5 years	22	13	7
Between 5 and 10	37	14	16
Greater than 10	20	3	4
Not Available	8		6
Total	87	30	33
Drained			
No	47	17	11
Yes	14	9	13
Periodic Release Valve	0	0	5
Not Available	26	4	4
Total	87	30	33

Laboratory Methods

Chain of custody forms were maintained by all parties handling sample bottles. Samples collected on August 6 were analyzed at the Environmental Research and Training Laboratory (ERTL) at the University of Kentucky. Several duplicate samples were sent to Severn Trent Laboratories (STL), St. Louis, Missouri to check the validity of ERTL analysis. STL is a National Environmental Laboratory Accreditation Program (NELAP) certified analytical laboratory. Subsequently, all additional samples were analyzed by STL.

Both ERTL and STL used similar methods for the analysis of water samples. STL used methods developed by the U.S. EPA and compiled in Test Methods for Evaluating Solid Wastes, Physical/Chemical Method (SW-846), a large document that contains many methods for analyzing a wide variety of materials including water samples.[14] The two methods used were Method 6020, which uses Inductively Couple Plasma- Mass Spectrometry (ICP-MS) that can simultaneously measure the concentrations of many metals and Method 7470A, which uses Cold Vapor Atomic Absorption Spectrometry (CVAAS) to measure the mercury content of samples. ERTL used methods developed by the American Public Health Association and published in the widely used book Standard Methods for the Examination of Water and Wastewater (2000).[15] Method 3112B is a method for using CVAAS to analyze for mercury content that is generally similar to U.S. EPA Method 7470A. Method 3113B is a method of analysis for metal content in aqueous samples that uses Graphite Furnace Atomic Absorption Spectrometry. This technique is very sensitive but can only measure the concentration of one metal at a time. Method 3120B uses Inductively Couple Plasma- Optical Emission Spectrometry (ICP-OES) to measure the concentrations of many metals simultaneously.

ICP-MS analyzes samples by suspending an aerosol of the sample in argon, then ionizing the sample in a magnetic field. The ions are then fed into a mass spectrometer that separates ions by mass, measures their electrical charge, and compares the mass to electrical charge. This indicates which elements are present, and the quantity of ions of a mass to charge ratio indicates concentration. Usually, many elements can be measured at the same time using this technique.

CVAAS is necessary for mercury analysis because of that metal's peculiar chemical properties and especially its low boiling temperature. Metallic mercury is a liquid at room temperature, but vaporizes readily. However, the ionic and methylated forms usually found in water are less volatile. In CVAAS, a sample is treated with chemicals to break down certain compounds that may interfere with analysis such as lipids, then is treated to convert all ionic or methyl mercury into metallic mercury. This is then encouraged to vaporize by aerating the sample. However, this occurs in a closed system to trap the vapor, which accumulated in a special chamber through which light of a specific wavelength is being shown. Mercury absorbs this wavelength and thus as the mercury concentration increases, more light is absorbed.

In GFAAS, a small portion of a sample is electrically heated in a graphite tube to vaporize the sample. The metal of interest in the sample will absorb light being shone though the

[14] U.S. EPA-U.S. Environmental Protection Agency. 1997. Test Methods for Evaluating Solid Wastes, SW-846, Final Update 3. Office of Solid Waste and Emergency Response, Washington, DC.

[15] APHA-American Public Health Association. 2000. Standard Methods for the Examination of Water and Wastewater. 20th ed. American Water Works Association and Water Pollution Control Federation,Washington, DC

tube onto a special detector. The greater the concentration in the sample, the more light is blocked, which is used to calculate the concentration in the sample. The precise temperature control the GFAAS apparatus provides for the detection of metals at very low levels is usually lower than ICP. However, GFAAS can only analyze one element at a time and can require additional labor as often only a narrow range of concentrations can be analyzed accurately, so the dilution of higher level samples is often necessary.

ICP-OES analysis begins in a similar fashion to ICP-MS by suspending an aerosol of the sample in argon, then ionizing the sample in a powerful magnetic field. The sample then emits light in wavelengths that are specific for the elements it contains. The intensity of the light can be used to calculate the concentration. The machine typically used for this analysis can read many different wavelengths at the same time allowing multiple elements to be measured simultaneously.

Statistical Methods

While we initially used two different methods of sampling water from hot water tanks, the following statistical analyses that are reported in this report, are based on only using the water data that was collected via the drain valve method (Method 2). The principal reason was already discussed above in that Method 2 reduced possible sources of error and contamination associated with the bucket and hose. The cleaner, more efficient valve method was used in collecting water samples from 69% of households, businesses and schools in Martin County (n = 60) and 100% of samples from the Pulaski County, Somerset area (n=30) and from Berea in Madison County (n=33).

Admittedly, there might be some concerns with not using all samples collected in Martin County especially given the efforts involved by our citizen advisory committee / SAVE members in recruiting participants and working with our project team in the field across all data collection sweeps. There may also be legitimate concerns about dropping out cases out of the analyses and possible conclusions that are reached (or manipulated) as a consequence. To address the latter legitimate concern, we have included in Appendix B a summary of the water tank data that was collected in Martin County using the hose and bucket method (mostly from our first August sweep) with water data collected using the preferred drain valve method and which was used in all other later data collection efforts in Martin County (September and October).

A review of the table presented in Appendix B shows that the average differences in metal concentrations between sampling methods are quite minor. Only selenium showed a significant difference between means for the two techniques with selenium concentrations for the hose and bucket method (3.55ppb) being significantly higher than with the valve method (2.09 ppb), but this significant difference only applied when non-detect values were set to half of the reporting limit. In all other cases of other metals, no significant differences in average concentrations were detected. However, it might be important to point out that generally, for 8 of the 12 metals, the hose and bucket method yielded samples with lower averages. It may be that the "worst case scenario" water obtained by drawing water directly from the drain valve of the tank was diluted in the process of collecting a sample using the hose and bucket method. In short, it seemed prudent to exclude them from further analyses. Moreover, this way water data

are more directly comparable between the three counties because, as said, the drain valve method was used as the sole method of data collection in Pulaski and Madison Counties.

All water samples used in this analysis were analyzed at the out-of-state, NELAP certified Severn and Trent Laboratories (STL) in St. Louis, Missouri with the exception of mercury (Hg)collected in Martin County during the September 16 and 17 field sweep. Samples from the September field sweep were analyzed for Mercury at the University of Kentucky, Environmental Research and Training Lab (UK ERTL) in accord with the 30 day holding period (shelf life) for mercury. The reader will note that the total number of samples for Hg for all counties vary slightly from the reports for other elements. This was due to some slight lab and labor scheduling conflicts that occurred early on in our project that resulted in our team missing the 30-day holding period for Hg for some samples.

Treatment of Non-Detect Values:

In accord with clear statistical recommendations on how to treat non-detect values, we have kept non-detect values in all of our statistical analyses and have not excluded them as this is especially important in delineating possible spatial differences (across counties and within Martin County) in measuring potential impacts and possible cumulative exposure levels (U.S. EPA 1996). [16]

However, there is much discussion in the toxicology and bio-metrics literature on how to treat reported "non-detect" values. Some argue that reporting non-detected metals at "0" may tend to under report metal concentrations as the actual metal concentration for any given sample might simply be somewhere slightly under the detection (reporting limit) of the instrumentation. The U.S. EPA (1996) advised that non-detect values may be set at half the reporting limit (detection limit) and standard statistical tests be conducted. Data reported in the graphs and in the summary statistical tables are reported with the detection limit set at half the reporting limit. The first set of ANOVA tests for each MOI comparing average differences for each county is based on the same assumption with non-detects set at half the reporting limit. The only exception is Hg where non-detect values are held at "0" through analysis and reporting due to Hg being a highly regulated contaminant.

U.S. EPA maintains that instead of half of the reporting limit, "some other small number" may be substituted. To address the dual dangers of over reporting non-detect values by assigning them a value of half the reporting limit and under reporting them by assigning them a small number, non-detect values were also treated the second way with non-detect values at "0." The second set of tests of statistical significance (ANOVA and t-tests) that are reported under each table is based on these second assumptions. In the end, however, a review of either set of significant tests shows no meaningful difference in conclusions of statistical significance or non-significance based on either transformation.

[16] U.S. EPA-U.S. Environmental Protection Agency. 1996. Guidance of Data Quality Assessment: Practical Methods for Data Analysis , EPA600/R-96/084 Office of Research and Development, Washington, DC.

Types of Analyses and Explanations:

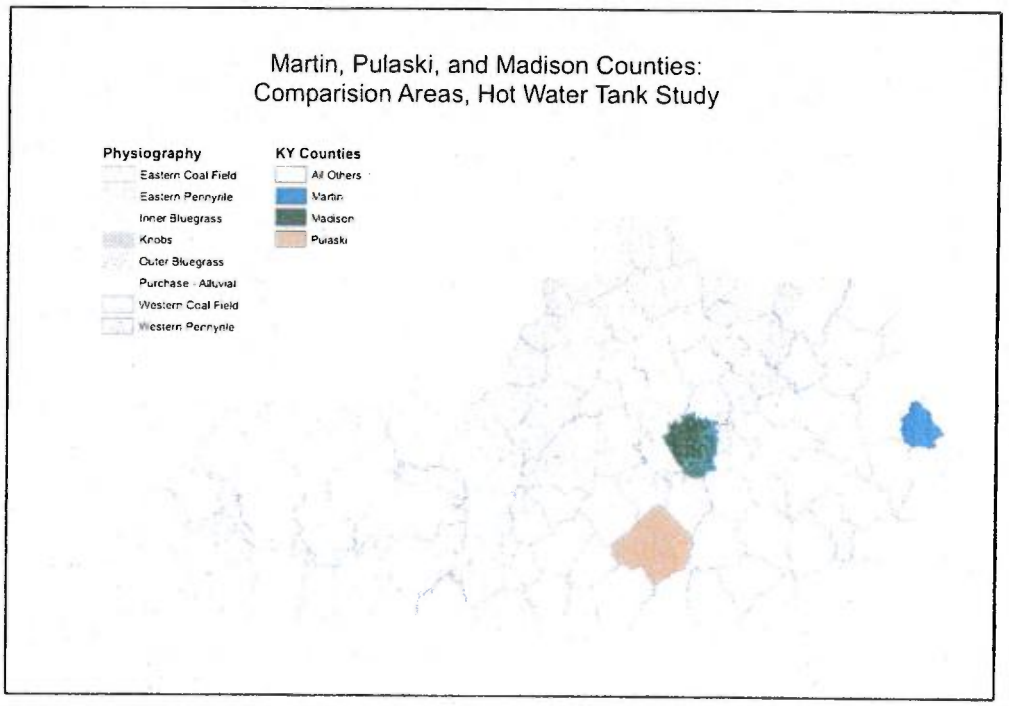
Descriptive summaries of the data are reported for each metal of interest (MOI) with the first graph of each MOI reporting the proportion of samples for each county within each quartile range. With the exception of mercury and arsenic, for all other metals, quartiles were determined based on all collected data (n=162) including both methods (Method 1 and Method 2) of extracting water, as well as public and private well water samples, field blanks and split samples.

Yet, while quartile categories were derived from all data in the study, the accompanying tables report on county differences for only hot water tank data collected from county public water systems using Method 2. This principal focus and emphasis on public water is in accord with the principal charges of the Memorandum of Agreement, -e.g. to examine possible impacts of sludge and slurry releases on the public system in Martin County, KY.

Martin County versus Pulaski (Somerset) and Madison (Berea) Counties

In the first suit of figures (Figure 2.A through Figure 2.L) and tables (Table 2.A through Table 2.L) the quality of public water in Martin County (n =55) is compared with the public water systems in Pulaski (Somerset) (n=30) and Madison (Berea) (n=33) counties for the already listed metals of interest. For each comparison, standard Analysis of Variance (ANOVA) tests are used to determine whether there is a statistically significant higher average concentration of accumulated metals in the hot water tanks in Martin County in comparison to the Somerset and Berea areas of eastern Kentucky. Significantly higher average metals levels might suggest possible contamination and long-term exposure issues associated with slurry and black water releases in Martin County. In those instances where ANOVA tests report statistical significance, post-hoc Scheffe's tests were used to determine where, and for which county, the difference was statistically significant. ANOVA tests and post-hoc Scheffe's tests are reported under each table for each metal of interest (MOI). Again, ANOVA tests are reported with non-detect values transformed to half the reporting limit as well as set to zero, in accord with the above cited literature on how to statistically treat non-detect values.

Besides examining possible county differences, other analyses in this report follow. These other analyses attempt to identify other potential differences and derive broader explanations certain aspects of water quality in Martin County.


Martin, Pulaski, and Madison Counties:
Comparision Areas, Hot Water Tank Study
Physiography
Eastern Coal Field
Eastern Pennyrile
Inner Bluegrass
Knobs
Outer Bluegrass
Purchase - Alluvial
Western Coal Field
Western Pennyrile
KY Counties
All Others
Martin
Madison
Pulaski

Results

Mercury (Hg)

Figure 2.A. Mercury Levels by County and Non-Detected, Detected Levels (ppb)*: Public Water Systems Compared

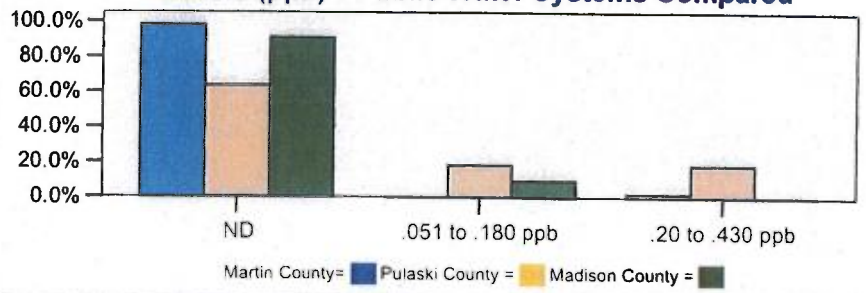


Table 2. A. Mercury (Hg) Concentrations (ppb) in Hot Water Tanks: Martin, Pulaski and Madison County Public Water Systems Compared

	Description of Laboratory Data						Central Tendency		
	# of Samples	Minimum Value	First Quartile	Median Value	Third Quartile	Maximum Value	Mean	Standard Deviation	Standard Error
Martin County	52	0.00	0.00	0.00	0.00	0.370	0.007	0.051	0.007
Pulaski County (Somerset)	11	0.00	0.00	0.00	0.180	0.430	0.080	0.138	0.041
Madison County (Berea)	33	0.00	0.00	0.00	0.00	0.065	0.003	0.017	0.000

ANOVA Test: F=7.31 p=.001*** (Hg non detects only set to "0" not half Reporting Limit and thus, only one set of ANOVA tests reported for Hg.) Scheffe's Test: Pulaski County significantly > than Madison and Martin Counties

*_Note_: Categories for the graph were derived based on all samples in the database including field blanks, private wells and public water samples (n=162). Yet, data was only plotted for public water samples from Martin (n=55), Pulaski (n=30) and Madison Counties (n=33) for this analysis and comparison.

** _Note_: Reporting Limits for Hg ranged from .20 to .50 ppb

Mercury data did not fit onto a quartile range due to the large number of non-detect values present. Subsequently, mercury (Hg) was coded and graphed (Figure 2.A) based on 1) "non-detects," 2) laboratory estimated results that fell below the reporting limit (.051 to .180 ppb) and 3) the small number of samples where Hg was reported (.20 to .430 ppb). A review of the data shows that despite the fact that Pulaski shows significantly higher Hg levels than Martin or Madison counties, even the highest value for all three counties is below the U.S. EPA maximum contaminant level (MCL) for Hg (2 ppb).[17]

[17] U.S. Environmental Protection Agency. List of Drinking Water Contaminants and MCLs, Available online at: http://www.epa.gov/safewater/mcl.html.

Arsenic (As)

Figure 2.B. Arsenic Levels by County and Non-Detected, Detected Levels (ppb):* Public Water Systems Compared

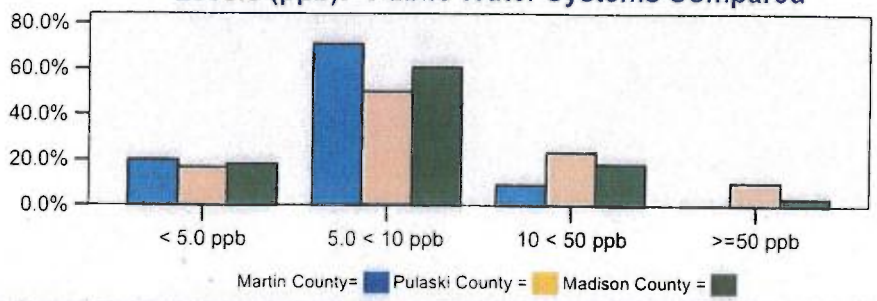


Table 2.B. Arsenic (As) Concentrations (ppb) in Hot Water Tanks: Martin, Pulaski and Madison County Public Water Systems Compared

	Description of Laboratory Data						Central Tendency		
	# of Samples	Minimum Value	First Quartile	Median Value	Third Quartile	Maximum Value	Mean	Standard Deviation	Standard Error
Martin County	55	2.00	5.00	5.00	5.00	32.8	6.11	5.33	.718
Pulaski County (Somerset)	30	2.10	5.00	5.00	27.1	119	20.0	30.7	5.61
Madison County (Berea)	33	2.40	5.00	5.00	6.40	58.9	9.92	12.6	2.20

ANOVA Test (with non detects set to ½ RL): F=6.38 p=.002**
Scheffe's Test: Pulaski County significantly > than Martin County

ANOVA Test (with non detects set to "0"): F=6.98 p=.001***
Scheffe's Test: Pulaski County significantly > than Martin County

* ***Note***: Categories for the graph were derived based on all samples in the database including field blanks, private wells and public water samples (n=162). Yet, data was only plotted for public water samples from Martin (n=55), Pulaski (n=30) and Madison Counties (n=33) for this analysis and comparison.

** ***Note***: Reporting Limit for As at 10 ppb.

Like mercury, arsenic data did not fit into a neat quartile range due to the large number of non-detect values present. Subsequently, arsenic (As) was coded and graphed (Figure 2.B) based on 1) laboratory estimated levels less than 5.0 ppb, 2) non-detect values set at half the reporting limit and other laboratory estimates (5.0-10.0 ppb), 3) detected levels between 10 and 50 ppb and 4) levels that exceeded 50 ppb. A review of Table 2.B shows that Pulaski County had significantly higher concentrations of As than Martin County. In fact, the average As level for Pulaski/ Somerset was 2 times the MCL (10ppb –effective as of 1/26/2006. The previous MCL was 50 ppb). Further analysis shows that 10% of samples for Martin, 30% for Pulaski and 18% for Madison County exceeded new MCL standards set for arsenic. [18]

[18] **Note**: It should be noted that the MCL value listed here was developed by the U.S. EPA as a standard for drinking water as supplied by public water companies, not as processed and accumulated through the hot water system and thus, these levels may not be indicative of health effects. However, further investigation to assess possible exposure may be warranted (see Appendix C). U.S. Environmental Protection Agency. List of Drinking Water Contaminants and MCLs, Available online at: http://www.epa.gov/safewater/mcl.html

Barium (Ba)

Figure 2.C. Barium Levels by County and by Quartiles (ppb), * Public Water Systems Compared

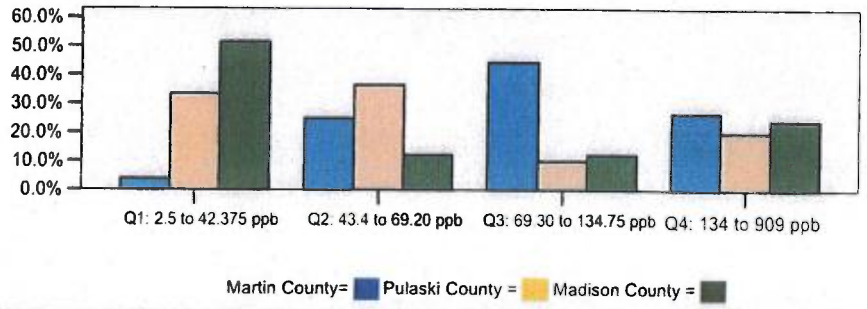


Table 2.C. Barium (Ba) Concentrations (ppb) in Hot Water Tanks: Martin, Pulaski and Madison County Public Water Systems Compared

	Description of Laboratory Data						Central Tendency		
	# of Samples	Minimum Value	First Quartile	Median Value	Third Quartile	Maximum Value	Mean	Standard Deviation	Standard Error
Martin County	55	18.5	68.8	89.2	148	909	137	145	19.6
Pulaski County (Somerset)	30	22.2	37.1	50.7	103	731	105	142	25.9
Madison County (Berea)	33	12.1	18.0	33.0	130	649	123	184	32

ANOVA Test (with non detects set to ½ RL): F=.404 p=p.668
Scheffe's Test: No significant difference between counties.

ANOVA Test (with non detects set to "0"): F=.404 p=.668
Scheffe's Test: Pulaski County significantly > than Martin County

*__Note__: Quartiles for the graph were derived based on all samples in the database including field blanks, private wells and public water samples (n=162). Yet, data was only plotted for public water samples from Martin (n=55), Pulaski (n=30) and Madison Counties (n=33) for this analysis and comparison.

** __Note__: Reporting Limits for Ba ranged from 5.0 (n=60), 25 (n=45), 50 (n=8) and 62.5 (n=5) ppb.

No values for barium were above the MCL (2000 ppb) for this metal in any county nor were there any statistically significant differences in Ba concentrations between counties based on ANOVA tests reported in Table 2.C. [19]

[19] U.S. Environmental Protection Agency. List of Drinking Water Contaminants and MCLs, Available online at: http://www.epa.gov/safewater/mcl.html

Cadmium (Cd)

Figure 2.D. Cadmium Levels by County and by Quartiles (ppb),* Public Water Systems Compared

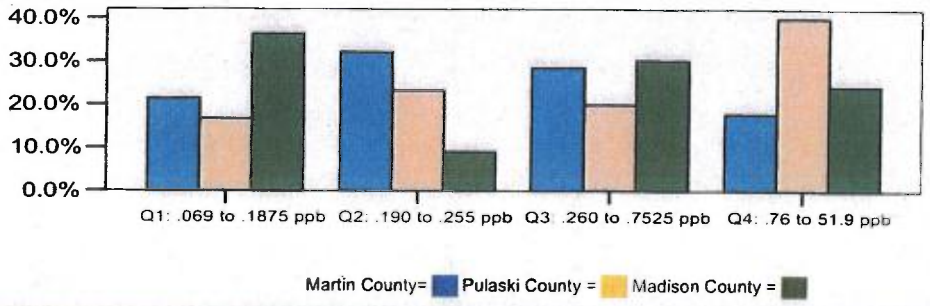


Table 2. D Cadmium (Cd) Concentrations (ppb) in Hot Water Tanks: Martin, Pulaski and Madison County Public Water Systems Compared

	Description of Laboratory Data						Central Tendency		
	# of Samples	Minimum Value	First Quartile	Median Value	Third Quartile	Maximum Value	Mean	Standard Deviation	Standard Error
Martin County	55	0.069	0.220	0.250	0.500	51.9	1.49	6.98	0.941
Pulaski County (Somerset)	30	0.072	0.250	0.570	1.30	31.7	2.51	5.99	1.09
Madison County (Berea)	33	0.071	0.130	0.280	0.765	9.20	0.919	1.97	0.34

ANOVA Test (with non detects set to ½ RL): F=.621 p=.539
Scheffe's Test: No significant difference between counties.

ANOVA Test (with non detects set to "0"): F=.596 p=.553
Scheffe's Test: No significant difference between counties.

*_Note_: Quartiles for the graph were derived based on all samples in the database including field blanks, private wells and public water samples (n=162). Yet, data was only plotted for public water samples from Martin (n=55), Pulaski (n=30) and Madison Counties (n=33) for this analysis and comparison.

** _Note_: Reporting Limit for Cd at .50 ppb.

While ANOVA tests report no particular county as having significantly higher levels of cadmium than any other (F=.621), further analysis shows all three counties as having a few samples that exceed the MCL (5 ppb) for Cd. These percentages are: 3 % for Martin, 13 % for Pulaski and 3 % for Madison Co.[20]

[20] Note: It should be noted that the MCL value listed here was developed by the U.S. EPA as a standard for drinking water as supplied by public water companies, not as processed and accumulated through the hot water system and thus, these levels may not be indicative of health effects. However, further investigation to assess possible exposure may be warranted. U.S. Environmental Protection Agency (see Appendix C). List of Drinking Water Contaminants and MCLs, Available online at: http://www.epa.gov/safewater/mcl.html

Calcium (Ca)

Figure 2.E. Calcium Levels by County and by Quartiles (ppb),* Public Water Systems Compared

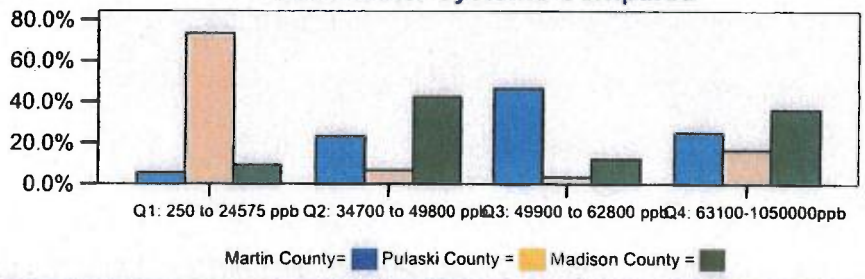


Table 2.E. Calcium (Ca) Concentrations (ppb) in Hot Water Tanks: Martin, Pulaski and Madison County Public Water Systems Compared

	Description of Laboratory Data						Central Tendency		
	# of Samples	Min Value	First Quartile	Median Value	Third Quartile	Maximum Value	Mean	Standard Deviation	Standard Error
Martin County	55	27500	49400	53700	63100	1 050 000	79 576	135379	19254
Pulaski County (Somerset)	30	3580	24275	26450	36675	197 000	42 722	44704	8161
Madison County (Berea)	33	10200	36400	46900	93750	714 000	114 118	166809	29037

ANOVA Test (with non detects set to ½ RL): F=2.37 p=p.097
Scheffe's Test: No significant difference between counties.

ANOVA Test (with non detects set to "0"): F=2.37 p=.097
Scheffe's Test: No significant difference between counties.

*__Note__: Quartiles for the graph were derived based on all samples in the database including field blanks, private wells and public water samples (n=162). Yet, data was only plotted for public water samples from Martin (n=55), Pulaski (n=30) and Madison Counties (n=33) for this analysis and comparison.

**__Note__: Reporting Limit for Ca ranged from 500 (n=86), 2500 (n=19), 5000 (n=8) to 6250 (n=5).

ANOVA tests show no significant difference in calcium levels across counties (F=2.37). While it is important to note that the US EPA has not established an MCL for calcium, as mentioned at the outset of this report, calcium has been cited in the past as a possible conservative tracer for other metals. However, additional correlation analyses (Pearson) on hot water tank data from all three county public water systems (n=118) show calcium to be only slightly correlated with the following metals[21]: barium (r=.327) and copper (r=.314) but not associated with the following: mercury (r=.054), arsenic (r=.097), cadmium (r=-.014), chromium (r=.044), cobalt (r=.024), iron (r=-.013), lead (r=.019), manganese (r= .017) and selenium (r=-.131).

Chromium (Cr)

Figure 2.F. Chromium Levels by County and by Quartiles (ppb),* Public Water Systems Compared

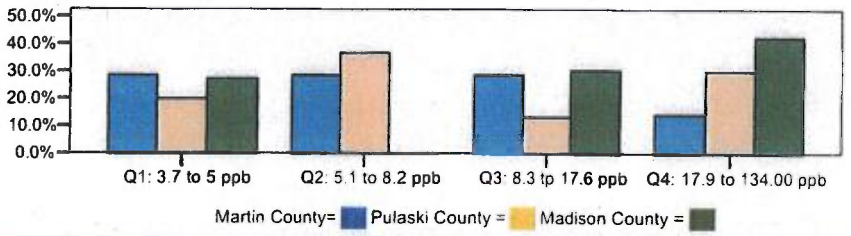


Table 2.F. Chromium (Cr) Concentrations (ppb) in Hot Water Tanks: Martin, Pulaski and Madison County Public Water Systems Compared

	Description of Laboratory Data						Central Tendency		
	# of Samples	Minimum Value	First Quartile	Median Value	Third Quartile	Maximum Value	Mean	Standard Deviation	Standard Error
Martin County	55	3.80	5.00	7.60	12.3	50.0	13.1	14.0	1.88
Pulaski County (Somerset)	30	3.70	5.32	7.50	21.2	134	18.6	26.6	4.87
Madison County (Berea)	33	3.90	5.00	13.6	20.9	50.1	15.4	10.2	1.78

ANOVA Test (with non detects set to ½ RL): F=0.970 p=.382
Scheffe's Test: No significant difference between counties.

ANOVA Test (with non detects set to "0"): F=5.41 p=.006**
Scheffe's Test: Pulaski County significantly (18.0) > than Martin County (7.2)

*_Note_: Quartiles for the graph were derived based on all samples in the database including field blanks, private wells and public water samples (n=162). Yet, data was only plotted for public water samples from Martin (n=55), Pulaski (n=30) and Madison Counties (n=33) for this analysis and comparison.

** _Note_: Reporting Limit for Cr ranged from 10 (n=112) to 100 (n=6).

Chromium levels for hot water tanks for Martin, Pulaski and Madison Counties are reported in Table 2.F. Data shows that 1 of the samples taken from Pulaski County was above the MCL (100 ppb) for chromium[22] and ANOVA tests report that Pulaski Co. may have significantly higher average Cr than Martin Co. based on reported levels significance (F=5.41) for one of the two ANOVA calculations.

[22] Note: It should be noted that the MCL value listed here was developed by the U.S. EPA as a standard for drinking water as supplied by public water companies, not as processed and accumulated through the hot water system and thus, these levels may not be indicative of health effects. However, further investigation to assess possible exposure may be warranted (see Appendix C). U.S. Environmental Protection Agency. List of Drinking Water Contaminants and MCLs, Available online at: http://www.epa.gov/safewater/mcl.html

Cobalt (Co)

Figure 2.G. Cobalt Levels by County and by Quartiles (ppb),* Public Water Systems Compared

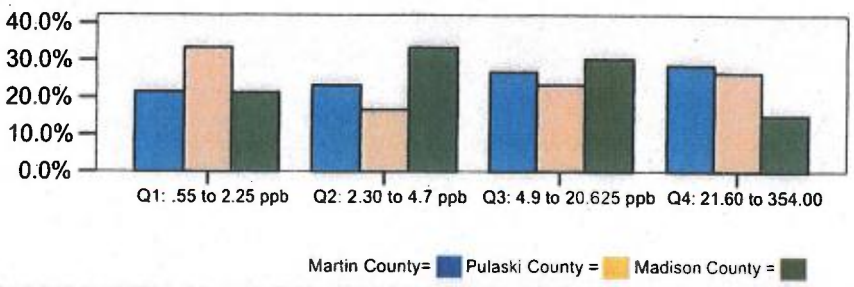


Table 2.G. Cobalt (Co) Concentrations (ppb) in Hot Water Tanks: Martin, Pulaski and Madison County Public Water Systems Compared

	Description of Laboratory Data						Central Tendency		
	# of Samples	Minimum Value	First Quartile	Median Value	Third Quartile	Maximum Value	Mean	Standard Deviation	Standard Error
Martin County	55	0.550	2.50	6.70	30.0	341	32.0	61.9	8.35
Pulaski County (Somerset)	30	0.590	1.77	4.65	27.5	354	33.5	75.5	13.7
Madison County (Berea)	33	0.590	2.50	4.30	15.1	49.3	10.1	12.7	2.21

ANOVA Test (with non detects set to ½ RL): F=1.82 p=.166
Scheffe's Test: No significant difference between counties.

ANOVA Test (with non detects set to "0"): F=1.81 p=.168
Scheffe's Test: No significant difference between counties.

*__Note__: Quartiles for the graph were derived based on all samples in the database including field blanks, private wells and public water samples (n=162). Yet, data was only plotted for public water samples from Martin (n=55), Pulaski (n=30) and Madison Counties (n=33) for this analysis and comparison.

** __Note__: Reporting Limit for Co ranged from 5 (n=112) to 50 (n=6).

Table 2.G reports no statistically significance difference in cobalt concentrations between any of the three counties. In addition, the U.S. EPA has not established a MCL for Co. and therefore, speculation on possible human health effects associated with potentially elevated Co levels is limited.

Copper (Cu)

Figure 2.H. Copper Levels by County and by Quartiles (ppb),* Public Water Systems Compared

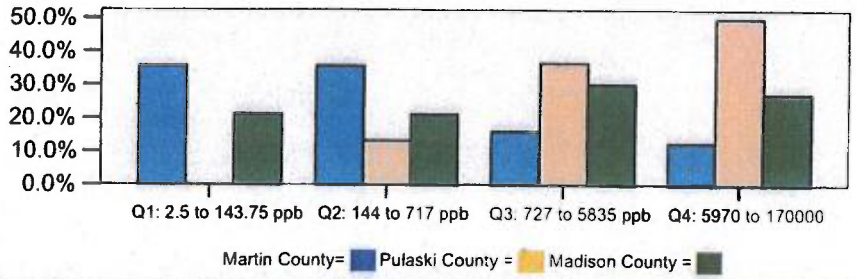


Table 2.H. Copper (Cu) Concentrations (ppb) in Hot Water Tanks: Martin, Pulaski and Madison County Public Water Systems Compared

	Description of Laboratory Data						Central Tendency		
	# of Samples	Minimum Value	First Quartile	Median Value	Third Quartile	Maximum Value	Mean	Standard Deviation	Standard Error
Martin County	55	4.30	72.0	307	863	116 000	4621	16780	2262
Pulaski County (Somerset)	30	197	1770	4530	56925	141 000	27745	40118	34116
Madison County (Berea)	33	10.0	213	1170	10250	170 000	16797	41483	7221

ANOVA Test (with non detects set to ½ RL): F=5.29 p=.006**
Scheffe's Test: Pulaski County significantly > than Martin County

ANOVA Test (with non detects set to "0"): F=5.29 p=.006**
Scheffe's Test: Pulaski County significantly > than Martin County

*_Note_: Quartiles for the graph were derived based on all samples in the database including field blanks, private wells and public water samples (n=162). Yet, data was only plotted for public water samples from Martin (n=55), Pulaski (n=30) and Madison Counties (n=33) for this analysis and comparison.

** _Note_: Reporting Limit for Cu ranged from 5 (n=97), 25 (n=4), 50 (n=12) and 62.50 (n=5).

ANOVA Tests in Table 2.H show Pulaski Co. with significantly higher copper levels than Martin Co. However, many samples, 16% in Martin Co and 42 % in Madison Co. and the majority of Pulaski Co. samples (77 %), exceeded the Cu Action Level (1300 ppb), a level established by the U.S. EPA that requires corrective action if a water treatment plant has more than 10% of its water samples in exceedence. The average Cu concentration in hot water tanks was above the Action Level in each county.[23] Overall, values for Cu varied widely in a given county, for example, by an approximate range of 110,000 ppb in Martin Co. Some of the Cu variation may possibly be due to accumulation from on-site plumbing.

[23] Note It should be noted that the Action Level listed here was developed by the U.S. EPA as a standard for drinking water as supplied by public water companies, not as processed though the hot water system of a house, church, business, etc. Thus, these levels may not be indicative of health effects. However, further investigation to assess exposure may be warranted (see Appendix C).

Iron (Fe)

Figure 2.I. Iron Levels by County and by Quartiles (ppb),* Public Water Systems Compared

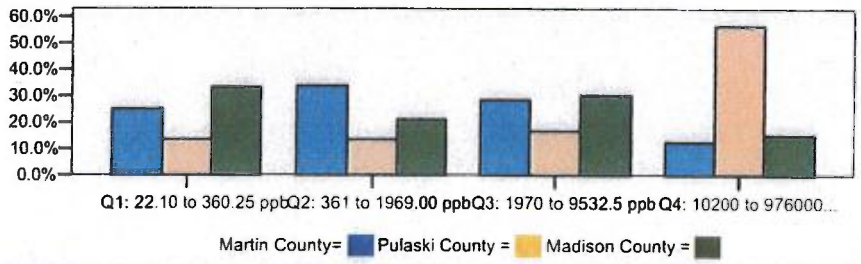


Table 2.I. Iron (Fe) Concentrations (ppb) in Hot Water Tanks: Martin, Pulaski and Madison County Public Water Systems Compared

	Description of Laboratory Data						Central Tendency		
	# of Samples	Minimum Value	First Quartile	Median Value	Third Quartile	Maximum Value	Mean	Standard Deviation	Standard Error
Martin County	56	25.0	367	1360	6100	713 000	21360	99267	13385
Pulaski County (Somerset)	30	125	1017	10850	69700	976 000	79564	186862	34116
Madison County (Berea)	33	25.0	149	1270	4385	42 800	5531	11113	1934

ANOVA Test (with non detects set to ½ RL): F=3.61p=.030*
Scheffe's Test: Pulaski County significantly > than Martin County

ANOVA Test (with non detects set to "0"): F=3.609 p=.030*
Scheffe's Test: Pulaski County significantly > than Martin County

*_Note_: Quartiles for the graph were derived based on all samples in the database including field blanks, private wells and public water samples (n=162). Yet, data was only plotted for public water samples from Martin (n=55), Pulaski (n=30) and Madison Counties (n=33) for this analysis and comparison.

** _Note_: Reporting Limit for Fe ranged from 3 (n=2), 50 (n=72), 125 (n=2), 250 (n=33) to 500 (n=9).

The U.S. EPA does not list a MCL for iron, but does list a non-enforceable secondary water quality standard (300 ppb) to address cosmetic and aesthetic effects of Fe on drinking water.[24] This standard was exceeded in most samples from all three counties: 78%, 87% and 64% respectively exceeded this secondary standard in Martin, Pulaski and Madison counties. This metal showed widely variable accumulation, from a minimum of 25ppb to a maximum of 713,000 ppb in Martin Co. and a maximum of 916,000 in Pulaski County. Some of the accumulated iron could be derived from on-site plumbing.

[24] U.S. Environmental Protection Agency. List of Drinking Water Contaminants and MCLs, Available online at: http://www.epa.gov/safewater/mcl.html

Lead (Pb)

Figure 2.J. Lead Levels by County and by Quartiles (ppb),* Public Water Systems Compared

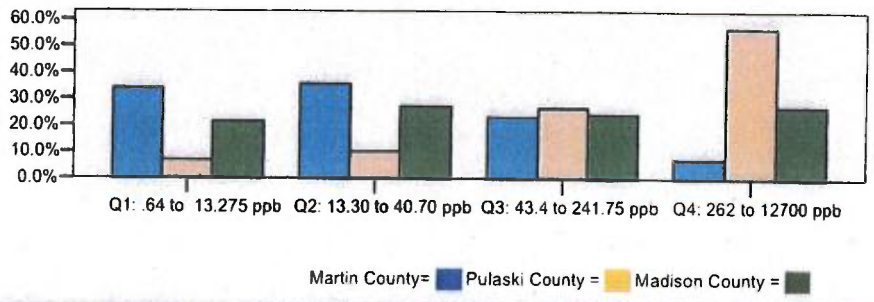


Table 2.J. Lead (Pb) Concentrations (ppb) in Hot Water Tanks: Martin, Pulaski and Madison County Public Water Systems Compared

	Description of Laboratory Data						Central Tendency		
	# of Samples	Minimum Value	First Quartile	Median Value	Third Quartile	Maximum Value	Mean	Standard Deviation	Standard Error
Martin County	55	.670	6.90	27.7	72.8	1910	123	342	46.2
Pulaski County (Somerset)	30	8.90	73.6	320	1107	12700	1612	3192	582
Madison County (Berea)	33	.64	13.4	42.4	415	2240	337	586	102

ANOVA Test (with non detects set to ½ RL): F=8.338 p=.000***
Scheffe's Test: Pulaski County significantly > than Madison and Martin Counties

ANOVA Test (with non detects set to "0"): F=8.340 p=.000***
Scheffe's Test: Pulaski County significantly > than Madison and Martin County

*__Note__: Quartiles for the graph were derived based on all samples in the database including field blanks, private wells and public water samples (n=162). Yet, data was only plotted for public water samples from Martin (n=55), Pulaski (n=30) and Madison Counties (n=33) for this analysis and comparison.

** __Note__: Reporting Limit for Pb ranged from 3.0 (n=79), 15 (n=30), 30 (n=8) to 37.5 (n=1).

Lead was found in excess of the Action Limit (15 ppb)[25] in most samples from each of the counties, although significantly higher in Pulaski Co. based on ANOVA tests presented in Table 2.J. Further analysis shows that action limit levels were exceeded in 86% of the cases in Pulaski County in comparison to 77 % of cases Martin Co. and 70 % in Madison Co. Average values in Martin Co were 8.24 times the action level, 22.5 times higher in Madison Co., and 108 times higher in Pulaski County. In addition, considerable variation was observed between samples with the minimum and maximum in Martin Co. of 0.67 and 1910.00 ppb. Some Pb may have accumulated from on-site plumbing, but this is open to further investigation.

[25] __Note__ It should be noted that the Action Level listed here was developed by the U.S. EPA as a standard for drinking water as supplied by public water companies, not as processed though the hot water system of a house, church, business, etc. Thus, these levels may not be indicative of health effects. However, further investigation to assess exposure may be warranted (see Appendix C).

Manganese (Mn)

Figure 2.K. Manganese Levels by County and by Quartiles (ppb),* Public Water Systems Compared

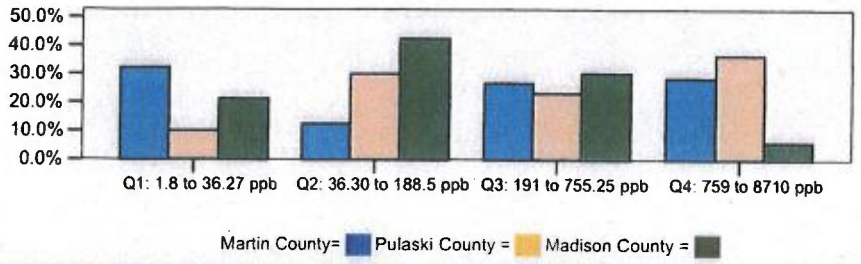


Table 2.K. Manganese (Mn) Concentrations (ppb) in Hot Water Tanks: Martin, Pulaski and Madison County Public Water Systems Compared

	Description of Laboratory Data						Central Tendency		
	# of Samples	Minimum Value	First Quartile	Median Value	Third Quartile	Maximum Value	Mean	Standard Deviation	Standard Error
Martin County	55	1.90	20.0	267	1140	7010	1026	1735	234
Pulaski County (Somerset)	30	4.40	133	317	1380	8710	1488	2320	423
Madison County (Berea)	33	1.80	47.7	140	281	5110	336	881	153

ANOVA Test (with non detects set to ½ RL): F=3.591p=.031*
Scheffe's Test. Pulaski County significantly > than Madison County

ANOVA Test (with non detects set to "0"): F=3.589 p=.031*
Scheffe's Test. Pulaski County significantly > than Madison County

**Note* Quartiles for the graph were derived based on all samples in the database including field blanks, private wells and public water samples (n=162). Yet, data was only plotted for public water samples from Martin (n=55), Pulaski (n=30) and Madison Counties (n=33) for this analysis and comparison.

** *Note*: Reporting Limit for Mn ranged from 5 (n=77), 25 (n=32) to 50 (n=9).

The U.S. EPA does not list a MCL for mangenese, but does list a non-enforceable secondary water quality standard (50 ppb) to address cosmetic and aesthetic effects of Mn on drinking water.[26] This standard was exceeded in most samples from all three counties with 62 %, 86% and 73% of samples exceeding this secondary standard in Martin, Pulaski and Madison counties respectively. Thus, while Pulaski Co. had significantly higher concentrations of Mn than Martin Co. as reported by ANOVA tests reported in Table 2.K, Mn concentrations remained high across all three counties.

[26] Note It should be noted that the Action Level listed here was developed by the U.S. EPA as a standard for drinking water as supplied by public water companies, not as processed though the hot water system of a house, church, business, etc. Thus, these levels may not be indicative of health effects. However, further investigation to assess exposure may be warranted (see Appendix C).

Selenium (Se)

Figure 1.L. Selenium Levels by County and Non-Detected, Detected Levels (ppb): Public Water Systems Compared

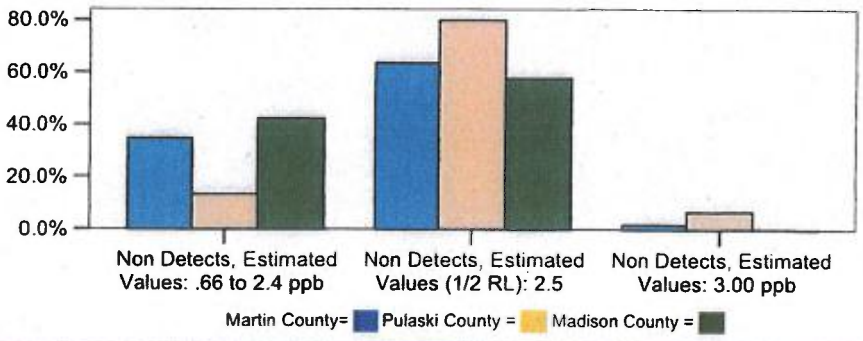


Table 2. L. Selenium (Se) Concentrations (ppb) in Hot Water Tanks: Martin, Pulaski and Madison County Public Water Systems Compared

	Description of Laboratory Data						Central Tendency		
	# of Samples	Minimum Value	First Quartile	Median Value	Third Quartile	Maximum Value	Mean	Standard Deviation	Standard Error
Martin County	54	.72	1.62	2.50	2.50	2.50	2.09	.634	.086
Pulaski County (Somerset)	30	1.20	2.50	2.50	2.50	3.30	2.42	.387	.071
Madison County (Berea)	33	.66	1.10	2.50	2.50	2.50	1.88	.753	.131

ANOVA Test (with non detects set to ½ RL): F=6.098 p=.003**
Scheffe's Test: Pulaski County significantly > than Madison County

ANOVA Test (with non detects set to "0"): F=.035 p=.966
Scheffe's Test: No significant difference between Pulaski (.4233), Madison (.4424) and Martin (.4578) Counties

* ***Note***: Categories for the graph were derived based on all samples in the database including field blanks, private wells and public water samples (n=162). Yet, data was only plotted for public water samples from Martin (n=55), Pulaski (n=30) and Madison Counties (n=33) for this analysis and comparison.

** ***Note***: Reporting Limit for Se ranged from 5 (n=111), 25 (n=5) to 50 (n=1).

Like mercury and arsenic, selenium data did not fit onto a neat quartile range due to the large number of non-detect values present. Subsequently, selenium (Se) was coded and graphed (Figure 2.B) based on 1) laboratory estimated levels reported by .66 and 2.4 ppb 2) non-detect values set at half the reporting limit and other laboratory estimates (5.0-10.0 ppb), 3) values estimated at 3 ppb. A review of Table 2.L shows Pulaski Co as having significantly higher concentrations of Se than Madison Co. and possibly Martin Co., but maximum levels for all three counties were below the MCL (50 ppb).[27]

[27] U.S. Environmental Protection Agency. List of Drinking Water Contaminants and MCLs, Available online at: http://www.epa.gov/safewater/mcl.html

Inez versus Warfield, Martin County

Besides examining possible county differences, based on discussions with our citizen advisory committee, it was recommended that we also look at and report differences in water quality data for the areas of Inez and Warfield. This is an important analysis due to the fact that the Martin County Water District (MCWD) receives water from three sources; a raw water intake treated by MCWD treatment plant and two finished water sources, purchased from Mountain Water District in Pike County, Kentucky and Kermit Water District located in Kermit, West Virginia. (See the following map). A review of the following map with respect to purchase source meters especially, shows that residents of Warfield and southern Martin County, who are customers of MCWD, are more likely to be purchasing water that does not entirely originate from MCWD treatment plant but rather from the other two sources: The Mountain and Kermit Water District. Thus, the following analysis looks at water quality by purchase source by comparing public hot water tank data collected in the Warfield area (n=7) with data collected from the Inez area of Martin County.

In contrast to the previous analyses that relied on ANOVA tests to compare significant differences in average concentrations, given that this analysis is a two-group comparison (e.g. Inez and Warfield), standard t-tests of statistical significance were used to compare whether there were statistically higher concentrations of metals in one area over the other. But as with the first analyses, non-detect values in these analyses were also set to half the reporting limit and summary statistics that appear in the following table are reported under that assumption. Moreover, the first t-tests reporting significant differences are based on non-detect data transformed to half the reporting limit. And likewise, as in the first suite of tables, the second t-tests report on statistical differences with non-detect values set to "0". A cursory comparison of t-test results report no meaningful differences in accepting or rejecting statistical significance based on either non-detect assumption. In short, Table 3.A reports the results of our statistical analyses comparing differences in metal concentrations in hot water tanks from the Inez versus Warfield areas of Martin County.

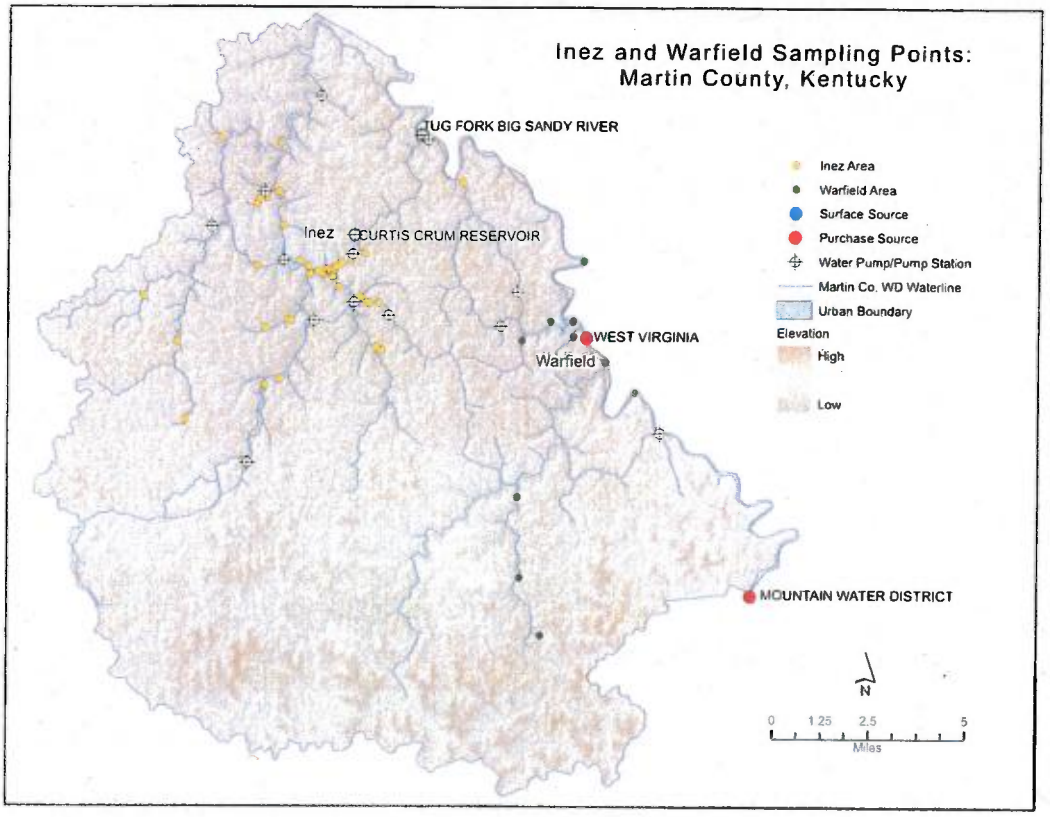


Table 3.A. Metal Concentrations (ppb) in Hot Water Tanks: Inez and Warfield Areas (Martin County) on Public Water System Compared

	Description of Laboratory Data						Central Tendency		
	# of Samples	Min Value	First Quartile	Median Value	Third Quartile	Max Value	Mean	Standard Deviation	Standard. Error
Mercury (Hg)									
Inez Area	46	.00	.00	.00	.00	.370	.008	.054	.008
Warfield Area	6	.00	.00	.00	.00	.00	.00	.00	.00
½ RL t=-.358, p=.77									
0 RL t=.358, p=.722									

	# of Samples	Min Value	First Quartile	Median Value	Third Quartile	Max Value	Mean	Standard Dev	Standard Error
Arsenic (As)									
Inez Area	48	2.00	5.00	5.00	5.00	32.8	6.11	5.51	.795
Warfield Area	7	2.40	5.00	5.00	5.20	15.2	6.11	4.13	1.55
½ RL t=.00, p=1.00									
0 RL t=.260, p=.796									

	# of Samples	Min Value	First Quartile	Median Value	Third Quartile	Max Value	Mean	Standard Dev	Standard Error
Barium (Ba)									
Inez Area	48	18.5	68.8	89.2	129	909	128	135	19.6
Warfield Area	7	65.4	65.7	146	243	639	197	204	77.3
½ RL t= 1.182, p=.24									
0 RL t=1.18, p=.243									

	# of Samples	Min Value	First Quartile	Median Value	Third Quartile	Max Value	Mean	Standard Dev	Standard Error
Cadmium (Cd)									
Inez Area	48	.69	.227	.250	.492	6.30	.538	.940	.136
Warfield Area	7	.078	.180	.480	2.90	51.9	8.06	19.3	7.31
½ RL t=1.03, p=.343									
0 RL t= 1.03, p=.339									

	# of Samples	Min Value	First Quartile	Median Value	Third Quartile	Max Value	Mean	Standard Dev	Standard Error
Calcium (Ca)									
Inez Area	48	275	50050	55300	63775	1050000	82339	144375	20838
Warfield Area	7	28900	48600	49700	58300	136000	60628	34481	13032
½ RL t=-.39, p=.696									
0 RL t=.393, p=.696									

	# of Samples	Min Value	First Quartile	Median Value	Third Quartile	Max Value	Mean	Standard Dev	Standard Error
Chromium (Cr)									
Inez Area	48	3.80	5.00	7.20	12.2	50.0	13.2	14.6	2.11
Warfield Area	7	7.20	8.10	9.10	16.7	34.0	13.4	9.57	3.62
½ RL t=.05, p=.959									
0RL t=2.93, p=004**									

	# of Samples	Min Value	First Quartile	Median Value	Third Quartile	Max Value	Mean	Standard Dev	Standard Error
Cobalt (Co)									
Inez Area	48	.55	2.50	5.45	29.9	341	31.4	63.5	9.17
Warfield Area	7	.60	1.20	16.2	53.7	151	36.7	53.4	20.2
½ RL t=.209, p=.835									
0 RL t=.243, p=.809									

	# of Samples	Min Value	First Quartile	Median Value	Third Quartile	Max Value	Mean	Standard Dev	Standard Error
Copper (Cu)									
Inez Area	48	4.30	58.9	321	841	29200	2066	5240	756
Warfield Area	7	92.0	144	295	37800	116000	22142	43690	16513
½ RL t= 1.21, p=.270									
0 RL t=1.21, p=.270									

	# of Samples	Min Value	First Quartile	Median Value	Third Quartile	Max Value	Mean	Standard Dev	Standard Error
Iron (Fe)									
Inez Area	48	25.0	277	1135	4207	39300	3703	7080	1022
Warfield Area	7	472	2240	3980	201000	713000	142438	262100	99064
½ RL t=1.40, p=.211									
0 RL t=1.40, p=.211									

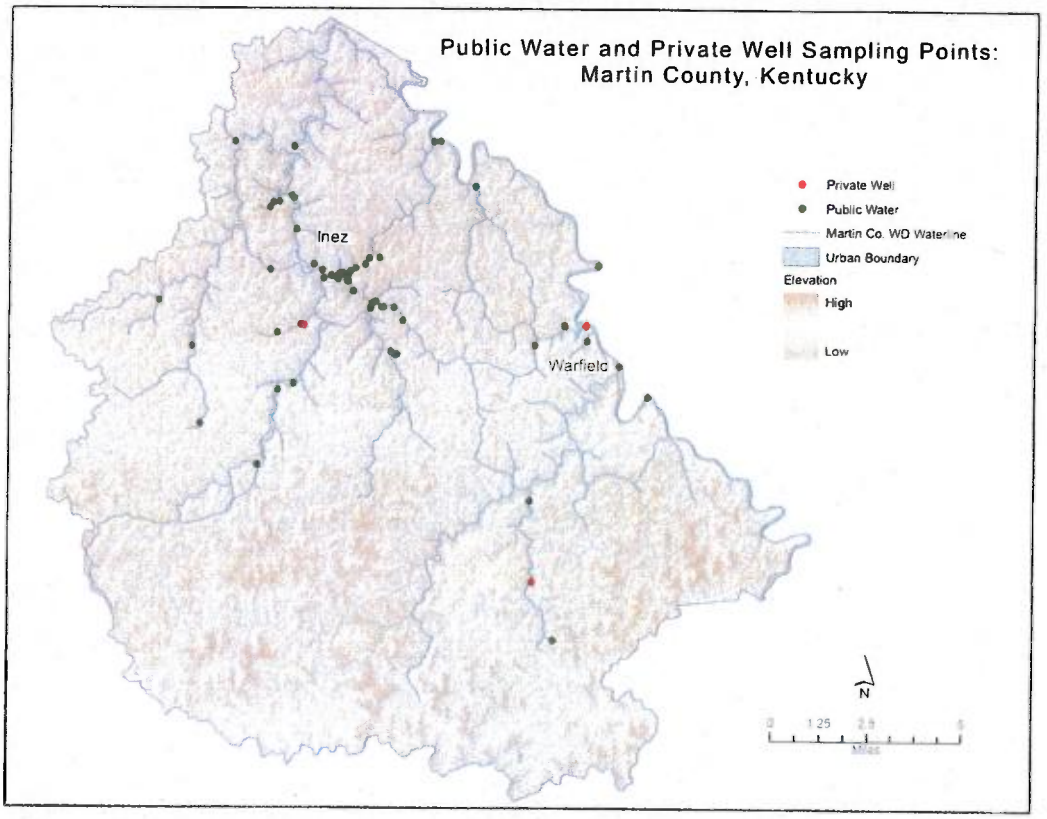
	# of Samples	Min Value	First Quartile	Median Value	Third Quartile	Max Value	Mean	Standard Dev	Standard Error
Lead (Pb)									
In ez Area	48	.67	6.12	27.8	62.1	844	67.0	149	21.6
Warfield Area	7	14.6	19.5	27.2	1500	1910	511	824	311
½ RL t=1.42, p=.204									
0 RL t=1.46, p=.203									

	# of Samples	Min Value	First Quartile	Median Value	Third Quartile	Max Value	Mean	Standard Dev	Standard Error
Manganese (Mn)									
Inez Area	48	1.90	19.5	237	1044	7010	901	1578	227
Warfield Area	7	13.9	232	729	3840	6920	1886	2569	971
½ RL t=1.42, p=.163									
0 RL t=1.47, p=.162									

	# of Samples	Min Value	First Quartile	Median Value	Third Quartile	Max Value	Mean	Standard Dev	Standard Error
Selenium (Se)									
Inez Area	47	.72	1.80	2.50	2.50	2.50	2.11	.638	.093
Warfield Area	7	.91	1.40	1.90	2.50	2.50	1.92	.625	.236
½ RL t=.761, p=.450									
0 RL t=1.29, p=.234									

Discussion: A comparison was made between water samples taken from locations near Warfield receiving water from the WTP in Kermit, WV and those around Inez receiving water from the Martin County WTP. Unfortunately, some of the samples (n=5) from the Warfield area were taken with the hose and bucket technique and we are thus, reluctant to include /compare with the standard direct valve method used. This left an even smaller number (n=7) of cases from the Warfield area and subsequently, hinders our ability to draw conclusions from our analysis. In any event, with the current data, no significant differences were detected between metal concentrations in hot water tanks from the Inez and Warfield areas but again, this might be due to small number of cases from the Warfield area. However, some of the trends indicate that if additional Warfield cases were added to the analysis there might be some differences between the two locations in accumulated levels across the following metals: barium, cadmium, cobalt, copper, iron, lead and manganese.

Public versus Private Well Water, Martin County



In this next set of analyses, we explore possible differences in public versus private water systems in Martin County. While in Martin County, our project team decided to also collect some data on hot water tanks on private wells (n=5) as we thought that this might provide another meaningful comparison that could help us reach some better understanding of possible long-term impacts of the 2000 sludge spill on overall drinking water. Subsequently, in September, our team collected from 5 hot water tanks that draw from groundwater wells. (See above Map).

As per the previous analyses, given that this is another two group comparison, standard t-test, tests of statistical significance, were used to compare whether metal concentrations were significantly higher in hot water tanks drawing from private wells than hot water tanks on the public system. As with comparisons between the Inez and Warfield area, t-test results are reported based on both sets of assumptions with non-detects set to half the reporting limit and non-detects set to "0". Here again, test results report no meaningful differences in t-test result values between the two non-detect assumptions.

Findings for this set of analyses are reported in Table 4.A. The findings presented in the following table start to explore possible differences in metal accumulation levels in public versus drinking water from private wells in Martin County.

Table 4.A. Metal Concentrations (ppb) in Hot Water Tanks: Public Water and Private Wells (Martin County) Compared

	Description of Laboratory Data						Central Tendency		
	# of Samples	Min Value	First Quartile	Median Value	Third Quartile	Max Value	Mean	Standard Deviation	Standard Error
Mercury (Hg)									
Public Water	52	.00	.00	.00	.00	.370	.007	.051	.007
Private Wells	2	.00	.00	.00	.00	.000	.000	.00	.000
0: t=.194 p=.847									
	# of Samples	Min Value	First Quartile	Median Value	Third Quartile	Max Value	Mean	Standard Deviation	Standard Error
Arsenic (As)									
Public Water	55	2.00	5.00	5.00	5.00	32.8	6.12	5.32	.718
Private Wells	5	5.00	5.00	5.00	42.1	79.1	19.8	33.1	14.8
½ RL t=2.90 p=.005** 0: t=2.52 p=.015*									
	# of Samples	Min Value	First Quartile	Median Value	Third Quartile	Max Value	Mean	Standard Deviation	Standard Error
Barium (Ba)									
Public Water	55	18.5	68.8	89.2	148	909	137	145	19.7
Private Wells	5	26.9	45.4	65.5	274	398	140	150	67.4
½ RL: t=.056 p=.955 0: t=.056 p=.955									
	# of samples	Min Value	First Quartile	Median Value	Third Quartile	Max Value	Mean	Standard Deviation	Standard Error
Cadmium (Cd)									
Public Water	55	.069	.220	.250	.500	51.9	1.49	6.99	.942
Private Wells	5	.074	.112	.200	1.18	2.10	.555	.866	.387
½ RL: t=.299 p=.766 0: t=.297 p=.767									

	# of samples	Min Value	First Quartile	Median Value	Third Quartile	Max Value	Mean	Standard Deviation	Standard Error
Calcium (Ca)									
Public Water	55	27500	49400	53700	63100	1050000	79576	135379	19254
Private Wells	5	1200	19750	47100	50650	51900	37580	20972	9379

½ RL t=.688 p =.494
0: t=.688 p=.494

	# of samples	Min Value	First Quartile	Median Value	Third Quartile	Max Value	Mean	Standard Deviation	Standard Error
Chromium (Cr)									
Public Water	55	3.80	5.00	7.60	12.3	50.0	13.2	14.0	1.89
Private Wells	5	5.00	5.80	7.10	13.3	17.5	9.08	4.94	2.20

½ RL t=.649 p=.519
0: t=.27 p=.788

	# of samples	Min Value	First Quartile	Median Value	Third Quartile	Max Value	Mean	Standard Deviation	Standard Error
Cobalt (Co)									
Public Water	55	.55	2.50	6.70	30.0	341	32.1	61.9	8.35
Private Wells	5	1.30	1.65	2.50	38.1	51.9	16.4	22.1	9.87

½ RL t=.559 p=.578
0: t=.547 p=.587

	# of samples	Min Value	First Quartile	Median Value	Third Quartile	Max Value	Mean	Standard Deviation	Standard Error
Copper (Cu)									
Public Water	55	4.30	72.0	307	863	116000	4621	16780	2262
Private Wells	5	36.0	55.3	113	1191	2090	521	882	394

½ RL t=.542 p=.590
0: t=.542 p=.590

	# of samples	Min Value	First Quartile	Median Value	Third Quartile	Max Value	Mean	Standard Deviation	Standard Error
Iron (Fe)									
Public Water	55	25.0	367	1360	6100	713000	21360	99267	13385
Private Wells	5	365	393	3860	130100	194000	52969	83673	37419

½ RL t=.689 p=.494
0: t=.689 p=.494

	# of samples	Min Value	First Quartile	Median Value	Third Quartile	Max Value	Mean	Standard Deviation	Standard Error
Lead (Pb)									
Public Water	55	.670	6.90	27.7	72.8	1910	123	342	46.1
Private Wells	5	13.2	28.7	59.5	1943	3770	800	1660	742
½ RL t= 2.649 p=.01** 0: t=2.650 p=.01**									

	# of samples	Min Value	First Quartile	Median Value	Third Quartile	Max Value	Mean	Standard Deviation	Standard Error
Manganese (Mn)									
Public Water	55	1.90	20.0	267	1140	7010	1026	1735	234
Private Wells	5	8.00	23.6	57.9	1695	1980	699	931	416
½ RL t=.415 p=.680 0: t=.414 p=.680									

	# of samples	Min Value	First Quartile	Median Value	Third Quartile	Max Value	Mean	Standard Deviation	Standard Error
Selenium (Se)									
Public Water	54	.720	1.63	2.50	2.50	2.50	2.08	.634	.086
Private Wells	5	1.20	1.25	1.70	2.25	2.50	1.74	.532	.238
½ RL t=1.181 p=.242 0: t=2.349 p=.022									

Discussion: A review of the data presented in Table 4.A. shows that while the number of private well samples are limited, there is still exist some statistically significant differences. For example, t tests report arsenic (t=2.90) and lead (t=2.649) as both significantly higher in hot water tanks on private wells than those fed from the public water supply, no matter if "non-detects" are set to 0 or ½ the reporting limit. In fact, the average arsenic levels from hot water tanks on private wells are above the MCL (Based on the MCL of 10ppb effective 1/26/2006) [28] while average levels from public water system water tanks are not.

Both types of hot water tanks have means that are above the action limit for lead, while selenium shows a significant relationship if "non-detects" are set to 0 with the second set of t-test results reporting selenium as higher from tanks on the public water system though selenium

[28] Note It should be noted that the Action Level listed here was developed by the U.S. EPA as a standard for drinking water as supplied by public water companies, not as processed though the hot water system of a house, church, business, etc. Thus, these levels may not be indicative of health effects. However, further investigation to assess exposure may be warranted.

levels for both types of hot water are well below the EPA drinking water standards (50 ppb) set for selenium.

In short, these findings can be considered only preliminary and a more systematic analysis would require a more systematic data collection on households using private well water in Martin County.

Random versus Focused Sample of Hot Water Tanks, Martin County

Since most residential hot water tanks did not show a consistent trend of metal accumulation, possibly because of flushing in the course of normal operation (e.g. multiple showers in a given morning), it was expected that tanks with lower flow might show more consistent trends of accumulation. Business such as retail stores and other locals that use limited quantities of water were identified by SAVE volunteers. Fifteen of these sites were sampled using Method 2. Those samples were analyzed for metal content by STL using similar methods as before.

Table 5.A. Metal Concentrations (ppb) in Hot Water Tanks: Random Sample versus Citizen Focused Sample (Low Flow-thru Tanks) Compared

	Description of Laboratory Data						Central Tendency		
	# of Samples	Min Value	First Quartile	Median Value	Third Quartile	Max Value	Mean	Standard Dev	Standard Error
Mercury (Hg)									
Random Sample	52	.00	.00	.00	.00	.370	.007	.051	.007
Focused Sample	15	.00	.00	.00	.00	.00	.00	.00	.00
0: t=.534 p=.595									
	# of Samples	Min Value	First Quartile	Median Value	Third Quartile	Max Value	Mean	Standard Dev	Standard Error
Arsenic (As)									
Random Sample	55	2.00	5.00	5.00	5.00	32.8	6.12	5.32	.718
Focused Sample	14	4.40	5.00	17.5	25.0	31.7	15.5	10.7	2.76
½ RL t=3.3 p=.004**									
0: t=.595 p=.554									

	# of Samples	Min Value	First Quartile	Median Value	Third Quartile	Max Value	Mean	Standard Dev	Standard Error
Barium (Ba)									
Random Sample	55	18.5	68.8	89.2	148	909	137	145	19.7
Focused Sample	15	41.6	45.5	119	317	769	212	210	54.2

½ RL: t=1.6 p=.113
0: t=1.6 p=.113

	# of samples	Min Value	First Quartile	Median Value	Third Quartile	Max Value	Mean	Standard Dev	Standard Error
Cadmium (Cd)									
Random Sample	55	.069	.220	.250	.500	51.9	1.50	6.98	.941
Focused Sample	15	.076	.110	.270	.850	27.3	2.82	7.19	1.85

½ RL: t=.638 p=.526
0: t=.656 p=.514

	# of samples	Min Value	First Quartile	Median Value	Third Quartile	Max Value	Mean	Standard Dev	Standard Error
Calcium (Ca)									
Random Sample	55	27500	49400	53700	63100	1050000	79576	135379	19254
Focused Sample	15	20600	38300	54400	231000	424000	125553	131617	33983

½ RL t= 1.17 p=.245
0: t=1.17 p=.245

	# of samples	Min Value	First Quartile	Median Value	Third Quartile	Max Value	Mean	Standard Dev	Standard Error
Chromium (Cr)									
Random Sample	55	3.80	5.00	7.60	12.3	50.0	13.2	14.0	1.89
Focused Sample	15	1.50	2.00	10.8	25.0	193	23.7	48.8	12.3

½ RL t=1.44 p=.153
0: t=1.47 p=.146

	# of samples	Min Value	First Quartile	Median Value	Third Quartile	Max Value	Mean	Standard Dev	Standard Error
Cobalt (Co)									
Random Sample	55	.55	2.50	6.70	30.0	341	32.1	61.9	8.35
Focused Sample	15	.44	2.50	24.8	79.6	207	45.4	59.7	15.4

½ RL t=.741 p=.461
0: t=.762 p=.449

	# of samples	Min Value	First Quartile	Median Value	Third Quartile	Max Value	Mean	Standard Dev	Standard Error
Copper (Cu)									
Random Sample	55	4.30	72.0	307	863	116000	4621	16780	2262
Focused Sample	15	33.4	198	1080	3540	27600	3329	6955	3329

½ RL t=.290 p=.772
0: t=.290 p=.772

	# of samples	Min Value	First Quartile	Median Value	Third Quartile	Max Value	Mean	Standard Dev	Standard Error
Iron (Fe)									
Random Sample	55	25.0	367	1360	6100	713000	21360	99267	13385
Focused Sample	15	59.7	518	2290	16600	244000	23327	62021	16013

½ RL t=.073 p=.942
0: t=.073 p=.942

	# of samples	Min Value	First Quartile	Median Value	Third Quartile	Max Value	Mean	Standard Dev	Standard Error
Lead (Pb)									
Random Sample	55	.670	6.90	27.7	72.8	1910	123	342	46.1
Focused Sample	15	1.70	7.80	60.3	198	753	138	198	51.3

½ RL t=.157 p=.876
0: t=.159 p=.874

	# of samples	Min Value	First Quartile	Median Value	Third Quartile	Max Value	Mean	Standard Deviation	Standard Error
Manganese (Mn)									
Random Sample	55	1.90	20.0	267	1140	7010	1026	1735	234
Focused Sample	15	5.6	20.3	279	2100	12100	2203	4095	1057

½ RL t=1.08 p=.294
0: t=1.08 p=.294

	# of samples	Min Value	First Quartile	Median Value	Third Quartile	Max Value	Mean	Standard Deviation	Standard Error
Selenium (Se)									
Random Sample	54	.720	1.63	2.50	2.50	2.50	2.08	.634	.086
Focused Sample	15	.780	1.40	2.50	2.50	6.5	2.29	1.31	.341

½ RL t=1.39 p=.184
0: t=1.12 p=.279

Discussion:

However, the results obtained do not show that the focused samples are significantly higher than the random sample for any metals, except possibly arsenic. The average values for most metals is higher in the focused group, but the difference is not significant except for arsenic if "below detection limit" samples are set to half the reporting limit in t-tests. If such samples are set to zero, then there is no significant difference. It should be noted that a much greater percentage of focused samples exceed the drinking water standard for arsenic (10 μg/L) than random samples. Measurements (the median) for considerably more focused samples are above the drinking water standard for lead (15 μg/L) than among random samples. Several focused samples exceeded the drinking water standard (100 μg/L) for chromium. Thus it seems that while there are almost no significant differences between the means of random versus focused samples, there may be more samples with elevated levels of some key metals such as arsenic, chromium, and lead.

While we still cannot draw any direct relationships between metal concentrations in hot water tanks and U.S. EPA Drinking water standards, the relative abundance of excedences of these criteria (Especially for such metals as As, Cd, and Pb) was a point of concern for the research Team and citizen advisory committee. Thus, it was decided that some locations should have their cold tap water tested for metal content to determine if the high levels in hot water tanks could be related to cold water tap levels and hence potential human health effects. The results of the cold water tap survey are given in Appendix C and show no cause for concern as cold water tap samples were all within safe drinking water standards for the metals of interest in our analysis.

CONCLUSIONS

In this report, we examined the heavy metals that the U.S. EPA has associated with coal slurry releases, and we examined the extent to which these metals were accumulating in the hot water tanks of households and other establishments in Martin County, KY. We then compared these results to data collected in our reference communities in Somerset, Pulaski County and in Berea, Madison County. Through this method of comparing metal levels across hot water tanks and across communities, we found that the heavy metal buildup in hot water heaters from Martin County was not significantly different to metal buildup in hot water tanks from our reference communities. In fact, rather than Martin County, we observed slightly higher levels of metal accumulation occurring in hot water units from the Somerset area of Pulaski County.

These findings were distributed to Martin County Water District customers at the end of June 2006, several months prior to the final release of this report (October 2006). In distributing these findings county-wide, we worked closely with the Martin County Water District to include a summary of our study as an insert in the water district's 2005 Consumer Confidence Report (released June 2006). The flyer contains not only our findings from our public water assessment, but also a summary of our analysis of reservoir sediments as well as a summary of the conclusions reached from our independent evaluation of water plant operations by our outside evaluator J. Hansen (see Appendix D).

Through each component of our study 1) assessment of finished water through hot water tanks, 2) sediments analysis of the Crum Reservoir and 3) an independent evaluation of the water plant, each of our separate assessments reached more or less the same conclusion insofar as none of the three methods could identify any long-term impacts of the 2000 spill on the public water system in Martin County. Here, it may be important to stress that each study was conducted and carried out separately and independently: McSpirit and Wigginton led the assessment of finished water (this report); LaSage and Caddell took the lead on the reservoir study[29] and Hansen conducted the independent evaluation of the water plant.[30] We believe that these separate research tracks and independent conclusions lend validity and a higher order of confidence to our overall conclusion that Martin County's public water system seems not to have been impacted long-term by the massive coal slurry release of 2000. We did not identify undue heavy metal accumulation in hot water tanks (this report) nor did we find the bottom sediment of the Crum Reservoir to be any different from acceptable soil standards and/or a comparable reservoir (see accompanying sediments report).[31] Finally, our evaluation of the water plant did not show any major management or treatment problems occurring at the water district. Rather, our independent evaluation noted that with recent changes in management and staffing, it seemed that Martin County Water District professionals were on track in addressing past issues and problems that had plagued the water district and were working hard to meet acceptable regulatory standards and subsequently, increase public trust and confidence in the public water system.

Thus, we believe our findings and conclusions of no long-term, undue impacts of the 2000 slurry release on the public water supply in Martin County, can potentially help build additional public confidence in the water district and public water supply and assist the community and water district in recovery and community development.

Why Focus on the Public Water System?

These findings should not be taken as a surprise given past cases. In the past, both state and federal environmental protection agencies have ordered that residents and communities be connected to public and municipal water systems to mitigate the impacts of coal slurry on ground water systems and private wells.[32] Naturally, this is due to the design features and regulatory

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[29] See: LaSage, Danita and Matt Caddell. 2006. Chemistry of Bottom Sediments in Crum Reservoir, Martin County, Eastern Kentucky, Compared to a Reference Reservoir in Central Kentucky. *Prepared under:* Memorandum of Agreement between the Commonwealth of Kentucky, Environmental and Public Protection Cabinet, Department for Environmental Protection, Division of Water and Eastern Kentucky University, Martin County Project MOA #M-05255003. Available online: http://www.anthropology.eku.edu/martincounty/PDF/res_study.pdf

[30] See: Hansen, Judy. 2006. Independent Assessment of the Martin County Water District. *Prepared under:* Memorandum of Agreement between the Commonwealth of Kentucky, Environmental and Public Protection Cabinet, Department for Environmental Protection, Division of Water and Eastern Kentucky University, Martin County Project MOA #M-05255003. Available online: http://www.anthropology.eku.edu/martincounty/PDF/res_study.pdf

[31] *Ibid.* LaSage and Caddell. 2006.

[32] See, for example, Eastern Coal Corporation. Docket No. IV-85-UIC-101 (Proceeding under Section 7003 of the Solid Waste Disposal Act 42 U.S.C. § 6973). March 8. 1985.

standards of public and municipal water facilities that reduce concentrations of pollutants in source water to safe drinking standards before distribution and these standards and features are of course absent when water is drawn from private wells.

The question then, why did we focus on the public water system? The principal reason is that many in Martin County residents remained concerned about the possible long-term impacts of the massive slurry event of 2000 on the public water supply and for that reason, we targeted the public water system for assessment.

Over a year ago, $150,000 of natural resource damage monies from the Commonwealth's million dollar settlement with the Martin County Coal Corporation, were released to our project team to address on-going county-wide concerns over the potential impacts of the 2000 slurry release on the environment, the watershed and potentially, human health. Citizens, along with other advocates, had long lobbied for an independent assessment of the watershed and public water supply that was outside the purview of the coal industry. Weeks after the event and during the ongoing months of cleanup, our own research suggested that citizens were suspect of the many environmental impact studies that were being conducted by environmental engineering firms under subcontract with the coal industry. Subsequently our charge, under this agreement, was to conduct an independent, outside environmental assessment. Perhaps, just as important, we were also charged with conducting this evaluation in coordination with a citizen advisory subcommittee (CAC) that would provide oversight and guidance throughout this investigation.

At the time of the signing of this agreement, our citizen advisory committee expressed concern mostly with the public water supply. Based on our past research, the concerns of citizens on our advisory committee mirrored the opinions of other residents that we had either interviewed or surveyed in the past. Several months after the 2000 release, for example, our research team interviewed local residents and found that many were worried about the long-term impacts of the slurry release on drinking water and public health. Moreover, major problems in water distribution such as line breaks in temporary emergency lines[33] and problems in treatment and other reported water quality troubles (reports of white film/ crusty substance in tap water), [34] tended to reinforce public worries and fears about potential long-term impacts of the spill on the county's public water supply. These public concerns were further reinforced in our survey results conducted in March 2001, four months after the release, with 80% of county residents ranking drinking water as a "serious problem," -the most serious problem in their community. By way of comparison, only 20% of residents ranked drinking water the same way in our reference community (Perry County).[35] It was for these reasons, and the fact that most of Martin County residents use public water, that we and our CAC decided to focus our impact assessment on a complete evaluation of the public water system.

See current actions in W.Va.: Messina, Lawerence. 2006. Coal waste poisoning water, coalfield residents say. *The Daily Mail.* October 16; Gorczyca-Ryan, Beth. 2006. Murky Mingo Water at Heart of Hearing: Mingo County residents allege that local coal companies tainted their water after injecting coal slurry underground to dispose of it. *The State Journal*. October 19;

[33] See, for example: Adkins, Lilly and Cletus Turner.2001.County Water users have dry Christmas. *The Martin County Sun*. January 3, p.2.

[34] See, for example: Adkins, Lilly. 2001. "Lafferty is finally asking question about water." *The Martin County Sun*, Jan 10.. p.7; Adkins, Lilly. 2000. "Water is safe' says Cumbo. *The Martin County Sun*. January 18. p.3.

[35] See results from Survey. Available online. http://www.anthropology.eku.edu/MCSPIRIT/PDF/Survey_codebook_survey_report.pdf Funding provided through the Flex-E-Grant program, Appalachian Regional Commission; Eastern Kentucky University. University Research Committee.

And to once again conclude: The multiple methods that we applied tend to verify our general conclusion that the county public water supply in Martin County has not been impacted long-term by the massive 2000 sludge event. These are positive findings for the Martin County Water District and the approximately 80% of county residents that use public water. And again, our findings tend to reinforce past and current state actions of relying on public water to mitigate the impacts of coal slurry and deep mine disposal of coal slurry on ground water and private well water.

RECOMMENDATIONS:

Our Broad Recommendation: Continue to Work to Gain Public Confidence in the Public Water System:

- **Address Next: Recurrent TOC and other Precursor Treatment Violations.**

As stated above, each of our two environmental assessments (assessment of the finished water and reservoir sediments) each separately identified no long-term, identifiable impact of the 2000 sludge event on the public water system. With the closure and conclusion of each study at about the same time in April 2006, our research team started to prioritize getting these findings out to as many members of the public as possible. With positive results of no long-term impacts, we reasoned that these results might help further restore public confidence in the public water system and assist in community recovery. As also stated above, we started to work with the Martin County Water District (MCWD) to include these findings from these two environmental assessments, as well as the independent water plant evaluation, as an insert to the 2005 MCWD Water Quality Report (again, see Appendix D). And, once again, our findings from all three studies were included as an insert to the 2005 Water Quality Reports and reached all costumers on the public water system in June 2006 (approximately 3400 households).

However, while the flyer was meant to help increase public confidence in the public water utility, the actual water quality report (WQR) noted that the MCWD and/ or *one of its suppliers* had several precursor treatment and treatment violations for total organic compounds, trihalomethanes and haloacetic acids. We then reviewed again (as our independent evaluator had already reviewed them) other WQRs for other years in order to review the history and/or pattern of violations. Based on our review of other WQRs, for other recent years, it seems that these violations have been relatively consistent since 2002 (see Appendix E). It seems apparent, given our review of the 2005 WQR and past water quality reports for the water district, that before consumer confidence can be fully restored in the water district and public water supply, we must recommend that these precursor treatment and treatment violations be addressed

Total Organic Compounds (TOC)

Annual consumer confidence reports for water utilities are required to report, total organic compounds (TOCs) which "occur in source water from natural substances such as decayed leaves and animal wastes." And since 2002, water facilities serving over 10,000 customers must operate to remove TOC by specified amounts. According to 2002-2005 water quality reports for the Martin County Water District, the district has not yet been able to consistently meet these TOC removal criteria.

Based on our independent evaluator's (Hansen's) own assessment, these TOC violations are by themselves not a public health problem. However, to the extent to which TOCs can mix with chlorine in the treatment process to form trihalomethanes and haloacetic acids, which are disinfectant byproducts of the treatment process and which are known carcinogens, then TOC violations become a potential public health concern. Federal law (the Safe Drinking Water Act) and corresponding federal regulatory guidelines, for example, state that that the extent to which TOC levels are above acceptable levels and subsequently, pose a potential threat by producing disinfectant byproducts in the treatment process, then these "precursor" violations must be noted and explained to water costumers in the utility's annual consumer confidence report. [36] For example, as appeared in the 2005 Water Quality Report for Martin County:

> .. Total organic carbon has no health effects. However, total organic carbon provides a medium for the formation of disinfection byproducts. These byproducts include trihalomethanes (THMs) and Haloacetic Acid (HAAs).[37]

Disinfection Byproducts: Trihalomethane and Haloacetic Acid,

> ...Drinking water containing these byproducts in excess of the MCL[38] may lead to adverse health effects, liver r kidney problems, or nervous system effects, and may lead to an increased risk of getting cancer. [39]

In reviewing the Martin County water quality/ consumer confidence reports for trihalomethanes and haloacetic acids, it is important to highlight the fact that county residents and the Martin County Water District not only receive water from their own treatment facility but are also sometimes supplied by the Kermit Water District and the Mountain Water District and in 2005 from Prestonsburg. For this reason, the MCWD WQR for 2002 through 2005 reports on water quality and precursor/ treatment violations for these facilities as well. Appendix E provides a summary of whether there were reported treatment problems for trihalomethanes (TTMs) and Haloacetic Acids (HAA5) for the years of 2002, 2003 2004, 2005 for the water districts that supply Martin County customers:

A review of 2002 through 2005 water quality reports summarized in Appendix E for the MCWD show either TOC violations, monitoring violations and/or in some cases some water samples consistently exceeding allowable levels of trihalomethanes and haloacetic acids. By law, with either TOC precursor violations, monitoring violations and/or outright exceedence violations, the human health threats of these disinfectant by-products must be stated. Accordingly, each year since 2002 the MCWD has had to qualify its report on water quality with statements, such as the one starting this subsection, explaining the potential kidney, neurological and carcinogenic effects of these byproducts on human health.

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[36] See, for example, Kentucky Administrative Regulations: 401 KAR 8:500: Disinfectant by-products; 401 KAR 8:510: Disinfectant residuals, disinfection by-products, and disinfectant by-product precursors.

[37] Taken from: Martin County Water District. 2005. Annual Drinking Water Quality Report.

[38] MCL = Maximum Contaminant Load

[39] Taken from: Martin County Water District. 2005. *Annual Drinking Water Quality Report*.

Violations that lead to statements about potential neurological or carcinogenic effects do not tend to breed costumer confidence. And although our research team just spent $150,000 to review the potential long-term impacts of the 2000 slurry release on the public water system and concluded, after a year of intensive study, that no long-term impacts could be detected, there are clearly still inroads that must be made in treatment procedures to eliminate these TOC, THM and HAA5 violations in order to continue to increase public trust in the county's public water system. In fact, this was clear from the reaction of our citizen advisory committee, when they themselves received the water quality report and corresponding insert in the mail in June: The insert of our findings became secondary to the actual contents of the water quality report. Our CAC steered our research team to the contents of the 2005 WQR to show that there are still potential problems with the water supply that must be addressed not only to increase public confidence in the public water system but more importantly, to address potential matters of public health. In developing our final recommendations, we are therefore taking the lead of citizen advisory committee and what transpired in our last formal focus group session that we had with them in May 2006. For them, these matters of TOC, THM and HAA must be aggressively addressed and hence, we set out several recommendations below to address these TOC, THM and HAA5 issues.

In fact, in our own research over the past year, TOC and possible THM, HAA5 problems in treatment were identified by our independent evaluator (J. Hansen) in her outside assessment of operations at the water utility. In her report, Hansen made several recommendations to address these treatment problems. Below, we summarize her recommendations and slightly expand on them given that our research team and citizen advisory committee along with Hansen started to discuss and target this issue and its implications after the 2005 water quality report was released in June of 2006.

Recommendation #1: Better Optimization of Treatment Techniques [40]

Treatment operations must be reviewed, evaluated and optimized. According to Hansen, who is also a water plant superintendent for a medium-sized water utility in upstate New York, optimizing water treatment methods may require a total change in approach for procedure control. In considering changes in procedures to optimize treatment, water suppliers to the water district might benefit from the help of an outside expert and most consultant/ engineering firms can fill this need. But a less expensive option, according to Hansen, would be for suppliers to consider the U.S. EPA/ AWWA *Partnership for Safe Water.*[41]

A partnership with the U.S. EPA / *American Water Works Association* would cost the utility very little, but would require the full commitment of the staff. Successful completion of

[40] The following recommendation is based on an email exchange between research team members and is based mostly to Hansen's reply and comment. (email September 9, 2006).

[41] Details on web: Partnership for Safe Water: http://www.epa.gov/safewater/psw/psw.html

In addition, to an EPA/ AWWA possible partnership, it is worth noting that the KY Division of Water, Drinking Water Branch can provide easy assistance to KY water utilities. See, for example, KRS 151.632 (3): If the cabinet determines that an existing public water system does not have system capacity, it may assist the public water system in submitting a system capacity development plan as part of the long range water supply plan required by KRS 151.114. The plan shall contain timetables, goal, and funding sources necessary for the public water system to achieve system capacity.

the partnership would improve treatment procedures and water quality. Also, according to Hansen, most communities that have participated in the partnership program agree that it tends to boost customer confidence. Already, several Kentucky utilities have participated in this AWWA program and it is therefore recommended these utilities be consulted about their experiences before moving forward.

Recommendation #2:
Address Water Loss to improve Water Treatment Techniques [42]

According to Hansen, beyond better optimization of treatment techniques, one matter that must also be addressed and prioritized is the high levels of water loss that face the water district. As Hansen observed and wrote in her February 2006 evaluation, the water is literally "blowing through the plant." These observations were reinforced in focus group sessions with the new MCWD plant superintendent (Joe Hammond) and staff at the Big Sandy Area Development District;[43] during each session, it was stressed that water loss was a major problem facing the water utility, -the Martin County Water District.

For Hansen,

- The real problem is the demand. The Plant is designed to treat 2 MGD and routinely must treat 1.8 MGD. It is near capacity so operators have little opportunity to optimize operations since the water is literally "blowing" through the place. If the demand is reduced (-for example, water loss minimized), Joe and his staff will be able to do a better and more reliable job of TOC removal....[44] The staff of the MCWD has systematically tried to find the source of these loses but, given their limited resources, has not been successful.
- This high demand has limited the ability of the staff to optimize treatment operations.
- Combined with the plant improvements currently under discussion, eliminating the unaccounted for water could vastly improve water quality at the MCWD.
- There is a history of regulatory compliance issues at the MCWD. However, apart from the TOC issue, these problems seem to be in the past. Nonetheless, the MCWD needs to develop a more comprehensive and proactive means of communicating these compliance issues to their customers. This is especially important if the utility is to regain the public trust.

In brief, water loss had been identified as a consistent and principal problem facing the water district by our independent evaluator and problems of water loss were reinforced through our focus group sessions with the water plant superintendent and other regional development specialists.

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[42] The following recommendation is based on email exchange between research team members and is based mostly to Hansen's reply and comment. (Email September 9, 2006).

[43] Focus group sessions are summarized in the appendices to Hansen's independent plant evaluation which, again, is available online: http://www.anthropology.eku.edu/martincounty/PDF/MCWD_Assmnt.pdf

[44] Hansen, available online: http://www.anthropology.eku.edu/martincounty/PDF/MCWD_Assmnt.pdf page 9

To start to move towards implementing some of Hansen's recommendations, we financed a water audit; towards the official close of this memorandum of agreement (May and June 2006) our team earmarked approximately $8,800 of remaining funds from this $150,000 agreement to the Martin County Water District so that it could conduct a full water audit/ leak detection assessment and thus identify hot spots of water loss in the distribution system. We reasoned that this information could then be used to help write grants and target capital improvement projects to replace problem distribution lines and valves and ultimately, improve water distribution and efficiency through the system. Moreover, as Hansen suggested, increased water efficiency might assist the MCWD in better maximizing treatment procedures to better regulate TOC, THM and HAA5.

In short, our second sub-recommendation is to increase water efficiency so as to maximize treatment operations by addressing water loss. Our project team has already started to assist the Martin County Water district in meeting this recommendation/ need through underwriting a water audit. The next step, however, is to begin to target those areas of high water loss within the distribution system for line and valve replacement and subsequently, we recommend that the Martin County Water District –working in partnership with the Big Sandy Area Development District and KY Division of Water- improve water efficiency through an aggressive capital improvement campaign to replace aging and broken lines throughout the system. In accord with Hansen, we believe this will help to improve and maximize water treatment techniques and help mitigate the TOC, THM and HAA5 treatment problems and violations that continue to periodically face the water district.

Recommendation #3:
Address the Causes of Water Loss and Mitigate them [45]

Our research team has spent approximately six-years in Martin County since the October 2000 coal slurry release and we've heard from many people through our formal interviews, surveys, focus groups and informal conversations. Reflecting now on this long list of conversations, there seemed to be a general sentiment among many residents of holding the coal industry accountable to its environmental impacts on the community and watershed. In one of our formal interviews with a respected member of the community (February 2003), the impacts of the industry on drinking water both public and private were discussed. Connections were made between sunken private wells due to mine blasting and the challenges that this represented to the public water system in mitigating these impacts through hooking and connecting residents to the public water source. Direct impacts of the coal industry on the public water system were also discussed insofar as high levels of mine blasting might likely associated with line breaks and water loss throughout the county water distribution system.

It is for these reasons that we recommend that the Commonwealth look into reserving a portion of coal severance monies for public water utilities in coal mining regions so that they might readily draw upon these capital funds for treatment and/or other needed capital improvements (replacement of broken distribution lines/ valves). This special fund could also be used by county governments, Area Development Districts and their water management councils, to meet the cost-share criteria required of many federal grants applications for major

[45] The following recommendation is based on email exchange between research team members and is based mostly to Hansen's reply and comment. (Email September 9, 2006).

water infrastructure projects. In short, we recommend that a special fund be established, that is underwritten and financed through coal-severance taxes, and that these funds be solely tagged and targeted to public water utilities in coal mining communities.

Recommendation #4:
Further Study of the Water Supply in Coal Mining Communities is Warranted

As would be expected from any university-study, we must end with the recommendation for further study. We recommend that the Commonwealth, the KY Environmental Public Protection Cabinet support and potentially partner with our research team and/or other researchers on research into the following areas:

TOC, THM and HAA: What are the factors that can predict whether water utilities face consistent TOC precursor and THM/HAA treatment violations? Given the important public health implications of such questions, over the next year, our research team would like to explore this research question. In fact, we would like to partner/ coordinate our efforts with KY State Division of Water in reviewing and compiling the consumer confidence reports for all state regulated water utilities since the start of reporting such violations in 2002. Therefore, we would like to recommend (invite) another working partnership with KY EPPC, DOW to explore and address this research question.

Water Loss: Our research team would also like to partner with the KY EPPC, DOW and with various Area Development Districts to study water loss and line breaks across water utilities in the coal mining regions of Appalachia. We would like to determine the extent to which the concerns and comments of area residents are justified or in need of qualification. Our research team would like to determine whether major water loss (major line breaks) in public water systems are connected with deep and above ground mining activities. Whether this is empirically justified is up for empirical investigation and our research team would like to be involved in a comprehensive assessment of water loss and mining activities in the coal producing regions of eastern Kentucky.

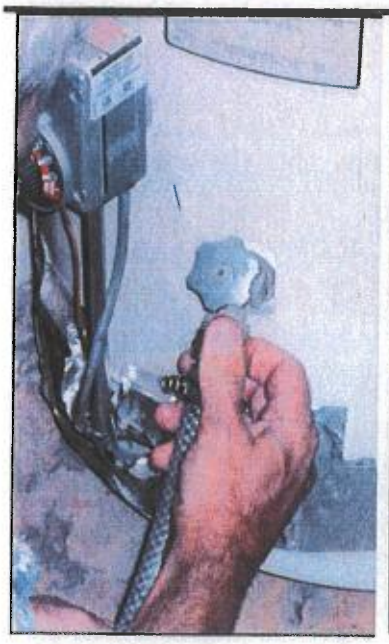
Deep Mine Slurry Injection: We would also like to partner with the KY EPPC, DOW and the State of West Virginia in each state's separate investigation of the impacts of mining and deep mine slurry injection on private well water systems. Under our current National Science Foundation grant, we are currently examining the potential impacts of the 2000 slurry release on ground water and private wells in Martin County, KY and we are also attempting to identify wells in Martin County and other places in eastern Kentucky that might also be near deep-mine slurry injection sites. We would certainly like to partner with the KY EPPC, DOW and with the state of West Virginia in its own state-wide assessment of deep mine slurry impacts on private well water.

In summary, our broad recommendation is for the Martin County Water District, with the help of the KY EPPC, DOW to continue to make broad strides in building public confidence in the public water system. To accomplish this, we recommend:

1. That consistent efforts be made to maximize water treatment procedures and to reduce to non-existent any future TOC precursor treatment violations and/or THM/ HAA violations
2. Since water loss has been associated with precursor/ treatment violations, we recommend that the Martin County Water District –with assistance from the Big Sandy Area Development District – embark on an aggressive capital improvements campaign to replace broken and aging distribution lines and valves that are contributing to major water loss, which water district regularly faces and which new management fully recognizes is a major problem that must be gotten under control.
3. The Commonwealth, KYEPPC and the State Legislature should explore developing a special fund –underwritten and financed through coal severance taxes – that would solely be used for water infrastructure projects in coal mining regions of eastern Kentucky.
4. Finally, we recommend further study into the pattern of TOC, THM and HAA violations among water utilities across the state and we also recommend study and investigation into water loss among water utilities in coal mining communities. We also would like to invite a partnership with the KY EPPC, DOW as well as with the state of West Virginia in investigating the impacts of deep-mine slurry injection on ground water and private wells.

To conclude, we have made one broad recommendation for the state and water district to continue to make strides in expanding consumer confidence in the water district in Martin County and then, we provided four pointed recommendations (summarized above) on how to perhaps move towards further expanding public trust in the public water supply within the county.

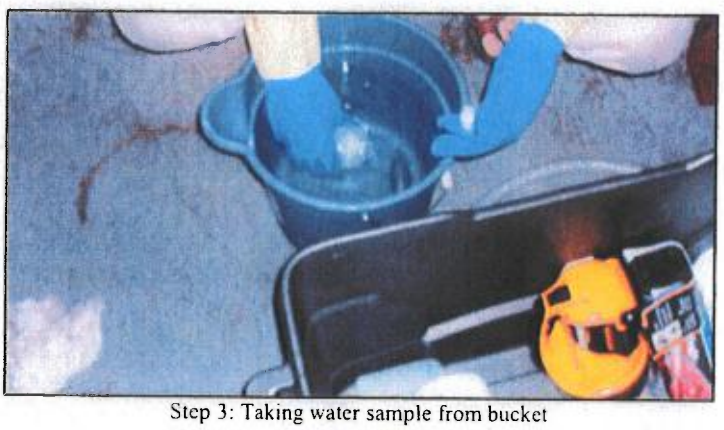
Appendix A: Hose and Bucket versus Direct Valve Method: A Comparison of Sampling Methods



Step 1: Attaching hose to water tank tap.

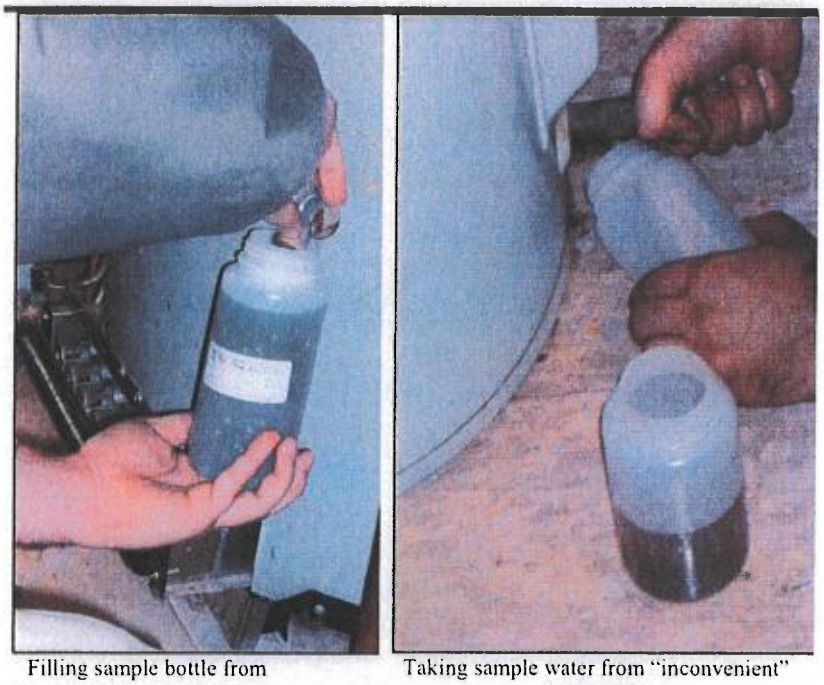


Step 2: Filling bucket with water to be sampled



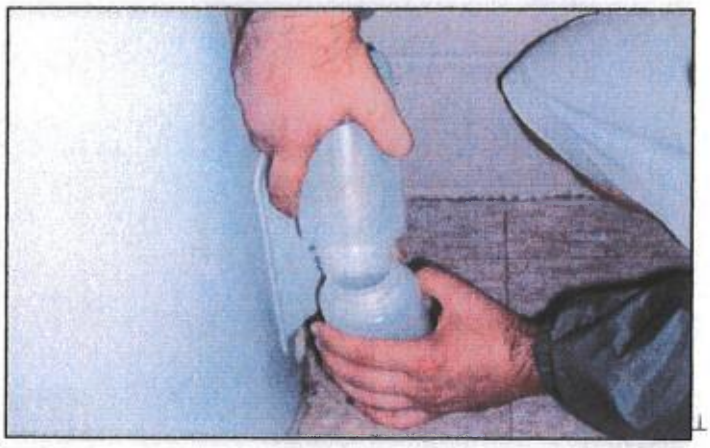
Step 3: Taking water sample from bucket

Figure 1. Steps in Collecting from Hot Water Tanks: Using Hose and Bucket Technique.



Filling sample bottle from "convenient" water tank.

Taking sample water from "inconvenient" water tank.



Adding water from "inconvenient" water tank to definitive sample bottle.

Figure 2. Collecting water samples straight from the tap from a conveniently placed hot water tank and an inconveniently placed hot water tank.

Appendix B: Hose and Bucket versus Direct Valve Method: Statistical Comparisons

Table A. A. Metal Concentrations (ppb) in Hot Water Tanks: Hose and Bucket versus Direct Valve Method Compared

	Description of Laboratory Data						Central Tendency		
	# of Samples	Min Value	First Quartile	Median Value	Third Quartile	Max Value	Mean	Standard Deviation	Standard Error
Mercury (Hg)									
Hose and Bucket	9	0.00	0.00	0.00	0.00	0.10	0.011	0.033	0.011
Valve	52	0.00	0.00	0.00	0.00	0.37	0.007	0.051	0.007

0 RL t=.225, p=.823

	# of Samples	Min Value	First Quartile	Median Value	Third Quartile	Max Value	Mean	Standard Dev	Standard Error
Arsenic (As)									
Hose and Bucket	27	2.50	2.50	2.50	5.00	79.0	7.54	15.4	2.97
Valve	55	2.00	5.00	5.00	5.00	32.8	6.11	5.33	0.718

½ RL t=.620, p=.537
0 RL t=.693 p=.490

	# of Samples	Min Value	First Quartile	Median Value	Third Quartile	Max Value	Mean	Standard Dev	Standard Error
Barium (Ba)									
Hose and Bucket	27	10.0	60.5	64.3	70.5	693	101	129	24.8
Valve	55	18.5	68.8	89.2	148	909	137	146	19.7

½ RL t=1.09 p=.276
0 RL
t=1.10,p=.271

	# of Samples	Min Value	First Quartile	Median Value	Third Quartile	Max Value	Mean	Standard Dev	Standard Error
Cadmium (Cd)									
Hose and Bucket	27	0.074	0.25	0.6	1.1	2.2	0.708	0.574	0.110
Valve	55	0.069	0.22	0.25	0.5	51.9	1.5	6.99	0.942

½ RL t=.585, p=.560
0 RL t= 0.879
p=.383

	# of Samples	Min Value	First Quartile	Median Value	Third Quartile	Max Value	Mean	Standard Dev	Standard Error
Calcium (Ca)									
Hose and Bucket	11	40100	44500	45800	51300	95500	50600	15900	4800
Valve	55	27500	49400	53700	63100	1050000	79600	135000	18300

½ RL t=0.704
p=.484
0 RL t=1.53, p=.130

	# of Samples	Min Value	First Quartile	Median Value	Third Quartile	Max Value	Mean	Standard Dev	Standard Error
Chromium (Cr)									
Hose and Bucket	27	4.1	8.4	10	10	35.6	11.6	8.12	1.56
Valve	55	3.8	5	7.6	12.3	50	13.2	14	1.89
½ RL t=0.642 p=.523									
0 RL t=0.719 p=.477									

	# of Samples	Min Value	First Quartile	Median Value	Third Quartile	Max Value	Mean	Standard Dev	Standard Error
Cobalt (Co)									
Hose and Bucket	27	0.570	2.50	10.0	10.0	225	18.6	43.5	8.36
Valve	55	0.550	2.50	6.70	30.0	341	32.4	61.9	8.35
½ RL t=1.01 p=.314									
0 RL t=1.51 p=.136									

	# of Samples	Min Value	First Quartile	Median Value	Third Quartile	Max Value	Mean	Standard Dev	Standard Error
Copper (Cu)									
Hose and Bucket	27	18.6	25	43.6	202	7200	813	2030	390
Valve	55	4.3	72	307	863	116000	4620	16800	2260
½ RL t=1.65, p=.103									
0 RL t=1.66, p=.102									

	# of Samples	Min Value	First Quartile	Median Value	Third Quartile	Max Value	Mean	Standard Dev	Standard Error
Iron (Fe)									
Hose and Bucket	11	12.8	25.0	76.6	1190	93900	8870	28200	8500
Valve	55	25.0	367	1360	6100	713000	21400	99300	13400
½ RL t=0.412, p=.682									
0 RL t=0.412, p=.682									

	# of Samples	Min Value	First Quartile	Median Value	Third Quartile	Max Value	Mean	Standard Dev	Standard Error
Lead (Pb)									
Hose and Bucket	11	0.98	1.4	3.30	38.3	336	42.8	98.6	29.7
Valve	55	0.67	6.9	27.7	72.8	1910	124	342	46.2
½ RL t=0.77, p=.443									
0 RL t=0.77 , p=.444									

	# of Samples	Min Value	First Quartile	Median Value	Third Quartile	Max Value	Mean	Standard Dev	Standard Error
Manganese (Mn)									
Hose and Bucket	24	1.2	25	80.1	306	20200	1040	4100	836
Valve	55	1.9	20	267	1140	7010	1030	1740	234
½ RL t=.018, p=.986									
0 RL t=.136, p=.893									

	# of Samples	Min Value	First Quartile	Median Value	Third Quartile	Max Value	Mean	Standard Dev	Standard Error
Selenium (Se)									
Hose and Bucket	27	0.83	2.5	2.5	2.5	28.8	3.55	5.26	1.01
Valve	54	0.72	1.63	2.5	2.5	2.5	2.09	0.634	0.086

½ RL t=2.03, p=.046
0 RL t=1.11, p=.276

APPENDIX C: Comparison of Hot Water Tank Data with Cold Tap Water

While water collected from hot water tanks does not allow for comparisons against EPA safe drinking water standards since these safe standards are set for tap water under the Safe Drinking Water Act, both our research team and citizen advisory committee were concerned about those cases/ households where we identified levels of various metals accumulating in hot water tanks that exceeded maximum contaminant levels (MCLs) for safe drinking water. We were concerned that these high levels of metals in hot water tanks across homes and business might also indicate high levels of metals elsewhere in the water distribution system and plumbing system and that these tank levels might indicate high exposures through tap water.

Two metals were of particular concern to our research team and citizen advisory committee: arsenic and lead. In the case of arsenic, for example, 9 out of 100 hot water tanks in Martin County had arsenic levels above the safe drinking water standard-(10 ppb). In Somerset 10 out of 30 tanks had arsenic levels above the 10 ppb MCL and in Berea 7 out of 33 tanks had arsenic in exceedence of the 100 ppb safe drinking water standard.

In the case of lead, levels in hot water tanks routinely exceeded the action limit set for tap water (15 ppb). In Martin County 51 out of 100 tanks had accumulated lead levels above the safe drinking water standard. Similarly, in Somerset 27 out of 30 tanks had lead levels above the 15 ppb action level for lead and likewise, in Berea 24 out of 33 tanks had lead levels above the 15 ppb action limit.

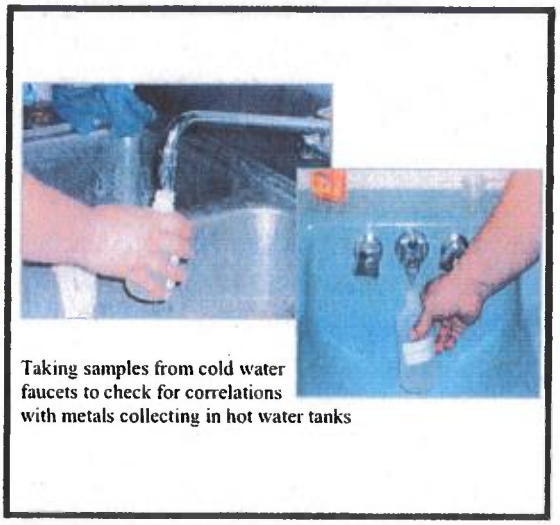
The final research question: Did this metal accumulation that we identified in hot water tanks translate into possible exposures through tap water? Was there any correlation between high levels of metals in hot water tanks and drinking water through the tap? Were residents at risk of possible over exposure to various metals, especially arsenic and lead?

Research Design:

Sample Method: While other data on household location had already been de-linked from our water sample data in order to protect participant confidentiality, we still had records of location on file for the February field sweep and therefore, we decided to go-back and simply re-sample those households and businesses that participated in the February field sweep. One of our CAC members worked with our team as a guide in identifying businesses and other locales that were sampled during this February field sweep. Several homes that were previously sampled with known (remembered) high levels of arsenic and lead were also re-sampled during this final May sweep (n=16).

When sampling households and other establishments, we decided to take samples from the cold water tap in order to compare directly with national primary drinking water standards. One might assume that we should have drawn samples from the hot water tap in order to correlate with the hot water tank data, but the maximum contaminant levels that are set by the EPA for various metals are based on the safe-standard assumption that the typical person can drink approximately 2 liters of water at that MCL standard without a significant increase in

probability of increased cancer risk. [46] Given the 2-liter criteria in reviewing MCL levels and possible routes of exposure, it therefore seemed more appropriate to extract samples from the coldwater tap.



Taking samples from cold water faucets to check for correlations with metals collecting in hot water tanks

Table C.1 Comparison of iron, barium, copper and calcium levels between water collected from the cold water faucets and hot water tanks (Pearson Correlation Coefficients)

		Cold Water Faucet			
		Fe	Ba	Cu	Ca
	Fe	-.13			
Hot	Ba		.28		
Water	Cu			.01	
Tanks	Ca				-.04

Findings:

Based on our sample methods (n=13) Table C.1 shows that there was no correlation between the levels of metals accumulating in hot water tanks and metal levels from cold tap water. Table 1 presents the correlations for iron (Fe= -.13), barium (Ba=.28), Copper (Cu=.01) and Calcium (Ca=-.04) and shows all four correlations to be low and insignificant. While we also analyzed for other metals (arsenic, cadmium, cobalt, chromium, manganese, lead and selenium) these were not detectable in our cold water samples.

Table C.2 provides a complete summary of our cold water tap data and shows that all of our cold water samples were well below the maximum contaminant level set for each metal and suggests that the accumulated levels of metals that we saw in hot water tanks do not translate into a possible source of human exposure through drinking water. This sample of cold tap water suggested that metal levels were all within acceptable MCLs, -safe drinking water standards.

Conclusion:

We were concerned about accumulated metals that had been identified in hot water tanks and a possible correspondence to tap water (and potential human health risk), but our concerns were alleviated as we found absolutely no correspondence between the two. Furthermore, tap water data for Martin County were all below the safe drinking water standard for each metal. In fact, when these findings were discussed with the Martin County Water District, the water plant manager mentioned that the water district monthly spot-samples and randomly spot checks homes, households and businesses across the distribution system to assure that tap water is consistently meeting safe drinking standards. Our findings simply corroborate that the regulatory standards for individual metals in drinking water are being met.

[46] See: U.S. EPA. Setting Standards for Safe Drinking Water. Available online: http://www.epa.gov/safewater/standard/setting.html

Table C.2: Metals from cold water faucets collected during the May 2006 final field sweep: Compared to Maximum Contaminant Levels (MCLs)/ Safe Drinking Water Standards (bottom row, bold)

As	Ba	Ca	Cd	Co	Cr	Cu	Fe	Mn	Pb	Se
		ppm								
BDL	40.52	30.058	BDL	BDL	BDL	8.98	35.53	BDL	BDL	BDL
BDL	35.12	27.024	BDL	BDL	BDL	7.55	17.15	BDL	BDL	BDL
BDL	40.29	30.626	BDL	BDL	BDL	3.40	33.91	1.53	BDL	BDL
BDL	41.33	30.41	BDL	BDL	BDL	2.46	12.68	BDL	BDL	BDL
BDL	35.16	21.758	BDL	BDL	BDL	587.91	14.12	1.78	BDL	BDL
BDL	39.92	29.879	BDL	BDL	BDL	80.11	11.41	BDL	BDL	BDL
BDL	41.45	29.68	BDL	BDL	BDL	117.36	15.33	BDL	BDL	BDL
BDL	39.78	29.756	BDL	BDL	BDL	37.23	128.51	1.86	BDL	BDL
BDL	41.09	30.522	BDL	BDL	BDL	6.45	12.02	BDL	BDL	BDL
BDL	40.96	30.623	BDL	BDL	BDL	9.09	12.67	BDL	BDL	BDL
BDL	41.01	30.527	BDL	BDL	BDL	19.27	11.88	BDL	BDL	BDL
BDL	40.03	30.27	BDL	BDL	BDL	237.15	16.92	BDL	BDL	BDL
BDL	43.52	27.485	BDL	BDL	BDL	68.89	17.42	1.71	BDL	BDL
BDL	38.72	29.891	BDL	BDL	BDL	30.39	43.14	1.66	BDL	BDL
BDL	41.58	30.566	BDL	BDL	BDL	27.93	30.39	1.55	BDL	BDL
BDL	42.25	30.666	BDL	BDL	BDL	4.35	12.26	BDL	BDL	BDL
10ppb	**200ppb**	**NA**	**5ppb**	**NA**	**100ppb**	**1300ppb**	**300ppb**	**50ppb**	**15ppb**	**50ppb**

Bottom Row (Bold): U.S. EPA Safe Drinking Water Standards: http://www.epa.gov/safewater/mcl.html

APPENDIX D: Summary of Findings: Insert in Martin County Water District 2005 Consumer Confidence Report, Distributed to Martin County Residents: June 2006

WHAT WE DID...

We evaluated the Public Water System in Martin County through...

1. ***An Assessment of Water from Hot Water Tanks***
2. ***An Assessment of the Bottom Sediments at Crum Reservoir***
3. ***An Independent Assessment of the Water Plant, Utility Operations***
4. ***And, Grant-writing for Continued Community Recovery and Infrastructure development***

Memorandum of Agreement (MOA)

Background: *In our past discussions, surveys and meetings with local residents, many residents expressed concern about the long term impacts of the 2000 coal sludge spill on their drinking water supply. .Early survey results, for example, showed that 80% of area residents rated drinking water a "serious problem" in 2001. Moreover, our past interviews and surveys also suggested that many area residents tended to distrust the environmental assessments being conducted by the coal company and state and federal regulatory agencies.*

Our research team then started to work closely with local citizens to push for an outside independent assessment of the long-term impacts of the sludge spill on the drinking water supply. In June 2005, with help from the State Environmental Quality Commission, monies ($150,000) from the Natural Resource Damage settlement were released to our research team by the Kentucky Environmental and Public Protection Cabinet.

Under the Memorandum of Agreement, we agreed to conduct an outside, independent assessment of the public water system. Since last year's signing of the MOA, we have been working closely with our citizen advisory committee (SAVE –Supporting Appalachia's Vital Environment) and also with the Martin County Water District in evaluating the public water system. ***This Flyer Summarizes Our Findings...***

The Martin County Water Testing Project,
Eastern Kentucky University



Why Test for Metals in Hot Water Tanks?

THE REASON: Many Martin County citizens were concerned with the long-term impacts of the 2000 coal sludge spill on the public water supply. In measuring impacts, we decided to look at the metals the Environment Protection Agency (EPA) associates with slurry releases. We reasoned that if the public water system had been impacted long-term, these metals would accumulate in the bottom of hot water tanks.

THE METHOD: We worked with members of our citizen advisory committee and collected samples from tanks from over 50 homes, businesses and schools in Martin County. We then collected water samples from hot water tanks from Somerset and Berea in order to make comparisons. In other words, if the slurry release had impacted the public water system, metal levels would be higher in tanks in Martin County than elsewhere.

THE RESULT: Water samples were analyzed at an out-of-state laboratory *(Severn and Trent Laboratories*, St. Louis, Mo). Results showed little difference in metals from hot water tanks from Martin, Pulaski and Madison County. We have therefore concluded that metals typically associated with the 2000 slurry release have not left a long-term impact on the public water system in Martin County.

Average Metal Levels from Hot Water Tanks from Martin (55), Pulaski (30) and Madison (33) Counties, in Parts Per Billion (*ppb*)

	Martin	Pulaski	Madison		Martin	Pulaski	Madison
Arsenic	6.11	20.0	9.92	Copper	4621	27745	16797
Barium	137	105	123	Iron	21360	79564	5531
Cadmium	1.49	2.51	.91	Lead	123	1612	337
Calcium	79576	42722	114118	Manganese	1026	1488	336
Chromium	50	134	50	Mercury	.007	.080	.003
Cobalt	32	33.5	10.1	Selenium	2.09	2.42	1.88

Why Test the Crum Reservoir?



Answer: Our past interviews showed that some citizens were concerned about possible long-term impacts of the 2000 slurry release on the Crum Reservoir. Specifically, some citizens were concerned with when the reservoir intake on the Tug Fork reopened. Their main question was, "since the intake on the Tug Fork had reopened just several months after the spill, had slurry been pumped into the reservoir? If so, what were the long-term impacts, if any?"

Findings from Crum Reservoir: We collected and analyzed bottom sediment from the Crum Reservoir for the same metals that we analyzed in our water study. For comparison purposes, we then collected and analyzed bottom sediments from the Owsley Reservoir in Madison County. Our findings showed no difference in metal concentrations in sediments across the two reservoirs.

	Crum	Owsley		Crum	Owsley
Arsenic	1.8	3.2	Cobalt	12.6	9.1
Barium	106	78	Copper	22.6	73.8
Cadmium	.10	.26	Iron	27690	23428
Calcium	1294	3256	Lead	3.2	3.1
Chromium	15.6	18.9	Manganese	369	350

* Concentrations reported in parts per billion (*ppb*)
* Analyses completed at UK Environmental Research and Training Lab

Why do an outside / independent evaluation of the Water Utility?

That is a good question. Kentucky water utilities are already regulated by the Drinking Water Branch of the KY State Division of Water. In addition, the Martin County Water District (MCWD) is now periodically reviewed and regulated by the Kentucky State Public Service Commission due to a past history of treatment violations and management problems. In addition, to this oversight, the Big Sandy Area Development District provides the Martin County Water District with technical assistance and grant-writing assistance so that it can meet its capital improvement campaigns and provide a good quality water product to area residents.

Despite this regulatory oversight, people were still concerned about water quality at the MCWD and seemed reluctant to trust state regulatory officials and agencies because of some events that transpired between the public and regulators during and after the 2000 coal sludge spill.

For this reason, under this Memorandum of Agreement (MOA), we brought in an outside evaluator to independently evaluate operations at the MCWD. Judy Hansen, a plant superintendent with over 20 years of water management experience at the Kingston Water District in New York, was charged to independently evaluate operations. Hansen is an active member of the *American Water Works Association (AWWA)*. During her week-long on-site evaluation of the Martin County water utility, she adapted similar *QualServe* evaluation methods that are used by the AWWA.

On-going Projects...

- **WATER AUDIT:** We already tagged $8,800.00 of this MOA to the MCWD to conduct a complete leak detection assessment of the county water distribution system.
- **GRANTS-WRITING:** We continue to work with the MCWD and our citizen advisory committee on other grants for utility improvements and watershed protection.
- **WELL-WATER TESTING:** We recently received a grant from the *National Science Foundation* to test private wells. If you would like more information, please call (859) 622-3070. We are scheduled to begin sampling private wells in July and we are looking for participants.

Key Conclusions and Recommendations from the Outside Assessment of the Utility:

CONCLUSIONS:

- Many of the issues that have plagued the water utility and triggered enforcement action by the Kentucky Public Service Commission have been addressed.
- The single biggest issue currently facing the Martin County Water District is high, unaccounted for water. It is contributing to increased costs, makes regulatory compliance more challenging, and prevents the staff from optimizing treatment operations.

PRINCIPAL RECOMMENDATIONS:

- The MCWD needs outside assistance to conduct a formal and comprehensive water audit.
- Old distribution lines and valves need to be replaced.

Appendix E: 2002-2005 MCWD Water Quality Reports, TOC, THM, HAA Reporting

2002: Includes water from the MCWD as well as purchased water from Kermit and Mountain Water District

	Allowable Limit	90th Percentile	# Above AL/ # Sampled
THM	80	79	5.1/131
HAA	60	58	40/88

2003: Includes water from the MCWD as well as purchased water from Kermit and Mountain Water District

	Allowable Limit	90th Percentile	# Above AL/ # Sampled
THM	80	57	36/91
HAAS	60	56	38/102

2004 : Reported separately for the MCWD, the Kermit Water District and Mountain Water District

Martin County Water District	Allowable Limit	Highest Average	Range
THM	80	52	26 to 76
HAA	60	58	19 to 113.3
Kermit Water District	Allowable Limit	Highest Average	Range
THM	80	60	3rd Q. Violation
HAA	60	21	3rd Q. Violation
Mountain Water District	Allowable Limit	Highest Average	Range
THM	80	80	24 to 103
HAA	60	34	12 to 90

2005 :Reported separately for the MCWD, the Kermit Water District and Mountain Water District, as well as Prestonsburg City Utility Commission

Martin County Water District	Allowable Limit	Highest Average	Range
THM	80	53	24 to 128
HAA	60	47	30 to 113
Kermit Water District	Allowable Limit	Highest Average	Range
THM	80	60	3rd Q. Violation
HAA5	60	21	3rd Q. Violation
Mountain Water District	Allowable Limit	Highest Average	Range
THM	80	22.6.	5 to 35
HAA	60	25.4	14.5 90
Prestonsburg City's Utility Commission			
THM	80	81	36 to 168
HAA	60	34	10 to 76

Taken from: 2002 Martin County Water District Annual Drinking Water Quality Report;; 2003 Martin County Water District Annual Drinking Water Quality Report;; 2004 Martin County Water District Annual Drinking Water Quality Report;; 2005Martin County Water District Annual Drinking Water Quality Report

Discussion: A review of 2002 through 2005 water quality reports for the MCWD and its various suppliers show either TOC violations, monitoring violations and/or in some cases some water samples consistently exceeding allowable levels of trihalomethanes and haloacetic acids. By law, with either TOC precursor violations, monitoring violations and/or outright exceedence violations, the human health threats of these disinfectant by-products must be reported in the utility's annual consumer confidence report. Accordingly, each year since 2002 the MCWD or one of its suppliers has had to qualify its report on water quality with statements explaining the potential kidney, neurological and carcinogenic effects of these byproducts on human health.

PSC EXHIBIT 13

A

CONFIDENTIAL

A REPORT ON "CHALLENGED" WATER UTILITIES

SUBMITTED MAY 2002

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INTRODUCTION

This report has been prepared for use within the Commission to assist in the review of water utility operations. The ultimate goal of the report is to provide the Commission and Staff with a proactive tool for reviewing the engineering, financial and customer service functions of each jurisdictional water utility.

It should be noted that the Commission currently offers assistance to water utilities in a number of ways. Each year, for the past five years, Commission Staff met with approximately 15 individual water utilities, to review their financial records, determine a revenue requirement, prepare a cost of service study and compile this information into a rate application that the water utility can file. Staff also assists water utilities in filing purchased water adjustment and nonrecurring charge applications. For these cases, Staff generally speaks with a utility representative via the telephone and prepares the application. Once completed, the application is mailed to the utility to be signed and returned to the Commission as a filed case. This assistance has been provided at the specific water utility's request and with the encouragement of the Commission.

Staff has prepared a generic water utility tariff to assist utilities in completing and filing a proper tariff with the Commission. We assist utilities on a daily basis with tariff issues and generally end up revising tariff pages and sending them to the utility for a signature.

For the past three years, Staff has held water personnel training seminars. These seminars have been extremely beneficial to both the water utilities and to

Staff. In discussing issues with the water utility Managers and Commissioners, Staff discovers the issues of concern to the utilities. For example, the Administrative Case regarding water line extensions was initiated as a direct result of complaints received at the seminars.

The utility personnel have told us how much they benefit from the topics discussed at the seminars. Another benefit to holding the seminars is from a public relations standpoint. The utilities can see first hand that we are interested in providing assistance and they also have the opportunity to put a face with a name. This non-adversarial interaction has enabled the Commission and Staff to develop an improved working relationship with the water utilities. Staff is very pleased with the progress that has been made over the past few years in establishing a better working relationship with the water utilities.

However, in light of the recent problems experienced by Martin County Water District, the Commission requested that an evaluation of our jurisdictional water utilities be performed with purpose of developing a list of "challenged" water utilities. Staff has performed a review of each jurisdictional water utility to assist in determining the engineering and financial concerns of each water utility. A full discussion of the evaluation task and related recommendations are provided on the following pages.

REVIEW PROCESS

It was determined that a three year review period would allow the Commission to gain insight into the operations of each water utility. A three-year period was used in order to take into consideration any unusual or abnormal occurrence during a particular year. For example, the number of customer complaints may be skewed during a particular time period if the water utility received a rate increase. Also, a water utility may have incurred a large nonrecurring expenditure during a given year that would have a dramatic impact on its cash flow.

Items reviewed include the number and type of customer complaints, deficiencies found during engineering inspections, number of customers served, unaccounted for water loss and financial indicators such as cash flow and net income.

Extensive information was gathered and entered into a database. This database can be maintained on a periodic basis, which should assist the Staff and Commission in future water utility evaluations. Within three major categories, items were ranked on a scale of one to ten with regard to operational impact and a score was given to each water utility. For example, the Engineering Division determined that a deficiency such as not filing a boundary map should receive a lower score than a deficiency regarding low pressure within a system.

The uniform scoring systems were applied equitably to each water utility. A detailed discussion of the items included in each score is shown at the

beginning of each function reviewed. In all categories reviewed, a score of zero means no deficiencies.

Shown at the beginning of each section of the report is a list of utilities ranked in order of the number of deficiencies. Based on the uniform scoring system the utility with the highest score (worst performance) is shown at the top. Detailed information showing the results of the uniform scoring system for each category is included.

It is important that this report remain confidential and be used only as an indicator of possible problems. Before it is determined that a water utility needs assistance or is in trouble additional information should be gathered. For example, does a water utility have a negative cash flow because of inadequate rates or due to the start of a construction project? Is the water utility reporting excessive line loss due to not testing meters and repairing leaks or due to old pipes and rocky, shifting terrain?

This report gives us an idea of the status of each water utility and where we stand today. The final section in this report contains recommendations and steps we need to take in order to monitor systems on an ongoing basis.

SUMMARY OF RESULTS FROM EACH FUNCTION

The following table shows the 10 utilities who received the highest scores by function. Three utilities appear in more than one category. Martin County Water District appears in the financial, unaccounted for water and complaint categories. Barkley Lake Water District is shown in financial and unaccounted for water. Francis Water Company is shown in unaccounted for water and complaints. Utilities who have deficiencies in more than one function are shown in boldface.

Engineering	Unaccounted for Water	Financial	Complaints
South Graves	Francis Water	**Martin County**	Martin County
Green Hills	Hyden-Leslie	Lovelaceville	North Shelby
Black Mountain	West Carroll	Fancy Farm	Western Pulaski
Caldwell County	**Martin County**	Webster County	Harrison County
Morgan County	**Barkley Lake**	Berea College	McKinney Water
Sedalia Water	Bronston Water	Butler County	Nicholas County
Buffalo Trail	South Woodford	North Hopkins	Garrard County
Hardeman Water	Whitley County	**Barkley Lake**	Cumberland Falls
Madison County	Cawood Water	Christian County	**Francis Water**
Monroe County	Garrison-Quincy	Rattlesnake Ridge	East Casey

ENGINEERING RANKING

Engineering reports for the last three inspections were reviewed. It may appear that some utilities were inspected twice in one year. However, this generally occurs when a water utility is inspected in January and then again in December. The same logic follows if it appears that a water utility was not inspected in a given year.

It is apparent that many of the utilities are not maintaining a recording pressure gauge on their distribution system at least one week per month as required by Commission regulations. Another item that appears throughout the deficiencies listed is meter testing. It is interesting to note that many of the utilities whose water loss exceeds 15 percent are also not testing meters. Slow water meters may be a major contributing factor in the percentage of "unaccounted for water" experienced by the water utility.

In reviewing the information it becomes apparent some of the utilities do not take Commission inspections seriously as many have the same deficiencies year after year. Dexter-Almo Heights Water District scored 27 in year one, but had improved and scored only a three in the next two years. North Logan scored 29 in year one, had no deficiencies in year two, then scored 19 in year three. Black Mountain seems to be getting in worse shape as they scored 27 in year one, 32 in year two and 55 in year three.

The following table sets out the deficiencies noted and the score given to each deficiency. If a deficiency is not shown on the table it has been scored in accordance with other deficiencies. For example, all deficiencies related to tariffs and the filing of paper work have been given one point.

Deficiency	Score
Not flushing lines properly	9
Low pressure in system	8
Water loss exceeds 15%	7
Not testing master meters	7
Did not notify PSC of contaminated water sample	7
Did not obtain PSC approval of construction or other activity	7
Not performing pressure surveys	7
Not performing system inspections	7
Not testing meters	6
Employees need CPR training	3
Need to file inspection procedures	3
No safety manual	3
Not filing quarterly meter reports	3
Customer deposit issues	2
Not filed boundaries or maps with PSC	2
No placard stating tariffs available for inspection	1
Other office issues	1

The following sheets show the ranking of each water utility, for the past three years, based on deficiencies found in the engineering reports. An additional listing follows showing each individual water utility and the deficiencies found during each inspection.

A-1
Ranking of Average Scores

Engineering Average Scores Ranking

Utility	Year 1	Year 2	Year 3	Average Score
South Graves Water District	55	48	49	51
Green Hills Water District	38	45	34	39
Black Mountain Utility District	27	32	55	38
Caldwell Co. Water District	53	46	12	37
Morgan County Water District	42	32	17	30
Sedalia Water District	20	31	38	30
Buffalo Trail Water Association	40	21	26	29
Hardeman Water District	39	19	20	26
Madison County Utility District	21	34	21	25
Monroe County Water District	17	31	27	25
Garrison-Quincy-Ky-O-Heights Water District	15	31	27	24
Bronston Water Association, Inc.	36	19	15	23
Francis Water Company	20	15	35	23
Western Rockcastle Water District	25	30	12	22
Auxier Water Company	26	13	24	21
North Nelson Water District	8	27	27	21
Ohio County Water District	7	31	21	20
Cawood Water District	21	12	24	19
Barkley Lake Water District	15	28	12	18
West Carroll Water District	24	21	8	18
Whitley County Water District No. 1	7	10	35	17
Nicholas County Water District	1	22	26	16
North Logan Water District	29	0	19	16
Rowan Water, Inc.	15	18	15	16
South Logan Water District	16	12	20	16
North Hopkins Water District	28	14	5	16
Milburn Water District	22	8	14	15
Sandy Valley Water District	15	19	10	15
Beech Grove Water System, Inc.	5	18	20	14
North Mercer Water District	3	31	9	14
South Shore Water Works Company	21	7	15	14
Big Sandy Water District	11	7	24	14
Fountain Run Water District No. 1	17	17	8	14
Martin County Water District	10	19	12	14
Southern Water District	20	14	7	14
North Marshall Water District	15	13	11	13
Henry County Water District No. 2	24	7	7	13
Lake Village Water Association	10	7	20	12
Western Fleming County Water District	32	5	0	12

Engineering Average Scores Ranking

Utility	Year 1	Year 2	Year 3	Average Score
East Casey County Water District	14	15	7	12
Edmonson Co. Water District	8	15	13	12
Parksville Water District	13	13	10	12
Gallatin County Water District	27	3	5	12
Ledbetter Water District	8	5	22	12
Southern Mason Water District	21	7	7	12
Western Pulaski Water District	14	8	13	12
Jonathan Creek Water District	16	11	7	11
North Shelby Water Company	7	12	15	11
Peaks Mill Water District	12	12	10	11
U.S. 60 Water Water District of Shelby and Franklin Counties	7	12	15	11
Dexter-Almo Heights Water District	27	3	3	11
Todd County Water District	3	14	16	11
Cumberland County Water District	14	10	8	11
Cumberland Falls Water District	12	15	5	11
Garrard County Water District	7	7	17	10
Henderson County Water District	7	19	5	10
Fancy Farm Water District	12	15	3	10
Union County Water District	10	10	10	10
East Knox County Water District	10	7	12	10
Lyon County Water District	11	11	7	10
South Side Water Association	10	8	11	10
South Woodford Water District	7	8	14	10
Northeast Woodford County Water District	0	12	16	9
Consumers Water District	9	11	7	9
Estill County Water District No. 1	19	8	0	9
Hyden-Leslie County Water District	10	10	7	9
Trimble County Water District	19	8	0	9
West Shelby Water District	3	0	24	9
Bracken County Water District	8	5	13	9
East Logan Water District	13	10	3	9
Pendleton County Water District	6	12	7	8
Green River Valley Water District	11	8	5	8
Rockcastle County Water Association	8	13	3	8
Crittenden-Livingston County Water District	5	10	8	8
Hickory Water District	13	5	5	8
Knott County Water District	7	16		8
Magoffin County Water District	8	10	5	8
McKinney Water District	6	10	7	8

Engineering Average Scores Ranking

Utility	Year 1	Year 2	Year 3	Average Score
Powells Valley Water District	3	10	10	8
Bath County Water District	3	12	6	7
Christian County Water District	11	10	0	7
Kentucky American Water Company	11	9	0	7
Nebo Water District	3	3	13	6
Corinth Water District	0	12	6	6
Overland Development, Inc.	0	9	9	6
Elkhorn Water District	10	7	0	6
Jessamine County Water District No.1	9	0	8	6
Kirksville Water Association	10	7	0	6
Muhlenberg County Water District	14	3		6
Sharpsburg Water District	6	5	5	5
Adair County Water District	3	7	5	5
Green Taylor Water District	3	9	3	5
Harrison County Water Association	12	0	3	5
Levee Road Water Association	5	5	5	5
Lovelaceville Water Company	5	5	5	5
Mountain Water District	7	1	7	5
Southeastern Water Association	12	0	3	5
Montgomery County Water District	7	7	0	5
Oldham County Water District	7	4	3	5
Berea College Water System, Inc.	10	0	3	4
Jackson County Water Association	5	0	8	4
Laurel County Water District No. 2	13	0	0	4
Murray No. 3 Water District	7	3	3	4
Sandy Hook Water District	10	3	0	4
Butler County Water System, Inc.	3	0	9	4
Marion County Water District	12	0	0	4
North McLean County Water District	0	5	7	4
South Hopkins Water District	7	5	0	4
Cannonsburg Water District	3	7	0	3
Muhlenburg County Water District No. 3	7	3	0	3
South Anderson Water District	0	7	3	3
West McCracken County Water District	6	0	4	3
Doe Valley Water Association, Inc.	3	0	6	3
Southeast Daviess County Water District	8	0	0	3
West Daviess County Water District	8	0	0	3
Alton Water & Sewer District	7	0	0	2
East Pendleton Water District	7	0	0	2

Engineering Average Scores Ranking

Utility	Year 1	Year 2	Year 3	Average Score
Western Lewis-Rectorville Water District	1	3	3	2
Bullock Pen Water District	0	6	0	2
Cunningham Water District	0	0	6	2
Farmdale Water District	0	3	3	2
Murray No. 2 Water District	0	5	1	2
Reid Village Water District	6	0	0	2
Carroll County Water District	0	5	0	2
South 641 Water District	5	0	0	2
Southern Madison Water District	0	5	0	2
East Daviess County Water District	1	3	0	1
Hardin County Water District No. 1	2	2	0	1
Judy Water Water Association	0	4	0	1
Simpson County Water District	4	0	0	1
East Laurel Water District	3	0	0	1
Grayson County Water District	3	0	0	1
Meade County Water District	3	0	0	1
Utilities of KY	3	0		1
Wood Creek Water District	3	0	0	1
Allen County Water District	0	0	1	0
Jessamine-South Elkhorn Water District	1	0	0	0
Boone County Water District	0	0	0	0
Center Ridge Water System	0	0	0	0
East Clark County Water District	0	0	0	0
Fleming County Water Association	0	0	0	0
Hardin County Water District No. 2	0	0	0	0
Hendron Water District	0	0	0	0
Larue County Water District No. 1	0	0	0	0
McCreary County Water District	0	0	0	0
Northern Kentucky Water District	0	0	0	0
Rattlesnake Ridge Water District	0	0	0	0
Symsonia Water District	0	0	0	0
Warren County Water District	0	0	0	0
Webster County Water District	0	0	0	0
West Laurel Water Association	0	0	0	0

A-2
Ranking by Utility

Engineering Reports

Adair County Water District

1998	not filing quarterly meter reports.	Score: 3	1999	not maintaining a recording pressure gauge in service	Score: 7	2001	not testing meters periodically	Score: 5

Allen County Water District

1998	no deficiencies	Score: 0	1999	no deficiencies	Score: 0	2001	placard on bulletin board needs larger font size	Score: 1

Alton Water & Sewer District

2000	not testing 4" master meter	Score: 7	2001	no deficiencies	Score: 0	2002	no deficiencies	Score: 0

Auxier Water Company								
1998	needs to update meter history and test cards, does not meet min. storage capacity, not testing 2 inch meters, not keeping written inspection of tanks, not keeping secondary test info from water suppliers	Score: 26	1999	not testing meters periodically, no meter history or test cards, employees need CPR training	Score: 13	2001	not filing periodic meter reports, not testing meters, employees need CPR training, not maintaining a recording pressure gauge for one week per month, does not meet storage requirements	Score: 24
Barkley Lake Water District								
1998	employees need CPR training; water loss exceeds 15%, water meters need to be tested periodically	Score: 15	2000	unaccounted water loss exceeds 15%, did not notify Commission of an accident; not testing meters; not flushing dead mains	Score: 28	2001	unaccounted water loss exceeds 15%; no meter testing	Score: 12
Bath County Water District								
1999	not testing meters periodically, not filing quarterly meter reports	Score: 3	2000	not testing meters, not maintaining a recording pressure gauge in continuous service	Score: 12	2001	not testing meters periodically, not storing meter test and data on computer retrieval system	Score: 6
Beech Grove Water System, Inc.								
1999	not testing meters periodically	Score: 5	2000	not filing quarterly meter reports, not maintaining a recording pressure gauge, not meeting min storage requirements	Score: 18	2001	not filing quarterly meter reports, not maintaining a recording pressure gauge, not testing meters periodically, employees need CPR training, made a connection with another system without notifying the Commission	Score: 20

Berea College Water System, Inc.

1999	not filing periodic meter reports, unaccounted water loss exceeds 15%	Score: 10	2000	no deficiencies	Score: 0	2001	not filing periodic meter reports	Score: 3

Big Sandy Water District

1997	unaccounted water loss exceeds 15%;needs to provide employees refresher course in CPR; did not notify the Commission on receipt of directive letter	Score: 11	1998	unaccounted water loss exceeds 15%	Score: 7	2001	unaccounted water loss exceeds 15%; needs to provide CPR training; not maintaining a recording pressure gauge; pressure charts not showing date and time of test	Score: 24

Black Mountain Utility District

1998	not filing quarterly meter reports; not maintaining recording pressure gauge; not maintaining pressure survey records; water loss exceeds 15%; not testing master meters; not keeping appropriate records	Score: 27	1999	not filing quarterly meter report; no recording pressure gauge; not maintaining a recording pressure gauge; not performing annual pressure surveys; not testing its meters, not reporting an accident, not keeping appropriate records on inspections	Score: 32	2000	not filing quarterly meter report; not keeping appropriate records of inspections; not maintaining a recording pressure gauge; does not have or has established a safety manual; not making systematic inspections	Score: 55

Boone County Water District

2000	no deficiencies	Score: 0	2002	no deficiencies	Score: 0	2002	no deficiencies	Score: 0

Bracken County Water District								
1999	water pressure falls below 30 psig	Score: 8	2000	not testing meters	Score: 5	2001	not testing meters; water pressure below 30 psig	Score: 13
Bronston Water Association, Inc.								
1998	not filing periodic meter reports, not complied with notifying PSC of accident notification, not keeping inspection records on tanks, not maintaining a recording pressure gauge, water loss exceeds 15%, not testing meters	Score: 36	1999	unaccounted water loss exceeds 15%, not testing meters timely, not complied with notifying PSC of accident notification	Score: 19	2002	unaccounted water loss exceeds 15%, not filing periodic meter reports, not testing meters timely	Score: 15
Buffalo Trail Water Association								
1998	not filing meter reports, not keeping records, employees need CPR training, did not notify PSC of contaminated water sample, not maintaining records of interruptions, line loss exceeds 15%, does not maintain pressure survey records, not testing meters	Score: 40	1999	not filing meter reports, not testing meters, not providing CPR, not keeping records, water loss exceeds 15%	Score: 21	2000	water loss exceeds 15%, not testing meters, not filing periodic reports, not providing CPR, no records of tank inspections or pump stations	Score: 26
Bullock Pen Water District								
1999	no deficiencies	Score: 0	2000	minimum storage not equal to daily consumption	Score: 6	2001	no deficiencies	Score: 0

Butler County Water System, Inc.

1999	not filing periodic meter reports	Score: 3	2001	no deficiencies	Score: 0	2002	did not provide PSC with a copy of its public notification upon finding a representative water sample contaminated	Score: 9

Caldwell Co. Water District

1999	not updated deposit policy; employees need CPR training; no appropriate tank inspection records; not reporting accident; water loss exceeds 15%; water meters need to be tested; no record of interruptions of service; not maintaining a records	Score: 53	2000	not updated is deposit policy in tariffs; employees need CPR training; unaccounted water loss exceeds 15%; no inspection records on pump stations; Did not notify Commission of an accident; not responding to investigation reports; new employee needs CPR	Score: 46	2001	not filing quarterly meter report; not verifying customer read info; $25 charge to customers without approval; not maintaining pressure survey records; not maintaining a recording pressure gauge	Score: 12

Cannonsburg Water District

2000	employees need CPR training; did not notify PSC of computer storage and retrieval system	Score: 3	2001	made a connection with another water supply without notifying PSC	Score: 7	2002	no deficiencies	Score: 0

Carroll County Water District

1999	no deficiencies	Score: 0	2000	water meters need testing	Score: 5	2001	no deficiencies	Score: 0

Cawood Water District

1998	not maintaining recording pressure gauge; not performing or keeping records of pressure surveys; not maintaining pressure survey records at office; not testing 4" master meter	Score: 21	1999	not testing meters; unaccounted water loss exceeds 15%	Score: 12	2001	unaccounted water loss exceeds 15%; employees need CPR training; maintaining a recording pressure gauge; pressure charts not showing date and time of test	Score: 24

Center Ridge Water System

1998	no deficiencies	Score: 0	1999	no deficiencies	Score: 0	2000	no deficiencies	Score: 0

Christian County Water District

1999	water loss exceeds 15%; employees need refresher courses in CPR training; did not notify the Commission on receipt of directive letter	Score: 11	2000	unaccounted water loss exceeds 15%; no quarterly meter report	Score: 10	2002	no deficiencies	Score: 0

Consumers Water District

1998	did not provide PSC with copy of notification upon finding a contaminated water sample	Score: 9	2000	no copy of order appointing commissioner; need a representative available during working hours; new employee needs CPR training	Score: 11	2001	not testing master meters	Score: 7

Corinth Water District								
1999	no deficiencies	Score: 0	2000	unaccounted water loss exceeds 15%; need to test water meters	Score: 12	2001	minimum storage not equal to daily consumption	Score: 6
Crittenden-Livingston County Water District								
1999	does not conduct meter testing;	Score: 5	2000	not refunding customers deposits; not testing water meters; employees need CPR training	Score: 10	2001	not testing meters; not keeping appropriate records	Score: 8
Cumberland County Water District								
1999	not filing quarterly report; not conducting meter testing; not maintaining a recording pressure gauge; not maintaining pressure survey records; has not established deposit policy in its tariffs	Score: 14	2000	not filing quarterly meter report; not testing meters; not filing rates and conditions	Score: 10	2001	no meter testing; employees need CPR training	Score: 8
Cumberland Falls Water District								
2000	unaccounted water loss exceeds 15%; not testing meters	Score: 12	2001	unaccounted water loss exceeds 15%; no meter testing; employees need CPR training	Score: 15	2002	not testing meters	Score: 5

Cunningham Water District

1999	no deficiencies	Score: 0	2000	no deficiencies	Score: 0	2001	not filing quarterly meter report; employees need CPR training	Score: 6

Dexter-Almo Heights Water District

2000	no safety manual; employees need CPR training; has not filed a copy of inspection procedures; not maintaining a record of interruptions of service; not testing master meter; no safety program	Score: 27	2001	employees need CPR training	Score: 3	2002	employees need CPR training	Score: 3

Doe Valley Water Association, Inc.

1998	employees need CPR training	Score: 3	2001	no deficiencies	Score: 0	2002	not filing periodic meter reports, employees need CPR training	Score: 6

East Casey County Water District

1999	not filing rates; water loss exceeds 15%; no meter testing	Score: 14	2000	not filing quarterly report; unaccounted water loss exceeds 15%; not testing meters	Score: 15	2001	no record of complaints; not testing meters	Score: 7

East Clark County Water District

1999	no deficiencies	Score: 0	2000	no deficiencies	Score: 0	2001	no deficiencies	Score: 0

East Daviess County Water District

1999	did not acknowledge receipt of PSC letter re accidents	Score: 1	2000	employees need CPR training	Score: 3	2002	no deficiencies	Score: 0

East Knox County Water District

1999	not maintaining system maps; water loss exceeds 15%	Score: 10	2000	unaccounted water loss exceeds 15%	Score: 7	2001	unaccounted water loss exceeds 15%; no meter testing	Score: 12

East Laurel Water District

1999	employees need CPR training	Score: 3	2000	no deficiencies	Score: 0	2001	no deficiencies	Score: 0

East Logan Water District

1998	no quarterly meter report; did not acknowledge receipt of accident letter; has not provided PSC with letter regarding representative water sample	Score: 13	2000	unaccounted water loss exceeds 15%; employees need re-certification in CPR; did not contact PSC for certificate of PC&N	Score: 10	2001	employees need CPR training	Score: 3

East Pendleton Water District

1999	not maintaining pressure gauge	Score: 7	2000	no deficiencies	Score: 0	2001	no deficiencies	Score: 0

Edmonson Co. Water District

1998	employees need CPR training; not testing water meters	Score: 8	1999	not testing master meters; not testing water meters; new employees need CPR training	Score: 15	2001	unaccounted water loss exceeds 15%; not filed water shortage plan; employees need CPR training, no placard informing customers of tariffs, rules, etc.	Score: 13

Elkhorn Water District

1998	employees need CPR training; not testing water meters	Score: 10	1999	not testing meters	Score: 7	2002	no deficiencies	Score: 0

Estill County Water District No. 1								
2000	not testing master meters; not testing water meters; exceeds 15%	Score: 19	2001	employees need CPR training; unaccounted water loss exceeds 15%; has not filed water shortage response plan	Score: 8	2001	no deficiencies	Score: 0
Fancy Farm Water District								
1999	water loss exceeds 15%, not testing water meters	Score: 12	2000	unaccounted water loss exceeds 15%, not testing water meters, did not file quarterly meter report	Score: 15	2001	not filing quarterly meter report	Score: 3
Farmdale Water District								
1999	no deficiencies	Score: 0	2000	employees need CPR training	Score: 3	2000	employees need CPR training	Score: 3
Fleming County Water Association								
2000	no deficiencies	Score: 0	2000	no deficiencies	Score: 0	2001	no deficiencies	Score: 0

Fountain Run Water District No. 1

1999	not filing quarterly meter reports, not maintaining pressure gauge, not keeping records of pressure surveys	Score: 17	2000	employees need CPR training, not maintaining pressure gauge, not keeping records of pressure surveys	Score: 17	2001	not filing quarterly reports, employees need CPR training	Score: 8

Francis Water Company

1998	not meeting min. storage requirements, unaccounted water loss exceeds 15%, not testing meters periodically	Score: 20	1999	line loss exceeds 15%, not meeting storage requirements, free service to owners not in tariff	Score: 15	2000	not meeting min. storage requirements, unaccounted water loss exceeds 15%, not testing meters periodically, valves in distribution system in disrepair, not maintaining a recording pressure gauge	Score: 35

Gallatin County Water District

1999	not keeping records, no public notification upon finding a representative water sample, not maintaining a recording pressure gauge, not keeping records of pressure surveys	Score: 27	2000	employees need CPR training	Score: 3	2001	not displaying rates, not providing an inspection area for its customers; re-certification of CPR for employees	Score: 5

Garrard County Water District

1997	water loss exceeds 15%	Score: 7	1999	unaccounted water loss exceeds 15%	Score: 7	2000	unaccounted water loss exceeds 15%, new employee needs cpr training, not maintaining pressure gauge recording as required	Score: 17

Garrison-Quincy-Ky-O-Heights Water District

1998	not posting a suitable placard; not posting business hours, not responding to accident letter; has not filed a copy of its inspection procedures, not keeping appropriate records	Score: 15	1999	not maintaining a recording pressure gauge, not maintaining a record of interruptions, unaccounted water loss exceeds 15%, not responding to accident letter, new employee needs CPR training	Score: 31	2002	not filing quarterly meter report, unaccounted water loss exceeds 15%, not testing 4" mastermeter, not keeping appropriate records, not maintaining a recording pressure gauge	Score: 27

Grayson County Water District

1999	not filing quarterly meter report	Score: 3	2000	no deficiencies	Score: 0	2001	no deficiencies	Score: 0

Green Hills Water District

1997	not filing quarterly meter report, not keeping appropriate records of inspections, not maintaining a recording pressure gauge, not keeping records of annual pressure surveys, unaccounted water loss exceeds 15%, not testing 2 inch master meter	Score: 38	1998	water loss exceeds 15%, not filing quarterly meter report, test card does not contain all data, not maintaining meter history cards, no meter testing, employee needs CPR training, not keeping records of inspection procedures, not maintain pressure gauge	Score: 45	2001	not filing quarterly meter report, unaccounted water loss exceeds 15%, not testing mastermeters, employees need CPR training, not maintaining a recording pressure gauge, not keeping records of annual pressure surveys	Score: 34

Green River Valley Water District

1999	water meters need to be tested, minimum storage capacity not equal to daily consumption	Score: 11	2000	water meters need testing, employees need CPR training	Score: 8	2002	water meters need testing	Score: 5

Green Taylor Water District								
1999	employees need CPR training	Score: 3	2000	not refunding deposits, not maintain pressure survey records	Score: 9	2001	employees need CPR training	Score: 3

Hardeman Water District								
1999	not testing meters, not testing master meter, not keeping appropriate records, not maintaining a record of interruptions, not maintaining a recording pressure gauge, has not increased one day storage capacity	Score: 39	2000	not testing 6" mastermeter; water meters need testing; not keeping written records of inspections	Score: 19	2001	not testing water meters, not keeping appropriate records, not keeping regulations in office, pressure charts do not show date and time	Score: 20

Hardin County Water District No. 1								
2000	not maintaining system map	Score: 2	2001	not maintaining system map	Score: 2	2002	no deficiencies	Score: 0

Hardin County Water District No. 2								
2000	no deficiencies	Score: 0	2001	no deficiencies	Score: 0	2002	no deficiencies	Score: 0

Harrison County Water Association

1999	unaccounted water loss exceeds 15%, not testing meters as required	Score: 12	2000	no deficiencies	Score: 0	2001	not filing quarterly meter reports,	Score: 3

Henderson County Water District

1999	unaccounted water loss exceeds 15%	Score: 7	2000	unaccounted water loss exceeds 15%, not testing master meter, not testing meters	Score: 19	2001	not testing meters	Score: 5

Hendron Water District

1999	no deficiencies	Score: 0	2000	no deficiencies	Score: 0	2001	no deficiencies	Score: 0

Henry County Water District No. 2

1999	unaccounted water loss exceeds 15%, public notification upon finding representative water sample, not testing large meters	Score: 24	2000	did not notify Commission of accident	Score: 7	2001	no deficiencies	Score: 7

Hickory Water District

1997	not filing quarterly report, unaccounted water loss exceeds 15%, boundaries need to be shown on system map	Score: 13	1999	not testing meters	Score: 5	2000	not testing meters	Score: 5

Hyden-Leslie County Water District

2000	unaccounted water loss exceeds 15%, employees need CPR training	Score: 10	2001	unaccounted water loss exceeds 15%, employees need CPR training	Score: 10	2002	unaccounted water loss exceeds 15%	Score: 7

Jackson County Water Association

1999	not testing meters as required	Score: 5	2000	no deficiencies	Score: 0	2001	not testing meters as required, employees need CPR training	Score: 8

Jessamine County Water District No.1

1999	not filing quarterly meter report, storage capacity not equal to daily consumption	Score: 9	2000	no deficiencies	Score: 0	2001	not filing quarterly meter report, employees need CPR training, not updated deposit policy	Score: 8

Jessamine-South Elkhorn Water District

1999	did not notify Commission of computer system	Score: 1	2000	no deficiencies	Score: 0	2001	no deficiencies	Score: 0

Jonathan Creek Water District

1997	employees need CPR training, not maintaining recording pressure gauge, unaccounted water loss exceeds 15%	Score: 16	1998	employees need CPR training, did not notify Commission of computer system, unaccounted water loss exceeds 15%	Score: 11	1999	unaccounted water loss exceeds 15%	Score: 7

Judy Water Water Association

2000	no deficiencies	Score: 0	2001	not filing and displaying tariffs, employees need CPR training	Score: 4	2001	no deficiencies	Score: 0

Kentucky American Water Company

1997	unaccounted water loss exceeds 15%, tariffs at place of business needs to be updated, bill format not in tariff	Score: 11	1999	not filing quarterly meter reports, has not filed safety program with PSC, employees need recertification in CPR	Score: 9	2001	no deficiencies	Score: 0

Kirksville Water Association

1999	unaccounted water loss exceeds 15%, no acknowledgement of accident report letter from PSC, new employee does not have identification, not keeping records on water storage facilities to identify inspections made	Score: 10	2000	unaccounted water loss exceeds 15%	Score: 7	2001	no deficiencies	Score: 0

Knott County Water District

1999	employees need CPR instruction, not testing meters	Score: 7	2000	water loss exceeds 15%, not testing meters, employees need CPR, not filing periodic reports	Score: 16			Score:

Lake Village Water Association

1999	not filing meter reports, unaccounted water loss exceeds 15%	Score: 10	2000	not keeping records to identify inspection procedures made	Score: 7	2002	not filing meter reports, unaccounted water loss exceeds 15%, not testing master meters, employees need CPR training	Score: 20

Larue County Water District No. 1

1999	no deficiencies	Score: 0	2000	no deficiencies	Score: 0	2001	no deficiencies	Score: 0

Laurel County Water District No. 2

2000	did not notify Commission of computer system, not testing 4" meters, unaccounted water loss exceeds 15%	Score: 13	2001	no deficiencies	Score: 0	2002	no deficiencies	Score: 0

Ledbetter Water District

1999	employees need CPR training, not testing meters	Score: 8	2000	not testing water meters	Score: 5	2001	not testing meters, not maintaining a recording pressure gauge, employees need CPR training, pressure charts do not show date and time	Score: 22

Levee Road Water Association

1999	not testing meters periodically	Score: 5	2000	not testing meters periodically	Score: 5	2001	not testing meters periodically	Score: 5

Lovelaceville Water Company

1999	not testing meters periodically	Score: 5	2000	not testing meters periodically	Score: 5	2001	not testing meters periodically	Score: 5

Lyon County Water District

2000	not testing meters, not displaying rates, has not adopted inspection procedure, has not filed a copy of inspection procedures	Score: 11	2001	not conducting meter testing, no safety program outlined, has not established a safety manual	Score: 11	2002	not providing inspection of rules and tariffs, not filing quarterly meter report, employees need CPR training	Score: 7

Madison County Utility District

1999	not provided copy of notification of a representative water sample, flushing devices not adequately sized, not testing meters	Score: 21	2000	unaccounted water loss exceeds 15%, meter testing, need to show boundaries on map, employees need CPR training, not keeping appropriate records, not keeping records on inspection procedures, flushing devices not sized adequately	Score: 34	2001	new employees need CPR training, unaccounted water loss exceeds 15%, flushing devices not adequately sized, need a copy of water shortage response plan.	Score: 21

Magoffin County Water District

1999	employees need CPR training, not testing meters	Score: 8	2000	employees need CPR training, no meter testing, did not notify Commission of computer system, need to know meter testing company	Score: 10	2001	not testing meters	Score: 5

Marion County Water District

1999	unaccounted water loss exceeds 15%, not testing meters	Score: 12	2001	no deficiencies	Score: 0	2002	no deficiencies	Score: 0

Martin County Water District

1999	employees need CPR training, unaccounted water loss exceeds 15%	Score: 10	2000	not refunding customers deposits, not filing quarterly meter report, not testing meters, unaccounted water loss exceeds 15%, has not updated established deposit policy	Score: 19	2001	unaccounted water loss exceeds 15%, no meter testing	Score: 12

McCreary County Water District

1999	no deficiencies	Score: 0	2000	no deficiencies	Score: 0	2001	no deficiencies	Score: 0

McKinney Water District

1998	minimum storage capacity not equal to daily consumption	Score: 6	2000	employees need CPR training, not keeping appropriate records on inspections	Score: 10	2002	not maintaining a recording pressure gauge	Score: 7

Meade County Water District

1998	employees need CPR training	Score: 3	1999	no deficiencies	Score: 0	2001	no deficiencies	Score: 0

Milburn Water District

1998	unaccounted water loss exceeds 15%, not filing quarterly meter report, not providing information regarding chemical constituents, not testing water meters	Score: 22	2000	not filing quarterly meter report, not testing meters	Score: 8	2001	not filing quarterly meter report, has not filed a water shortage response plan, not keeping records pertaining to PSC regs, not maintaining a recording pressure gauge	Score: 14

Monroe County Water District

1998	not filing quarterly meter reports, has not responded to accident letter, not maintaining a recording pressure gauge,	Score: 17	1999	not maintaining a recording pressure gauge, not maintaining a record of interruptions, unaccounted water loss exceeds 15%, not responding to accident letter, new employee needs CPR training	Score: 31	2001	not testing master meters, new employees need CPR training, not keeping appropriate records on storage tanks, the water storage facility at Gamaliel has a potentially hazardous condition regarding exterior and interior of the tank	Score: 27

Montgomery County Water District

1999	unaccounted water loss exceeds 15%	Score: 7	2000	unaccounted water loss exceeds 15%	Score: 7	2001	no deficiencies	Score: 0

Morgan County Water District

1998	not filing meter reports, no safety manual, has not filed copy of inspection procedures, not keeping appropriate records on water storage, not providing customers on chemical constituents, not maintaining a recording pressure gauge	Score: 42	1999	water loss exceeds 15%, not filed copies of special contracts, employees need CPR training, not filing a safety manual, only one inspection report on water storage facility, no copy of inspection procedures, not maintaining a recording pressure gauge	Score: 32	2001	unaccounted water loss exceeds 15%, has not filed copies of special contracts, not maintaining a recording pressure gauge	Score: 17

Mountain Water District

1999	unaccounted water loss exceeds 15%	Score: 7	2000	did not notify Commission of computer system	Score: 1	2001	unaccounted water loss exceeds 15%	Score: 7

Muhlenberg County Water District

1998	not maintaining a recording pressure gauge, unaccounted water loss exceeds 15%	Score: 14	2001	need more in-depth annual written record of inspections, etc	Score: 3			Score:

Muhlenburg County Water District No. 3

1999	unaccounted water loss exceeds 15%	Score: 7	2000	new employee needs CPR training	Score: 3	2002	no deficiencies	Score: 0

Murray No. 2 Water District

1997	no deficiencies	Score: 0	1998	not testing correct percentage of water meters	Score: 5	2000	not filing and displaying rates and conditions for service	Score: 1

Murray No. 3 Water District

1999	not providing customers info of chemical constituents	Score: 7	2000	safety program does not provide instruction of artificial respiration	Score: 3	2001	safety program does not provide instruction of artificial respiration	Score: 3

Nebo Water District

1998	third commissioner needs to be appointed and PSC notified	Score: 3	1999	safety program does not provide instruction of artificial respiration	Score: 3	2002	safety program does not provide instruction of artificial respiration, no uniform or insignia for employees, system maps not being maintained, systematic inspections not made	Score: 13

Nicholas County Water District

1999	no notification of storing computerized meter test and historical data	Score: 1	2000	not filing quarterly meter report, not maintaining recording pressure gauge, not maintaining pressure survey records, not testing its meters periodically	Score: 22	2002	not filing quarterly meter report, safety program does not provide instruction of artificial respiration, not maintaining pressure recording gauge for 1 wk nor 24-hours, not maintaining pressure survey records, annual pressure surveys not detailed	Score: 26

North Hopkins Water District

1998	not testing correct percentage of water meters, no acknowledgement of accident notification letter from PSC, not keeping all records pertaining to PSC regs, not providing customers info of chemical constituents, no annual pressure	Score: 28	1999	district boundaries not on maps and no court orders approving, not testing correct percentage of water meters, not maintaining pressure survey records	Score: 14	2001	not testing correct percentage of water meters	Score: 5

North Logan Water District

1998	unaccounted water loss exceeds 15%, not acknowledged letter of accident notification, meter test company not approved by PSC, minimum storage capacity not sufficient, no recording pressure gauge for 24-hour test, not maintaining recording pressure	Score: 29	1999	no deficiencies	Score: 0	2001	unaccounted water loss exceeds 15%, safety program does not provide instruction of artificial respiration, minimum storage capacity not sufficient	Score: 19

North Marshall Water District

1999	safety program does not provide instruction of artificial respiration, not testing meters, insufficient records of inspections, etc.	Score: 15	2000	not notifying PSC of computerized meter test and historical data, not meter testing, no recording pressure gauge for 1 week	Score: 13	2002	no copy of public notification for unsafe water, no meter testing, safety program does not provide instruction of artificial respiration	Score: 11

North McLean County Water District

1999	no deficiencies	Score: 0	2000	master meters not tested	Score: 5	2001	unaccounted water loss exceeds 15%	Score: 7

North Mercer Water District

1999	does not provide extension of 50 ft. or less w/o charge	Score: 3	2000	no list of commissioners, terms of appt. or court orders, not testing water meters, not testing 4" and 6" mastermeters, no CPCN for addition to office, does not provide extension of 50 ft. or less w/o charge, minimum storage to low	Score: 31	2001	safety program does not provide instruction of artificial respiration, minimum storage capacity not sufficient	Score: 9

North Nelson Water District

1998	quarterly meter reports not timely, rate schedule not furnished to customers annually, safety program does not provide instruction of artificial respiration, no true copies of special contracts filed	Score: 8	1999	quarterly meter reports not timely, new employee needs artificial respiration instruction, annual written inspection records needed, recording pressure gauge for 1 week, no annual pressure surveys or records	Score: 27	2001	mastermeters not tested, quarterly meter reports not timely, no recording pressure gauge for 1 week, no annual pressure surveys or records	Score: 27

North Shelby Water Company

1998	unaccounted water loss exceeds 15%	Score: 7	2000	unaccounted water loss exceeds 15%, not testing meters	Score: 12	2001	not filing meter reports, not maintaining pressure gauge recording, not testing meters	Score: 15

Northeast Woodford County Water District

1999	no deficiencies	Score: 0	2000	Not testing meters, not maintaining pressure survey records	Score: 12	2002	has not updated deposit policy, established several charges without PSC approval, needs to update its information in office, does not have a placard in office informing of rules, needs to test meters, has not sent copy of water shortage response plan	Score: 16

Northern Kentucky Water District

1999	no deficiencies	Score: 0	2000	no deficiencies	Score: 0	2001	no deficiencies	Score: 0

Ohio County Water District

1997	unaccounted water loss exceeds 15%	Score: 7	1999	unaccounted water loss exceeds 15%, not filing quarterly meter report, not testing meters, no blow-off valves on 10 dead end lines, not maintaining a recording pressure gauge	Score: 31	2001	not filing quarterly meter report, not testing master meters, not testing meters, employees need CPR training, not keeping appropriate records	Score: 21

Oldham County Water District

1999	not testing 4" master meter	Score: 7	2000	employees need CPR training, has not notified PSC of commissioners	Score: 4	2001	new employees need CPR training	Score: 3

Overland Development, Inc.

1996	no deficiencies	Score: 0	1997	not filing periodic meter reports, not enough storage	Score: 9	2001	not filing periodic meter reports, employees need CPR training	Score: 9

Parksville Water District

1998	not filing quarterly meter report, employees need CPR training, unaccounted water loss exceeds 15%	Score: 13	1999	not filing quarterly meter report, employees need CPR training, unaccounted water loss exceeds 15%	Score: 13	2000	employees need CPR training, unaccounted water loss exceeds 15%	Score: 10

Peaks Mill Water District

1999	unaccounted water loss exceeds 15%, not testing meters	Score: 12	2000	unaccounted water loss exceeds 15%, not testing its meters	Score: 12	2002	unaccounted water loss exceeds 15%, needs a representative during working hours	Score: 10

Pendleton County Water District

1998	uniform for new employee, new employee needs CPR training	Score: 6	2000	not keeping records of inspection procedures, bill format not included in tariff, customers service pressure falls below 30 psi	Score: 12	2001	not testing 4" master meter	Score: 7

Powells Valley Water District

1998	employees need CPR training	Score: 3	2000	unaccounted water loss exceeds 15%, not refunding customer deposits	Score: 10	2001	employees need CPR training, unaccounted water loss exceeds 15%	Score: 10

Rattlesnake Ridge Water District

1998	no deficiencies	Score: 0	1999	no deficiencies	Score: 0	2001	no deficiencies	Score: 0

Reid Village Water District

1998	employees need CPR training, not filing quarterly meter report	Score: 6	2000	no deficiencies	Score: 0	2001	no deficiencies	Score: 0

Rockcastle County Water Association

1999	not testing meters, employees need CPR training	Score: 8	2000	employees need CPR training, not filed a copy of inspection procedures, not maintaining a pressure recording gauge	Score: 13	2001	employees need CPR training	Score: 3

Rowan Water, Inc.

2000	unaccounted water loss exceeds 15%, not filing periodic meter reports, no meter testing	Score: 15	2001	unaccounted water loss exceeds 15%, not filing periodic meter reports, no meter testing, employees need CPR training	Score: 18	2002	unaccounted water loss exceeds 15%, no meter testing, employees need CPR training, did not notify PSC of water sample contamination	Score: 15

Sandy Hook Water District

1998	new employee needs CPR training , inappropriate records for water storage facilities	Score: 10	2000	new employee needs CPR training	Score: 3	2002	no deficiencies	Score: 0

Sandy Valley Water District

2000	unaccounted water loss exceeds 15%, has not notified PSC of meter testing company, needs to test more meters	Score: 15	2001	unaccounted water loss exceeds 15%, not maintaining a recording pressure gauge, no meter testing	Score: 19	2002	not filing quarterly meter report, established a rule without PSC approval	Score: 10

Sedalia Water District

1996	not posting or maintaining business hours, not testing meters, no recording pressure gauge, not maintaining a recording pressure gauge, water loss exceeds 15%	Score: 20	1998	water loss exceeds 15%, not testing meters, did not notify PSC of sample contamination, not controlled by board of Commissioners, insufficient funds	Score: 31	2000	not filing periodic meter reports, office not open as required, not testing master meters, not testing meters, no inspection procedures, no safety manual, no record of interruptions, no pressure recording gauge	Score: 38

Sharpsburg Water District

2000	not testing meters, has not updated deposit policy	Score: 6	2001	not testing meters	Score: 5	2002	not testing meters	Score: 5

Simpson County Water District

1999	not filing quarterly meter report, has not responded to accident letter	Score: 4	2000	no deficiencies	Score: 0	2002	no deficiencies	Score: 0

South 641 Water District

2000	not testing 4" meters	Score: 5	2001	no deficiencies	Score: 0	2002	no deficiencies	Score: 0

South Anderson Water District

1999	no deficiencies	Score: 0	2000	not testing large master meters	Score: 7	2001	not keeping records to identify inspection procedures	Score: 3

South Graves Water District

1999	did not apply for certificate of PCN, increased deposit charge without notifying PSC, not filing quarterly meter report, meter test card does not contain all data, need to test more meters, has not acknowledged accident letter, not testing master meter	Score: 55	2000	not filing meter reports, not testing meters, not keeping appropriate records, not keeping records of regulation in office, does not have recording pressure gauge, not maintaining a recording pressure gauge	Score: 48	2001	not filing quarterly meter report, needs to test more meters, not keeping appropriate records, not keeping records of regulation in office, does not have recording pressure gauge, not maintaining a recording pressure gauge	Score: 49

South Hopkins Water District

1998	unaccounted water loss exceeds 15%	Score: 7	2000	not testing 1 & 2 inch meters	Score: 5	2001	no deficiencies	Score: 0

South Logan Water District

1998	not filing meter reports, not meeting storage requirements, unaccounted water loss exceeds 15%	Score: 16	1999	unaccounted water loss exceeds 15%, not testing meters	Score: 12	2001	not filing meter reports, not maintaining pressure gauge recording, not performing annual pressure surveys, does not maintain pressure survey records	Score: 20

South Shore Water Works Company

1998	pressure gauges not working, not maintaining pressure gauge for one week per month, not keeping records of annual pressure surveys	Score: 21	1999	not keeping records to identify inspection procedures made	Score: 7	2001	not filing periodic meter reports, not testing master meters periodically, employees need CPR training, not maintaining system maps	Score: 15

South Side Water Association

2000	not testing meters, employees need CPR training, has not updated deposit language in tariff	Score: 10	2001	not notifying PSC of computerized meter test and historical data, not meter testing, not established a deposit policy	Score: 8	2002	not testing meters, not filing meter reports, not investigating high customer usage	Score: 11

South Woodford Water District

1999	unaccounted water loss exceeds 15%	Score: 7	2000	unaccounted water loss exceeds 15%, did not notify PSC of computer system	Score: 8	2001	unaccounted water loss exceeds 15%, does not maintain pressure survey records	Score: 14

Southeast Daviess County Water District

1999	unaccounted water loss exceeds 15%, has not acknowledge receipt of accident letter	Score: 8	2000	no deficiencies	Score: 0	2001	no deficiencies	Score: 0

Southeastern Water Association

2000	not testing meters periodically, pressure surveys do not show time and date	Score: 12	2001	no deficiencies	Score: 0	2002	not filing periodic meter report	Score: 3

Southern Madison Water District

1999	no deficiencies	Score: 0	2001	not testing large mastermeters	Score: 5	2002	no deficiencies	Score: 0

Southern Mason Water District

1999	unaccounted water loss exceeds 15%, not providing info on chemical constituents, not maintaining pressure survey records	Score: 21	2001	unaccounted water loss exceeds 15%	Score: 7	2002	unaccounted water loss exceeds 15%	Score: 7

Southern Water District

2000	not testing meters, unaccounted water loss exceeds 15%, has not notified PSC of computer system, not conducting meter testing	Score: 20	2001	unaccounted water loss exceeds 15%, did not notify PSC of accident	Score: 14	2002	unaccounted water loss exceeds 15%	Score: 7

Symsonia Water District

1999	no deficiencies	Score: 0	2000	no deficiencies	Score: 0	2001	no deficiencies	Score: 0

Todd County Water District

1997	no safety program	Score: 3	1998	has not acknowledged receipt of accident letter, storage capacity not equal to daily consumption, not maintaining recording pressure gauge	Score: 14	2002	not filing quarterly meter report, employees need CPR training, not keeping appropriate records, not maintaining pressure gauge	Score: 16

Trimble County Water District

1999	unaccounted water loss exceeds 15%, has not tested master meter, needs to test more meters	Score: 19	2000	needs to test more meters, employees need CPR training	Score: 8	2001	no deficiencies	Score: 0

U.S. 60 Water Water District of Shelby and Franklin Counties

1998	unaccounted water loss exceeds 15%	Score: 7	2000	unaccounted water loss exceeds 15%, need to test more meters	Score: 12	2002	not filing quarterly meter report, not maintaining a recording pressure gauge, need to test more meters	Score: 15

Union County Water District

1998	not filing quarterly meter report, unaccounted water loss exceeds 15%	Score: 10	1999	not filing quarterly meter report, unaccounted water loss exceeds 15%	Score: 10	2000	unaccounted water loss exceeds 15%, not filing quarterly meter report	Score: 10

Utilities of KY

1999	new employee needs CPR training	Score: 3	2000	no deficiencies	Score: 0			Score:

Warren County Water District

1998	no deficiencies	Score: 0	2001	no deficiencies	Score: 0	2002	no deficiencies	Score: 0

Webster County Water District

1998	no deficiencies	Score: 0	1999	no deficiencies	Score: 0	2000	no deficiencies	Score: 0

West Carroll Water District

1999	not providing a place for the public to inspect tariffs, not filing quarterly meter report, not keeping record of written complaints, not testing enough meters, does not have any meter history cards, unaccounted water loss exceeds 15%	Score: 24	2000	unaccounted water loss exceeds 15%, has not recorded all history cards, need to test more meters, 2" master meter is outside accuracy limits, minimum storage capacity does not equal daily consumption	Score: 21	2002	unaccounted water loss exceeds 15%, has not sent in shortage response plan	Score: 8

West Daviess County Water District

1999	unaccounted water loss exceeds 15%, has not acknowledged receipt of accident letter	Score: 8	2000	no deficiencies	Score: 0	2001	no deficiencies	Score: 0

West Laurel Water Association

1999	no deficiencies	Score: 0	2000	no deficiencies	Score: 0	2001	no deficiencies	Score: 0

West McCracken County Water District

1999	minimum storage capacity not equal to daily consumption	Score: 6	2000	no deficiencies	Score: 0	2001	employees need CPR training, has not notified PSC of computer system	Score: 4

West Shelby Water District

1998	not filing quarterly meter report	Score: 3	2000	no deficiencies	Score: 0	2001	not filing quarterly meter report, does not have a recording pressure gauge, not maintaining a recording pressure gauge, not keeping records of pressure surveys	Score: 24

Western Fleming County Water District

2000	requiring a prospective customer to get rights-of-way, not filing rates, not providing a place for inspection of tariffs, not maintaining regular business hours, nometer testing, employees need CPR training, not maintaining pressure gauge	Score: 32	2001	not testing meters	Score: 5	2002	no deficiencies	Score: 0

Western Lewis-Rectorville Water District

1999	has not informed PSC of computer system	Score: 1	2001	not refunding customer deposits	Score: 3	2002	employees need CPR training	Score: 3

Western Pulaski Water District

1998	not filing quarterly reports, not maintaining maps, employees need CPR training, not testing meters	Score: 14	1999	not filing quarterly reports, not testing meters	Score: 8	2000	not notified PSC of data storage system, not testing 4" meters, not notified PSC of accident.	Score: 13

Western Rockcastle Water District

1999	not filing meter reports, employees need CPR training, not maintaining recording pressure gauge, not keeping records of annual pressure surveys, not testing meters	Score: 25	2000	not filing meter reports, no cpr, not maintaining recording pressure gauge, not keeping records of annual pressure surveys, not testing meters, areas in system where pressure is below 30 psig	Score: 30	2001	unaccounted water loss exceeds 15%, no water shortage plan, employees need CPR training	Score: 12

Whitley County Water District No. 1

2000	unaccounted water loss exceeds 15%	Score: 7	2000	unaccounted water loss exceeds 15%, employees need CPR training	Score: 10	2002	unaccounted water loss exceeds 15%, does not conduct meter testing, not flushing dead end mains, not making systematic inspections, does not maintain a recording pressure gauge	Score: 35

Wood Creek Water District

1999	employees need CPR training	Score: 3	2000	no deficiencies	Score: 0	2001	no deficiencies	Score: 0

FINANCIAL ANALYSIS RANKING

Information from the 1998, 1999 and 2000 annual reports was used to review the financial condition of each water utility. The net income and cash flow were reviewed in order to determine if the water utility might need to file for an increase in its water rates. In order to determine a score for a review of the water utility's financial condition, the net income and cash flow was divided by the number of customers served during each year. At this point, comparative rate levels have not been considered in the evaluation.

The income or loss was based on the number of customers served in order to give meaning to the dollar amount. A water utility with a net loss of $100,000 and serving 7,500 customers would have a net loss per customer of $13 per customer. However, a water utility with a net loss of $100,000 that serves only 750 customer would have a net loss per customer of $133.

A score of 0 was given to all positive net income and cash flow calculations. The scoring system for losses per customer is as follows:

Dollar Amount	Score
Greater than $500	8
301-500	7
201-300	6
101-200	5
76-100	4
51-75	3
26-50	2
1-25	1

The following sheets show the ranking of each system with regard to average cash flow per customer. Also attached is a detailed summary, covering a three-year period, for each water utility showing net income, net income per customer and number of customers. The summary also shows cash flow and cash flow per customer.

B-1
Ranking by Average Scores

Average Income Per Customer Ranking

Utility	1998	1999	2000	Average Score
Martin County Water District	5	4	3	4
Lovelaceville Water Company	4	4	0	3
Fancy Farm Water District	2	1	2	2
Webster County Water District	0	0	1	0
Berea College Water System, Inc.	0	0	0	0
Butler County Water System, Inc.	0	0	0	0
North Hopkins Water District	0	0	0	0
Barkley Lake Water District	0	0	0	0
Christian County Water District	0	0	0	0
Rattlesnake Ridge Water District	5	5	5	5
Center Ridge Water System	0	0	4	1
Knott County Water District			7	2
Green Hills Water District	3	5	3	4
Western Rockcastle Water District	2	2	2	2
Nebo Water District	0	0	1	0
Western Lewis-Rectorville Water District	5	2	3	3
Dexter-Almo Heights Water District	0	0	2	1
Auxier Water Company	0	0	0	0
Cumberland County Water District	3	3	4	3
Southern Mason Water District	2	2	2	2
Muhlenberg County Water District	2	2	1	2
Adair County Water District	1	0	0	0
Doe Valley Water Association, Inc.	0	1	0	0
Black Mountain Utility District	4	4	5	4
Corinth Water District	2	2	4	3
Lyon County Water District	4	2	0	2
McKinney Water District	2	2	2	2
McCreary County Water District	1	2	2	2
Peaks Mill Water District	3	1	0	1
Rowan Water, Inc.	2	1	1	1
South Anderson Water District	2	0	2	1
Whitley County Water District No. 1	3	1	0	1
Caldwell Co. Water District	1	1	1	1
Ledbetter Water District	1	2	0	1
Sandy Valley Water District	2	1	0	1
South Graves Water District	0	2	1	1
Trimble County Water District	2	0	1	1
Bracken County Water District	0	0	2	1
West Daviess County Water District	1	1	0	1

Average Income Per Customer Ranking

Utility	1998	1999	2000	Average Score
Francis Water Company	0	1	0	0
North Logan Water District	0	0	1	0
Overland Development, Inc.	0	0	1	0
Reid Village Water District	1	0	0	0
Sedalia Water District	1	0	0	0
Hardin County Water District No. 1	0	0	0	0
Kentucky American Water Company	0	0	0	0
Murray No. 3 Water District	0	0	0	0
Northeast Woodford County Water District	0	0	0	0
South Side Water Association	0	0	0	0
Cawood Water District	5	4	2	4
Crittenden-Livingston County Water District	3	1	4	3
Sandy Hook Water District	4	3	1	3
Garrison-Quincy-Ky-O-Heights Water District	2	3	2	2
Mountain Water District	3	2	2	2
Rockcastle County Water Association	1	3	3	2
Morgan County Water District	1	3	2	2
Estill County Water District No. 1	1	1	2	1
Larue County Water District No. 1	1	2	1	1
Southeastern Water Association	1	1	2	1
Union County Water District	1	1	2	1
East Knox County Water District	1	1	1	1
Elkhorn Water District	0	2	1	1
Harrison County Water Association	1	1	1	1
Kirksville Water Association	1	1	1	1
Lake Village Water Association	1	1	1	1
Nicholas County Water District	2	0	1	1
North Mercer Water District	1	1	1	1
Powells Valley Water District	1	1	1	1
Sharpsburg Water District	1	1	1	1
South Woodford Water District	2	1	0	1
Todd County Water District	1	0	2	1
Bath County Water District	1	0	1	1
Big Sandy Water District	2	0	0	1
Cannonsburg Water District	0	1	1	1
Cumberland Falls Water District	1	1	0	1
Cunningham Water District	0	0	2	1
Green River Valley Water District	0	1	1	1
Judy Water Water Association	0	0	2	1

Average Income Per Customer Ranking

Utility	1998	1999	2000	Average Score
Monroe County Water District	1	0	1	1
Montgomery County Water District	0	0	2	1
South Logan Water District	0	1	1	1
Western Pulaski Water District		1	1	1
Bronston Water Association, Inc.	0	0	1	0
East Casey County Water District	0	1	0	0
East Daviess County Water District	1	0	0	0
Fountain Run Water District No. 1	0	0	1	0
Gallatin County Water District	0	0	1	0
Henry County Water District No. 2	0	0	1	0
Jackson County Water Association	1	0	0	0
Jessamine-South Elkhorn Water District	0	0	1	0
Levee Road Water Association	1	0	0	0
Madison County Utility District	0	0	1	0
Magoffin County Water District	0	0	1	0
Parksville Water District	1	0	0	0
Southeast Daviess County Water District	0	0	1	0
Allen County Water District	0	0	0	0
Alton Water & Sewer District	0	0	0	0
Beech Grove Water System, Inc.	0	0	0	0
Boone County Water District	0	0	0	0
Buffalo Trail Water Association	0	0	0	0
Bullock Pen Water District	0	0	0	0
Carroll County Water District	0	0	0	0
Consumers Water District	0	0	0	0
East Clark County Water District	0	0	0	0
East Laurel Water District	0	0	0	0
East Logan Water District	0	0	0	0
East Pendleton Water District	0	0	0	0
Edmonson Co. Water District	0	0	0	0
Farmdale Water District	0	0	0	0
Fleming County Water Association	0	0	0	0
Garrard County Water District	0	0	0	0
Grayson County Water District	0	0	0	0
Green Taylor Water District	0	0	0	0
Hardeman Water District	0	0	0	0
Hardin County Water District No. 2	0	0	0	0
Henderson County Water District	0	0	0	0
Hendron Water District	0	0	0	0

Average Income Per Customer Ranking

Utility	1998	1999	2000	Average Score
Hickory Water District	0	0	0	0
Hyden-Leslie County Water District	0	0	0	0
Jessamine County Water District No.1	0	0	0	0
Jonathan Creek Water District	0	0		0
Laurel County Water District No. 2	0	0	0	0
Marion County Water District	0	0	0	0
Meade County Water District	0	0	0	0
Milburn Water District	0	0	0	0
Muhlenburg County Water District No. 3	0	0	0	0
Murray No. 2 Water District	0	0	0	0
North Marshall Water District	0	0	0	0
North McLean County Water District	0	0	0	0
North Nelson Water District	0	0	0	0
North Shelby Water Company	0	0	0	0
Northern Kentucky Water District	0	0	0	0
Ohio County Water District	0	0	0	0
Oldham County Water District	0	0	0	0
Pendleton County Water District	0	0	0	0
Simpson County Water District	0	0	0	0
South 641 Water District	0	0	0	0
South Hopkins Water District	0	0	0	0
South Shore Water Works Company	0	0	0	0
Southern Madison Water District	0	0	0	0
Southern Water District				0
Symsonia Water District	0	0	0	0
U.S. 60 Water Water District of Shelby and Franklin Counties	0	0	0	0
Utilities of KY		0	0	0
Warren County Water District	0	0	0	0
West Carroll Water District	0	0	0	0
West Laurel Water Association	0	0	0	0
West McCracken County Water District	0	0	0	0
West Shelby Water District	0	0	0	0
Western Fleming County Water District	0	0	0	0
Wood Creek Water District				

B-2
Ranking by Utility

Net Income and Cash Flow per Customer

Utility	Net Income 1998	Net Income 1999	Net Income 2000	Cash Flow 1998	Cash Flow 1999	Cash Flow 2000	Customers in 1998	Customers in 1999	Customers in 2000
Adair County Water District									
	($54,852)	$56,226	$44,820	$147,351	($125,508)	$254,833	3,767	4,276	4,534
	Net Income/Customer:			*Cash Flow/Customer:*					
	($15)	$13	$10	*$39*	*($29)*	*$56*			
	Score 1998 :	Score 1999:	Score 2000:	Score 1998:	Score 1999:	Score 2000:			
	1	0	0	0	2	0			
Allen County Water District									
	$288,439	$334,978	$296,189	$434,338	$480,496	$456,212	3,137	3,395	3,587
	Net Income/Customer:			*Cash Flow/Customer:*					
	$92	$99	$83	*$138*	*$142*	*$127*			
	Score 1998 :	Score 1999:	Score 2000:	Score 1998:	Score 1999:	Score 2000:			
	0	0	0	0	0	0			
Alton Water & Sewer District									
	$11,071	$29,607	$19,620	$49,858	$64,963	$65,204	909	957	983
	Net Income/Customer:			*Cash Flow/Customer:*					
	$12	$31	$20	*$55*	*$68*	*$66*			
	Score 1998 :	Score 1999:	Score 2000:	Score 1998:	Score 1999:	Score 2000:			
	0	0	0	0	0	0			

Utility	Net Income 1998	Net Income 1999	Net Income 2000	Cash Flow 1998	Cash Flow 1999	Cash Flow 2000	Customers in 1998	Customers in 1999	Customers in 2000
Auxier Water Company									
	$6,289	$15,988	$38,512	$13,053	$17,728	($58,863)	805	809	805
	Net Income/Customer:			Cash Flow/Customer:					
	$8	$20	$48	$16	$22	($73)			
	Score 1998 :	Score 1999:	Score 2000:	Score 1998:	Score 1999:	Score 2000:			
	0	0	0	0	0	3			
Barkley Lake Water District									
	$97,731	$94,961	$20,521	($1,710,864)	$311,496	$225,276	4,583	4,277	4,407
	Net Income/Customer:			Cash Flow/Customer:					
	$21	$22	$5	($373)	$73	$51			
	Score 1998 :	Score 1999:	Score 2000:	Score 1998:	Score 1999:	Score 2000:			
	0	0	0	7	0	0			
Bath County Water District									
	($4,216)	$10,919	($23,247)	$90,493	$156,903	$117,067	2,743	2,833	3,046
	Net Income/Customer:			Cash Flow/Customer:					
	($2)	$4	($8)	$33	$55	$38			
	Score 1998 :	Score 1999:	Score 2000:	Score 1998:	Score 1999:	Score 2000:			
	1	0	1	0	0	0			

Utility	Net Income 1998	Net Income 1999	Net Income 2000	Cash Flow 1998	Cash Flow 1999	Cash Flow 2000	Customers in 1998	Customers in 1999	Customers in 2000
Beech Grove Water System, Inc.									
	$27,676	$2,705	$7,459	$51,535	$27,616	$21,047	455	466	470
	Net Income/Customer:			*Cash Flow/Customer:*					
	$61	$6	$16	*$113*	*$59*	*$45*			
	Score 1998 :	Score 1999:	Score 2000:	Score 1998:	Score 1999:	Score 2000:			
	0	0	0	0	0	0			
Berea College Water System, Inc.									
	$519,801	$420,813	$220,521	($3,324,724)	$439,393	$235,335	3,630	3,675	3,775
	Net Income/Customer:			*Cash Flow/Customer:*					
	$143	$115	$58	*($916)*	*$120*	*$62*			
	Score 1998 :	Score 1999:	Score 2000:	Score 1998:	Score 1999:	Score 2000:			
	0	0	0	8	0	0			
Big Sandy Water District									
	($99,387)	$32,715	$127,131	$65,094	$167,711	$207,364	2,502	2,877	3,007
	Net Income/Customer:			*Cash Flow/Customer:*					
	($40)	$11	$42	*$26*	*$58*	*$69*			
	Score 1998 :	Score 1999:	Score 2000:	Score 1998:	Score 1999:	Score 2000:			
	2	0	0	0	0	0			

Utility	Net Income 1998	Net Income 1999	Net Income 2000	Cash Flow 1998	Cash Flow 1999	Cash Flow 2000	Customers in 1998	Customers in 1999	Customers in 2000
Black Mountain Utility District									
	($103,284)	($108,438)	($166,197)	($359)	$13,741	($5,522)	1,071	1,110	1,238
	Net Income/Customer:			Cash Flow/Customer:					
	($96)	($98)	($134)	$0	$12	($4)			
	Score 1998 :	Score 1999:	Score 2000:	Score 1998:	Score 1999:	Score 2000:			
	4	4	5	0	0	1			
Boone County Water District									
	$330,059	$526,768	$455,086	$1,070,784	$1,229,987	$1,251,908	12,349	13,506	14,617
	Net Income/Customer:			Cash Flow/Customer:					
	$27	$39	$31	$87	$91	$86			
	Score 1998 :	Score 1999:	Score 2000:	Score 1998:	Score 1999:	Score 2000:			
	0	0	0	0	0	0			
Bracken County Water District									
	$24,335	$30,190	($54,219)	$67,290	$74,581	($32,843)	1,540	1,600	1,685
	Net Income/Customer:			Cash Flow/Customer:					
	$16	$19	($32)	$44	$47	($19)			
	Score 1998 :	Score 1999:	Score 2000:	Score 1998:	Score 1999:	Score 2000:			
	0	0	2	0	0	1			

Utility	Net Income 1998	Net Income 1999	Net Income 2000	Cash Flow 1998	Cash Flow 1999	Cash Flow 2000	Customers in 1998	Customers in 1999	Customers in 2000
Bronston Water Association, Inc.									
	$48,904	$25,873	($839)	$54,908	$55,816	$34,161	1,223	1,262	1,312
	Net Income/Customer:			*Cash Flow/Customer:*					
	$40	$21	($1)	*$45*	*$44*	*$26*			
	Score 1998 :	Score 1999:	Score 2000:	Score 1998:	Score 1999:	Score 2000:			
	0	0	1	0	0	0			
Buffalo Trail Water Association									
	$34,331	$10,785	$9,179	$93,671	$38,689	$61,954	859	982	1,053
	Net Income/Customer:			*Cash Flow/Customer:*					
	$40	$11	$9	*$109*	*$39*	*$59*			
	Score 1998 :	Score 1999:	Score 2000:	Score 1998:	Score 1999:	Score 2000:			
	0	0	0	0	0	0			
Bullock Pen Water District									
	$58,596	$66,874	$101,553	$138,422	$135,683	$196,637	4,763	4,962	5,194
	Net Income/Customer:			*Cash Flow/Customer:*					
	$12	$13	$20	*$29*	*$27*	*$38*			
	Score 1998 :	Score 1999:	Score 2000:	Score 1998:	Score 1999:	Score 2000:			
	0	0	0	0	0	0			

Utility	Net Income 1998	Net Income 1999	Net Income 2000	Cash Flow 1998	Cash Flow 1999	Cash Flow 2000	Customers in 1998	Customers in 1999	Customers in 2000
Butler County Water System, Inc.									
	$98,987	$116,131	$164,252	$284,386	($12,927,112)	$369,594	4,105	4,208	4,282
	Net Income/Customer:			Cash Flow/Customer:					
	$24	$28	$38	$69	($3,072)	$86			
	Score 1998 :	Score 1999:	Score 2000:	Score 1998:	Score 1999:	Score 2000:			
	0	0	0	0	8	0			
Caldwell Co. Water District									
	($84,339)	($129,129)	($27,684)	$3,304	($1,680)	$100,331	730	950	1,275
	Net Income/Customer:			Cash Flow/Customer:					
	($116)	($136)	($22)	$5	($2)	$79			
	Score 1998 :	Score 1999:	Score 2000:	Score 1998:	Score 1999:	Score 2000:			
	1	1	1	0	1	0			
Cannonsburg Water District									
	$15,113	($16,011)	($5,861)	$97,706	$81,276	$23,766	3,044	3,104	3,165
	Net Income/Customer:			Cash Flow/Customer:					
	$5	($5)	($2)	$32	$26	$8			
	Score 1998 :	Score 1999:	Score 2000:	Score 1998:	Score 1999:	Score 2000:			
	0	1	1	0	0	0			

Utility	Net Income 1998	Net Income 1999	Net Income 2000	Cash Flow 1998	Cash Flow 1999	Cash Flow 2000	Customers in 1998	Customers in 1999	Customers in 2000
Carroll County Water District									
	$93,373	$66,638	$112,184	$193,156	$193,264	$219,966	1,944	2,033	2,435
	Net Income/Customer:			*Cash Flow/Customer:*					
	$48	$33	$46	*$99*	*$95*	*$90*			
	Score 1998 :	Score 1999:	Score 2000:	Score 1998:	Score 1999:	Score 2000:			
	0	0	0	0	0	0			
Cawood Water District									
	($88,495)	($73,266)	($41,421)	$242	$17,204	$58,007	858	935	1,037
	Net Income/Customer:			*Cash Flow/Customer:*					
	($103)	($78)	($40)	*$0*	*$18*	*$56*			
	Score 1998 :	Score 1999:	Score 2000:	Score 1998:	Score 1999:	Score 2000:			
	5	4	2	0	0	0			
Center Ridge Water System									
	$627	($1)	($8,205)	($248)	($1)	($10,594)	72	72	96
	Net Income/Customer:			*Cash Flow/Customer:*					
	$9	$0	($85)	*($3)*	*$0*	*($110)*			
	Score 1998 :	Score 1999:	Score 2000:	Score 1998:	Score 1999:	Score 2000:			
	0	0	4	1	0	5			

Utility	Net Income 1998	Net Income 1999	Net Income 2000	Cash Flow 1998	Cash Flow 1999	Cash Flow 2000	Customers in 1998	Customers in 1999	Customers in 2000
Christian County Water District									
	$94,562	$270,244	$62,012	$200,379	($1,730,786)	$222,886	3,269	3,646	4,258
	Net Income/Customer:			Cash Flow/Customer:					
	$29	$74	$15	$61	($475)	$52			
	Score 1998 :	Score 1999:	Score 2000:	Score 1998:	Score 1999:	Score 2000:			
	0	0	0	0	1	0			
Consumers Water District									
	$57,984	$35,130	$23,043	$88,512	$60,174	$51,293	1,440	1,461	1,478
	Net Income/Customer:			Cash Flow/Customer:					
	$40	$24	$16	$61	$41	$35			
	Score 1998 :	Score 1999:	Score 2000:	Score 1998:	Score 1999:	Score 2000:			
	0	0	0	0	0	0			
Corinth Water District									
	($19,281)	($31,384)	($68,414)	$15,632	$25,902	($4,501)	646	761	784
	Net Income/Customer:			Cash Flow/Customer:					
	($30)	($41)	($87)	$24	$34	($6)			
	Score 1998 :	Score 1999:	Score 2000:	Score 1998:	Score 1999:	Score 2000:			
	2	2	4	0	0	1			

Utility	Net Income 1998	Net Income 1999	Net Income 2000	Cash Flow 1998	Cash Flow 1999	Cash Flow 2000	Customers in 1998	Customers in 1999	Customers in 2000
Crittenden-Livingston County Water District									
	($98,575)	($31,985)	($152,969)	$26,518	$99,630	$35,638	1,948	2,004	1,978
	Net Income/Customer:			Cash Flow/Customer:					
	($51)	($16)	($77)	$14	$50	$18			
	Score 1998 :	Score 1999:	Score 2000:	Score 1998:	Score 1999:	Score 2000:			
	3	1	4	0	0	0			
Cumberland County Water District									
	($130,581)	($133,984)	($203,796)	$22,551	$16,912	($59,552)	1,817	1,946	2,083
	Net Income/Customer:			Cash Flow/Customer:					
	($72)	($69)	($98)	$12	$9	($29)			
	Score 1998 :	Score 1999:	Score 2000:	Score 1998:	Score 1999:	Score 2000:			
	3	3	4	0	0	2			
Cumberland Falls Water District									
	($41,415)	($35,801)	$22,466	$3,604	$51,786	$119,323	1,919	2,073	2,079
	Net Income/Customer:			Cash Flow/Customer:					
	($22)	($17)	$11	$2	$25	$57			
	Score 1998 :	Score 1999:	Score 2000:	Score 1998:	Score 1999:	Score 2000:			
	1	1	0	0	0	0			

Utility	Net Income 1998	Net Income 1999	Net Income 2000	Cash Flow 1998	Cash Flow 1999	Cash Flow 2000	Customers in 1998	Customers in 1999	Customers in 2000
Cunningham Water District									
	$4,496	$215	($4,232)	$9,240	$5,177	$811	140	142	144
	Net Income/Customer:			*Cash Flow/Customer:*					
	$32	$2	($29)	*$66*	*$36*	*$6*			
	Score 1998 :	Score 1999:	Score 2000:	Score 1998:	Score 1999:	Score 2000:			
	0	0	2	0	0	0			
Dexter-Almo Heights Water District									
	$9,476	$12,148	($21,900)	$3,296	($8,902)	($23,618)	493	526	584
	Net Income/Customer:			*Cash Flow/Customer:*					
	$19	$23	($38)	*$7*	*($17)*	*($40)*			
	Score 1998 :	Score 1999:	Score 2000:	Score 1998:	Score 1999:	Score 2000:			
	0	0	2	0	1	2			
Doe Valley Water Association, Inc.									
	$19,253	($4,158)	$3,395	$37,076	($13,599)	($7,531)	495	540	565
	Net Income/Customer:			*Cash Flow/Customer:*					
	$39	($8)	$6	*$75*	*($25)*	*($13)*			
	Score 1998 :	Score 1999:	Score 2000:	Score 1998:	Score 1999:	Score 2000:			
	0	1	0	0	1	1			

Utility	Net Income 1998	Net Income 1999	Net Income 2000	Cash Flow 1998	Cash Flow 1999	Cash Flow 2000	Customers in 1998	Customers in 1999	Customers in 2000
East Casey County Water District									
	$9,272	($17,647)	$17,357	$150,702	$178,152	$214,119	2,312	2,525	2,764
	Net Income/Customer:			*Cash Flow/Customer:*					
	$4	($7)	$6	*$65*	*$71*	*$77*			
	Score 1998 :	Score 1999:	Score 2000:	Score 1998:	Score 1999:	Score 2000:			
	0	1	0	0	0	0			
East Clark County Water District									
	$137,121	$277,146	$265,743	$189,632	$323,674	$303,262	1,546	1,626	1,807
	Net Income/Customer:			*Cash Flow/Customer:*					
	$89	$170	$147	*$123*	*$199*	*$168*			
	Score 1998 :	Score 1999:	Score 2000:	Score 1998:	Score 1999:	Score 2000:			
	0	0	0	0	0	0			
East Daviess County Water District									
	($1,755)	$17,931	$26,271	$91,828	$9,665	$212,976	3,631	3,850	3,929
	Net Income/Customer:			*Cash Flow/Customer:*					
	$0	$5	$7	*$25*	*$3*	*$54*			
	Score 1998 :	Score 1999:	Score 2000:	Score 1998:	Score 1999:	Score 2000:			
	1	0	0	0	0	0			

Utility	Net Income 1998	Net Income 1999	Net Income 2000	Cash Flow 1998	Cash Flow 1999	Cash Flow 2000	Customers in 1998	Customers in 1999	Customers in 2000
East Knox County Water District									
	($18,818)	($2,876)	($9,774)	$77,012	$96,817	$93,299	1,163	1,232	1,259
	Net Income/Customer:			Cash Flow/Customer:					
	($16)	($2)	($8)	$66	$79	$74			
	Score 1998 :	Score 1999:	Score 2000:	Score 1998:	Score 1999:	Score 2000:			
	1	1	1	0	0	0			
East Laurel Water District									
	$2,399	$132,711	$19,058	$100,678	$233,298	$159,284	3,692	4,052	4,261
	Net Income/Customer:			Cash Flow/Customer:					
	$1	$33	$4	$27	$58	$37			
	Score 1998 :	Score 1999:	Score 2000:	Score 1998:	Score 1999:	Score 2000:			
	0	0	0	0	0	0			
East Logan Water District									
	$166,244	$175,741	$171,186	$315,419	$277,215	$281,254	2,090	2,162	2,256
	Net Income/Customer:			Cash Flow/Customer:					
	$80	$81	$76	$151	$128	$125			
	Score 1998 :	Score 1999:	Score 2000:	Score 1998:	Score 1999:	Score 2000:			
	0	0	0	0	0	0			

Utility	Net Income 1998	Net Income 1999	Net Income 2000	Cash Flow 1998	Cash Flow 1999	Cash Flow 2000	Customers in 1998	Customers in 1999	Customers in 2000
East Pendleton Water District									
	$99,541	$105,036	$63,248	$112,852	$150,169	$102,773	1,111	1,068	1,097
	Net Income/Customer:			*Cash Flow/Customer:*					
	$90	$98	$58	*$102*	*$141*	*$94*			
	Score 1998 :	Score 1999:	Score 2000:	Score 1998:	Score 1999:	Score 2000:			
	0	0	0	0	0	0			
Edmonson Co. Water District									
	$99,029	$173,279	$116,119	$269,610	$344,461	$292,619	7,923	8,136	8,402
	Net Income/Customer:			*Cash Flow/Customer:*					
	$12	$21	$14	*$34*	*$42*	*$35*			
	Score 1998 :	Score 1999:	Score 2000:	Score 1998:	Score 1999:	Score 2000:			
	0	0	0	0	0	0			
Elkhorn Water District									
	$1,082	($13,715)	($11,397)	$28,806	$14,045	$17,933	431	452	471
	Net Income/Customer:			*Cash Flow/Customer:*					
	$3	($30)	($24)	*$67*	*$31*	*$38*			
	Score 1998 :	Score 1999:	Score 2000:	Score 1998:	Score 1999:	Score 2000:			
	0	2	1	0	0	0			

Utility	Net Income 1998	Net Income 1999	Net Income 2000	Cash Flow 1998	Cash Flow 1999	Cash Flow 2000	Customers in 1998	Customers in 1999	Customers in 2000
Estill County Water District No. 1									
	($11,624)	($64,473)	($100,727)	$92,058	$78,617	$84,216	2,866	2,966	3,292
	Net Income/Customer:			Cash Flow/Customer:					
	($4)	($22)	($31)	$32	$27	$26			
	Score 1998 :	Score 1999:	Score 2000:	Score 1998:	Score 1999:	Score 2000:			
	1	1	2	0	0	0			
Fancy Farm Water District									
	($15,666)	($12,192)	($21,333)	($394,912)	$13,407	$5,713	498	497	491
	Net Income/Customer:			Cash Flow/Customer:					
	($31)	($25)	($43)	($793)	$27	$12			
	Score 1998 :	Score 1999:	Score 2000:	Score 1998:	Score 1999:	Score 2000:			
	2	1	2	8	0	0			
Farmdale Water District									
	$42,952	$66,373	$70,252	$108,303	$131,704	$135,579	2,281	2,351	2,423
	Net Income/Customer:			Cash Flow/Customer:					
	$19	$28	$29	$47	$56	$56			
	Score 1998 :	Score 1999:	Score 2000:	Score 1998:	Score 1999:	Score 2000:			
	0	0	0	0	0	0			

Utility	Net Income 1998	Net Income 1999	Net Income 2000	Cash Flow 1998	Cash Flow 1999	Cash Flow 2000	Customers in 1998	Customers in 1999	Customers in 2000
Fleming County Water Association									
	$73,140	$37,627	$7,086	$157,237	$148,534	$113,296	2,944	3,128	3,274
	Net Income/Customer:			*Cash Flow/Customer:*					
	$25	$12	$2	*$53*	*$47*	*$35*			
	Score 1998 :	Score 1999:	Score 2000:	Score 1998:	Score 1999:	Score 2000:			
	0	0	0	0	0	0			
Fountain Run Water District No. 1									
	$2,753	$4,169	($581)	$15,127	$16,764	$12,111	453	469	476
	Net Income/Customer:			*Cash Flow/Customer:*					
	$6	$9	($1)	*$33*	*$36*	*$25*			
	Score 1998 :	Score 1999:	Score 2000:	Score 1998:	Score 1999:	Score 2000:			
	0	0	1	0	0	0			
Francis Water Company									
	$5,190	($1,450)	$8,107	$6,294	($5,146)	$8,435	310	310	310
	Net Income/Customer:			*Cash Flow/Customer:*					
	$17	($5)	$26	*$20*	*($17)*	*$27*			
	Score 1998 :	Score 1999:	Score 2000:	Score 1998:	Score 1999:	Score 2000:			
	0	1	0	0	1	0			

Utility	Net Income 1998	Net Income 1999	Net Income 2000	Cash Flow 1998	Cash Flow 1999	Cash Flow 2000	Customers in 1998	Customers in 1999	Customers in 2000
Gallatin County Water District									
	$12,428	$30,372	($5,956)	$84,425	$108,358	$87,539	1,355	1,444	1,549
	Net Income/Customer:			Cash Flow/Customer:					
	$9	$21	($4)	$62	$75	$57			
	Score 1998 :	Score 1999:	Score 2000:	Score 1998:	Score 1999:	Score 2000:			
	0	0	1	0	0	0			
Garrard County Water District									
	$166,066	$183,365	$167,613	$327,760	$350,763	$352,590	3,770	4,002	4,214
	Net Income/Customer:			Cash Flow/Customer:					
	$44	$46	$40	$87	$88	$84			
	Score 1998 :	Score 1999:	Score 2000:	Score 1998:	Score 1999:	Score 2000:			
	0	0	0	0	0	0			
Garrison-Quincy-Ky-O-Heights Water District									
	($33,533)	($50,937)	($38,137)	$2,784	$1,533	$17,806	816	874	954
	Net Income/Customer:			Cash Flow/Customer:					
	($41)	($58)	($40)	$3	$2	$19			
	Score 1998 :	Score 1999:	Score 2000:	Score 1998:	Score 1999:	Score 2000:			
	2	3	2	0	0	0			

Utility	Net Income 1998	Net Income 1999	Net Income 2000	Cash Flow 1998	Cash Flow 1999	Cash Flow 2000	Customers in 1998	Customers in 1999	Customers in 2000
Grayson County Water District									
	$321,570	$236,994	$115,298	$472,665	$390,318	$308,616	4,251	4,405	5,015
	Net Income/Customer:			*Cash Flow/Customer:*					
	$76	$54	$23	*$111*	*$89*	*$62*			
	Score 1998 :	Score 1999:	Score 2000:	Score 1998:	Score 1999:	Score 2000:			
	0	0	0	0	0	0			
Green Hills Water District									
	($14,523)	($36,624)	($25,770)	$1,791	($18,419)	($6,651)	211	296	381
	Net Income/Customer:			*Cash Flow/Customer:*					
	($69)	($124)	($68)	*$8*	*($62)*	*($17)*			
	Score 1998 :	Score 1999:	Score 2000:	Score 1998:	Score 1999:	Score 2000:			
	3	5	3	0	3	1			
Green River Valley Water District									
	$223,659	($104,772)	($71,007)	$465,803	$133,720	$183,614	5,447	5,623	5,813
	Net Income/Customer:			*Cash Flow/Customer:*					
	$41	($19)	($12)	*$86*	*$24*	*$32*			
	Score 1998 :	Score 1999:	Score 2000:	Score 1998:	Score 1999:	Score 2000:			
	0	1	1	0	0	0			

Utility	Net Income 1998	Net Income 1999	Net Income 2000	Cash Flow 1998	Cash Flow 1999	Cash Flow 2000	Customers in 1998	Customers in 1999	Customers in 2000
Green Taylor Water District									
	$10,266	$49,990	$31,475	$99,906	$133,010	$118,418	3,794	3,778	3,862
	Net Income/Customer:			Cash Flow/Customer:					
	$3	$13	$8	$26	$35	$31			
	Score 1998 :	Score 1999:	Score 2000:	Score 1998:	Score 1999:	Score 2000:			
	0	0	0	0	0	0			
Hardeman Water District									
	$3,904	$1,645	($8)	$14,404	$12,145	$8,492	336	342	340
	Net Income/Customer:			Cash Flow/Customer:					
	$12	$5	$0	$43	$36	$25			
	Score 1998 :	Score 1999:	Score 2000:	Score 1998:	Score 1999:	Score 2000:			
	0	0	0	0	0	0			
Hardin County Water District No. 1									
	$313,569	$350,023	$68,053	$475,331	$272,304	($13,310)	8,941	9,125	9,004
	Net Income/Customer:			Cash Flow/Customer:					
	$35	$38	$8	$53	$30	($1)			
	Score 1998 :	Score 1999:	Score 2000:	Score 1998:	Score 1999:	Score 2000:			
	0	0	0	0	0	1			

Utility	Net Income 1998	Net Income 1999	Net Income 2000	Cash Flow 1998	Cash Flow 1999	Cash Flow 2000	Customers in 1998	Customers in 1999	Customers in 2000
Hardin County Water District No. 2									
	$985,101	$991,174	$1,186,901	$1,108,237	$1,270,810	$1,648,424	10,668	11,581	12,037
	Net Income/Customer:			*Cash Flow/Customer:*					
	$92	$86	$99	*$104*	*$110*	*$137*			
	Score 1998 :	Score 1999:	Score 2000:	Score 1998:	Score 1999:	Score 2000:			
	0	0	0	0	0	0			
Harrison County Water Association									
	($65,707)	($46,144)	($10,890)	$265,411	$282,208	$305,726	4,081	4,250	4,414
	Net Income/Customer:			*Cash Flow/Customer:*					
	($16)	($11)	($2)	*$65*	*$66*	*$69*			
	Score 1998 :	Score 1999:	Score 2000:	Score 1998:	Score 1999:	Score 2000:			
	1	1	1	0	0	0			
Henderson County Water District									
	$208,218	$90,896	$69,898	$257,724	$196,151	$152,858	5,443	5,569	5,676
	Net Income/Customer:			*Cash Flow/Customer:*					
	$38	$16	$12	*$47*	*$35*	*$27*			
	Score 1998 :	Score 1999:	Score 2000:	Score 1998:	Score 1999:	Score 2000:			
	0	0	0	0	0	0			

Utility	Net Income 1998	Net Income 1999	Net Income 2000	Cash Flow 1998	Cash Flow 1999	Cash Flow 2000	Customers in 1998	Customers in 1999	Customers in 2000
Hendron Water District									
	$16,354	$31,375	$34,137	$37,679	$39,959	$55,288	2,381	2,415	2,425
	Net Income/Customer:			Cash Flow/Customer:					
	$7	$13	$14	$16	$17	$23			
	Score 1998 :	Score 1999:	Score 2000:	Score 1998:	Score 1999:	Score 2000:			
	0	0	0	0	0	0			
Henry County Water District No. 2									
	$284,232	$145,415	($100,278)	$465,830	$445,965	$208,457	4,981	5,164	5,311
	Net Income/Customer:			Cash Flow/Customer:					
	$57	$28	($19)	$94	$86	$39			
	Score 1998 :	Score 1999:	Score 2000:	Score 1998:	Score 1999:	Score 2000:			
	0	0	1	0	0	0			
Hickory Water District									
	$25,060	$20,452	$40,841	$46,677	$44,777	$66,123	1,223	1,245	1,239
	Net Income/Customer:			Cash Flow/Customer:					
	$20	$16	$33	$38	$36	$53			
	Score 1998 :	Score 1999:	Score 2000:	Score 1998:	Score 1999:	Score 2000:			
	0	0	0	0	0	0			

Utility	Net Income 1998	Net Income 1999	Net Income 2000	Cash Flow 1998	Cash Flow 1999	Cash Flow 2000	Customers in 1998	Customers in 1999	Customers in 2000
Hyden-Leslie County Water District									
	$121,127	$122,068	$149,602	$261,491	$273,841	$295,202	2,081	2,160	2,283
	Net Income/Customer:			*Cash Flow/Customer:*					
	$58	$57	$66	*$126*	*$127*	*$129*			
	Score 1998 :	Score 1999:	Score 2000:	Score 1998:	Score 1999:	Score 2000:			
	0	0	0	0	0	0			
Jackson County Water Association									
	($28,721)	$7,137	$11,583	$104,906	$165,879	$161,041	3,755	3,871	3,973
	Net Income/Customer:			*Cash Flow/Customer:*					
	($8)	$2	$3	*$28*	*$43*	*$41*			
	Score 1998 :	Score 1999:	Score 2000:	Score 1998:	Score 1999:	Score 2000:			
	1	0	0	0	0	0			
Jessamine County Water District No.1									
	$47,097	$97,231	$115,953	$80,505	$138,580	$175,720	948	1,098	1,145
	Net Income/Customer:			*Cash Flow/Customer:*					
	$50	$89	$101	*$85*	*$126*	*$153*			
	Score 1998 :	Score 1999:	Score 2000:	Score 1998:	Score 1999:	Score 2000:			
	0	0	0	0	0	0			

Utility	Net Income 1998	Net Income 1999	Net Income 2000	Cash Flow 1998	Cash Flow 1999	Cash Flow 2000	Customers in 1998	Customers in 1999	Customers in 2000
Jessamine-South Elkhorn Water District									
	$19,646	$31,476	($23,252)	$58,074	$86,124	$60,960	1,515	1,489	1,757
	Net Income/Customer:			Cash Flow/Customer:					
	$13	$21	($13)	$38	$58	$35			
	Score 1998 :	Score 1999:	Score 2000:	Score 1998:	Score 1999:	Score 2000:			
	0	0	1	0	0	0			
Jonathan Creek Water District									
	$74,480	$105,639		$2,311	$177,898		1,968	1,968	
	Net Income/Customer:			Cash Flow/Customer:					
	$38	$54		$1	$90				
	Score 1998 :	Score 1999:	Score 2000:	Score 1998:	Score 1999:	Score 2000:			
	0	0		0	0				
Judy Water Water Association									
	$8,199	$4,962	($28,169)	$73,215	$72,703	$45,675	930	975	1,066
	Net Income/Customer:			Cash Flow/Customer:					
	$9	$5	($26)	$79	$75	$43			
	Score 1998 :	Score 1999:	Score 2000:	Score 1998:	Score 1999:	Score 2000:			
	0	0	2	0	0	0			

PCL XL error

Subsystem: KERNEL

Error: InsufficientMemory

Operator: BeginImage

Position: 9054

B

INTRA-AGENCY MEMORANDUM
KENTUCKY PUBLIC SERVICE COMMISSION

To: Mark David Goss, Chairman
Teresa J. Hill, Vice Chairman
Greg Coker, Commissioner

From: Dennis Jones
Challenged Water Utility Team

Date: September 12, 2005

Re: Challenged Water Utility Status Update

Background on the establishment of the Challenged Water Utility Team

In May of 2002, the Commission directed staff to evaluate jurisdictional water utilities and develop a list of "challenged" water utilities.[1] As a result of its evaluation, the staff prepared and submitted to the Commission a confidential report titled "A Report On 'Challenged' Water Utilities".

The staff evaluation was based on four separate areas of utility operation (engineering, unaccounted for water, financial, and complaints) and covered the most recently available three-year period of operations. A scoring mechanism was developed to rank the utilities with a listing of the ten utilities that scored the highest in each category. A total of thirty-four utilities were identified as being challenged with some utilities appearing in more than one category. A table listing these utilities and the various categories that they came under is provided in Attachment 1 to this memo.

Following the completion of that report and a meeting with the Commission, a "Challenged Water Utility Team" was formed that included a total of thirteen staff members drawn from various divisions with Dennis Jones, Manager of the Water and Sewer Revenue Requirements Branch, designated as the team leader. At the time the team was formed, several of the utilities had already taken steps to resolve their problems. Ten had requested rate case assistance. Twelve had either recently filed

[1] The term "challenged" was used because the Commission received numerous negative comments when it described several water districts as "troubled" in the press release regarding the initiation of an administrative case to the address financial and operational issues facing several water districts.

.023 rate cases or responded to engineering inspection reports and were being monitored to see if those actions had taken care of the problems. Another six had already taken care of the problems that resulted in their placement on the list. So while all the utilities were initially dealt with in one way or another, only six needed to be sent letters to tell them of our concerns. Those initial letters were sent under the Executive Director's signature. The letters requested that the water utility meet with Commission Staff to discuss our concerns and offered Staff's assistance in helping the utility address its problems whether financial or operational.

Status of activities of the Challenged Water Utility Team

At this point, the team has worked with most of the utilities originally identified as "challenged". The team's efforts have primarily consisted of staff providing some form of tariff or rate case assistance followed by the filing of rate case applications or the filing of a construction or finance application, or the filing of some combination of rates, construction, and financing applications, usually under KRS 278.023. Where the Commission has issued an order addressing a utility's rates, the utility was directed to file updated financial information within three years of the date of the order showing that those rates still adequately provide for their on-going operations. However, while most of the utilities have addressed the Commission's original financial concerns, many of them continue to report excess line loss. A more complete explanation of the action taken by each utility and the team is included in Attachment 2 to this memo.

As part of this process, David McDowell set up a shared folder on the server for organizing documents associated with the water utilities. Karen Easterling created subfolders for each of the water utilities. The Engineering Division's inspection reports are being scanned into these folders as they are completed and Financial Analysis is scanning its financial examinations and staff reports into these folders as well. Ruth Rowles wrote a training manual for the ARCIMS and trained staff on its application. This provided staff with access to the WRIS data base and the maps that have been developed for each of the challenged utilities. She is also working on establishing a link in these subfolders for each of the utilities to KIA's web. This would allow staff to check on the status of any construction project where a utility is applying for KIA funding.

Various financial ratios (also included in Attachment 1) have been reviewed for each of the troubled utilities with the trending of these ratios giving a useful indication of the utility's potential for long term viability. These ratios have been calculated and entered into the subfolders. George Wakim has been (and is) the team's liaison with the Division of Water (DOW) and has been working with them in an attempt to obtain the following information on a regular basis and in a usable format:

- A persistent violators list - a year-to-date listing of system violations statistics. This is used to identify who had to issue boiled water advisories and how often.
- A report on design capacity vs. average production. This is used to identify which utilities are under a tap-on ban.
- A one line report of active public water systems.

Unfortunately, because of staff changes and reorganization, we have not been successful in obtaining this information to date. DOW is currently in the process of changing its computer programming and has indicated a willingness to try and set up the system to provide us with useful information. George is currently working on setting up a meeting with DOW staff to discuss this and see what they will be able to do.

Engineering also updated their inspection reports and was to initiate a program to help utilities with high line loss determine if their meters are registering correctly.

On a going forward basis, the annual reports of all utilities will be reviewed for financial losses and a high level of unaccounted for water (line loss). The Water Branch will develop a list of potential causes and suggested corrections for high water loss. This document will be reviewed with each of the high water loss utilities identified by the challenged water team. For the utilities with engineering issues, the Water Branch is developing an engineering review report which will document the shortcomings and highlight the good practices of the subject utilities. Recommendations will be made to the utilities for ways to improve. As information is gathered, a best practices list will be developed. In addition, the American Water Association has published best practices which will be used to help the Engineering Division provide guidance to the utilities.

Attachment

cc:

Bob Amato	Virginia Smith	Sam Reid	Jack Kaninberg
Phillip Cave	David McDowell	Brent Kirtley	Eddie Beavers
Aaron Greenwell	Ruth Rowles	George Wakim	Lisa Taylor
Jim Welch	Jerry Wuetcher	Dale Wright	

ATTACHMENT 1

Utilities Identified As Challenged

Engineering	Unaccounted For Water	Financial	Complaints
South Graves	Francis Water	Rattlesnake Ridge	Martin County
Green Hills	Hyden-Leslie	Black Mountain	North Shelby
Black Mountain	West Carroll	Martin County	Western Pulaski
Caldwell County	Martin County	Green Hills	Harrison County
Morgan County	Barkley Lake	Cawood	McKinney Water
Sedalia Water	Bronston Water	Western Lewis	Nicholas County
Buffalo Trail	South Woodford	Cumberland County	Garrard County
Hardeman Water	Whitely County	Lovelaceville	Cumberland Falls
Madison County	Cawood Water	Corinth	Francis Water
Monroe County	Garrison-Quincy	Crittenden-Livingston	East Casey

Ratios Reviewed

Debt Service Coverage: $\frac{\text{Operating Income}}{\text{Debt Service}}$

Measures a utility's ability to make its outstanding principal and interest payments and/or issue parity bonds.

Efficiency & Profitability: $\frac{\text{Operating Revenue}}{\text{Operating Expenses}}$

A ratio of 1 or less indicates a utility that is either under charging for its water or has an operating expense that needs to be brought under control such as excessive line loss.

Growth & Efficiency: $\frac{\text{Operating Revenues}}{\text{Total Assets}}$

Measures the amount of revenue generated per $1 of plant investment.

Line Loss: $\frac{\text{(Total Water Purchased or Produced) – (Water Sales + Company Use)}}{\text{Total Water Purchased or Produced}}$

Individually each ratio is of important but limited value. Taken as a whole and viewed over a period of years they give a good indication of the direction the utility is headed and its likelihood for long term viability.

ATTACHMENT 2

Barkley Lake Water District

This utility was put on the challenged list because of excessive line loss and for not testing its meters.

In 2001 the utility reported a net loss of $75,261 which increased to a loss of $282,360 in 2002. This produced a negative cash flow of $99,223 and a debt service coverage ratio of less than one. Line loss for the same two years was 23.6% and 19.7% respectively. The utility requested our assistance in filing a rate case, which we provided and the final order in the subsequently filed application was issued on April 30, 2003. That order (C.N. 2003-00042) granted the utility an increase in rates of $247,749 which was a 17.5% increase over their test period normalized revenues and required that they file financial information in three years to show that their rates are sufficient to meet on-going operating requirements. The 2004 annual report indicated that the utility was now operating with a positive cash flow of $160,240 but line loss was still high 32.6%. As part of its efforts to deal with its line loss problem, the utility is installing new radio read meters.

On February 25, 2005, the utility filed a $2,055,300 construct finance and rate case under the .023 statute that would in addition to increasing their rates would provide an additional 25 miles of transmission mains, upgrade an existing booster pump, construct a 300,000 gallon elevated storage tank and 52 new customers. The final order in that case (C.N. 2005-00087) was issued on March 29, 2005.

The utility's financial situation seems to be improving, however, the Engineering Division should monitor the line loss situation to determine if the installation of radio read meters is having any significant effect in reducing line loss. If it doesn't the Engineering Division should offer to assist the utility in addressing this problem.

Black Mountain Utility District

This utility was placed on the challenged list due to its operating at a loss financially, high unaccounted for water loss (32.5%), and several record keeping violations.

In 2001, this utility reported an operating loss of $126,983 (they also incurred an extraordinary loss of $248,113) and line loss of 17.7%. In 2002, the operating loss increased to $141,417 and line loss increased to 32.5%. On May 27, 2003, Black Mountain filed a construct and finance case under KRS 278.023. The construction consisted of 15 miles of water lines, a booster pumping station, a 100,000 gallon storage tank and would add 411 new customers. The final order allowing the construction and financing in that case was issued on July 18, 2003. The utility also asked for and received assistance in filing a rate case. The utility filed the application and on April 5, 2004 a final order was issued (C.N. 2004-00038) allowing the utility to increase its revenues by $108,122 (the amount requested) which resulted in a 20% increase over normalized test period revenues.

In 2003, the utility still reported high line loss (24.6%) and continued to have operational issues. Commission staff set up an informal conference with the utility so it could explain to staff why they were having problems and what was being done to correct them. At the informal conference, Black Mountain personnel mentioned financial problems related to a legal dispute over past due bills owed by the City of Wallins. Since then, PSC Staff has been informed that the Wallins Water System has gone out of business and will soon be taken over by Black Mountain.

The Engineering Division should continue to monitor the utility's line loss and operational problems and offer whatever assistance is appropriate.

Bronston Water Association

This utility was placed on the challenged utility list for not testing its meters in a timely manner, not filing its meter reports, and for having excessive line loss.

In 2001, Bronston had a net operating loss of $3,200 that increased to a loss of $33,359 in 2002. During that same time period line loss went from 24.3% to 36%. However the utility did report positive cash flows of $47,641 in 2001 and $22,743 in 2002. On June 5, 2003 Bronston filed a construct and finance case under KRS 278.023 that would add 61,500 linear feet of water lines, a booster pump station and 150 new residential customers. The final order in that case (C.N. 2003-00193) approving the proposed construction and financing was issued on June 16, 2003. On May 12, 2003 the utility filed an ARF rate application. The final order in that proceeding was issued on July 7, 2003 and allowed the utility to increase its revenues by $19,516.

The utility appears to be making a concerted effort to improve its financial condition and to bring its line loss under control. Other than its continued high line loss (for 2004 it was 42.6%), the Engineering Division reports that it has no other issues with this utility. Given this continued high level of line loss, Engineering should offer to assist the utility in bringing this loss under control.

Buffalo Trail Water Association

This utility was place on the challenged utility list because of high line loss and inadequate record keeping.

On July 10, 2001 the Engineering Division performed an inspection of this utility and cited them for among other things excessive line loss (23.7%). On August 20, 2001 in response to that report, the utility stated that a master meter had been under registering which had now been repaired and that 100 old meters would be changed out by December 31, 2001.

On April 2, 2003, the utility filed a construct and finance case under KRS 278.023 that would add 222,100 linear feet of water lines, a 150,000 gallon water storage tank, and 137 new customers. The final order in that case, C.N. 2003-00128 was issued on May 6, 2003.

Unfortunately, for 2004, the utility reported line loss of 24.8%. Given the continued level of high line loss, Engineering should offer what ever assistance they believe to be appropriate in helping the utility in this area. From a financial stand point

the utility appears to be doing well with a reported net income for 2004 of $11,301 and a positive cash flow of $63,054.

Caldwell County Water District

Initially, Staff had concerns about this utility's 2001 financial operations and met with representatives of the utility on August 29, 2002. During this meeting it was noted that in 2001 the utility had recorded state grants as revenue and construction costs as expenses. The Financial Audits Branch is aware of this error and made sure that it was corrected. The utility had other deficiencies that were noted in the Engineering Inspection report. However, in 2002 the utility was under new management and had taken steps to correct those deficiencies.

In its 2002 Annual report the utility reported a net operating loss of $60,062 but had a positive cash flow of $100,269. On November 7, 2002 the utility filed a construct and finance case under KRS 278.023 that would add 50 miles of water transmission lines and 118 new customers. Per its 2003 annual report, the utility continued to operate with a positive cash flow and to show improvement in its financial condition.

Absent some future deterioration of the utility's financial or operational condition, staff plans no further action for this utility.

Cawood Water District

This utility was initially place on the challenged utility list for operating at a loss financially and for excessive line loss.

In 2001 Cawood report an operating income of $17,036 and line loss of 19.8%; for 2002 it reported operating income of $34,424 and line loss of 33.6%. During that same time period the utility reported a positive cash flow of $72,185 and $88,907. On March 2, 2004, the utility filed a construct, finance, and rate case under KRS 278.023 (C.N. 2004-00071) which consisted of 17 miles of transmission mains, a booster pumping station, a radio telemetry system, and 300 new customers. As a condition of the financing included in the application, the Rural Development required the utility to charge as a minimum the rates set out in the application. The final order approving the

construction and rates as set out in the application was issued on March 31, 2004. When the utility files its 2004 Annual Report it will be reviewed to determine what impact the construction, additional customers and new rates are having on the utility's operations.

Should the utility not show improvement in its financial position and a reduction in its excessive line loss, the Financial Analysis and Engineering Divisions will offer what ever additional assistance we believe to be appropriate.

Corinth Water District

This utility was initially place on the challenge utility list because of its financial condition. In 2002 the utility reported an operating loss of $8,373 and a negative cash flow of $35,369.

On June 12, 2002 the utility filed a construct and finance case under KRS 278.023 (C.N. 2002-00202) that consisted of 252,000 linear feet of water lines and a 150,000 gallon storage tank. The final order approving the construction was issued on July 1, 2002. On October 6, 2003, the utility filed a rate application (which Commission Staff helped prepare) for a general increase in rates. The final order in that case (C.N. 2003-00392) was issued on February 5, 2004 and allowed the utility to increase it rates to produce an additional $91,995, a 20% increase over normalized test period revenues. With approximately ten months of the rate increase reflected in its 2004 operations the utility reported a net loss of $47,029 but had a positive cash flow of $33,592 and line loss of 12%. Aside from a continued review of annual reports in general, no other action is planned for this utility at this time.

Crittenden-Livingston Water District

This utility was place on the challenge list for operating at a loss financially. In its 2001 Annual Report the utility reported operating income of $67,636 but a net loss of $151,350 and negative cash flow of $82,523. For 2002 the net loss was $123,411 and the cash flow was a negative $24,367.

In the summer of 2002, the utility requested and received staff assistance in preparing an application for a general increase in rates. As part of the process, staff developed a preliminary revenue requirement for the utility but due to their unwillingness to move forward with the process the application was never completed. On August 14, 2003, the utility filed an application requesting an increase in revenues of $213,316, a 20% increase over normalized test period revenues.

Staff reviewed the application and on October 21, 2003 issued its report recommending that the proposed increase be accepted. On November 6, 2003 the final order in that case (C.N. 2003-00311) was issued approving the proposed increase. This increase did not fully fund depreciation. On September 1, 2005, the District filed an application seeking an additional increase in rates of approximately 35%. This request is currently under review.

Engineering reports that it does not have any outstanding issues with this utility, however, in 2003 the utility did have line loss of 18.2%. Engineering should monitor the utility and if the line loss situation worsens, offer what ever assistance they deem appropriate.

By letter dated March 15, 2005 (and stamped received on March 23, 2005), the District Superintendent (Donnie Beavers) asked for an extension of time to file the district's annual report for 2004 due to an alleged misappropriation of funds by its bookkeeper. As a result of the investigation by local authorities, many of the district's records are currently not available. At this time staff is not sure what effect this will have on the utility.

Cumberland County Water District

This utility was on the challenged list because of financial losses. In its 2002 Annual report the utility reported an operating loss $153,600 and a negative cash flow of $77,679. It also reported line loss of 28% but that estimate did not include an allowance for company used water, so the actual line loss would be lower. During 2002, the utility requested and was given staff assistance in preparing an application for a general increase in rates. That application was filed December 20, 2002 (C.N. 2002-00477) and

requested an increase in rates of $206,003, a 31.45% increase over test period normalize revenues. The final order approving the proposed increase was issued on May 6, 2003.

For 2003 the utility report line loss of 39.4%. The Engineering Division should contact this utility to find out why the line loss was so high and offer them assistance in bringing it under control.

Cumberland Falls Highway Water District

This utility made the challenged utility list due to customer complaints, which have since been resolved. There are currently no financial or engineering issues outstanding.

East Casey Water District

This utility originally made the challenged utility list due to customer complaints, which have since been resolved. However, in 2003 they reported line loss of 18.9%. Engineering should monitor this utility and if line loss becomes a more serious problem offer them assistance in bringing it under control.

On December 12, 2003 they submitted a construct and finance case under KRS 278.023 which after curing the deficiencies in the application was considered filed on January 8, 2004. The proposed construction would add 300 new customers, 69 miles of water transmission lines and three pneumatic pump stations. The final order approving the proposed construction was issued on January 22, 2004.

The annual report for 2003 indicated that the utility finished the year with a net loss of $87,323 but a positive cash flow of approximately $164,000. It is common for a utility not to fully fund its depreciation expense in an effort to keep rates as low as possible. With the potential addition of 300 new customers, as long as the utility continues to operate with a positive cash flow, no other action will be pursued at this time.

Francis Water Company

This is a private water company with approximately 310 customers. They have meager finances but have until recently operated in the black with an operating income and positive cash flow in 2002 of $999 and $2,381 respectively. Unfortunately they have very high line loss (33.75% in 2002) which they attribute to not being able to find line breaks fast enough. They often turn to KRWA for help in this area. On March 8, 2004 the utility requested assistance in preparing an application for an increase in rates. We provided that assistance. A final order was issued in that case (C.N. 2004-00338) on January 21, 2005.

The utility's line loss for 2003 was reduced significantly (to 6.4%) however, the Engineering Division has other outstanding issues with Francis concerning its water tanks and treatment plant which will be followed up on by that division.

Garrard County Water Association

This utility made the challenged list due to customer complaints which have since been resolved however, for 2004 the utility reported line loss of 24.4% but otherwise appears to be in good shape financially. Engineering should offer to assist the utility in bringing this loss under control.

Garrison-Quincy Water District

This utility made the challenged list because of financial problems and excessive line loss.

In 2002 the utility reported operating losses of $62,194 and a negative cash flow of $49,302. On May 30, 2002 they filed a construct, finance, and rate case under KRS 278.203. That filing provided for an increase in existing rates, the addition of 102 new customers, 21 miles of mains, a pressure reducing station, a master meter, and two booster pumps. The final order in that proceeding was issued on June 25, 2002. For 2004 the utility reported a net loss of $76,846 and a negative cash flow of $8,772 and line loss of 25%. Financial Analysis (Jack Kaninberg) contacted the utility on May 10 and offered to take a look at their rates. John Pierce (the contact person for the utility)

was interested in having us do that and we scheduled a field review for May 25. Preliminary estimates indicate the District could justify an increase of as much as 27%.

Engineering should also contact the utility to offer their assistance in reducing the utility's level of line loss.

Green Hills Water District

This utility was place on the challenged list because of financial losses.

For 2002 the utility reported operating losses of $101,918 and negative cash flows of $71,833. The utility requested and received Staff assistance in preparing an application for an increase in rates. That application was filed on February 10, 2003 and based on adjustments made to test period operations requested an increase in revenues of $41,144. The final order in that case granting the proposed increase was issued on April 14, 2003. Staff's review of the utility's operations determined that they could have justified a greater increase in revenues but declined to include depreciation in its rates stating that most of its customers were of low to moderate incomes and could not afford the inclusion.

The 2003 Annual report for this utility has been reviewed and while there has been significant improvement it appears that they are still operating at a loss and line loss has increased to 48%. We (Jack Kaninberg) contacted this utility in 2004 to see if they want any further assistance. At that time, according to the system operator, the line that was responsible for the high line loss had been repaired and the utility was experiencing good cash flows. Again per its operator, sometime in 2004 the utility was to receive coal severance funds to be used in reducing its debt service requirements. The 2004 Annual report shows improvement and a positive cash flow, but the situation warrants continued monitoring.

FYI – According to newspaper articles toward the end of 2003, the County Judge was trying to merge the Green Hills, Black Mountain, and Cawood Water Districts. However, it's our understanding from the operator of Green Hills, that the other utilities are against merger because of Green Hills' high debt service requirements.

Hardeman Water District

In 2002 Hardeman reported an operating loss of $21,435 and a negative cash flow of $14,085 and line loss of 20%. The utility was also written up by the Engineering Staff for not testing its meters or maintaining appropriate records.

In 2003 the utility asked for and received Staff assistance in preparing an application for an increase in its rates. That application was filed on March 20, 2003 and the final order was issued on May 23, 2003. That order provided for an increase in revenue of $30,707, a 43.4% increase over test period revenues. However, in its 2004 annual report the utility stated that it had incurred a net loss of $3,992 but did have a small positive cash flow. Line loss was reported at 2%. Engineering continues to have problems with the utility's meter testing and record keeping and should continue to work with this utility in dealing with those problems. Financial Analysis (Jack Kaninberg) contacted the utility on May 3, 2005 to find out if they would like our assistance in putting together an application for an increase in rates. The utility stated that the rate increase granted in 2003 was currently sufficient and that while they appreciated our offer, did not need our assistance at this time.

Harrison County Water Association

This utility was put on the challenged list because of customer complaints. Those complaints have been addressed. From an operational stand point the utility appears to be in good shape with a net income for 2004 of $83,397, a positive cash flow of $344,689, and line loss of 11.4%. Therefore, the team plans no further action at this time.

Hyden-Leslie Water District

This utility made the challenged list due to its line loss, which for 2002 was 33%, this increased to 34.9% in 2003.

On August 28, 2003 the utility filed a construct and finance case proposing to add 45 miles of water lines, a booster pump station, a 50,000-gallon water storage tank, and

400 new customers. The final order authorizing the proposed construction and financing was issued on October 10, 2003.

The annual report for 2004 indicated that for that twelve month period the utility had a net income of $1,343 and a positive cash flow of $259,798. The utility also reported line loss of 34%. Since the construction was approved in late 2003, the 2004 operations probably do not include the full impact of that construction on the utility's operations. Engineering should contact the utility to find out what its current line loss percentage is and offer to assist them if it appears that it is not being brought under control.

Lovelaceville Water Company

This utility was placed on the challenged list because of financial problems. Their operating loss for 2003 was $4,936 and for 2004 they reported a net income of $0 and a positive cash flow of $147.

Lovelaceville is a small water company in Ballard County that serves 60 customers. It has two miles of water lines constructed in 1950 and a water treatment plant and a 1,000 gallon water storage tank constructed in 1973. It uses two wells near the water treatment plant as its source of supply. The utility never responded to our letters requesting a meeting and it is our understanding that the current owner, Mr. Paul McGowan, is trying to sell the utility. In 2003, Lovelaceville submitted a proposal to KIA for funding to connect Lovelaceville with the Cunningham Water District. The team will contact KIA to find out the current status of that request.

It is doubtful that this utility has the "capacity" to operate as a utility (as defined by the Governor's 2020 water initiative). Since the DOW was given the authority to make this determination, Engineering will contact the DOW and ask them to look at Lovelaceville's capacity and whether or not connecting to the Cunningham Water District is the best solution to their problems.

Madison County Water District

This utility was included in the challenged utility list because of deficiencies noted in the Engineering inspection report and has since filed a response addressing those concerns.

Madison County Water District was formed by the merger of the Kingston-Terrill, Waco, and White Hall Water Districts. Immediately after the merger the customers in the old water district territories continued to pay the rates originally charged by those districts. On August 9, 2002, the utility filed a construct, finance, and rate case consisting of $3,000,000 in waterworks improvement projects and a proposed unified rate schedule that would produce gross annual revenues of $2,938,976. The final order in that proceeding authorizing the construction and proposed rates was issued on February 10, 2003.

Per their 2003 Annual Report, the utility had a net operating income of $141,696 and a positive cash flow of nearly $319,000. Reported line loss was just under 16% with no other engineering problems being noted. Therefore, staff plans no further action with this utility.

Martin County Water District

This is a very troubled utility both operationally and financially. A separate team has been established to deal with this utility's problems. The utility, the PSC, and the DOW are trying to work together in an effort to bring the utility back into compliance with PSC and DOW regulations.

McKinney Water District

This utility was placed on the challenged list because of customer complaints that have since been resolved. However, for 2004 the utility had line loss of 30.9%, an operating loss of $110,350 and a negative cash flow of $25,844. In addition Engineering has some ongoing problems with the utility, including record keeping violations and the DOW has violations pending against them for constructing without the DOW's approval.

Financial Analysis assisted the utility in preparing an application for a general increase in rates. This application was submitted on March 15, 2005 and a rate increase of 23% was granted on July 13, 2005.

In addition, Engineering should work with this utility in resolving the violations still pending against them and in reducing their line loss to an acceptable level.

Morgan County Water District

This utility was included on the challenged list because of deficiencies noted in the 2002 engineering inspection report. A response to that report with a plan for addressing those deficiencies was filed by the utility on July 5, 2002.

In September of 2003, the utility filed a construct and finance case under KRS 278.023 that consisted of a $1,900,000 waterworks improvement project and added 275 new customers. The final order approving that project was issued on October 15, 2003. Line loss for 2003 was reported at just over 15%.

Morgan County's 2004 Annual Report reported a net loss of $235,495, a negative cash flow, and a deteriorating financial situation. Because of this staff will contact the utility to offer rate case assistance.

Monroe County Water District

In 2001 the Engineering Division notified this utility that it had a potentially hazardous condition with a water storage tank and directed it to develop a plan to implement needed system improvements.

Subsequently, the manager of the utility notified Engineering that two tanks would be built one with money from the Monroe County Fiscal Court and the other with Rural Development funds. The Commission was not informed about either of these tank projects. Monroe's manager was going to check with the project engineer and find out why the commission was not informed.

For 2004, the utility reported a net loss of $79,626 but a positive cash flow of $87,733. Engineering reports that they currently have no outstanding issues with this utility although line loss was reported to be 21%.

On April 22, 2005, the Monroe County Attorney, Wes Stephens, sent a letter at the direction of the Monroe County Judge requesting that the Commission initiate an investigation into the feasibility of merging the Monroe County and Fountain Run Water Districts. This request was docketed as C.N. 2005-00170. The County Attorney was contacted by staff and per a telephone conversation on April 26, 2005, he will get back in touch with staff after Fountain Run's monthly meeting and a determination is made of the likelihood of a voluntary merger.

Nicholas County Water District

This utility was placed on the challenged list because of customer complaints that have since been resolved. No further action is planned at this time.

From a financial stand point for 2004 the utility reported a net loss of $51,757 but had a positive cash flow of $87,928. Line loss was listed at 13.1%.

North Shelby Water Company

This utility was placed on the challenged utility list because of customer complaints. Those complaints have since been resolved and no other action is planned at this time.

Rattlesnake Ridge Water District

This utility was place on the challenged list because of its financial operations.

At the end of 2002 this utility reported an operating loss of $194,917 and negative cash flow of $44,654. On November 19, 2003 they filed a construct and finance case under KRS 278.023 that consisted of $4.2 million in waterworks improvement projects. The final order in that proceeding was issued on December 16, 2003. On January 14, 2004 they filed another application under KRS 278.023 that

included an additional $1.749 million in waterworks improvement projects that would add an additional 502 customers. As part of the conditions of the Rural Development financing, the application also contained a new rate schedule designed to increase the utility's operating revenues. The final order in that proceeding was issued on February 13, 2004.

No further action is planned at this time until the impact that the $5.9 million in waterworks improvement projects, the 502 new customers, and the increased rates have on the operations of the utility.

Sedalia Water District

This utility was place on the challenged list because of engineering deficiencies.

For 2002, Sedalia's operations produced an operating loss of $1,178 and a positive cash flow of $1,609. During 2003 the utility asked for and was given staff assistance in preparing an application for an increase in its rates. That application was filed on September 12, 2003 and sought an increase in normalized test period revenues of $8,471, a 28.78% increase. The final order approving that request was issued on October 28, 2003.

For 2003 the utility had line loss of 40.7% and while the utility has corrected many of the noted engineering deficiencies, it was still not in compliance with Commission regulations. Engineering has been working with the utility to correct these deficiencies and should continue to do so until their line loss has been reduced and they are in compliance with the Commission's regulations.

South Graves County Water District

In its Inspection Report the Engineering Division noted several deficiencies in this utility's operations, of which many were repeat violations. After some difficulty, the utility responded to the report and outlined the steps that will be taken to correct those deficiencies.

South Graves is currently being managed by Mayfield Water and Electric. Engineering believes that under Mayfield's management, the utility is headed in the right direction as evidenced by their finding and aggressively pursuing leaks and illegal hook-ups. However, for 2004 the utility still reported line loss of 48.8%, a net loss of $8,959, and negative cash flow of $13,329. Jack Kaninberg of financial analysis contacted the utility to offer our assistance in filing a rate case, however, the individual operating the system (Kevin Leonard) said that they do not want to increase rates at this time. He stated that the utility serves an area where wells can easily be drilled and they have already lost 80 customers because of the utility's high rates. Given the utility's reluctance to raise rates, Engineering should actively encourage Mayfield to continue its aggressive pursuit of illegal hook-ups and line leaks and offer their assistance in helping the utility improve its operational position.

South Woodford Water District

This utility was on the challenged list because of its line loss percentage which for 2001 was in excess of 20%.

For 2004 this line loss had been reduced to 8.5% with no other engineering problems being noted. Financially the utility reported a net loss of $25,723 but a positive cash flow of $59,505. Currently the utility appears to be in fairly good shape, therefore, the team plans no further action at this time.

West Carroll Water District

This utility made the challenged list due to its reported line loss, which for 2001 was nearly 21%.

The line loss for 2004 was reduced to 19.9% with no other engineering issues being noted. For that same period the utility reported a net loss of $9,145 and a positive cash flow of $56,538.

Engineering should offer to help the utility reduce its line loss but no other action is anticipated at this time.

Western Lewis-Rectorville Water and Gas District

This utility was included on the challenged list due to its financial condition.

In July of 2001, Western-Lewis filed a construct, finance, and rate case under KRS 278.023. The final order in that proceeding was issued on August 3, 2001. Per its 2002 Annual Report the utility had a net income of $14,146 and a positive cash flow of $140,589. In 2003 utility reported a net loss of $50,657 (due to a $60,779 increase in depreciation) but a positive cash flow of $136,509 and in 2004 a net income of $44,904, a positive cash flow of $180,389 and line loss of only 12.6%

Engineering has no outstanding issues with this utility and given its improved financial condition, no further action is planned at this time.

Western Pulaski Water District

During 2002, in C.N. 2002-00013 the Commission opened an investigation into the business practices of this utility. The final order in that proceeding was issued on August 9, 2002. The Financial Audits Branch reviewed the utility's operations, issued a report, and received comments from the utility. An audit of the utility by an independent auditor was completed and reviewed by the audit branch. For 2004, the utility reported a net loss of $294,641 but a positive cash flow of $25,063 and line loss of 17.8%. In July 2005, Western Pulaski requested staff rate case assistance and a field review was held in that mater on August 31, 2005. Staff is currently still working on the requested application.

FYI - The utility has several new commissioners and a new office manager and appears to be trying to turn things around. An investigation of the previous utility manager by the Kentucky State Police was concluded with no charges being filed.

Whitley County Water District

This utility was place on the challenged utility list because of its financial condition. In its 2002 Annual Report, this utility reports a net loss of $117,173 and a

negative cash flow of $33,528. In 2003 this loss increased to $213,690 and a negative cash flow of $88,829.

On October 17, 2002 Whitley filed a construct, finance, and rate case under KRS 278.023. This was a $ 4.95 million water system extension project that would add an additional 640 new customers. As part of the conditions of financing from Rural Development the application also included an increase in the utility's rates. The final order in this proceeding was issued on December 2, 2002.

The 2004 operations should fully reflect the addition of the 649 new customers and its increased rates. However, for 2004 the utility reported a net loss of $122,063, a negative cash flow of $20,564, and line loss of 2.9%. This level of line loss seems unlikely even though KRWA has been helping then locate and repair their system leaks.

In light of the utility's continued financial losses, Financial Analysis will contact the utility and offer to assist them in filing an application for a rate increase.

Summary

Whitley County and Morgan County Water Districts will be contacted by Financial Analysis to further review their current financial conditions.

The following utilities should be contacted by Engineering concerning their operational problems, primarily excessive line loss:

Barkley Lake Water District
Black Mountain Water District
Bronston Water Association
Buffalo Trail Water Association
Crittenden-Livingston Water District
Cumberland County Water District
East Casey Water District
Garrard County Water Association
Garrison-Quincy Water District
Hardeman Water District
Hyden-Leslie Water District
Lovelaceville Water Company (KIA and DOW)
McKinney Water District
Sedalia Water District
South Graves County Water District
West Carroll Water District

United States General Accounting Office

GAO

Report to the Ranking Minority Member, Committee on Environment and Public Works, U.S. Senate

March 2004

WATER INFRASTRUCTURE

Comprehensive Asset Management Has Potential to Help Utilities Better Identify Needs and Plan Future Investments



G A O

Accountability * Integrity * Reliability

GAO-04-461

PSC EXHIBIT 24

March 2004

WATER INFRASTRUCTURE

Comprehensive Asset Management Has Potential to Help Utilities Better Identify Needs and Plan Future Investments

GAO Accountability • Integrity • Reliability

Highlights

Highlights of GAO-04-461, a report to the Ranking Minority Member, Committee on Environment and Public Works, U.S. Senate

Why GAO Did This Study

Having invested billions of dollars in drinking water and wastewater infrastructure, the federal government has a major interest in protecting its investment and in ensuring that future assistance goes to utilities that are built and managed to meet key regulatory requirements. The Congress has been considering, among other things, requiring utilities to develop comprehensive asset management plans. Some utilities are already implementing asset management voluntarily. The asset management approach minimizes the total cost of buying, operating, maintaining, replacing, and disposing of capital assets during their life cycles, while achieving service goals. This report discusses (1) the benefits and challenges for water utilities in implementing comprehensive asset management and (2) the federal government's potential role in encouraging utilities to use it.

What GAO Recommends

Among other things, GAO is recommending that the Environmental Protection Agency (EPA) (1) better coordinate its own activities to facilitate information sharing and reduce the potential for duplication and (2) ensure that water utilities have access to information they can use by establishing a Web site focused on asset management. In commenting on a draft of this report, EPA generally agreed with the report and its recommendations.

www.gao.gov/cgi-bin/getrpt?GAO-04-461.

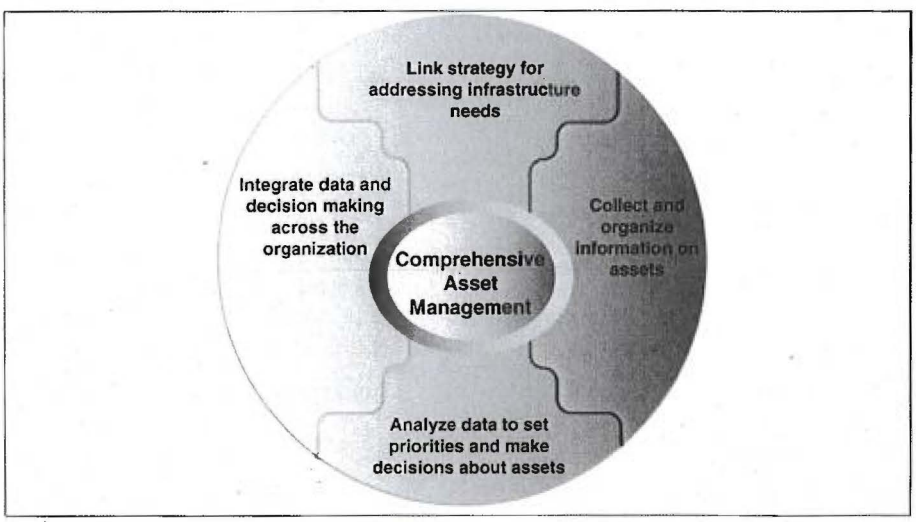
To view the full product, including the scope and methodology, click on the link above. For more information, contact John B. Stephenson (202) 512-3841 or stephensonj@gao.gov.

What GAO Found

Drinking water and wastewater utilities that GAO reviewed reported benefiting from comprehensive asset management but also finding certain challenges. The benefits include (1) improved decision making about their capital assets and (2) more productive relationships with governing authorities, rate payers, and others. For example, utilities reported that collecting accurate data about their assets provides a better understanding of their maintenance, rehabilitation, and replacement needs and thus helps utility managers make better investment decisions. Among the challenges to implementing asset management, utilities cited collecting and managing needed data and making the cultural changes necessary to integrate information and decision making across departments. Utilities also reported that the shorter-term focus of their governing bodies can hamper long-term planning efforts.

EPA currently sponsors initiatives to promote the use of asset management, including educational materials, technical assistance, and research. While this is a good first step, GAO found that EPA could better coordinate some activities. For example, EPA has no central repository to facilitate information sharing within and across its drinking water and wastewater programs, which would help avoid duplication of effort. Water industry officials see a role for EPA in promoting asset management as a tool to help utilities meet infrastructure-related regulatory requirements; they also noted that establishing an EPA Web site would be useful for disseminating asset management information to utilities. The officials raised concerns, however, about the implications of mandating asset management, citing challenges in defining an adequate asset management plan and in the ability of states to oversee and enforce compliance.

Elements of Comprehensive Asset Management



Source: GAO.

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Abbreviations

EPA Environmental Protection Agency
GAO General Accounting Office

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United States General Accounting Office
Washington, D.C. 20548

March 19, 2004

The Honorable James M. Jeffords
Ranking Minority Member
Committee on Environment and Public Works
United States Senate

Dear Senator Jeffords:

In response to your request, this report examines (1) the potential benefits of comprehensive asset management for drinking water and wastewater utilities and the challenges that could hinder its implementation and (2) the role that the federal government might play in encouraging utilities to implement asset management.

Unless you publicly announce its contents earlier, we plan no further distribution of this report until 30 days from the date of this letter. At that time, we will send copies to appropriate congressional committees, the Administrator of the Environmental Protection Agency, and the Director of the Office of Management and Budget. We will also make copies available to others upon request. In addition, the report will be available at no charge on the GAO Web site at http://www.gao.gov.

Please call me at (202) 512-3841 if you or your staff have any questions. Major contributors to this report are listed in appendix III.

Sincerely yours,



John B. Stephenson
Director, Natural Resources
and Environment

Executive Summary

Purpose

Mounting evidence suggests that the integrity of the nation's drinking water and wastewater infrastructure is at risk without a concerted effort to improve the management of key assets—pipelines, treatment plants, and other facilities—and a significant investment in maintaining, rehabilitating, and replacing these assets. According to recent studies by the Environmental Protection Agency (EPA) and other organizations, drinking water and wastewater utilities will need to invest hundreds of billions of dollars in their capital infrastructure over the next two decades. However, if utilities maintain current spending levels, financing the needed investments could be problematic. Based on a survey of several thousand drinking water and wastewater utilities, GAO reported in August 2002 that a significant percentage of the utilities—29 percent of the drinking water utilities and 41 percent of the wastewater utilities—were not generating enough revenue from user rates and other local sources to cover their full cost of service.[1] Furthermore, roughly one-third of the utilities (1) deferred maintenance because of insufficient funding, (2) had 20 percent or more of their pipelines nearing the end of their useful life, and (3) lacked basic plans for managing their capital assets.

Each year, the federal government makes available billions of dollars to help local communities finance drinking water and wastewater infrastructure projects. However, concerns about the condition of existing infrastructure have prompted calls to increase this financial assistance and, at the same time, ensure that the federal government's investment is protected. The Congress has been considering a number of infrastructure-related proposals, including requirements for local utilities to have asset management plans. Some utilities have turned to comprehensive asset management on their own initiative. This approach to managing capital infrastructure focuses on minimizing the total cost of acquiring, operating, maintaining, replacing, and disposing of capital assets over their life cycle and doing so in a way that achieves the level of service customers desire. Among other things, comprehensive asset management allows utility managers to obtain better information on the age and condition of existing assets, determine the level of maintenance needed to optimize asset performance and useful life, assess the risks associated with the failure of various assets and set priorities for their maintenance and replacement, understand the trade-offs and implications of management decisions about

[1]See U.S. General Accounting Office, *Water Infrastructure: Information on Financing, Capital Planning, and Privatization*, GAO-02-764 (Washington, D.C.: Aug. 16, 2002).

the assets, and use better information to justify proposed rate increases or capital investments. Water industry officials agree that by making informed decisions about investments in capital assets, drinking water and wastewater utilities can better justify the rate increases associated with making needed improvements to their infrastructure.

The Ranking Minority Member of the Senate Committee on Environment and Public Works asked GAO to examine (1) the potential benefits of comprehensive asset management for drinking water and wastewater utilities and the challenges that could hinder its implementation and (2) the role that the federal government might play in encouraging utilities to implement asset management.

To address the first issue, GAO conducted initial interviews with 46 U.S. drinking water and wastewater utilities identified by knowledgeable government and water industry officials as implementing comprehensive asset management. To obtain more detailed information on the benefits and challenges associated with implementing asset management, GAO conducted structured interviews with 15 of these utilities, selected because they (1) reported or anticipated achieving quantitative benefits from asset management or (2) represented smaller entities. Our results are not generalizable to the larger universe of domestic drinking water and wastewater utilities. Because asset management is a relatively new concept for domestic water utilities, GAO supplemented the structured interviews by obtaining information from 6 utilities and five government agencies in Australia and New Zealand—two countries that have taken the lead in implementing comprehensive asset management in their drinking water and wastewater utilities—and two private companies with long-standing experience in using comprehensive asset management in their respective fields, which provided additional information on benefits and challenges.

To address the second issue, GAO discussed options for a federal role in promoting asset management with the 15 utilities selected for structured interviews, water industry associations, and EPA. In addition, based on contacts with a variety of organizations and officials experienced in asset management, GAO identified the U.S. Department of Transportation as being at the forefront of federal involvement in this issue. GAO obtained information about the department's initiatives from the Office of Asset Management, within the Federal Highway Administration.

We conducted our work between March 2003 and March 2004 in accordance with generally accepted government auditing standards.

Background

At its most basic level, comprehensive asset management involves the systematic collection of key data and the application of analytical tools such as life-cycle cost analysis and risk assessment. Asset management thus provides information that managers can use to make sound decisions about their capital assets and allows decision makers to better identify and manage needed investments in their organization's infrastructure. By following this approach, organizations also change the process they use to make decisions, including the types of information they bring to bear and which segments of the organization participate in the decision-making process. Using a fully integrated decision process, many segments of an organization, including accounting, engineering, finance, maintenance, and operations, are expected to exchange relevant information, share in the decision making, and take an organizationwide view when setting goals and priorities. For drinking water and wastewater utilities, an integral part of a comprehensive asset management program is ensuring that adequate funds are available through user rates or other means so that asset management decisions can be implemented (e.g., ensuring that planned maintenance can be conducted and capital assets can be repaired, replaced, or upgraded on schedule).

Comprehensive asset management is a relatively new concept for drinking water and wastewater utilities in the United States. Domestic utilities implementing asset management are generally large and vary considerably in terms of their approach. For example, some are applying the concepts of asset management on a utilitywide basis and others are beginning in specific departments or facilities. In implementing asset management, domestic utility managers have drawn from the experiences of international utilities that are considered to be at the forefront of asset management for drinking water and wastewater infrastructure. For example, in Australia and New Zealand, where the concept has been strongly endorsed by the national governments, water utilities have used comprehensive asset management for about 10 years. In each country, a key impetus for the move toward asset management was legislation that called for water utilities to improve their financial management, requiring utilities to recover the full cost of service in Australia and, in New Zealand, to annually depreciate their assets and use cost-benefit analysis.

In the United States, the Congress has been considering proposals to require utilities to adopt key components of asset management, such as inventorying critical assets, evaluating their condition and performance, and developing plans to (1) maintain, repair, and replace assets and (2) fund such activities. These proposals typically link the use of asset management to a utility's eligibility for federal financial assistance in making infrastructure improvements.

The universe of drinking water and wastewater utilities indicates that efforts to adopt asset management may vary considerably because of the utilities' sizes and their ability to marshal resources for the effort. In the United States, about 54,000 community water systems supply most of the nation's drinking water and about 16,000 wastewater treatment systems provide sewer service. Larger utilities account for much of the projected infrastructure needs; for example, drinking water systems serving more than 10,000 people account for approximately 65 percent of the estimated needs for such utilities. However, most utilities are small, with 93 percent of community drinking water systems and 71 percent of wastewater systems serving 10,000 people or fewer. EPA has found that smaller utilities are less likely to have the financial, managerial, and technical capacity to meet regulatory requirements and are less likely to cover their full cost of providing services.

Results in Brief

U.S. drinking water and wastewater utilities that GAO contacted reported benefiting from applying the concepts of asset management to their operations but have also encountered certain challenges. Utilities are seeing benefits from (1) improved decision making because they have more accurate and integrated information about their capital assets and (2) more productive relationships with governing authorities, ratepayers, and other stakeholders because they can provide better information in a more transparent way. For example, utilities reported that collecting accurate data about their assets provides a better understanding of their maintenance, rehabilitation, and replacement needs, which helps utility managers make better investment decisions. While water industry officials identified financial and other benefits from using asset management, reported savings should be interpreted carefully. According to the utilities that GAO contacted, the challenges associated with implementing asset management included collecting and managing needed data and making the cultural changes necessary to integrate information and decision making across departments. Utilities also reported that the shorter-term focus of their governing bodies can hamper long-term planning efforts.

Although smaller utilities face more obstacles to implementing asset management, largely as a result of limited resources, such utilities can also benefit from applying asset management concepts.

EPA can play a stronger role in encouraging water utilities to use asset management by leveraging ongoing efforts within and outside the agency. EPA currently sponsors initiatives to promote the use of asset management, such as developing educational materials; providing technical assistance, particularly to smaller utilities; and funding research related to asset management. Nevertheless, GAO found that some activities could be better coordinated. For example, EPA's Office of Ground Water and Drinking Water and Office of Wastewater Management fund state and university-based training and technical assistance centers that have developed guidance manuals, tools, and training materials to assist small utilities with asset management. However, no central repository exists to facilitate information sharing within and across the drinking water and wastewater programs and thereby avoid duplication of effort. GAO also found that opportunities exist for EPA to coordinate with other federal agencies, such as the Department of Transportation, that have already developed tools and training materials on asset management. When asked for their views on a potential federal role in asset management, water industry officials said that EPA should assume a greater leadership role in promoting asset management. For example, they see asset management as a tool to help utilities meet regulatory requirements that depend on maintaining an adequate infrastructure and believe that EPA should establish a Web site to serve as a central repository of information on implementing asset management. However, the officials raised concerns about the implications of mandating asset management, citing challenges in defining an adequate asset management plan and in the ability of states to oversee and enforce compliance. GAO is making recommendations to strengthen EPA's existing efforts to promote water utilities' use of asset management.

Principal Findings

Utilities See Benefits from Using Comprehensive Asset Management, but Face Implementation Challenges

Utilities that have started using comprehensive asset management report benefits for several aspects of their operations. For example, collecting, sharing, and analyzing data on capital assets has allowed utilities to make more informed decisions about how best to manage the assets. In particular, utilities are using the information they collect to allocate their maintenance resources more effectively and make better decisions about whether to rehabilitate or replace aging assets. Utilities also report that asset management fosters information sharing across departments as well as coordinated planning and decision making. These improvements help utility managers reduce duplication of effort and improve the allocation of staff time and other resources.

Utilities also report that comprehensive asset management benefits their relations with external stakeholders, such as local governing bodies, ratepayers, and credit rating agencies. For instance, several utilities have used, or expect to use, the information collected through comprehensive asset management to persuade elected officials to increase user rates to help pay for needed improvements in drinking water and wastewater infrastructure. Although water industry officials identified financial and other benefits from using asset management, reported savings should be viewed with caution because, for instance, comprehensive asset management may be implemented concurrently with other changes in management practices or operational savings may be offset by increases in capital expenditures.

Despite the acknowledged benefits of comprehensive asset management, utilities report several key challenges that can hinder efforts to implement this approach. For example, collecting the appropriate data on utility assets and managing the information efficiently can be difficult when existing data are incomplete and inaccurate or the data come from multiple departments and are maintained using different and incompatible software programs. Utilities reported that another major challenge is overcoming resistance to cultural change and fostering more communication among departments that do not regularly exchange information. Utility officials believe that it is essential to change the management culture to encourage more interdepartmental coordination and information sharing. Finally, although asset management provides utilities with better information to justify needed rate increases, their justifications may not be effective

because of pressure to keep rates low and competing priorities for local revenues. Utility and water industry officials cited the difficulty of trying to implement long-term capital improvement plans when governing bodies have a shorter-term focus as a key challenge to asset management. Smaller utilities may have more difficulty implementing asset management because they typically have fewer financial, technological, and staff resources. On the other hand, because such utilities have fewer capital assets to manage, they can turn to low-cost management alternatives that do not require expensive or sophisticated technology.

EPA Can Promote the Use of Asset Management By Strengthening Existing Initiatives

EPA currently sponsors initiatives to encourage the use of comprehensive asset management through its partnerships with water industry associations and state and university-based training and technical assistance centers. These initiatives include developing training and informational materials, providing technical assistance, and funding research related to asset management. While this is a good first step, GAO found that better coordination of these efforts within and across the drinking water and wastewater programs could reduce the potential for duplication of effort and help ensure that limited resources are used effectively. GAO also found opportunities for EPA to leverage its resources by adapting the asset management tools and informational materials available from other federal agencies with experience in asset management, such as the Federal Highway Administration in the Department of Transportation.

When asked for their views on a potential federal role, water industry and utility officials said that given the benefits of asset management, it is in EPA's interest to assume a greater leadership role in promoting its use. For example, the officials indicated that one useful option would be educating utilities about the potential for asset management to help them comply with certain regulatory requirements that focus to some degree on the adequacy of utility infrastructure and the management practices that affect it. As a case in point, the officials cited requirements for ensuring that drinking water utilities have the financial, managerial, and technical capacity they need to provide safe drinking water over the long term. GAO also found support for an EPA Web site that would serve as a central repository of information on comprehensive asset management and provide drinking water and wastewater utilities with direct and easy access to implementation tools and training materials developed by EPA and others. Water industry associations and individual utilities questioned the feasibility of proposed requirements for asset management plans,

particularly as a condition of receiving federal financial assistance. While the proposals are consistent with what GAO has found to be the leading practices in capital decision making,[2] the officials expressed concerns about, among other things, (1) whether state regulators have the resources to assess the adequacy of asset management plans and oversee compliance and (2) the potential for a mandate to limit the flexibility utilities need to tailor asset management to their individual circumstances.

Recommendations for Executive Action

Given the potential of comprehensive asset management to help water utilities better identify and manage their infrastructure needs, the Administrator, EPA, should take steps to strengthen the agency's existing initiatives on asset management and ensure that relevant information is accessible to those who need it. Specifically, the Administrator should

- better coordinate ongoing and planned initiatives to promote asset management within and across the drinking water and wastewater programs to leverage limited resources and reduce the potential for duplication;
- explore opportunities to take advantage of asset management tools and informational materials developed by other federal agencies;
- strengthen efforts to educate utilities on how implementing asset management can help them comply with certain regulatory requirements that focus in whole or in part on the adequacy of utility infrastructure and the management practices that affect it; and
- establish a Web site to provide a central repository of information on comprehensive asset management so that drinking water and wastewater utilities have direct and easy access to information that will help them better manage their infrastructure.

Agency Comments

GAO provided a draft of this report to EPA for review and comment. GAO received comments from officials within EPA's Office of Water and Office of the Chief Financial Officer, who generally agreed with the information

[2]See U.S. General Accounting Office, *Executive Guide: Leading Practices in Capital Decision-Making*, GAO/AIMD-99-32 (Washington, D.C.: December 1998).

presented in the report and GAO's recommendations. They further noted that while EPA has played a major role in bringing asset management practices to the water industry, significant additional activity could be undertaken, and they have placed a high priority on initiating activities similar to those suggested by GAO. The officials also made technical comments, which GAO incorporated as appropriate.

Introduction

Drinking water and wastewater utilities are facing potentially significant investments over the next 20 years to upgrade an aging and deteriorated infrastructure, including underground pipelines, treatment, and storage facilities; meet new regulatory requirements; serve a growing population; and improve security. Adding to the problem is that many utilities have not been generating enough revenues from user charges and other local sources to cover their full cost of service. As a result, utilities have deferred maintenance and postponed needed capital improvements. To address these problems and help ensure that utilities can manage their needs cost-effectively, some water industry and government officials advocate the use of comprehensive asset management. Asset management is a systematic approach to managing capital assets in order to minimize costs over the useful life of the assets while maintaining adequate service to customers. While the approach is relatively new to the U.S. water industry, it has been used by water utilities in other countries for as long as 10 years.

Each year, the federal government makes available billions of dollars to help local communities finance drinking water and wastewater infrastructure projects. Concerns about the condition of existing infrastructure have prompted calls to increase financial assistance and, at the same time, ensure that the federal government's investment is protected. In recent years the Congress has been considering a number of proposals that would promote the use of comprehensive asset management by requiring utilities to develop and implement plans for maintaining, rehabilitating, and replacing capital assets, often as a condition of obtaining loans or other financial assistance.

The Federal Government Has Played a Major Role in Funding and Setting Requirements for Water Infrastructure

The federal government has had a significant impact on the nation's drinking water and wastewater infrastructure by (1) providing financial assistance to build new facilities and (2) establishing regulatory requirements that affect the technology, maintenance, and operation of utility infrastructure. As we reported in 2001, nine federal agencies made available about $46.6 billion for capital improvements at water utilities from fiscal years 1991 through 2000.[1] The Environmental Protection Agency (EPA) and the Department of Agriculture alone accounted for over 85 percent of the assistance, providing $26.4 billion and $13.3 billion, respectively, during the 10-year period; since then, the funding from these two agencies has totaled nearly $15 billion.[2] EPA's financial assistance is primarily in the form of grants to the states to capitalize the Drinking Water and Clean Water State Revolving Funds, which are used to finance improvements at local drinking water and wastewater treatment facilities, respectively.[3] As part of the Rural Community Advancement Program, Agriculture's Rural Utilities Service provides direct loans, loan guarantees, and grants to construct or improve drinking water, sanitary sewer, solid waste, and storm drainage facilities in rural communities.

In addition to its financial investment, EPA has promulgated regulations to implement the Safe Drinking Water Act and Clean Water Act, which have been key factors in shaping utilities' capital needs and management practices. For example, under the Safe Drinking Water Act, EPA has set standards for the quality of drinking water and identified effective technologies for treating contaminated water. Similarly, under the Clean Water Act, EPA has issued national minimum technology requirements for municipal wastewater utilities and criteria that states use to establish water quality standards that affect the level of pollutants that such utilities are permitted to discharge. Thus, the federal government has a major stake in protecting its existing investment in water infrastructure and ensuring that

[1]See U.S. General Accounting Office, *Water Infrastructure: Information on Federal and State Financial Assistance*, GAO-02-134 (Washington, D.C.: Nov. 30, 2001). We adjusted the dollar amounts from the report to constant 2003 dollars.

[2]From fiscal year 2001 to fiscal year 2004, EPA provided $8.8 billion for water infrastructure and Agriculture provided $6 billion, in constant 2003 dollars.

[3]The Clean Water State Revolving Fund may also be used for other water quality improvement projects, such as nonpoint source pollution control and estuary management, in addition to wastewater treatment facilities.

future investments go to utilities that are built and managed to meet key regulatory requirements.

Projected Drinking Water and Wastewater Infrastructure Needs Are Significant

Drinking water and wastewater utilities will need to invest hundreds of billions of dollars in their capital infrastructure over the next two decades, according to EPA; the Congressional Budget Office; and the Water Infrastructure Network, a consortium of industry, municipal, state, and nonprofit associations. As table 1 shows, the projected needs range from $485 billion to nearly $1.2 trillion. The estimates vary considerably, depending on assumptions about the nature of existing capital stock, replacement rates, and financing costs. Given the magnitude of the projected needs, it is important that utilities adopt a strategy to manage the repair and replacement of key assets as cost-effectively as possible and to plan to sustain their infrastructure over the long term.

Table 1: Recent Estimates of the Cost of Meeting Infrastructure Needs at Drinking Water and Wastewater Utilities

Dollars in billions

		Estimate					
		Capital investment only			Capital investment and financing		
Organization	Period covered	Drinking water	Wastewater	Total	Drinking water	Wastewater	Total
Congressional Budget Office[a]	2000-2019						
--Low					232	260	**492**
--High					402	418	**820**
EPA[b]	2000-2019						
--Low		154	331	**485**	178	402	**580**
--High		446	450	**896**	475	719	**1,194**
Water Infrastructure Network[c]	2000-2019	380	360	**740**	480	460	**940**

Source: GAO summary of infrastructure estimates from the Congressional Budget Office, EPA, and the Water Infrastructure Network.

Note: We did not assess the reliability of these data.

[a]See Congressional Budget Office, *Future Investment in Drinking Water and Wastewater Infrastructure,* (Washington, D.C.: November 2002). According to the report, the difference between the low and high estimates is attributable primarily to assumptions about the rate at which drinking water pipes are replaced, the savings associated with improved efficiency, the costs of controlling combined sewer overflows, and the length of the borrowing term. The estimates represent infrastructure costs as financed and thus include the estimated debt service paid from 2000 to 2019, whether for newly built projects or projects built before 2000.

[b]See U.S. Environmental Protection Agency, *The Clean Water and Drinking Water Infrastructure Gap Analysis*, EPA-816-R-02-020 (September 2002). According to the report, the difference between the low and high estimates is attributable to differing assumptions about infrastructure replacement rates.

[c]See Water Infrastructure Network, *Clean & Safe Water for the 21st Century* (April 2000). The estimates for capital investment and financing represent the capital costs associated with all investments during the 2000-2019 period as well as the interest paid over time on those investments. They differ from costs-as-financed estimates because they include debt service (principal and interest) paid after 2019 on investments during the two decades instead of debt service paid during that time on pre-2000 investments.

Local drinking water and wastewater utilities rely primarily on revenues from user rates to pay for infrastructure improvements. According to EPA's gap analysis, maintaining utility spending at current levels could result in a funding gap of up to $444 billion between projected infrastructure needs and available resources.[4] However, EPA also estimates that if utilities' infrastructure spending grows at a rate of 3 percent annually over and above inflation, the gap will narrow considerably and may even disappear. EPA's report concludes that utilities will need to use some combination of increased spending and innovative management practices to meet the projected needs.

The nation's largest utilities—those serving populations of at least 10,000—account for most of the projected infrastructure needs. For example, according to EPA data, large drinking water systems represent about 7 percent of the total number of community water systems, but account for about 65 percent of the estimated infrastructure needs. Similarly, about 29 percent of the wastewater treatment and collection systems are estimated to serve populations of 10,000 or more, and such systems account for approximately 89 percent of projected infrastructure needs for wastewater utilities. Most of the U.S. population is served by large drinking water and wastewater utilities; for example, systems serving at least 10,000 people provide drinking water to over 80 percent of the population.

Pipeline rehabilitation and replacement represents a significant portion of the projected infrastructure needs. According to the American Society of Civil Engineers, U.S. drinking water and wastewater utilities are responsible for an estimated 800,000 miles of water delivery pipelines and between 600,000 and 800,000 miles of sewer pipelines, respectively. According to the most recent EPA needs surveys, the investment needed

[4]Simply stated, the funding gap is equal to the estimated infrastructure needs less projected spending.

for these pipelines from 1999 through 2019 could be as much as $137 billion.[5]

Several recent studies have raised concerns about the condition of the existing pipeline network. For example, in August 2002, we reported the results of a nationwide survey of large drinking water and wastewater utilities.[6] Based on the survey, more than one-third of the utilities had 20 percent or more of their pipelines nearing the end of their useful life; and for 1 in 10 utilities, 50 percent or more of their pipelines were nearing the end of their useful life. In 2001, a major water industry association predicted that drinking water utilities will face significant repair and replacement costs over the next three decades, given the average life estimates for different types of pipelines and the years since their original installation.[7] Other studies have made similar predictions for the pipelines owned by wastewater utilities.

Many Factors Have Contributed to Deteriorating Utility Infrastructure

EPA and water industry officials cite a variety of factors that have played a role in the deterioration of utility infrastructure; most of these factors are linked to the officials' belief that the level of ongoing investment in the infrastructure has not been sufficient to sustain it. For example, according to EPA's Assistant Administrator for Water, the pipelines and plants that make up the nation's water infrastructure are aging, and maintenance is too often deferred. He predicted that consumers will face sharply rising costs to repair and replace the infrastructure. Similarly, as the Water Environment Research Foundation reported in 2000, "years of reactive

[5]U.S. Environmental Protection Agency, *Drinking Water Infrastructure Needs Survey: Second Report to Congress*, EPA 816-R-01-004 (Washington, D.C.: February 2001) and U.S. Environmental Protection Agency, *Clean Watersheds Needs Survey 2000: Report to Congress*, EPA 832-R-03-001 (Washington, D.C.: August 2003).

[6]See GAO-02-764, 3. We sent questionnaires to 1,425 drinking water systems and 2,391 wastewater systems serving more than 10,000 people. In our analysis, utilities were weighted to account statistically for all utilities serving populations greater than 10,000, including those not selected for our sample.

[7]American Water Works Association Water Industry Technical Action Fund, *Dawn of the Replacement Era: Reinvesting in Drinking Water Infrastructure* (Denver, Colo.: May 2001).

maintenance and minimal expenditures on sewers have left a huge backlog of repair and renewal work."[8]

Our nationwide survey of large drinking water and wastewater utilities identified problems with the level of revenues generated from user rates and decisions on investing these revenues.[9] For example:

- Many drinking water and wastewater utilities do not cover the full cost of service—including needed capital investments and operation and maintenance costs—through their user charges. Specifically, a significant percentage of the utilities serving populations of 10,000 or more—29 percent of the drinking water utilities and 41 percent of the wastewater utilities—were not generating enough revenue from user charges and other local sources to cover their costs.

- Many drinking water and wastewater utilities defer maintenance and needed capital improvements because of insufficient funding. About one-third of the utilities deferred maintenance expenditures in their most recent fiscal year;[10] similar percentages of utilities reported deferring minor capital improvements and major capital improvements. About 20 percent of the utilities had deferred expenditures in all three categories.

- For many utilities, a significant disparity exists between the actual rehabilitation and replacement of their pipelines and the rate at which utility managers believe rehabilitation and replacement should occur. We found that only about 40 percent of the drinking water utilities and 35 percent of the wastewater utilities met or exceeded their desired rate of pipeline rehabilitation and replacement. The remaining utilities did not meet their desired rates. Roughly half of the utilities actually rehabilitated or replaced 1 percent or less of their pipelines annually.

Utility managers also lack the information they need to manage their existing capital assets. According to our survey, many drinking water and

[8]Water Environment Research Foundation, *New Pipes for Old: A Study of Recent Advances in Sewer Pipe Materials and Technology* (2000), 4-1.

[9]GAO-02-764, 7, 35, 42.

[10]We do not have specific information on the fiscal years covered in utilities' responses; however, we sent our survey out during September 2001.

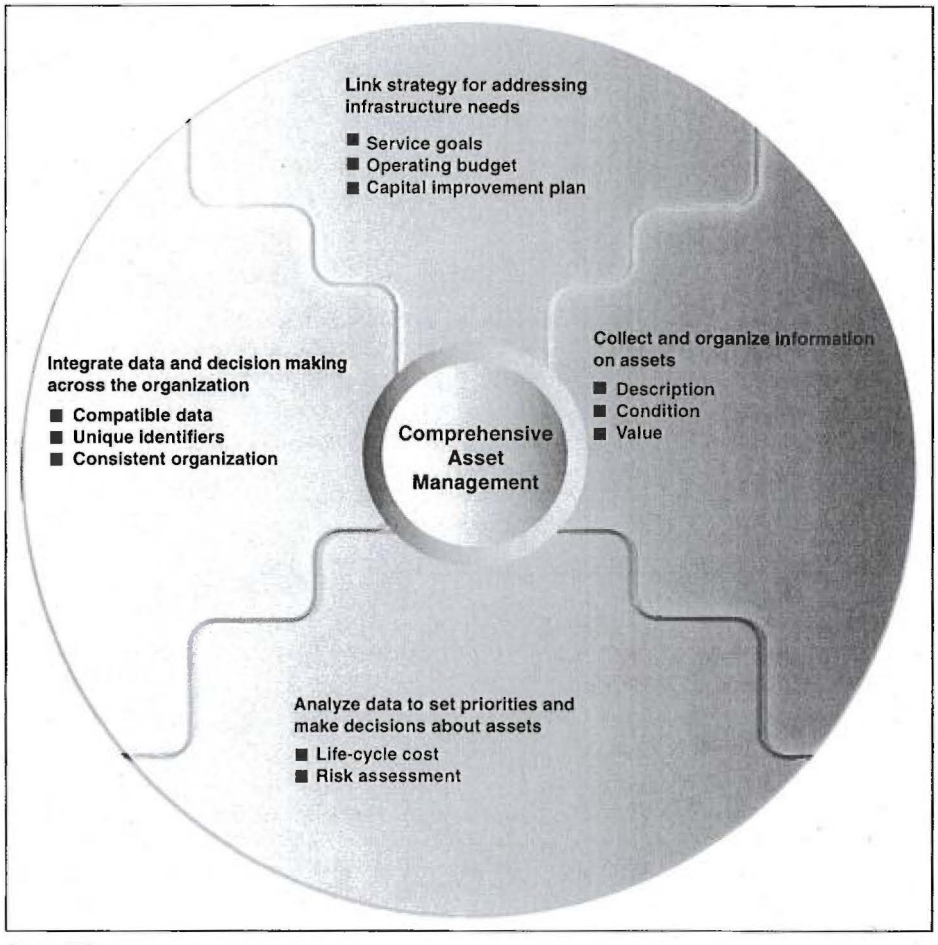
wastewater utilities either do not have plans for managing their assets or have plans that may not be adequate in scope or content. Specifically, nearly one-third of the utilities did not have plans for managing their existing capital assets. Moreover, for the utilities that did have such plans, the plans in many instances did not cover all assets or did not contain one or more key elements, such as an inventory of assets, assessment criteria, information on the assets' condition, and the planned and actual expenditures to maintain the assets.[11]

Comprehensive Asset Management Focuses on Efficiently Managing Capital Assets

Comprehensive asset management has gained increasing recognition within the water industry as an approach that could give utilities the information and analytical tools they need to manage existing assets more effectively and plan for future needs. Using asset management concepts, utilities and other organizations responsible for managing capital infrastructure can minimize the total cost of designing, acquiring, operating, maintaining, replacing, and disposing of capital assets over their useful lives, while achieving desired service levels. Figure 1 shows some of the basic elements of comprehensive asset management and how the elements build on and complement each other to form an integrated management system.

[11]For the purposes of our survey, we focused on the asset planning elements identified by the Governmental Accounting Standards Board in a June 30, 1999, statement that made comprehensive changes in state and local governments' financial reporting requirements. Among other things, it requires, for the first time, the governments to report information about public infrastructure assets, including their drinking water and wastewater facilities. Specifically, the governments must begin reporting depreciation of their capital assets or implement an asset management system. See *Governmental Accounting Standards Board Statement No. 34, Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments.*

Figure 1: Elements of Comprehensive Asset Management



Source: GAO.

Experts within and outside the water industry have published manuals and handbooks on asset management practices and how to apply them.[12] While the specific terminology differs, some fundamental elements of implementing asset management appear consistently in the literature.

- *Collecting and organizing detailed information on assets.* Collecting basic information about capital assets helps managers identify their infrastructure needs and make informed decisions about the assets. An inventory of an organization's existing assets generally should include (1) descriptive information about the assets, including their age, size, construction materials, location, and installation date; (2) an assessment of the assets' condition, along with key information on operating, maintenance, and repair history, and the assets' expected and remaining useful life; and (3) information on the assets' value, including historical cost, depreciated value, and replacement cost.

- *Analyzing data to set priorities and make better decisions about assets.* Under asset management, managers apply analytical techniques to identify significant patterns or trends in the data they have collected on capital assets; help assess risks and set priorities; and optimize decisions on maintenance, repair, and replacement of the assets. For example:

  - *Life-cycle cost analysis.* Managers analyze life-cycle costs to decide which assets to buy, considering total costs over an asset's life, not just the initial purchase price. Thus, when evaluating investment alternatives, managers also consider differences in installation cost, operating efficiency, frequency of maintenance and repairs, and other factors to get a cradle-to-grave picture of asset costs.

  - *Risk/criticality assessment.* Managers use risk assessment to determine how critical the assets are to their operations, considering both the likelihood that an asset will fail and the consequences—in

[12]For example, see (1) *Managing Public Infrastructure Assets to Minimize Cost and Maximize Performance,* developed by the Association of Metropolitan Sewerage Agencies in partnership with the American Water Works Association, the Association of Metropolitan Water Agencies, and the Water Environment Federation (2002); (2) *International Infrastructure Management Manual,* published jointly by the Association of Local Government Engineering New Zealand, Inc., and the Institute of Public Works Engineering of Australia (2002); (3) *Asset Management Primer,* published by the U.S. Department of Transportation (December 1999); and (4) *Executive Guide: Leading Practices in Capital Decision-Making,* published by GAO (GAO/AIMD-99-32; December 1998).

terms of costs and impact on the organization's desired level of service—if the asset does fail.[13] Based on this analysis, managers set priorities and target their resources accordingly.

- *Integrating data and decision making across the organization.* Managers ensure that the information collected within an organization is consistent and organized so that it is accessible to the people who need it. Among other things, the organization's databases should be fully integrated; for instance, financial and engineering data should be compatible, and ideally each asset should have a unique identifier that is used throughout the organization. Regarding decision making, all appropriate units within an organization should participate in key decisions, which ensures that all relevant information gets considered and encourages managers to take an organizationwide view when setting goals and priorities.

- *Linking strategy for addressing infrastructure needs to service goals, operating budgets, and capital improvement plans.* An organization's goals for its desired level of service—in terms of product quality standards, frequency of service disruptions, customer response time, or other measures—are a major consideration in the organization's strategy for managing its assets. As managers identify and rank their infrastructure needs, they determine the types and amount of investments needed to meet the service goals. Decisions on asset maintenance, rehabilitation, and replacement are, in turn, linked to the organization's short- and long-term financial needs and are reflected in the operating budget and capital improvement plan, as appropriate.

Implementing the basic elements of asset management is an iterative process that individual organizations may begin at different points. Within the water industry, for example, some utilities may start out by identifying their infrastructure needs, while other utilities may take their first step by setting goals for the level of service they want to provide. The interrelationship between the elements of asset management can alter an organization's strategy for managing its assets. For example, once an organization has completed a risk assessment, it may scale back its efforts to compile a detailed inventory of assets to focus initially on those assets

[13]For example, in the case of a drinking water utility, a water main serving the local hospital might be identified as a critical asset because the consequences of a water main break could be significant.

determined to be critical. Similarly, as information on infrastructure needs and priorities improves, managers reexamine the level of planned investments, considering the impact on both revenue requirements and the level of service that can be achieved. According to advocates of asset management, while many organizations are implementing certain aspects of the process, such as maintaining an inventory of assets and tracking maintenance, these organizations are not realizing the full potential of *comprehensive* asset management unless all of the basic elements work together as an integrated management system.

Strategy for Adopting and Progress toward Implementing Comprehensive Asset Management Varies

As the description of asset management indicates, implementing this approach is not a step-by-step, linear process. Asset management is an integrated system that utilities and other organizations can implement in a number of different ways, depending on what makes sense for their particular organization. In the United States, some drinking water and wastewater utilities, for example, are taking a more strategic approach, initially investing their resources in planning for asset management. Other utilities are focusing initially on collecting data. Another variation is that some utilities are adopting asset management on a utilitywide basis, while others are piloting the approach at a single facility or department or are targeting critical assets utilitywide. The level of sophistication with which asset management concepts are applied within a utility can also vary, depending on the size and complexity of the operations and the resources that the utility can devote to implementation.

Comprehensive asset management is a relatively new concept for drinking water and wastewater utilities in the United States. According to EPA and major water industry organizations, few utilities are implementing comprehensive asset management, and those that have done so are almost exclusively larger entities. In addition, for the most part, the domestic utilities that have adopted asset management are in the early stages of implementation. Few utilities have been involved in the process for longer than 2 to 3 years.

Although relatively new to the U.S. water industry, comprehensive asset management has been used for about 10 years by water utilities in Australia and New Zealand, where the national governments have strongly endorsed the concept. In each case, the driving force behind the use of asset management was legislation that called for water utilities to improve their financial management. In Australia, the law requires utilities to recover the full cost of service, while in New Zealand the law requires utilities to

depreciate their assets annually and use cost-benefit analysis, among other things. The national governments of Australia and New Zealand each published guidebooks on asset management, and engineering groups in the two countries jointly developed a comprehensive manual on managing infrastructure assets.[14]

Asset management is seen as a means of improving utility infrastructure elsewhere in the world. For example, in the United Kingdom, utilities must develop asset management plans that identify the level of investment required to maintain and improve capital assets every 5 years; annual audits help ensure that planned improvements are made. Similarly, in 2002, the legislature in Ontario, Canada enacted a law requiring municipalities to develop plans for recovering the full cost of service to ensure that drinking water and wastewater systems are adequately funded.

Objectives, Scope, and Methodology

The Ranking Minority Member, Senate Committee on Environment and Public Works, asked us to examine the use of comprehensive asset management at drinking water and wastewater utilities in the United States. This report examines (1) the potential benefits of asset management for water utilities and the challenges that could hinder its implementation and (2) the role that the federal government might play in encouraging utilities to implement comprehensive asset management.

To conduct our work, we reviewed relevant studies, handbooks, training materials, and other documents related to comprehensive asset management and its implementation, particularly for managing the infrastructure at drinking water and wastewater utilities. At the federal level, we obtained information from EPA's Office of Ground Water and Drinking Water and Office of Wastewater Management, the offices that, along with the states, are responsible for overseeing drinking water and wastewater utilities. We also obtained information on other federal agencies with experience in asset management, predominantly the Federal Highway Administration in the U.S. Department of Transportation, and financial standards promulgated by the Governmental Accounting Standards Board. For site-specific information, our review included over

[14]See *International Infrastructure Management Manual*, published jointly by the Association of Local Government Engineering New Zealand, Inc., and the Institute of Public Works Engineering of Australia (2002).

50 individual utilities from the United States, Australia, and New Zealand—including 15 U.S. utilities at which we conducted structured interviews.

Other sources of information included the following:

- state associations, including the Association of State Drinking Water Administrators and the Association of State and Interstate Water Pollution Control Administrators;
- major industry groups, including the American Public Works Association, American Water Works Association, Association of Metropolitan Sewerage Agencies, Association of Metropolitan Water Agencies, National Association of Water Companies, National Rural Water Association, Water Environment Federation, and Water Services Association of Australia;
- engineering and consulting firms with experience in helping utilities implement asset management, including Brown and Caldwell; CH2M Hill; Metcalf and Eddy, Inc.; Municipal and Financial Services Group; PA Consulting Group; and Parsons Corporation in the U.S.; GHD Pty. Ltd. in Australia; and Meritec in New Zealand;
- several state and regional regulatory agencies in Australia and New Zealand; and
- EPA-funded state and university-based training and technical assistance centers.

To obtain information on the benefits and challenges of asset management, we conducted initial interviews with 46 domestic drinking water and wastewater utilities that knowledgeable government and water industry officials identified as implementing comprehensive asset management. To obtain more detailed information, we conducted structured interviews with officials from 15 of the 46 utilities. We selected the 15 utilities based on two criteria: (1) they reported or anticipated achieving quantitative benefits from asset management or (2) they represented smaller entities.[15] (See

[15]We were interested in learning about the applicability of asset management at small utilities because they represent the vast majority of the regulated systems, with 93 percent of community drinking water utilities and 71 percent of wastewater utilities serving 10,000 people or fewer.

app. I for a list of the 15 utilities we selected for structured interviews.) In total, 12 of the 15 utilities were relatively large, serving populations ranging from 300,000 to 2,500,000; the remaining three were significantly smaller, serving populations ranging from 3,000 to 67,100. Because of the small number of utilities that we interviewed in depth and the way in which they were selected, our results are not generalizable to the larger universe of domestic drinking water and wastewater utilities.

Because of the utilities' limited experience in implementing asset management, we supplemented the information obtained from domestic utilities with information from six utilities and five government agencies in Australia and New Zealand, two countries that have taken the lead in implementing comprehensive asset management. (See app. II for a list of the utilities and government agencies we contacted in Australia and New Zealand.) Outside the water industry, we consulted with the Private Sector Council, which identified two companies—The Gillette Company and SBC Communications, Inc.—with long-standing experience in using comprehensive asset management in their respective fields. We interviewed officials from these companies to obtain their perspectives on the benefits and challenges of implementing asset management.

For information on the potential federal role in promoting asset management at water utilities, we obtained information from EPA's Office of the Chief Financial Officer, Office of Ground Water and Drinking Water, and Office of Wastewater Management on the activities that EPA is currently sponsoring, including the development of informational materials on asset management; activities by EPA-funded, state and university-based training and technical assistance centers; and various studies and research projects. We also discussed options for a federal role in promoting asset management with officials from water industry associations, EPA, and the 15 utilities selected for structured interviews. In addition, with the help of organizations and officials experienced in asset management, we identified the U.S. Department of Transportation as being at the forefront of federal involvement in this issue. We obtained and reviewed information about the department's initiatives from the Office of Asset Management within the Federal Highway Administration.

We conducted our work between March 2003 and March 2004 in accordance with generally accepted government auditing standards.

Comments from the Environmental Protection Agency

We provided a draft of this report to EPA for review and comment. We received comments from officials within EPA's Office of Water and Office of the Chief Financial Officer, who generally agreed with the information presented in the report and our recommendations. They further noted that while EPA has played a major role in bringing asset management practices to the water industry, significant additional activity could be undertaken, and they have placed a high priority on initiating activities similar to those we suggested. The officials also made technical comments, which we incorporated as appropriate.

Water Industry Officials Report Many Benefits from Asset Management Despite Implementation Challenges

While comprehensive asset management is relatively new to most drinking water and wastewater utilities in the United States, some utilities say they have already benefited from this approach and have also encountered certain challenges. The utilities reported benefiting from (1) improved decision making because they have better information about their capital assets and (2) improved relationships with governing authorities, ratepayers, and other stakeholders because they are better able to communicate information on infrastructure needs and improvement plans. While water industry officials identified benefits associated with comprehensive asset management, we found that reported savings should be viewed with caution.

Among the challenges of implementing asset management, utility officials cited the difficulty of (1) collecting the appropriate data and managing it efficiently and (2) making the cultural changes necessary to integrate information and decision making across departments. In addition, the officials reported that the short-term budget and election cycles typical of utility governing bodies make it difficult to meet the long-term capital investment planning needs of asset management. Although smaller utilities face more obstacles to implementing asset management than larger utilities, principally because of limited resources, they can also benefit from applying asset management concepts.

Utilities Cite Many Benefits from Asset Management and Some Cautions About Reported Savings

U.S. utilities expect to reap significant benefits from the data they collect, analyze, and share through an asset management approach. With these data, utilities expect to make more informed decisions on maintaining, rehabilitating, and replacing their assets, thereby making their operations more efficient. Utilities can also use these data to better communicate with their governing bodies and the public, which should help them to make a sound case when seeking rate increases. Although water industry officials identified financial and other benefits from using asset management, reported savings should be viewed with caution because, for instance, comprehensive asset management may be implemented concurrently with other changes in management practices or operational savings may be offset by increases in capital expenditures.

Comprehensive Asset Management Can Improve Decisions about Maintaining, Rehabilitating, and Replacing Capital Assets

Collecting, sharing, and analyzing data through comprehensive asset management can help utilities to make more informed decisions about maintaining, rehabilitating, and replacing their assets. In particular, utilities can use the information collected and analyzed to prevent problems and allocate their maintenance resources more effectively. For example:

- Better information enabled the Massachusetts Water Resources Authority to improve its maintenance decisions and eliminate some unneeded maintenance activities.[1] For example, in an effort to optimize maintenance practices in one of their treatment plants, utility officials reassessed maintenance practices for 12 equipment systems, such as different types of pumps. By using the assessment results to improve maintenance planning for these assets, the utility decreased the labor hours spent on preventive maintenance by 25 percent from the hours recommended by the original equipment manufacturers, according to utility officials. Similarly, in analyzing its maintenance practices, the Massachusetts Water Resources Authority found it was lubricating some equipment more often than necessary. By decreasing the frequency of oil changes, the utility reported it saved approximately $20,000 in oil purchase and disposal costs. In addition, the utility extended the life of its assets by decreasing the lubrication—over-lubrication can cause equipment parts to fail prematurely.

- Seattle Public Utilities used asset management to better target its maintenance resources.[2] As part of the utility's asset management strategy, officials used a risk management approach, calculating the likelihood and impact of a rupture for the utility's sewer and drainage pipes. To determine the likelihood of rupture, officials considered such factors as a pipe's age, material, and proximity to a historical landfill or steep slope. To determine the impact of a rupture, they examined factors such as a pipe's size, location, and historical cost of repair. As a result of this analysis, utility officials identified 15 percent of their pipes as high risk, or "critical"—such as larger, older pipes located beneath downtown Seattle. They shifted resources to maintain and rehabilitate

[1]The Massachusetts Water Resources Authority provides water and sewer services to approximately 2.5 million people.

[2]Seattle Public Utilities is a utility serving approximately 1.3 million drinking water customers and about 500,000 wastewater customers.

these pipes. The officials considered the remaining 85 percent of pipes as noncritical, or, lower risk, because their failure was less likely or because a breakage would affect a limited number of customers, be repaired relatively quickly, and require minimal resources. For these pipes, the utility decided not to perform any preventive maintenance activities, only making repairs as needed. By taking this approach, utility officials believe they are using their staff resources more efficiently and that, over time, they will reduce their maintenance costs.

Comprehensive asset management also helps managers to make more informed decisions about whether to rehabilitate or replace assets, and once they decide on replacement, to make better capital investment decisions. For example:

- According to utility managers at the Louisville Water Company, the utility developed its Pipe Evaluation Model in the early 1990s as a tool for ranking its 3,300 miles of aging pipes and water mains for rehabilitation and replacement.[3] The pipe program includes many of the key principles and practices of comprehensive asset management: for instance, it integrated data about the age of the pipes with data about their maintenance history. In analyzing this information, managers discovered that two vintages of pipes—those built between 1862 and 1865 and between 1926 and 1931—had the highest number of breaks per 100 miles of pipeline. Consequently, they decided to replace the pipes from those two periods. The model also showed that pipes installed between 1866 and 1925 were fairly reliable, thus these pipes were targeted for rehabilitation rather than replacement. The utility is lining the interior of these pipes with cement, which is expected to extend their life by about 40 years. Furthermore, utility managers told us that their pipe model and other practices that use asset management principles have helped reduce the frequency of water main breaks from 26 to 22.7 per hundred miles and the frequency of leaks from joints from 8.2 to 5.6 per hundred miles.

- In implementing its asset management approach, managers at the Sacramento Regional County Sanitation District reassessed a proposed

[3] The Louisville Water Company provides water services to approximately 800,000 people in the Louisville, Kentucky, area and in parts of Oldham and Bullitt counties.

investment in new wastewater treatment tanks and decided on a less expensive option, thereby saving the utility approximately $12 million.[4] During this reassessment, managers found that increasing preventive maintenance on existing tanks would lower the risk of shutdown more cost-effectively than adding a new set of tanks. Utility officials commented that their implementation of asset management helped change their decision-making process by, among other things, bringing together staff from different departments to ensure more complete information, and more effectively using the data to understand investment options.

- As a part of its asset management strategy, Seattle Public Utilities established an asset management committee, comprised of senior management from various departments, to ensure appropriate decision making about the utility's capital improvement projects. For every capital improvement project with an expected cost over $250,000, project managers must submit a plan to the committee that (1) defines the problem to be solved, (2) examines project alternatives, (3) estimates the life-cycle costs of the alternatives, (4) analyzes the possible risks associated with the project, and (5) recommends an alternative. According to utility officials, implementing this process has led to deferring, eliminating, or altering several capital improvement projects, and contributing to a reduction in the utility's 2004 capital improvement project budget for water of more than 8 percent. For instance, after drafting new water pressure standards, the utility eliminated the need for some new water mains. It developed an alternative plan to provide more localized solutions to increase water pressure, resulting in expected savings of $3 million. In another case, the utility reassessed alternatives to replacing a sewer line located on a deteriorating trestle, ultimately opting to restore and maintain the existing wood trestle and make spot repairs to the sewer line, which resulted in an estimated savings of $1.3 million.

Finally, comprehensive asset management helps utilities share information across departments and coordinate planning and decision making. In this way, utility managers can reduce duplication of efforts and improve the allocation of staff time and other resources. For example, managers at Eastern Municipal Water District used asset management to improve their

[4]The Sacramento Regional County Sanitation District is a California wastewater utility serving approximately 482,000 customers in the Sacramento area.

business practices, which they saw as compartmentalized and inefficient.[5] In one instance, they examined their decentralized maintenance activities. The utility had two maintenance crews who worked throughout the system, in different shifts and reported to managers at four different facilities. In addition, the utility's work order system was inefficient; for example, when different crew members independently reported the same maintenance need, managers did not notice the duplication because the problem was described in different terms (e.g., as a "breaker failure" by one crew member and as a "pump failure" by another). Finally, in some instances, work crews would arrive at a site only to find that needed maintenance work had already been completed. To improve the system, utility officials (1) centralized maintenance by making one person responsible for scrutinizing and setting priorities for all work orders and (2) established a standardized classification of assets, which helped maintenance staff use the same terminology when preparing work orders. Utility officials report that taking these steps allowed them to identify and eliminate work orders that were unnecessary, already completed, or duplicates, which ultimately reduced their maintenance work backlog by 50 percent.

The private sector companies we visited agreed that using a comprehensive asset management approach improved their decision making. Specifically, by improving their data, analyzing these data, and centralizing management decision making, managers at SBC Communications, Inc., reported that they have made better capital investment decisions and allocated resources more efficiently. Managers at The Gillette Company reported that they consider life-cycle costs and other factors to assess investment alternatives and, ultimately, make better investment decisions.

Comprehensive Asset Management Can Help Utilities Justify Rate Increases and Proposed Projects to Their Customers and Governing Bodies

The utilities we contacted reported that comprehensive asset management also benefits their relations with external stakeholders by (1) making a sound case for rate increases to local governing bodies and ratepayers; (2) improving their bond rating with credit rating agencies, and (3) better demonstrating compliance with federal and state regulations.

[5]Eastern Municipal Water District is a water and wastewater utility serving approximately 501,000 customers in Southern California.

Making a Sound Case for Rate Increases

Some utilities have used, or expect to use, the information collected through comprehensive asset management to persuade elected officials to invest in drinking water and wastewater infrastructure through rate increases. For example, the Louisville Water Company reported that in the early 1990s it used the asset information it had gathered and analyzed to convince its local governing board that its current rates would not cover its expected costs and that the utility needed a rate increase to cover its anticipated rehabilitation and replacement needs. The board approved a set-aside of $600,000 for an infrastructure rehabilitation and replacement fund as a part of the requested rate increase in 1993, and, according to one utility official, has been supportive of including funds for asset rehabilitation and replacement as a part of rate requests since then. Furthermore, the utility manager requested that the amount of the set-aside gradually increase to $3 million over the next 5 years. According to this official, the board not only approved this request, it also increased the rates to support the fund sooner than the utility manager had requested. According to several other utilities that have begun to implement comprehensive asset management, this approach should enable them to justify needed rate increases from their governing bodies. Similarly, Australian and New Zealand officials we interviewed stated that the data from asset management helps utilities make a more credible case for rate increases from their governing bodies.

Utility managers can also use the information they provide to their governing boards as a basis for evaluating and deciding on trade-offs between service levels and rates. For example, according to an official at South Australian Water Corporation, using asset management practices, he was able to suggest a range of funding alternatives to the utility's governing body.[6] The utility managers conducted statistical modeling on the asset information they collected (e.g., pipe performance history and financial information) and, using this analysis, predicted the approximate number of pipe breaks at various levels of funding. Understanding the trade-offs between lower rates and higher numbers of pipe breaks, the governing body could make an informed decision about what the appropriate level of service was for their community.

[6]The South Australian Water Corporation, an Australian utility located in the state of South Australia, provides water and wastewater services for approximately 1.4 million people.

Improving the Bond Rating

Comprehensive asset management also has the potential to improve a utility's bond rating, a benefit that translates into savings through lower interest rates on loans and bonds. When deciding on a utility's bond rating, credit rating agencies consider criteria related to comprehensive asset management, such as the utility's management strategies and its planning for asset replacement. For example, according to a representative from one credit rating agency, asset management shows that a utility is considering future costs. He would therefore expect a utility with an asset management plan that looks at future capital and operating costs and revenues to receive a higher bond rating than a utility that does not sufficiently consider those future needs, even if that utility has a better economy and a higher tax base.

Some local officials believe that comprehensive asset management played a role in the bond ratings they received, or will do so in the future. For example, the finance director of the small northeastern city of Saco, Maine, told us that she believes that the city's decision to use asset management practices—such as maintaining an up-to-date asset inventory, periodically assessing the condition of the assets, and estimating the funds necessary to maintain the assets at an acceptable level each year—contributed to the credit rating agencies' decision to increase the city's bond rating, which resulted in an expected savings of $2 million over a 20-year period.[7] Similarly, a utility official at Louisville Water Company told us that asset management practices, such as strategically planning for the rehabilitation and replacement of its aging assets, helps the utility maintain its strong bond rating.

[7]Saco, Maine, is a city of approximately 16,800 people. Among other services, the city government is responsible for providing wastewater treatment. The city asked to have its bond rating reassessed before beginning a school renovation project.

Better Demonstrating Compliance with Federal and State Regulations

According to several utility managers we interviewed, comprehensive asset management can be used to help comply with regulations. For example:

- Comprehensive asset management practices played a role in improving their utility's compliance with existing regulations. Specifically, among other things, asset management practices such as identifying and maintaining key assets led to fewer violations of pollutant discharge limitations under the Clean Water Act. At Western Carolina Regional Sewer Authority, for instance, the number of these violations decreased from 327 in 1998 (about the time that the utility began implementing asset management) to 32 violations in 2003.[8]

- At the Charleston Commissioners of Public Works,[9] utility officials told us that if they had not had asset management in place it would be difficult to meet the rehabilitation program and maintenance program elements of EPA's draft capacity, management, operation, and maintenance regulations for wastewater utilities.[10] For instance, the draft regulations would require that wastewater utilities identify and implement rehabilitation actions to address structural deficiencies. Because the utility has implemented asset management practices, such as assessing the condition of its pipes and identifying those most in need of rehabilitation, it can better target its resources to rehabilitate pipes in the worst condition, and, in the process, meet the proposed standards for rehabilitation.

[8]Western Carolina Regional Sewer Authority provides wastewater treatment services to approximately 360,000 customers in Greenville County, South Carolina, and portions of Spartanburg, Laurens, and Anderson counties.

[9]The Charleston Commissioners of Public Works provides water and wastewater services to more than 400,000 customers in the Charleston, South Carolina, area.

[10]These regulations are under consideration. EPA proposed the regulations in January 2001, but in accordance with the incoming administration's regulatory review plan, withdrew the proposal to give the administration an opportunity to review it.

Although Water Industry Officials Identified Financial and Other Benefits from Asset Management, Reported Savings Should Be Viewed with Caution

Many of the U.S. utilities we interviewed were still in the early stages of implementing asset management and most had not measured financial savings. However, many water industry officials expect asset management to result in overall cost savings. Specifically, several officials told us they expect that asset management will slow the rate of growth of utilities' capital, operations, and maintenance costs over the coming years. Nevertheless, total costs will rise because of the need to replace and rehabilitate aging infrastructure.

At least one U.S. utility has estimated the overall savings it will achieve using comprehensive asset management. Specifically, an engineering firm projected that asset management would reduce life-cycle costs for the Orange County Sanitation District by about $350 million over a 25-year period.[11] Among other data, the engineering firm used the utility's available operating expenditure information (operations, maintenance, administration, and depreciation data) and capital improvement program expenditures (growth/capacity, renewal/replacement, and level of support data) to model the projected life-cycle cost savings.

Additionally, some of the Australian utilities we interviewed reported financial savings. For example, officials at Hunter Water Corporation reported significant savings in real terms between fiscal years 1990 and 2001: a 37 percent reduction in operating costs;[12] improved service standards for customers, as measured by such factors as water quality and the number of sewer overflows; and a reduction of more than 30 percent in water rates for customers.[13] Hunter Water officials believe that they achieved these efficiencies as a result of asset management.

Though utility officials have made some attempts to quantify the impact of asset management, they also cited reasons for exercising caution in interpreting reported savings and other benefits. First, benefits such as operating cost reductions should not be considered in isolation of other utility costs. A utility cannot consider reductions in operating costs a net

[11]The Orange County Sanitation District provides wastewater services for approximately 2.3 million people living in central and northwest Orange County, California.

[12]The operating cost reductions were measured per property, or for each residential or community property connected to the water and sewer supply.

[13]Hunter Water Corporation is an Australian utility that provides water and wastewater services to almost 500,000 people in parts of New South Wales.

benefit if, for instance, savings in operational costs are offset by an increase in the utility's capital expenditures. Furthermore, reductions in operating costs may be caused by increases in capital expenditures because, for example, newer assets may require less maintenance and fewer repairs. In the case of the Hunter Water Corporation, the utility's capital expenditures were at about the same level in 2001 as in 1991, despite some fluctuation over the period.[14]

Second, other factors might have contributed to financial and other benefits. For example, a utility may be implementing other management initiatives concurrently with asset management and may not be able to distinguish the benefits of the various initiatives. In addition to using an asset management approach, for instance, some U.S. utilities we interviewed used an environmental management system, which shares some of the same components as asset management.[15] Some of these utilities told us that they could not separate the benefits of asset management from those achieved as a result of their environmental management systems.

In addition, reported savings from asset management can be misleading without complete information on how the savings estimates are derived. For example, a widely distributed graph shows an estimated 15 percent to 40 percent savings in life-cycle costs for 15 wastewater utilities in Australia. EPA and others used the graph as a basis for projecting savings for U.S. utilities. However, the graph was mislabeled at some point—the reported reductions in life-cycle costs were actually reductions in operating costs.[16] As we have already noted, operating costs reductions alone do not provide enough information to determine the net benefit of implementing asset management.

[14]Hunter Water's capital expenditures fluctuated during the 10-year period, decreasing from about $40 million in 1990/1991 to about $10 million in 1997/1998, then spiking to about $62 million in 2000/2001, then decreasing to about $40 million again. Utility officials attribute the spike in capital expenditures to growth and a regulatory upgrade of the utility's wastewater treatment system and transport system.

[15]An environmental management system is a management tool to help an organization improve its environmental performance, prevent pollution, and meet regulatory requirements.

[16]EPA used these mislabeled Australian estimates as a basis for projecting life-cycle cost savings of 20 to 30 percent for U.S. utilities using asset management. Additionally, it appears that the engineering firm that predicted about $350 million in life-cycle cost savings for Orange County Sanitation District used the same estimates in its model.

Utilities Face Challenges in Successfully Implementing Comprehensive Asset Management

Despite the acknowledged benefits of comprehensive asset management, utilities face three key challenges that may make implementing this approach difficult. First, to determine the condition of current assets and the need for future investment, utilities have to gather and integrate complete and accurate data, which may require significant resources. Second, successful implementation requires cultural change—departments long accustomed to working independently must be willing to coordinate and share information. Finally, utilities may find that their efforts to focus on long-term planning conflict with the short-term priorities of their governing bodies. These three challenges may be more difficult for smaller utilities because they have fewer financial, staff, and technical resources.

Asset Management Requires Utilities to Collect Complete and Accurate Data

The difficulties utilities experience gathering data to implement asset management depend on the (1) condition of their existing data, (2) ability to coordinate existing data across departments, (3) need to upgrade technology, and (4) ability to sustain complete and accurate data. One industry official noted that larger utilities, in particular, may have a more difficult time gathering and coordinating data because they typically possess a substantial number of assets. Nevertheless, utility officials and water association representatives agree that utilities should not allow these data challenges to prevent them from implementing asset management. These officials emphasized that utilities should begin implementing asset management by using the data they already possess, continuing data collection as they perform their routine repair and maintenance activities, or focusing data collection efforts on their most critical assets.

Existing Data May Be Incomplete and Inaccurate

Domestic and international water officials emphasize the importance of obtaining, integrating, and sustaining good data for decision making. This is no small challenge. According to the Association of Metropolitan Sewerage Agencies and the *International Infrastructure Management Manual*, utilities generally need the following types of data to begin implementing asset management:

- age, condition, and location of the assets;
- asset size and/or capacity;
- valuation data (e.g., original and replacement cost);
- installation date and expected service life;

- maintenance and performance history; and
- construction materials and recommended maintenance practices.

According to utility officials and industry handbooks, utilities sometimes have incomplete or inaccurate historical data about their assets. For example:

- An official at the Augusta County Service Authority noted that the utility did not possess a great deal of detailed historical data about its assets.[17] For example, its asset ledger would indicate that "a pump station was installed at a particular location in 1967," but would not provide any additional information about the assets, such as the individual components that make up this system. Similarly, the official told us that the utility's prior billing system did not maintain historical data about its customers' water usage rates. As a result, the management team found it difficult to adequately forecast their needed rate increases because they lacked historical information about water consumption.
- According to an East Bay Municipal Utility District official, the utility lacked detailed maintenance data on its assets before 1990 because maintenance workers had not consistently reported repairs to a central office.[18]

Given these problems, utility managers may have to invest a significant amount of time and resources to gather necessary data, particularly data about the condition of their thousands of miles of buried pipelines. Understandably, utilities are unwilling to dig up their pipelines to gather missing data. However, utilities may be able to derive some information about the condition of these pipes to the extent they have information on the pipes' age, construction material, and maintenance history. In addition, utilities may choose to align their data collection with their ongoing maintenance and replacement activities. These approaches, however, may require new technology, which may mean a financial investment. For example:

[17]Augusta County Service Authority serves a population of approximately 67,000 people in Virginia.

[18]East Bay Municipal Utility District supplies water and provides wastewater treatment to approximately 1.3 million drinking water customers and 640,000 wastewater customers in parts of Alameda and Contra Costa counties in northern California.

- Tacoma Water equipped its staff with laptop computers, which allows them to access their geographic information system—software that can track where assets are located—while they are in the field.[19] As the staff perform their routine repair and rehabilitation activities, they can record and update data about an asset's condition, performance, and maintenance history.

- Similarly, the Department of Public Works in Billerica, Massachusetts, provided its field staff with handheld electronic devices programmed with a simple data collection template, which allows its staff to more accurately record information about its assets and their condition.[20] Consequently, the field staff can enter more accurate information about the utility's assets into its central asset inventory.

Utilities also reported difficulty collecting and applying information about the manufacturer's recommended techniques for optimizing their maintenance practices for their assets. Since no central clearinghouse of information on optimal maintenance practices is readily available, these utilities have had to invest their own time and resources to develop this information. For example:

- According to an official at Des Moines Water Works, the utility discovered that the manufacturer's recommended maintenance practices often conflicted with the utility's experience with the same asset.[21] This official pointed out that the manufacturer's estimate for maintenance was always higher than the utility's experience. Given these inconsistencies, the official noted, all utilities would benefit from the development of a central industry clearinghouse that provided information about the recommended maintenance practices for certain assets.

- Similarly, an official at East Bay Municipal Utility District noted a significant difference between the manufacturer's recommended

[19]Tacoma Water serves approximately 300,000 customers in the city of Tacoma, Washington, and portions of Pierce and South King counties.

[20]The Department of Public Works in Billerica, Massachusetts, serves a population of approximately 10,000 people.

[21]Des Moines Water Works distributes water to a population of approximately 300,000 in Des Moines, Iowa, and its surrounding communities.

maintenance practices and the utility's experience with optimized maintenance. As a result, the utility has invested a significant amount of time in developing optimal maintenance practices for its assets and minimizing the risk of asset failure.

While utilities need complete and accurate data for decision making, they also need to balance data collection with data management. Utilities may fall prey to data overload—collecting more data than they have the capacity to manage. For example, according to an official at the Augusta County Service Authority, while the utility has collected extensive infrastructure data, it has not invested enough of its resources into making these data useful for decision making. This official told us that utilities need to develop a data management strategy that identifies the types of data they need and the uses of these data for decision making. Without such a strategy, utilities gathering data will reach a point of diminishing returns. According to an official at the National Asset Management Steering Group in New Zealand, utilities should begin to implement asset management by identifying their critical assets and targeting their data-gathering activities toward the critical information they need in order to make decisions about these assets. An official also recommended that utilities begin implementation by using their existing data—even though the data may not be completely accurate—and refine this information as they improve and standardize their data collection processes.

Coordinating Data Across Departments May Be Difficult

According to utility officials, coordinating data can be difficult because the data come from several different departments and from different sources within the departments. Furthermore, one industry handbook notes that a utility's departments typically maintain different types of data about the same assets, which are formatted and categorized to meet each department's individual needs and objectives.[22] For example, the finance department may record an asset's size in terms of square footage, while the engineering department may define an asset's size in terms of pipeline diameter. Utilities adopting asset management need to coordinate these data to develop a central asset inventory. Table 2 shows the typical sources of data for a central inventory.

[22]See *Managing Public Infrastructure Assets to Minimize Cost and Maximize Performance*, 57.

Table 2: Typical Sources of Data for a Central Asset Inventory

Department maintaining data	Source of data	Types of data that may be available
Operations and Maintenance	Operations and maintenance manuals	Location, size, manufacturer, and materials of construction
	Maintenance management system	Location, size, manufacturer, materials of construction, performance history, maintenance history, and original cost
	Records of original asset drawings	Location, size, manufacturer, and materials of construction
Engineering	Geographic information system	Location, size, and materials of construction
	Records of original asset drawings	Location, size, manufacturer, and materials of construction
Finance	Fixed asset inventory	Size (e.g., square footage or acreage), installation date, and estimated value

Source: GAO.

Note: Summary of material from two industry handbooks, *Managing Public Infrastructure Assets to Minimize Cost and Maximize Performance* and the *International Infrastructure Management Manual.*

Utility managers told us it was challenging to develop a standard data format for their central asset inventories. For example:

- As previously noted, Eastern Municipal Water District's work order system was inefficient because crew members from different facilities did not use the same terms in describing maintenance problems. To eliminate these inefficiencies, the utility invested a great deal of time and resources to standardize its terms and asset classification and implement a computerized maintenance management system.

- According to a Louisville Water Company official, improving and validating the utility's data was a challenge. Over the years, the utility has acquired between 12 and 20 smaller utilities. Each of these smaller utilities maintained its own asset data, which were not always reliable or maintained in the same format. The utility invested a great deal of time to validate these data and coordinate them into its central asset inventory.

- Similarly, according to an official at the South Australian Water Corporation, developing a central asset inventory was particularly difficult because each of the utility's departments used different terms to refer to the same asset. The utility refined its data collection practices by training its employees on how to record data in a standard format.

Utilities May Need to Upgrade Their Technology

The utility officials we spoke to also had to address problems in coordinating data maintained in different and incompatible software programs. A Water Environment Research Foundation survey of utility managers, regulators, and industry consultants cited developing an asset information management system that meets the needs of all users as the most difficult element of asset management to implement. Without an integrated information management system, utilities found it difficult to develop data for decision making, and they found that they had to invest time and money to enter these data into a central database. For example:

- According to a Greater Cincinnati Water Works official, the utility wanted to integrate information about its assets' location and maintenance history to efficiently dispatch staff to repair sites.[23] However, the data for this report were stored in two separate and incompatible computer systems. To produce this information, the utility needed to re-enter the relevant data from each of these systems into a central asset database.

- Similarly, an official at Melbourne Water Corporation said that as his utility began to adopt asset management, it realized that it maintained relevant data in different computer systems, such as its computerized maintenance management system and its geographic information system.[24] To address this fragmentation, the utility had to assign staff to consolidating its data into a central database to allow for easy integration.

As utilities coordinate their data systems, they may need to upgrade their existing technology, which can represent a significant financial investment.

[23]Greater Cincinnati Water Works provides water to approximately 1.2 million customers.

[24]Melbourne Water Corporation manages the city of Melbourne's water catchments and major distribution system. The utility supplies approximately 500,000 megaliters of water annually to its three retail water companies.

For example, Augusta County Service Authority has requested $100,000 to purchase data integration software, which would allow it to coordinate information from several different computer systems. However, as of September 2003, this request had not been approved, in part because the software may not directly affect the utility's profits or improve its service, making the governing body reluctant to finance the purchase. Similarly, St. Paul Regional Water Services recognized that it would need to purchase a geographic information system as the basis for integrating all departments' data.[25] However, the official noted that the utility could not purchase this system for another 4 years because it would cost several million dollars to purchase the system, enter data, and train its staff to operate the new system.

Utilities Face Challenges in Maintaining Complete and Accurate Data

As utilities continue to obtain and integrate data, they still face the challenge of maintaining complete and accurate data about their assets. The *International Infrastructure Management Manual* notes that data collection is a continuous process and that utilities need to remain consistent in gathering data and updating their central asset inventory as they repair, replace, or add infrastructure. Regular updating ensures that the information remains useful over time. To sustain the benefits garnered from its efforts to compile an accurate inventory, the Eastern Municipal Water District adopted a policy whereby employees must document changes to the inventory whenever assets are added, repaired, or removed. The utility has also developed methods to enforce its policy to make sure that the inventory is updated as required.

Interdepartmental Coordination and Information Sharing Present Difficult Cultural Challenges

According to industry officials, one of the major challenges to implementing asset management is changing the way utilities typically operate—in separate departments that do not regularly exchange information. It is essential to change this management culture, these officials believe, to encourage interdepartmental coordination and information sharing.

To encourage interdepartmental communication, utilities may have to train their employees in using the resources of other departments. For example, at the Orange County Sanitation District, the management team found it

[25]St. Paul Regional Water Services provides drinking water to approximately 415,000 residents of St. Paul, Minnesota, and its surrounding communities.

difficult to demonstrate to its employees that their job responsibilities do indeed affect the functions of the other departments. The utility's field staff possesses extensive information about the condition and performance of assets because they maintain these assets every day. However, these employees did not understand that the engineering department needs feedback on how the assets that the engineering department constructed are performing in the field. Such feedback could change future designs for these assets to improve their performance. As the utility implemented asset management, it established a work group to examine the conditions of asset failure, which provided a forum for the maintenance and engineering departments to collaborate. While this work group is still ongoing, one utility official noted that collaboration between these two departments will result in more efficient maintenance schedules for the utility's assets.

Similarly, the Eastern Municipal Water District reported that its middle-management team resisted some of the asset management changes because they believed these changes would limit their authority to manage their staff and workload. Before asset management, the utility maintained four different treatment facilities, each with its own maintenance staff. The utility believed that it could optimize its maintenance resources by combining all of the maintenance activities and staff at the four plants under one department. However, the managers at these treatment plants were reluctant to relinquish managerial control over their maintenance staff and feared that their equipment would be neglected. Once the new maintenance department was formed, however, these plant managers realized that centralizing these functions resulted in faster maintenance because the larger team could more effectively allocate time among the four facilities.

In some instances, utility employees may be reluctant to accept comprehensive asset management because it requires them to take on additional responsibilities when they are already pressed for time in their "day jobs." Additional time may indeed be necessary. According to officials at different utilities we visited, asset management requires staff throughout the organization to attend a variety of training programs—introductory, refresher, and targeted training by function or job—to ensure that they understand the value of asset management to both their own jobs and the operation of the utility.

Utilities' Efforts to Increase Focus on Long-Term Planning Conflict with Short-Term Priorities

While asset management provides utilities with information to justify needed rate increases, their justifications may not be effective because their governing body and their customers want to keep rates low. According to utility officials, governing bodies' reluctance to increase rates may be linked to constituent pressure to hold down user rates. In 2002, we reported that 29 percent of drinking water and 41 percent of wastewater utilities serving populations over 10,000 did not cover their full cost of service through user rates in their most recent fiscal year. Furthermore, about half of these utilities did not regularly increase their user rates; rather, they raised their user rates infrequently—once, twice, or not at all—from 1992 to 2001.

Utility officials and water industry organizations also note that utilities may have to respond to governing bodies' interests rather than to the long-term plan they developed using comprehensive asset management. For instance, while the Orange County Sanitation District's governing board has supported comprehensive asset management, it overrode utility plans for some capital projects and instead funded a $500 million secondary sewage treatment plant, which was not a utility priority. The board took this action in response to public concerns that the operating sewage plant was inadequate and had contaminated the water. A subsequent report showed, however, that the contamination more than likely did not result from an inadequate treatment plant. However, the utility will probably have to defer other priorities in order to design and build this new facility. In addition, the governing body may shift funding originally budgeted to implement the next phase of Orange County's asset management program to fund the new plant.

Several industry officials also pointed out that governing bodies for municipally owned utilities tend to make financial decisions about their drinking water and wastewater utilities in light of competing local needs that may be a higher priority for the electorate. One industry official also reported that locally elected officials tend to focus their efforts on short-term, more visible projects, while utility managers must focus on sustaining the utility's operation in the long term. For example, a utility's governing body may decide to forgo infrastructure repairs in order to build a new school or baseball field.

Smaller Utilities Can Benefit from Asset Management Despite Challenges Posed by Limited Resources

Smaller utilities can also benefit from the improved data, coordination, and informed decision making that result from asset management. Although small utilities represent a substantial portion of the water and wastewater industry,[26] officials recognize that these utilities may have more difficulty implementing asset management because they typically have fewer financial, technological, and staff resources. In addition, EPA has reported that small systems are less likely to cover their full cost of providing services because they have to spread their fixed infrastructure costs over a smaller customer base. However, EPA believes that comprehensive asset management will enable smaller systems to increase knowledge of their system, make more informed financial decisions, reduce emergency repairs, and set better priorities for rehabilitation and replacement.

Even the most rudimentary aspects of asset management can produce immediate benefits for small communities. For example, the Somersworth, New Hampshire, Department of Public Works and Utilities avoided a ruptured sewer main because it had collected data through its asset management initiative that mapped the location of critical pipelines.[27] As a result, when a resident applied for a construction permit to build a garage, the utility determined that one critical pipeline lay in the path of the proposed construction and could rupture. Therefore, the city of Somersworth denied the permit.

Similarly, the Department of Public Works in Denton, Maryland, which provides both drinking water and wastewater services, obtained positive results from applying asset management concepts without having to invest in sophisticated software or perform a complicated analysis. In this case, Denton's city council was apprehensive about investing in new trucks for the utility even though some of the existing trucks were in poor condition. Council members believed that it would be less expensive to continue repairing the existing fleet. However, using data collected through their asset management initiative, utility managers were able to track the maintenance and depreciation costs associated with these vehicles. As a result, they could demonstrate to their governing body that it was more

[26]As noted earlier, most U.S. utilities are small, with 93 percent of the 54,000 community drinking water systems and 71 percent of the 16,000 wastewater systems serving 10,000 people or fewer.

[27]Somersworth is a New Hampshire city with approximately 11,000 residents. Somersworth's Department of Public Works and Utilities is responsible for water and wastewater services for the city.

cost-effective to purchase new vehicles than to continue repairing the older trucks.

Because smaller utilities have fewer capital assets to manage, industry officials noted that these utilities can implement asset management by turning to low-cost alternatives that do not require expensive or sophisticated technology. The small utilities can implement asset management using their existing asset data and recording this information in a central location that can be accessed by all of its employees, such as a set of index cards or an Excel spreadsheet. Similarly, the utility can adopt the practices of asset management incrementally, by initially making asset decisions based on their existing data.

EPA Can Encourage Water Utilities to Use Asset Management by Strengthening Existing Initiatives

Opportunities exist for EPA to encourage water utilities' use of asset management by strengthening existing initiatives. Currently, EPA sponsors several initiatives to promote the use of asset management, such as training and informational materials, technical assistance, and research. While this is a good first step, the entities involved in these initiatives are not systematically sharing information within and across the drinking water and wastewater programs. With better coordination, however, EPA could leverage limited resources and reduce the potential for duplication within the agency. EPA could supplement its own efforts to disseminate information on asset management by taking advantage of similar efforts by other federal agencies, such as the Department of Transportation. Water industry officials also see a role for EPA in educating utility managers about how asset management can be a tool to help them meet regulatory requirements related to utility management. However, the officials raised concerns about the implications of mandating asset management as proposed in legislation being considered by the Congress.

EPA Sponsors Several Initiatives to Promote Utilities' Use of Asset Management

Through partnerships with water industry associations and universities, EPA has supported the development of training and informational materials to help drinking water and wastewater utilities implement asset management. In particular, EPA contributed funding toward the development of a comprehensive industry handbook on asset management, which was published in 2002 under a cooperative agreement with the Association of Metropolitan Sewerage Agencies.[1] The handbook lays out the principles of asset management and describes how utilities can use this approach to improve decision making, reduce costs, and ensure the long-term, high-level performance of their assets.

EPA has also sponsored materials specifically directed at small utilities. For small drinking water systems, EPA's Office of Ground Water and Drinking Water published a handbook in 2003 that describes the basic concepts of asset management and provides information on how to develop an asset management plan.[2] In addition, to help entities such as

[1]The Association of Metropolitan Sewerage Agencies developed the handbook, *Managing Public Infrastructure Assets to Minimize Cost and Maximize Performance*, in partnership with the American Water Works Association, the Association of Metropolitan Water Agencies, and the Water Environment Federation.

[2]U.S. Environmental Protection Agency, *Asset Management: A Handbook for Small Water Systems*, EPA 816-R-03-016 (Washington, D.C.: September 2003).

mobile home parks and homeowners' associations that own and operate their own water systems, the office is developing a booklet on preparing a simple inventory of the systems' assets and assessing their condition.[3] EPA's Office of Wastewater Management is funding the development of a "toolkit" by a university-based training center to help small wastewater utilities implement asset management. The toolkit is currently being field tested and is scheduled for release in 2006. Among other things, it includes self-audit instruments to help utility managers to analyze their systems' needs, training materials, and a summary of lessons learned in the field.

In addition to various informational materials on asset management, EPA has sponsored a number of training and technical assistance programs. For example, the Office of Wastewater Management, along with representatives from a major utility and an engineering firm, developed a 2-day seminar on asset management, which will be held at several locations around the country during fiscal year 2004. For smaller drinking water and wastewater utilities, EPA funds state and university-based centers that provide training and technical assistance to small utilities on a variety of matters, including asset management. Specifically

- EPA's Office of the Chief Financial Officer funds nine university-based "environmental finance centers" that assist local communities in seeking financing for environmental facilities, including municipal drinking water and wastewater utilities. In fiscal year 2003, the nine centers shared a total of $2 million in funding from the Office of the Chief Financial Officer; some centers also receive funds from EPA program offices for specific projects. According to an official in EPA's Office of Ground Water and Drinking Water, at least three of the finance centers have efforts related to asset management planned or underway to benefit drinking water utilities. For example, the centers at Boise State University and the University of Maryland provide on-site and classroom training on establishing an asset inventory; collecting data on the age, useful life, and value of capital assets; recordkeeping; financing; and setting rates high enough to cover the full cost of service. Regarding the latter topic, Boise State's finance center developed a simplified software program, called CAPFinance, which can help smaller systems collect and analyze the data they need in order to set

[3]EPA has drafted the booklet, *Taking Stock of Your Water System*, and expects to publish the final version sometime in 2004.

adequate user rates; much of this information can be used to create a rudimentary asset management program.

- Another eight university-based technical assistance centers receive funding under the Safe Drinking Water Act to help ensure that small drinking water systems have the capacity they need to meet regulatory requirements and provide safe drinking water. In fiscal year 2003, the eight centers shared about $3.6 million in funding from the Office of Ground Water and Drinking Water. According to an official from that office, three of the centers are holding workshops or developing guidance manuals that focus on sustaining the financial viability of small systems in some way; the official believes that much of this material is relevant to implementing asset management.

- The Office of Wastewater Management funds 46 state and university-based environmental training centers under the Clean Water Act to train wastewater utility officials on financial management, operations and maintenance, and other topics. According to an official with EPA's wastewater program, one of the 46 centers is developing a series of six training courses to help small wastewater utilities implement some of the basic elements of asset management, such as inventorying system assets and assessing their condition.[4] Once this effort is completed, the center will disseminate the course materials to the remaining 45 centers so that staff from the other centers will be able to teach the asset management courses to operators of small wastewater utilities across the country.

EPA has also funded research projects related to asset management. For example, one project—sponsored by EPA, the Water Environment Federation, and the Association of Metropolitan Sewerage Agencies—examined the interrelationship between asset management and other management initiatives, such as environmental management systems, that have received some attention within the water industry.[5] The project found

[4]The training courses are being developed by the environmental training center located at the College of Southern Maryland, which is also responsible for the asset management toolkit for small wastewater utilities. To fund this work, EPA awarded the center a 3-year grant totaling $450,000, covering the period from August 2002 to August 2005.

[5]An environmental management system is a management tool to help an organization improve its environmental performance, prevent pollution, and meet regulatory requirements.

that to varying degrees, the initiatives share a common focus on continuous improvement through self-assessment, benchmarking, and the use of best practices and performance measures. The final report, issued in September 2002, concluded that while the initiatives overlap substantially, they are generally compatible.[6]

EPA also contributed $75,000 toward a 2002 report by the Water Environment Research Foundation, which summarized the results of a 2-day workshop held to develop a research agenda for asset management.[7] Workshop participants, who included utility managers, regulators, and industry consultants, identified areas in which they need improved tools and technical approaches, established criteria for evaluating asset management research needs, and identified and set priorities for specific research projects. According to the foundation's report, the workshop ultimately recommended 11 research projects, 2 of which will get underway in 2004. EPA is contributing $200,000 to one of these projects, which will develop protocols for assessing the condition and performance of infrastructure assets and predictive models for correlating the two. The foundation will fund the second project, which is scheduled to begin in March 2004, and will develop guidance on strategic planning for asset management. According to EPA, the second project will also develop a Web-based collection of best practices on asset management; utilities will be able to purchase licenses to gain access to the materials.

The remaining research projects identified in the workshop highlight the need for practical tools to help utilities implement the most fundamental aspects of asset management. They include projects to

- establish methodologies for determining asset value, compiling inventories, and capturing and compiling information on the assets' attributes;

[6]Water Environment Federation and Association of Metropolitan Sewerage Agencies, *Moving Toward Comprehensive Utility Management Systems: Report of the Environmental Management Systems (EMS) for Public Utilities Integration Project* (Alexandria, Va.; Washington, D.C.: September 2002). EPA provided a grant of $256,888 for this project.

[7]See Water Environment Research Foundation, *Research Priorities for Successful Asset Management: A Workshop* (Alexandria, Va.: 2002).

- develop methodologies for calculating life-cycle costs for infrastructure assets;
- construct predictive models for infrastructure assets that project life-cycle costs and risks;
- identify best practices for operating and maintaining infrastructure assets by asset category, condition, and performance requirements; and
- identify best practices for integrating water and wastewater utility databases.

In addition, workshop participants recommended a project to assess the feasibility of establishing an Asset Management Standards Board for the drinking water and wastewater industry.

EPA's Efforts to Promote Asset Management Could Be Strengthened by Leveraging Ongoing Efforts Within and Outside the Agency

EPA could build on its efforts to promote asset management at drinking water and wastewater utilities by better coordinating ongoing and planned initiatives in the agency's drinking water and wastewater programs. In addition, EPA could leverage the efforts of other federal agencies, such as the Department of Transportation, that have more experience in promoting asset management as well as informational materials and tools that could potentially be useful as EPA and the water industry develop similar materials.

Improving Coordination Within and Across Drinking Water and Wastewater Programs Could Help Maximize Limited Resources

While some of EPA's efforts to promote the use of asset management, such as sponsoring the comprehensive industry handbook, have involved both the drinking water and wastewater communities, it appears that other efforts are occurring with little coordination between the drinking water and wastewater programs or other offices within EPA. For example, the Office of the Chief Financial Officer, the Office of Ground Water and Drinking Water, and the Office of Wastewater Management have funded parallel but separate efforts to develop handbooks, software, or other training materials to help small drinking water and wastewater utilities implement asset management or related activities such as improving financial viability. According to our interviews with EPA officials and representatives of the university-based training and technical assistance centers, no central repository exists for EPA to track what the university-

based centers are doing and ensure that they have the information they need to avoid duplication and take advantage of related work done by others. The centers that share information do so primarily within their own network, as in the case of the environmental finance centers, or share information on an ad hoc basis. As a result, the centers are likely to miss some opportunities to exchange information. Similarly, the drinking water and wastewater program offices do not regularly exchange information on what they or their centers are doing to develop informational materials, training, or technical assistance on asset management.

EPA officials explained that, to some extent, the organizational framework within which the centers operate contributes to limited information sharing and duplication of effort. As a result, EPA is not maximizing the resources it devotes to encouraging utilities' use of asset management. In the case of the environmental finance centers, for example, each one negotiates a work plan with the EPA regional office it serves. Although EPA headquarters also has some influence over what the centers work on, the centers primarily focus on regional priorities and work with the states within the regional office's jurisdiction. Occasionally, EPA's drinking water and wastewater program offices fund projects at the environmental finance centers that are independent of their regional work plans. For example, the drinking water program provided some funds to the center at Boise State to develop an evaluation tool that states can use to assess utilities' qualifications for obtaining financial assistance from state revolving loan funds. For the most part, however, the training and technical assistance centers operate autonomously and do not have a formal mechanism for regularly exchanging information among the different center networks or between the drinking water and wastewater programs.

EPA Could Supplement Its Efforts to Promote Asset Management by Using Information Available from Other Federal Agencies

EPA has not taken advantage of the guidance, training, and implementation tools available from other federal agencies, which would help EPA leverage its resources. For the purposes of our review, we focused on the Department of Transportation's Federal Highway Administration because it has been involved in promoting asset management for about a decade and has been at the forefront of developing useful tools and training materials. In 1999, the Federal Highway Administration established an Office of Asset Management to develop tools and other materials on asset management and encourage state transportation agencies to adopt asset management programs and practices.

According to officials within the Office of Asset Management, the basic elements of asset management are the same regardless of the type of entity responsible for managing the assets or the type of assets being managed. Simply put, every organization needs to know the assets it has, their condition, how they are performing, and the costs and benefits of alternatives for managing the assets. Over the years, the Office of Asset Management has published several guidance documents on asset management and its basic elements. While the purpose of the guidance was to assist state transportation agencies, Transportation officials believe that the general principles contained in their publications are universally applicable. The office's guidance includes, for example,

- a general primer on the fundamental concepts of asset management;
- a primer on data integration that lays out the benefits of and tools for integrating data, the steps to follow in linking or combining large data files, potential obstacles to data integration and ways to overcome them, and experiences of agencies that have integrated their data;[8] and
- a primer on life-cycle cost analysis that provides information on how to apply this methodology for comparing investment alternatives and describes uncertainties regarding when and how to use life-cycle cost analysis and what assumptions should be made during the course of the analysis.[9]

Transportation's Office of Asset Management has also developed a software program to assist states in estimating how different levels of investment in highway maintenance will affect both user costs and the highways' future condition and performance. In addition, to disseminate information on asset management, the office established a Web site that includes its most recent tools and guidance and links to external Web sites with related asset management information, including a link to an asset management Web site jointly sponsored with the American Association of State Highway and Transportation Officials.

[8]U.S. Department of Transportation, Federal Highway Administration, Office of Asset Management, *Data Integration Primer* (Washington, D.C.: August 2001).

[9]U.S. Department of Transportation, Federal Highway Administration, Office of Asset Management, *Life-Cycle Cost Analysis Primer* (Washington, D.C.: August 2002).

As EPA began its efforts to explore the potential of comprehensive asset management to help address utility infrastructure needs, officials from the Office of Water met with staff from Transportation's Office of Asset Management and obtained a detailed briefing on its asset management program. Although EPA officials expressed concerns about having relatively limited resources to promote asset management, they have so far not pursued a closer relationship with Transportation or other federal agencies with experience in the field. For example, EPA may find opportunities to adapt Transportation's guidance materials or use other efforts, such as a Web site that brings together asset management information from diverse sources, as a model for its own initiatives.

Water Industry Officials Favor an Expanded Role for EPA in Promoting Asset Management, but Raised Concerns About Additional Regulatory Requirements

Water industry officials support a greater role for EPA in promoting asset management, both as a tool for better managing infrastructure and for helping drinking water and wastewater utilities meet existing or proposed regulatory requirements. However, they stopped short of endorsing legislative proposals that would require utilities to develop and implement plans for maintaining, rehabilitating, and replacing capital assets, often as a condition of obtaining loans or other financial assistance.

Water Industry Officials See Role for EPA in Linking Asset Management to Regulatory Requirements and Other Initiatives Aimed at Improving Utility Management

To obtain views on the role that EPA might play in encouraging the use of asset management, we talked with officials from water industry associations and the 15 utilities that we selected for structured interviews. With few exceptions, the officials agreed that EPA should be promoting asset management in some way, although opinions varied on what activities would be most appropriate. One of the options that garnered the support of many was a greater leadership role for EPA in promoting the use of asset management. For example, 11 of the 15 utilities indicated that based on their own experience, asset management can help utilities comply with certain regulatory requirements that focus in whole or in part on the adequacy of utility infrastructure and the management practices that affect it. While EPA recognizes the link between asset management and regulatory compliance—and has noted the connection in some agency publications and training—some utility officials believe that EPA should increase its efforts in this regard. As examples of regulatory requirements

for which asset management is particularly germane, officials from industry associations and individual utilities cited both the existing "capacity development" requirements under EPA's drinking water program and regulations for capacity, management, operation, and maintenance under consideration in the wastewater program, as follows:

- *Capacity development requirements for drinking water utilities.* To be eligible for full funding under the Safe Drinking Water Act's State Revolving Fund program, state regulatory agencies are required to have strategies to assist drinking water utilities in acquiring and maintaining the financial, managerial, and technical capacity to consistently provide safe drinking water. To assess capacity, states evaluate, among other things, the condition of the utilities' infrastructure, the adequacy of maintenance and capital improvement programs, and the adequacy of revenues from user rates to cover the full cost of service. Drinking water utilities that are determined to lack capacity are not eligible for financial assistance from the revolving loan fund.[10]

- *Capacity, management, operation, and maintenance requirements for wastewater utilities.* As part of its wastewater management program under the Clean Water Act, EPA is considering regulations designed to improve the performance of treatment facilities and protect the nation's collection system infrastructure by enhancing and maintaining system capacity (i.e., peak wastewater flows), reducing equipment and operational failures, and extending the life of sewage treatment equipment. Among other things, wastewater utilities would be required to prepare capacity, management, operation, and maintenance plans for their operations. The regulations would also require utilities to assess the condition of their physical infrastructure and determine which components need to be repaired or replaced.

According to industry officials, implementing asset management is consistent with meeting these requirements, and it enhances utilities' ability to comply with them. For the requirements being considered for wastewater utilities, for example, EPA has concluded that three basic components are a facility inventory, a condition assessment, and asset

[10]States may nevertheless provide financial assistance if the use of such assistance will ensure compliance with regulatory requirements and the water utility has agreed to make the necessary changes in operations to ensure that it has the financial, managerial, and technical capacity to comply over the long term.

valuation—all of which are important elements of asset management. Consequently, the officials believe that it makes sense for EPA to place more emphasis on the use of comprehensive asset management.

Some water industry officials also told us that EPA should use the relationship between asset management practices and the financial reporting requirements under Governmental Accounting Standards Board Statement 34 as a means of promoting the use of asset management. Under these new requirements, state and local governments are required to report information about public infrastructure assets, including their drinking water and wastewater facilities. Specifically, the governments must either report depreciation of their capital assets or implement an asset management system.[11]

Given the infrastructure-related regulatory requirements and utilities' other concerns about the condition of their assets, it is not surprising that 11 of the 15 utilities we interviewed in depth saw a need for EPA to set up a clearinghouse of information on comprehensive asset management. Several utilities suggested that EPA establish a Web site that would serve as a central repository of such information. This site could provide drinking water and wastewater utilities with direct and easy access to information that would help them better manage their infrastructure. For example, the Web site could gather in one place the guidance manuals, tools, and training materials developed by EPA or funded through research grants and its training and technical assistance centers. The site could also contain links to asset management tools and guidance developed by domestic and international water associations or other federal agencies, such as Transportation's Office of Asset Management. Several officials also commented that it might be useful to have a site where drinking water and wastewater utilities could share lessons learned from implementing asset management. Other utilities also supported the idea of a Web site, but were uncertain about whether EPA was the appropriate place for it. In commenting on a draft of this report, EPA generally agreed that an EPA Web site devoted to asset management would be worthwhile and is considering developing such a site.

[11]Privately owned utilities are not required to comply with financial reporting requirements from the Governmental Accounting Standards Board. About half of the nation's drinking water systems and an estimated 20 percent of the wastewater systems are privately owned, according to EPA and industry sources.

Water Industry Officials Cite Implementation Challenges if Asset Management Were to Be Mandated

In recent years, the Congress has considered several legislative proposals that would, in part, promote the use of asset management in some way. These proposals generally call for an inventory of existing capital assets; some type of plan for maintaining, repairing, and replacing the assets; and a plan for funding such activities. All but one of the proposals made having the plans a condition of obtaining federal financial assistance. The proposals are consistent with what we have found to be the leading practices in capital decision making. As we reported in 1998, for example, routinely assessing the condition of assets allows managers to evaluate the capabilities of existing assets, plan for future replacements, and calculate the cost of deferred maintenance.[12] However, according to key stakeholders, implementing and enforcing requirements for asset management could be problematic at this time.

We asked water industry groups, associations of state regulators, and individual utilities for their views on the proposed mandate of asset management plans. While most of them endorse asset management, they raised several concerns about a statutory requirement. For example:

- Officials from water industry associations believe that drinking water and wastewater utilities are already overburdened by existing regulatory requirements and that many utilities lack the resources to meet an additional requirement for developing asset management plans.

- The Association of State Drinking Water Administrators and the Association of State and Interstate Water Pollution Control Administrators both said that the states lack the resources to oversee compliance and determine the adequacy of asset management plans. Both the state and industry associations questioned the feasibility of defining what would constitute an adequate plan.

- Officials at 12 of the 15 utilities where we conducted in-depth interviews had serious reservations about a requirement. For example, some utility managers were concerned that EPA and the states would attempt to standardize asset management and limit the flexibility that utilities need to tailor asset management to their own circumstances. Another concern was that the states lack financial and technical resources and thus are ill equipped to determine whether utilities' asset management

[12]GAO/AIMD-99-32, 26.

plans are adequate. Finally, some utility officials also questioned the burden that such a requirement would place on small utilities.

Other utility officials either support a requirement or support the concept of asset management but question whether mandating such a requirement is an appropriate role for the federal government. One of the officials commented that whether or not asset management is required, utilities should manage their infrastructure responsibly and charge rates sufficient to cover the full cost of service. The National Association of Water Companies, which represents investor-owned utilities, supports a requirement for asset management to ensure that public water and wastewater utilities are operating efficiently and are charging rates that cover the full cost of service.

Conclusions

Comprehensive asset management shows real promise as a tool to help drinking water and wastewater utilities better identify and manage their infrastructure needs. Even with their limited experience to date, water utilities reported that they are already achieving significant benefits from asset management. EPA clearly recognizes the potential of this management tool to help ensure a sustainable water infrastructure and has sponsored a number of initiatives to support the development of informational materials and encourage the use of asset management. However, in an era of limited resources, it is particularly important for EPA to get the most out of its investments by coordinating all of the asset management-related activities sponsored by the agency and taking advantage of tools and training materials developed by others—including domestic and international industry associations and other federal agencies with experience in asset management.

Establishing a central repository of all asset management-related activities could not only foster more systematic information sharing but also help minimize the potential for duplication and allow EPA-sponsored training and technical assistance centers to build on each other's efforts. As EPA has recognized, improving utilities' ability to manage their infrastructure cannot help but improve their ability to meet regulatory requirements that focus on the adequacy of utility infrastructure and management practices. Consequently, it is in the agency's best interest to disseminate information on asset management and promote its use. Establishing a Web site, perhaps as part of the repository, would help ensure that such information is accessible to water utilities and that EPA is getting the most use out of the materials whose development it funded. Moreover, EPA could use the

site as a means of strengthening its efforts to educate utility managers on the connection between effectively managing capital assets and the ability to comply with relevant requirements under the Safe Drinking Water Act and Clean Water Act.

Recommendations for Executive Action

Given the potential of comprehensive asset management to help water utilities better identify and manage their infrastructure needs, the Administrator, EPA, should take steps to strengthen the agency's existing initiatives on asset management and ensure that relevant information is accessible to those who need it. Specifically, the Administrator should

- better coordinate ongoing and planned initiatives to promote comprehensive asset management within and across the drinking water and wastewater programs to leverage limited resources and reduce the potential for duplication;
- explore opportunities to take advantage of asset management tools and informational materials developed by other federal agencies;
- strengthen efforts to educate utilities on how implementing asset management can help them comply with certain regulatory requirements that focus in whole or in part on the adequacy of utility infrastructure and the management practices that affect it; and
- establish a Web site to provide a central repository of information on comprehensive asset management so that drinking water and wastewater utilities have direct and easy access to information that will help them better manage their infrastructure.

Utilities Selected for Structured Interviews

Augusta County Service Authority, Verona, Virginia

Charleston Commissioners of Public Works, Charleston, South Carolina

Greater Cincinnati Water Works, Cincinnati, Ohio

Denton Department of Public Works, Denton, Maryland

Des Moines Water Works, Des Moines, Iowa

East Bay Municipal Utility District, Oakland, California

Eastern Municipal Water District, Perris, California

Louisville Water Company, Louisville, Kentucky

Massachusetts Water Resources Authority, Boston, Massachusetts

Orange County Sanitation District, Fountain Valley, California

Sacramento Regional County Sanitation District, Mather, California

Seattle Public Utilities, Seattle, Washington

Somersworth Department of Public Works and Utilities, Somersworth, New Hampshire

Tacoma Water, Tacoma, Washington

Western Carolina Regional Sewer Authority, Greenville, South Carolina

GAO Contacts in Australia and New Zealand

Government agency	State or region	Country
Department of Treasury and Finance	Victoria	Australia
Essential Services Commission	Victoria	Australia
Independent Pricing and Regulatory Tribunal	New South Wales	Australia
Manawatu District Council	Manawatu-Wanganui	New Zealand
Queensland Audit Office	Queensland	Australia

Utility	State or region	Country
Citiwater	Queensland	Australia
Hunter Water Corporation	New South Wales	Australia
Melbourne Water Corporation	Victoria	Australia
South Australian Water Corporation	South Australia	Australia
Sydney Water Corporation	New South Wales	Australia
Watercare Services Limited	Auckland	New Zealand

GAO Contacts and Staff Acknowledgments

GAO Contacts

Ellen Crocker, (617) 788-0580
Maureen Driscoll, (617) 788-0540

Staff Acknowledgments

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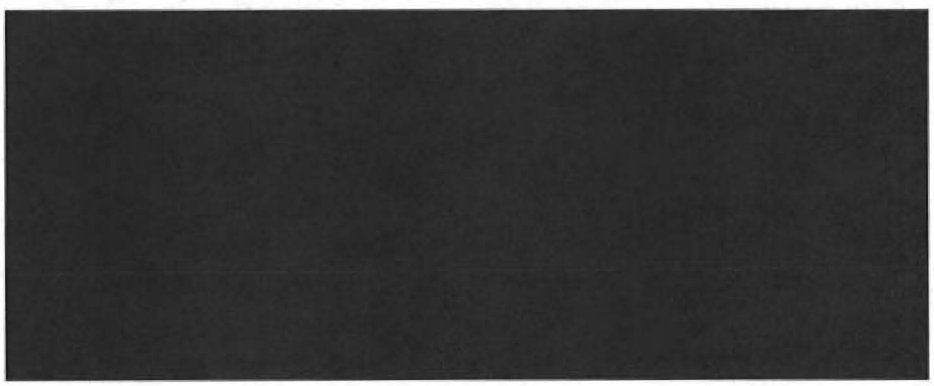

PSC EXHIBIT 15

OPERATOR	Total Risk Factor Score	Last Inspection	Inspected	Water Loss above 25%
Eastern Rockcastle Water Association, Inc.	44	2/24/2017	2/6/2019	*
Martin County Water District	32	1/31/2018	3/21/2019	*
Southern Water & Sewer District	28	5/16/2018	2/21/2019	*
Black Mountain Utility District	26	10/30/2018	8/20/2019	*
Cawood Water District	26	3/29/2018	2/7/2019	*
Ledbetter Water District	24	8/7/2018	3/28/2019	*
Rattlesnake Ridge Water District	24	5/9/2018	3/20/2019	*
Hyden-Leslie County Water District	22	2/8/2017	1/15/2019	*
Knott County Water & Sewer District	21	3/30/2017	2/13/2019	*
Kentucky-American Water Company	21	4/27/2016	9/18-19/2019	
Magoffin County Water District	20	11/16/2016	1/29/2019	
Muhlenberg County Water District	20	6/16/2016	2/12/2019	
Farmdale Water District	19	6/4/2018	7/30/2019	*
Morgan County Water District	19	6/13/2018	9/3/2019	*
Cumberland County Water District	18	3/8/2017	8/7/2019	*
Big Sandy Water District	17	5/24/2018	8/13/2019	*
Corinth Water District	17	3/20/2018	9/5/2019	
Cunningham Water District	17	7/13/2016	5/15/2019	
Estill County Water District #1	17	9/19/2018		*
Graves County Water District	17	7/11/2018		*
North Mercer Water District	17	9/13/2016	5/22/2019	
Lyon County Water District	16	11/21/2017	8/22/2019	*
Northern Kentucky Water District	16	5/27/2016	4/17/2019	
Ohio County Water District	16	7/28/2016	2/26/2019	
Western Lewis-Rectorville Water and Gas District	16	9/20/2017		
Breathitt County Water District	15	2/10/2016	3/27/2019	
Crittenden-Livingston County Water District	15	11/17/2016	2/14/2019	
Cumberland Falls Highway Water District	15	12/7/2016	3/13/2019	
East Casey County Water District	15	3/15/2016	4/10/2019	*

East Clark County Water District	15	3/24/2015	2/19/2019	
Garrison-Quincy-Ky-O-Heights Water District	15	12/18/2018		
Grayson County Water District	15	1/21/2016	2/27/2019	
Henderson County Water District	15	8/18/2016	4/23/2019	
Larue County Water District #1	15	2/12/2016	4/11/2019	
McCreary County Water District	15	5/10/2016	5/3/2019	
Monroe County Water District	15	2/17/2016	4/16/2019	
Oldham County Water District	15	2/24/2016	5/24/2019	
Parksville Water District	15	10/16/2018		*
South Hopkins Water District	15	7/14/2016	5/28/2019	
U. S. 60 Water District of Shelby and Franklin Counties	15	9/6/2016	8/29/2019	
Union County Water District	15	8/17/2016	5/14/2019	
West McCracken County Water District	15	10/13/2016	5/7/2019	
West Shelby Water District	15	12/8/2016		
Western Mason County Water District	15	5/19/2016	5/29/2019	
North Shelby Water Company	15	9/6/2016	8/16/2019	
Fern Lake Company	15			
Cannonsburg Water District	14	10/9/2018		*
Jonathan Creek Water District	14	10/10/2018		*
Western Fleming County Water District	14	2/6/2018		
Whitley County Water District #1	14	10/4/2018		
Levee Road Water Association, Inc.	14	2/22/2018		
Milburn Water District	13	9/6/2018		*
Garrard County Water Association, Inc.	13	3/23/2017	4/9/2019	
Rowan Water, Inc.	13	4/17/2018		
Mountain Water District	12	5/17/2018		*
Peaks Mill Water District	12	11/29/2017	8/13/2019	*
Sharpsburg Water District	12	8/24/2017	6/18/2019	*
West Carroll Water District	12	9/11/2018		*
Barkley Lake Water District	11	8/8/2017	8/22/2019	
East Logan Water District, Inc.	11	4/26/2017		
Henry County Water District #2	11	5/23/2017		
Knox County Utility Commission	11	7/27/2017	8/8/2019	

Beech Grove Water System, Inc.	11	10/17/2017	7/23/2019	
Kirksville Water Association, Inc.	11	8/22/2017	8/6/2019	
North Manchester Water Association, Inc.	11	9/11/2017	9/12/2019	*
South Logan Water Association, Inc.	11	10/24/2017		
McKinney Water District	10	8/21/2018		*
Nebo Water District	10	6/8/2017	7/3/2019	
Powell's Valley Water District	10	10/25/2018	2/22/2019	
Simpson County Water District	10	6/14/2017	8/16/2019	
Center Ridge Water District No. 2	10	2/27/2018		
Elkhorn Water District	9	9/13/2018		
Meade County Water District	9	9/24/2018		
Sandy Hook Water District	9	10/11/2018		
South Woodford Water District	9	4/27/2017	7/5/2019	
Southern Madison Water District	9	11/29/2018		
Caldwell County Water District	8	3/1/2018		
Dexter-Almo Heights Water District	8	3/12/2018		
Edmonson County Water District	7	9/12/2018		
Gallatin County Water District	7	1/25/2018		
Hardin County Water District #2	7	9/28/2017		
North Hopkins Water District	7	1/9/2018		*
Western Pulaski County Water District	7	1/26/2018		
Butler County Water System, Inc.	7	2/26/2018		
Letcher County Water and Sewer District	6	4/26/2018		
North McLean County Water District	6	11/28/2017		
Bath County Water District	5	11/2/2017		
East Laurel Water District	5	7/19/2017	1/16/2019	
Madison County Utilities District	5	9/21/2017		
Marion County Water District	5	5/10/2017	7/24/2019	
Northeast Woodford County Water District	5	12/8/2017		
Southeast Daviess County Water District	5	6/26/2017		
Warren County Water District	5	10/19/2017		
West Daviess County Water District	5	7/6/2017		

Buffalo Trail Water Association, Inc.	5	10/18/2017		
East Daviess County Water Association, Inc.	5	5/2/2017		
Jackson County Water Association, Inc.	5	3/16/2017	6/12/2019	
Judy Water Association, Inc.	5	3/23/2017	6/5/2019	
South Eastern Water Association, Inc.	5	5/16/2017	6/21/2019	
West Laurel Water Association, Inc.	5	7/20/2017	1/16/2019	
Water Service Corporation of Kentucky	5	6/7/2017	6/19/2019/7/23/2019	
Jessamine-South Elkhorn Water District	3	12/20/2018		
Nicholas County Water District	3	3/27/2018		
Reid Village Water District	3	5/7/2018		
South Anderson Water District	3	10/23/2018		
Harrison County Water Association, Inc.	3	6/12/2018		
Lake Village Water Association, Inc.	3	11/28/2018		
Francis Water Company, Inc.	3	7/25/2018		
Allen County Water District	2	3/14/2018		
Bracken County Water District	2	9/4/2018		
Carroll County Water District #1	2	7/17/2018		
Jessamine County Water District #1	2	12/20/2018		
South 641 Water District	2	10/18/2018		
Symsonia Water District	2	6/19/2018		
Todd County Water District	2	11/20/2018		
Webster County Water District	2	4/4/2018		
Wood Creek Water District	2	11/27/2018		
Fleming County Water Association, Inc.	2	4/23/2018		
Adair County Water District	1	10/29/2018		
Boone County Water District	1	8/8/2018		
Bullock Pen Water District	1	7/31/2018		
Christian County Water District	1	1/22/2018		
East Pendleton Water District	1	2/7/2017		
Fountain Run Water District #1	1	6/5/2018		
Green River Valley Water District	1	5/31/2018		
Green-Taylor Water District	1	8/14/2018		

Hardin County Water District #1	1	5/10/2018		
Laurel County Water District #2	1	8/23/2018		
Montgomery County Water District #1	1	7/30/2018		
Muhlenberg County Water District #3	1	12/11/2018		
North Logan Water District #1	1	6/28/2018		
North Marshall Water District	1	7/18/2018		
North Nelson Water District	1	2/15/2018		
Pendleton County Water District	1	5/14/2018		
Trimble County Water District #1	1	2/23/2018		
Bronston Water Association, Inc.	1	3/26/2018		
Western Rockcastle Water Association, Inc.	1	11/19/2018		

PSC EXHIBIT 16

ALL UTILITY BASE RATES
CURRENT AS OF JULY 16, 2019

AS OF SEPTEMBER 13, 2019										
Utility	Monthly Charge	Volumetric Charge	Multiplier	Total usage charge	Total Bill	Last base case	case #	last change	case #	case type
Electric	per month	per KWH								
Big Sandy RECC	$21.25	$0.08756	1000	$87.56	$108.81	4/26/2018	17-374	4/26/2018	17-374	base
Blue Grass Energy	$16.50	$0.08281	1000	$82.81	$99.31	5/29/2015	14-339	9/1/2017	17-8	FAC
Clark Energy	$12.43	$0.08992	1000	$89.92	$102.35	4/16/2010	9-314	9/1/2017	17-9	FAC
Cumberland Valley Electric	$12.00	$0.08500	1000	$85.00	$97.00	2/6/2017	16-169	9/1/2017	17-10	FAC
Duke Energy Kentucky	$11.00	$0.07165	1000	$71.65	$82.65	4/13/2018	17-321	4/13/2018	17-321	base
Farmers RECC	$14.00	$0.08629	1000	$86.29	$100.29	5/12/2017	16-365	9/1/2017	17-11	FAC
Fleming-Mason RECC	$15.00	$0.08183	1000	$81.83	$96.83	7/2/2013	12-369	9/1/2017	17-12	FAC
Grayson RECC	$21.25	$0.10805	1000	$108.05	$129.30	3/29/2019	18-272	3/28/2019	18-272	base
Inter-County RECC	$15.20	$0.09426	1000	$94.26	$109.46	1/25/2019	18-129	1/25/2019	18-129	base
Jackson Energy	$24.00	$0.08882	1000	$88.82	$112.82	6/10/2019	19-66	6/10/2019	19-66	base SL (RN)
Jackson Purchase Energy	$16.40	$0.10078	1000	$100.78	$117.18	6/20/2019	19-53	6/20/2019	19-53	base SL
Kenergy	$18.20	$0.10204	1000	$102.04	$120.24	9/15/2016	15-312	9/15/2016	15-312	base
Kentucky Power	$14.00	$0.09684	1000	$96.84	$110.84	1/18/2018	17-179	1/18/2018	17-179	base
Kentucky Utilities**	$16.13	$0.09082	1000	$90.82	$106.95	5/1/2019	18-294	5/1/2019	18-294	base
Licking Valley RECC	$14.00	$0.09200	1000	$92.00	$106.00	3/1/2017	16-174	9/1/2017	17-16	FAC
Louisville Gas & Electric**	$13.70	$0.09253	1000	$92.53	$106.23	5/1/2019	18-295	5/1/2019	18-295	base
Meade County RECC**	$17.41	$0.09767	1000	$97.67	$115.08	10/29/2013	13-33	2/1/2014	13-231	base
Nolin RECC	$13.50	$0.09022	1000	$90.22	$103.72	6/21/2017	16-367	9/1/2017	17-17	FAC
Owen Electric	$20.00	$0.08245	1000	$82.45	$102.45	3/1/2015	12-448	9/1/2017	17-18	FAC
Salt River RECC	$8.84	$0.07704	1000	$77.04	$85.88	1/14/2011	94-384	9/1/2017	17-19	FAC
Shelby Energy	$15.00	$0.08841	1000	$88.41	$103.41	7/31/2017	16-434	9/1/2017	17-20	FAC
South Kentucky RECC	$12.82	$0.08294	1000	$82.94	$95.76	5/11/2012	11-96	9/1/2017	17-21	FAC
Taylor County RECC	$9.82	$0.07968	1000	$79.68	$89.50	3/26/2013	12-23	9/1/2017	17-22	FAC

** customer charge is daily - pro-rated to monthly

ALL UTILITY BASE RATES
CURRENT AS OF JULY 16, 2019

Natural Gas	per month	per mcf - delivery							
Atmos Energy Kentucky	$19.30	$1.38550	5.3	$7.34	$26.64	5/7/2019	18-281	5/7/2019	18-281	base
B&H Gas **	$0.00	$2.13660	5.3	$11.32	$11.32	NS 1984		NS 1984		??
Bluegrass Gas Sales	$10.00	$5.14160	5.3	$27.25	$37.25	7/17/2012	11-364	7/17/2012	11-364	base ARF
Bright's Propane	$20.00	$0.00000	5.3	$0.00	$20.00	6/29/2018	17-343	6/29/2018	17-343	base ARF
Burkesville Gas	$7.50	$7.54000	5.3	$39.96	$47.46	10/31/2008	8-32	10/31/2008	8-32	base ARF
Citipower	$8.00	$7.85000	5.3	$41.61	$49.61	11/14/2017	17-160	11/14/2017	17-160	base ARF
Columbia Gas of Kentucky *	$16.00	$3.28400	5.3	$17.41	$33.41	12/22/2016	16-162	5/1/2019	18-41	tax
Delta Natural Gas^	$17.06	$4.31850	5.3	$22.89	$39.95	11/29/2010	10-116	9/21/2018	18-40	tax
Duke Energy Kentucky	$16.50	$4.69200	5.3	$24.87	$41.37	3/27/2019	18-261	3/27/2019	18-261	base
Irvington Gas (propane)	$15.00	$0.00000	5.3	$0.00	$15.00	1/1/2015	13-76	1/1/2015	13-76	base IO
Johnson County Gas	$15.00	$8.60000	5.3	$45.58	$60.58	6/18/2013	12-140	6/18/2013	12-140	base ARF
Kentucky Frontier Gas	$13.00	$4.22000	5.3	$22.37	$35.37	12/22/2017	17-263	12/22/2017	17-263	base ARF
Louisville Gas & Electric	$19.78	$3.67820	5.3	$19.49	$39.27	5/1/2019	18-295	5/1/2019	18-295	base
Martin Gas	$15.00	$4.99460	5.3	$26.47	$41.47	4/6/2017	16-332	4/6/2017	16-332	base ARF
Millennium Energy	$6.00	$4.00000	5.3	$21.20	$27.20	12/2/1999	99-312	12/2/1999	99-312	base IO
Natural Energy	$7.67	$4.24000	4.3	$18.23	$25.90	5/2/2002	2-192	5/2/2002	2-192	IO !!
Navitas	$8.00	$4.62000	5.3	$24.49	$32.49	2/11/2011	10-468	2/11/2011	10-468	IO !!
Sentra	$5.00	$4.37090	5.3	$23.17	$28.17	9/4/2017	16-384	9/4/2017	16-384	base ARF
Slick Rock Gas - summer #	$15.00	$0.00000		$0.00	$15.00	4/1/1986	??	4/1/1986	??	??
Slick Rock Gas - winter #	$30.00	$0.00000		$0.00	$30.00	4/1/1986	??	4/1/1986	??	??
Valley Gas	$15.00	$3.00610	5.3	$15.93	$30.93	11/5/2013	13-150	11/5/2013	13-150	base ARF
Western Lewis-Rectorville	$10.00	$1.56420	5.3	$8.29	$18.29	10/18/2017	17-74	10/18/2017	17-74	base ARF

* vol. chg. incl. tax credit
^mo. chg. reflects tax credit
** declining block rate
# flat fee - no gas charges
!! rates set under prior owner

ALL UTILITY BASE RATES
CURRENT AS OF JULY 16, 2019

Investor-owned water	per month	per 1,000 gallons		4,000 gallons/mo.				
Kentucky-American Water	$15.00	$5.75700	4	$23.03	$38.03	6/28/2019 18-358	6/28/2019 18-358	base
Center Ridge Water #2	$22.79	$0.00000	0	$0.00	$22.79	8/23/2012 10-397	8/23/2012 10-397	base ARF
Francis Water %	$16.33	$9.14000	3	$27.42	$43.75	1/21/2005 4-338	1/21/2005 4-338	base
Water Service of KY w/tax credit	$11.45	$4.86700	4	$19.47	$30.92	2/11/2019 18-208	6/18/2019 18-208	base RH
Water Service of Kentucky	$11.45	$5.00000	4	$20.00	$31.45	2/11/2020 18-208	2/11/2020 18-208	base RH
Water Districts	per month	per 1,000 gallons		4,000 gallons/mo.				
Adair County %	$19.90	$7.00000	2	$14.00	$33.90	NS 1985	2/3/2012 12-18	.023
Allen County %	$19.29	$7.58000	2	$15.16	$34.45	NS 1985	11/5/2011 11-366	.023
Barkley Lake %	$20.55	$6.92000	2	$13.84	$34.39	4/29/2003 3-42	7/29/2014 14-251	.023
Bath County %	$16.46	$6.38000	2	$12.76	$29.22	5/17/2013 12-537	1/15/2019 18-422	PWA
Big Sandy %	$17.02	$8.67000	2	$17.34	$34.36	3/8/2013 12-152	1/1/2017 16-423	PWA
Big Sandy - fmr. Overland %	$25.48	$10.01000			NA		1/1/2017 16-423	PWA
Black Mountain %	$25.13	$8.44000	2	$16.88	$42.01	11/9/2015 15-88	11/9/2015 15-88	base ARF
Boone County %	$17.91	$5.47000	1	$5.47	$23.38	2/27/2003 2-295	12/31/2018 18-386	PWA
Bracken County %	$27.85	$10.63000	2	$21.26	$49.11	8/10/2010 10-184	12/7/2018 18-352	.023
Breathitt County %	$29.45	$14.73000	2	$29.46	$58.91	9/15/2017 17-140	7/1/2019 19-201	PWA
Bullock Pen %	$27.35	$9.18000	2	$18.36	$45.71	NS 1985	3/31/2018 18-61	PWA
Caldwell County %	$25.17	$13.04000	3	$39.12	$64.29	7/21/2016 16-54	7/21/2016 16-54	base ARF
Cannonsburg %	$25.33	$9.54000	2	$19.08	$44.41	5/13/2019 18-376	5/13/2019 18-376	base ARF
Carroll County #1 %	$13.50	$7.50000	3	$22.50	$36.00	11/18/1987 9957	1/1/2010 9-447	.023
Cawood %	$24.38	$8.22000	2	$16.44	$40.82	12/14/2017 17-309	12/14/2017 17-309	base ARF
Christian County	$19.65	$6.54000	4	$26.16	$45.81	NS 1985	6/14/2017 17-207	.023
Corinth %	$18.34	$13.49000	3	$40.47	$58.81	8/1/2010 10-155	8/1/2017 17-242	PWA
Crittenden-Livingston %	$20.72	$11.77000	3	$35.31	$56.03	5/23/2019 18-414	5/23/2019 18-414	base ARF 3P
Crittenden-Livingston % P2	$22.70	$12.89000	3	$38.67	$61.37	5/23/2019 18-414	5/23/2020 18-414	base ARF 3P
Crittenden-Livingston % P3	$22.70	$14.08000	3	$42.24	$64.94	5/23/2019 18-414	5/23/2021 18-414	base ARF 3P
Cumberland County %	$28.16	$7.65000	2	$15.30	$43.46	5/6/2003 2-477	12/20/2017 17-455	.023
Cumberland Falls Highway %	$21.18	$8.74000	3	$26.22	$47.40	NS 1985	5/7/2015 15-115	.023
Cunningham %	$15.72	$4.47000	2	$8.94	$24.66	5/10/2012 11-455	5/10/2012 11-455	base ARF
Dexter-Almo Heights %	$16.56	$6.53000	2	$13.06	$29.62	11/21/2017 17-191	7/1/2018 18-199	PWA
East Casey County %	$17.24	$7.42000	2	$14.84	$32.08	7/18/1985 19009245	10/16/2018 18-324	PWA

ALL UTILITY BASE RATES
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East Clark County %	$26.22	$10.86000	2	$21.72	$47.94	6/3/1998	98-101	7/20/2018	18-204	PWA
East Laurel %	$21.21	$8.37000	2	$16.74	$37.95	5/15/2006	5-476	9/22/2016	16-308	PWA
East Logan %	$23.31	$11.10000	2	$22.20	$45.51	5/2/2003	3-62	3/1/2010	10-99	PWA
East Pendleton County %	$18.42	$9.33000	3	$27.99	$46.41	11/16/2013	13-103	11/16/2013	13-103	base ARF
Edmonson County %	$13.00	$4.90000	2.5	$12.25	$25.25	NS 1985		6/27/2014	14-175	.023
Elkhorn %	$17.12	$6.80000	2	$13.60	$30.72	4/2/2019	18-145	4/2/2019	18-145	base ARF
Estill County %	$21.58	$10.53000	2	$21.06	$42.64	12/20/2017	17-176	9/6/2018	18-269	PWA
Farmdale %	$18.20	$6.10000	2	$12.20	$30.40	7/23/2014	13-485	8/1/2018	18-249	PWA
Fountain Run #1 %	$17.90	$7.46000	2	$14.92	$32.82	11/19/2018	18-205	11/19/2018	18-205	base ARF
Fountain Run #1 % P2	$18.80	$8.35000	2	$16.70	$35.50	11/19/2019	18-205	11/19/2019	18-205	base ARF
Gallatin County %%	$21.00	$7.64666	3	$22.94	$43.94	4/6/2012	11-378	11/1/2013	11-378	base ARF
Garrison-Quincy-KY-O-Hts. %	$20.50	$8.05000	2	$16.10	$36.60	2/20/2014	13-350	2/20/2015	13-350	base ARF 2P
Graves County %	$15.45	$6.03000	2	$12.06	$27.51	8/6/2019	18-429	8/6/2019	18-429	base ARF int
Graves County - Hickory % ^	$17.01	$6.03000	2	$12.06	$29.07	8/6/2019	18-429	8/6/2019	18-429	base ARF int
Grayson County %	$18.09	$8.56000	2.5	$21.40	$39.49	10/21/2008	8-57	7/4/2015	15-204	PWA
Green River Valley %	$17.21	$4.71000	2	$9.42	$26.63	11/18/2010	9-455	11/5/2010	10-354	.023
Green-Taylor %	$22.45	$9.38000	2	$18.76	$41.21	9/17/2018	18-30	7/1/2019	19-219	PWA
Hardin County #1	$5.92	$5.31000	4	$21.24	$27.16	4/29/2014	13-50	5/1/2017	17-144	.023
Hardin County #2 %	$18.50	$5.15000	2	$10.30	$28.80	NS 1985		5/13/2016	16-148	.023
Henderson County %	$20.26	$7.44000	2	$14.88	$35.14	4/28/2005	5-72	3/31/2019	19-50	PWA
Henry County #2 %	$19.74	$7.09000	2.5	$17.73	$37.47	4/28/2017	16-377	4/28/2017	16-377	base ARF
Hyden-Leslie County %	$20.24	$5.62000	2	$11.24	$31.48	NS 1985		10/29/2010	10-384	.023
Jessamine County #1 %	$28.60	$6.80000	1	$6.80	$35.40	NS 1985		7/5/2018	18-193	PWA
Jessamine-South Elkhorn %	$27.48	$8.09000	2	$16.18	$43.66	10/1/1990	90-75	7/1/2019	19-247	PWA
Jonathan Creek	$6.96	$6.54000	4	$26.16	$33.12	12/21/2017	17-323	12/21/2017	17-323	base ARF
Knott County %	$18.25	$5.63000	2	$11.26	$29.51	5/20/2003	2-292	3/6/2007	7-48	.023
Knox County %	$18.68	$7.38000	3	$22.14	$40.82	9/16/2015	15-142	9/16/2015	15-142	base ARF
Larue County #1 %	$15.05	$6.74000	3	$20.22	$35.27	NS 1985		8/1/2019	19-254	PWA
Laurel County #2 %	$11.10	$4.66000	3	$13.98	$25.08	3/14/2016	15-341	3/14/2016	15-341	base ARF
Ledbetter	$7.74	$6.83000	4	$27.32	$35.06	9/10/2018	18-177	5/23/2019	19-196	PWA
Letcher County %	$27.50	$7.50000	2	$15.00	$42.50	11/21/2017	17-211	11/21/2017	17-211	base ARF
Lyon County %	$25.00	$10.62000	2	$21.24	$46.24	NS 1985		4/23/2015	15-376	.023
Madison County &	$16.98	$7.22000	1.91	$13.79	$30.77	NS 1996 merger		7/1/2019	19-202	PWA
Magoffin County %	$18.85	$8.43000	2	$16.86	$35.71	10/15/2015	15-22	9/17/2019	19-262	PWA
Marion County	$7.45	$6.29000	4	$25.16	$32.61	11/10/2016	16-163	7/1/2019	19-200	PWA
Martin County %	$33.32	$8.43000	2	$16.86	$50.18	11/5/2018	18-17	11/5/2018	18-17	base ARF
McCreary County %	$21.98	$7.29000	2	$14.58	$36.56	NS 1985		8/2/2019	19-246	.023

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McKinney %%	$14.42	$8.42000	3	$25.26	$39.68	3/3/2016 15-331	8/17/2017 17-310	PWA
Meade County %	$18.60	$9.01000	2	$18.02	$36.62	4/9/2019 19-44	4/9/2019 19-44	base ARF
Milburn %	$21.82	$9.06000	2	$18.12	$39.94	3/7/2019 18-314	3/7/2019 18-314	base ARF
Monroe County %	$22.15	$9.28000	2	$18.56	$40.71	2/8/2018 17-70	11/8/2017 17-404	PWA
Montgomery County #1 %	$23.63	$7.67000	2	$15.34	$38.97	5/7/2010 9-343	7/1/2019 19-213	PWA
Morgan County %	$25.42	$9.41000	2	$18.82	$44.24	7/17/2018 16-68	10/22/2018 18-301	PWA
Mountain %	$25.98	$9.10000	2	$18.20	$44.18	11/17/2015 14-342	12/21/2018 18-400	.023
Muhlenberg County %	$25.31	$8.84000	2	$17.68	$42.99	4/30/2012 12-9	4/5/2013 13-110	PWA
Muhlenberg County #3 %	$22.39	$6.88000	2	$13.76	$36.15	4/8/2019 18-436	4/8/2019 18-436	base ARF
Murray #2 %	$8.82	$5.01000	2.5	$12.53	$21.35	5/3/1993 92-519	9/11/2018 18-271	PWA
Nebo %	$23.15	$9.57000	2	$19.14	$42.29	6/5/2017 16-435	4/6/2019 19-99	PWA
Nicholas County %	$14.62	$6.95000	3	$20.85	$35.47	NS 1985	5/14/2019 19-63	PWA
North Hopkins %	$33.14	$16.19000	2	$32.38	$65.52	8/16/2018 18-118	4/17/2019 19-100	PWA
North Logan #1 %	$24.52	$11.26000	2	$22.52	$47.04	5/9/2003 3-94	2/8/2013 13-21	PWA
North Marshall	$15.94	$2.64000	4	$10.56	$26.50	10/5/2010 10-247	7/20/2015 15-195	.023
North McLean County %	$18.36	$6.66000	2	$13.32	$31.68	1/5/2018 17-253	1/24/2019 19-23	PWA
North Mercer %%	$16.59	$6.75666	3	$20.27	$36.86	5/19/2017 16-325	5/19/2017 16-325	base ARF
North Nelson %	$15.15	$4.40000	2	$8.80	$23.95	12/18/1997 97-255	7/1/2019 19-197	PWA
Northeast Woodford Cty. %	$13.14	$4.36000	2	$8.72	$21.86	4/30/2008 8-61	9/6/2018 18-265	PWA
Northern Kentucky	$17.50	$6.21650	4	$24.87	$42.37	3/25/2019 18-291	3/25/2019 18-291	base 2P
Northern Kentucky P2	$18.50	$6.42650	4	$25.71	$44.21	3/25/2020 18-291	3/25/2020 18-291	base 2P
Ohio County %	$21.13	$8.78000	2	$17.56	$38.69	12/25/1998 98-15	7/22/2009 9-244	.023
Oldham County	$8.84	$3.70000	4	$14.80	$23.64	7/22/1988 19010219	12/9/2009 9-436	.023
Parksville %	$29.75	$6.30000	3	$18.90	$48.65	3/6/1991 90-251	6/3/2015 15-153	PWA
Peaks Mill %	$28.32	$9.85000	2	$19.70	$48.02	5/2/2011 12-8	7/31/2018 18-242	PWA
Pendleton County	$22.55	$9.76000	2	$19.52	$42.07	10/24/2013 13-103	10/24/2013 13-103	base ARF
Powell's Valley %	$23.22	$10.06000	2	$20.12	$43.34	4/14/2009 8-512	10/26/2017 17-392	.023
Rattlesnake Ridge %	$19.32	$14.40000	3	$43.20	$62.52	2/7/2014 13-338	12/4/2018 18-371	.023
Reid Village %%	$25.95	$8.48500	2	$16.97	$42.92	3/30/2015 14-379	7/1/2019 19-208	PWA
Sandy Hook %	$28.57	$11.19000	2	$22.38	$50.95	3/21/2017 16-265	3/21/2017 16-265	base ARF
Sharpsburg %	$26.16	$6.59000	2	$13.18	$39.34	5/6/2010 10-128	2/7/2019 19-22	PWA
Simpson County %	$16.11	$5.80000	2	$11.60	$27.71	10/1/1989 89-219	12/22/2016 16-420	PWA
South 641 %	$21.42	$8.48000	2	$16.96	$38.38	11/24/2015 15-278	7/17/2018 18-225	PWA
South Anderson %	$20.17	$9.91000	2	$19.82	$39.99	NS 1985	9/10/2018 18-274	PWA
South Hopkins %	$12.78	$7.04000	3	$21.12	$33.90	4/16/2019 18-387	7/12/2019 19-204	PWA
South Woodford %	$20.48	$4.99000	2	$9.98	$30.46	9/23/1987 19009817	9/5/2018 18-277	PWA
Southeast Daviess County	$2.53	$3.88000	4	$15.52	$18.05	2/21/2012 11-481	5/16/2019 19-107	PWA

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Southern Madison %	$13.09	$6.45300	2	$12.91	$25.99	8/14/1986	19009596	12/14/2016	16-404	PWA
Southern	$58.82	$0.00000	0	$0.00	$58.82	6/6/2019	19-131	6/6/2019	19-131	base ARF
Symsonia %	$24.74	$6.18000	2	$12.36	$37.10	3/30/2018	17-371	3/30/2018	17-371	base ARF
Todd County %	$24.00	$12.00000	2	$24.00	$48.00	8/1/2003	3-88	7/16/2019	19-180	.023
Trimble County #1 %	$17.50	$7.10000	3	$21.30	$38.80	3/5/1999	98-614	6/1/2017	17-200	.023
US 60 %%	$17.15	$8.98000	3	$26.94	$44.09	3/21/2018	17-338	1/15/2019	18-421	PWA
Union County %	$12.69	$6.34000	2	$12.68	$25.37	NS 1985		1/15/2019	18-423	PWA
Warren County %	$12.60	$4.13000	2	$8.26	$20.86	NS 1985		7/16/2019	19-214	PWA
Webster County %	$17.50	$7.95000	2	$15.90	$33.40	8/8/2015	15-65	8/8/2015	15-65	base ARF
West Carroll %	$30.33	$10.72000	2	$21.44	$51.77	4/24/2018	17-244	7/1/2019	19-207	PWA
West Daviess County	$3.25	$4.85000	4	$19.40	$22.65	2/21/2012	11-459	5/16/2019	19-106	PWA
West McCracken County P2	$7.98	$7.08000	4	$28.32	$36.30	1/30/2019	17-319	1/30/2019	19-223	PWA
West McCracken County P3	$8.51	$7.54000	4	$30.16	$38.67	1/30/2020	17-319	1/30/2020	17-319	base ARF 3P
West Shelby %	$18.24	$5.46000	1.5	$8.19	$26.43	4/9/2010	9-454	7/1/2019	19-189	PWA
Western Fleming County %	$15.01	$8.74000	3	$26.22	$41.23	10/27/2014	14-48	10/27/2014	14-48	base ARF
Western-Lewis Rectorville %	$20.72	$7.22000	3	$21.66	$42.38	3/20/2019	18-321	3/20/2019	18-321	base ARF
Western Mason County %	$39.82	$5.79000	2	$11.58	$51.40	5/15/2015	14-421	5/15/2015	14-421	base ARF
Western Pulaski County %	$17.58	$6.31000	2	$12.62	$30.20	8/23/2017	17-172	7/16/2018	18-203	.023
Whitley County #1 %	$19.51	$6.97000	3	$20.91	$40.42	7/18/2000	00-01	7/1/2019	19-234	PWA
Wood Creek %%	$24.22	$6.92000	2	$13.84	$38.06	7/14/2016	15-428	3/16/2018	18-66	.023

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WATER ASSOCIATIONS										
Beech Grove %	$16.78	$5.20000	2	$10.40	$27.18	10/13/2010	10-309	3/15/2019	19-31	PWA
Bronston %	$21.14	$7.38000	2.5	$18.45	$39.59	7/9/2003	3-159	4/20/2017	17-138	.023
Buffalo Trail %	$14.83	$6.28000	3	$18.84	$33.67	8/18/1992	91-473	3/27/2015	15-64	PWA
Butler County %	$20.38	$5.90000	2	$11.80	$32.18	1/12/2005	3-486	6/1/2018	18-48	.023
East Daviess County %	$17.14	$5.90000	2	$11.80	$28.94	10/11/2016	16-177	6/1/2019	19-129	PWA
Fleming County %	$18.70	$6.95000	2	$13.90	$32.60	1/27/2014	14-48	1/1/2019	19-33	PWA
Garrard County %%	$11.78	$16.53000	1	$16.53	$28.31	NS 1985		8/10/2018	18-202	PWA
Harrison County %%	$18.89	$7.04000	2	$14.08	$32.97	2/12/2016	15-308	2/12/2016	15-308	base ARF
Jackson County %	$24.05	$10.55000	2	$21.10	$45.15	6/19/2007	6-467	5/25/2017	17-182	.023
Judy %	$13.28	$8.91000	3	$26.73	$40.01	9/9/2003	3-249	7/1/2019	19-212	PWA
Kirksville %	$20.27	$9.78000	2	$19.56	$39.83	9/25/2015	15-97	7/1/2019	19-220	PWA
Lake Village %	$26.40	$10.25000	2	$20.50	$46.90	2/2/2004	3-401	5/20/2016	16-153	.023
Levee Road %%	$11.37	$4.81667	3	$14.45	$25.82	7/10/1992	92-7	7/1/2019	19-209	PWA
North Manchester %	$21.60	$6.22000	2	$12.44	$34.04	TBD	19-52	1/1/2018	17-466	PWA
North Shelby Water Co. %	$22.68	$7.64000	2	$15.28	$37.96	4/15/2010	9-484	7/1/2019	19-192	PWA
Rowan Water %	$18.53	$7.45000	2	$14.90	$33.43	NS 1985		8/3/2017	17-250	.023
South Eastern %	$25.15	$10.90000	2	$21.80	$46.95	NS 1985		8/1/2012	12-204	PWA
South Logan %	$23.89	$8.52000	2	$17.04	$40.93	10/13/2003	2-481	3/1/2014	14-35	PWA
West Laurel %%	$14.79	$8.85667	3	$26.57	$41.36	5/15/2006	5-477	1/19/2018	17-473	.023
Western Rockcastle %	$27.94	$8.12000	2	$16.24	$44.18	NS 1985		8/17/2012	12-368	PWA

% - min. bill plus addl. use
%% - min. bill plus addl. usage in multiple blocks - amortized to 4,000 gallons
^ additional monthly surcharge
& billed in ccf/ converted to gallons

SEWER	Monthly charge	Volumetric charge	Multiplier	Volumetric charge	Total base bill - 4000 gallons/month					
Adair County WD	$5.00	$5.20000	4	$20.80	$25.80	NS 1985		7/23/2014	14-218	.023
Airview Utilities	$41.36			$0.00	$41.36	12/22/2014	14-215	12/22/2014	14-215	base ARF
Big Bear WW	$48.24			$0.00	$48.24	2/26/2010	9-171	2/26/2010	9-171	base ARF
Big Valley Sanitation **	$14.30	$4.58000	2	$9.16	$23.46	2/11/2000	99-319	4/30/2013	NA	NA
Black Mountain UD	$18.25	$3.70000	2	$7.40	$25.65	NS 1985		10/8/1998		NA
Boone County WD - Boone	$4.45	$1.02000	1	$1.02	$5.47	12/13/1995	90-409	12/13/1995	90-409	base
Boone County WD - Florence	$5.45			$0.00	$5.45	11/23/1993	93-112	11/23/1993	93-112	base

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Boone County WD - Cam/Ken	$1.14	$1.07000	3	$3.21	$4.35	11/23/1993	93-112	11/23/1993	93-112	base
Boone County WD - Verona	$7.71	$2.11000	1	$2.11	$9.82	11/23/1993	93-112	11/23/1993	93-112	base
Boone County WD - SD 1	$4.45	$1.02000	1	$1.02	$5.47	10/28/1992	92-023	10/28/1992	92-023	base
Brocklyn Utilities	$40.00			$0.00	$40.00	NS 1985				
Bullitt Utilities **	$26.83			$0.00	$26.83			9/23/2015		
Bush Gardens	$123.65			$0.00	$123.65	5/1/2016	15-306	5/1/2016	15-306	base ARF/IO
Cedar Hills Sanitation ##	$15.25			$0.00	$15.25	4/10/2000	99-458	4/10/2000	99-458	base ARF
Commonwealth WW	$34.92			$0.00	$34.92	9/10/2004	3-431	9/10/2004	3-431	IO
Concord Estates	$13.40			$0.00	$13.40	4/19/1978		9/1/1983	7028	IO
Delaplain Disposal	$12.50			$0.00	$12.50	6/29/2011	10-349	6/29/2011	10-349	base ARF
East Pendleton WSD	$20.18	$7.15000	3	$21.45	$41.63	3/2/1998	97-243	3/2/1998	97-243	base ARF
Edmonson County WD	$13.00	$4.90000	2.5	$12.25	$25.25	NS 1985		8/4/2014	14-175	.023
Fountain Run WD #1	$22.00	$2.00000	3	$6.00	$28.00	8/21/2002	2-198	8/15/2016	16-229	.023
Fox Run	$55.85			$0.00	$55.85	NS 1985				
Friendly Park ##	$11.50			$0.00	$11.50	3/21/1979	7192	3/21/1979	7192	IO
Garrison-Quincy-KO-Hts. WD	$22.00	$11.00000	2	$22.00	$44.00	NS 1986		5/21/2010	10-163	.023
Grant County	$21.06	$8.25000	2	$16.50	$37.56	4/12/2006	5-314	4/12/2006	5-314	base ARF
Herrington Haven	$49.66			$0.00	$49.66	3/23/2018	17-311	3/23/2018	17-311	base ARF
Jessamine-So. Elkhorn WD	$24.38	$12.19000	2	$24.38	$48.76	???		7/1/2018	18-239	TSA
JoAnn Estates	$34.71			$0.00	$34.71	2/22/2014	13-307	2/22/2014	13-307	base ARF
Kentucky Mountain Housing	$11.38			$0.00	$11.38	2/24/1984	8822	2/24/1984	8822	IO
Kentucky American - Rockwell	$32.67			$0.00	$32.67			9/1/2018	18-42	tax
Kentucky American - Owenton	$27.19	$11.03500	2	$22.07	$49.26			9/1/2018	18-42	tax
Kentucky Am. - Ridgewood	$35.14			$0.00	$35.14			9/1/2018	18-42	tax
Kingswood	$38.84			$0.00	$38.84	2/27/1998	97-257	2/27/1998	97-257	IO
Knott County WSD	$13.80	$4.38000	2	$8.76	$22.56	5/20/2003	2-292	5/20/2003	2-292	base ARF
Knox County		$9.66000	4	$38.64	$38.64	4/3/2006	6-96	1/1/2018	17-433	TSA
Lake Columbia	$50.32			$0.00	$50.32	8/24/2001	0-458	8/24/2001	0-458	base ARF
Ledbetter	$34.69	$17.71000	2	$35.42	$70.11	9/11/2018	18-177	9/11/2018	18-177	base ARF 2P
Ledbetter - Phase 2	$39.74	$20.29000	2	$40.58	$80.32	9/10/2019	18-117	9/10/2019	18-117	base ARF 2P
Letcher Co. WSD	$20.00			$0.00	$20.00	6/20/2001	1-122	6/20/2001	1-122	IO
LH Treatment	$30.00			$0.00	$30.00	7/20/2009	9-75	7/20/2009	9-75	base ARF
Lyon Co. WD	$15.00	$5.30000	2	$10.60	$25.60	NS 1986				
Marshall Co. Env. - Great Oaks	$28.84			$0.00	$28.84	3/24/2009	8-482	3/24/2009	8-482	base ARF !!
Marshall Co. Env. - Golden Acres	$39.57			$0.00	$39.57	9/9/2010	10-231	9/9/2010	10-231	base ARF !!
Martin County WD	$26.25			$0.00	$26.25	10/21/1999	99-382	10/21/1999	99-382	base IO
McCreary County WD	$19.35	$6.75000	2	$13.50	$32.85	12/6/1990	90-205	3/6/2015	15-53	.023

ALL UTILITY BASE RATES
CURRENT AS OF JULY 16, 2019

Mountain WD	$37.73	$16.17000	2	$32.34	$70.07	10/9/2015	14-342	10/9/2017	14-342	base 3P
Nixutil Sanitation	$61.73			$0.00	$61.73	(I) 4/1/2019	19-24	(I) 4/1/2019	19-24	base ARF
Oldham Woods	$47.27			$0.00	$47.27	11/16/2016	16-131	11/16/2016	16-131	base ARF
Par-Tee	$26.63			$0.00	$26.63	3/6/2014	13-314	3/6/2014	13-314	base ARF
Powells Valley WD	$27.57	$13.78000	2	$27.56	$55.13	4/14/2009	8-506	10/26/2017	17-392	.023
PR Waste Management	$35.00			$0.00	$35.00	4/12/2019	18-339	4/12/2019	18-339	base ARF
ProMan Property Mgmt.	$13.67			$0.00	$13.67	2/24/1995	94-333	11/1/2006	6-166	IO !!
Ridgelea - Grant County	$30.00			$0.00	$30.00	4/8/2011	9-500	4/8/2011	9-500	base ARF
River Bluffs	$58.16			$0.00	$58.16	1/7/2008	7-433	1/7/2008	7-433	base
South 641 WD	$24.97	$5.94000	4	$23.76	$48.73	11/24/2015	15-278	11/25/2016	15-278	base 2P
Springcrest Sewer	$27.43			$0.00	$27.43	???		9/30/1996	95-289	base IO
Symsonia	$33.72	$4.76000	2	$9.52	$43.24	3/30/2018	17-371	3/30/2018	17-371	base ARF
Villas of Woodson Bend	$50.50			$0.00	$50.50	6/14/2012	12-40	6/14/2012	12-40	base ARF
Warren Co. WD - general	$10.78	$4.59000	2	$9.18	$19.96	9/9/1993	93-289	1/1/2017	16-431	TSA
Warren Co. WD - Smiths Gr.	$17.22	$4.76000	2	$9.52	$26.74	???		1/1/2017	16-431	TSA
Webster County Sanitation	$18.36	$9.18000	2	$18.36	$36.72	???		???		
Wood Creek WD %%	$25.86	$8.47580	2	$16.95	$42.81	11/23/2013	13-170	3/16/2018	18-66	.023
Woodland Acres	$41.05			$0.00	$41.05	12/27/2007	7-397	12/27/2007	7-397	base ARF

** BCSD receivership
RWRA receivership
!! Rates set under prior owner
%% - min. bill plus addl. usage in multiple blocks - amortized to 4,000 gallons

PSC EXHIBIT 17

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

July 25, 2019

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

RE: Martin County Water District
PSC Case No. 2018-00017

To Whom It May Concern:

Enclosed please find Martin County Water District's Response to Commission Staff's July 17, 2019 First Request for Information for Formal Confidential Conference.

The electronic filing receipt will be enclosed with the paper copy being sent via the U.S. Postal Service.

Thank you for your attention to this matter.

Very truly yours,

BRIAN CUMBO

BC/ld
Enclosure
cc: Hon. Mary Varson Cromer (w/enc.)
Hon. M. Todd Osterloh (w/enc.)
Hon. James Wilson Gardner (w/enc.)
Martin Water District (w/enc.)

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF THE MARTIN COUNTY WATER DISTRICT FOR ALTERNATIVE RATE ADJUSTMENT	))))	CASE NO. 2018-00017

MARTIN COUNTY WATER DISTRICT'S RESPONSE TO COMMISSION STAFF'S JULY 17, 2019 FIRST REQUEST FOR INFORMATION FOR FORMAL CONFIDENTIAL CONFERENCE

****

Comes the Martin County Water District (hereinafter District), by counsel, and for its' Response to Commission Staff's First Request for Information for Formal Confidential Conference, states as follows:

1. Provide the income statement for each month from the date of the Commission's Order of November 5, 2018 through the most currently monthly income statement.

RESPONSE: See attached Exhibit A.

2. Provide the balance sheet for the period ending December 31, 2018, and for the current period ending June 30, 2019.

RESPONSE: See attached Exhibit B.

BRIAN CUMBO
COUNSEL FOR MARTIN COUNTY
WATER DISTRICT
P.O. BOX 1844
INEZ, KY 41224
TELEPHONE: (606) 298-0428
TELECOPIER: (606) 298-0316
EMAIL: cumbolaw@cumbolaw.com

CERTIFICATE OF SERVICE

This will certify that a true and correct copy of the foregoing was emailed & mailed, postage pre-paid, on this the 25 day of July, 2019, to the following:

Public Service Commission
ATTN: Brittany Koenig
P.O. Box 615
Frankfort, KY 40602

Hon. Mary Varson Cromer
Appalachian Citizens' Law Center, Inc.
317 Main Street
Whitesburg, KY 41858
mary@appalachianlawcenter.org

Hon. M. Todd Osterioh
Hon. James Wilson Gardner
Sturgill, Turner, Barker & Moloney, PLLC
333 West Vine Street, Ste. 1400
Lexington, KY 40507
tosterloh@sturgillturner.com
jameswilsongardner@gmail.com

BRIAN CUMBO

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 24th day of July, 2019.

My Commission Expires: 9-18-22.

NOTARY PUBLIC, STATE AT LARGE

EXHIBIT #1

MARTIN COUNTY WATER DISTRICT
OPERATING INCOME STATEMENT
For the Eleven Months Ending November 30, 2018

	Current Month		Year to Date	
Revenues				
Interest & Dividend Income	$ 8.91	0.00	$ 355.87	0.02
Unmetered Water Revenues	0.00	0.00	382.33	0.02
Metered Sales To Resid Cust	150,214.40	71.97	1,582,206.41	73.85
Metered Sales to Comm Cust	26,146.18	12.53	269,762.73	12.59
Metered Sales to Comm Exempt	7,778.56	3.73	62,213.73	2.90
Metered Sales to Public Auth	0.00	0.00	2,030.25	0.09
Miscellaneous Service Revenue	1,887.70	0.90	38,261.87	1.79
Other Water Revenues-Penalitie	8,361.93	4.01	69,973.11	3.27
Other Water Revenues	0.00	0.00	300.00	0.01
Other Revenues	0.00	0.00	155.07	0.01
Other Revenues-Vendors Comp	27.45	0.01	259.33	0.01
Other Water Revenues-Sur Charg	14,304.66	6.85	116,508.40	5.44
Total Revenues, Gains & Other Support	208,729.79	100.00	2,142,409.10	100.00
Expenditures				
Depreciation Expense	64,441.92	30.87	708,861.12	33.09
Utility Regulatory Assess Fees	0.00	0.00	4,071.38	0.19
Payroll Taxes-SS & MC	3,955.52	1.90	40,368.18	1.88
Payroll Taxes-Unemployment	34.38	0.02	1,025.62	0.05
Interest on Long-Term Debt	0.00	0.00	91,311.31	4.26
Amortization of Prem on Debt	(62.73)	(0.03)	(690.03)	(0.03)
Salaries and Wages - Emp TO	14,983.49	7.18	164,757.13	7.69
Salaries and Wages - Emp DO	7,749.45	3.71	76,915.92	3.59
Salaries and Wages - Emp DM	10,332.50	4.95	107,156.40	5.00
Salaries and Wages - Emp DM	14,372.63	6.89	85,243.81	3.98
Salaries and Wages - Emp CAE	4,083.50	1.96	53,062.43	2.48
Salaries and Wages - Emp AG	750.00	0.36	42,173.07	1.97
Employee Pensions & Ben TO	4,844.99	2.32	25,971.14	1.21
Employee Pensions & Ben DO	483.26	0.23	5,315.86	0.25
Employee Pensions & Ben DO	0.00	0.00	(1,534.92)	(0.07)
Employee Pensions & Ben DM	5,728.28	2.74	26,255.74	1.23
Employee Pensions & Ben CAE	2,804.22	1.34	15,675.33	0.73
Employee Pensions & Ben AG	1,298.28	0.62	7,180.54	0.34
Purchased Water SO	11,299.70	5.41	113,334.18	5.29
Purchased Water SO	0.00	0.00	894.14	0.04
Purchased Power SO	13,738.70	6.58	103,262.67	4.82
Purchased Power TO	8,700.62	4.17	110,514.30	5.16
Purchased Power DO	5,733.42	2.75	83,033.70	3.88
Purchased Power AG	318.51	0.15	3,802.92	0.18
Chemicals TO	12,251.60	5.87	149,646.25	6.98
Materials & Supplies SO	8,115.32	3.89	73,041.49	3.41
Materials & Supplies SM	0.00	0.00	2,466.00	0.12
Materials & Supplies TO	2,896.54	1.39	74,460.24	3.48
Materials & Supplies TM	(995.00)	(0.48)	(995.00)	(0.05)
Materials & Supplies TM	0.00	0.00	995.00	0.05
Materials & Supplies DO	0.00	0.00	14.83	0.00
Materials & Supplies DO	0.00	0.00	10,887.17	0.51
Materials & Supplies DM	3,476.01	1.67	104,736.14	4.89
Materials & Supplies CAE	1,934.68	0.93	16,443.38	0.77
Materials & Supplies AG	0.00	0.00	289.27	0.01
Contractual Ser-Eng SM	0.00	0.00	960.00	0.04
Contractual Ser-Acct AG	3,500.00	1.68	38,500.00	1.80
Contractual Ser-Leg AG	1,287.50	0.62	48,935.38	2.28

No Assurance Provided

MARTIN COUNTY WATER DISTRICT
OPERATING INCOME STATEMENT
For the Eleven Months Ending November 30, 2018

	Current Month		Year to Date	
Contractual Ser-Wtr Test TO	1,250.75	0.60	19,655.50	0.92
Contractual Ser-Other SO	0.00	0.00	840.00	0.04
Contractual Ser-Other SO	0.00	0.00	20,172.00	0.94
Contractual Ser-Other SM	0.00	0.00	4,549.97	0.21
Contractual Ser-Other TO	0.00	0.00	2,250.00	0.11
Contractual Ser-Other TM	0.00	0.00	12,040.16	0.56
Contractual Ser-Other DO	0.00	0.00	1,101.35	0.05
Contractual Ser-Other DM	14,683.66	7.03	67,519.34	3.15
Contractual Ser-Other CAE	600.00	0.29	7,839.98	0.37
Contractual Ser-Other AG	1,055.00	0.51	6,250.00	0.29
Rental of Bld/Rl Prop DO	0.00	0.00	1,014.09	0.05
Rental of Bld/Rl Prop DM	0.00	0.00	500.00	0.02
Rental of Bld/Rl Prop CAE	709.58	0.34	7,950.85	0.37
Rental of Equipment SO	0.00	0.00	2,719.50	0.13
Rental of Equipment SO	15,659.55	7.50	75,972.90	3.55
Rental of Equipment TO	0.00	0.00	2,500.00	0.12
Rental of Equipment DO	0.00	0.00	679.88	0.03
Rental of Equipment DM	0.00	0.00	148.95	0.01
Rental of Equipment GA	0.00	0.00	5.00	0.00
Transportation Expense SO	0.00	0.00	190.01	0.01
Transportation Expense DO	166.56	0.08	6,058.76	0.28
Transportation Expense DM	145.75	0.07	145.75	0.01
Transportation Expense DM	1,489.15	0.71	42,285.08	1.97
Transportation Expense CAE	492.58	0.24	5,195.42	0.24
Transportation Expense AG	214.49	0.10	6,048.13	0.28
Insurance-Vehicles SO	38.47	0.02	423.17	0.02
Insurance-Vehicles SM	38.47	0.02	423.17	0.02
Insurance-Vehicles TO	38.47	0.02	423.17	0.02
Insurance-Vehicles TM	38.47	0.02	423.17	0.02
Insurance-Vehicles DO	246.20	0.12	2,708.20	0.13
Insurance-Vehicles DM	269.29	0.13	2,962.19	0.14
Insurance-Vehicles CAE	38.47	0.02	423.17	0.02
Insurance-Vehicles AG	61.55	0.03	677.05	0.03
Insurance-Gen Liab SO	146.59	0.07	1,612.49	0.08
Insurance-Gen Liab SM	97.73	0.05	1,075.03	0.05
Insurance-Gen Liab TO	293.18	0.14	3,224.98	0.15
Insurance-Gen Liab TM	122.16	0.06	1,343.76	0.06
Insurance-Gen Liab DO	757.37	0.36	8,331.07	0.39
Insurance-Gen Liab DM	781.80	0.37	8,599.80	0.40
Insurance-Gen Liab CAE	97.73	0.05	1,075.03	0.05
Insurance-Gen Liab AG	146.59	0.07	1,612.49	0.08
Insurance-Workers Comp TO	1,251.62	0.60	13,767.82	0.64
Insurance-Workers Comp DO	401.63	0.19	4,417.93	0.21
Insurance-Workers Comp DM	927.15	0.44	10,198.65	0.48
Insurance-Workers Comp CAE	31.13	0.01	342.43	0.02
Insurance-Workers Comp AG	501.13	0.24	5,512.43	0.26
Insurance-Other CAE	331.35	0.16	3,644.85	0.17
Insurance-Other AG	470.65	0.23	5,177.15	0.24
Miscellaneous Expense TO	709.30	0.34	4,323.62	0.20
Miscellaneous Expense TM	0.00	0.00	490.08	0.02
Miscellaneous Expense DO	0.00	0.00	51.50	0.00
Miscellaneous Expense DO	0.00	0.00	4,723.49	0.22
Miscellaneous Expense DM	0.00	0.00	1,076.07	0.05
Miscellaneous Expense CAE	215.81	0.10	2,636.22	0.12
Miscellaneous Expense CAE	0.00	0.00	1,254.61	0.06
Miscellaneous Expense CAE- O/S	0.00	0.00	0.30	0.00

MARTIN COUNTY WATER DISTRICT
OPERATING INCOME STATEMENT
For the Eleven Months Ending November 30, 2018

	Current Month		Year to Date	
Miscellaneous Expense AG	(1,700.00)	(0.81)	2,252.23	0.11
Miscellaneous Expense AG	1,429.35	0.68	17,705.53	0.83
Other Contractor -- Operations	0.00	0.00	34.37	0.00
Salaries & Related Expenses	0.00	0.00	0.00	0.00
Total Expenditures	252,306.02	120.88	2,794,921.93	130.46
Excess Revenues Over Expenditures	$ (43,576.23)	(20.88)	$ (652,512.83)	(30.46)

No Assurance Provided

MARTIN COUNTY WATER DISTRICT
OPERATING INCOME STATEMENT
For the Twelve Months Ending December 31, 2018

	Current Month		Year to Date	
Revenues				
Interest & Dividend Income	$ 6.06	0.00	$ 361.93	0.02
Unmetered Water Revenues	35.00	0.02	417.33	0.02
Metered Sales To Resid Cust	94,028.39	54.78	1,676,234.80	72.44
Metered Sales to Comm Cust	19,037.87	11.09	288,800.60	12.48
Metered Sales to Comm Exempt	14,908.44	8.69	77,122.17	3.33
Metered Sales to Public Auth	0.00	0.00	2,030.25	0.09
Miscellaneous Service Revenue	2,614.13	1.52	40,876.00	1.77
Other Water Revenues-Penalitie	774.16	0.45	70,747.27	3.06
Other Water Revenues	0.00	0.00	300.00	0.01
Other Revenues	6,554.91	3.82	6,709.98	0.29
Other Revenues-Vendors Comp	21.67	0.01	281.00	0.01
Other Water Revenues-Sur Charg	33,653.13	19.61	150,161.53	6.49
Total Revenues, Gains & Other Support	171,633.76	100.00	2,314,042.86	100.00
Expenditures				
Depreciation Expense	64,441.92	37.55	773,303.04	33.42
Utility Regulatory Assess Fees	0.00	0.00	4,071.38	0.18
Payroll Taxes-SS & MC	4,126.80	2.40	44,494.98	1.92
Payroll Taxes-Unemployment	35.81	0.02	1,061.43	0.05
Interest on Long-Term Debt	1,055.48	0.61	92,366.79	3.99
Amortization of Prem on Debt	(62.73)	(0.04)	(752.76)	(0.03)
Salaries and Wages - Emp TO	13,917.05	8.11	178,674.18	7.72
Salaries and Wages - Emp DO	6,841.29	3.99	83,757.21	3.62
Salaries and Wages - Emp DM	12,074.79	7.04	119,231.19	5.15
Salaries and Wages - Emp DM	17,381.84	10.13	102,625.65	4.43
Salaries and Wages - Emp CAE	3,508.39	2.04	56,570.82	2.44
Salaries and Wages - Emp AG	750.00	0.44	42,923.07	1.85
Employee Pensions & Ben TO	4,569.94	2.66	30,541.08	1.32
Employee Pensions & Ben DO	483.26	0.28	5,799.12	0.25
Employee Pensions & Ben DO	0.00	0.00	(1,534.92)	(0.07)
Employee Pensions & Ben DM	7,925.52	4.62	34,181.26	1.48
Employee Pensions & Ben CAE	2,560.37	1.49	18,235.70	0.79
Employee Pensions & Ben AG	818.13	0.48	7,998.67	0.35
Purchased Water SO	14,169.23	8.26	127,503.41	5.51
Purchased Water SO	0.00	0.00	894.14	0.04
Purchased Power SO	13,849.76	8.07	117,112.43	5.06
Purchased Power TO	10,488.82	6.11	121,003.12	5.23
Purchased Power DO	7,836.22	4.57	90,869.92	3.93
Purchased Power AG	462.78	0.27	4,265.70	0.18
Chemicals TO	12,251.60	7.14	161,897.85	7.00
Materials & Supplies SO	138.68	0.08	73,180.17	3.16
Materials & Supplies SM	0.00	0.00	2,466.00	0.11
Materials & Supplies TO	3,041.55	1.77	77,501.79	3.35
Materials & Supplies TM	0.00	0.00	(995.00)	(0.04)
Materials & Supplies TM	0.00	0.00	995.00	0.04
Materials & Supplies DO	0.00	0.00	14.83	0.00
Materials & Supplies DO	0.00	0.00	10,887.17	0.47
Materials & Supplies DM	6,806.12	3.97	111,542.26	4.82
Materials & Supplies CAE	2,133.14	1.24	18,576.52	0.80
Materials & Supplies AG	0.00	0.00	289.27	0.01
Contractual Ser-Eng SM	0.00	0.00	960.00	0.04
Contractual Ser-Acct AG	3,500.00	2.04	42,000.00	1.82
Contractual Ser-Leg AG	0.00	0.00	48,935.38	2.11

MARTIN COUNTY WATER DISTRICT
OPERATING INCOME STATEMENT
For the Twelve Months Ending December 31, 2018

	Current Month		Year to Date	
Contractual Ser-Wtr Test TO	933.50	0.54	20,589.00	0.89
Contractual Ser-Other SO	0.00	0.00	840.00	0.04
Contractual Ser-Other SO	0.00	0.00	20,172.00	0.87
Contractual Ser-Other SM	0.00	0.00	4,549.97	0.20
Contractual Ser-Other TO	0.00	0.00	2,250.00	0.10
Contractual Ser-Other TM	0.00	0.00	12,040.16	0.52
Contractual Ser-Other DO	610.48	0.36	1,711.83	0.07
Contractual Ser-Other DM	1,291.00	0.75	68,810.34	2.97
Contractual Ser-Other CAE	115.00	0.07	7,954.98	0.34
Contractual Ser-Other AG	1,060.00	0.62	7,310.00	0.32
Rental of Bld/Rl Prop DO	0.00	0.00	1,014.09	0.04
Rental of Bld/Rl Prop DM	0.00	0.00	500.00	0.02
Rental of Bld/Rl Prop CAE	730.26	0.43	8,681.11	0.38
Rental of Equipment SO	0.00	0.00	2,719.50	0.12
Rental of Equipment SO	0.00	0.00	75,972.90	3.28
Rental of Equipment TO	0.00	0.00	2,500.00	0.11
Rental of Equipment DO	0.00	0.00	679.88	0.03
Rental of Equipment DM	0.00	0.00	148.95	0.01
Rental of Equipment GA	0.00	0.00	5.00	0.00
Transportation Expense SO	0.00	0.00	190.01	0.01
Transportation Expense DO	190.10	0.11	6,248.86	0.27
Transportation Expense DM	0.00	0.00	145.75	0.01
Transportation Expense DM	21,530.74	12.54	63,815.82	2.76
Transportation Expense CAE	492.58	0.29	5,688.00	0.25
Transportation Expense AG	107.00	0.06	6,155.13	0.27
Insurance-Vehicles SO	38.47	0.02	461.64	0.02
Insurance-Vehicles SM	38.47	0.02	461.64	0.02
Insurance-Vehicles TO	38.47	0.02	461.64	0.02
Insurance-Vehicles TM	38.47	0.02	461.64	0.02
Insurance-Vehicles DO	246.20	0.14	2,954.40	0.13
Insurance-Vehicles DM	269.29	0.16	3,231.48	0.14
Insurance-Vehicles CAE	38.47	0.02	461.64	0.02
Insurance-Vehicles AG	61.55	0.04	738.60	0.03
Insurance-Gen Liab SO	146.59	0.09	1,759.08	0.08
Insurance-Gen Liab SM	97.73	0.06	1,172.76	0.05
Insurance-Gen Liab TO	293.18	0.17	3,518.16	0.15
Insurance-Gen Liab TM	122.16	0.07	1,465.92	0.06
Insurance-Gen Liab DO	757.37	0.44	9,088.44	0.39
Insurance-Gen Liab DM	781.80	0.46	9,381.60	0.41
Insurance-Gen Liab CAE	97.73	0.06	1,172.76	0.05
Insurance-Gen Liab AG	146.59	0.09	1,759.08	0.08
Insurance-Workers Comp TO	1,251.62	0.73	15,019.44	0.65
Insurance-Workers Comp DO	401.63	0.23	4,819.56	0.21
Insurance-Workers Comp DM	927.15	0.54	11,125.80	0.48
Insurance-Workers Comp CAE	31.13	0.02	373.56	0.02
Insurance-Workers Comp AG	501.13	0.29	6,013.56	0.26
Insurance-Other CAE	331.35	0.19	3,976.20	0.17
Insurance-Other AG	470.65	0.27	5,647.80	0.24
Miscellaneous Expense TO	334.30	0.19	4,657.92	0.20
Miscellaneous Expense TM	0.00	0.00	490.08	0.02
Miscellaneous Expense DO	0.00	0.00	51.50	0.00
Miscellaneous Expense DO	0.00	0.00	4,723.49	0.20
Miscellaneous Expense DM	0.00	0.00	1,076.07	0.05
Miscellaneous Expense CAE	215.81	0.13	2,852.03	0.12
Miscellaneous Expense CAE	0.00	0.00	1,254.61	0.05
Miscellaneous Expense CAE- O/S	0.00	0.00	0.30	0.00

MARTIN COUNTY WATER DISTRICT
OPERATING INCOME STATEMENT
For the Twelve Months Ending December 31, 2018

	Current Month		Year to Date	
Miscellaneous Expense AG	2,100.00	1.22	4,352.23	0.19
Miscellaneous Expense AG	539.22	0.31	18,244.75	0.79
Other Contractor -- Operations	1,249.90	0.73	1,284.27	0.06
Salaries & Related Expenses	0.00	0.00	0.00	0.00
Total Expenditures	253,732.85	147.83	3,048,654.78	131.75
Excess Revenues Over Expenditures	$ (82,099.09)	(47.83)	$ (734,611.92)	(31.75)

MARTIN COUNTY WATER DISTRICT
OPERATING INCOME STATEMENT
For the One Month Ending January 31, 2019

	Current Month		Year to Date	
Revenues				
Interest & Dividend Income	$ 0.06	0.00	$ 0.06	0.00
Interest & Dividend Income	9.15	0.00	9.15	0.00
Unmetered Water Revenues	9.80	0.00	9.80	0.00
Metered Sales To Resid Cust	153,080.47	72.00	153,080.47	72.00
Metered Sales to Comm Cust	28,907.09	13.60	28,907.09	13.60
Metered Sales to Comm Exempt	7,830.73	3.68	7,830.73	3.68
Miscellaneous Service Revenue	2,484.00	1.17	2,484.00	1.17
Other Water Revenues-Penalitie	5,988.71	2.82	5,988.71	2.82
Other Revenues-Vendors Comp	24.40	0.01	24.40	0.01
Other Water Revenues-Sur Charg	14,292.09	6.72	14,292.09	6.72
Total Revenues, Gains & Other Support	212,626.50	100.00	212,626.50	100.00
Expenditures				
Depreciation Expense	64,441.92	30.31	64,441.92	30.31
Payroll Taxes-SS & MC	4,887.91	2.30	4,887.91	2.30
Payroll Taxes-Unemployment	257.41	0.12	257.41	0.12
Interest on Long-Term Debt	486.23	0.23	486.23	0.23
Interest Expense	1,263.70	0.59	1,263.70	0.59
Amortization of Prem on Debt	(62.73)	(0.03)	(62.73)	(0.03)
Salaries and Wages - Emp TO	17,583.98	8.27	17,583.98	8.27
Salaries and Wages - Emp DO	8,654.64	4.07	8,654.64	4.07
Salaries and Wages - Emp DM	12,475.17	5.87	12,475.17	5.87
Salaries and Wages - Emp DM	19,490.50	9.17	19,490.50	9.17
Salaries and Wages - Emp CAE	5,394.58	2.54	5,394.58	2.54
Salaries and Wages - Emp AG	750.00	0.35	750.00	0.35
Employee Pensions & Ben TO	5,253.16	2.47	5,253.16	2.47
Employee Pensions & Ben DO	483.26	0.23	483.26	0.23
Employee Pensions & Ben DM	8,324.77	3.92	8,324.77	3.92
Employee Pensions & Ben CAE	2,881.05	1.35	2,881.05	1.35
Employee Pensions & Ben AG	735.35	0.35	735.35	0.35
Purchased Water SO	11,155.39	5.25	11,155.39	5.25
Purchased Power SO	7,604.38	3.58	7,604.38	3.58
Purchased Power TO	13,134.72	6.18	13,134.72	6.18
Purchased Power DO	9,957.01	4.68	9,957.01	4.68
Purchased Power AG	650.71	0.31	650.71	0.31
Chemicals TO	18,377.40	8.64	18,377.40	8.64
Materials & Supplies SO	121.41	0.06	121.41	0.06
Materials & Supplies TO	535.92	0.25	535.92	0.25
Materials & Supplies DO	2,456.89	1.16	2,456.89	1.16
Materials & Supplies DM	3,798.24	1.79	3,798.24	1.79
Materials & Supplies CAE	1,804.55	0.85	1,804.55	0.85
Contractual Ser-Acct AG	3,500.00	1.65	3,500.00	1.65
Contractual Ser-Leg AG	1,552.04	0.73	1,552.04	0.73
Contractual Ser-Wtr Test TO	854.75	0.40	854.75	0.40
Contractual Ser-Other TM	2,772.59	1.30	2,772.59	1.30
Contractual Ser-Other DM	232.00	0.11	232.00	0.11
Contractual Ser-Other CAE	389.39	0.18	389.39	0.18
Contractual Ser-Other AG	2,738.00	1.29	2,738.00	1.29
Rental of Bld/Rl Prop CAE	730.26	0.34	730.26	0.34
Transportation Expense DO	558.83	0.26	558.83	0.26
Transportation Expense DM	32.98	0.02	32.98	0.02
Transportation Expense DM	3,254.72	1.53	3,254.72	1.53
Transportation Expense CAE	492.58	0.23	492.58	0.23

MARTIN COUNTY WATER DISTRICT
OPERATING INCOME STATEMENT
For the One Month Ending January 31, 2019

	Current Month		Year to Date	
Insurance-Vehicles SO	38.47	0.02	38.47	0.02
Insurance-Vehicles SM	38.47	0.02	38.47	0.02
Insurance-Vehicles TO	38.47	0.02	38.47	0.02
Insurance-Vehicles TM	38.47	0.02	38.47	0.02
Insurance-Vehicles DO	246.20	0.12	246.20	0.12
Insurance-Vehicles DM	269.29	0.13	269.29	0.13
Insurance-Vehicles CAE	38.47	0.02	38.47	0.02
Insurance-Vehicles AG	61.55	0.03	61.55	0.03
Insurance-Gen Liab SO	146.59	0.07	146.59	0.07
Insurance-Gen Liab SM	97.73	0.05	97.73	0.05
Insurance-Gen Liab TO	293.18	0.14	293.18	0.14
Insurance-Gen Liab TM	122.16	0.06	122.16	0.06
Insurance-Gen Liab DO	757.37	0.36	757.37	0.36
Insurance-Gen Liab DM	781.80	0.37	781.80	0.37
Insurance-Gen Liab CAE	97.73	0.05	97.73	0.05
Insurance-Gen Liab AG	146.59	0.07	146.59	0.07
Insurance-Workers Comp TO	1,251.62	0.59	1,251.62	0.59
Insurance-Workers Comp DO	401.63	0.19	401.63	0.19
Insurance-Workers Comp DM	927.15	0.44	927.15	0.44
Insurance-Workers Comp CAE	31.13	0.01	31.13	0.01
Insurance-Workers Comp AG	501.13	0.24	501.13	0.24
Insurance-Other CAE	331.35	0.16	331.35	0.16
Insurance-Other AG	470.65	0.22	470.65	0.22
Bad Debt Expense CAE	253.11	0.12	253.11	0.12
Miscellaneous Expense TO	339.27	0.16	339.27	0.16
Miscellaneous Expense CAE	215.85	0.10	215.85	0.10
Miscellaneous Expense CAE	75.00	0.04	75.00	0.04
Miscellaneous Expense AG	1,067.83	0.50	1,067.83	0.50
Interest Expense	1,053.06	0.50	1,053.06	0.50
Other Contractor -- Operations	123.01	0.06	123.01	0.06
Salaries & Related Expenses	0.00	0.00	0.00	0.00
Total Expenditures	250,259.99	117.70	250,259.99	117.70
Excess Revenues Over Expenditures	$ (37,633.49)	(17.70)	$ (37,633.49)	(17.70)

No Assurance Provided

MARTIN COUNTY WATER DISTRICT
OPERATING INCOME STATEMENT
For the Two Months Ending February 28, 2019

	Current Month		Year to Date	
Revenues				
Interest & Dividend Income	$ 0.00	0.00	$ 0.06	0.00
Interest & Dividend Income	26.11	0.13	35.26	0.02
Unmetered Water Revenues	21.00	0.10	30.80	0.01
Metered Sales To Resid Cust	0.00	0.00	153,080.47	65.69
Metered Sales to Comm Cust	0.00	0.00	28,907.09	12.40
Metered Sales to Comm Exempt	0.00	0.00	7,830.73	3.36
Miscellaneous Service Revenue	560.00	2.74	3,044.00	1.31
Other Water Revenues-Penalitie	0.00	0.00	5,988.71	2.57
Other Revenues - JW	(196.53)	(0.96)	(196.53)	(0.08)
Other Revenues	19,967.63	97.84	19,967.63	8.57
Other Revenues-Vendors Comp	30.24	0.15	54.64	0.02
Other Water Revenues-Sur Charg	0.00	0.00	14,292.09	6.13
Total Revenues, Gains & Other Support	20,408.45	100.00	233,034.95	100.00
Expenditures				
Depreciation Expense	64,441.92	315.76	128,883.84	55.31
Payroll Taxes-SS & MC	4,872.85	23.88	9,760.76	4.19
Payroll Taxes-Unemployment	235.91	1.16	493.32	0.21
Interest on Long-Term Debt	0.00	0.00	486.23	0.21
Interest Expense	0.00	0.00	1,263.70	0.54
Amortization of Prem on Debt	(62.73)	(0.31)	(125.46)	(0.05)
Salaries and Wages - Emp TO	15,516.71	76.03	33,100.69	14.20
Salaries and Wages - Emp DO	8,252.47	40.44	16,907.11	7.26
Salaries and Wages - Emp DM	12,205.85	59.81	24,681.02	10.59
Salaries and Wages - Emp DM	21,659.05	106.13	41,149.55	17.66
Salaries and Wages - Emp CAE	5,695.25	27.91	11,089.83	4.76
Salaries and Wages - Emp AG	750.00	3.67	1,500.00	0.64
Employee Pensions & Ben TO	4,694.49	23.00	9,947.65	4.27
Employee Pensions & Ben DO	483.26	2.37	966.52	0.41
Employee Pensions & Ben DM	9,266.85	45.41	17,591.62	7.55
Employee Pensions & Ben CAE	2,935.91	14.39	5,816.96	2.50
Employee Pensions & Ben AG	735.35	3.60	1,470.70	0.63
Purchased Water SO	567.20	2.78	11,722.59	5.03
Purchased Power SO	2,778.11	13.61	10,382.49	4.46
Purchased Power TO	10,639.41	52.13	23,774.13	10.20
Purchased Power DO	8,889.39	43.56	18,846.40	8.09
Purchased Power AG	572.02	2.80	1,222.73	0.52
Chemicals TO	6,039.33	29.59	24,416.73	10.48
Materials & Supplies SO	0.00	0.00	121.41	0.05
Materials & Supplies TO	535.92	2.63	1,071.84	0.46
Materials & Supplies DO	206.50	1.01	2,663.39	1.14
Materials & Supplies DM	713.85	3.50	713.85	0.31
Materials & Supplies DM	7,406.67	36.29	11,204.91	4.81
Materials & Supplies CAE	1,840.44	9.02	3,644.99	1.56
Contractual Ser-Acct AG	1,750.00	8.57	5,250.00	2.25
Contractual Ser-Leg AG	1,817.70	8.91	3,369.74	1.45
Contractual Ser-Wtr Test TO	1,235.75	6.06	2,090.50	0.90
Contractual Ser-Other TM	0.00	0.00	2,772.59	1.19
Contractual Ser-Other DM	2,076.25	10.17	2,308.25	0.99
Contractual Ser-Other CAE	1,609.99	7.89	1,999.38	0.86
Contractual Ser-Other AG	5,999.00	29.39	8,737.00	3.75
Rental of Bld/Rl Prop CAE	730.26	3.58	1,460.52	0.63
Rental of Equipment DM	112.08	0.55	112.08	0.05

MARTIN COUNTY WATER DISTRICT
OPERATING INCOME STATEMENT
For the Two Months Ending February 28, 2019

	Current Month		Year to Date	
Transportation Expense DO	128.91	0.63	687.74	0.30
Transportation Expense DM	0.00	0.00	32.98	0.01
Transportation Expense DM	7,479.60	36.65	10,734.32	4.61
Transportation Expense CAE	492.58	2.41	985.16	0.42
Insurance-Vehicles SO	38.47	0.19	76.94	0.03
Insurance-Vehicles SM	38.47	0.19	76.94	0.03
Insurance-Vehicles TO	38.47	0.19	76.94	0.03
Insurance-Vehicles TM	38.47	0.19	76.94	0.03
Insurance-Vehicles DO	246.20	1.21	492.40	0.21
Insurance-Vehicles DM	269.29	1.32	538.58	0.23
Insurance-Vehicles CAE	38.47	0.19	76.94	0.03
Insurance-Vehicles AG	61.55	0.30	123.10	0.05
Insurance-Gen Liab SO	146.59	0.72	293.18	0.13
Insurance-Gen Liab SM	97.73	0.48	195.46	0.08
Insurance-Gen Liab TO	293.18	1.44	586.36	0.25
Insurance-Gen Liab TM	122.16	0.60	244.32	0.10
Insurance-Gen Liab DO	757.37	3.71	1,514.74	0.65
Insurance-Gen Liab DM	781.80	3.83	1,563.60	0.67
Insurance-Gen Liab CAE	97.73	0.48	195.46	0.08
Insurance-Gen Liab AG	146.59	0.72	293.18	0.13
Insurance-Workers Comp TO	1,251.62	6.13	2,503.24	1.07
Insurance-Workers Comp DO	401.63	1.97	803.26	0.34
Insurance-Workers Comp DM	927.15	4.54	1,854.30	0.80
Insurance-Workers Comp CAE	31.13	0.15	62.26	0.03
Insurance-Workers Comp AG	501.13	2.46	1,002.26	0.43
Insurance-Other CAE	331.35	1.62	662.70	0.28
Insurance-Other AG	470.65	2.31	941.30	0.40
Bad Debt Expense CAE	0.00	0.00	253.11	0.11
Miscellaneous Expense TO	252.33	1.24	591.60	0.25
Miscellaneous Expense CAE	0.00	0.00	215.85	0.09
Miscellaneous Expense CAE	73.00	0.36	148.00	0.06
Miscellaneous Expense AG	252.29	1.24	252.29	0.11
Miscellaneous Expense AG	1,079.70	5.29	2,147.53	0.92
Interest Expense	0.00	0.00	1,053.06	0.45
Other Contractor -- Operations	0.00	0.00	123.01	0.05
Salaries & Related Expenses	0.00	0.00	0.00	0.00
Total Expenditures	224,088.62	1,098.02	474,348.61	203.55
Excess Revenues Over Expenditures	$ (203,680.17)	(998.02)	$ (241,313.66)	(103.55)

No Assurance Provided

MARTIN COUNTY WATER DISTRICT
OPERATING INCOME STATEMENT
For the Three Months Ending March 31, 2019

	Current Month		Year to Date	
Revenues				
Interest & Dividend Income	$ 0.00	0.00	$ 0.06	0.00
Interest & Dividend Income	5.78	0.82	41.04	0.02
Unmetered Water Revenues	0.00	0.00	30.80	0.01
Metered Sales To Resid Cust	0.00	0.00	153,080.47	65.49
Metered Sales to Comm Cust	0.00	0.00	28,907.09	12.37
Metered Sales to Comm Exempt	0.00	0.00	7,830.73	3.35
Miscellaneous Service Revenue	680.00	96.04	3,724.00	1.59
Other Water Revenues-Penalitie	0.00	0.00	5,988.71	2.56
Other Revenues - JW	0.00	0.00	(196.53)	(0.08)
Other Revenues	0.00	0.00	19,967.63	8.54
Other Revenues-Vendors Comp	22.24	3.14	76.88	0.03
Other Water Revenues-Sur Charg	0.00	0.00	14,292.09	6.11
Total Revenues, Gains & Other Support	708.02	100.00	233,742.97	100.00
Expenditures				
Depreciation Expense	64,441.92	9,101.71	193,325.76	82.71
Payroll Taxes-SS & MC	4,761.86	672.56	14,522.62	6.21
Payroll Taxes-Unemployment	142.74	20.16	636.06	0.27
Interest on Long-Term Debt	10,989.90	1,552.20	11,476.13	4.91
Interest Expense	0.00	0.00	1,263.70	0.54
Amortization of Prem on Debt	(62.73)	(8.86)	(188.19)	(0.08)
Salaries and Wages - Emp TO	13,664.34	1,929.94	46,765.03	20.01
Salaries and Wages - Emp DO	9,543.70	1,347.94	26,450.81	11.32
Salaries and Wages - Emp DM	8,944.36	1,263.29	33,625.38	14.39
Salaries and Wages - Emp DM	24,478.49	3,457.32	65,628.04	28.08
Salaries and Wages - Emp CAE	5,173.55	730.71	16,263.38	6.96
Salaries and Wages - Emp AG	750.00	105.93	2,250.00	0.96
Employee Pensions & Ben TO	4,445.01	627.81	14,392.66	6.16
Employee Pensions & Ben DO	483.26	68.26	1,449.78	0.62
Employee Pensions & Ben DM	9,117.50	1,287.75	26,709.12	11.43
Employee Pensions & Ben CAE	2,842.93	401.53	8,659.89	3.70
Employee Pensions & Ben AG	735.35	103.86	2,206.05	0.94
Purchased Water SO	49.66	7.01	11,772.25	5.04
Purchased Power SO	2,189.06	309.18	12,571.55	5.38
Purchased Power TO	10,368.93	1,464.50	34,143.06	14.61
Purchased Power DO	8,463.03	1,195.31	27,309.43	11.68
Purchased Power AG	499.81	70.59	1,722.54	0.74
Chemicals TO	14,842.26	2,096.31	39,258.99	16.80
Materials & Supplies SO	0.00	0.00	121.41	0.05
Materials & Supplies TO	535.92	75.69	1,607.76	0.69
Materials & Supplies DO	625.00	88.27	3,288.39	1.41
Materials & Supplies DM	0.00	0.00	713.85	0.31
Materials & Supplies DM	8,269.83	1,168.02	19,474.74	8.33
Materials & Supplies CAE	1,351.34	190.86	4,996.33	2.14
Contractual Ser-Acct AG	650.00	91.81	5,900.00	2.52
Contractual Ser-Leg AG	0.00	0.00	3,369.74	1.44
Contractual Ser-Wtr Test TO	1,157.50	163.48	3,248.00	1.39
Contractual Ser-Other TM	0.00	0.00	2,772.59	1.19
Contractual Ser-Other DM	2,904.01	410.16	5,212.26	2.23
Contractual Ser-Other CAE	3,047.99	430.49	5,047.37	2.16
Contractual Ser-Other AG	6,203.64	876.20	14,940.64	6.39
Rental of Bld/Rl Prop CAE	730.26	103.14	2,190.78	0.94
Rental of Equipment DM	157.95	22.31	270.03	0.12

MARTIN COUNTY WATER DISTRICT
OPERATING INCOME STATEMENT
For the Three Months Ending March 31, 2019

	Current Month		Year to Date	
Transportation Expense DO	376.84	53.22	1,064.58	0.46
Transportation Expense DM	1,413.51	199.64	1,446.49	0.62
Transportation Expense DM	611.32	86.34	11,345.64	4.85
Transportation Expense CAE	492.58	69.57	1,477.74	0.63
Insurance-Vehicles SO	38.47	5.43	115.41	0.05
Insurance-Vehicles SM	38.47	5.43	115.41	0.05
Insurance-Vehicles TO	38.47	5.43	115.41	0.05
Insurance-Vehicles TM	38.47	5.43	115.41	0.05
Insurance-Vehicles DO	246.20	34.77	738.60	0.32
Insurance-Vehicles DM	269.29	38.03	807.87	0.35
Insurance-Vehicles CAE	38.47	5.43	115.41	0.05
Insurance-Vehicles AG	61.55	8.69	184.65	0.08
Insurance-Gen Liab SO	146.59	20.70	439.77	0.19
Insurance-Gen Liab SM	97.73	13.80	293.19	0.13
Insurance-Gen Liab TO	293.18	41.41	879.54	0.38
Insurance-Gen Liab TM	122.16	17.25	366.48	0.16
Insurance-Gen Liab DO	757.37	106.97	2,272.11	0.97
Insurance-Gen Liab DM	781.80	110.42	2,345.40	1.00
Insurance-Gen Liab CAE	97.73	13.80	293.19	0.13
Insurance-Gen Liab AG	146.59	20.70	439.77	0.19
Insurance-Workers Comp TO	1,251.62	176.78	3,754.86	1.61
Insurance-Workers Comp DO	401.63	56.73	1,204.89	0.52
Insurance-Workers Comp DM	927.15	130.95	2,781.45	1.19
Insurance-Workers Comp CAE	31.13	4.40	93.39	0.04
Insurance-Workers Comp AG	501.13	70.78	1,503.39	0.64
Insurance-Other CAE	331.35	46.80	994.05	0.43
Insurance-Other AG	470.65	66.47	1,411.95	0.60
Bad Debt Expense CAE	0.00	0.00	253.11	0.11
Miscellaneous Expense TO	426.21	60.20	1,017.81	0.44
Miscellaneous Expense DO	740.08	104.53	740.08	0.32
Miscellaneous Expense CAE	431.70	60.97	647.55	0.28
Miscellaneous Expense CAE	396.48	56.00	544.48	0.23
Miscellaneous Expense AG	0.00	0.00	252.29	0.11
Miscellaneous Expense AG	8,548.54	1,207.39	10,696.07	4.58
Interest Expense	0.00	0.00	1,053.06	0.45
Other Contractor -- Operations	500.00	70.62	623.01	0.27
Salaries & Related Expenses	0.00	0.00	0.00	0.00
Total Expenditures	243,562.83	34,400.56	717,911.44	307.14
Excess Revenues Over Expenditures	$ (242,854.81)	(34,300.56)	$ (484,168.47)	(207.14)

No Assurance Provided

MARTIN COUNTY WATER DISTRICT
OPERATING INCOME STATEMENT
For the Four Months Ending April 30, 2019

	Current Month		Year to Date	
Revenues				
Interest & Dividend Income	$ 0.00	0.00	$ 0.06	0.00
Interest & Dividend Income	6.28	0.79	47.32	0.02
Unmetered Water Revenues	0.00	0.00	30.80	0.01
Metered Sales To Resid Cust	0.00	0.00	153,080.47	65.27
Metered Sales to Comm Cust	0.00	0.00	28,907.09	12.33
Metered Sales to Comm Exempt	0.00	0.00	7,830.73	3.34
Miscellaneous Service Revenue	760.00	96.07	4,484.00	1.91
Other Water Revenues-Penalitie	0.00	0.00	5,988.71	2.55
Other Revenues - JW	0.00	0.00	(196.53)	(0.08)
Other Revenues	0.00	0.00	19,967.63	8.51
Other Revenues-Vendors Comp	24.84	3.14	101.72	0.04
Other Water Revenues-Sur Charg	0.00	0.00	14,292.09	6.09
Total Revenues, Gains & Other Support	791.12	100.00	234,534.09	100.00
Expenditures				
Depreciation Expense	64,441.92	8,145.66	257,767.68	109.91
Payroll Taxes-SS & MC	4,620.06	583.99	19,142.68	8.16
Payroll Taxes-Unemployment	62.54	7.91	698.60	0.30
Interest on Long-Term Debt	474.55	59.98	11,950.68	5.10
Interest Expense	0.00	0.00	1,263.70	0.54
Amortization of Prem on Debt	(62.73)	(7.93)	(250.92)	(0.11)
Salaries and Wages - Emp TO	14,731.29	1,862.08	61,496.32	26.22
Salaries and Wages - Emp DO	8,586.70	1,085.39	35,037.51	14.94
Salaries and Wages - Emp DM	8,161.42	1,031.63	41,786.80	17.82
Salaries and Wages - Emp DM	22,183.17	2,804.02	87,811.21	37.44
Salaries and Wages - Emp CAE	6,287.98	794.82	22,551.36	9.62
Salaries and Wages - Emp AG	750.00	94.80	3,000.00	1.28
Employee Pensions & Ben TO	4,493.83	568.03	18,886.49	8.05
Employee Pensions & Ben DO	483.26	61.09	1,933.04	0.82
Employee Pensions & Ben DM	8,361.97	1,056.98	35,071.09	14.95
Employee Pensions & Ben CAE	3,057.77	386.51	11,717.66	5.00
Employee Pensions & Ben AG	735.35	92.95	2,941.40	1.25
Purchased Water SO	2,304.86	291.34	14,077.11	6.00
Purchased Power SO	2,251.82	284.64	14,823.37	6.32
Purchased Power TO	9,815.67	1,240.73	43,958.73	18.74
Purchased Power DO	8,448.43	1,067.91	35,757.86	15.25
Purchased Power AG	460.56	58.22	2,183.10	0.93
Chemicals TO	11,880.48	1,501.73	51,139.47	21.80
Materials & Supplies SO	0.00	0.00	121.41	0.05
Materials & Supplies TO	498.42	63.00	2,106.18	0.90
Materials & Supplies DO	2,780.44	351.46	6,068.83	2.59
Materials & Supplies DM	0.00	0.00	713.85	0.30
Materials & Supplies DM	2,709.26	342.46	22,184.00	9.46
Materials & Supplies CAE	3,729.47	471.42	8,725.80	3.72
Contractual Ser-Acct AG	0.00	0.00	5,900.00	2.52
Contractual Ser-Leg AG	734.80	92.88	4,104.54	1.75
Contractual Ser-Wtr Test TO	974.50	123.18	4,222.50	1.80
Contractual Ser-Other TM	0.00	0.00	2,772.59	1.18
Contractual Ser-Other DM	223.00	28.19	5,435.26	2.32
Contractual Ser-Other CAE	4,650.99	587.90	9,698.36	4.14
Contractual Ser-Other AG	1,035.00	130.83	15,975.64	6.81
Rental of Bld/Rl Prop DO	(25.00)	(3.16)	(25.00)	(0.01)
Rental of Bld/Rl Prop CAE	740.26	93.57	2,931.04	1.25

No Assurance Provided

MARTIN COUNTY WATER DISTRICT
OPERATING INCOME STATEMENT
For the Four Months Ending April 30, 2019

	Current Month		Year to Date	
Rental of Equipment SO	17,159.55	2,169.02	17,159.55	7.32
Rental of Equipment DM	0.00	0.00	270.03	0.12
Transportation Expense DO	553.12	69.92	1,617.70	0.69
Transportation Expense DM	1,396.94	176.58	2,843.43	1.21
Transportation Expense DM	374.61	47.35	11,720.25	5.00
Transportation Expense CAE	492.58	62.26	1,970.32	0.84
Insurance-Vehicles SO	38.47	4.86	153.88	0.07
Insurance-Vehicles SM	38.47	4.86	153.88	0.07
Insurance-Vehicles TO	38.47	4.86	153.88	0.07
Insurance-Vehicles TM	38.47	4.86	153.88	0.07
Insurance-Vehicles DO	246.20	31.12	984.80	0.42
Insurance-Vehicles DM	269.29	34.04	1,077.16	0.46
Insurance-Vehicles CAE	38.47	4.86	153.88	0.07
Insurance-Vehicles AG	61.55	7.78	246.20	0.10
Insurance-Gen Liab SO	146.59	18.53	586.36	0.25
Insurance-Gen Liab SM	97.73	12.35	390.92	0.17
Insurance-Gen Liab TO	293.18	37.06	1,172.72	0.50
Insurance-Gen Liab TM	122.16	15.44	488.64	0.21
Insurance-Gen Liab DO	757.37	95.73	3,029.48	1.29
Insurance-Gen Liab DM	781.80	98.82	3,127.20	1.33
Insurance-Gen Liab CAE	97.73	12.35	390.92	0.17
Insurance-Gen Liab AG	146.59	18.53	586.36	0.25
Insurance-Workers Comp TO	1,251.62	158.21	5,006.48	2.13
Insurance-Workers Comp DO	401.63	50.77	1,606.52	0.68
Insurance-Workers Comp DM	927.15	117.19	3,708.60	1.58
Insurance-Workers Comp CAE	31.13	3.93	124.52	0.05
Insurance-Workers Comp AG	501.13	63.34	2,004.52	0.85
Insurance-Other CAE	331.35	41.88	1,325.40	0.57
Insurance-Other AG	470.65	59.49	1,882.60	0.80
Bad Debt Expense CAE	0.00	0.00	253.11	0.11
Miscellaneous Expense TO	0.00	0.00	1,017.81	0.43
Miscellaneous Expense DO	2,205.31	278.76	2,945.39	1.26
Miscellaneous Expense CAE	0.00	0.00	647.55	0.28
Miscellaneous Expense CAE	0.00	0.00	544.48	0.23
Miscellaneous Expense AG	0.00	0.00	252.29	0.11
Miscellaneous Expense AG	594.12	75.10	11,290.19	4.81
Interest Expense	0.00	0.00	1,053.06	0.45
Other Contractor -- Operations	2,383.35	301.26	3,006.36	1.28
Salaries & Related Expenses	0.00	0.00	0.00	0.00
Total Expenditures	232,868.82	29,435.33	950,780.26	405.39
Excess Revenues Over Expenditures	$ (232,077.70)	(29,335.33)	$ (716,246.17)	(305.39)

No Assurance Provided

MARTIN COUNTY WATER DISTRICT
OPERATING INCOME STATEMENT
For the Five Months Ending May 31, 2019

	Current Month		Year to Date	
Revenues				
Interest & Dividend Income	$ 0.00	0.00	$ 0.06	0.00
Interest & Dividend Income	6.05	0.44	53.37	0.02
Unmetered Water Revenues	0.00	0.00	30.80	0.01
Metered Sales To Resid Cust	0.00	0.00	153,080.47	64.89
Metered Sales to Comm Cust	0.00	0.00	28,907.09	12.25
Metered Sales to Comm Exempt	0.00	0.00	7,830.73	3.32
Miscellaneous Service Revenue	1,352.37	97.99	5,836.37	2.47
Other Water Revenues-Penalitie	0.00	0.00	5,988.71	2.54
Other Revenues - JW	0.00	0.00	(196.53)	(0.08)
Other Revenues	0.00	0.00	19,967.63	8.46
Other Revenues-Vendors Comp	21.67	1.57	123.39	0.05
Other Water Revenues-Sur Charg	0.00	0.00	14,292.09	6.06
Total Revenues, Gains & Other Support	1,380.09	100.00	235,914.18	100.00
Expenditures				
Depreciation Expense	64,441.92	4,669.40	322,209.60	136.58
Payroll Taxes-SS & MC	4,756.52	344.65	23,899.20	10.13
Payroll Taxes-Unemployment	49.75	3.60	748.35	0.32
Interest on Long-Term Debt	462.16	33.49	12,412.84	5.26
Interest Expense	0.00	0.00	1,263.70	0.54
Amortization of Prem on Debt	(62.73)	(4.55)	(313.65)	(0.13)
Salaries and Wages - Emp TO	14,398.80	1,043.32	75,895.12	32.17
Salaries and Wages - Emp DO	8,646.82	626.54	43,684.33	18.52
Salaries and Wages - Emp DM	8,765.89	635.17	50,552.69	21.43
Salaries and Wages - Emp DM	23,537.26	1,705.49	111,348.47	47.20
Salaries and Wages - Emp CAE	6,385.91	462.72	28,937.27	12.27
Salaries and Wages - Emp AG	750.00	54.34	3,750.00	1.59
Employee Pensions & Ben TO	4,488.84	325.26	23,375.33	9.91
Employee Pensions & Ben DO	483.26	35.02	2,416.30	1.02
Employee Pensions & Ben DM	8,348.43	604.92	43,419.52	18.40
Employee Pensions & Ben CAE	3,086.60	223.65	14,804.26	6.28
Employee Pensions & Ben AG	735.35	53.28	3,676.75	1.56
Purchased Water SO	(23,851.16)	(1,728.23)	(9,774.05)	(4.14)
Purchased Power SO	11,737.46	850.49	26,560.83	11.26
Purchased Power TO	9,886.20	716.34	53,844.93	22.82
Purchased Power DO	11,641.66	843.54	47,399.52	20.09
Purchased Power AG	358.91	26.01	2,542.01	1.08
Chemicals TO	18,566.61	1,345.32	69,706.08	29.55
Chemicals DO	475.82	34.48	475.82	0.20
Materials & Supplies SO	0.00	0.00	121.41	0.05
Materials & Supplies TO	5,117.60	370.82	7,223.78	3.06
Materials & Supplies DO	1,230.90	89.19	7,299.73	3.09
Materials & Supplies DM	0.00	0.00	713.85	0.30
Materials & Supplies DM	8,643.49	626.30	30,827.49	13.07
Materials & Supplies CAE	3,221.90	233.46	11,947.70	5.06
Contractual Ser-Acct AG	950.00	68.84	6,850.00	2.90
Contractual Ser-Leg AG	822.30	59.58	4,926.84	2.09
Contractual Ser-Wtr Test TO	1,275.75	92.44	5,498.25	2.33
Contractual Ser-Other TM	0.00	0.00	2,772.59	1.18
Contractual Ser-Other DO	360.00	26.09	360.00	0.15
Contractual Ser-Other DO	821.59	59.53	821.59	0.35
Contractual Ser-Other DM	2,502.41	181.32	7,937.67	3.36
Contractual Ser-Other CAE	409.49	29.67	10,107.85	4.28

MARTIN COUNTY WATER DISTRICT
OPERATING INCOME STATEMENT
For the Five Months Ending May 31, 2019

	Current Month		Year to Date	
Contractual Ser-Other AG	10,752.63	779.13	26,728.27	11.33
Rental of Bld/Rl Prop DO	0.00	0.00	(25.00)	(0.01)
Rental of Bld/Rl Prop CAE	730.26	52.91	3,661.30	1.55
Rental of Equipment SO	7,000.00	507.21	24,159.55	10.24
Rental of Equipment DM	46.07	3.34	316.10	0.13
Transportation Expense DO	97.97	7.10	1,715.67	0.73
Transportation Expense DM	3,786.17	274.34	6,629.60	2.81
Transportation Expense DM	2,577.64	186.77	14,297.89	6.06
Transportation Expense CAE	492.58	35.69	2,462.90	1.04
Insurance-Vehicles SO	38.47	2.79	192.35	0.08
Insurance-Vehicles SM	38.47	2.79	192.35	0.08
Insurance-Vehicles TO	38.47	2.79	192.35	0.08
Insurance-Vehicles TM	38.47	2.79	192.35	0.08
Insurance-Vehicles DO	246.20	17.84	1,231.00	0.52
Insurance-Vehicles DM	269.29	19.51	1,346.45	0.57
Insurance-Vehicles CAE	38.47	2.79	192.35	0.08
Insurance-Vehicles AG	61.55	4.46	307.75	0.13
Insurance-Gen Liab SO	146.59	10.62	732.95	0.31
Insurance-Gen Liab SM	97.73	7.08	488.65	0.21
Insurance-Gen Liab TO	293.18	21.24	1,465.90	0.62
Insurance-Gen Liab TM	122.16	8.85	610.80	0.26
Insurance-Gen Liab DO	757.37	54.88	3,786.85	1.61
Insurance-Gen Liab DM	781.80	56.65	3,909.00	1.66
Insurance-Gen Liab CAE	97.73	7.08	488.65	0.21
Insurance-Gen Liab AG	146.59	10.62	732.95	0.31
Insurance-Workers Comp TO	1,251.62	90.69	6,258.10	2.65
Insurance-Workers Comp DO	401.63	29.10	2,008.15	0.85
Insurance-Workers Comp DM	927.15	67.18	4,635.75	1.97
Insurance-Workers Comp CAE	31.13	2.26	155.65	0.07
Insurance-Workers Comp AG	501.13	36.31	2,505.65	1.06
Insurance-Other CAE	331.35	24.01	1,656.75	0.70
Insurance-Other AG	470.65	34.10	2,353.25	1.00
Bad Debt Expense CAE	0.00	0.00	253.11	0.11
Miscellaneous Expense SO	86.94	6.30	86.94	0.04
Miscellaneous Expense TO	0.00	0.00	1,017.81	0.43
Miscellaneous Expense DO	2,837.62	205.61	5,783.01	2.45
Miscellaneous Expense CAE	215.41	15.61	862.96	0.37
Miscellaneous Expense CAE	0.00	0.00	544.48	0.23
Miscellaneous Expense AG	0.00	0.00	252.29	0.11
Miscellaneous Expense AG	531.98	38.55	11,822.17	5.01
Interest Expense	0.00	0.00	1,053.06	0.45
Other Contractor -- Operations	6,122.55	443.63	9,128.91	3.87
Salaries & Related Expenses	0.00	0.00	0.00	0.00
Total Expenditures	245,850.73	17,814.11	1,196,630.99	507.23
Excess Revenues Over Expenditures	$ (244,470.64)	(17,714.11)	$ (960,716.81)	(407.23)

No Assurance Provided

MARTIN COUNTY WATER DISTRICT
OPERATING INCOME STATEMENT
For the Six Months Ending June 30, 2019

	Current Month		Year to Date	
Revenues				
Interest & Dividend Income	$ 0.00	0.00	$ 0.06	0.00
Interest & Dividend Income	5.20	0.37	58.57	0.02
Unmetered Water Revenues	7.87	0.56	38.67	0.02
Metered Sales To Resid Cust	0.00	0.00	153,080.47	64.50
Metered Sales to Comm Cust	0.00	0.00	28,907.09	12.18
Metered Sales to Comm Exempt	0.00	0.00	7,830.73	3.30
Other Sales to Public Auth	976.26	69.05	976.26	0.41
Miscellaneous Service Revenue	400.00	28.29	6,236.37	2.63
Other Water Revenues-Penalitie	0.00	0.00	5,988.71	2.52
Other Revenues - JW	0.00	0.00	(196.53)	(0.08)
Other Revenues	0.00	0.00	19,967.63	8.41
Other Revenues-Vendors Comp	24.52	1.73	147.91	0.06
Other Water Revenues-Sur Charg	0.00	0.00	14,292.09	6.02
Total Revenues, Gains & Other Support	1,413.85	100.00	237,328.03	100.00
Expenditures				
Depreciation Expense	64,441.92	4,557.90	386,651.52	162.92
Payroll Taxes-SS & MC	5,256.72	371.80	29,155.92	12.29
Payroll Taxes-Unemployment	46.65	3.30	795.00	0.33
Interest on Long-Term Debt	474.55	33.56	12,887.39	5.43
Interest Expense	0.00	0.00	1,263.70	0.53
Amortization of Prem on Debt	(62.73)	(4.44)	(376.38)	(0.16)
Salaries and Wages - Emp TO	15,059.25	1,065.12	90,954.37	38.32
Salaries and Wages - Emp DO	8,266.62	584.69	51,950.95	21.89
Salaries and Wages - Emp DM	10,321.35	730.02	60,874.04	25.65
Salaries and Wages - Emp DM	28,030.22	1,982.55	139,378.69	58.73
Salaries and Wages - Emp CAE	6,596.13	466.54	35,533.40	14.97
Salaries and Wages - Emp AG	750.00	53.05	4,500.00	1.90
Employee Pensions & Ben TO	4,561.32	322.62	27,936.65	11.77
Employee Pensions & Ben DO	483.26	34.18	2,899.56	1.22
Employee Pensions & Ben DM	8,828.46	624.43	52,247.98	22.02
Employee Pensions & Ben CAE	3,134.46	221.70	17,938.72	7.56
Employee Pensions & Ben AG	735.35	52.01	4,412.10	1.86
Purchased Water SO	(3,103.97)	(219.54)	(12,878.02)	(5.43)
Purchased Power SO	15,558.58	1,100.44	42,119.41	17.75
Purchased Power TO	35.27	2.49	53,880.20	22.70
Purchased Power DO	18,303.73	1,294.60	65,703.25	27.68
Purchased Power AG	167.69	11.86	2,709.70	1.14
Chemicals TO	18,425.21	1,303.19	88,131.29	37.13
Chemicals DO	0.00	0.00	475.82	0.20
Materials & Supplies SO	0.00	0.00	121.41	0.05
Materials & Supplies TO	685.32	48.47	7,909.10	3.33
Materials & Supplies DO	2,307.73	163.22	9,607.46	4.05
Materials & Supplies DM	0.00	0.00	713.85	0.30
Materials & Supplies DM	5,314.67	375.90	36,142.16	15.23
Materials & Supplies CAE	758.59	53.65	12,706.29	5.35
Contractual Ser-Acct AG	0.00	0.00	6,850.00	2.89
Contractual Ser-Leg AG	3,571.64	252.62	8,498.48	3.58
Contractual Ser-Wtr Test TO	947.75	67.03	6,446.00	2.72
Contractual Ser-Other TM	0.00	0.00	2,772.59	1.17
Contractual Ser-Other DO	0.00	0.00	360.00	0.15
Contractual Ser-Other DO	1,301.30	92.04	2,122.89	0.89
Contractual Ser-Other DM	1,293.50	91.49	9,231.17	3.89

MARTIN COUNTY WATER DISTRICT
OPERATING INCOME STATEMENT
For the Six Months Ending June 30, 2019

	Current Month		Year to Date	
Contractual Ser-Other CAE	270.00	19.10	10,377.85	4.37
Contractual Ser-Other AG	5,018.48	354.95	31,746.75	13.38
Rental of Bld/Rl Prop DO	0.00	0.00	(25.00)	(0.01)
Rental of Bld/Rl Prop CAE	730.26	51.65	4,391.56	1.85
Rental of Equipment SO	24,319.10	1,720.06	48,478.65	20.43
Rental of Equipment DM	0.00	0.00	316.10	0.13
Transportation Expense DO	429.94	30.41	2,145.61	0.90
Transportation Expense DM	3,852.72	272.50	10,482.32	4.42
Transportation Expense DM	967.68	68.44	15,265.57	6.43
Transportation Expense CAE	656.78	46.45	3,119.68	1.31
Insurance-Vehicles SO	38.47	2.72	230.82	0.10
Insurance-Vehicles SM	38.47	2.72	230.82	0.10
Insurance-Vehicles TO	38.47	2.72	230.82	0.10
Insurance-Vehicles TM	38.47	2.72	230.82	0.10
Insurance-Vehicles DO	246.20	17.41	1,477.20	0.62
Insurance-Vehicles DM	269.29	19.05	1,615.74	0.68
Insurance-Vehicles CAE	38.47	2.72	230.82	0.10
Insurance-Vehicles AG	61.55	4.35	369.30	0.16
Insurance-Gen Liab SO	146.59	10.37	879.54	0.37
Insurance-Gen Liab SM	97.73	6.91	586.38	0.25
Insurance-Gen Liab TO	293.18	20.74	1,759.08	0.74
Insurance-Gen Liab TM	122.16	8.64	732.96	0.31
Insurance-Gen Liab DO	757.37	53.57	4,544.22	1.91
Insurance-Gen Liab DM	781.80	55.30	4,690.80	1.98
Insurance-Gen Liab CAE	97.73	6.91	586.38	0.25
Insurance-Gen Liab AG	146.59	10.37	879.54	0.37
Insurance-Workers Comp TO	1,251.62	88.53	7,509.72	3.16
Insurance-Workers Comp DO	401.63	28.41	2,409.78	1.02
Insurance-Workers Comp DM	927.15	65.58	5,562.90	2.34
Insurance-Workers Comp CAE	31.13	2.20	186.78	0.08
Insurance-Workers Comp AG	501.13	35.44	3,006.78	1.27
Insurance-Other CAE	331.35	23.44	1,988.10	0.84
Insurance-Other AG	148.20	10.48	2,501.45	1.05
Bad Debt Expense CAE	0.00	0.00	253.11	0.11
Miscellaneous Expense SO	0.00	0.00	86.94	0.04
Miscellaneous Expense TO	797.58	56.41	1,815.39	0.76
Miscellaneous Expense DO	42.00	2.97	5,825.01	2.45
Miscellaneous Expense CAE	455.62	32.23	1,318.58	0.56
Miscellaneous Expense CAE	0.00	0.00	544.48	0.23
Miscellaneous Expense	20.00	1.41	20.00	0.01
Miscellaneous Expense AG	0.00	0.00	252.29	0.11
Miscellaneous Expense AG	170.99	12.09	11,993.16	5.05
Interest Expense	0.00	0.00	1,053.06	0.44
Other Contractor -- Operations	8,053.77	569.63	17,182.68	7.24
Salaries & Related Expenses	0.00	0.00	0.00	0.00
Total Expenditures	275,080.21	19,456.11	1,471,711.20	620.12
Excess Revenues Over Expenditures	$ (273,666.36)	(19,356.11)	$ (1,234,383.17)	(520.12)

No Assurance Provided

MARTIN COUNTY WATER DISTRICT
OPERATING INCOME STATEMENT
For the Seven Months Ending July 31, 2019

	Current Month		Year to Date	
Revenues				
Interest & Dividend Income	$ 0.00	0.00	$ 0.06	0.00
Interest & Dividend Income	0.18	100.00	58.75	0.02
Unmetered Water Revenues	0.00	0.00	38.67	0.02
Metered Sales To Resid Cust	0.00	0.00	153,080.47	64.50
Metered Sales to Comm Cust	0.00	0.00	28,907.09	12.18
Metered Sales to Comm Exempt	0.00	0.00	7,830.73	3.30
Other Sales to Public Auth	0.00	0.00	976.26	0.41
Miscellaneous Service Revenue	0.00	0.00	6,236.37	2.63
Other Water Revenues-Penalitie	0.00	0.00	5,988.71	2.52
Other Revenues - JW	0.00	0.00	(196.53)	(0.08)
Other Revenues	0.00	0.00	19,967.63	8.41
Other Revenues-Vendors Comp	0.00	0.00	147.91	0.06
Other Water Revenues-Sur Charg	0.00	0.00	14,292.09	6.02
Total Revenues, Gains & Other Support	0.18	100.00	237,328.21	100.00
Expenditures				
Depreciation Expense	64,441.92	35,801,066	451,093.44	190.07
Utility Regulatory Assess Fees	4,525.56	2,514,200.	4,525.56	1.91
Payroll Taxes-SS & MC	2,591.37	1,439,650.	31,747.29	13.38
Payroll Taxes-Unemployment	21.90	12,166.67	816.90	0.34
Interest on Long-Term Debt	0.00	0.00	12,887.39	5.43
Interest Expense	0.00	0.00	1,263.70	0.53
Amortization of Prem on Debt	(62.73)	(34,850.00)	(439.11)	(0.19)
Salaries and Wages - Emp TO	7,034.84	3,908,244.	97,989.21	41.29
Salaries and Wages - Emp DO	3,475.73	1,930,961.	55,426.68	23.35
Salaries and Wages - Emp DM	7,303.14	4,057,300.	68,177.18	28.73
Salaries and Wages - Emp DM	12,568.11	6,982,283.	151,946.80	64.02
Salaries and Wages - Emp CAE	3,271.43	1,817,461.	38,804.83	16.35
Salaries and Wages - Emp AG	375.00	208,333.33	4,875.00	2.05
Employee Pensions & Ben TO	3,581.29	1,989,605.	31,517.94	13.28
Employee Pensions & Ben DO	483.26	268,477.78	3,382.82	1.43
Employee Pensions & Ben DM	5,282.75	2,934,861.	57,530.73	24.24
Employee Pensions & Ben CAE	2,602.11	1,445,616.	20,540.83	8.66
Employee Pensions & Ben AG	735.35	408,527.78	5,147.45	2.17
Purchased Water SO	(4,070.45)	(2,261,361.	(16,948.47)	(7.14)
Purchased Power SO	1,926.56	1,070,311.	44,045.97	18.56
Purchased Power TO	0.00	0.00	53,880.20	22.70
Purchased Power DO	779.54	433,077.78	66,482.79	28.01
Purchased Power AG	0.00	0.00	2,709.70	1.14
Chemicals TO	9,849.87	5,472,150.	97,981.16	41.29
Chemicals DO	0.00	0.00	475.82	0.20
Materials & Supplies SO	0.00	0.00	121.41	0.05
Materials & Supplies TO	0.00	0.00	7,909.10	3.33
Materials & Supplies DO	0.00	0.00	9,607.46	4.05
Materials & Supplies DM	0.00	0.00	713.85	0.30
Materials & Supplies DM	(10,532.12)	(5,851,177.	25,610.04	10.79
Materials & Supplies CAE	2,305.39	1,280,772.	15,011.68	6.33
Contractual Ser-Acct AG	0.00	0.00	6,850.00	2.89
Contractual Ser-Leg AG	0.00	0.00	8,498.48	3.58
Contractual Ser-Wtr Test TO	0.00	0.00	6,446.00	2.72
Contractual Ser-Other TM	0.00	0.00	2,772.59	1.17
Contractual Ser-Other DO	0.00	0.00	360.00	0.15
Contractual Ser-Other DO	0.00	0.00	2,122.89	0.89

MARTIN COUNTY WATER DISTRICT
OPERATING INCOME STATEMENT
For the Seven Months Ending July 31, 2019

	Current Month		Year to Date	
Contractual Ser-Other DM	0.00	0.00	9,231.17	3.89
Contractual Ser-Other CAE	120.00	66,666.67	10,497.85	4.42
Contractual Ser-Other AG	2,351.30	1,306,277.	34,098.05	14.37
Rental of Bld/Rl Prop DO	0.00	0.00	(25.00)	(0.01)
Rental of Bld/Rl Prop CAE	730.26	405,700.00	5,121.82	2.16
Rental of Equipment SO	0.00	0.00	48,478.65	20.43
Rental of Equipment DM	0.00	0.00	316.10	0.13
Transportation Expense DO	0.00	0.00	2,145.61	0.90
Transportation Expense DM	0.00	0.00	10,482.32	4.42
Transportation Expense DM	150.00	83,333.33	15,415.57	6.50
Transportation Expense CAE	328.39	182,438.89	3,448.07	1.45
Insurance-Vehicles SO	38.47	21,372.22	269.29	0.11
Insurance-Vehicles SM	38.47	21,372.22	269.29	0.11
Insurance-Vehicles TO	38.47	21,372.22	269.29	0.11
Insurance-Vehicles TM	38.47	21,372.22	269.29	0.11
Insurance-Vehicles DO	246.20	136,777.78	1,723.40	0.73
Insurance-Vehicles DM	269.29	149,605.56	1,885.03	0.79
Insurance-Vehicles CAE	38.47	21,372.22	269.29	0.11
Insurance-Vehicles AG	61.55	34,194.44	430.85	0.18
Insurance-Gen Liab SO	146.59	81,438.89	1,026.13	0.43
Insurance-Gen Liab SM	97.73	54,294.44	684.11	0.29
Insurance-Gen Liab TO	293.18	162,877.78	2,052.26	0.86
Insurance-Gen Liab TM	122.16	67,866.67	855.12	0.36
Insurance-Gen Liab DO	757.37	420,761.11	5,301.59	2.23
Insurance-Gen Liab DM	781.80	434,333.33	5,472.60	2.31
Insurance-Gen Liab CAE	97.73	54,294.44	684.11	0.29
Insurance-Gen Liab AG	146.59	81,438.89	1,026.13	0.43
Insurance-Workers Comp TO	1,251.62	695,344.44	8,761.34	3.69
Insurance-Workers Comp DO	401.63	223,127.78	2,811.41	1.18
Insurance-Workers Comp DM	927.15	515,083.33	6,490.05	2.73
Insurance-Workers Comp CAE	31.13	17,294.44	217.91	0.09
Insurance-Workers Comp AG	501.13	278,405.56	3,507.91	1.48
Insurance-Other CAE	331.35	184,083.33	2,319.45	0.98
Insurance-Other AG	148.20	82,333.33	2,649.65	1.12
Bad Debt Expense CAE	0.00	0.00	253.11	0.11
Miscellaneous Expense SO	331.55	184,194.44	331.55	0.14
Miscellaneous Expense SO	0.00	0.00	86.94	0.04
Miscellaneous Expense TO	680.51	378,061.11	2,495.90	1.05
Miscellaneous Expense DO	1,122.34	623,522.22	6,947.35	2.93
Miscellaneous Expense CAE	0.00	0.00	1,318.58	0.56
Miscellaneous Expense CAE	85.90	47,722.22	630.38	0.27
Miscellaneous Expense	0.00	0.00	20.00	0.01
Miscellaneous Expense AG	0.00	0.00	252.29	0.11
Miscellaneous Expense AG	671.20	372,888.89	12,664.36	5.34
Interest Expense	0.00	0.00	1,053.06	0.44
Other Contractor -- Operations	0.00	0.00	17,182.68	7.24
Salaries & Related Expenses	0.00	0.00	0.00	0.00
Total Expenditures	131,866.02	73,258,900	1,603,577.22	675.68
Excess Revenues Over Expenditures	$ (131,865.84)	(73,258,80	$ (1,366,249.01)	(575.68)

No Assurance Provided

MARTIN COUNTY WATER DISTRICT
Income Statement
For the Seven Months Ending July 31, 2019

Year to Date

MARTIN COUNTY WATER DISTRICT
Income Statement
For the Seven Months Ending July 31, 2019

		Year to Date	
Revenues			
Interest & Dividend Income	$	0.06	0.00
Interest & Dividend Income		58.75	0.02
Unmetered Water Revenues		38.67	0.02
Metered Sales To Resid Cust		153,080.47	64.50
Metered Sales to Comm Cust		28,907.09	12.18
Metered Sales to Comm Exempt		7,830.73	3.30
Other Sales to Public Auth		976.26	0.41
Miscellaneous Service Revenue		6,236.37	2.63
Other Water Revenues-Penalitie		5,988.71	2.52
Other Revenues - JW		(196.53)	(0.08)
Other Revenues		19,967.63	8.41
Other Revenues-Vendors Comp		147.91	0.06
Other Water Revenues-Sur Charg		14,292.09	6.02
Total Revenues		237,328.21	100.00
Cost of Sales			
Total Cost of Sales		0.00	0.00
Gross Profit		237,328.21	100.00
Expenses			
Depreciation Expense		451,093.44	190.07
Utility Regulatory Assess Fees		4,525.56	1.91
Payroll Taxes-SS & MC		31,747.29	13.38
Payroll Taxes-Unemployment		816.90	0.34
Interest on Long-Term Debt		12,887.39	5.43
Interest Expense		1,263.70	0.53
Amortization of Prem on Debt		(439.11)	(0.19)
Salaries and Wages - Emp TO		97,989.21	41.29
Salaries and Wages - Emp DO		55,426.68	23.35
Salaries and Wages - Emp DM		68,177.18	28.73
Salaries and Wages - Emp DM		151,946.80	64.02
Salaries and Wages - Emp CAE		38,804.83	16.35
Salaries and Wages - Emp AG		4,875.00	2.05
Employee Pensions & Ben TO		31,517.94	13.28
Employee Pensions & Ben DO		3,382.82	1.43
Employee Pensions & Ben DM		57,530.73	24.24
Employee Pensions & Ben CAE		20,540.83	8.66
Employee Pensions & Ben AG		5,147.45	2.17
Purchased Water SO		(16,948.47)	(7.14)
Purchased Power SO		44,045.97	18.56
Purchased Power TO		53,880.20	22.70
Purchased Power DO		66,482.79	28.01
Purchased Power AG		2,709.70	1.14
Chemicals TO		97,981.16	41.29
Chemicals DO		475.82	0.20
Materials & Supplies SO		121.41	0.05
Materials & Supplies TO		7,909.10	3.33
Materials & Supplies DO		9,607.46	4.05
Materials & Supplies DM		713.85	0.30
Materials & Supplies DM		25,610.04	10.79
Materials & Supplies CAE		15,011.68	6.33

MARTIN COUNTY WATER DISTRICT
Income Statement
For the Seven Months Ending July 31, 2019

	Year to Date	
Contractual Ser-Acct AG	6,850.00	2.89
Contractual Ser-Leg AG	8,498.48	3.58
Contractual Ser-Wtr Test TO	6,446.00	2.72
Contractual Ser-Other TM	2,772.59	1.17
Contractual Ser-Other DO	360.00	0.15
Contractual Ser-Other DO	2,122.89	0.89
Contractual Ser-Other DM	9,231.17	3.89
Contractual Ser-Other CAE	10,497.85	4.42
Contractual Ser-Other AG	34,098.05	14.37
Rental of Bld/Rl Prop DO	(25.00)	(0.01)
Rental of Bld/Rl Prop CAE	5,121.82	2.16
Rental of Equipment SO	48,478.65	20.43
Rental of Equipment DM	316.10	0.13
Transportation Expense DO	2,145.61	0.90
Transportation Expense DM	10,482.32	4.42
Transportation Expense DM	15,415.57	6.50
Transportation Expense CAE	3,448.07	1.45
Insurance-Vehicles SO	269.29	0.11
Insurance-Vehicles SM	269.29	0.11
Insurance-Vehicles TO	269.29	0.11
Insurance-Vehicles TM	269.29	0.11
Insurance-Vehicles DO	1,723.40	0.73
Insurance-Vehicles DM	1,885.03	0.79
Insurance-Vehicles CAE	269.29	0.11
Insurance-Vehicles AG	430.85	0.18
Insurance-Gen Liab SO	1,026.13	0.43
Insurance-Gen Liab SM	684.11	0.29
Insurance-Gen Liab TO	2,052.26	0.86
Insurance-Gen Liab TM	855.12	0.36
Insurance-Gen Liab DO	5,301.59	2.23
Insurance-Gen Liab DM	5,472.60	2.31
Insurance-Gen Liab CAE	684.11	0.29
Insurance-Gen Liab AG	1,026.13	0.43
Insurance-Workers Comp TO	8,761.34	3.69
Insurance-Workers Comp DO	2,811.41	1.18
Insurance-Workers Comp DM	6,490.05	2.73
Insurance-Workers Comp CAE	217.91	0.09
Insurance-Workers Comp AG	3,507.91	1.48
Insurance-Other CAE	2,319.45	0.98
Insurance-Other AG	2,649.65	1.12
Bad Debt Expense CAE	253.11	0.11
Miscellaneous Expense SO	331.55	0.14
Miscellaneous Expense SO	86.94	0.04
Miscellaneous Expense TO	2,495.90	1.05
Miscellaneous Expense DO	6,947.35	2.93
Miscellaneous Expense CAE	1,318.58	0.56
Miscellaneous Expense CAE	630.38	0.27
Miscellaneous Expense	20.00	0.01
Miscellaneous Expense AG	252.29	0.11
Miscellaneous Expense AG	12,664.36	5.34
Interest Expense	1,053.06	0.44
Other Contractor -- Operations	17,182.68	7.24
Total Expenses	1,603,577.22	675.68
Net Income	$ (1,366,249.01)	(575.68)

For Management Purposes Only

EXHIBIT #2

MARTIN COUNTY WATER DISTRICT
Balance Sheet
December 31, 2018

ASSETS

Current Assets		
04-135-1 KACO- Sinking Fund	$ 63.19	
51-136-6 KIA - Sinking Fund	8,186.30	
53-694-6 RD - Sinking Fund	2,256.27	
04-137-8 KACO-Sinking Fund	3,430.25	
Regions Trust--Sinking Fund	43,250.75	
Debt Surcharge Fund - 613193	25,359.42	
17-492-0 KIA-Depreciation Fund	924.34	
04-138-6 RD- Depreciation Fund	4,646.02	
56-407-9 Grant Fund	8,245.77	
Grant Fund 2	52.87	
Cash on Hand	200.00	
Cash on Hand	200.00	
Cash on Hand	300.00	
Cash on Hand	200.00	
51-757-7 Sec A Revenue	74,211.40	
60-094-6 Revenue EFT	13,385.40	
04-134-3 Operation & Maint	1,360.58	
76-994-0 Payroll	14,409.20	
18-445-4 Sec A Security Dep	23,331.91	
10-550-3 Sec B Security Dep	129,233.22	
Customer A/R	186,915.32	
Returned Checks	2,188.76	
Accum Provision for Uncollect	(25,476.48)	
Accounts Rec fr Associated Co	39,910.28	
Plant Materials and Supplies	8,376.76	
Prepayments	17,648.31	
Accrued Utility Revenues	292,715.31	
Total Current Assets		875,525.15
Property and Equipment		
Accumulated Depreciation-UPIS	(15,768,861.04)	
Land and Land Rights	214,713.83	
Structures and Improvements	500,263.89	
Collecting & Impounding Peserv	288,202.65	
Lakes, River & Other Intakes	2,173,720.33	
Power Generation Equipment	15,000.00	
Pumping Equipment	392,556.99	
Water Treatment Equipment	4,929,868.17	
Dist Reservoirs & Standpipes	4,071,501.55	
Transmission & Dist Mains	20,260,020.76	
Meters & Meter Installations	513,797.32	
Hydrants	2,969.00	
Other Plant & Misc Equipment	886,851.68	
Office Furniture & Equipment	177,296.04	
Transportation Equipment	329,570.05	
Tools, Shop & Garage Equipment	29,534.16	
Laboratory Equipment	14,402.81	
Power Operated Equipment	43,192.91	
Communication Equipment	16,896.88	
Total Property and Equipment		19,091,497.98
Other Assets		

MARTIN COUNTY WATER DISTRICT
Balance Sheet
December 31, 2018

Misc - Deferred Pension Outflo	504,402.00		
Total Other Assets			504,402.00
Total Assets		$	20,471,425.13

LIABILITIES AND CAPITAL

Current Liabilities		
Other Deferred Debits	$ (369.43)	
Accounts Payable	1,053,516.45	
Customer Deposits	137,020.38	
Accrued Taxes-PR SS/MC	859.52	
Accrued Taxes-PR SUTA	179.64	
Accrued Interest on L/T Debt	32,572.97	
Accrued Interest on Other Liab	3,598.76	
Matured Long-Term Debt - KIA	51,442.62	
Matured Long-Term Debt - US	10,000.00	
Matured Long-Term Debt - KRWFC	55,000.00	
Tax Collections Payable-Sales	1,887.78	
Tax Collections Payable-School	4,260.88	
Tax Collections Pay-FW	57.92	
Tax Collections Pay-SS	(23.47)	
Tax Collections Pay-MC	(5.49)	
Tax Collections Payable-KY	2,485.64	
Tax Collections Payable-Retr	6,516.69	
Tax Collections Payable-401K	60.00	
Tax Collections Payable-AFLAC	426.19	
Tax Collections Payable-Martin	1,579.17	
Misc Current & Accrued Liab	29,123.91	
Total Current Liabilities		1,390,190.13
Long-Term Liabilities		
Bonds Payable - KY Rural Water	1,822,419.25	
Current Classification - KY RW	(55,000.00)	
Notes Payable - KIA	492,754.44	
Lease Payable - KACO	106,221.96	
Current Classification - KIA	(51,442.62)	
Current Classification - US	(10,000.00)	
Other - Net Pension Liability	1,072,039.00	
Unamortized Premium on Debt	19,634.64	
Other Inflow Resources-Pension	220,865.00	
Other Deferred Credits	16,435.79	
Total Long-Term Liabilities		3,633,927.46
Total Liabilities		5,024,117.59
Capital		
Unappropiated Retained Earn	(11,675,557.42)	
Grants In Aid Of Construction	13,197,146.17	
Gov't Grants in Aid of Const	14,439,514.29	
Contributions in Aid of Const	494,379.60	
Tap Fees	1,283,622.17	

MARTIN COUNTY WATER DISTRICT
Balance Sheet
December 31, 2018

Retained Earnings	(1,557,185.35)	
Net Income	(734,611.92)	
Total Capital		15,447,307.54
Total Liabilities & Capital		$ 20,471,425.13

MARTIN COUNTY WATER DISTRICT
Balance Sheet
January 31, 2019

ASSETS

Current Assets			
04-135-1 KACO- Sinking Fund	$	63.19	
51-136-6 KIA - Sinking Fund		8,281.56	
53-694-6 RD - Sinking Fund		2,728.04	
04-137-8 KACO-Sinking Fund		4,102.56	
Regions Trust--Sinking Fund		43,250.75	
Debt Surcharge Fund - 613193		39,669.89	
17-492-0 KIA-Depreciation Fund		909.35	
04-138-6 RD- Depreciation Fund		4,646.08	
56-407-9 Grant Fund		8,245.77	
Grant Fund 2		42.85	
Cash on Hand		200.00	
Cash on Hand		200.00	
Cash on Hand		300.00	
Cash on Hand		200.00	
51-757-7 Sec A Revenue		86,418.92	
60-094-6 Revenue EFT		26,183.02	
04-134-3 Operation & Maint		515.46	
76-994-0 Payroll		23,133.76	
18-445-4 Sec A Security Dep		23,319.14	
10-550-3 Sec B Security Dep		131,038.76	
Customer A/R		189,463.21	
Returned Checks		2,704.72	
Accum Provision for Uncollect		(25,476.48)	
Accounts Rec fr Associated Co		41,532.96	
Plant Materials and Supplies		8,376.76	
Prepayments		17,920.90	
Accrued Utility Revenues		292,715.31	
Total Current Assets			930,686.48
Property and Equipment			
Accumulated Depreciation-UPIS		(15,833,302.96)	
Land and Land Rights		214,713.83	
Structures and Improvements		500,263.89	
Collecting & Impounding Peserv		288,202.65	
Lakes, River & Other Intakes		2,173,720.33	
Power Generation Equipment		15,000.00	
Pumping Equipment		392,556.99	
Water Treatment Equipment		4,929,868.17	
Dist Reservoirs & Standpipes		4,071,501.55	
Transmission & Dist Mains		20,260,020.76	
Meters & Meter Installations		513,797.32	
Hydrants		2,969.00	
Other Plant & Misc Equipment		886,851.68	
Office Furniture & Equipment		184,349.04	
Transportation Equipment		337,970.05	
Tools, Shop & Garage Equipment		29,534.16	
Laboratory Equipment		14,402.81	
Power Operated Equipment		52,129.25	
Communication Equipment		16,896.88	
Total Property and Equipment			19,051,445.40
Other Assets			

MARTIN COUNTY WATER DISTRICT
Balance Sheet
January 31, 2019

Misc - Deferred Pension Outflo	504,402.00		
Total Other Assets			504,402.00
Total Assets		$	20,486,533.88

LIABILITIES AND CAPITAL

Current Liabilities			
Other Deferred Debits	$ (369.43)		
Accounts Payable	1,110,090.64		
Customer Deposits	138,820.38		
Accrued Taxes-PR SS/MC	3,163.82		
Accrued Taxes-PR SUTA	327.52		
Accrued Interest on L/T Debt	32,572.97		
Accrued Interest on Other Liab	3,598.76		
Accrued Interest	282.60		
Matured Long-Term Debt - KIA	51,442.62		
Matured Long-Term Debt - US	10,000.00		
Matured Long-Term Debt - KRWFC	55,000.00		
Tax Collections Payable-Sales	2,162.62		
Tax Collections Payable-School	4,956.65		
Tax Collections Pay-FW	2,354.63		
Tax Collections Pay-SS	1,844.07		
Tax Collections Pay-MC	431.27		
Tax Collections Payable-KY	2,967.65		
Tax Collections Payable-Retr	6,828.63		
Tax Collections Payable-401K	90.00		
Tax Collections Payable-AFLAC	881.51		
Tax Collections Payable-Martin	643.49		
Misc Current & Accrued Liab	30,444.27		
Total Current Liabilities			1,458,534.67
Long-Term Liabilities			
Bonds Payable - KY Rural Water	1,812,091.02		
Current Classification - KY RW	(55,000.00)		
Bonds	(3,801.00)		
Notes Payable - KIA	488,397.57		
Lease Payable - KACO	106,221.96		
Current Classification - KIA	(51,442.62)		
Current Classification - US	(10,000.00)		
Other - Net Pension Liability	1,072,039.00		
Unamortized Premium on Debt	19,571.91		
Other Inflow Resources-Pension	220,865.00		
Other Deferred Credits	19,207.32		
Total Long-Term Liabilities			3,618,150.16
Total Liabilities			5,076,684.83
Capital			
Unappropiated Retained Earn	(11,675,557.42)		
Grants In Aid Of Construction	13,197,146.17		
Gov't Grants in Aid of Const	14,439,514.29		

MARTIN COUNTY WATER DISTRICT
Balance Sheet
January 31, 2019

Contributions in Aid of Const	494,379.60	
Tap Fees	1,283,797.17	
Retained Earnings	(2,291,797.27)	
Net Income	(37,633.49)	
Total Capital		15,409,849.05
Total Liabilities & Capital		$ 20,486,533.88

MARTIN COUNTY WATER DISTRICT
Balance Sheet
February 28, 2019

ASSETS

Current Assets			
04-135-1 KACO- Sinking Fund	$	63.19	
51-136-6 KIA - Sinking Fund		2,577.49	
53-694-6 RD - Sinking Fund		2,749.81	
04-137-8 KACO-Sinking Fund		3,616.38	
Regions Trust--Sinking Fund		43,250.75	
Debt Surcharge Fund - 613193		10,188.06	
17-492-0 KIA-Depreciation Fund		894.36	
04-138-6 RD- Depreciation Fund		4,646.13	
56-407-9 Grant Fund		8,245.77	
Grant Fund 2		42.85	
Cash on Hand		200.00	
Cash on Hand		200.00	
Cash on Hand		300.00	
Cash on Hand		200.00	
51-757-7 Sec A Revenue		22,892.64	
60-094-6 Revenue EFT		64,608.73	
04-134-3 Operation & Maint		24,980.36	
76-994-0 Payroll		24,109.35	
18-445-4 Sec A Security Dep		23,319.14	
10-550-3 Sec B Security Dep		131,853.81	
Customer A/R		(8,879.36)	
Returned Checks		3,198.74	
Accum Provision for Uncollect		(25,476.48)	
Accounts Rec fr Associated Co		43,155.64	
Plant Materials and Supplies		8,376.76	
Prepayments		20,157.43	
Accrued Utility Revenues		292,715.31	
Total Current Assets			702,186.86
Property and Equipment			
Accumulated Depreciation-UPIS		(15,897,744.88)	
Land and Land Rights		214,713.83	
Structures and Improvements		500,263.89	
Collecting & Impounding Peserv		288,202.65	
Lakes, River & Other Intakes		2,173,720.33	
Power Generation Equipment		15,000.00	
Pumping Equipment		392,556.99	
Water Treatment Equipment		4,929,868.17	
Dist Reservoirs & Standpipes		4,071,501.55	
Transmission & Dist Mains		20,260,020.76	
Meters & Meter Installations		513,797.32	
Hydrants		2,969.00	
Other Plant & Misc Equipment		886,851.68	
Office Furniture & Equipment		184,349.04	
Transportation Equipment		337,970.05	
Tools, Shop & Garage Equipment		29,534.16	
Laboratory Equipment		14,402.81	
Power Operated Equipment		52,129.25	
Communication Equipment		16,896.88	
Total Property and Equipment			18,987,003.48
Other Assets			

MARTIN COUNTY WATER DISTRICT
Balance Sheet
February 28, 2019

Misc - Deferred Pension Outflo	504,402.00		
Total Other Assets			504,402.00
Total Assets		$	20,193,592.34

LIABILITIES AND CAPITAL

Current Liabilities			
Other Deferred Debits	$ (369.43)		
Accounts Payable	1,038,551.36		
Customer Deposits	139,630.38		
Accrued Taxes-PR SS/MC	5,520.68		
Accrued Taxes-PR SUTA	563.43		
Accrued Interest on L/T Debt	32,572.97		
Accrued Interest on Other Liab	3,598.76		
Accrued Interest	282.60		
Matured Long-Term Debt - KIA	51,442.62		
Matured Long-Term Debt - US	10,000.00		
Matured Long-Term Debt - KRWFC	55,000.00		
Tax Collections Payable-Sales	313.24		
Tax Collections Payable-School	(755.72)		
Tax Collections Pay-FW	2,331.44		
Tax Collections Pay-SS	19.13		
Tax Collections Pay-MC	4.47		
Tax Collections Payable-KY	2,974.25		
Tax Collections Payable-Retr	7,026.24		
Tax Collections Payable-401K	150.00		
Tax Collections Payable-AFLAC	1,263.53		
Tax Collections Payable-Martin	1,284.30		
Misc Current & Accrued Liab	30,882.54		
Total Current Liabilities			1,382,286.79
Long-Term Liabilities			
Bonds Payable - KY Rural Water	1,801,312.79		
Current Classification - KY RW	(55,000.00)		
Bonds	(3,801.00)		
Notes Payable - KIA	482,693.47		
Lease Payable - KACO	106,221.96		
Current Classification - KIA	(51,442.62)		
Current Classification - US	(10,000.00)		
Other - Net Pension Liability	1,072,039.00		
Unamortized Premium on Debt	19,509.18		
Other Inflow Resources-Pension	220,865.00		
Other Deferred Credits	22,668.89		
Total Long-Term Liabilities			3,605,066.67
Total Liabilities			4,987,353.46
Capital			
Suspense - Clearing Account	(25.00)		
Unappropiated Retained Earn	(11,675,557.42)		
Grants In Aid Of Construction	13,197,146.17		

MARTIN COUNTY WATER DISTRICT
Balance Sheet
February 28, 2019

Gov't Grants in Aid of Const	14,439,514.29	
Contributions in Aid of Const	494,379.60	
Tap Fees	1,283,892.17	
Retained Earnings	(2,291,797.27)	
Net Income	(241,313.66)	
Total Capital		15,206,238.88
Total Liabilities & Capital		$ 20,193,592.34

MARTIN COUNTY WATER DISTRICT
Balance Sheet
March 31, 2019

ASSETS

Current Assets		
04-135-1 KACO- Sinking Fund	$ 63.19	
51-136-6 KIA - Sinking Fund	8,474.15	
53-694-6 RD - Sinking Fund	3,221.58	
04-137-8 KACO-Sinking Fund	3,616.44	
Regions Trust--Sinking Fund	43,250.75	
Debt Surcharge Fund - 613193	4,766.78	
17-492-0 KIA-Depreciation Fund	879.37	
04-138-6 RD- Depreciation Fund	4,646.19	
56-407-9 Grant Fund	8,245.77	
Grant Fund 2	42.85	
Cash on Hand	200.00	
Cash on Hand	200.00	
Cash on Hand	300.00	
Cash on Hand	200.00	
51-757-7 Sec A Revenue	30,659.39	
60-094-6 Revenue EFT	23,949.34	
04-134-3 Operation & Maint	11,121.05	
76-994-0 Payroll	23,297.33	
18-445-4 Sec A Security Dep	23,319.14	
10-550-3 Sec B Security Dep	133,209.09	
Customer A/R	(223,678.70)	
Returned Checks	3,658.27	
Accum Provision for Uncollect	(25,476.48)	
Accounts Rec fr Associated Co	44,778.32	
Plant Materials and Supplies	8,376.76	
Prepayments	7,876.82	
Accrued Utility Revenues	292,715.31	
Total Current Assets		431,912.71
Property and Equipment		
Accumulated Depreciation-UPIS	(15,962,186.80)	
Land and Land Rights	214,713.83	
Structures and Improvements	500,263.89	
Collecting & Impounding Peserv	288,202.65	
Lakes, River & Other Intakes	2,173,720.33	
Power Generation Equipment	15,000.00	
Pumping Equipment	392,556.99	
Water Treatment Equipment	4,929,868.17	
Dist Reservoirs & Standpipes	4,071,501.55	
Transmission & Dist Mains	20,260,020.76	
Meters & Meter Installations	513,797.32	
Hydrants	2,969.00	
Other Plant & Misc Equipment	886,851.68	
Office Furniture & Equipment	184,349.04	
Transportation Equipment	338,755.05	
Tools, Shop & Garage Equipment	29,534.16	
Laboratory Equipment	14,402.81	
Power Operated Equipment	52,129.25	
Communication Equipment	16,896.88	
Total Property and Equipment		18,923,346.56
Other Assets		

MARTIN COUNTY WATER DISTRICT
Balance Sheet
March 31, 2019

Misc - Deferred Pension Outflo	504,402.00		
Total Other Assets			504,402.00
Total Assets		$	19,859,661.27

LIABILITIES AND CAPITAL

Current Liabilities			
Other Deferred Debits	$ (369.43)		
Accounts Payable	976,328.51		
Customer Deposits	140,980.38		
Accrued Taxes-PR SS/MC	5,601.88		
Accrued Taxes-PR SUTA	706.17		
Accrued Interest on L/T Debt	32,572.97		
Accrued Interest on Other Liab	3,598.76		
Accrued Interest	282.60		
Matured Long-Term Debt - KIA	51,442.62		
Matured Long-Term Debt - US	10,000.00		
Matured Long-Term Debt - KRWFC	55,000.00		
Tax Collections Payable-Sales	(1,002.44)		
Tax Collections Payable-School	(5,893.32)		
Tax Collections Pay-FW	2,534.49		
Tax Collections Pay-SS	84.93		
Tax Collections Pay-MC	19.87		
Tax Collections Payable-KY	2,805.39		
Tax Collections Payable-Retr	6,848.78		
Tax Collections Payable-401K	120.00		
Tax Collections Payable-AFLAC	1,571.45		
Tax Collections Payable-Martin	1,909.89		
Misc Current & Accrued Liab	29,999.40		
Total Current Liabilities			1,315,142.90
Long-Term Liabilities			
Bonds Payable - KY Rural Water	1,790,984.56		
Current Classification - KY RW	(55,000.00)		
Bonds	(3,801.00)		
Notes Payable - KIA	465,390.10		
Lease Payable - KACO	106,221.96		
Current Classification - KIA	(51,442.62)		
Current Classification - US	(10,000.00)		
Other - Net Pension Liability	1,072,039.00		
Unamortized Premium on Debt	19,446.45		
Other Inflow Resources-Pension	220,865.00		
Other Deferred Credits	22,396.85		
Total Long-Term Liabilities			3,577,100.30
Total Liabilities			4,892,243.20
Capital			
Suspense - Clearing Account	(25.00)		
Unappropiated Retained Earn	(11,675,557.42)		
Grants In Aid Of Construction	13,197,146.17		

MARTIN COUNTY WATER DISTRICT
Balance Sheet
March 31, 2019

Gov't Grants in Aid of Const	14,439,514.29	
Contributions in Aid of Const	494,379.60	
Tap Fees	1,287,926.17	
Retained Earnings	(2,291,797.27)	
Net Income	(484,168.47)	
Total Capital		14,967,418.07
Total Liabilities & Capital		$ 19,859,661.27

MARTIN COUNTY WATER DISTRICT
Balance Sheet
April 30, 2019

ASSETS

Current Assets			
04-135-1 KACO- Sinking Fund	$	63.19	
51-136-6 KIA - Sinking Fund		2,771.56	
53-694-6 RD - Sinking Fund		3,693.35	
04-137-8 KACO-Sinking Fund		3,154.33	
Regions Trust--Sinking Fund		43,250.75	
Debt Surcharge Fund - 613193		1,498.44	
17-492-0 KIA-Depreciation Fund		864.38	
04-138-6 RD- Depreciation Fund		4,646.25	
56-407-9 Grant Fund		8,245.77	
Grant Fund 2		42.85	
Cash on Hand		200.00	
Cash on Hand		200.00	
Cash on Hand		300.00	
Cash on Hand		200.00	
51-757-7 Sec A Revenue		27,286.41	
60-094-6 Revenue EFT		27,737.83	
04-134-3 Operation & Maint		425.89	
76-994-0 Payroll		19,082.91	
18-445-4 Sec A Security Dep		23,319.14	
10-550-3 Sec B Security Dep		134,024.96	
Customer A/R		(410,366.44)	
Returned Checks		3,757.37	
Accum Provision for Uncollect		(25,476.48)	
Accounts Rec fr Associated Co		46,401.00	
Plant Materials and Supplies		8,376.76	
Prepayments		(1,348.65)	
Accrued Utility Revenues		292,715.31	
Total Current Assets			215,066.88
Property and Equipment			
Accumulated Depreciation-UPIS		(16,026,628.72)	
Land and Land Rights		214,713.83	
Structures and Improvements		500,263.89	
Collecting & Impounding Peserv		288,202.65	
Lakes, River & Other Intakes		2,173,720.33	
Power Generation Equipment		15,000.00	
Pumping Equipment		392,556.99	
Water Treatment Equipment		4,929,868.17	
Dist Reservoirs & Standpipes		4,071,501.55	
Transmission & Dist Mains		20,260,020.76	
Meters & Meter Installations		513,797.32	
Hydrants		2,969.00	
Other Plant & Misc Equipment		886,851.68	
Office Furniture & Equipment		184,349.04	
Transportation Equipment		338,794.47	
Tools, Shop & Garage Equipment		29,534.16	
Laboratory Equipment		14,402.81	
Power Operated Equipment		52,129.25	
Communication Equipment		16,896.88	
Total Property and Equipment			18,858,944.06
Other Assets			

MARTIN COUNTY WATER DISTRICT
Balance Sheet
April 30, 2019

Misc - Deferred Pension Outflo	504,402.00		
Total Other Assets			504,402.00
Total Assets		$	19,578,412.94

LIABILITIES AND CAPITAL

Current Liabilities			
Other Deferred Debits	$ (369.43)		
Accounts Payable	956,295.12		
Customer Deposits	141,700.38		
Accrued Taxes-PR SS/MC	5,414.64		
Accrued Taxes-PR SUTA	124.01		
Accrued Interest on L/T Debt	32,572.97		
Accrued Interest on Other Liab	3,598.76		
Accrued Interest	282.60		
Matured Long-Term Debt - KIA	51,442.62		
Matured Long-Term Debt - US	10,000.00		
Matured Long-Term Debt - KRWFC	55,000.00		
Tax Collections Payable-Sales	(2,491.58)		
Tax Collections Payable-School	(11,410.19)		
Tax Collections Pay-FW	2,137.17		
Tax Collections Pay-SS	(66.82)		
Tax Collections Pay-MC	(15.62)		
Tax Collections Payable-KY	2,718.66		
Tax Collections Payable-Retr	6,716.59		
Tax Collections Payable-401K	120.00		
Tax Collections Payable-AFLAC	1,879.37		
Tax Collections Payable-Martin	607.05		
Misc Current Liab	0.01		
Misc Current & Accrued Liab	29,507.55		
Total Current Liabilities			1,285,763.86
Long-Term Liabilities			
Bonds Payable - KY Rural Water	1,780,656.33		
Current Classification - KY RW	(55,000.00)		
Bonds	(3,801.00)		
Notes Payable - KIA	453,887.46		
Lease Payable - KACO	106,221.96		
Current Classification - KIA	(51,442.62)		
Current Classification - US	(10,000.00)		
Other - Net Pension Liability	1,072,039.00		
Unamortized Premium on Debt	19,383.72		
Other Inflow Resources-Pension	220,865.00		
Other Deferred Credits	24,353.86		
Total Long-Term Liabilities			3,557,163.71
Total Liabilities			4,842,927.57
Capital			
Suspense - Clearing Account	(30.00)		
Unappropiated Retained Earn	(11,675,557.42)		

MARTIN COUNTY WATER DISTRICT
Balance Sheet
April 30, 2019

Grants In Aid Of Construction	13,197,146.17	
Gov't Grants in Aid of Const	14,439,514.29	
Contributions in Aid of Const	494,379.60	
Tap Fees	1,288,076.17	
Retained Earnings	(2,291,797.27)	
Net Income	(716,246.17)	
Total Capital		14,735,485.37
Total Liabilities & Capital		$ 19,578,412.94

MARTIN COUNTY WATER DISTRICT
Balance Sheet
May 31, 2019

ASSETS

Current Assets			
51-136-6 KIA - Sinking Fund	$	(2,930.28)	
53-694-6 RD - Sinking Fund		4,165.12	
04-137-8 KACO-Sinking Fund		2,743.01	
Regions Trust--Sinking Fund		43,250.75	
Debt Surcharge Fund - 613193		2,868.71	
17-492-0 KIA-Depreciation Fund		849.39	
04-138-6 RD- Depreciation Fund		4,646.31	
56-407-9 Grant Fund		8,245.77	
Grant Fund 2		42.85	
Cash on Hand		200.00	
Cash on Hand		200.00	
Cash on Hand		300.00	
Cash on Hand		200.00	
51-757-7 Sec A Revenue		12,659.97	
60-094-6 Revenue EFT		38,243.46	
04-134-3 Operation & Maint		61.88	
76-994-0 Payroll		19,757.28	
18-445-4 Sec A Security Dep		23,319.14	
10-550-3 Sec B Security Dep		126,344.50	
Customer A/R		(613,558.24)	
Returned Checks		4,744.96	
Accum Provision for Uncollect		(25,476.48)	
Accounts Rec fr Associated Co		48,023.68	
Plant Materials and Supplies		8,376.76	
Prepayments		(13,465.89)	
Accrued Utility Revenues		292,715.31	
Total Current Assets			(13,472.04)
Property and Equipment			
Accumulated Depreciation-UPIS		(16,091,070.64)	
Land and Land Rights		214,713.83	
Structures and Improvements		500,263.89	
Collecting & Impounding Peserv		288,202.65	
Lakes, River & Other Intakes		2,173,770.23	
Power Generation Equipment		15,000.00	
Pumping Equipment		392,556.99	
Water Treatment Equipment		4,929,868.17	
Dist Reservoirs & Standpipes		4,071,501.55	
Transmission & Dist Mains		20,260,020.76	
Meters & Meter Installations		513,797.32	
Hydrants		2,969.00	
Other Plant & Misc Equipment		886,851.68	
Office Furniture & Equipment		184,349.04	
Transportation Equipment		338,794.47	
Tools, Shop & Garage Equipment		29,534.16	
Laboratory Equipment		14,402.81	
Power Operated Equipment		52,129.25	
Communication Equipment		16,896.88	
Total Property and Equipment			18,794,552.04
Other Assets			
Misc - Deferred Pension Outflo		504,402.00	

MARTIN COUNTY WATER DISTRICT
Balance Sheet
May 31, 2019

Total Other Assets			504,402.00
Total Assets		$	19,285,482.00

LIABILITIES AND CAPITAL

Current Liabilities			
Other Deferred Debits	$	(369.43)	
Accounts Payable		935,965.67	
Customer Deposits		134,149.23	
Accrued Taxes-PR SS/MC		5,573.52	
Accrued Taxes-PR SUTA		173.76	
Accrued Interest on L/T Debt		32,572.97	
Accrued Interest on Other Liab		3,598.76	
Accrued Interest		282.60	
Matured Long-Term Debt - KIA		51,442.62	
Matured Long-Term Debt - US		10,000.00	
Matured Long-Term Debt - KRWFC		55,000.00	
Tax Collections Payable-Sales		(3,769.28)	
Tax Collections Payable-School		(16,240.64)	
Tax Collections Pay-FW		2,297.54	
Tax Collections Pay-SS		61.94	
Tax Collections Pay-MC		14.50	
Tax Collections Payable-KY		2,786.45	
Tax Collections Payable-Retr		6,712.69	
Tax Collections Payable-401K		60.00	
Tax Collections Payable-AFLAC		2,187.29	
Tax Collections Payable-Martin		1,231.94	
Misc Current Liab		0.01	
Misc Current & Accrued Liab		29,517.84	
Total Current Liabilities			1,253,249.98
Long-Term Liabilities			
Bonds Payable - KY Rural Water		1,770,328.10	
Current Classification - KY RW		(55,000.00)	
Bonds		(3,801.00)	
Notes Payable - KIA		442,385.55	
Lease Payable - KACO		106,221.96	
Current Classification - KIA		(51,442.62)	
Current Classification - US		(10,000.00)	
Other - Net Pension Liability		1,072,039.00	
Unamortized Premium on Debt		19,320.99	
Other Inflow Resources-Pension		220,865.00	
Other Deferred Credits		26,350.31	
Total Long-Term Liabilities			3,537,267.29
Total Liabilities			4,790,517.27
Capital			
Suspense - Clearing Account		2,965.00	
Unappropiated Retained Earn		(11,675,557.42)	
Grants In Aid Of Construction		13,197,146.17	

MARTIN COUNTY WATER DISTRICT
Balance Sheet
May 31, 2019

Gov't Grants in Aid of Const	14,439,514.29		
Contributions in Aid of Const	494,379.60		
Tap Fees	1,289,076.17		
Retained Earnings	(2,291,797.27)		
Balance Transferred Fr Income	(45.00)		
Net Income	(960,716.81)		
Total Capital			14,494,964.73
Total Liabilities & Capital		$	19,285,482.00

MARTIN COUNTY WATER DISTRICT
Balance Sheet
June 30, 2019

ASSETS

Current Assets			
51-136-6 KIA - Sinking Fund	$	(2,930.28)	
53-694-6 RD - Sinking Fund		4,636.89	
04-137-8 KACO-Sinking Fund		3,485.31	
Regions Trust--Sinking Fund		43,250.75	
Debt Surcharge Fund - 613193		16,530.15	
17-492-0 KIA-Depreciation Fund		849.39	
04-138-6 RD- Depreciation Fund		4,646.36	
56-407-9 Grant Fund		8,245.77	
Grant Fund 2		42.85	
Cash on Hand		200.00	
Cash on Hand		200.00	
Cash on Hand		300.00	
Cash on Hand		200.00	
51-757-7 Sec A Revenue		2,553.31	
60-094-6 Revenue EFT		18,933.29	
04-134-3 Operation & Maint		(2,604.95)	
76-994-0 Payroll		21,307.05	
18-445-4 Sec A Security Dep		23,319.14	
10-550-3 Sec B Security Dep		126,979.39	
Customer A/R		(819,831.45)	
Returned Checks		4,905.72	
Accum Provision for Uncollect		(25,476.48)	
Accounts Rec fr Associated Co		49,646.36	
Plant Materials and Supplies		8,376.76	
Prepayments		(23,506.95)	
Accrued Utility Revenues		292,715.31	
Total Current Assets			(243,026.31)
Property and Equipment			
Accumulated Depreciation-UPIS		(16,155,512.56)	
Land and Land Rights		214,713.83	
Structures and Improvements		500,263.89	
Collecting & Impounding Peserv		288,202.65	
Lakes, River & Other Intakes		2,173,770.23	
Power Generation Equipment		15,000.00	
Pumping Equipment		392,556.99	
Water Treatment Equipment		4,929,868.17	
Dist Reservoirs & Standpipes		4,071,501.55	
Transmission & Dist Mains		20,260,020.76	
Meters & Meter Installations		513,797.32	
Hydrants		2,969.00	
Other Plant & Misc Equipment		886,851.68	
Office Furniture & Equipment		184,349.04	
Transportation Equipment		338,794.47	
Tools, Shop & Garage Equipment		29,534.16	
Laboratory Equipment		14,402.81	
Power Operated Equipment		52,129.25	
Communication Equipment		16,896.88	
Total Property and Equipment			18,730,110.12
Other Assets			
Misc - Deferred Pension Outflo		504,402.00	

MARTIN COUNTY WATER DISTRICT
Balance Sheet
June 30, 2019

Total Other Assets		504,402.00
Total Assets	$	18,991,485.81

LIABILITIES AND CAPITAL

Current Liabilities			
Other Deferred Debits	$	(369.43)	
Accounts Payable		922,363.28	
Customer Deposits		134,779.23	
Accrued Taxes-PR SS/MC		5,611.22	
Accrued Taxes-PR SUTA		220.41	
Accrued Interest on L/T Debt		32,572.97	
Accrued Interest on Other Liab		3,598.76	
Accrued Interest		282.60	
Matured Long-Term Debt - KIA		51,442.62	
Matured Long-Term Debt - US		10,000.00	
Matured Long-Term Debt - KRWFC		55,000.00	
Tax Collections Payable-Sales		(5,237.42)	
Tax Collections Payable-School		(21,910.63)	
Tax Collections Pay-FW		2,306.47	
Tax Collections Pay-SS		92.50	
Tax Collections Pay-MC		21.64	
Tax Collections Payable-KY		3,094.18	
Tax Collections Payable-Retr		6,881.96	
Tax Collections Payable-401K		60.00	
Tax Collections Payable-AFLAC		2,495.21	
Tax Collections Payable-Martin		1,922.20	
Misc Current Liab		0.01	
Misc Current & Accrued Liab		30,118.23	
Total Current Liabilities			1,235,346.01
Long-Term Liabilities			
Bonds Payable - KY Rural Water		1,759,999.87	
Current Classification - KY RW		(55,000.00)	
Bonds		(3,801.00)	
Notes Payable - KIA		436,585.55	
Lease Payable - KACO		106,221.96	
Current Classification - KIA		(51,442.62)	
Current Classification - US		(10,000.00)	
Other - Net Pension Liability		1,072,039.00	
Unamortized Premium on Debt		19,258.26	
Other Inflow Resources-Pension		220,865.00	
Other Deferred Credits		28,600.99	
Total Long-Term Liabilities			3,523,327.01
Total Liabilities			4,758,673.02
Capital			
Suspense - Clearing Account		4,169.42	
Unappropiated Retained Earn		(11,675,557.42)	
Grants In Aid Of Construction		13,197,146.17	

MARTIN COUNTY WATER DISTRICT
Balance Sheet
June 30, 2019

Gov't Grants in Aid of Const	14,439,514.29	
Contributions in Aid of Const	494,379.60	
Tap Fees	1,299,386.17	
Retained Earnings	(2,291,797.27)	
Balance Transferred Fr Income	(45.00)	
Net Income	(1,234,383.17)	
Total Capital		14,232,812.79
Total Liabilities & Capital		$ 18,991,485.81

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

August 9, 2019

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

RE: Martin County Water District
PSC Case No. 2018-00017

To Whom It May Concern:

Enclosed please find Martin County Water District's Response to Commission Staff's July 30, 2019 Post Formal Confidential Conference Request for Information.

Please know the information submitted is preliminary and unaudited. The District moved the accounts payable and accounts receivable inhouse in January of 2019.

Also, the District has requested, but not yet received, the data for request #4 from Zip Zone, and it will be provided under separate cover when received.

Thank you for your attention to this matter.

Very truly yours,

BRIAN CUMBO

BC/ld
Enclosure
cc: Hon. Mary Varson Cromer (w/enc.)
Hon. M. Todd Osterloh (w/enc.)
Hon. James Wilson Gardner (w/enc.)
Martin Water District (w/enc.)

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF THE MARTIN COUNTY WATER DISTRICT FOR ALTERNATIVE RATE ADJUSTMENT	))))	CASE NO. 2018-00017

MARTIN COUNTY WATER DISTRICT'S RESPONSE TO COMMISSION STAFF'S JULY 30, 2019 POST-FORMAL CONFIDENTIAL CONFERENCE REQUEST FOR INFORMATION

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Comes the Martin County Water District (hereinafter District), by counsel, and for its' Response to Commission Staff's Post-Formal Confidential Conference Request for Information, states as follows:

1. Refer to the July 25, 2019 Martin District filing. Provide an explanation of the fluctuation of water revenue amounts for Metered Sales to Residential Customers reported for each of the months from November 2018 through June 2019. For example November 2018 - $150,214.40, December 2018 - $94,028.39 and January 2019 - $153,080.47.

RESPONSE: Actual water revenue amount for Metered Sales to Residential Customers for December 2018 was $141,297.35. Linda Sumpter, CPA, made year end adjustment entries for beginning balance and ending account receivables to accurately reflect current year true income. See Exhibit #1.

2. Refer to the July 25, 2019 Martin District filing. Provide corrected income statement data for the months from the date the rate increase when into effect through the most current income statement available, but at least through July 2019, in Excel spreadsheet format, by

inputting the revised data in the Excel spreadsheet file provided by Commission Staff for this purpose.

RESPONSE: See Exhibit #2.

3. Refer to the July 25, 2019 Martin District filing. Provide corrected balance sheet data for the months from the date the rate increase went into effect through the most current balance sheet available, but at least through July 2019, in Excel spreadsheet format, by inputting the revised data in the Excel spreadsheet file provided by Commission Staff for this purpose.

RESPONSE: See Exhibit #3.

4. Provide the vendor balance detail supporting the accounts payable balance for the end of July 2019, aged in 0-30, 30-60, 60-90 and over 90 days.

RESPONSE: See Exhibit #4.

5. Provide copies of all chemical invoices with pricing and purchase volumes clearly displayed for all 2018 purchases.

RESPONSE: See Exhibit #5.

BRIAN CUMBO
COUNSEL FOR MARTIN COUNTY
WATER DISTRICT
P.O. BOX 1844
INEZ, KY 41224
TELEPHONE: (606) 298-0428
TELECOPIER: (606) 298-0316
EMAIL: cumbolaw@cumbolaw.com

CERTIFICATE OF SERVICE

This will certify that a true and correct copy of the foregoing was emailed & mailed, postage pre-paid, on this the 9 day of August, 2019, to the following:

Public Service Commission
ATTN: Brittany Koenig
P.O. Box 615
Frankfort, KY 40602

Hon. Mary Varson Cromer
Appalachian Citizens' Law Center, Inc.
317 Main Street
Whitesburg, KY 41858
mary@appalachianlawcenter.org

Hon. M. Todd Osterioh
Hon. James Wilson Gardner
Sturgill, Turner, Barker & Moloney, PLLC
333 West Vine Street, Ste. 1400
Lexington, KY 40507
tosterloh@sturgillturner.com
jameswilsongardner@gmail.com

BRIAN CUMBO

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 8th day of August, 2019.

My Commission Expires: 9-18-22.

NOTARY PUBLIC, STATE AT LARGE

EXHIBIT #1

MARTIN COUNTY WATER DISTRICT
General Ledger
For the Period From Dec 1, 2018 to Dec 31, 2018

Filter Criteria includes: 1) IDs from 461.1 to 461.1. Report order is by ID. Report is printed with shortened descriptions and in Detail Format.

Account ID Account Description	Date	Reference	Jrn	Trans Description	Debit Amt	Credit Amt	Balance
461.1	12/1/18			Beginning Balance			-1,582,20
Metered Sales To Resid Cu	12/20/18	Monthy Billing	GE	Recd monthly billing		141,297.35	
	12/31/18	Accrued Rev	GE	reverse beginning	182,861.74		
	12/31/18	Accrued Rev	GE	Accrue ending		205,121.98	
	12/31/18	Billing Adj	GE	To rec'd billing adj.	69,529.20		
				Current Period Change	252,390.94	346,419.33	-94,028.3
	12/31/18			**Ending Balance**			**-1,676,23**

EXHIBIT #2

Martin County Water District
Monthly Operating Income Statement
Prepared On: 8/7/2019

Revenues	November 2018	December 2018	Year to Date	January 2019	February 2019	March 2019	April 2019	May 2019	June 2019	JULY 2019	Year to Date
Interest and Dividend Income	$ 8.91	$ 6.06	$ 361.93	$ 0.06	$ -	$ -					$ 0.06
Interest and Dividend Income	$ -	$ -		$ 9.15	26.11	6.78	6.28	6.05	5.20	0.18	58.75
Unmetered Water Revenues	$ -	$ 35.00	417.33	$ 9.80	21.00	-			7.87		38.67
Metered Sales To Resid Cust	$ 150,214.40	$ 94,028.39	1,676,234.80	$ 153,080.47	146,662.44	154,725.57	137,129.78	148,427.08	162,360.17	169,969.88	1,072,355.39
Metered Sales to Comm Cust	$ 26,146.18	$ 19,037.87	288,800.80	$ 28,907.09	22,618.71	25,298.67	20,932.33	25,712.94	22,096.47	22,289.56	167,855.77
Metered Sales to Comm Exempt	$ 7,778.56	$ 14,908.44	77,122.17	$ 7,830.73	6,423.32	8,117.75	7,923.86	10,663.61	8,640.81	6,626.44	56,226.52
Metered Sales to Public Auth	$ -	$ -	2,030.25						976.26		976.26
Miscellaneous Service Revenue	$ 1,887.70	$ 2,614.13	40,876.00	$ 2,484.00	5,520.00	1,604.00	3,412.00	2,584.37	3,712.00	4,850.00	24,166.37
Other Water Revenues-Penalitie	$ 8,361.93	$ 774.16	70,747.27	$ 5,988.71	6,108.06	6,098.02	4,839.01	5,817.88	5,552.56	6,544.66	40,746.90
Other Water Revenues			300.00								
Other Revenues	$ -	$ 6,554.91	6,709.98	-	19,967.63	-					19,967.63
Other Revenues-Vendors Comp	$ 27.45	$ 21.67	281.00	$ 24.40	30.24	22.24	24.84	21.67	24.52		147.91
Other Water Revenues-Sur Charg	$ 14,304.66	$ 33,653.13	150,161.53	$ 14,292.09	14,266.95	14,187.34	14,183.15	14,178.96	14,220.86	14,191.53	99,520.88
											-
Total Revenues, Gains & Other	$ 208,729.79	$ 171,633.76	2,314,042.86	$ 212,626.60	221,644.48	210,057.37	188,451.25	207,212.56	217,596.72	224,472.25	1,482,061.11
Expenditures											
Depreciation Expense	64,441.92	64,441.92	773,303.04	64,441.92	64,441.92	64,441.92	64,441.92	64,441.92	64,441.92	64,441.92	451,093.44
Utility Regulatory Assess Fees	-	-	4,071.38	-						4,525.56	4,525.56
Payroll Taxes-SS & MC	3,955.52	4,126.80	44,494.98	4,887.91	4,872.85	4,761.86	4,820.06	4,756.52	5,256.72	2,591.37	31,747.29
Payroll Taxes-Unemployment	34.38	35.81	1,061.43	257.41	235.91	142.74	82.54	49.75	46.65	21.90	816.90
Interest on Long-Term Debt	-	1,055.48	92,366.79	488.23		10,989.90	474.55	462.18	474.55		12,887.39
Interest Expense	-	-		1,263.70		-			1,208.97		2,472.67
Amortization of Prem on Debt	(62.73)	(62.73)	(752.76)	(62.73)	(62.73)	(62.73)	(62.73)	(62.73)	(62.73)	(62.73)	(439.11)
Salaries and Wages - Emp TO	14,983.49	13,917.05	178,874.18	17,583.98	15,516.71	13,664.34	14,731.29	14,398.80	15,059.25	7,034.84	97,989.21
Salaries and Wages - Emp DO	7,749.45	6,841.29	83,757.21	8,654.84	8,252.47	9,543.70	8,586.70	8,646.82	8,266.62	3,475.73	55,426.68
Salaries and Wages - Emp DM	10,332.50	12,074.79	119,231.19	12,475.17	12,205.85	8,944.36	8,161.42	8,765.89	10,321.35	7,303.14	68,177.18
Salaries and Wages - Emp DM	14,372.63	17,381.84	102,625.65	19,490.50	21,659.05	24,478.49	22,183.17	23,537.26	28,030.22	12,568.11	151,946.80
Salaries and Wages - Emp CAE	4,083.50	3,508.39	56,570.82	5,394.58	5,695.25	5,173.55	6,287.98	6,385.91	6,596.13	3,271.43	38,804.83
Salaries and Wages - Emp AG	750.00	750.00	42,923.07	750.00	750.00	750.00	750.00	750.00	750.00	375.00	4,875.00
Employee Pensions & Ben TO	4,844.99	4,569.94	30,541.08	5,253.16	4,694.49	4,445.01	4,493.83	4,488.84	4,561.32	3,581.29	31,517.94
Employee Pensions & Ben DO	483.26	483.26	5,799.12	$ 483.26	483.26	483.26	483.26	483.26	483.26	483.26	3,382.82
Employee Pensions & Ben DM	-	-	(1,534.92)	8,324.77	9,266.85	9,117.50	8,361.97	8,348.43	8,828.46	5,282.75	57,530.73
Employee Pensions & Ben OM	5,728.28	7,925.52	34,181.26	-							-
Employee Pensions & Ben CAE	2,804.22	2,560.37	18,235.70	2,881.05	2,935.91	2,842.93	3,057.77	3,088.60	3,134.56	2,602.11	20,540.93
Employee Pensions & Ben AG	1,298.28	818.13	7,998.67	735.35	735.35	735.35	735.35	735.35	735.35	735.35	5,147.45
Purchased Water SO	11,299.70	14,169.23	127,503.41	11,155.39	567.20	49.66	2,304.86	(23,851.16)	(3,103.97)	(4,070.45)	(16,948.47)
Purchased Water SO			894.14								
Purchased Power SO	13,738.70	13,849.78	117,112.43	7,604.38	2,778.11	2,189.06	2,251.82	11,737.46	15,558.58	8,237.57	50,356.98
Purchased Power TO	8,700.62	10,488.82	121,003.12	13,134.72	10,639.41	10,368.93	9,815.67	9,886.20	35.27	9,275.61	63,155.81
Purchased Power DO	5,733.42	7,836.22	90,889.92	9,957.01	8,889.39	8,463.03	8,448.43	11,641.66	18,303.73	8,155.01	73,858.26
Purchased Power AG	318.51	462.78	4,265.70	650.71	572.02	499.81	460.56	358.91	167.59	402.92	3,112.52
Chemicals TO	12,251.60	12,251.60	161,897.85	18,377.40	6,039.33	14,842.26	11,880.48	18,566.61	18,425.21	15,468.38	103,599.67
Chemicals DO								475.82			475.82
Materials & Supplies SO	8,115.32	138.68	73,180.17	-							-
Materials & Supplies SM	-	-	2,466.00								-
Materials & Supplies TO	2,896.54	3,041.55	81,540.25	535.92	535.92	1,201.92	498.42	5,117.60	685.32	1,295.00	9,870.10
Materials & Supplies TM	(995.00)	-	(995.00)								-
Materials & Supplies TM	-	-	995.00								-
Materials & Supplies DO	-	-	14.83								-
Materials & Supplies DO	-	-	10,887.17	2,456.89	206.50	625.00	2,780.44	1,230.90	2,307.73	2,062.66	11,670.12
Materials & Supplies DM	3,476.01	6,806.12	111,542.26	-	713.85	-					713.85
Materials & Supplies DM	-	-		4,051.35	7,408.67	8,289.83	2,709.26	8,643.49	5,314.67	(14,987.83)	21,407.44
Materials & Supplies CAE	1,934.68	2,133.14	18,576.52	1,804.55	1,840.44	1,351.34	3,729.47	3,221.90	758.59	1,367.89	14,064.18
Materials & Supplies AG	-	-	289.27	-	-						-
Contractual Ser-Eng SM	-	-	960.00								-
Contractual Ser-Acct AG	3,500.00	3,500.00	42,000.00	3,500.00	1,750.00	650.00	650.00	950.00	-	-	7,500.00
Contractual Ser-Leg AG	1,287.50	3,298.37	52,233.75	1,552.04	1,817.70		734.80	822.30	3,571.64	5,074.48	13,572.96
Contractual Ser-Wtr Test TO	1,250.75	933.50	20,589.00	854.75	1,235.75	1,157.50	974.50	1,275.75	947.75	-	6,446.00
Contractual Ser-Other SO	-	-	840.00								-
Contractual Ser-Other SO	-	-	20,172.00								-

Contractual Ser-Other SM	-	-	4,549.97									-
Contractual Ser-Other TO	-	-	2,250.00									-
Contractual Ser-Other TM	-	-	16,682.52	2,772.59					1,270.15	-	-	4,042.74
Contractual Ser-Other DO	-	610.48	1,711.83						360.00	-		360.00
Contractual Ser-Other DO			-						821.59	1,301.30	-	2,122.89
Contractual Ser-Other DM	14,683.66	1,291.00	68,810.34	232.00	2,076.25	2,904.01	223.00		2,502.41	1,293.50	100.50	9,331.67
Contractual Ser-Other CAE	600.00	115.00	7,954.98	389.39	1,609.99	3,047.99	4,850.99		409.49	270.00	120.00	10,497.85
Contractual Ser-Other AG	1,055.00	1,060.00	7,310.00	2,738.00	5,999.00	6,203.84	1,035.00		10,752.63	5,018.48	2,351.30	34,098.05
Rental of Bld/RI Prop DO	-	-	1,014.09		196.53	-	(25.00)					171.53
Rental of Bld/RI Prop DM	-	-	500.00			-						-
Rental of Bld/RI Prop CAE	709.58	730.26	8,681.11	730.26	730.26	730.26	740.26		730.26	730.26	730.26	5,121.82
Rental of Equipment SO	-	-	2,719.50	-								-
Rental of Equipment SO	15,659.55	15,859.55	109,917.00	1,613.50			17,159.55		7,000.00	24,319.10	2,886.75	52,978.90
Rental of Equipment TO	-	-	2,500.00									-
Rental of Equipment DO	-	-	679.88						-		-	-
Rental of Equipment DM	-	-	148.95		112.08	157.95	-		46.07			316.10
Rental of Equipment GA	-	-	5.00						-			-
Transportation Expense SO	-	-	190.01				-					-
Transportation Expense DO	166.56	190.10	6,248.86	558.83	128.91	376.84	553.12		97.97	932.33	(155.93)	2,482.07
Transportation Expense DM	145.75	-	145.75	32.98		1,413.51	1,396.94		3,786.17	3,852.72	3,317.27	13,799.59
Transportation Expense DM	1,489.15	1,356.44	43,641.52	3,376.13	7,479.60	20,785.62	374.61		2,577.64	967.68	850.00	36,411.28
Transportation Expense CAE	492.58	492.58	5,668.00	492.58	492.58	492.58	492.58		492.58	656.78	328.39	3,448.07
Transportation Expense AG	214.49	107.00	6,155.13									-
Insurance-Vehicles SO	38.47	38.47	461.64	38.47	38.47	38.47	38.47		38.47	38.47	38.47	269.29
Insurance-Vehicles SM	38.47	38.47	461.64	38.47	38.47	38.47	38.47		38.47	38.47	38.47	269.29
Insurance-Vehicles TO	38.47	38.47	461.64	38.47	38.47	38.47	38.47		38.47	38.47	38.47	269.29
Insurance-Vehicles TM	38.47	38.47	461.64	38.47	38.47	38.47	38.47		38.47	38.47	38.47	269.29
Insurance-Vehicles DO	246.20	246.20	2,954.40	246.20	246.20	246.20	246.20		246.20	246.20	246.20	1,723.40
Insurance-Vehicles DM	269.29	269.29	3,231.48	269.29	269.29	269.29	269.29		269.29	269.29	269.29	1,885.03
Insurance-Vehicles CAE	38.47	38.47	461.64	38.47	38.47	38.47	38.47		38.47	38.47	38.47	269.29
Insurance-Vehicles AG	61.55	61.55	738.60	61.55	61.55	61.55	61.55		61.55	61.55	61.55	430.85
Insurance-Gen Liab SO	146.59	146.59	1,759.08	146.59	146.59	146.59	146.59		146.59	146.59	146.59	1,026.13
Insurance-Gen Liab SM	97.73	97.73	1,172.76	97.73	97.73	97.73	97.73		97.73	97.73	97.73	684.11
Insurance-Gen Liab TO	293.18	293.18	3,518.16	293.18	293.18	293.18	293.18		293.18	293.18	293.18	2,052.26
Insurance-Gen Liab TM	122.16	122.16	1,465.92	122.16	122.16	122.16	122.16		122.16	122.16	122.16	855.12
Insurance-Gen Liab DO	757.37	757.37	9,088.44	757.37	757.37	757.37	757.37		757.37	757.37	757.37	5,301.59
Insurance-Gen Liab DM	781.80	781.80	9,381.60	781.80	781.80	781.80	781.80		781.80	781.80	781.80	5,472.60
Insurance-Gen Liab CAE	97.73	97.73	1,172.76	97.73	97.73	97.73	97.73		97.73	97.73	97.73	684.11
Insurance-Gen Liab AG	146.59	146.59	1,759.08	146.59	146.59	146.59	146.59		146.59	146.59	146.59	1,026.13
Insurance-Workers Comp TO	1,251.62	1,251.62	15,019.44	1,251.62	1,251.62	1,251.62	1,251.62		1,251.62	1,251.62	1,251.62	8,761.34
Insurance-Workers Comp DO	401.63	401.63	4,819.56	401.63	401.63	401.63	401.63		401.63	401.63	401.63	2,811.41
Insurance-Workers Comp DM	927.15	927.15	11,125.80	927.15	927.15	927.15	927.15		927.15	927.15	927.15	6,490.05
Insurance-Workers Comp CAE	31.13	31.13	373.56	31.13	31.13	31.13	31.13		31.13	31.13	31.13	217.91
Insurance-Workers Comp AG	501.13	501.13	6,013.56	501.13	501.13	501.13	501.13		501.13	501.13	501.13	3,507.91
Insurance-Other CAE	331.35	331.35	3,976.20	331.35	331.35	331.35	331.35		331.35	331.35	331.35	2,319.45
Insurance-Other AG	470.65	470.65	5,647.80	470.65	470.65	470.65	470.65		470.65	148.20	148.20	2,649.65
Miscellaneous Expense SO									-		331.55	331.55
Miscellaneous Expense SO									86.94			86.94
Miscellaneous Expense TO	709.30	334.30	4,657.82	339.27	252.33	426.21			-	797.58	680.51	2,495.90
Miscellaneous Expense TM	-	-	490.08			-						
Miscellaneous Expense DO	-	-	51.50			740.08	2,205.31		2,837.62	42.00	1,122.34	6,947.35
Miscellaneous Expense DO	-	-	4,723.49									-
Miscellaneous Expense DM	-	-	1,076.07									-
Miscellaneous Expense CAE	215.81	215.81	2,852.03	215.85	-	431.70	-		215.41	455.82		1,318.58
Miscellaneous Expense CAE	-	-	1,254.61	75.00	73.00	396.48					85.90	630.38
Miscellaneous Expense CAE- O/S	-	-	0.30							20.00		20.00
Miscellaneous Expense AG	(1,700.00)	2,100.00	4,352.23	-	252.29		-		-	-		252.29
Miscellaneous Expense AG	1,429.35	539.22	18,244.75	1,067.83	1,079.70	8,548.54	594.12		531.98	251.59	937.38	13,011.14
Interest Expense			-	1,053.06								1,053.06
Other Contractor -- Operations	-	1,249.90	1,350.23	123.01		500.00	2,383.35		6,122.55	8,053.77	1,350.00	18,532.68
Salaries & Related Expenses	-	-										-
Total Expenditures	**252,306.02**	**252,516.47**	**3,074,489.73**	**251,873.49**	**224,285.15**	**264,403.13**	**233,518.82**		**247,120.88**	**276,872.17**	**172,343.24**	**1,670,416.88**
Net Income	**$ (43,576.23)**	**$ (80,882.71)**	**$ (760,428.87)**	**$ (39,249.99)**	**$ (2,840.69)**	**$ (54,345.76)**	**$ (46,067.57)**		**$ (39,908.32)**	**$ (59,275.45)**	**$ (52,129.01)**	**$ (188,355.77)**

EXHIBIT #3

Martin County Water District
Balance Sheet
Prepared On: 8/7/19

Assets	31-Dec-18	31-Jan-19	28-Feb-19	31-Mar-19	30-Apr-19	31-May-19	30-Jun-19	31-Jul-19
Current Assets								
04-135-1 KACO Sinking Fund	$ 63.19	$ 63.19	$ 63.19	$ 63.19	$ 63.19	$ -		
51-136-6 KIA Sinking Fund	8,186.30	8,261.56	2,577.49	8,474.15	2,771.56	8,669.72	8,768.54	$ 8,768.54
53-894-6 RD Sinking Fund	2,256.27	2,728.04	2,749.81	3,221.58	3,693.35	4,165.12	4,636.89	$ 15,436.89
04-137-8 KACO Sinking Fund	3,430.25	4,102.56	3,616.38	3,616.44	3,154.33	2,743.01	3,485.31	$ 4,210.76
Regions Trust Sinking Fund	43,250.75	43,250.75	43,250.75	43,250.75	43,250.75	43,250.75	43,250.75	$ 43,250.75
Debt Surcharge Fund 613193	25,359.42	39,669.89	10,188.06	4,766.78	1,498.44	2,868.71	16,530.15	$ 30,417.50
17-492-0 KIA Depreciation Fund	924.34	909.35	894.36	879.37	864.38	849.39	849.39	$ -
04-138-6 RD Depreciation Fund	4,646.02	4,646.08	4,646.13	4,646.19	4,646.25	4,646.31	4,646.36	$ 14.99
56-407-9 Grant Fund	8,245.77	8,245.77	8,245.77	8,245.77	8,245.77	8,245.77	8,245.77	$ 4,646.36
Grant Fund 2	52.87	42.85	42.85	42.85	42.85	42.85	42.85	$ 42.85
Cash on Hand	200.00	200.00	200.00	200.00	200.00	200.00	200.00	$ 200.00
Cash on Hand	200.00	200.00	200.00	200.00	200.00	200.00	200.00	$ 200.00
Cash on Hand	300.00	300.00	300.00	300.00	300.00	300.00	300.00	$ 300.00
Cash on Hand	200.00	200.00	200.00	200.00	200.00	200.00	200.00	$ 200.00
51-757-7 Sec A Revenue	74,211.40	86,418.92	22,892.64	30,659.39	27,286.41	12,659.97	2,553.31	$ 2,209.09
60-094-6 Revenue EFT	13,385.40	26,183.02	64,808.73	23,949.34	27,737.83	38,243.46	18,933.29	$ 12,394.86
04-134-3 Operation & Maint	1,360.58	515.46	24,980.36	11,121.05	425.89	61.88	(2,604.95)	$ 12,390.97
76-994-0 Payroll	14,409.20	23,133.76	24,109.35	23,297.33	19,082.91	19,757.28	21,307.05	$ 44,552.51
18-445-4 Sec A Security Dep	23,331.91	23,319.14	23,319.14	23,319.14	23,319.14	23,319.14	23,319.14	$ 65.65
10-550-3 Sec B Security Dep	129,233.22	131,038.76	131,853.81	133,209.09	134,024.96	126,344.50	126,979.39	$ 151,762.88
Customer A/R	186,915.32	189,463.21	198,789.88	200,501.20	207,671.22	217,400.17	234,401.95	$ 252,830.35
Returned Checks	2,188.76	2,704.72	3,198.74	3,658.27	3,757.37	4,744.96	4,905.72	$ 4,905.72
Accum Provision for Uncollect	(25,476.48)	(25,476.48)	(25,476.48)	(25,476.48)	(25,476.48)	(25,476.48)	(25,476.48)	$ (25,476.48)
Accounts Rec from Associated Accounts	39,910.28	41,532.96	43,155.64	44,778.32	46,401.00	48,023.68	49,646.36	$ 51,269.04
Plant Materals and Supplies	8,376.76	8,376.76	8,376.76	8,376.76	8,376.76	8,376.76	8,376.76	$ 8,376.76
Prepayments	17,648.31	17,920.90	20,157.43	7,876.82	(1,348.65)	(13,465.89)	(23,506.95)	$ (13,901.01)
Accrued Utility Revenues	292,715.31	292,715.31	292,715.31	292,715.31	292,715.31	292,715.31	292,715.31	$ 292,715.31
Total Current Assets	$ 875,525.15	$ 930,686.48	$ 909,856.10	$ 856,092.61	$ 833,104.54	$ 829,086.37	$ 822,905.91	$ 901,784.29
Property and Equipment								
Accumulated Depreciation	(15,768,861.04)	(15,833,302.96)	(15,897,744.88)	(15,962,186.80)	(16,026,628.72)	(16,091,070.64)	(16,155,512.56)	$ (16,219,954.48)
Land and Land Rights	214,713.83	214,713.83	214,713.83	214,713.83	214,713.83	214,713.83	214,713.83	$ 214,713.83
Structures and Improvements	500,263.89	500,263.89	500,263.89	500,263.89	500,263.89	500,263.89	500,263.89	$ 500,263.89
Collecting & Impounding Reservoirs	288,202.65	288,202.65	288,202.65	288,202.65	288,202.65	288,202.65	288,202.65	$ 288,202.65
Lakes, River & Other Intakes	2,173,720.33	2,173,720.33	2,173,720.33	2,173,720.33	2,173,720.33	2,173,770.23	2,173,770.23	$ 2,173,770.23
Power Generation Equipment	15,000.00	15,000.00	15,000.00	15,000.00	15,000.00	15,000.00	15,000.00	$ 15,000.00
Pumping Equipment	392,556.99	392,556.99	392,556.99	392,556.99	392,556.99	392,556.99	392,556.99	$ 387,535.46
Water Treatment Equipment	4,929,868.17	4,929,868.17	4,929,868.17	4,929,868.17	4,929,868.17	4,929,868.17	4,929,868.17	$ 4,929,868.17
Dist Reservoirs & Standpipes	4,071,501.55	4,071,501.55	4,071,501.55	4,071,501.55	4,071,501.55	4,071,501.55	4,071,501.55	$ 4,071,501.55
Transmission & Dist Mains	20,260,020.76	20,260,020.76	20,260,020.76	20,260,020.76	20,260,020.76	20,260,020.76	20,260,020.76	$ 20,260,020.76
Meter & Meter Installations	513,797.32	513,797.32	513,797.32	513,797.32	513,797.32	513,797.32	513,797.32	$ 513,797.32
Hydrants	2,969.00	2,969.00	2,969.00	2,969.00	2,969.00	2,969.00	2,969.00	$ 2,969.00
Other Plant & Misc Equipment	886,851.68	886,851.68	886,851.68	886,851.68	886,851.68	886,851.68	886,851.68	$ 886,851.68
Office Furniture & Equipment	177,296.04	184,349.04	184,349.04	184,349.04	184,349.04	184,349.04	184,349.04	$ 184,349.04
Transportation Equipment	329,570.05	337,970.05	337,970.05	338,755.05	338,794.47	338,794.47	338,794.47	$ 338,794.47
Tools, Shop, & Garage Equipment	29,534.16	29,534.16	29,534.16	29,534.16	29,534.16	29,534.16	29,534.16	$ 29,534.16
Laboratory Equipment	14,402.81	14,402.81	14,402.81	14,402.81	14,402.81	14,402.81	14,402.81	$ 14,402.81
Power Operated Equipment	43,192.91	52,129.25	52,129.25	52,129.25	52,129.25	52,129.25	52,129.25	$ 52,129.25
Communication Equipment	16,896.88	16,896.88	16,896.88	16,896.88	16,896.88	16,896.88	16,896.88	$ 16,896.88
Total Property and Equipment	18,091,497.98	19,051,445.40	18,987,003.48	18,923,346.56	18,858,944.06	18,794,552.04	18,730,110.12	$ 18,660,646.67
Other Assets								
Misc - Deferred Pension Outlow	504,402.00	504,402.00	504,402.00	504,402.00	504,402.00	504,402.00	504,402.00	$ 504,402.00
Total Other Assets	504,402.00	504,402.00	504,402.00	504,402.00	504,402.00	504,402.00	504,402.00	$ 504,402.00

Total Assets	$ 20,471,425.13	$ 20,486,533.88	$ 20,401,261.58	$ 20,283,841.17	$ 20,196,450.60	$ 20,128,040.41	$ 20,057,418.03	$ 20,066,832.96
Liabilities								
Current Liabilities								
Other Deferred Debits	$ (369.43)	$ (369.43)	$ (369.43)	$ (369.43)	$ (369.43)	$ (369.43)	$ (369.43)	$ (369.43)
Accounts Payable	1,053,516.45	1,137,609.09	1,066,069.81	1,024,687.26	1,005,303.87	997,844.57	990,544.57	$ 951,736.24
Customer Deposits	137,020.38	138,730.38	139,540.38	140,890.38	141,610.38	134,014.23	134,644.23	$ 136,122.74
Accrued Taxes - PR SS/MC	859.52	3,163.82	5,520.68	5,601.88	5,414.64	5,573.52	5,611.22	$ 3,163.82
Accrued Taxes - PR SUTA	179.64	327.52	563.43	706.17	124.01	173.76	220.41	$ 242.31
Accrued Interest on L/T Debt	32,572.97	32,572.97	32,572.97	32,572.97	32,572.97	32,572.97	32,572.97	$ 32,572.97
Accrued Interest on Other Liab	3,598.76	3,598.76	3,598.76	3,598.76	3,598.76	3,598.76	3,598.76	$ 3,598.76
Accrued Intrest	-	282.60	282.60	282.60	282.60	282.60	282.60	$ 382.60
Matured Long-Term Debt - KIA	51,442.62	51,442.62	51,442.62	51,442.62	51,442.62	51,442.62	51,442.62	$ 51,442.62
Matured Long-Term Debt - US	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00	$ 10,000.00
Matured Long-Term Debt - KRWFC	55,000.00	55,000.00	55,000.00	55,000.00	55,000.00	55,000.00	55,000.00	$ 55,000.00
Tax Collections Payable - Sales	1,887.78	2,162.62	1,670.58	1,873.05	1,640.08	1,905.37	1,763.25	$ 3,100.89
Tax Collections Payable - School	4,260.88	4,956.65	4,516.70	5,022.26	4,446.85	5,161.69	5,257.80	$ 11,135.64
Tax Collections Payable - FW	57.92	2,354.63	2,331.44	2,534.49	2,137.17	2,297.54	2,306.47	$ 57.92
Tax Collections Payable - SS	(23.47)	1,844.07	19.13	84.93	(66.82)	61.94	92.50	$ (1,891.01)
Tax Collections Payable - MC	(5.49)	431.27	4.47	19.87	(15.62)	14.50	21.64	$ (442.25)
Tax Collections Payable - KY	2,485.64	2,967.65	2,974.25	2,805.39	2,718.66	2,786.45	3,094.18	$ 1,529.74
Tax Collections Payable - Rety	6,516.69	6,828.63	7,026.24	6,848.78	6,716.59	6,712.69	6,881.96	$ 5,399.72
Tax Collections Payable - 401K	60.00	90.00	150.00	120.00	120.00	60.00	60.00	$ 60.00
Tax Collections Payable - AFLAC	426.19	861.51	1,263.53	1,571.45	1,879.37	2,187.29	2,495.21	$ 2,649.17
Tax Collections Payable - Martin	1,579.17	643.49	1,284.30	1,909.89	607.05	1,231.94	1,922.20	$ 680.58
		-		-	0.01	0.01	0.01	$ 0.01
Misc Current & Accrued Liab	29,123.91	30,444.27	30,882.54	29,999.40	29,507.55	29,517.84	30,118.23	$ 25,255.79
Total Current Liabilities	1,390,190.13	1,485,963.12	1,416,345.00	1,377,202.72	1,354,671.31	1,342,070.86	1,337,561.40	$ 1,291,428.83
Long Term Liabilities								
Bonds Payable - KY Rural Water	1,822,419.25	1,812,091.02	1,801,312.79	1,790,984.56	1,780,655.33	1,770,328.10	1,759,999.87	$ 1,759,999.87
Current Classification - KY RW	(55,000.00)	(55,000.00)	(55,000.00)	(55,000.00)	(55,000.00)	(55,000.00)	(55,000.00)	$ (55,000.00)
Bonds	-	(3,801.00)	(3,801.00)	(3,801.00)	(3,801.00)	(3,801.00)	(3,801.00)	$ (3,801.00)
Notes Payable - KIA	492,754.44	488,397.57	482,693.47	465,390.10	453,887.46	442,385.55	432,173.94	$ 432,173.94
Lease Payable - KACO	106,221.96	106,221.96	106,221.96	106,221.96	106,221.96	106,221.96	106,221.96	$ 106,221.96
Current Classification - KIA	(51,442.62)	(51,442.62)	(51,442.62)	(51,442.62)	(51,442.62)	(51,442.62)	(51,442.62)	$ (51,442.62)
Current Classification - US	(10,000.00)	(10,000.00)	(10,000.00)	(10,000.00)	(10,000.00)	(10,000.00)	(10,000.00)	$ (10,000.00)
Other - Net Pension Liability	1,072,039.00	1,072,039.00	1,072,039.00	1,072,039.00	1,072,039.00	1,072,039.00	1,072,039.00	$ 1,072,039.00
Unamortized Premium on Debt	19,634.64	19,571.91	19,509.18	19,446.45	19,383.72	19,320.99	19,258.26	$ 19,195.53
Other Inflow Resources - Pension	220,865.00	220,865.00	220,865.00	220,865.00	220,865.00	220,865.00	220,865.00	$ 220,865.00
Other Deferred Credits	16,435.79	19,207.32	22,668.89	22,396.85	24,353.86	26,350.31	28,600.99	$ 31,607.21
Total Long-Term Liabilities	3,633,927.46	3,618,150.16	3,605,066.67	3,577,100.30	3,557,163.71	3,537,267.29	3,518,915.40	$ 3,521,858.89
Capital								
Suspense-Clearing Account			(25.00)	(25.00)	(30.00)	2,965.00	4,169.42	$ 4,169.42
Unappropriated Retained Earnings	(11,675,557.42)	(11,675,557.42)	(11,675,557.42)	(11,675,557.42)	(11,675,557.42)	(11,675,557.42)	(11,675,557.42)	$ (11,675,557.42)
Grants in Aid of Construction	13,197,146.17	13,197,146.17	13,197,146.17	13,197,146.17	13,197,146.17	13,197,146.17	13,197,146.17	$ 13,197,146.17
Govt Grants in Aid of Constr	14,439,514.29	14,439,514.29	14,439,514.29	14,439,514.29	14,439,514.29	14,439,514.29	14,439,514.29	$ 14,439,514.29
Contributions in Aid of Constr	494,379.60	494,379.60	494,379.60	494,379.60	494,379.60	494,379.60	494,379.60	$ 494,379.60
Tap Fees	1,283,622.17	1,283,797.17	1,283,892.17	1,287,926.17	1,288,076.17	1,289,076.17	1,299,386.17	$ 1,299,961.17
Retained Earnings	(1,557,185.35)	(2,317,612.22)	(2,317,612.22)	(2,317,612.22)	(2,317,612.22)	(2,317,612.22)	(2,317,612.22)	$ (2,317,612.22)
				-	-	-		
Net Income	(734,611.92)	(39,246.99)	(41,887.88)	(96,233.44)	(141,301.01)	(181,209.33)	(240,484.78)	$ (188,355.77)
Total Capital	15,447,307.54	15,382,420.60	15,379,849.91	15,329,538.15	15,284,615.58	15,248,702.26	15,200,941.23	$ 15,253,645.24
Total Liabilities and Capital	$ 20,471,425.13	$ 20,486,533.88	$ 20,401,261.58	$ 20,283,841.17	$ 20,196,450.60	$ 20,128,040.41	$ 20,057,418.03	$ 20,066,832.96

EXHIBIT #4

AGED PAYABLES

- Business Radio License-I have never been able to contact anyone with this company. I have no invoice for this account.
- Some amounts will not be correct because of recent payments.
- Some account amounts are still incorrect because of the time it will take to correct it because of the amount of different invoices, like Evans Hardware, or because I am waiting on invoices.

MARTIN COUNTY WATER DISTRICT
Aged Payables
As of Jul 31, 2019

Filter Criteria includes: 1) Includes Drop Shipments. Report order is by ID. Report is printed in Summary Format.

Vendor ID Vendor Contact Telephone 1	0 - 30	31 - 60	61 - 90	Over 90 d	Amount Due
02 ANTHEM ANTHEM BS/BC	5,443.44				5,443.44
04 APPWIRELESS APPALACHIAN WIRELE	237.56				237.56
05 APPALACHIANST APPALACHIAN STATES	947.75		1,275.75		2,223.50
06 BLUEWATERKENTU BLUEWATER KENTUCK	2,351.30	4,840.48	7,853.37		15,045.15
06 BUSINESSRADIOLIC BUSINESS RADIO LICE				600.00	600.00
09 ALLPUMPSSALES&S ALL PUMPS SALES & SE			1,270.15	16,364.49	17,634.64
09 CI-VFD#1 THE CI THORNBURG C 304-523-3484		216.60	216.60	12,796.09	13,229.29
09 CI-VFD#2 THE CI THORNBURG C 304-523-3484		468.72		14,960.00	15,428.72
09 CITHORNBURGCOIN THE C. I. THORNBURG 304-523-3484				64,256.61	64,256.61
09 EVANSHARDWAREIN EVANS HARDWARE, IN				80,044.30	80,044.30
09 THECITHORNBURGC THE CI THORNBURG C 304-523-3484	4,920.76				4,920.76
10 CUMBO,BRIAN BRIAN CUMBO, ATTORN	5,074.48			31,434.10	36,508.58
10 EVANSHARDWARE#				17,392.76	17,392.76

MARTIN COUNTY WATER DISTRICT
Aged Payables
As of Jul 31, 2019

Filter Criteria includes: 1) Includes Drop Shipments. Report order is by ID. Report is printed in Summary Format.

Vendor ID Vendor Contact Telephone 1	0 - 30	31 - 60	61 - 90	Over 90 d	Amount Due
EVANS HARDWARE					
10 FASTCHANGE FAST CHANGE 606-298-0764	502.39			3,110.36	3,612.75
10 KYUNDERGROUNDP KY UNDERGROUND PR	100.50			435.00	535.50
10 LINDAFSUMPTERCP LINDA F. SUMPTER, CP			650.00	175,000.0	175,650.00
10 PRESTONSBURGCIT PRESTONSBURG CITY				29,926.85	29,926.85
10 SERVICEPUMP&SUP SERVICE PUMP & SUPP				22,282.99	22,282.99
10 SOLESELECTRIC SOLES ELECTRIC OF H				18,444.00	18,444.00
10 TECH2000INC TECH 2000, INC.	390.00		2,356.00		2,746.00
10 WEX BANK WEX BANK	3,317.27				3,317.27
10 XYLEM XYLEM DEWATERING S	15,659.55			111,260.0	126,919.60
10 ZIPZONE(FASTLANE) ZIP ZONE, INC				274,265.0	274,265.07
DIMEGLIO, BRYON BRYON DIMEGLIO	51.49				51.49
EVANS, WINDRIGHT WINDRIGHT EVANS				90.00	90.00

MARTIN COUNTY WATER DISTRICT
Aged Payables
As of Jul 31, 2019

Filter Criteria includes: 1) Includes Drop Shipments. Report order is by ID. Report is printed in Summary Format.

Vendor ID Vendor Contact Telephone 1	0 - 30	31 - 60	61 - 90	Over 90 d	Amount Due
Report Total	38,996.49	5,525.80	13,621.87	872,662.6	930,806.83

ANTHEM BLUE CROSS AND BLUE SHIELD
PO BOX 659801
SAN ANTONIO, TX 78265-9101

Anthem. BlueCross BlueShield

000124 2 MB 0.425 000124/000124/000247 001 03 AGX45K
WPT132 SMGRP 07/10/2019 07/11/2019
MARTIN COUNTY WATER DIST
SUITE 140
387 EAST MAIN STREET
INEZ, KY 41224-8023

Your Premium Statement Is Enclosed

We are suspending the move to electronic billing in Kentucky.

Although you will continue to receive your paper invoice, we encourage you to take advantage of our online payment options within EmployerAccess for paying your premiums.

Life and Disability products underwritten by Anthem Life Insurance Company. Anthem Blue Cross and Blue Shield is the trade name of Anthem Health Plans of Kentucky, Inc. Independent licensees of the Blue Cross and Blue Shield Association. ®ANTHEM is a registered trademark of Anthem Insurance Companies, Inc. The Blue Cross and Blue Shield names and symbols are registered marks of the Blue Cross and Blue Shield Association.

000124/000247 AGX45K S1-ET-M1-C00001 4

RETURN THIS PORTION WITH PAYMENT

DUE DATE:	**08/01/2019**
TOTAL AMOUNT DUE:	**$5,443.44**

DO NOT SEND CASH

Amount Enclosed $ _____

Group Name: MARTIN COUNTY WATER DIST
Group Number: T25457

PLEASE MAKE CHECK PAYABLE TO ANTHEM BLUE CROSS AND BLUE SHIELD
WRITE YOUR GROUP# ON YOUR CHECK AND REMIT TO:

ANTHEM BLUE CROSS AND BLUE SHIELD
PO BOX 6406
CAROL STREAM IL 60197-6406

00255600045612190187254570000000000092019070033430801190000000005443444

Appalachian WIRELESS

101 Technology Trl
Ivel, KY 41642-9057

Return Service Requested

2114001096 PRESORT 1096 1 AV 0.380 P1C5 <B>

MARTIN COUNTY WATER DISTRICT
MAURICE GREG SCOTT
387 E MAIN ST STE 140
INEZ KY 41224-8023

Remittance Section

Invoice Date:	07/17/2019
Account Number:	00201523114
Total Due Upon Receipt:	**$237.56**
Amount Enclosed:	$_____

Please put your account number on your check and make payable to: *APPALACHIAN WIRELESS.*

☐ Check here for change of address or payment method (see reverse for details)

Appalachian Wireless
PO Box 630734
Cincinnati, OH 45263-0734

0020 00201523114 0000023756 7

Please tear along Perforation and return top portion with payment

Invoice Information

Invoice Date	07/17/2019
Account Number	00201523114
Invoice Number	5384520
Late Charges Apply After	08/03/2019
Total Due Upon Receipt	$237.56

Summary of Charges

Balance Information	
Previous Balance	170.99
Thank you for your payment(s)	-170.99
Balance Forward	**$0.00**
New Charges	
New Usage Charges	0.00
Recurring Charges	69.50
Non-Recurring Charges	160.00
Fees, Taxes and Surcharges	8.06
Total New Charges	**237.56**
Total Amount Due	**$237.56**

Important Messages

Due to a recent sales tax audit, it has been discovered that some taxes were not being properly calculated. The USF surcharge, regulatory and interconnect fees will be subject to sales tax beginning with the June bill. Necessary changes have been made to ensure proper taxes are being applied going forward.

During the process of this audit, it was also discovered that stand-alone data charges should not have been collecting sales tax. The June bill will also reflect a tax credit, if you were impacted, for the taxes that were collected incorrectly.

We sincerely apologize for this mistake and believe these changes will make things right. If you have any questions, please do not hesitate to contact Customer Service at 1(800) 438-2355 Monday thru Friday 7AM-7PM; Saturday 8AM-2PM.

Like us on **Facebook**, Follow us on **Twitter**, and Find us on **Snapchat** to receive the latestupdates on new products, services, towers, job opportunities, outages, and promotions.

Better Service. Bigger Savings. Today's Appalachian Wireless.

For Customer Service assistance, please dial *611 from your cellular phone (minutes are not charged to your account) or call (606) 477-2355 or (800) 438-2355.

INVOICE

APPALACHIAN STATES ANALYTICAL, L.L.C.

PO BOX 520
SHELBIANA, KY 41562

INVOICE NO.: 059692

INVOICE DATE: 5/31/19

ACCOUNT NO.: MA982

P.O. NO.:

TO:
Martin County Water Dist #1
387 East Main Street
Suite 140
Inez, KY 41224
Attn: ACCOUNTS PAYABLE

SEND PAYMENT TO:

APPALACHIAN STATES ANALYTICAL, L.L.C.
SUITE 100 . 147 ELEVENTH AVENUE
SOUTH CHARLESTON, WV 25303

IF THERE ARE QUESTIONS CONCERNING THIS INVOICE PLEASE CALL: 606-437-5616

REPORT DATE	LAB. NO.	DESCRIPTION	PRICE	QUANTITY	AMOUNT
5/02/19	2019-05900	A01			
		Fluoride Sample	15.25	1	$15.25
5/02/19	2019-05899	001 Backwash KYG640104			
		Water Treatment Plant	45.00	1	$45.00
5/31/19	2019-07271				
		Monthly Pickup Fee	50.00	1	$50.00
5/01/19	2019-07406	MARTIN COUNTY WATER DIST			
		Bacteriological Sample	16.75	12	$201.00
		Bacteriological Sample 1	21.75	3	$65.25
5/02/19	2019-05901	101 KY0800273			
		Alkalinity, Total	8.50	1	$8.50
		101 KY0800273			
		Total Organic Carbon, Ra	27.50	1	$27.50
		101 KY0800273			
		Ultraviolet Absorption	20.00	1	$20.00
		SUVA, Raw	0.00	1	$0.00
		Dissolved Organic Carbon	45.00	1	$45.00
		CF1 KY0800273			
		Alkalinity, Total	8.50	1	$8.50
		CF1 KY0800273			
		Total Organic Carbon, CF	27.50	1	$27.50
		CF1 KY0800273			
		Ultraviolet Absorption	20.00	1	$20.00
		SUVA, CFE	0.00	1	$0.00
		Dissolved Organic Carbon	45.00	1	$45.00
5/16/19	2019-06681	TPA KY0800273			
		Odor	25.00	1	$25.00
5/16/19	2019-06682	107 KY0800273			

***** CONTINUED ON NEXT PAGE *****

INVOICE

APPALACHIAN STATES ANALYTICAL, L.L.C.

PO BOX 520
SHELBIANA, KY 41562

INVOICE NO.: 059692

INVOICE DATE: 5/31/19

ACCOUNT NO.: MA982

P.O. NO.:

TO:

Martin County Water Dist #1
387 East Main Street
Suite 140
Inez, KY 41224
Attn: ACCOUNTS PAYABLE

SEND PAYMENT TO:

APPALACHIAN STATES ANALYTICAL, L.L.C.
SUITE 100 . 147 ELEVENTH AVENUE
SOUTH CHARLESTON, WV 25303

F THERE ARE QUESTIONS CONCERNING THIS INVOICE PLEASE CALL: 606-437-5616

REPORT DATE	LAB. NO.	DESCRIPTION	PRICE	QUANTITY	AMOUNT
		Fluoride Sample	15.25	1	$15.25
5/20/19	2019-06790	TPA KY0800273			
		TTHM	48.00	1	$48.00
		HAA	171.00	1	$171.00
		SM7 KY0800273			
		TTHM	48.00	1	$48.00
		HAA	171.00	1	$171.00
		SM8 KY0800273			
		TTHM	48.00	1	$48.00
		HAA	171.00	1	$171.00
		TOTAL AMOUNT DUE:			$1275.75

INVOICE

APPALACHIAN STATES ANALYTICAL, L.L.C.

PO BOX 520
SHELBIANA, KY 41562

INVOICE NO.: 059832

INVOICE DATE: 6/30/19

ACCOUNT NO.: MA982

P.O. NO.:

TO:

Martin County Water Dist #1
387 East Main Street
Suite 140
Inez, KY 41224
Attn: ACCOUNTS PAYABLE

SEND PAYMENT TO:

APPALACHIAN STATES ANALYTICAL, L.L.C.
SUITE 100 . 147 ELEVENTH AVENUE
SOUTH CHARLESTON, WV 25303

IF THERE ARE QUESTIONS CONCERNING THIS INVOICE PLEASE CALL: 606-437-5616

REPORT DATE	LAB. NO.	DESCRIPTION	PRICE	QUANTITY	AMOUNT
6/06/19	2019-07640	001 Backwash KYG640104			
		Water Treatment Plant	45.00	1	$45.00
6/06/19	2019-07641	101 KY0800273			
		Alkalinity, Total	8.50	1	$8.50
		101 KY0800273			
		Total Organic Carbon, Ra	27.50	1	$27.50
		101 KY0800273			
		Ultraviolet Absorption	20.00	1	$20.00
		SUVA, Raw	0.00	1	$0.00
		Dissolved Organic Carbon	45.00	1	$45.00
		CF1 KY0800273			
		Alkalinity, Total	8.50	1	$8.50
		CF1 KY0800273			
		Total Organic Carbon, CF	27.50	1	$27.50
		CF1 KY0800273			
		Ultraviolet Absorption	20.00	1	$20.00
		SUVA, CFE	0.00	1	$0.00
		Dissolved Organic Carbon	45.00	1	$45.00
6/06/19	2019-07646	TPA KY0800273			
		VOC's	195.00	1	$195.00
6/06/19	2019-07642	A01 KY0800273			
		Fluoride Sample	15.25	1	$15.25
6/06/19	2019-07695	CFE			
		Heterotrophic Plate Coun	28.50	1	$28.50
		Chlorine, Free	0.00	1	$0.00
6/20/19	2019-08395	085 KY0800273			
		Fluoride Sample	15.25	1	$15.25
6/28/19	2019-08736				

***** CONTINUED ON NEXT PAGE *****

INVOICE

APPALACHIAN STATES ANALYTICAL, L.L.C.

PO BOX 520
SHELBIANA, KY 41562

INVOICE NO.: 059832

INVOICE DATE: 6/30/19

ACCOUNT NO.: MA982

P.O. NO.:

TO:
Martin County Water Dist #1
387 East Main Street
Suite 140
Inez, KY 41224
Attn: ACCOUNTS PAYABLE

SEND PAYMENT TO:

APPALACHIAN STATES ANALYTICAL, L.L.C.
SUITE 100 . 147 ELEVENTH AVENUE
SOUTH CHARLESTON, WV 25303

IF THERE ARE QUESTIONS CONCERNING THIS INVOICE PLEASE CALL: 606-437-5616

REPORT DATE	LAB. NO.	DESCRIPTION	PRICE	QUANTITY	AMOUNT
		Monthly Pickup Fee	50.00	1	$50.00
6/01/19	2019-08913	MARTIN COUNTY WATER DIST			
		Bacteriological Sample	16.75	12	$201.00
		Bacteriological Sample 1	21.75	9	$195.75
		TOTAL AMOUNT DUE:			$947.75

BlueWater Kentucky, LLC
625 Myrtle Street
Louisville, Kentucky 40208
502-533-5073
gheitzman@bluewaterky.com

BlueWater Kentucky

INVOICE 19-18 — 7.9.2019

BILL TO	SHIP TO	INSTRUCTIONS
Mr. Greg Scott Interim General Manager Martin County Water District 387 East Main Street, Suite 140 Inez, Kentucky 41224	Same as recipient	Make Check Payable to: **BlueWater Kentucky, LLC** **625 Myrtle Street** **Louisville, Kentucky 40208**

QUANTITY	DESCRIPTION	UNIT PRICE	TOTAL
Contract: $13,000	June 2018 Services – Invoice 18-24 Revised		$1,350.00
Extension #1: $6,000	July 2018 Services – Invoice 18-29		$975.00
Extension #2: $13,000	August 2018 – Invoice 18-33		$1,510.65
Extension #3: $15,000	September 2018 – Invoice 18-35		$1,275.00
Extension #4: Pending	October 2018 – Invoice 18-38		$300.00
Total: $47,000	November 2018 – Invoice 18-41		$1,200.00
Expires 6-30-19	December 2018 – Invoice 19-02		$1,585.65
	January 2019 – Invoice 19-05		$5,850.00
115.9% Contract Worked thru 7/1/19	February 2019 – Invoice 19-08		$6,054.64
78.7% Contract Paid thru 7/1/19	March 2019 – Invoice 19-10		$975.00
	April 2019 – Invoice 19-12		$1,364.90
	May 2019 – Invoice 19-14		$4,840.48
	June 2019 – Invoice 19-18		$2,351.30

SUBTOTAL JUNE 2019 SERVICES	$2,351.30
JUNE 2019 FEE DUE 7.30.19	$2,500.00
AMOUNT PAST DUE 7.1.19	$0.00
TOTAL BALANCE OWED 7.1.19	$17,545.15
2017, 2018, 2019 YTD INVOICED	$38,500.00
2017, 2018, 2019 WORK COMPLETED	$54,510.05
2017, 2018, 2019 YTD PAYMENT RECD	$36,964.90

PAY THIS AMOUNT BY 7-30-19: $2,500
BlueWater Kentucky

Statement

C.I. Thornburg

BILLING OR PAYMENT INQUIRIES: 304-523-3484

CUSTOMER NUMBER	STATEMENT DATE
13532	07/23/19
Remit To:	PAGE NO.
THE C.I. THORNBURG CO., INC. P.O. BOX 2163 HUNTINGTON, WV 25722	1 of 1

BILL-TO CUSTOMER:

MARTIN CO WATER RAW VFD #1
RAW WATER VFD PROJECT #1
14 FLAT HOLLOW RT 908 TURKEY RD
INEZ, KY 41224

DATE	INVOICE NUMBER	PURCHASE ORDER NUMBER	INVOICE AMOUNT	PAYMENTS/CREDITS	NET DUE
05/10/18	S100052192.001	200HP VFD			2174.00
05/10/18	S100052290.002	VFD INSTALL			7260.00
05/14/18	S100052290.003	VFD INSTALL			1270.00
08/13/18	S100062075.001	VFD #1			1235.83
08/31/18	S100063967.001	Serv Chrg			273.06
09/30/18	S100067015.001	Serv Chrg			291.60
01/31/19	S100076996.001	Serv Chrg			291.60
05/31/19	S100088104.001	Serv Chrg			216.60
06/30/19	S100090698.001	Serv Chrg	216.60		216.60

PREV BALANCE	PAYMENTS	CREDITS	PURCHASES	SERVICE CHARGE	NEW BALANCE
15512.69	2500.00	0.00	0.00	216.60	13229.29

FUTURE	CURRENT	31-60 DAYS	61-90 DAYS	OVER 90 DAYS
0.00	216.60	216.60	0.00	12796.09

Please send all remittances to PO BOX 2163, HUNTINGTON, WV 25722
All past due balances subject to SERVICE CHARGE of 1.50% per month.

Please tell us where you would like your invoices and statements emailed by calling Carma Voorhees or Cheri Green at 304-523-3484 or via email at carma.voorhees@cithornburg or cheri.green@cithornburg.com. Thank you

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Statement

BILLING OR PAYMENT INQUIRIES: 304-523-3484

CUSTOMER NUMBER	STATEMENT DATE
13530	07/23/19
Remit To:	PAGE NO.
THE C.I. THORNBURG CO., INC. P.O. BOX 2163 HUNTINGTON, WV 25722	1 of 1

BILL-TO CUSTOMER:

MARTIN CO WATER WEST PUMP STATION
40 WEST PUMP STATION VFD #2
14 FLAT HOLLOW RT 908 TURKEY ROAD
INEZ, KY 41224

DATE	INVOICE NUMBER	PURCHASE ORDER NUMBER	INVOICE AMOUNT	PAYMENTS/CREDITS	NET DUE
06/26/18	S100056442.001	2ND 200HP VFD			14960.00
05/31/19	S100088103.001	Serv Chrg			244.32
06/30/19	S100090697.001	Serv Chrg	224.40		224.40

PREV BALANCE	PAYMENTS	CREDITS	PURCHASES	SERVICE CHARGE	NEW BALANCE
15204.32	0.00	0.00	0.00	224.40	15428.72

FUTURE	CURRENT	31-60 DAYS	61-90 DAYS	OVER 90 DAYS
0.00	224.40	244.32	0.00	14960.00

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Statement

C.I. Thornburg

BILLING OR PAYMENT INQUIRIES: 304-523-3484

CUSTOMER NUMBER	STATEMENT DATE
5152	07/24/19
Remit To:	PAGE NO.
THE C.I. THORNBURG CO., INC. P.O. BOX 2163 HUNTINGTON, WV 25722	1 of 2

BILL-TO CUSTOMER:

MARTIN CO. WATER DIST. #1
387 EAST MAIN ST SUITE 140
INEZ, KY 41224

DATE	INVOICE NUMBER	PURCHASE ORDER NUMBER	INVOICE AMOUNT	PAYMENTS/CREDITS	NET DUE
06/21/16	S715184001.001	SETTERS			1620.11
06/23/16	S715607001.001	2016-131			894.20
06/30/16	S714917001.001	2016-126			1329.36
06/30/16	S715647001.001	REAPIR			3640.00
07/06/16	S716434001.001	JERRY BARBOUR			1126.80
07/07/16	S716657001.001	2016145			6275.40
07/15/16	S717922001.001	2016150			3509.80
07/26/16	S718783001.001	WILL CALL			3293.90
07/26/16	S719011001.001	MB LIDS - WILL CALL			480.00
07/27/16	S718783001.002	WILL CALL			2932.00
08/05/16	S719796001.001	2016164			3361.60
08/16/16	S720336001.001	WILL CALL-			7109.75
08/16/16	S721102001.001	2016-168			4038.90
08/16/16	S721389001.001	JOHN			550.00
08/17/16	S721604001.001	2016171 RT 3 APT. PR			1563.98
08/25/16	S722375001.001	TANDEM SETTER			217.21
08/25/16	S722487001.001	PRV TANDEM			194.00
08/26/16	S721102001.002	2016-168			1470.00
08/26/16	S721604001.002	2016171 RT 3 APT. PR			168.00
08/26/16	S721919001.001	2016174			3997.60
11/17/16	S100001799.001	2016-211			70.00
11/30/16	S100001012.003	2016-209			62.00
12/14/16	S100004517.001	2016-217			42.80
01/09/17	S100005850.001	2" PRV SETTING			1341.00
01/09/17	S100006269.001	RT3 ZIP ZONE			817.00
01/13/17	S100001008.001	CONCRETE VAULT			1875.00
02/09/17	S100009638.001	2017-028			74.00

PREV BALANCE	PAYMENTS	CREDITS	PURCHASES	SERVICE CHARGE	NEW BALANCE

FUTURE	CURRENT	31-60 DAYS	61-90 DAYS	OVER 90 DAYS

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C.I. Thornburg

Statement

BILLING OR PAYMENT INQUIRIES: 304-523-3484

CUSTOMER NUMBER	STATEMENT DATE
5152	07/24/19
Remit To:	PAGE NO.
THE C.I. THORNBURG CO., INC. P.O. BOX 2163 HUNTINGTON, WV 25722	2 of 2

BILL-TO CUSTOMER:

MARTIN CO. WATER DIST. #1
387 EAST MAIN ST SUITE 140
INEZ, KY 41224

DATE	INVOICE NUMBER	PURCHASE ORDER NUMBER	INVOICE AMOUNT	PAYMENTS/CREDITS	NET DUE
02/27/17	S100011076.001	BUTTERFLY VALVE			1500.00
03/03/17	S100011435.001	EMERGENCY LEAK			821.00
04/06/17	S100014494.001	2017-063			650.46
04/07/17	S100014494.002	2017-063			223.00
05/19/17	S100018845.001	JOE HAMMOND			24.00
06/21/17	S100020945.004	CHEMICALS WILL			223.28
07/26/17	S100023090.001	MAINSTREAM			73.00
10/26/17	S100034792.001	TOM			21.00
06/25/18	S100056489.001	2018-164			4677.98
07/03/18	S100057464.001	2018-176			1780.79
07/23/18	S100059496.001	FLOAT SWITCH			207.69
	Freight Not Paid				
08/24/18	S100062124.001	RAW WATER PUMP			2200.00
07/24/19	S100091111.002	STOCK MATERIAL	69.00		69.00
07/24/19	S100092285.001	2019-07030	3499.35		3499.35
07/24/19	S100092362.001	JOHN HORN	130.00		130.00

PREV BALANCE	PAYMENTS	CREDITS	PURCHASES	SERVICE CHARGE	NEW BALANCE
69222.56	21961.74	0.00	20894.14	0.00	68154.96

FUTURE	CURRENT	31-60 DAYS	61-90 DAYS	OVER 90 DAYS
3698.35	0.00	0.00	0.00	64456.61

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Statement

EVANS HARDWARE
P O BOX 1317
631 EAST MAIN STREET
INEZ KY 41224
Phone: (606)298-7839

Statement Date 06/29/19

Martin County Water Co.
387 EAST MAIN STREET SUITE 140
INEZ KY 41224

PH:(606)298-3885
FAX:

Customer No.: 56

Current Terms:

Invoice Date	Invoice No.	Due Date	Reference	Invoice Amount	Invoice Balance
04/25/14	10130621	05/10/14	JOHN MILLS	18.97	18.97
10/04/14	10155998	11/10/14	JOHN MILLS	32.73	32.73
03/28/15	10177064	04/10/15	2015-026	589.97	421.51
03/30/15	10177258	04/10/15	JOHN MILLS	29.99	29.99
03/30/15	10177123	04/10/15	JOHN MILLS	6.99	6.99
03/30/15	10177159	04/10/15	JOHN MILLS	28.54	28.54
03/30/15	10177126	04/10/15	JOHN MILLS	57.96	57.96
03/30/15	10177163	04/10/15	JOJO	105.00	105.00
03/30/15	10177211	04/10/15	JOJO	150.45	150.45
03/30/15	10177160	04/10/15	JOJO	44.99	44.99
03/31/15	10177324	04/10/15	TR	39.98	39.98
03/31/15	10177304	04/10/15	JOJO	269.28	269.28
04/01/15	10177893	05/10/15	RAINBOW	83.46	83.46
04/01/15	10177996	05/10/15	CORY	756.53	756.53
04/01/15	10177906	05/10/15	RAINBOW	18.96	18.96

Statement

EVANS HARDWARE
P O BOX 1317
631 EAST MAIN STREET
INEZ KY 41224
Phone: (606)298-7839

Statement Date 06/29/19

Martin County Water Co.
387 EAST MAIN STREET SUITE 140
INEZ KY 41224

Current Terms:

Invoice Date	Invoice No.	Due Date	Reference	Invoice Amount	Invoice Balance
04/01/15	10178011	05/10/15	CORY	25.40	25.40
04/01/15	10178042	05/10/15	JOHN MILLS	66.95	66.95
04/02/15	10178176	05/10/15	RAINBOW	35.98	35.98
04/03/15	10178364	05/10/15	JOHN MILLS	134.99	134.99
04/04/15	10178405	05/10/15	JOHN MILLS	62.52	62.52
04/06/15	10178567	05/10/15	JOJO	15.99	15.99
04/06/15	10178530	05/10/15	RAINBOW	95.12	95.12
04/07/15	10178678	05/10/15	2015-028	71.58	71.58
04/07/15	10178762	05/10/15	2015-0028	93.80	93.80
04/08/15	10178778	05/10/15	JOJO	287.47	287.47
04/09/15	10178951	05/10/15	PLANT	67.73	67.73
04/09/15	10178935	05/10/15	JOHN MILLS	28.77	28.77
04/09/15	10179010	05/10/15	2015-030	39.98	39.98
04/09/15	10179009	05/10/15	2015-030	109.99	109.99
04/09/15	10179070	05/10/15	2015-030	38.97	38.97

Statement

EVANS HARDWARE
P O BOX 1317
631 EAST MAIN STREET
INEZ KY 41224
Phone: (606)298-7839

Statement Date 06/29/19

Martin County Water Co.
387 EAST MAIN STREET SUITE 140
INEZ KY 41224

Current Terms:

Invoice Date	Invoice No.	Due Date	Reference	Invoice Amount	Invoice Balance
04/10/15	10179098	05/10/15	CORY	7.18	7.18
04/11/15	10179369	05/10/15	JOHN MILLS	92.36	92.36
04/13/15	10179563	05/10/15	2015-032	64.18	64.18
04/14/15	10179636	05/10/15	2015/032	101.74	101.74
04/14/15	10179600	05/10/15	JOHN MILLS	28.47	28.47
04/14/15	10179672	05/10/15	2015-032	35.78	35.78
04/15/15	10179731	05/10/15	JOHN	52.19	52.19
04/15/15	10179709	05/10/15	RAINBOQW	16.99	16.99
04/15/15	10179717	05/10/15	TR	3.98	3.98
04/16/15	10179974	05/10/15	2015-033	51.59	51.59
04/16/15	10179852	05/10/15	JOHN MILLS	35.97	35.97
04/17/15	10180129	05/10/15	CORY	308.87	308.87
04/17/15	10180121	05/10/15	JOHN MILLS	57.96	57.96
04/17/15	10180032	05/10/15	JOHN MILLS	45.75	45.75
04/17/15	10179993	05/10/15	RAINBOW	43.41	43.41

Statement

EVANS HARDWARE
P O BOX 1317
631 EAST MAIN STREET
INEZ KY 41224
Phone: (606)298-7839

Statement Date 06/29/19

Martin County Water Co.
387 EAST MAIN STREET SUITE 140
INEZ KY 41224

Current Terms:

Invoice Date	Invoice No.	Due Date	Reference	Invoice Amount	Invoice Balance
04/20/15	10180332	05/10/15	JOJO	69.90	69.90
04/20/15	10180329	05/10/15	JOHN MILLS	59.76	59.76
04/21/15	10180553	05/10/15	RAINBOW	64.87	64.87
04/22/15	10180751	05/10/15	JOJO	3.96	3.96
04/22/15	10180842	05/10/15	CORY	11.68	11.68
04/22/15	10180732	05/10/15	JOJO	24.39	24.39
04/22/15	10180685	05/10/15	RAINBOW	70.35	70.35
04/23/15	10180931	05/10/15	JOJO	91.47	91.47
04/23/15	10180923	05/10/15	JOJO	18.13	18.13
04/23/15	10180934	05/10/15	JOJO	3.96	3.96
04/24/15	10181055	05/10/15	JOHN	11.99	11.99
04/24/15	10181087	05/10/15	JOJO	377.95	377.95
04/25/15	10181243	05/10/15	RAINBOW	29.81	29.81
04/25/15	10181236	05/10/15	RAINBOW	17.97	17.97
04/25/15	10181307	05/10/15	JON MILLS	87.40	87.40

Statement

EVANS HARDWARE
P O BOX 1317
631 EAST MAIN STREET
INEZ KY 41224
Phone: (606)298-7839

Statement Date	06/29/19

Martin County Water Co.
387 EAST MAIN STREET SUITE 140
INEZ KY 41224

Current Terms:

Invoice Date	Invoice No.	Due Date	Reference	Invoice Amount	Invoice Balance
04/27/15	10181333	05/10/15	TR	39.95	39.95
04/28/15	10181651	05/10/15	JOJO	39.28	39.28
04/28/15	10181501	05/10/15	JOHN	7.78	7.78
04/28/15	10181646	05/10/15	JOJO	105.73	105.73
04/29/15	10181672	05/10/15	RAINBOW	21.98	21.98
04/29/15	10181854	05/10/15	RAINBOW	23.61	23.61
04/30/15	10181867	05/10/15	JOHN	53.91	53.91
04/30/15	10181916	05/10/15	JOHN MILLS	206.62	206.62
04/30/15	10181902	05/10/15	JOJO	6.09	6.09
05/01/15	10182568	06/10/15	CORY	4.89	4.89
05/04/15	10182887	06/10/15	2015-035	46.96	46.96
05/07/15	10183528	06/10/15	RAINBOW	127.84	127.84
05/07/15	10183626	06/10/15	2015-036	215.97	215.97
05/07/15	10183498	06/10/15	TR	30.99	30.99
05/11/15	10184291	06/10/15	JOJO	14.58	14.58

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05/12/15	10184364	06/10/15	WATER PLANT	54.02	54.02
05/12/15	10184498	06/10/15	2015-WW037	401.71	401.71
05/13/15	10184691	06/10/15	JOJO	23.97	23.97
05/14/15	10184753	06/10/15	RAINBO	10.58	10.58
05/14/15	10184804	06/10/15	COREY	9.16	9.16
05/14/15	10184776	06/10/15	RAINBOW	22.23	22.23
05/14/15	10184791	06/10/15	2015/038	226.14	226.14
05/15/15	10185134	06/10/15	JOJO	124.29	124.29
05/18/15	10185391	06/10/15	JOJO	21.99	21.99
05/18/15	10185438	06/10/15	JOJO	62.99	62.99
05/19/15	10185716	06/10/15	RAINBO	79.90	79.90
05/19/15	10185695	06/10/15	RAINBO	4.98	4.98
05/20/15	10185949	06/10/15	JOHN MILLS	54.99	54.99
05/20/15	10185856	06/10/15	PLANT	23.51	23.51
05/22/15	10186256	06/10/15	PLANT	44.29	44.29

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05/22/15	10186263	06/10/15	BRANDON	11.38	11.38
05/26/15	10186440	06/10/15	RAINBO	13.48	13.48
05/27/15	10186768	06/10/15	2015-WW026	29.96	29.96
05/27/15	10186690	06/10/15	RAINBOW	11.94	11.94
05/27/15	10186780	06/10/15	RAINBOW	21.98	21.98
05/28/15	10186874	06/10/15	TR	11.92	11.92
05/28/15	10186907	06/10/15	JOJO	4.49	4.49
05/29/15	10187128	06/10/15	RAINBOW	61.36	61.36
05/30/15	10187292	06/10/15	JOHN MILLS	453.54	453.54
06/01/15	10187927	07/10/15	JOHN	24.49	24.49
06/02/15	10187943	07/10/15	JOHNS MILLS	149.99	149.99
06/02/15	10188093	07/10/15	TOM	14.90	14.90
06/03/15	10188257	07/10/15	JOHNNY DIALS	38.76	38.76
06/03/15	10188134	07/10/15	JOJO	18.00	18.00
06/03/15	10188199	07/10/15	JOHNNY	60.94	60.94

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06/03/15	10188119	07/10/15	JOJO	87.23	87.23
06/04/15	10188357	07/10/15	JOHN MILLS	4.10	4.10
06/04/15	10188354	07/10/15	JOHN MILLS	13.17	13.17
06/05/15	10188543	07/10/15	RAINBOW	19.63	19.63
06/05/15	10188666	07/10/15	RAINBOW	373.62	373.62
06/05/15	10188590	07/10/15	JOJO	129.97	129.97
06/06/15	10188722	07/10/15	JOJO	46.98	46.98
06/09/15	10189192	07/10/15	JOHN	8.99	8.99
06/09/15	10189234	07/10/15	JOHN	8.58	8.58
06/09/15	10189191	07/10/15	JOHN	90.14	90.14
06/10/15	10189340	07/10/15	RAINBOW	6.98	6.98
06/10/15	10189350	07/10/15	JOHN MILLS	3.98	3.98
06/10/15	10189384	07/10/15	JOHN	189.99	189.99
06/10/15	10189298	07/10/15	JOJO	37.99	37.99
06/11/15	10189624	07/10/15	SAM	9.79	9.79

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06/11/15	10189512	07/10/15	RAINBO	19.98	19.98
06/12/15	10189681	07/10/15	RAINBOW	187.65	187.65
06/15/15	10190014	07/10/15	2015-043	304.96	304.96
06/16/15	10190145	07/10/15	TR	265.98	265.98
06/16/15	10190160	07/10/15	JOHN MILLS	15.93	15.93
06/16/15	10190128	07/10/15	JOHN MILLS	9.93	9.93
06/18/15	10190626	07/10/15	RAINBOW	41.99	41.99
06/18/15	10190639	07/10/15	RAINBOW	23.95	23.95
06/18/15	10190629	07/10/15	RAINBOW	21.68	21.68
06/19/15	10190695	07/10/15	TR	11.46	11.46
06/20/15	10190937	07/10/15	JOHN	181.70	181.70
06/20/15	10190952	07/10/15	JOHN	33.46	33.46
06/22/15	10191095	07/10/15	JOHN MILLS	19.99	19.99
06/23/15	10191209	07/10/15	RAINBOW	28.99	28.99
06/23/15	10191248	07/10/15	CORY	41.97	41.97

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06/24/15	10191447	07/10/15	RAINBOW	69.17	69.17
06/24/15	10191320	07/10/15	TR	288.99	288.99
06/26/15	10191660	07/10/15	RAINBOW	103.16	103.16
06/26/15	10191646	07/10/15	RAINBOW	29.12	29.12
06/27/15	10191880	07/10/15	JOHN MILLS	453.94	453.94
06/29/15	10191959	07/10/15	JOHN MILLS	35.00	35.00
06/30/15	10192173	07/10/15	RAINBO	20.86	20.86
07/01/15	10192723	08/10/15	RAINBOW	3.07	3.07
07/01/15	10192679	08/10/15	JOHN MILLS	11.48	11.48
07/02/15	10192857	08/10/15	JOJO	2.50	2.50
07/02/15	10192978	08/10/15	CORY	4.69	4.69
07/02/15	10192959	08/10/15	CORY	76.71	76.71
07/06/15	10193218	08/10/15	JOHN	236.77	236.77
07/06/15	10193275	08/10/15	JOHN MILLS	27.09	27.09
07/07/15	10193429	08/10/15	JOHN MILLS	338.15	338.15

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07/07/15	10193312	08/10/15	JOHN MILLS	32.06	32.06
07/07/15	10193313	08/10/15	RAINBO	107.88	107.88
07/07/15	10193433	08/10/15	JOHN MILLS	25.98	25.98
07/08/15	10193471	08/10/15	RAINBO	24.46	24.46
07/08/15	10193532	08/10/15	JOJO	21.48	21.48
07/08/15	10193546	08/10/15	RAINBOW	15.58	15.58
07/08/15	10193527	08/10/15	JOHN MILLS	150.21	150.21
07/08/15	10193450	08/10/15	JOHN MILLS	64.62	64.62
07/08/15	10193451	08/10/15	RAINBOW	28.56	28.56
07/08/15	10193545	08/10/15	048	74.51	74.51
07/09/15	10193725	08/10/15	JOHN MILLS	39.46	39.46
07/09/15	10193676	08/10/15	JOHN	18.96	18.96
07/10/15	10193871	08/10/15	RAINBO	59.99	59.99
07/10/15	10193872	08/10/15	RAINBO	187.00	187.00
07/13/15	10194058	08/10/15	JOHN MILLS	13.19	13.19

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07/13/15	10194034	08/10/15	2015-050	11.99	11.99
07/14/15	10194263	08/10/15	PLANT	66.46	66.46
07/14/15	10194208	08/10/15	WATER PLANT	86.47	86.47
07/14/15	10194189	08/10/15	JOHN MILLS	15.99	15.99
07/14/15	10194303	08/10/15	COREY	17.38	17.38
07/15/15	10194390	08/10/15	2015-051	94.95	94.95
07/15/15	10194393	08/10/15	2015-051	7.97	7.97
07/17/15	10194743	08/10/15	2015-052-UNIT1	69.45	69.45
07/17/15	10194747	08/10/15	JOHN MILLS	9.58	9.58
07/20/15	10194945	08/10/15	2015 053 RAW WATER P	48.98	48.98
07/21/15	10195176	08/10/15	2015-055 MEATHOUSE	125.98	125.98
07/23/15	10195616	08/10/15	RESEVIOR	5.99	5.99
07/28/15	10196152	08/10/15	ELI ROAD 062	18.75	18.75
07/28/15	10196116	08/10/15	2015 062	58.13	58.13
07/28/15	10196127	08/10/15	2015 062	69.90	69.90

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07/28/15	10196137	08/10/15	2015-062 AIR COMPRES	1.69	1.69
07/28/15	10196053	08/10/15	2015-062 PUMP AT RES	22.95	22.95
07/29/15	10196229	08/10/15	2015-066	246.99	246.99
07/29/15	10196230	08/10/15	2015 066 FERGUSON	79.90	79.90
07/29/15	10196243	08/10/15	2015 066 RAWWATER	124.23	124.23
07/29/15	10196331	08/10/15	2015-066	4.88	4.88
07/31/15	10196630	08/10/15	JOHN MILLS 2015-066	140.96	140.96
08/04/15	10197451	09/10/15	2015-072 LOCUS ST	139.80	139.80
08/05/15	10197695	09/10/15	2015-077	17.99	17.99
08/05/15	10197667	09/10/15	2015-072 ROB HINKLE	29.89	29.89
08/05/15	10197668	09/10/15	2015-077 MARCUM TOWN	6.98	6.98
08/07/15	10197902	09/10/15	2015-072	41.49	41.49
08/08/15	10198058	09/10/15	2015-805RAINBOW WARF	102.44	102.44
08/08/15	10198159	09/10/15	NICK/FIRE HYDRENT	27.96	27.96
08/08/15	10198092	09/10/15	FIRE HYDRANT	27.07	27.07

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08/10/15	10198207	09/10/15	2015-805	12.72	12.72
08/11/15	10198358	09/10/15	2015-WWW-042	19.98	19.98
08/11/15	10198495	09/10/15	HYDRANTS	23.46	23.46
08/11/15	10198474	09/10/15	2015 WW 080	45.90	45.90
08/11/15	10198414	09/10/15	2015-WWW-080	16.27	16.27
08/12/15	10198546	09/10/15	2015-086	21.77	21.77
08/12/15	10198513	09/10/15	2015-086 UNIT 2	433.43	433.43
08/13/15	10198664	09/10/15	2015 088 UNIT 2	189.99	189.99
08/13/15	10198653	09/10/15	2015 088 ELK CRK PUM	86.99	86.99
08/13/15	10198789	09/10/15	2015-WWW-088	15.98	15.98
08/14/15	10198940	09/10/15	2015 090 UNIT 2	19.98	19.98
08/14/15	10198876	09/10/15	2015088 ELK CRK PUMP	-86.99	-86.99
08/14/15	10198887	09/10/15	2015-090	63.46	63.46
08/14/15	10198873	09/10/15	2015-090	55.47	55.47
08/19/15	10199520	09/10/15	2015-100	37.52	37.52

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08/19/15	10199498	09/10/15	2015-100	133.39	133.39
08/19/15	10199422	09/10/15	2015-097 TRUCK SUPPL	55.45	55.45
08/20/15	10199546	09/10/15	2015-WW-101 PLANT	17.94	17.94
08/21/15	10199675	09/10/15	2015-101	119.20	119.20
08/24/15	10199952	09/10/15	2015WW 105	63.89	63.89
08/26/15	10200382	09/10/15	2015-109	383.47	383.47
08/26/15	10200410	09/10/15	2015-109	90.73	90.73
08/26/15	10200412	09/10/15	2015-109	25.12	25.12
08/27/15	10200423	09/10/15	2015-110	19.98	19.98
08/27/15	10200435	09/10/15	2015WW 110	31.75	31.75
08/29/15	10200759	09/10/15	JOJO	36.91	36.91
09/02/15	10201678	10/10/15	2015WW-116	14.97	14.97
09/02/15	10201683	10/10/15	2015-WW116	12.99	12.99
09/03/15	10201825	10/10/15	2015 WW 118	116.80	116.80
09/04/15	10201997	10/10/15	2015-119	17.00	17.00

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09/04/15	10202060	10/10/15	2015-WW119	15.98	15.98
09/04/15	10201995	10/10/15	2015-119	502.88	502.88
09/04/15	10202135	10/10/15	2015-WW119	11.99	11.99
09/08/15	10202329	10/10/15	2015 120	33.98	33.98
09/08/15	10202455	10/10/15	PLANT	47.97	47.97
09/08/15	10202311	10/10/15	2015 120	67.83	67.83
09/09/15	10202549	10/10/15	2015-121	31.94	31.94
09/11/15	10202790	10/10/15	2015-126	15.15	15.15
09/11/15	10202793	10/10/15	2015-126	329.79	329.79
09/12/15	10202907	10/10/15	2015-126	82.99	82.99
09/15/15	10203283	10/10/15	2015-126	259.99	259.99
09/16/15	10203433	10/10/15	2015-126	74.17	74.17
09/16/15	10203462	10/10/15	2015 123	58.98	58.98
09/17/15	10203601	10/10/15	2015127	191.80	191.80
09/18/15	10203806	10/10/15	PLANT	43.91	43.91

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09/21/15	10204138	10/10/15	HYDRANTS	21.45	21.45
09/22/15	10204164	10/10/15	2015 128	9.50	9.50
09/22/15	10204160	10/10/15	2015-128	15.99	15.99
09/22/15	10204175	10/10/15	2015-128	2.70	2.70
09/23/15	10204432	10/10/15	2015 129	69.90	69.90
09/23/15	10204452	10/10/15	HYDRANTS	12.99	12.99
09/24/15	10204486	10/10/15	2015-133	329.79	329.79
09/28/15	10204880	10/10/15	2015129	277.98	277.98
09/28/15	10205004	10/10/15	2015-129	89.41	89.41
09/28/15	10205008	10/10/15	2015 0129	21.98	21.98
09/29/15	10205053	10/10/15	2015-130	62.96	62.96
09/29/15	10205158	10/10/15	HYDRANTS	64.57	64.57
09/30/15	10205250	10/10/15	2015-133	1.98	1.98
09/30/15	10205247	10/10/15	2015-133	50.94	50.94
09/30/15	10205317	10/10/15	2015-129	219.79	219.79

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10/02/15	10205979	11/10/15	2015-137	8.75	8.75
10/02/15	10206039	11/10/15	PLANT	177.20	177.20
10/05/15	10206267	11/10/15	2015-138	189.99	189.99
10/05/15	10206190	11/10/15	2015138	29.70	29.70
10/06/15	10206368	11/10/15	2015-139	259.99	259.99
10/07/15	10206766	11/10/15	HYDRANTS	13.17	13.17
10/09/15	10207075	11/10/15	RAINBOW	15.98	15.98
10/12/15	10207204	11/10/15	2015-144	217.26	217.26
10/13/15	10207385	11/10/15	2015-148	121.72	121.72
10/13/15	10207477	11/10/15	2015-149	91.64	91.64
10/14/15	10207568	11/10/15	2015-149	22.57	22.57
10/14/15	10207547	11/10/15	2015 149	23.78	23.78
10/14/15	10207681	11/10/15	2015-149	13.49	13.49
10/15/15	10207868	11/10/15	2015-151	23.84	23.84
10/15/15	10207761	11/10/15	2015-WW151	7.95	7.95

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10/16/15	10207977	11/10/15	2015-WW154	24.99	24.99
10/17/15	10208194	11/10/15	PLANT /JOHN	93.01	93.01
10/19/15	10208226	11/10/15	JOJO	277.84	277.84
10/20/15	10208394	11/10/15	2015-154	4.90	4.90
10/21/15	10208748	11/10/15	2015-155	40.05	40.05
10/21/15	10208586	11/10/15	UNIT1	49.98	49.98
10/23/15	10208919	11/10/15	2015-160	189.99	189.99
10/23/15	10209059	11/10/15	2015-WW074	14.56	14.56
10/27/15	10209360	11/10/15	2015-WW162	16.47	16.47
10/28/15	10209508	11/10/15	2015-166	48.00	48.00
10/28/15	10209516	11/10/15	2015-166	15.48	15.48
10/28/15	10209546	11/10/15	2015-166	69.07	69.07
10/29/15	10209659	11/10/15	2015-165	46.45	46.45
10/29/15	10209597	11/10/15	2015-168	7.29	7.29
10/29/15	10209666	11/10/15	2015-168	37.88	37.88

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10/30/15	10209718	11/10/15	2015-171	36.23	36.23
10/31/15	10209852	11/10/15	JOJO	147.79	147.79
10/31/15	10209854	11/10/15	2015171	15.96	15.96
11/02/15	10210449	12/10/15	2015-175	9.45	9.45
11/03/15	10210702	12/10/15	2015-176	6.99	6.99
11/03/15	10210614	12/10/15	2015-176	69.90	69.90
11/03/15	10210756	12/10/15	RAINBOW	63.92	63.92
11/05/15	10211092	12/10/15	2015-177	71.27	71.27
11/05/15	10210968	12/10/15	2015-177	7.99	7.99
11/06/15	10211252	12/10/15	PLANT	79.55	79.55
11/06/15	10211132	12/10/15	2015-179	159.99	159.99
11/07/15	10211338	12/10/15	2015-179	31.98	31.98
11/09/15	10211401	12/10/15	2015-179	37.83	37.83
11/09/15	10211553	12/10/15	2015-179	12.72	12.72
11/11/15	10211787	12/10/15	J MILLS	74.94	74.94

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11/12/15	10211860	12/10/15	2015 181	31.97	31.97
11/12/15	10211975	12/10/15	2015 181	46.97	46.97
11/12/15	10211891	12/10/15	2015-WW078	20.48	20.48
11/12/15	10211906	12/10/15	JOHN UNIT1	25.83	25.83
11/14/15	10212186	12/10/15	HYDRANT	5.99	5.99
11/16/15	10212306	12/10/15	2015-181	7.47	7.47
11/17/15	10212366	12/10/15	2015-184	75.83	75.83
11/20/15	10212707	12/10/15	2015-186	25.46	25.46
11/23/15	10212974	12/10/15	2015-188	104.80	104.80
11/23/15	10212932	12/10/15	2015 188	269.98	269.98
11/23/15	10213043	12/10/15	2015 188	21.27	21.27
11/23/15	10212990	12/10/15	2015-188	10.49	10.49
11/24/15	10213169	12/10/15	2015-190	14.98	14.98
11/24/15	10213113	12/10/15	20156190	45.98	45.98
11/24/15	10213175	12/10/15	2015190	22.97	22.97

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11/24/15	10213090	12/10/15	2015 190	9.99	9.99
11/25/15	10213233	12/10/15	2015191	200.48	200.48
11/28/15	10213580	12/10/15	2015-189	5.88	5.88
11/30/15	10213697	12/10/15	2015 193	26.03	26.03
11/30/15	10213627	12/10/15	2015-193	21.47	21.47
12/01/15	10214338	01/10/16	2015-193	9.38	9.38
12/01/15	10214247	01/10/16	2015-194	4.19	4.19
12/02/15	10214359	01/10/16	2015-196	52.92	52.92
12/03/15	10214545	01/10/16	2015-197	35.98	35.98
12/04/15	10214715	01/10/16	JOHN	178.31	178.31
12/07/15	10214876	01/10/16	2015-198	23.92	23.92
12/08/15	10215020	01/10/16	2015WW200	25.75	25.75
12/08/15	10215075	01/10/16	2015WW200	31.96	31.96
12/08/15	10215010	01/10/16	2015-200	493.98	493.98
12/08/15	10215037	01/10/16	2015-200	94.73	94.73

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12/08/15	10215058	01/10/16	2015WW 200	195.28	195.28
12/08/15	10215106	01/10/16	2015-200	35.97	35.97
12/08/15	10215092	01/10/16	2015-260	79.90	79.90
12/09/15	10215177	01/10/16	JOHN	140.20	140.20
12/09/15	10215176	01/10/16	2015-201	28.97	28.97
12/09/15	10215147	01/10/16	2015WW 201	149.97	149.97
12/10/15	10215267	01/10/16	2015-204	93.80	93.80
12/10/15	10215276	01/10/16	2015WW204	176.96	176.96
12/10/15	10215348	01/10/16	2015-205	399.70	399.70
12/10/15	10215408	01/10/16	2015-205	199.80	199.80
12/11/15	10215484	01/10/16	2015-206	77.98	77.98
12/11/15	10215547	01/10/16	2015-206	11.37	11.37
12/11/15	10215494	01/10/16	2015-206	8.07	8.07
12/11/15	10215445	01/10/16	2015WW206	154.34	154.34
12/12/15	10215564	01/10/16	2015-206	8.99	8.99

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12/12/15	10215631	01/10/16	DEVELA PUMP STATION	225.49	225.49
12/12/15	10215577	01/10/16	2015-206	33.44	33.44
12/12/15	10215576	01/10/16	2015-206	27.91	27.91
12/14/15	10215648	01/10/16	2015-208	13.99	13.99
12/14/15	10215667	01/10/16	2015WW 208	17.25	17.25
12/14/15	10215766	01/10/16	2015-208	13.47	13.47
12/14/15	10215641	01/10/16	2015WW 208	62.99	62.99
12/14/15	10215649	01/10/16	208	10.49	10.49
12/15/15	10215790	01/10/16	210	4.79	4.79
12/15/15	10215782	01/10/16	2015WW 210	212.97	212.97
12/15/15	10215795	01/10/16	210	1.00	1.00
12/17/15	10216041	01/10/16	2015-211	43.24	43.24
12/17/15	10216073	01/10/16	2015-211	26.97	26.97
12/17/15	10216076	01/10/16	2015 211	38.97	38.97
12/17/15	10216046	01/10/16	2015 211	27.66	27.66

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12/17/15	10216114	01/10/16	2015 211	5.06	5.06
12/18/15	10216197	01/10/16	2015-213	25.65	25.65
12/18/15	10216123	01/10/16	2015-213	37.56	37.56
12/18/15	10216203	01/10/16	2015-213	1,299.99	1,299.99
12/19/15	10216223	01/10/16	2015-213	11.48	11.48
12/19/15	10216274	01/10/16	JOHN	26.48	26.48
12/21/15	10216320	01/10/16	2015-216	112.99	112.99
12/21/15	10216317	01/10/16	2015-216	290.23	290.23
12/22/15	10216429	01/10/16	2015WW216	11.98	11.98
12/23/15	10216599	01/10/16	2015-218	14.89	14.89
12/23/15	10216519	01/10/16	2015-218	91.12	91.12
12/24/15	10216654	01/10/16	2015 218	34.77	34.77
12/28/15	10216745	01/10/16	2015 218	41.64	41.64
12/28/15	10216866	01/10/16	JOHN MILLS	34.95	34.95
12/30/15	10217018	01/10/16	2015 221	109.99	109.99

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12/31/15	10217109	01/10/16	2015-222	56.93	56.93
12/31/15	10217121	01/10/16	2015-222	26.99	26.99
12/31/15	10217243	01/10/16	2015-222	8.79	8.79
01/01/16	10217733	02/10/16	2015-222	-21.86	-21.86
01/01/16	10217732	02/10/16	2015-222	72.97	72.97
01/05/16	10218036	02/10/16	2016WW002	111.88	111.88
01/06/16	10218258	02/10/16	2016-004	17.98	17.98
01/06/16	10218193	02/10/16	2016-004	31.96	31.96
01/06/16	10218271	02/10/16	2016-004	335.98	335.98
01/07/16	10218377	02/10/16	2016-005	21.99	21.99
01/07/16	10218327	02/10/16	2016-005	39.99	39.99
01/07/16	10218297	02/10/16	2016-005	49.99	49.99
01/08/16	10218415	02/10/16	2016-007	62.99	62.99
01/08/16	10218502	02/10/16	2016WW007	11.07	11.07
01/08/16	10218501	02/10/16	2016WW 007	39.16	39.16

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01/08/16	10218461	02/10/16	2016-007	16.99	16.99
01/11/16	10218704	02/10/16	2016-009	33.96	33.96
01/12/16	10218825	02/10/16	2016-0011	125.02	125.02
01/13/16	10218878	02/10/16	2016-012	59.99	59.99
01/13/16	10218898	02/10/16	2016-0012	366.84	366.84
01/13/16	10218868	02/10/16	2016-012	23.76	23.76
01/14/16	10218988	02/10/16	2016WW0013	33.35	33.35
01/14/16	10219028	02/10/16	2016-0013	193.79	193.79
01/16/16	10219228	02/10/16	JOE	4.20	4.20
01/18/16	10219276	02/10/16	2016WW0013	66.98	66.98
01/18/16	10219312	02/10/16	2016-0013	18.98	18.98
01/19/16	10219460	02/10/16	JOHN /PLANT	49.99	49.99
01/19/16	10219398	02/10/16	2016-0017	13.57	13.57
01/19/16	10219500	02/10/16	2016-0017	62.99	62.99
01/19/16	10219397	02/10/16	2016-0017	121.98	121.98

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01/20/16	10219651	02/10/16	2016-015	44.99	44.99
01/21/16	10219823	02/10/16	2016-0017	29.97	29.97
01/21/16	10219714	02/10/16	2016-017	25.05	25.05
01/21/16	10219889	02/10/16	2016-0017	76.92	76.92
01/21/16	10219868	02/10/16	2016-0017	49.99	49.99
01/21/16	10219810	02/10/16	2016-017	169.00	169.00
01/21/16	10219700	02/10/16	2016-0017	14.76	14.76
01/21/16	10219696	02/10/16	2016-0017	181.99	181.99
01/22/16	10219946	02/10/16	2016-0017	127.83	127.83
01/22/16	10219950	02/10/16	2016-0017	70.27	70.27
01/22/16	10219936	02/10/16	2016-0017	119.99	119.99
01/25/16	10220076	02/10/16	2016-016	30.64	30.64
01/25/16	10220068	02/10/16	2016-016	13.96	13.96
01/26/16	10220156	02/10/16	2016-0018	16.98	16.98
01/26/16	10220098	02/10/16	2016WW 018	312.91	312.91

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01/26/16	10220124	02/10/16	2016-018	97.64	97.64
01/27/16	10220200	02/10/16	2016-0019	573.88	573.88
01/27/16	10220217	02/10/16	2016-0019	7.29	7.29
01/28/16	10220336	02/10/16	2016-0020	233.12	233.12
01/28/16	10220395	02/10/16	2016-0020	71.58	71.58
01/28/16	10220331	02/10/16	2016-021	81.99	81.99
02/02/16	10221220	03/10/16	2016 020	359.98	359.98
02/02/16	10221239	03/10/16	2016-026	16.88	16.88
02/04/16	10221464	03/10/16	2016-027	12.67	12.67
02/04/16	10221478	03/10/16	2016-028	26.96	26.96
02/04/16	10221409	03/10/16	2016-027	22.96	22.96
02/08/16	10221885	03/10/16	2016-028	11.46	11.46
02/09/16	10221940	03/10/16	2016-028	15.98	15.98
02/09/16	10221952	03/10/16	2016-028	54.17	54.17
02/09/16	10221891	03/10/16	2016-028	11.88	11.88

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02/12/16	10222296	03/10/16	2016-028	44.18	44.18
02/12/16	10222192	03/10/16	2016-032	22.36	22.36
02/13/16	10222323	03/10/16	2016-028	14.94	14.94
02/15/16	10222385	03/10/16	2016-028	9.99	9.99
02/15/16	10222396	03/10/16	2016 028	25.47	25.47
02/15/16	10222469	03/10/16	JOHN MILLS	19.58	19.58
02/16/16	10222532	03/10/16	2016WW 034	61.59	61.59
02/16/16	10222555	03/10/16	2016WW	40.77	40.77
02/17/16	10222597	03/10/16	JOHN MILLS	50.07	50.07
02/17/16	10222599	03/10/16	JOHN MILLS	189.99	189.99
02/18/16	10222681	03/10/16	2016WW 038	214.95	214.95
02/22/16	10223046	03/10/16	2016 039	50.53	50.53
02/24/16	10223400	03/10/16	JOE JOE	259.99	259.99
02/25/16	10223526	03/10/16	2016-044	68.54	68.54
02/25/16	10223531	03/10/16	2016-044	23.99	23.99

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02/25/16	10223424	03/10/16	2016-044	68.51	68.51
02/26/16	10223546	03/10/16	2016-044	36.27	36.27
02/26/16	10223626	03/10/16	2016-046	949.99	949.99
02/27/16	10223746	03/10/16	2016 046	41.28	41.28
02/29/16	10223767	03/10/16	2016-046	21.99	21.99
03/02/16	10224587	04/10/16	2016-048	29.24	29.24
03/02/16	10224550	04/10/16	2016-048	12.48	12.48
03/03/16	10224643	04/10/16	2016-048	7.56	7.56
03/03/16	10224707	04/10/16	2016-048	15.99	15.99
03/04/16	10224740	04/10/16	2016-051	41.91	41.91
03/04/16	10224733	04/10/16	2016-051	41.09	41.09
03/05/16	10224856	04/10/16	2016-051	525.46	525.46
03/07/16	10225023	04/10/16	2016-051	29.26	29.26
03/08/16	10225152	04/10/16	2016-051	62.82	62.82
03/09/16	10225320	04/10/16	2016 005	42.78	42.78

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03/10/16	10225504	04/10/16	2016-055	327.30	327.30
03/10/16	10225585	04/10/16	2016-055	96.45	96.45
03/10/16	10225570	04/10/16	2015-055	55.73	55.73
03/14/16	10225973	04/10/16	2016 058	104.20	104.20
05/31/16	10237740	05/31/16	Finance Charge	882.15	720.42
06/30/16	10242506	06/30/16	Finance Charge	837.07	837.07
07/30/16	10246721	07/30/16	Finance Charge	837.07	837.07
08/31/16	10250999	08/31/16	Finance Charge	837.07	837.07
09/30/16	10254991	09/30/16	Finance Charge	837.07	837.07
10/31/16	10259142	10/31/16	Finance Charge	837.07	837.07
12/16/16	10264812	01/10/17	JO JO	3.49	3.49
12/22/16	10265216	01/10/17	2016-223	4.39	4.39
12/28/16	10265588	01/10/17	2016-264	300.69	300.69
12/31/16	10265852	01/10/17	RAINBOW	289.99	289.99
01/04/17	10266604	02/10/17	2017-228	19.98	19.98

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01/05/17	10266730	02/10/17	2017-229	91.96	91.96
01/06/17	10266788	02/10/17	2017-286	34.45	34.45
01/06/17	10266823	02/10/17	2017-002	35.97	35.97
01/06/17	10266790	02/10/17	2017-286	11.88	11.88
01/09/17	10266951	02/10/17	2017-231	30.06	30.06
01/11/17	10267179	02/10/17	2017-004	179.99	179.99
01/11/17	10267177	02/10/17	2017-003 MAIN BREAK	395.88	395.88
01/13/17	10267336	02/10/17	2017 004	40.98	40.98
01/13/17	10267356	02/10/17	JOE	30.45	30.45
01/16/17	10267576	02/10/17	RAINBOW	26.98	26.98
01/18/17	10267725	02/10/17	2017-005	330.50	330.50
01/19/17	10267851	02/10/17	2017-007	39.38	39.38
01/19/17	10267846	02/10/17	2017-007 BLAKEMORE	103.33	103.33
01/19/17	10267885	02/10/17	2017-007	62.27	62.27
01/19/17	10267837	02/10/17	RAINBOW	111.44	111.44

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01/19/17	10267879	02/10/17	2017-007	40.97	40.97
01/23/17	10268166	02/10/17	2017-012	798.43	798.43
01/23/17	10268133	02/10/17	2017-012	79.99	79.99
01/24/17	10268198	02/10/17	2017-014	32.85	32.85
01/24/17	10268226	02/10/17	2017-014	15.98	15.98
01/24/17	10268187	02/10/17	2017-014	24.35	24.35
01/24/17	10268190	02/10/17	012	74.63	74.63
01/25/17	10268308	02/10/17	2017-015	68.45	68.45
01/25/17	10268273	02/10/17	JOHN MILLS	38.99	38.99
01/25/17	10268271	02/10/17	JOJO	24.45	24.45
01/26/17	10268377	02/10/17	2017 016	-50.00	-50.00
01/26/17	10268373	02/10/17	2017-016	149.99	149.99
01/27/17	10268483	02/10/17	2017-016	4.39	4.39
01/28/17	10268555	02/10/17	2017 016	28.99	28.99
01/30/17	10268692	02/10/17	2017-018	99.99	99.99

Statement

EVANS HARDWARE
P O BOX 1317
631 EAST MAIN STREET
INEZ KY 41224
Phone: (606)298-7839

Statement Date	06/29/19

Martin County Water Co.
387 EAST MAIN STREET SUITE 140
INEZ KY 41224

Current Terms:

Invoice Date	Invoice No.	Due Date	Reference	Invoice Amount	Invoice Balance
01/31/17	10268728	02/10/17	2017-019	85.45	85.45
02/01/17	10269286	03/10/17	CORY	23.65	23.65
02/04/17	10269624	03/10/17	JOJO	44.22	44.22
02/06/17	10269672	03/10/17	2017-023	103.88	103.88
02/06/17	10269648	03/10/17	2017-021	363.47	363.47
02/06/17	10269637	03/10/17	2017-023	11.88	11.88
02/06/17	10269722	03/10/17	2017-021	10.98	10.98
02/08/17	10269956	03/10/17	2017 026	149.99	149.99
02/09/17	10269969	03/10/17	2017-027	334.98	334.98
02/10/17	10270041	03/10/17	2017-030	86.47	86.47
02/15/17	10270419	03/10/17	2017-WW008	14.87	14.87
02/16/17	10270591	03/10/17	2017-032	59.98	59.98
02/16/17	10270590	03/10/17	2017-032	5.99	5.99
02/24/17	10271251	03/10/17	2017-035	13.78	13.78
03/03/17	10272285	04/10/17	JOE	19.98	19.98

Statement

EVANS HARDWARE
P O BOX 1317
631 EAST MAIN STREET
INEZ KY 41224
Phone: (606)298-7839

Statement Date | 06/29/19

Martin County Water Co.
387 EAST MAIN STREET SUITE 140
INEZ KY 41224

Current Terms:

Invoice Date	Invoice No.	Due Date	Reference	Invoice Amount	Invoice Balance
03/07/17	10272669	04/10/17	2017038	3.96	3.96
03/08/17	10272812	04/10/17	2017-039	72.12	72.12
03/09/17	10272884	04/10/17	2017-040	316.88	316.88
03/14/17	10273344	04/10/17	0045	81.87	81.87
03/14/17	10273366	04/10/17	2017-044	64.80	64.80
03/14/17	10273387	04/10/17	2017-045	32.76	32.76
03/15/17	10273506	04/10/17	2017-046	10.99	10.99
03/20/17	10273823	04/10/17	2017-049	306.36	306.36
03/20/17	10273872	04/10/17	2017051	47.44	47.44
03/20/17	10273852	04/10/17	049	3.38	3.38
03/20/17	10273867	04/10/17	2017-051	137.61	137.61
03/21/17	10273981	04/10/17	2017-054	5.18	5.18
03/21/17	10273904	04/10/17	2017 052	138.48	138.48
03/21/17	10273906	04/10/17	2017 052	259.99	259.99
03/21/17	10273966	04/10/17	2017-052	3.95	3.95

Statement

EVANS HARDWARE
P O BOX 1317
631 EAST MAIN STREET
INEZ. KY 41224
Phone: (606)298-7839

Statement Date 06/29/19

Martin County Water Co.
387 EAST MAIN STREET SUITE 140
INEZ KY 41224

Current Terms:

Invoice Date	Invoice No.	Due Date	Reference	Invoice Amount	Invoice Balance
03/22/17	10274029	04/10/17	2017 057	189.99	189.99
03/28/17	10274617	04/10/17	2017060	12.99	12.99
03/29/17	10274694	04/10/17	2017-061	159.80	159.80
11/30/17	10306334	11/30/17	Finance Charge	790.47	790.47
12/31/17	10309384	12/31/17	Finance Charge	790.47	790.47
01/31/18	10312876	01/31/18	Finance Charge	790.47	790.47
02/28/18	10315832	02/28/18	Finance Charge	715.48	715.48
05/07/18	10324034	06/10/18	FINANCE CHG,APRIL 20	704.25	704.25
05/07/18	10324033	06/10/18	FINANCE MARCH 2018	715.48	715.48
05/31/18	10327400	05/31/18	Finance Charge	670.52	670.52
06/30/18	10331599	06/30/18	Finance Charge	691.81	691.81
07/31/18	10335427	07/31/18	Finance Charge	691.81	691.81
08/31/18	10339302	08/31/18	Finance Charge	691.81	691.81
09/29/18	10342605	09/29/18	Finance Charge	691.81	691.81
10/31/18	10346499	10/31/18	Finance Charge	691.81	691.81

Statement

EVANS HARDWARE
P O BOX 1317
631 EAST MAIN STREET
INEZ KY 41224
Phone: (606)298-7839

Statement Date 06/29/19

Martin County Water Co.
387 EAST MAIN STREET SUITE 140
INEZ KY 41224

Current Terms:

Invoice Date	Invoice No.	Due Date	Reference	Invoice Amount	Invoice Balance
11/30/18	10350041	11/30/18	Finance Charge	691.81	691.81
12/31/18	10353014	12/31/18	Finance Charge	691.81	691.81
01/31/19	10356231	01/31/19	Finance Charge	691.81	691.81
02/28/19	10359319	02/28/19	Finance Charge	691.81	691.81
03/30/19	10363002	03/30/19	Finance Charge	691.81	691.81
04/30/19	10367444	04/30/19	Finance Charge	691.81	691.81
05/31/19	10372195	05/31/19	Finance Charge	691.81	691.81
06/29/19	10376372	06/29/19	Finance Charge	691.81	691.81

Current	1-30	31-60	61-90	Over 90	Total Due
0.00	1,383.62	0.00	691.81	61,715.47	**63,790.90**

Martin County Water Co.
387 EAST MAIN STREET SUITE 140
INEZ KY 41224

Statement Date 06/29/19

Customer No.: 56

Amount Enclosed: _____

Total Due **63,790.90**

EVANS HARDWARE
P O BOX 1317
631 EAST MAIN STREET
INEZ KY 41224

C.I. Thornburg

Invoice

INVOICE DATE	INVOICE NUMBER
07/24/2019	S10009**1**111.002

REMIT TO:
THE C.I. THORNBURG CO., INC.
P.O. BOX 2163
HUNTINGTON, WV 25722

PAGE NO.: 1 of 1

BILL TO:

MARTIN CO. WATER DIST. #1
387 EAST MAIN ST SUITE 140
INEZ, KY 41224

SHIP TO:

MARTIN CO. WATER DIST. #1
14 FLAT HOLLOW
RT 908 TURKEY ROAD
WARFIELD, KY 41267

CUSTOMER NUMBER	CUSTOMER PO NUMBER	JOB NAME / RELEASE NUMBER	SALESPERSON
5153	STOCK MATERIAL		Mark Underwood

WRITER	SHIP VIA	TERMS	SHIP DATE	ORDER DATE
Terry Cremeans	ROUTE 23 SOUTH	NET 7 DAYS	07/24/2019	07/08/2019

ORDER QTY	SHIP QTY	DESCRIPTION	UNIT PRICE	EXT PRICE
6ea	3ea	1"X3" FSC-113-3R2 WRAP CLAMP WITH DUAL ARMOR & EPDM GASKET (1.125) 07-24-2019 05:11:15 PM Mike Mike	23.000/ea	69.00

Invoice is due by 07/31/2019

Past Due Invoices may be subject to 1.50% late charge.

Subtotal	69.00
S&H Charges	0.00
Tax	0.00
Payments	0.00
Amount Due	69.00

Printed By: KLAKRY on 7/25/2019 11:23:26 AM

C.I. Thornburg

Invoice

INVOICE DATE	INVOICE NUMBER
07/24/2019	S100092285.001

REMIT TO:
THE C.I. THORNBURG CO., INC.
P.O. BOX 2163
HUNTINGTON, WV 25722

BILL TO:

MARTIN CO. WATER DIST. #1
387 EAST MAIN ST SUITE 140
INEZ, KY 41224

SHIP TO:

MARTIN CO. WATER DIST. #1
14 FLAT HOLLOW
RT 908 TURKEY ROAD
WARFIELD, KY 41267

CUSTOMER NUMBER	CUSTOMER PO NUMBER	JOB NAME / RELEASE NUMBER	SALESPERSON
5153	2019-07030		Mark Underwood

WRITER	SHIP VIA	TERMS	SHIP DATE	ORDER DATE
John Kelly	ROUTE 23 SOUTH	NET 7 DAYS	07/24/2019	07/19/2019

ORDER QTY	SHIP QTY	DESCRIPTION	UNIT PRICE	EXT PRICE
3130lb	3130lb	UN1760, CORROSIVE LIQUIDS, N.O.S. 8, PG III, DELPAC 2020, TOTE (POLYALUMINUM HYDROXYCHLOROSULFATE) NSF/ ANSI 60 MAX. USE 250 MG/L WT. OF CONTAINER(S) FULL_____ WT. OF CONTAINER(S) RETURNED_____ LOT#_____ DATE: _____ REPACKAGE DATE:_____	0.378/lb	1183.96
626gl	626gl	RQ, UN1791, HYPOCHLORITE SOLUTIONS, 8, PG III, TOTE (12.5% SODIUM HYPOCHLORITE) CERTIFIED TO * NSF/ ANSI 60 * WT OF CONTAINERS FULL _____ WT OF CONTAINERS EMPTY _____ MAXIUM USE 60 MG/L LOT#_____MFR.DATE_____ REPACKAGE DATE _____	2.000/ea	1252.00
1ea	1ea	UN3214, PERMANGANATES 20% INORGANIC AQUEOUS SOLUTIONS N.O.S., 5.1, PG II (SODIUM PERMANGANATE) (CARUSOL) 534LB DRUM	990.385/ea	990.39
1ea	1ea	FUEL SURCHARGE	73.000/ea	73.00

Subtotal	
S&H Charges	
Tax	
Payments	
Amount Due	

Printed By: KLAKRY on 7/25/2019 11:23:29 AM

C.I. Thornburg

Invoice

INVOICE DATE	INVOICE NUMBER
07/24/2019	S100092285.001

REMIT TO:
THE C.I. THORNBURG CO., INC.
P.O. BOX 2163
HUNTINGTON, WV 25722

PAGE NO.
2 of 2

BILL TO:

MARTIN CO. WATER DIST. #1
387 EAST MAIN ST SUITE 140
INEZ, KY 41224

SHIP TO:

MARTIN CO. WATER DIST. #1
14 FLAT HOLLOW
RT 908 TURKEY ROAD
WARFIELD, KY 41267

CUSTOMER NUMBER	CUSTOMER PO NUMBER	JOB NAME / RELEASE NUMBER	SALESPERSON
5153	2019-07030		Mark Underwood

WRITER	SHIP VIA	TERMS	SHIP DATE	ORDER DATE
John Kelly	ROUTE 23 SOUTH	NET 7 DAYS	07/24/2019	07/19/2019

ORDER QTY	SHIP QTY	DESCRIPTION	UNIT PRICE	EXT PRICE
		07-24-2019 05:11:15 PM mike Mike		

Invoice is due by 07/31/2019

Past Due Invoices may be subject to 1.50% late charge.

Subtotal	3499.35
S&H Charges	0.00
Tax	0.00
Payments	0.00
Amount Due	3499.35

Printed By: KLAKRY on 7/25/2019 11:23:29 AM

C.I. Thornburg

Invoice

INVOICE DATE	INVOICE NUMBER
07/24/2019	S100092362.001

REMIT TO:
THE C.I. THORNBURG CO., INC.
P.O. BOX 2163
HUNTINGTON, WV 25722

PAGE NO.
1 of 1

BILL TO:

MARTIN CO. WATER DIST. #1
387 EAST MAIN ST SUITE 140
INEZ, KY 41224

SHIP TO:

MARTIN CO. WATER DIST. #1
14 FLAT HOLLOW
RT 908 TURKEY ROAD
WARFIELD, KY 41267

CUSTOMER NUMBER	CUSTOMER PO NUMBER	JOB NAME / RELEASE NUMBER	SALESPERSON
5153	JOHN HORN		Mark Underwood

WRITER	SHIP VIA	TERMS	SHIP DATE	ORDER DATE
Terry Cremeans	ROUTE 23 SOUTH	NET 7 DAYS	07/24/2019	07/22/2019

ORDER QTY	SHIP QTY	DESCRIPTION	UNIT PRICE	EXT PRICE
1ea	1ea	14X125 US SAWS PXX14125 PREMIUM DOS SEGGIE BLADE CUTS DUCTILE IRON PVC PIPE CONCRETE REBAR ANGLE IRON ALL THREAD ROD CONCRETE PIPE CAST IRON 07-24-2019 05:11:15 PM Mike Mike	130.000/ea	130.00

Invoice is due by 07/31/2019

Past Due Invoices may be subject to 1.50% late charge.

Subtotal	130.00
S&H Charges	0.00
Tax	0.00
Payments	0.00
Amount Due	130.00

Printed By: KLAKRY on 7/25/2019 11:23:29 AM

C.I. Thornburg

Invoice

INVOICE DATE	INVOICE NUMBER
07/25/2019	S100091306.001

REMIT TO:
THE C.I. THORNBURG CO., INC.
P.O. BOX 2163
HUNTINGTON, WV 25722

PAGE NO.
1 of 1

BILL TO:

MARTIN CO. WATER DIST. #1
387 EAST MAIN ST SUITE 140
INEZ, KY 41224

SHIP TO:

MARTIN CO. WATER DIST. #1
14 FLAT HOLLOW
RT 908 TURKEY ROAD
WARFIELD, KY 41267

CUSTOMER NUMBER	CUSTOMER PO NUMBER	JOB NAME / RELEASE NUMBER	SALESPERSON
5153	STOCK FITTINGS		Mark Underwood

WRITER	SHIP VIA	TERMS	SHIP DATE	ORDER DATE
Mark Underwood	ROUTE 23 SOUTH	NET 7 DAYS	07/25/2019	07/10/2019

ORDER QTY	SHIP QTY	DESCRIPTION	UNIT PRICE	EXT PRICE
6ea	1ea	3/4"X6" FSC-088-6R2 WRAP CLAMP WITH DUAL ARMOR & EPDM GASKET (.875)	39.000/ea	39.00
6ea	6ea	3/4" AYM 74753-22 PJ CTS COMP X MIPT ADAPTER NL	18.610/ea	111.66
4ea	4ea	3/4" AYM 76100-22 PJ CTS X PJ CTS BALL CURB STOP NL	76.000/ea	304.00
2ea	2ea	3/4" AYM 74701-22 CC X PJ CTS CORP STOP NL	35.000/ea	70.00

Invoice is due by 08/01/2019

Past Due Invoices may be subject to 1.50% late charge.

Subtotal	524.66
S&H Charges	0.00
Tax	0.00
Payments	0.00
Amount Due	524.66

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C.I. Thornburg

Invoice

INVOICE DATE	INVOICE NUMBER
07/25/2019	S100092766.001

REMIT TO:
THE C.I. THORNBURG CO., INC.
P.O. BOX 2163
HUNTINGTON, WV 25722

PAGE NO.
1 of 1

BILL TO:

MARTIN CO. WATER DIST. #1
387 EAST MAIN ST SUITE 140
INEZ, KY 41224

SHIP TO:

MARTIN CO. WATER DIST. #1
14 FLAT HOLLOW
RT 908 TURKEY ROAD
WARFIELD, KY 41267

CUSTOMER NUMBER	CUSTOMER PO NUMBER	JOB NAME / RELEASE NUMBER	SALESPERSON
5153	2019-07030		Mark Underwood

WRITER	SHIP VIA	TERMS	SHIP DATE	ORDER DATE
John Kelly	ROUTE 23 SOUTH	NET 7 DAYS	07/25/2019	07/24/2019

ORDER QTY	SHIP QTY	DESCRIPTION	UNIT PRICE	EXT PRICE
1ea	1ea	55 GAL DRUM UN3264 CORROSIVE LIQUID ACIDIC INORGANIC N.O.S. 8 PGIII WSU MAIN STREAM 635 ALGAECIDE/BACTERICIDE (545# NET)	574.746/ea	574.75
1ea	1ea	DEPOSIT ON 55 GALLON DRUM	50.000/ea	50.00
1ea	1ea	FUEL SURCHARGE	73.000/ea	73.00

Invoice is due by 08/01/2019

Past Due invoices may be subject to 1.50% late charge.

Subtotal	697.75
S&H Charges	0.00
Tax	0.00
Payments	0.00
Amount Due	697.75

Printed By: KLAKRY on 7/26/2019 1:47:39 PM

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

BILLING SUMMARY

July 31, 2019

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

Via Email: payables@mcub.org

PREVIOUS BALANCE ON ALL MATTERS	**$35,005.74**
CURRENT FEES & EXPENSES	**$ 5,074.48**
PAYMENTS	**$ 3,571.64**
TOTAL AMOUNT DUE FOR ALL MATTERS AS OF July 31, 2019	**$36,508.58**

Matter No. 4004-4
Prestonsburg Utilities

Billing Summary

Previous balance	$125.00
Payments & adjustments	$125.00
Current fees & expenses	$0.00
Total now due	$0.00

Statement

EVANS HARDWARE
P O BOX 1317
631 EAST MAIN STREET
INEZ, KY 41224
Phone: (606)298-7839

Statement Date 07/31/19

Martin Co Water Co #2 acct
387 East Main Street Suite 140
INEZ, KY 41224

PH:(606)298-3885
FAX:

Customer No.: 811

Current Terms:

Invoice Date	Invoice No.	Due Date	Reference	Invoice Amount	Invoice Balance
05/08/18	10324221	06/10/18	HOLD TICKET	10,283.83	6,036.85
08/01/18	10335901	09/10/18	2018-208	88.31	88.31
08/02/18	10336042	09/10/18	2018-211	34.37	34.37
08/06/18	10336454	09/10/18	2018 213	54.96	54.96
08/06/18	10336439	09/10/18	2018-213	13.63	13.63
08/07/18	10336471	09/10/18	2018-213	24.99	24.99
08/07/18	10336573	09/10/18	2018-214	67.94	67.94
08/10/18	10336868	09/10/18	2018-218	68.82	68.82
08/13/18	10337095	09/10/18	2018-220	17.99	17.99
08/14/18	10337339	09/10/18	2018 220	15.99	15.99
08/16/18	10337582	09/10/18	2018-223	41.06	41.06
08/20/18	10337871	09/10/18	2018-225	24.99	24.99
08/21/18	10338097	09/10/18	2018-226	16.99	16.99
08/21/18	10338107	09/10/18	2018-226	150.69	150.69
08/22/18	10338182	09/10/18	2018-227	113.43	113.43

Statement

Statement Date	07/31/19

EVANS HARDWARE
P O BOX 1317
631 EAST MAIN STREET
INEZ, KY 41224
Phone: (606)298-7839

Martin Co Water Co #2 acct
387 East Main Street Suite 140
INEZ, KY 41224

PH:(606)298-3885
FAX:

Current Terms:

Invoice Date	Invoice No.	Due Date	Reference	Invoice Amount	Invoice Balance
08/22/18	10338187	09/10/18	2018-227	299.99	299.99
08/24/18	10338510	09/10/18	2018-231	15.12	15.12
08/27/18	10338685	09/10/18	2018 232	15.49	15.49
08/27/18	10338695	09/10/18	2018-232	19.15	19.15
08/27/18	10338682	09/10/18	2018-232	240.30	240.30
08/28/18	10338786	09/10/18	2018 233	104.95	104.95
08/28/18	10338895	09/10/18	2018-233	211.98	211.98
08/29/18	10338924	09/10/18	2018-244	6.99	6.99
08/29/18	10338915	09/10/18	2018-244	13.98	13.98
08/29/18	10338908	09/10/18	2018-244	6.37	6.37
08/31/18	10339144	09/10/18	2018-247	56.57	56.57
08/31/18	10339488	08/31/18	Finance Charge	189.40	189.40
09/06/18	10340150	10/10/18	2018-252	93.72	93.72
09/08/18	10340345	10/10/18	2018-254	6.98	6.98
09/13/18	10340844	10/10/18	2018-263 PLANT	50.35	50.35

Statement

Statement Date	07/31/19

EVANS HARDWARE
P O BOX 1317
631 EAST MAIN STREET
INEZ, KY 41224
Phone: (606)298-7839

Martin Co Water Co #2 acct
387 East Main Street Suite 140
INEZ, KY 41224

PH:(606)298-3885
FAX:

Current Terms:

Invoice Date	Invoice No.	Due Date	Reference	Invoice Amount	Invoice Balance
09/14/18	10340996	10/10/18	2018-357	74.55	74.55
09/17/18	10341186	10/10/18	2018-367	56.48	56.48
09/19/18	10341445	10/10/18	2018-371	16.49	16.49
09/27/18	10342325	10/10/18	2018-464	62.96	62.96
09/28/18	10342437	10/10/18	2018-470	104.42	104.42
09/29/18	10342801	09/29/18	Finance Charge	215.25	215.25
10/01/18	10343170	11/10/18	20158-001 BACKHOE	4.98	4.98
10/01/18	10343154	11/10/18	2018-10-001 BIG ELK	7.99	7.99
10/01/18	10343086	11/10/18	2018-10-001	20.57	20.57
10/02/18	10343218	11/10/18	2018-10-004	59.70	59.70
10/06/18	10343759	11/10/18	2018-10-008	1,104.98	1,104.98
10/09/18	10344023	11/10/18	2018-10-019	39.95	39.95
10/10/18	10344308	11/10/18	2018-10-021	15.98	15.98
10/11/18	10344330	11/10/18	2018-10-024	155.22	155.22
10/12/18	10344486	11/10/18	2018-10-26 METER LID	12.46	12.46

Statement

EVANS HARDWARE
P O BOX 1317
631 EAST MAIN STREET
INEZ, KY 41224
Phone: (606)298-7839

Statement Date: 07/31/19

Martin Co Water Co #2 acct
387 East Main Street Suite 140
INEZ, KY 41224

PH:(606)298-3885
FAX:

Current Terms:

Invoice Date	Invoice No.	Due Date	Reference	Invoice Amount	Invoice Balance
10/12/18	10344489	11/10/18	2018-10-026	249.62	249.62
10/12/18	10344478	11/10/18	2018-10-026 BO JUDE	26.58	26.58
10/13/18	10344585	11/10/18	2018-10-026	13.98	13.98
10/13/18	10344636	11/10/18	2018-10-026	38.97	38.97
10/15/18	10344661	11/10/18	18-10-15	349.94	349.94
10/16/18	10344827	11/10/18	2018-10-36	31.37	31.37
10/16/18	10344843	11/10/18		30.98	30.98
10/16/18	10344772	11/10/18	2018-10-36	5.75	5.75
10/17/18	10344938	11/10/18	10-17-037	181.75	181.75
10/17/18	10344933	11/10/18	2018-10-37	34.85	34.85
10/17/18	10344981	11/10/18	PRV 10-17-037	12.20	12.20
10/17/18	10344906	11/10/18		28.63	28.63
10/18/18	10345107	11/10/18	2018-10-40	377.82	377.82
10/19/18	10345192	11/10/18	2018-10-050	12.99	12.99
10/20/18	10345381	11/10/18	2018-10-050	29.99	29.99

Statement

Statement Date	07/31/19

EVANS HARDWARE
P O BOX 1317
631 EAST MAIN STREET
INEZ, KY 41224
Phone: (606)298-7839

Martin Co Water Co #2 acct
387 East Main Street Suite 140
INEZ, KY 41224

PH:(606)298-3885
FAX:

Current Terms:

Invoice Date	Invoice No.	Due Date	Reference	Invoice Amount	Invoice Balance
10/20/18	10345305	11/10/18	2018-10-050	114.85	114.85
10/24/18	10345750	11/10/18	2018-10-058	23.36	23.36
10/25/18	10345816	11/10/18	2018-10-059	42.69	42.69
10/25/18	10345817	11/10/18	2018-10-059	79.84	79.84
10/26/18	10345980	11/10/18	2018-10-061	132.98	132.98
10/26/18	10345951	11/10/18	2018-10-061	39.84	39.84
10/26/18	10345972	11/10/18	2018-10-061	249.99	249.99
10/26/18	10345952	11/10/18	2018-10-061	5.79	5.79
10/26/18	10345924	11/10/18	2018-10-061	382.44	382.44
10/29/18	10346217	11/10/18		15.12	15.12
10/29/18	10346165	11/10/18	2018-10-064	20.28	20.28
10/29/18	10346144	11/10/18	2018-10064	5.88	5.88
10/29/18	10346184	11/10/18	2018-10-064	3.49	3.49
10/31/18	10346350	11/10/18	2018-10-078	100.97	100.97
10/31/18	10346692	10/31/18	Finance Charge	231.38	231.38

Statement

Statement Date	07/31/19

EVANS HARDWARE
P O BOX 1317
631 EAST MAIN STREET
INEZ, KY 41224
Phone: (606)298-7839

Martin Co Water Co #2 acct
387 East Main Street Suite 140
INEZ, KY 41224

PH:(606)298-3885
FAX:

Current Terms:

Invoice Date	Invoice No.	Due Date	Reference	Invoice Amount	Invoice Balance
11/02/18	10347178	12/10/18	2018-11-001	104.16	104.16
11/05/18	10347448	12/10/18	2018-11-003	24.95	24.95
11/05/18	10347382	12/10/18	2018-1-003	57.90	57.90
11/06/18	10347508	12/10/18	2018-11-003	233.27	233.27
11/06/18	10347514	12/10/18	2018-11-004	122.40	122.40
11/06/18	10347515	12/10/18	2018-11-004	-26.40	-26.40
11/07/18	10347701	12/10/18	2018-11-006	13.23	13.23
11/07/18	10347711	12/10/18	2018-11-006	9.66	9.66
11/08/18	10347757	12/10/18	2018-11-007	74.70	74.70
11/08/18	10347792	12/10/18	2018-11-007	751.63	751.63
11/14/18	10348371	12/10/18	2018-11-063	31.98	31.98
11/17/18	10348745	12/10/18	20158-11-68	299.99	299.99
11/17/18	10348768	12/10/18	2018-11-68	37.84	37.84
11/17/18	10348772	12/10/18	2018-11-68	36.77	36.77
11/19/18	10348845	12/10/18	2018-11-70	120.07	120.07

Statement

EVANS HARDWARE
P O BOX 1317
631 EAST MAIN STREET
INEZ, KY 41224
Phone: (606)298-7839

Statement Date	07/31/19

Martin Co Water Co #2 acct
387 East Main Street Suite 140
INEZ, KY 41224

PH:(606)298-3885
FAX:

Current Terms:

Invoice Date	Invoice No.	Due Date	Reference	Invoice Amount	Invoice Balance
11/19/18	10348892	12/10/18	2018-11-70	110.12	110.12
11/20/18	10348973	12/10/18	2018-11-073	16.57	16.57
11/26/18	10349405	12/10/18	2018-11-081	385.53	385.53
11/26/18	10349447	12/10/18	2018-11-081	39.95	39.95
11/26/18	10349410	12/10/18	2018-11-081	29.99	29.99
11/27/18	10349627	12/10/18	2018-11-104	16.49	16.49
11/27/18	10349621	12/10/18	2018-11-104	22.38	22.38
11/30/18	10349968	12/10/18	2018-11-107	172.46	172.46
11/30/18	10349952	12/10/18	2018-11-107	15.98	15.98
11/30/18	10350237	11/30/18	Finance Charge	227.35	227.35
12/04/18	10350766	01/10/19	2018-12-021	28.87	28.87
12/04/18	10350697	01/10/19	2018-12-021	6.87	6.87
12/05/18	10350838	01/10/19		36.93	36.93
12/05/18	10350903	01/10/19	2018-12-028	13.12	13.12
12/06/18	10350961	01/10/19	2018-12-031	3.99	3.99

Statement

EVANS HARDWARE
P O BOX 1317
631 EAST MAIN STREET
INEZ, KY 41224
Phone: (606)298-7839

Statement Date 07/31/19

Martin Co Water Co #2 acct
387 East Main Street Suite 140
INEZ, KY 41224

PH:(606)298-3885
FAX: .

Current Terms:

Invoice Date	Invoice No.	Due Date	Reference	Invoice Amount	Invoice Balance
12/06/18	10350939	01/10/19	2018-12-031	29.95	29.95
12/06/18	10350996	01/10/19	20158-12-031	23.97	23.97
12/06/18	10350991	01/10/19	2018-12-031	96.26	96.26
12/10/18	10351236	01/10/19	2018-12-039	29.96	29.96
12/10/18	10351245	01/10/19	2018-12-039	9.99	9.99
12/10/18	10351278	01/10/19	2018-12-039	56.66	56.66
12/11/18	10351386	01/10/19	2018-12-044	70.61	70.61
12/12/18	10351512	01/10/19	2018-12-056	81.86	81.86
12/12/18	10351499	01/10/19	2018-12-056	299.99	299.99
12/13/18	10351610	01/10/19	2018-12-059	63.81	63.81
12/13/18	10351705	01/10/19	2018-12-059	66.95	66.95
12/14/18	10351744	01/10/19	2018-12-062	3.18	3.18
12/14/18	10351720	01/10/19	2018-12-056	124.97	124.97
12/18/18	10351990	01/10/19	2018-12-071	19.44	19.44
12/20/18	10352237	01/10/19	2018-20-080	13.77	13.77

Statement

Statement Date	07/31/19

EVANS HARDWARE
P O BOX 1317
631 EAST MAIN STREET
INEZ, KY 41224
Phone: (606)298-7839

Martin Co Water Co #2 acct
387 East Main Street Suite 140
INEZ, KY 41224

PH:(606)298-3885
FAX:

Current Terms:

Invoice Date	Invoice No.	Due Date	Reference	Invoice Amount	Invoice Balance
12/20/18	10352242	01/10/19	2018-12-080	10.58	10.58
12/20/18	10352254	01/10/19	2018-12-080	31.97	31.97
12/21/18	10352381	01/10/19	2018-12-082	10.49	10.49
12/28/18	10352724	01/10/19	2018-12-100	8.28	8.28
12/28/18	10352721	01/10/19	2018-12-100	43.84	43.84
12/31/18	10353202	12/31/18	Finance Charge	261.72	261.72
12/31/18	10352949	01/10/19	2018-12-100	31.96	31.96
12/31/18	10352983	01/10/19	2018-12-100	55.15	55.15
07/01/19	10376902	08/10/19	2019 007 003	124.66	124.66
07/01/19	10376903	08/10/19	2019 007 003	152.91	152.91
07/01/19	10376906	08/10/19	2019-07-003	10.28	10.28
07/01/19	10376911	08/10/19	2019-07-001	512.63	512.63
07/01/19	10376953	08/10/19	2019-07-001	24.67	24.67
07/02/19	10377002	08/10/19	2019-07-002	12.99	12.99
07/02/19	10377068	08/10/19	2019-07-002	34.71	34.71

Statement

Statement Date	07/31/19

EVANS HARDWARE
P O BOX 1317
631 EAST MAIN STREET
INEZ, KY 41224
Phone: (606)298-7839

Martin Co Water Co #2 acct
387 East Main Street Suite 140
INEZ, KY 41224

PH:(606)298-3885
FAX:

Current Terms:

Invoice Date	Invoice No.	Due Date	Reference	Invoice Amount	Invoice Balance
07/02/19	10377067	08/10/19	2019-007-005	128.93	128.93
07/03/19	10377291	08/10/19	2019-07-007	262.37	262.37
07/05/19	10377343	08/10/19	2019-07-008	29.99	29.99
07/09/19	10377865	08/10/19	201907014	35.95	35.95
07/10/19	10377922	08/10/19	2019-07-014	8.49	8.49
07/10/19	10377940	08/10/19	2019-07-016	50.44	50.44
07/11/19	10378166	08/10/19	2019-07-016	63.92	63.92
07/12/19	10378351	08/10/19	2019-07-019	82.44	82.44
07/16/19	10378635	08/10/19	2019-07-021	44.47	44.47
07/16/19	10378632	08/10/19	2019-07-022	37.16	37.16
07/18/19	10378997	08/10/19	2019-07-025	29.97	29.97
07/18/19	10379009	08/10/19	2019-07-028	16.69	16.69
07/18/19	10378938	08/10/19	2019-07-025	540.75	540.75
07/19/19	10379079	08/10/19	2019-07-028	19.35	19.35
07/19/19	10379041	08/10/19	2019-07-028	66.72	66.72

Statement

Statement Date	07/31/19

EVANS HARDWARE
P O BOX 1317
631 EAST MAIN STREET
INEZ, KY 41224
Phone: (606)298-7839

Martin Co Water Co #2 acct
387 East Main Street Suite 140
INEZ, KY 41224

PH:(606)298-3885
FAX:

Current Terms:

Invoice Date	Invoice No.	Due Date	Reference	Invoice Amount	Invoice Balance
07/19/19	10379048	08/10/19	2019-07-029	51.47	51.47
07/20/19	10379251	08/10/19	2019-20-020	151.90	151.90
07/20/19	10379212	08/10/19	2019-07-020	-175.05	-175.05
07/20/19	10379208	08/10/19	2019-07-020	285.17	285.17
07/24/19	10379576	08/10/19	2019-07-035	142.98	142.98
07/25/19	10379828	08/10/19	2019-0735	191.49	191.49
07/26/19	10379974	08/10/19	BILLY	66.66	66.66
07/26/19	10379906	08/10/19	2019-07-037	14.26	14.26
07/26/19	10379934	08/10/19	2019-07-037	13.98	13.98
07/30/19	10380278	08/10/19	201907040	54.99	54.99
07/30/19	10380342	08/10/19	2019-07-040	58.76	58.76
07/31/19	10380397	08/10/19	2019-07-040	46.99	46.99
07/31/19	10380392	08/10/19	2019-07-040	39.95	39.95
07/31/19	10380689	07/31/19	Finance Charge	241.35	241.35

Current	1-31	32-60	61-90	Over 90	Total Due
3,234.04	241.35	0.00	0.00	17,392.76	**20,868.15**

Martin Co Water Co #2 acct
387 East Main Street Suite 140
INEZ, KY 41224

Statement Date	07/31/19

Customer No.: 811

Amount Enclosed:_____

Total Due **20,868.15**

EVANS HARDWARE
P O BOX 1317
631 EAST MAIN STREET
INEZ, KY 41224
Phone: (606)298-7839

11:02 AM
08/01/19
Accrual Basis

ALL-PUMPS SALES & SERVICE, INC.
Customer Open Balance
January 1, 2015 through August 1, 2019

Type	Date	Num	Memo	Due Date	Open Balance	Amount
MARTIN COUNTY WATER						
Invoice	12/27/2017	22802		01/26/2018	1,051.74	2,050.00
Invoice	01/25/2018	22830		01/25/2018	3,500.00	3,500.00
Invoice	01/29/2018	22843		01/29/2018	2,500.00	2,500.00
Invoice	01/30/2018	22874		08/01/2018	671.00	671.00
Invoice	07/10/2018	FC 18	Finance Charge	07/10/2018	5,360.16	5,360.16
Invoice	01/09/2019	FC 20	Finance Charge	01/09/2019	2,772.69	2,772.69
Invoice	05/22/2019	FC 22	Finance Charge	05/22/2019	1,270.16	1,270.16
Total MARTIN COUNTY WATER					17,654.64	19,032.90
TOTAL					17,654.64	19,032.90

Statement

FAST CHANGE LUBE & OIL, INC.
304 East Main Street
Suite 2
Inez, Ky 41224

Date
7/31/19

To:
Martin County Water District 910 Blackberry Rd. Inez, Ky 41224

Amount Due	Amount Enc.
$3,793.86	

Date	Transaction	Amount	Balance
09/24/16	INV #16-16592212. Due 10/24/16. Orig. Amount $340.92.	340.92	340.92
10/20/16	INV #16-16592578. Due 11/19/16. Orig. Amount $65.96.	65.96	406.88
10/21/16	INV #16-16592601. Due 11/20/16. Orig. Amount $145.95.	145.95	552.83
02/02/17	INV #16-16593969. Due 03/04/17. Orig. Amount $146.88.	146.88	699.71
02/04/17	INV #16-16594016. Due 03/06/17. Orig. Amount $59.98.	59.98	759.69
07/14/17	INV #16-16596281. Due 08/13/17. Orig. Amount $59.97.	59.97	819.66
09/18/17	INV #16-16597110. Due 10/18/17. Orig. Amount $307.90.	307.90	1,127.56
10/26/17	INV #16-16597652. Due 11/25/17. Orig. Amount $92.97.	92.97	1,220.53
01/30/18	INV #16-16598860. Due 03/01/18. Orig. Amount $102.97.	102.97	1,323.50
02/12/18	INV #16-16599018. Due 03/14/18. Orig. Amount $111.91.	111.91	1,435.41
02/15/18	INV #16-16599059. Due 03/17/18. Orig. Amount $102.97.	102.97	1,538.38
03/01/18	INV #6-16599272. Due 03/31/18. Orig. Amount $136.96.	136.96	1,675.34
03/07/18	INV #16-16599385. Due 04/06/18. Orig. Amount $211.55.	211.55	1,886.89
04/16/18	INV #16-16599881. Due 05/16/18. Orig. Amount $23.98.	23.98	1,910.87
04/30/18	INV #16-16600064. Due 05/30/18. Orig. Amount $91.56.	91.56	2,002.43
05/07/18	INV #16-16600170. Due 06/06/18. Orig. Amount $97.97.	97.97	2,100.40
05/31/18	INV #16-16600459. Due 06/30/18. Orig. Amount $112.55.	112.55	2,212.95
06/07/18	INV #16-16600583. Due 07/07/18. Orig. Amount $84.96.	84.96	2,297.91
06/07/18	INV #16-1600569. Due 07/07/18. Orig. Amount $121.97.	121.97	2,419.88
07/02/18	INV #16-16600922. Due 08/01/18. Orig. Amount $83.56.	83.56	2,503.44
07/26/18	INV #16-16601246. Due 08/25/18. Orig. Amount $83.56.	83.56	2,587.00
07/26/18	INV #16-16601249. Due 08/25/18. Orig. Amount $51.98.	51.98	2,638.98
08/08/18	INV #16-16601432. Due 09/07/18. Orig. Amount $97.97.	97.97	2,736.95
09/11/18	INV #16-16601852. Due 10/11/18. Orig. Amount $14.99.	14.99	2,751.94
10/02/18	INV #16-16602110. Due 11/01/18. Orig. Amount $29.98.	29.98	2,781.92
10/22/18	INV #16-16602370. Due 11/21/18. Orig. Amount $97.97.	97.97	2,879.89
10/30/18	INV #16-16602480. Due 11/29/18. Orig. Amount $116.93.	116.93	2,996.82
11/12/18	INV #16-16602656. Due 12/12/18. Orig. Amount $29.98.	29.98	3,026.80
11/24/18	INV #16-16602834. Due 12/24/18. Orig. Amount $83.56.	83.56	3,110.36
04/02/19	INV #16-16604531. Due 05/02/19. Orig. Amount $83.14.	83.14	3,193.50
05/02/19	INV #16-16604935. Due 06/01/19. Orig. Amount $97.97.	97.97	3,291.47
06/11/19	INV #16-16605403. Due 07/11/19. Orig. Amount $75.92.	75.92	3,367.39
06/18/19	INV #16-16605514. Due 07/18/19. Orig. Amount $200.37.	200.37	3,567.76
06/20/19	INV #16-16605545. Due 07/20/19. Orig. Amount $128.13.	128.13	3,695.89

CURRENT	1-30 DAYS PAST DUE	31-60 DAYS PAST DUE	61-90 DAYS PAST DUE	OVER 90 DAYS PAST DUE	Amount Due
0.00	0.00	502.39	97.97	3,193.50	$3,793.86

Statement

FAST CHANGE LUBE & OIL, INC.
304 East Main Street
Suite 2
Inez, Ky 41224

Date
7/31/19

To:
Martin County Water District 910 Blackberry Rd. Inez, Ky 41224

Amount Due	Amount Enc.
$3,793.86	

Date	Transaction	Amount	Balance
06/21/19	INV #16-16605557. Due 07/21/19. Orig. Amount $97.97.	97.97	3,793.86

CURRENT	1-30 DAYS PAST DUE	31-60 DAYS PAST DUE	61-90 DAYS PAST DUE	OVER 90 DAYS PAST DUE	Amount Due
0.00	0.00	502.39	97.97	3,193.50	$3,793.86

FAST C JGE LUBE & OIL #16
FAST GE LUBE & OIL #16
. WEST MAIN ST
INEZ, KY 41224
(606) 298-0764

DATE	6/11/2019 9:51 AM
TRANSACTION NO	19061116605403
INVOICE NO	16605403
VEHICLE ID	KY-D1487

Customer Information

Martin Co. Water District
387 East Main Street
Inez, KY 41224 (606) 298-3885

Vehicle Information

2017 DODGE/RAM 3500 PICKUP 6cyl 6.7L Diesel Turbo
VIN 3C7WRTCL6HG684330 **MILEAGE** 26968
ALT ID

Service History

DATE	MILEAGE	SERVICES
6/11/19	26968	FS3 OIL
3/27/19	24110	FF FF
3/18/19	23648	FS3 OIL RFD RRD
1/28/19	20261	FS3 OIL AF
12/6/18	17245	FF FF
10/31/18	15652	FS3 OIL TFD AF
5/10/18	11207	FS3 OIL FF FF AF

Fleet Information

MARTIN COUNTY WATER DISTRICT (MAR006-L)
HC 69 BOX 875
INEZ, KY 41224 (606) 298-3885

2019-06-017

REMIT TO ADDRESS
Fast Change Lube & Oil, Inc.
304 EAST MAIN ST. SUITE 2
INEZ KY. 41224
OFFICE (606)298-4051
FAX (606)298-5937

Employees

UPPER	LOWER	COURTESY	CASHIER	FINAL INSP
DLS	DAH1	BJC	BJC	DLS

Service Comments

PRE-SERVICE OIL LEVEL CHECK:
OIL LEVEL FULL ON ARRIVAL
FRAME DRIP DUE TO
OIL FILTER LOCATION
ALL PLUGS & FILTER
WAS DOUBLE CHECKED
THANK YOU!

Service Checklist

1. ENGINE OIL	REPLACED
2. OIL FILTER	REPLACED
3. CHASSIS LUBRICATION	COMPLETED
4. REAR DIFF FLUID	FULL
5. TRANS/TRANSAXLE FLUID	FULL
6. LIGHT CHECK	CHECKED
7. WIPER BLADES	CHECKED
8. AIR FILTER	CHECKED
9. BREATHER FILTER	N/A
10. PCV VALVE	N/A
11. POWER STEERING FLUID	FULL
12. BATTERY TEST	GOOD
13. COOLANT RESERVOIR FLUID	LEVEL OK
14. WINDSHIELD WASHER FLUID	ADDED
15. WINDSHIELD WASHED	COMPLETED
16. TIRE PRESSURE	F80 R80
17. TRANSFER CASE FLUID	FULL
18. FRONT DIFF FLUID	FULL
19. SERPENTINE BELT	INSPECTED

Description	Qty.	Price
41320 FULL SERVICE SYNTHETIC BLEND PHILLIPS 66	1.00	38.99
OF4422 OIL FILTER	1.00	0.00
SPECIAL FILTER CHARGE $2	1.00	2.00
P66 15W40 FLEET SUPREME API CK-4,CJ-4,CI-4 PLUS,SN	12.0	34.93
SUBTOTAL		$75.92
SALE		$75.92
TAXABLE PARTS	0.00	
KY. STATE SALES TAX (Exempt SD080106)		0.00
TOTAL		**$75.92**
CHARGE		75.92
CHANGE		**$0.00**

Warranty Statement

To view our Limited Warranty of Workmanship, please visit us at http://www.fastchangeonline.com

FAST CHANGE LUBE & OIL®

FAS NGE LUBE & OIL #16
FAS NGE LUBE & OIL #16
WEST MAIN ST
INEZ, KY 41224
(606) 298-0764

DATE	6/11/2019 9:51 AM
TRANSACTION NO	19061116605403
INVOICE NO	16605403
VEHICLE ID	KY-D1487

Customer Information

Martin Co. Water District
387 East Main Street
Inez, KY 41224 (606) 298-3885

Vehicle Information

2017 DODGE/RAM 3500 PICKUP 6cyl 6.7L Diesel Turbo
VIN 3C7WRTCL6HG684330 **MILEAGE** 26968
ALT ID

Service History

DATE	MILEAGE	SERVICES
6/11/19	26968	FS3 OIL
3/27/19	24110	FF FF
3/18/19	23648	FS3 OIL RFD RRD
1/28/19	20261	FS3 OIL AF
12/6/18	17245	FF FF
10/31/18	15652	FS3 OIL TFD AF
5/10/18	11207	FS3 OIL FF FF AF

We realize you have a choice and we Thank You for choosing Fast Change Lube & Oil of Inez, KY. Your feedback is very important to us, let us know how we did by visiting FastChangeCares.com

Recommend next service on 09/09/2019 or 29968 miles.

X

Cardholder acknowledges receipt of goods and/or services in the amount shown hereon and agrees to perform the obligations set forth in the Cardholder's agreement with the issuer.

FAST CHANGE LUBE & OIL #16

FAST CHANGE LUBE & OIL #16
324 WEST MAIN ST
INEZ, KY 41224
(606) 298-0764

DATE	6/18/2019 1:08 PM
TRANSACTION NO	19061816605514
INVOICE NO	16605514
VEHICLE ID	KY-D3124

Customer Information

Martin Co Water Dept
387 East Main Street Suit 140
Inez, KY 41224 (606) 298-3885

Service History

DATE	MILEAGE	SERVICES
6/18/19	248459	FS3 OF OIL AF FF WB WB

Vehicle Information

1997 FORD F-250 HD PICKUP 8cyl 7.3L Diesel Turbo
VIN 1FTHF26F2VEB97790 MILEAGE 248459
ALT ID

Fleet Information

MARTIN COUNTY WATER DISTRICT (MAR006-L)
HC 69 BOX 875
INEZ, KY 41224 (606) 298-3885

2019-06-033

REMIT TO ADDRESS
Fast Change Lube & Oil, Inc.
304 EAST MAIN ST. SUITE 2
INEZ KY. 41224
OFFICE (606)298-4051
FAX (606)298-5937

Employees

UPPER	LOWER	COURTESY	CASHIER	FINAL INSP
BJC	DAH1	BJC		BJC

Service Comments

PRE-SERVICE OIL LEVEL CHECK:
OIL LEVEL FULL ON ARRIVAL
TRANSMISSION FLUID LEAK
ENGINE OIL LEAK
ALL PLUGS & FILTER
WAS DOUBLE CHECKED
THANK YOU!

Service Checklist

1. ENGINE OIL	REPLACED
2. OIL FILTER	REPLACED
3. CHASSIS LUBRICATION	COMPLETED
4. REAR DIFF FLUID	FULL
5. TRANS/TRANSAXLE FLUID	FULL
6. LIGHT CHECK	CHECKED
7. WIPER BLADES	REPLACED
8. AIR FILTER	REPLACED
9. BREATHER FILTER	N/A
10. PCV VALVE	N/A
11. POWER STEERING FLUID	FULL
12. BATTERY TEST	GOOD
13. COOLANT RESERVOIR FLUID	LEVEL OK
14. WINDSHIELD WASHER FLUID	ADDED
15. WINDSHIELD WASHED	COMPLETED
16. TIRE PRESSURE	F55 R55
17. TRANSFER CASE FLUID	FULL
18. FRONT DIFF FLUID	FULL
19. SERPENTINE BELT	INSPECTED

Description	Qty.	Price
41320 FULL SERVICE SYNTHETIC BLEND PHILLIPS 66	1.00	38.99
OF4872 OIL FILTER	1.00	0.00
SPECIAL FILTER CHARGE $3	1.00	3.00
P66 15W40 FLEET SUPREME API CK-4,CJ-4,CI-4 PLUS,SN	13.9	44.41
af5042	1.00	40.00
ff54070	1.00	49.99
20" MAX VISION WIPER BLADE	1.00	11.99
20" MAX VISION WIPER BLADE	1.00	11.99
SUBTOTAL		$200.37
SALE		$200.37
TAXABLE PARTS	0.00	
KY. STATE SALES TAX (Exempt SD080106)		0.00
TOTAL		**$200.37**
CHARGE		200.37
CHANGE		**$0.00**

Warranty Statement

To view our Limited Warranty of Workmanship, please visit us at http://www.fastchangeonline.com

FAST CHANGE LUBE & OIL #16

FAST CHANGE LUBE & OIL #16
324 WEST MAIN ST
INEZ, KY 41224
(606) 298-0764

DATE	6/18/2019 1:08 PM
TRANSACTION NO	19061816605514
INVOICE NO	16605514
VEHICLE ID	KY-D3124

Customer Information

Martin Co Water Dept
387 East Main Street Suit 140
Inez, KY 41224 (606) 298-3885

Vehicle Information

1997 FORD F-250 HD PICKUP 8cyl 7.3L Diesel Turbo
VIN 1FTHF26F2VEB97790 **MILEAGE** 248459
ALT ID

Service History

DATE	MILEAGE	SERVICES
6/18/19	248459	FS3 OF OIL AF FF WB WB

We realize you have a choice and we Thank You for choosing Fast Change Lube & Oil of Inez, KY. Your feedback is very important to us, let us know how we did by visiting FastChangeCares.com

Recommend next service on 09/16/2019 or 251459

X

Cardholder acknowledges receipt of goods and/or services in the amount shown hereon and agrees to perform the obligations set forth in the Cardholder's agreement with the issuer.

FAST CHANGE LUBE & OIL #16

FAST CHANGE LUBE & OIL #16
324 WEST MAIN ST
INEZ, KY 41224
(606) 298-0764

DATE	6/20/2019 9:12 AM
TRANSACTION NO	19062016605545
INVOICE NO	16605545
VEHICLE ID	KY-C7930

Customer Information

Martin County Water
387 East main street
Inez, KY 41224 (606) 298-3885

Vehicle Information

2013 FORD F-150 PICKUP 8cyl 5.0L FI
VIN 1FTFW1EF9DKE05425 **MILEAGE** 207289
ALT ID

Service History

DATE	MILEAGE	SERVICES
6/20/19	207289	FS3 OF OIL HMT WB WB AF RSB
4/2/19	203693	FS3 OF OIL HMT LGT LGT RTS RTC RRD RFD
12/18/18	200245	FS3 OF OIL HMT OSC AF RFD RTC RRD RSB
6/21/18	188327	FS3 OF OIL RFD RTC RRD HMT RRS DEF DEF
4/9/18	178000	BAT
1/27/18	174333	FS3 OF OIL OSC AF
9/7/17	160941	FS3 OF OIL BAT

Fleet Information

MARTIN COUNTY WATER DISTRICT (MAR006-L)
HC 69 BOX 875
INEZ, KY 41224 (606) 298-3885

2019-06-035

REMIT TO ADDRESS
Fast Change Lube & Oil, Inc.
304 EAST MAIN ST. SUITE 2
INEZ KY. 41224
OFFICE (606)298-4051
FAX (606)298-5937

Employees

UPPER	LOWER	COURTESY	CASHIER	FINAL INSP
BJC	DAH1	BJC		DLS

Service Comments

PRE-SERVICE OIL LEVEL CHECK:
OIL LEVEL FULL ON ARRIVAL
FRAME DRIP DUE TO
OIL FILTER LOCATION
ALL PLUGS & FILTER
WAS DOUBLE CHECKED
THANK YOU!

Service Checklist

1. ENGINE OIL	REPLACED
2. OIL FILTER	REPLACED
3. CHASSIS LUBRICATION	COMPLETED
4. REAR DIFF FLUID	FULL
5. TRANS/TRANSAXLE FLUID	FULL
6. LIGHT CHECK	CHECKED
7. WIPER BLADES	REPLACED
8. AIR FILTER	REPLACED
9. BREATHER FILTER	N/A
10. PCV VALVE	N/A
11. POWER STEERING FLUID	FULL
12. BATTERY TEST	GOOD
13. COOLANT RESERVOIR FLUID	LEVEL OK
14. WINDSHIELD WASHER FLUID	ADDED
15. WINDSHIELD WASHED	COMPLETED
16. TIRE PRESSURE	F35 R35
17. TRANSFER CASE FLUID	FULL
18. FRONT DIFF FLUID	FULL
19. SERPENTINE BELT	INSPECTED

Description	Qty.	Price
41320 FULL SERVICE SYNTHETIC BLEND PHILLIPS 66	1.00	38.99
OF2222 OIL FILTER	1.00	0.00
P66 5W20 SHIELD CHOICE SYN BLEND OIL ILSAC GF-5/API/SN	7.70	16.17
HIGH MILEAGE TREATMENT	1.00	10.00
22" ANCO PROFILE WIPER BLADE	1.00	21.99
22" ANCO PROFILE WIPER BLADE	1.00	21.99
AF5642 AIR FILTER	1.00	18.99
REC. SERPENTINE BELT SERV	1.00	0.00
SUBTOTAL		$128.13
SALE		$128.13
TAXABLE PARTS	0.00	
KY. STATE SALES TAX (Exempt SD080106)		0.00
TOTAL		**$128.13**
CHARGE		128.13
CHANGE		**$0.00**

FAST CHANGE LUBE & OIL #16

FAST CHANGE LUBE & OIL #16
324 WEST MAIN ST
INEZ, KY 41224
(606) 298-0764

DATE	6/20/2019 9:12 AM
TRANSACTION NO	19062016605545
INVOICE NO	16605545
VEHICLE ID	KY-C7930

Customer Information

Martin County Water
387 East main street
Inez, KY 41224 (606) 298-3885

Vehicle Information

2013 FORD F-150 PICKUP 8cyl 5.0L FI
VIN 1FTFW1EF9DKE05425 **MILEAGE** 207289
ALT ID

Service History

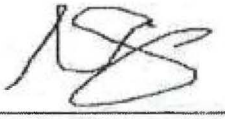
DATE	MILEAGE	SERVICES
6/20/19	207289	FS3 OF OIL HMT WB WB AF RSB
4/2/19	203693	FS3 OF OIL HMT LGT LGT RTS RTC RRD RFD
12/18/18	200245	FS3 OF OIL HMT OSC AF RFD RTC RRD RSB
6/21/18	188327	FS3 OF OIL RFD RTC RRD HMT RRS DEF DEF
4/9/18	178000	BAT
1/27/18	174333	FS3 OF OIL OSC AF
9/7/17	160941	FS3 OF OIL BAT

Warranty Statement

To view our Limited Warranty of Workmanship, please visit us at http://www.fastchangeonline.com

We realize you have a choice and we Thank You for choosing Fast Change Lube & Oil of Inez, KY. Your feedback is very important to us, let us know how we did by visiting FastChangeCares.com

Recommend next service on 09/18/2019 or 210289

X 

Cardholder acknowledges receipt of goods and/or services in the amount shown hereon and agrees to perform the obligations set forth in the Cardholder's agreement with the issuer.

FAST CHANGE LUBE & OIL #16

FAST CHANGE LUBE & OIL #16
324 WEST MAIN ST
INEZ, KY 41224
(606) 298-0764

DATE	6/21/2019 9:43 AM
TRANSACTION NO	19062116605557
INVOICE NO	16605557
VEHICLE ID	KY-D1490

Customer Information

Martin County Water
387 East Main Street
Inez, KY 41224 (606)

Vehicle Information

2017 DODGE/RAM 2500 PICKUP 8cyl 6.4L FI
VIN 3C6UR5HJ1HG680622 MILEAGE 46030
ALT ID

Service History

DATE	MILEAGE	SERVICES
6/21/19	46030	FS4 OF OIL OIL RAF RRD RFD
5/2/19	40930	FS4 OF OIL OIL RAF RFI RTR RRD RTC RFD
3/6/19	36461	FS4 OF OIL OIL
12/20/18	29400	FS4 OF OIL OIL RFD RRD RFI RTR
10/22/18	23766	FS4 OF OIL OIL RFD RRD RFI
8/8/18	20235	FS4 OF OIL OIL RRD RFD RFI
5/7/18	15579	FS4 OF OIL OIL

Fleet Information

MARTIN COUNTY WATER DISTRICT (MAR006-L)
HC 69 BOX 875
INEZ, KY 41224 (606) 298-3885

2019-06-036

REMIT TO ADDRESS
Fast Change Lube & Oil, Inc.
304 EAST MAIN ST. SUITE 2
INEZ KY. 41224
OFFICE (606)298-4051
FAX (606)298-5937

Employees

UPPER	LOWER	COURTESY	CASHIER	FINAL INSP
BJC	DAH1	BJC		BJC

Service Comments

PRE-SERVICE OIL LEVEL CHECK:
OIL LEVEL FULL ON ARRIVAL
FRAME DRIP DUE TO
OIL FILTER LOCATION
ALL PLUGS & FILTER
WAS DOUBLE CHECKED
THANK YOU!

Service Checklist

.. ENGINE OIL	REPLACED
2. OIL FILTER	REPLACED
3. CHASSIS LUBRICATION	COMPLETED
4. REAR DIFF FLUID	REC REPLCD
5. TRANS/TRANSAXLE FLUID	FULL
6. LIGHT CHECK	CHECKED
7. WIPER BLADES	CHECKED
8. AIR FILTER	REC REPLCD
9. BREATHER FILTER	N/A
10. PCV VALVE	N/A
11. POWER STEERING FLUID	FULL
12. BATTERY TEST	GOOD
13. COOLANT RESERVOIR FLUID	LEVEL OK
14. WINDSHIELD WASHER FLUID	ADDED
15. WINDSHIELD WASHED	COMPLETED
16. TIRE PRESSURE	F65 R65
17. TRANSFER CASE FLUID	FULL
18. FRONT DIFF FLUID	REC REPLCD
19. SERPENTINE BELT	INSPECTED

Description	Qty.	Price
41490 FULL SERVICE SYNTHETIC BOTTLED OIL	1.00	79.99
OF2222 OIL FILTER	1.00	0.00
MOBIL 1 SYNTHETIC 0W40	7.00	17.98
API SN,SM,SL,SJ	1.00	0.00
REC. AIR FILTER	1.00	0.00
REC. REAR DIFF SERVICE	1.00	0.00
REC. FRONT DIFF SERVICE	1.00	0.00
SUBTOTAL		$97.97
SALE		$97.97
TAXABLE PARTS	0.00	
KY. STATE SALES TAX (Exempt SD080106)		0.00
TOTAL		**$97.97**
CHARGE		97.97
CHANGE		**$0.00**

Warranty Statement

To view our Limited Warranty of Workmanship, please visit us at http://www.fastchangeonline.com

FAST CHANGE LUBE & OIL #16

FAST CHANGE LUBE & OIL #16
324 EAST MAIN ST
INEZ, KY 41224
(606) 298-0764

DATE	6/21/2019 9:43 AM
TRANSACTION NO	19062116605557
INVOICE NO	16605557
VEHICLE ID	KY-D1490

Customer Information

Martin County Water
387 East Main Street
Inez, KY 41224 (606)

Vehicle Information

2017 DODGE/RAM 2500 PICKUP 8cyl 6.4L FI
VIN 3C6UR5HJ1HG680622 MILEAGE 46030
ALT ID

Service History

DATE	MILEAGE	SERVICES
6/21/19	46030	FS4 OF OIL OIL RAF RRD RFD
5/2/19	40930	FS4 OF OIL OIL RAF RFI RTR RRD RTC RFD
3/6/19	36461	FS4 OF OIL OIL
12/20/18	29400	FS4 OF OIL OIL RFD RRD RFI RTR
10/22/18	23766	FS4 OF OIL OIL RFD RRD RFI
8/8/18	20235	FS4 OF OIL OIL RRD RFD RFI
5/7/18	15579	FS4 OF OIL OIL

We realize you have a choice and we Thank You for choosing Fast Change Lube & Oil of Inez, KY. Your feedback is very important to us, let us know how we did by visiting FastChangeCares.com

Recommend next service on 09/19/2019 or 49030 miles.

X

Cardholder acknowledges receipt of goods and/or services in the amount shown hereon and agrees to perform the obligations set forth in the Cardholder's agreement with the issuer.

KENTUCKY UNDERGROUND PROTECTION, INC.
D/B/A KENTUCKY 811

STATEMENT

Statement Date: Aug 2, 2019
Customer Account ID: 0385

Voice: 502-266-5677
Fax: 502-493-6161

To:

MARTIN COUNTY WATER
387 E MAIN ST, STE 140
INEZ, KY 41224

Amount Enclosed
$ _____

Date	Due Date	Reference	Paid	Description	Amount	Balance
7/17/18	8/16/18	200637837			136.50	2,076.70
8/16/18	9/15/18	200638187			180.00	2,256.70
9/18/18	10/18/18	200638539			79.50	2,336.20
10/16/18	11/15/18	200638895	Full		60.00	2,396.20
11/19/18	12/19/18	200639244	Full		54.00	2,450.20
12/11/18	1/10/19	200639602	Full		36.00	2,486.20
12/19/18		DEP121918		Payment	-1,766.60	719.60
1/18/19	2/17/19	200639949	Full		57.00	776.60
2/15/19	3/17/19	200640296	Full		54.00	830.60
3/25/19	4/24/19	200640711	Full		33.00	863.60
4/8/19		DEP4819		Payment	-33.00	830.60
4/11/19	5/11/19	200641066	Full		48.00	878.60
4/15/19		DEP41519		Payment	-90.00	788.60
4/26/19		DEP42619		Payment	-57.00	731.60
5/3/19		DEP5319		Payment	-48.00	683.60
5/22/19	6/21/19	200641428	Full		33.00	716.60
6/10/19		DEP61019		Payment	-147.00	569.60
6/20/19	7/20/19	200641778	Full		43.50	613.10
7/8/19		DEP7819		Payment	-136.50	476.60
7/15/19	8/14/19	200642132			100.50	577.10
					TOTAL	~~577.10~~

less 41.60
535.50

0-30	31-60	61-90	Over 90 days
100.50	0.00	0.00	476.60

KENTUCKY UNDERGROUND PROTECTION, INC.
D/B/A KENTUCKY 811

STATEMENT

Statement Date: Aug 2, 2019
Customer Account ID: 0385

Voice: 502-266-5677
Fax: 502-493-6161

To:

MARTIN COUNTY WATER
387 E MAIN ST, STE 140
INEZ, KY 41224

Amount Enclosed
$ _____

Date	Due Date	Reference	Paid	Description	Amount	Balance
7/15/16	8/14/16	200629650	Full		72.00	587.20
8/15/16	9/14/16	200629985	Full		62.40	649.60
9/14/16	10/14/16	200630319	Full		115.20	764.80
10/10/16	11/9/16	200630655	Full		68.80	833.60
11/17/16	12/17/16	200630985	Full		104.00	937.60
12/15/16	1/14/17	200631307	Full		57.60	995.20
1/17/17	2/16/17	200631648	Full		30.40	1,025.60
2/17/17	3/19/17	200631984	Full		36.80	1,062.40
3/17/17	4/16/17	200632318	Full		52.80	1,115.20
4/18/17	5/18/17	200632658	Full		70.40	1,185.60
5/19/17	6/18/17	200633008	Full		78.40	1,264.00
6/16/17	7/16/17	200633352	Full		104.00	1,368.00
7/17/17	8/16/17	200633695	Full		60.80	1,428.80
8/14/17	9/13/17	200634036	Full		72.00	1,500.80
9/14/17	10/14/17	200634387	Full		59.20	1,560.00
10/18/17	11/17/17	200634730	Full		33.60	1,593.60
11/13/17	12/13/17	200635075	Full		54.40	1,648.00
12/21/17	1/20/18	200635421	Full		40.00	1,688.00
1/15/18	2/14/18	200635762	Full		27.20	1,715.20
2/19/18	3/21/18	200636106	Full		93.00	1,808.20
3/15/18	4/14/18	200636446	Full		19.50	1,827.70
4/16/18	5/16/18	200636786	Full		31.50	1,859.20
5/17/18	6/16/18	200637136	Full		42.00	1,901.20
6/15/18	7/15/18	200637487			39.00	1,940.20
					TOTAL	**Continued**

0-30	31-60	61-90	Over 90 days
100.50	0.00	0.00	476.60

LINDA F. SUMPTER, CPA, PSC
910 BLACKBERRY ROAD
INEZ, KY 41224

Voice: 606-298-4189
Fax: 606-298-5982

Statement

Statement Date
Aug 2, 2019

Customer Account ID
1MC WATER DISTRICT

Account Of: MARTIN COUNTY WATER DISTRICT
387 EAST MAIN STREET
INEZ, KY 41224

Amount Enclosed
$_____

Date	Due Date	Reference	Paid	Description	Amount	Balance
8/21/14				Balance Fwd		52,500.00
8/31/14	9/30/14	2014-951			3,500.00	56,000.00
9/30/14	11/15/14	2014-1052			3,500.00	59,500.00
10/31/14	11/30/14	2014-1124			3,500.00	63,000.00
11/30/14	12/30/14	2014-1186			3,500.00	66,500.00
12/31/14	1/30/15	2015-0048			3,500.00	70,000.00
1/31/15	3/2/15	2015-0279			3,500.00	73,500.00
2/1/15		11310		Payment	-3,500.00	70,000.00
2/28/15	3/30/15	2015-0529			3,500.00	73,500.00
3/4/15		11378		Payment	-3,500.00	70,000.00
3/31/15	4/30/15	2015-0700			3,500.00	73,500.00
4/13/15		11478		Payment	-3,500.00	70,000.00
4/30/15	5/30/15	2015-0780			3,500.00	73,500.00
5/4/15		11559		Payment	-3,500.00	70,000.00
5/31/15	6/30/15	2015-0844	Full		3,500.00	73,500.00
6/15/15		11643		Payment	-3,500.00	70,000.00
6/15/15		11665		Payment	-3,500.00	66,500.00
6/30/15	7/30/15	2015-0906			3,500.00	70,000.00
7/9/15		11756		Payment	-7,000.00	63,000.00
7/9/15		11755		Payment	-3,500.00	59,500.00
7/31/15	8/30/15	2015-0992	Full		3,500.00	63,000.00
8/31/15	9/30/15	2015-1074			3,500.00	66,500.00
9/30/15	10/30/15	2015-1169			3,500.00	70,000.00

Total	Continued

0 - 30	31 - 60	61 - 90	Over 90 days
0.00	0.00	0.00	175,650.00

LINDA F. SUMPTER, CPA, PSC
910 BLACKBERRY ROAD
INEZ, KY 41224

Voice: 606-298-4189
Fax: 606-298-5982

Statement

Statement Date
Aug 2, 2019

Customer Account ID
1MC WATER DISTRICT

Account Of MARTIN COUNTY WATER DISTRICT
387 EAST MAIN STREET
INEZ, KY 41224

Amount Enclosed
$_____

Date	Due Date	Reference	Paid	Description	Amount	Balance
10/31/15	11/30/15	2015-1242			3,500.00	73,500.00
11/30/15	12/30/15	2015-1313			3,500.00	77,000.00
12/9/15		12131		Payment	-3,500.00	73,500.00
12/31/15	1/30/16	2015-1336			3,500.00	77,000.00
1/4/16		12185		Payment	-3,500.00	73,500.00
1/31/16	2/29/16	2016-0004			3,500.00	77,000.00
2/28/16		12307		Payment	-3,500.00	73,500.00
2/29/16	3/30/16	2016-0373			3,500.00	77,000.00
3/31/16	4/30/16	2016-0602			3,500.00	80,500.00
4/30/16	4/30/16	2016-0638			3,500.00	84,000.00
5/31/16	5/31/16	2016-0761			3,500.00	87,500.00
6/30/16	6/30/16	2016-0833			3,500.00	91,000.00
7/31/16	7/31/16	2016-0909			3,500.00	94,500.00
8/19/16		12532		Payment	-3,500.00	91,000.00
8/31/16	8/31/16	2016-0989			3,500.00	94,500.00
9/30/16	9/30/16	2016-1090			3,500.00	98,000.00
10/31/16	10/31/16	2016-1171			3,500.00	101,500.00
11/30/16	11/30/16	2016-1243			3,500.00	105,000.00
12/6/16		12835		Payment	-3,500.00	101,500.00
12/30/16	12/30/16	2016-1306			3,500.00	105,000.00
1/1/17		CM062718	Apld	Credit Memo	-3,500.00	101,500.00
1/1/17		CM010117-1	Apld	Credit Memo	-3,500.00	98,000.00
1/1/17		CM010117-2	Apld	Credit Memo	-3,500.00	94,500.00

Total	Continued

0 - 30	31 - 60	61 - 90	Over 90 days
0.00	0.00	0.00	175,650.00

LINDA F. SUMPTER, CPA, PSC
910 BLACKBERRY ROAD
INEZ, KY 41224

Voice: 606-298-4189
Fax: 606-298-5982

Statement

Statement Date
Aug 2, 2019

Customer Account ID
1MC WATER DISTRICT

Account Of: MARTIN COUNTY WATER DISTRICT
387 EAST MAIN STREET
INEZ, KY 41224

Amount Enclosed
$_____

Date	Due Date	Reference	Paid	Description	Amount	Balance
1/31/17	1/31/17	2017-0197			3,500.00	98,000.00
2/28/17	2/28/17	2017-0392			3,500.00	101,500.00
3/31/17	3/31/17	2017-0564			3,500.00	105,000.00
4/30/17	4/30/17	2017-0651			3,500.00	108,500.00
5/31/17	5/31/17	2017-0732			3,500.00	112,000.00
6/30/17	6/30/17	2017-0806			3,500.00	115,500.00
7/31/17	7/31/17	2017-0878			3,500.00	119,000.00
8/31/17	8/31/17	2017-0964			3,500.00	122,500.00
9/30/17	9/30/17	2017-1030			3,500.00	126,000.00
10/31/17	10/31/17	2017-1146			3,500.00	129,500.00
11/30/17	11/30/17	2017-1211			3,500.00	133,000.00
12/31/17	12/31/17	2017-1230			3,500.00	136,500.00
1/31/18	1/31/18	2018-0071			3,500.00	140,000.00
2/28/18	2/28/18	2018-0408			3,500.00	143,500.00
3/31/18	3/31/18	2018-0426			3,500.00	147,000.00
4/30/18	4/30/18	2018-0538			3,500.00	150,500.00
5/31/18	5/31/18	2018-0707			3,500.00	154,000.00
6/30/18	6/30/18	2018-0726			3,500.00	157,500.00
7/31/18	7/31/18	2018-0771			3,500.00	161,000.00
8/31/18	8/31/18	2018-0867			3,500.00	164,500.00
9/30/18	9/30/18	2018-1035			3,500.00	168,000.00
10/31/18	10/31/18	2018-1049			3,500.00	171,500.00
11/30/18	11/30/18	2018-1144			3,500.00	175,000.00

Total	Continued

0 - 30	31 - 60	61 - 90	Over 90 days
0.00	0.00	0.00	175,650.00

LINDA F. SUMPTER, CPA, PSC
910 BLACKBERRY ROAD
INEZ, KY 41224

Voice: 606-298-4189
Fax: 606-298-5982

Statement

Statement Date
Aug 2, 2019

Customer Account ID
1MC WATER DISTRICT

Account Of: MARTIN COUNTY WATER DISTRICT
387 EAST MAIN STREET
INEZ, KY 41224

Amount Enclosed
$_____

Date	Due Date	Reference	Paid	Description	Amount	Balance
12/31/18	12/31/18	2018-1161	Full		3,500.00	178,500.00
1/31/19	1/31/19	2019-0197	Full		3,500.00	182,000.00
2/28/19	2/28/19	2019-0395	Full		1,750.00	183,750.00
3/15/19		14265		Payment	-3,500.00	180,250.00
3/31/19	3/31/19	2019-0558	Full		650.00	180,900.00
4/30/19	4/30/19	2019-0624			650.00	181,550.00
5/4/19		14363		Payment	-3,500.00	178,050.00
5/4/19		14391		Payment	-1,750.00	176,300.00
5/31/19	5/31/19	2019-0688	Full		950.00	177,250.00
6/14/19		14429		Payment	-650.00	176,600.00
8/2/19		10575		Payment	-950.00	175,650.00

Total	175,650.00

0 - 30	31 - 60	61 - 90	Over 90 days
0.00	0.00	0.00	175,650.00

Martin County Water -Debit and Credit

Number	Date	Description of Transaction	C	Debit (-)	Credit (+)	Balance
	12/1/17	Invoice # 11302017 - R 10/26/2017 - 11/27/2017		$3,094.40		-$3,094.40
	1/1/18	Invoice # 12312017 - R 11/27/2017 - 12/26/2017		$7,039.10		-$10,133.50
	2/1/18	Invoice # 1312018 - R 12/26/2017 - 1/26/2018		$23,312.00		-$33,445.50
	2/20/18	Payment Check Number 13569			$12,000.00	-$21,445.50
	3/1/18	Invoice # 2282018 - R 1/26/2018 - 2/26/2018		$14,021.30		-$35,466.80
	4/1/18	Invoice # 3312018 - R 2/26/2018 - 3/26/2018		$3,268.55		-$38,735.35
	5/1/18	Invoice # 4302018 - R 3/27/20118 - 4/25/2018		$4,957.40		-$43,692.75
	5/30/18	Payment Check Number 13816			$9,168.00	-$34,524.75
	6/1/18	Invoice # 5312018 - R 4/25/2018 - 5/25/2018 Credit			$1,227.35	-$33,297.40
	7/1/18	Invoice # 6302018 - R 5/25/2018 - 6/26/2018		$8,286.50		-$41,583.90
	8/1/18	Invoice # 7312018 - R 6/26/2018 - 7/25/2018		$6,079.25		-$47,663.15
	9/1/18	Invoice # 8312018 - R 7/25/2018 - 8/27/2018		$6,265.55		-$53,928.70
	10/1/18	Invoice # 9302018 - R 8/27/2018 - 9/25/2018		$8,885.90		-$62,814.60
	11/1/18	Invoice # 10302018 - R 9/25/2018 - 10/26/2018		$11,299.70		-$74,114.30
	11/16/18	Payment Check Number 1039			$28,000.00	-$46,114.30
	12/1/18	Invoice # 11302017 10/26/2018 - 11/27/2018		$14,138.75		-$60,253.05
	1/1/19	Invoice # 12312018 11/27/2018 - 12/27/2018		$11,000.00		-$71,253.05
	2/1/19	Invoice # 1312019 12/27/2018 - 1/28/2019		$567.20		-$71,820.25
	2/2/19	Payment Check Number 1040 (1312018-2282018-33118)			$10,735.35	-$61,084.90
	2/15/19	Payment Check Number 14225 (12/27/2018 - 1/26/2019)			$567.20	-$60,517.70
	3/1/19	Invoice # 2282019 1/28/2019 - 2/25/2019 Credit			$708.95	-$59,808.75
	3/14/19	Payment Check Number 14290 (6302018R7312018R8312018R)			$20,631.30	-$39,177.45
	4/1/19	Invoice # 3252019 2/25/2019 - 3/25/2019		$2,276.30		-$41,453.75
	5/1/19	Invoice # 4252019 3/25/2019 - 4/25/2019 Credit			$4,228.40	-$37,225.35
	6/1/19	Invoice # 5282019 4/25/2019 - 5/28/2019 Credit			$3,228.05	-$33,997.30
	7/1/19	Invoice # 6242019 5/28/2019 - 6/24/2019 Credit			$4,070.45	-$29,926.85

Statement

Date
8/1/2019

Remit to:
Service Pump & Supply
PO Box 2097
Huntington, WV 25721
(304) 429-6731

MARTIN COUNTY WATER #1
387 East Main St
Suite 140
Inez, KY 41224
USA

Invoice Number	Date	Customer PO Number	Status	Days Past Due	Balance
CI-0000007157	02-14-2018	cod-check	Open	533	$2,096.66
CI-0000007423	03-05-2018	COD	Open	514	$666.00
CI-0000007513	03-14-2018	cod-check	Open	505	$1,941.80
CI-0000008607	04-27-2018	COD	Open	461	$666.00
CI-0000008813	05-14-2018	VERBAL/RAINBOW	Open	444	$1,535.64
CI-0000008971	05-30-2018	COD	Open	428	$666.00
CI-0000009110	06-07-2018	cod-check	Open	420	$2,719.50
CI-0000009268	06-22-2018	COD	Open	405	$666.00
CI-0000009406	06-29-2018		Open	398	$213.29
CI-0000009453	07-05-2018	cod-check	Open	392	$2,719.50
CI-0000010183	08-29-2018	cod-check	Open	337	$2,719.50
CI-0000011162	11-15-2018	PO-2018-250	Open	229	$2,631.55
CI-0000011361	12-05-2018	PO-2018-250	Open	209	$3,041.55

Current Balance	1-30 Days Past Due	31-60 Days Past Due	61-90 Days Past Due	Over 90 Days Past Due	Total Balance
$ .00	$ .00	$ .00	$ .00	$22,282.99	$22,282.99

Soles Electric Company
212 17th Street
Huntington, WV 25703

STATEMENT

Cust No.:	003032
Statement Date:	08/02/19
Page:	1

To:

Customer Number: 003032
MARTIN COUNTY WATER
OPERATION & MAINTENANCE
387 E MAIN ST SUITE 140
INEZ, KY 41224

Inv Date	Due Date	Typ	Invoice	PO Number	Amount	Payment	Balance
03/28/18	04/27/18	Inv	0062309		8,686.00	-6,042.00	2,644.00
11/29/18	12/29/18	Inv	0064000		15,800.00	.00	15,800.00
06/10/19	07/10/19	Inv	0065256		150.00	.00	150.00

Thank You For Your Business

Current	30-Days	60-Days	90-Days	Balance
.00	150.00	.00	18,444.00	18,594.00

CUSTOMER

TECH2000, INC.
P.O. BOX 1479
PRESTONSBURG, KY 41653
(859) 514-0778
Cellular: (859) 533-9679

INVOICE

Customer Number:	Invoice Date:	PO Number:	Invoice Number:
8873	4/11/2019		17252389

Bill To:

Martin County Water District
387 East Main Street
Suite 140
Inez, KY 41224
(606) 298-4189

Location:

Martin County Water District
387 East Main Street
Suite 140
Inez, KY 41224
(606) 298-4189

Ship Via:	Terms:	Salesperson:	Tax Number:	Hourly Rate:	Job Type:
Deliver	Net 30	Kevin		$60.00	Material & Labor

Item	Qty		MHR	Tax	Sales Price	Extension
8869818950	1	DELL TOWER CORE I3 SYSTEM WITH 8GB, 1TB INTERNAL SATA DRIVE, WINDOWS 7 (FOR COMPATIBILITY WITH TELEMETRY SOFTWARE), 2 PORT PCIE SERIAL ADAPTER, VIDEO ADAPTER. (PLANT TELEMETRY SYSTEM)	0	No	$899.00	$899.00

Received By:_____ Date:_____

Please Note: Special orders, service fees, and shipping charges are not refundable. A 2% per month (24% per annum) service charge may be applied to all overdue.

Past Due

Subtotal:	$899.00
Sales Tax:	$0.00
Shipping and Handling:	$0.00
C.O.D:	$0.00
Labor:	$0.00
MHR Labor:	$0.00
Total Invoice:	$899.00

Thank You

TECH2000, INC.
P.O. BOX 1479
PRESTONSBURG, KY 41653
(859) 514-0778
Cellular: (859) 533-9679

INVOICE

Customer Number:	Invoice Date:	PO Number:	Invoice Number:
8873	4/23/2019		17268390

Bill To:
Martin County Water District
387 East Main Street
Suite 140
Inez, KY 41224
(606) 298-4189

Location:
Martin County Water District
387 East Main Street
Suite 140
Inez, KY 41224
(606) 298-4189

Ship Via:	Terms:	Salesperson:	Tax Number:	Hourly Rate:	Job Type:
Deliver	Net 30	Kevin		$60.00	Material & Labor

Item	Qty		MHR	Tax	Sales Price	Extension
03221	1	DELL INSPIRON TOWER COMPUTER SYSTEM WITH CORE I5 PROCESSOR 8TH GEN, 12GB RAM, 1 TB HDD, WINDOWS10, 2 PORT SERIAL ADAPTER FOR AMR EQUIPMENT COMPATIBILITY	0	No	$739.00	$739.00
03522	1	MS OFFICE HOME AND BUSINESS 2016 FOR MARCIE'S SYSTEM	0	No	$139.00	$139.00
SERVICE	1	4/16/19 - 5:00PM TO 8:00PM / IN OFFICE SERVICE. SETUP MARCIE'S EXISTING COMPUTER SYSTEM. BACKED UP ALL FILES FROM EXISTING SYTSEM. SETUP NEW SYSTEM. RESTORED FILES, SETUP E-MAIL ETC.	0	No	$180.00	$180.00
SERVICE	1	4/17/19 - 1:15PM TO 4:00PM / ON-SITE / INSTALLED MARCIE'S NEW SYSTEM. SETUP PRINTER, CONNECTION TO SERVER,SETUP SCANNING FROM COPIER, DISCUSSED SENSUS SOFTWARE WITH SENSUS SUPPORT. INSTALL SENSUS	0	No	$165.00	$165.00
TRAVEL	1	4/17/19 - TRAVEL / MARTIN CO. COST SHARED WITH ANOTHER CLIENT	0	No	$35.00	$35.00
03221	1	ACROPRINT TIME CLOCK SOFTWARE V 4 FOR COMPATIBILITY WITH NEW SYSTEM INCLUDES SUPPORT	0	No	$199.00	$199.00

Received By:_____ Date:_____

Please Note: Special orders, service fees, and shipping charges are not refundable. A 2% per month (24% per annum) service charge may be applied to all overdue.

Past Due

Subtotal:	$1,457.00
Sales Tax:	$0.00
Shipping and Handling:	$0.00
C.O.D:	$0.00
Labor:	$0.00
MHR Labor:	$0.00
Total Invoice:	$1,457.00

Thank You

TECH2000, INC.
P.O. BOX 1479
PRESTONSBURG, KY 41653
(859) 514-0778
Cellular: (859) 533-9679

INVOICE

Customer Number:	Invoice Date:	PO Number:	Invoice Number:
8873	6/20/2019		17305391

Bill To:
Martin County Water District
387 East Main Street
Suite 140
Inez, KY 41224
(606) 298-4189

Location:
Martin County Water District
387 East Main Street
Suite 140
Inez, KY 41224
(606) 298-4189

Ship Via:	Terms:	Salesperson:	Tax Number:	Hourly Rate:	Job Type:
Deliver	Net 30	Kevin		$60.00	Material & Labor

Item	Qty		MHR	Tax	Sales Price	Extension
SERVICE	1	5/17/19 - 3:30PM TO 4:00PM / BEGAN WORK ON MINIMUM BILLS WITH USAGE WASTE WATER REPORT. REQUESTED BY MARCIE. ADDED SOURCE TABLE, REPORT FORM ETC.	0	No	$30.00	$30.00
SERVICE	1	5/22/19 - 12:00PM TO 2:30PM / CONTINUED WORK ON REQUESTED REPORT. ADDED CODE TO DETERMINE USAGE BY RATE TYPE, RATE TYPES, RATE AMOUNTS, BILLS LESS THAN OR EQUAL TO MINIMUM OF GRADUATED RATES. SEPARATED FLAT RATES. PRODUCED REPORT	0	No	$150.00	$150.00
SERVICE	1	5/22/19 - 9:30PM TO 10:00PM / UPLOADED CHANGES AS DATABASE. LINKED TO DATA AND TESTED	0	No	$30.00	$30.00

Received By:_____ Date:_____

Please Note: Special orders, service fees, and shipping charges are not refundable. A 2% per month (24% per annum) service charge may be applied to all overdue.

Subtotal:	$210.00
Sales Tax:	$0.00
Shipping and Handling:	$0.00
C.O.D:	$0.00
Labor:	$0.00
MHR Labor:	$0.00
Total Invoice:	$210.00

Thank You

TECH2000, INC.
P.O. BOX 1479
PRESTONSBURG, KY 41653
(859) 514-0778

Cellular: (859) 533-9679

INVOICE

Customer Number:	Invoice Date:	PO Number:	Invoice Number:
8873	6/20/2019		17313391

Bill To:

Martin County Water District
387 East Main Street
Suite 140
Inez, KY 41224
(606) 298-4189

Location:

Martin County Water District
387 East Main Street
Suite 140
Inez, KY 41224
(606) 298-4189

Ship Via:	Terms:	Salesperson:	Tax Number:	Hourly Rate:	Job Type:
Deliver	Net 30	Kevin		$60.00	Material & Labor

Item	Qty		MHR	Tax	Sales Price	Extension
SERVICE	1	5/27/19 - 7:00PM TO 8:00PM / REVIEWED MINIMUM BILLING REPORTS ADDED MINIMUM BILLINGS WASTE WATER BY METER SIZE AND BY USAGE GROUPED. CREATED SOURCE AND INSTALLED (REQUESTED BY MARCIE)	0	No	$60.00	$60.00

Received By:_____ Date:_____

Please Note: Special orders, service fees, and shipping charges are not refundable. A 2% per month (24% per annum) service charge may be applied to all overdue.

Subtotal:	$60.00
Sales Tax:	$0.00
Shipping and Handling:	$0.00
C.O.D:	$0.00
Labor:	$0.00
MHR Labor:	$0.00
Total Invoice:	$60.00

Thank You

TECH2000, INC.
P.O. BOX 1479
PRESTONSBURG, KY 41653
(859) 514-0778

Cellular: (859) 533-9679

INVOICE

Customer Number:	Invoice Date:	PO Number:	Invoice Number:
8873	7/19/2019		17324394

Bill To:

Martin County Water District
387 East Main Street
Suite 140
Inez, KY 41224
(606) 298-4189

Location:

Martin County Water District
387 East Main Street
Suite 140
Inez, KY 41224
(606) 298-4189

Ship Via:	Terms:	Salesperson:	Tax Number:	Hourly Rate:	Job Type:
Deliver	Net 30	Kevin		$60.00	Material & Labor

Item	Qty		MHR	Tax	Sales Price	Extension
TRAVEL	1	6/28/19 - TRAVEL FEE ONLY / DISCUSSED METER READS AMR NOTEBOOK REPLACEMENT WITH MARCIE. SETUP REMOTEPC ON KATRINA'S COMPUTER SYSTEM. DISCUSSED RECONCILIATION SPREADSHEETS IMBALANCE WITH HELEN	0	No	$120.00	$120.00

Received By:_____ Date:_____

Please Note: Special orders, service fees, and shipping charges are not refundable. A 2% per month (24% per annum) service charge may be applied to all overdue.

Subtotal:	$120.00
Sales Tax:	$0.00
Shipping and Handling:	$0.00
C.O.D:	$0.00
Labor:	$0.00
MHR Labor:	$0.00
Total Invoice:	$120.00

Thank You

Invoice Statement

INVOICE NUMBER: 60320178
ACCOUNT NAME: Martin County Water District

ACCOUNT NUMBER	CREDIT LIMIT	DAYS THIS PERIOD	BILL CLOSING DATE	PAYMENT DUE DATE	AMOUNT DUE
7560-00-132912-7	9,000.00	30	JUL-15-2019	AUG-06-2019	3,317.27

DATE	ACTIVITY DESCRIPTION	CHARGES/DEBITS	PAYMENTS/CREDITS
JUL-03-2019	Payment - Thank You		3,644.88
JUL-15-2019	Fuel Purchases	3,313.54	
JUL-15-2019	Other Purchases	16.56	
JUL-15-2019	Rebates and Rebate Reversals		12.83

REMINDER
PLEASE BE SURE TO INCLUDE REMITTANCE STUB WITH PAYMENT. MAIL TO THE ADDRESS SHOWN IN THE RIGHT PORTION OF THE REMITTANCE STUB.

PURCHASES, RETURNS AND PAYMENTS MADE JUST PRIOR TO BILLING DATE MAY NOT APPEAR UNTIL THE NEXT INVOICE/STATEMENT.

PREVIOUS BALANCE	(-)PAYMENTS	(+)ACTIVITY THIS PERIOD	(-)SAVINGS THIS PERIOD	(=)NEW BALANCE
3,644.88	3,644.88	3,330.10	12.83	3,317.27

CALL CUSTOMER SERVICE TO PAY BY PHONE
FEDERAL TAX ID: 841425616

SEE REVERSE SIDE FOR IMPORTANT INFORMATION AND TERMS.
TO ENSURE PROPER CREDIT, TEAR AT PERFORATION AND INCLUDE BOTTOM PORTION WITH YOUR PAYMENT.

ACCOUNT NAME	Martin County Water
ACCOUNT NUMBER	7560-00-132912-7
INVOICE NUMBER	60320178
BILL CLOSING DATE	JUL-15-2019
AMOUNT DUE	3,317.27
AMOUNT ENCLOSED	
PAYMENT DUE DATE	AUG-06-2019

PAYMENTS RECEIVED AFTER THIS DATE SUBJECT TO FINANCE CHARGE.

Marathon Fleet

Fax change of address request to 1-800-395-0809.
Make check payable to: WEX BANK
Use enclosed envelope or send to:

WEX BANK
P.O. BOX 6293
CAROL STREAM IL 60197-6293

7560001329127600000331727 190806

xylem
Let's Solve Water
godwin

Account Statement

Karra, VenkatNag
Credit Department
Phone/Fax:
Email:VenkatNag.Karra@xyleminc.com

Statement Date :08/05/2019
Account Number :5233193-9238

Statement for:
Martin County Water District
387 E MAIN ST STE 140
INEZ, KY 41224-8023

Document No.	Document Date	Purchase Order No.	No. of Days Past Due.	Net Due Date	Transaction Currency	Amount in Functional Currency (USD)	Payment Terms	Sales Order S.O	Comments
400565628	12/11/2015		1303	01/10/2016	USD	1,466.20			Reason for short pay
400572779	01/08/2016		1275	02/07/2016	USD	8,227.20	NET 30	208009104	Reason for short pay
400590113	03/14/2016		1209	04/13/2016	USD	375.00	NET 30	208009104	Payment status
400595623	04/01/2016		1191	05/01/2016	USD	4,257.60	UPON RECEIPT		Payment status
400842992	09/07/2018	PD W/CHK 1401	331	09/08/2018	USD	168.30	UPON RECEIPT	208018240	Reason for short pay
400851714	10/03/2018	PD W/CHK 1401	305	10/04/2018	USD	14,659.55	UPON RECEIPT	208018240	Reason for short pay
400860851	10/31/2018		277	11/01/2018	USD	15,659.55	UPON RECEIPT	208018240	Payment status
400869038	11/28/2018		249	11/29/2018	USD	15,659.55	UPON RECEIPT	208018240	Payment status
400876892	12/26/2018		221	12/27/2018	USD	15,659.55	UPON RECEIPT	208018240	Payment status
400882520	01/17/2019		199	01/18/2019	USD	1,613.50	UPON RECEIPT	208018240	Payment status
400930942	07/09/2019	Check #14374	26	07/10/2019	USD	15,659.55	UPON RECEIPT	208019791	Payment status
					Total Outstanding:	93,405.55			

* Indicates that several Purchase Orders were billed under the invoice document number shown.

SECURITY DEPOSIT REFUND
REQUEST AND AUTHORIZATION

CUSTOMER: Bryon DiMeglio
ADDRESS: 4416 Featherwood Drive
Harrison, OH. 45030

ACCOUNT #: 1-001416

Customer hereby requests a refund of the Security Deposit for the above account. He/she understands that no refund will be disbursed until all account balances have been satisfied by payment in full. If an account currently has a balance due, the amount will be deducted from the Security Deposit Refund. If the account balance exceeds the Security Deposit, the deposit, in its entirety, will be applied to the account and the Customer will be billed the remainder.

By Phone
Customer Signature

7-02-19
Date

****

For Office Use Only

Initial Customer Deposit	$ 90.00
Less Remaining Account Balance	(38.51)
Subtotal	51.49
Security Deposit Refund	$
Amount Due from Customer	$

Date of Authorization: _____ BY: _____

New DB Customer $90.00

SECURITY DEPOSIT REFUND

REQUEST AND AUTHORIZATION

CUSTOMER: Windwright Evans

ADDRESS: 8153 Riverfront Rd
Lovely, KY 04231

ACCOUNT #: 16-00248

Customer hereby requests a refund of the Security Deposit for the above account. He/she understands that no refund will be disbursed until all account balances have been satisfied by payment in full. If an account currently has a balance due, the amount will be deducted from the Security Deposit Refund. If the account balance exceeds the Security Deposit, the deposit, in its entirety, will be applied to the account and the Customer will be billed the remainder.

Brad Evans — 12/14/18

Customer Signature — Date

****

For Office Use Only

Initial Customer Deposit $ 90.00

Less Remaining Account Balance (Ø)

Subtotal _____

Security Deposit Refund $_____

Amount Due from Customer $_____

FAXED 12/21/18 emailed

Date of Authorization: _____ BY: _____

EXHIBIT #5

C.I. Thornburg

Invoice

INVOICE DATE	INVOICE NUMBER
01/11/2018	S100041560.001

REMIT TO:
THE C.I. THORNBURG CO., INC.
P.O. BOX 2163
HUNTINGTON, WV 25722

PAGE NO.
1 of 2

BILL TO:

MARTIN CO. WATER DIST. #1
387 EAST MAIN ST SUITE 140
INEZ, KY 41224

SHIP TO:

MARTIN CO. WATER DIST. #1
14 FLAT HOLLOW
RT 908 TURKEY ROAD
INEZ, KY 41224

CUSTOMER NUMBER	CUSTOMER PO NUMBER	JOB NAME / RELEASE NUMBER	SALESPERSON
5153	2018-005		Mark Underwood

WRITER	SHIP VIA	TERMS	SHIP DATE	ORDER DATE
Dick Simmons	ROUTE 23 SOUTH	**** C O D ****	01/11/2018	01/09/2018

ORDER QTY	SHIP QTY	DESCRIPTION	UNIT PRICE	EXT PRICE
313gl	313gl	RQ, UN1791, HYPOCHLORITE SOLUTIONS, 8, PG III, TOTE (12.5% SODIUM HYPOCHLORITE) CERTIFIED TO * NSF/ ANSI 60 * WT OF CONTAINERS FULL _____ WT OF CONTAINERS EMPTY _____ MAXIUM USE 60 MG/L LOT#_____MFR.DATE_____ REPACKAGE DATE _____	1.851/ea	579.38
3261lb	3261lb	RQ, UN1778, FLUOROSILICIC ACID, 8, PG II, (HYDROFLUOROSILICIC ACID SOLUTION) TOTE WT OF CONTAINER(S) FULL_____ WT OF CONTAINER(S) RETURNED_____	0.550/ea	1793.55
1ea	1ea	UN3214, PERMANGANATES 15% INORGANIC AQUEOUS SOLUTIONS, N.O.S., 5.1, PGII, 510LB NRD,(SODIUM PERMANGANATE 15%	600.000/ea	600.00
1ea	1ea	FUEL SURCHARGE	73.000/ea	73.00
		Prior Deposit on 01/12/2018 -2994.38 Prior Deposit on 02/20/2018 -12.30 Prior Deposit on 06/18/2018 -39.25		

** REPRINT ** REPRINT ** REPRINT

Subtotal	
S&H Charges	
Tax	
Payments	
Amount Due	

Printed By: VOOCAR on 8/1/2019 7:42:01 AM

C.I. Thornburg

Invoice

INVOICE DATE	INVOICE NUMBER
01/11/2018	S100041560.001

REMIT TO:
THE C.I. THORNBURG CO., INC.
P.O. BOX 2163
HUNTINGTON, WV 25722

BILL TO:

MARTIN CO. WATER DIST. #1
387 EAST MAIN ST SUITE 140
INEZ, KY 41224

SHIP TO:

MARTIN CO. WATER DIST. #1
14 FLAT HOLLOW
RT 908 TURKEY ROAD
INEZ, KY 41224

CUSTOMER NUMBER	CUSTOMER PO NUMBER	JOB NAME / RELEASE NUMBER	SALESPERSON
5153	2018-005		Mark Underwood

WRITER	SHIP VIA	TERMS	SHIP DATE	ORDER DATE
Dick Simmons	ROUTE 23 SOUTH	**** C O D ****	01/11/2018	01/09/2018

ORDER QTY	SHIP QTY	DESCRIPTION	UNIT PRICE	EXT PRICE
		01-11-2018 11:25:21 AM S100041560.001 Tom Tom		

**** REPRINT ** REPRINT ** REPRINT**
Invoice is due by 01/11/2018

Past Due Invoices may be subject to 1.50% late charge.

Subtotal	3045.93
S&H Charges	0.00
Tax	0.00
Payments	-3045.93
Amount Due	0.00

No returns without proper written authorization. Return material subject to restocking, handling, and freight charges. Warranties limited to those provided by manufacturer. As of December 31, 2017 we will no longer mail or fax invoices or monthly statements. Please tell us where you would like your invoices and statements emailed by calling Carma Voorhees or Cheri Green at 304-523-3484 or via email at carma.voorhees@cithornburg.com or cheri.green@cithornburg.com. Thank

Printed By: VOOCAR on 01/11/2018 11:42:02 AM

C.I. Thornburg

Invoice

INVOICE DATE	INVOICE NUMBER
01/19/2018	S1000421 37.001

REMIT TO:
THE C.I. THORNBURG CO., INC.
P.O. BOX 2163
HUNTINGTON, WV 25722

PAGE NO. 1 of 1

BILL TO:

MARTIN CO. WATER DIST. #1
387 EAST MAIN ST SUITE 140
INEZ, KY 41224

SHIP TO:

MARTIN CO. WATER DIST. #1
14 FLAT HOLLOW
RT 908 TURKEY ROAD
INEZ, KY 41224

CUSTOMER NUMBER	CUSTOMER PO NUMBER	JOB NAME / RELEASE NUMBER	SALESPERSON
5153	JOE HAMMOND		Mark Underwood

WRITER	SHIP VIA	TERMS	SHIP DATE	ORDER DATE
Dick Simmons	ASHLAND IRONTON	**** C O D ****	01/19/2018	01/16/2018

ORDER QTY	SHIP QTY	DESCRIPTION	UNIT PRICE	EXT PRICE
9390lb	9390lb	UN1760, CORROSIVE LIQUIDS, N.O.S. 8, PG III, DELPAC 2020, TOTE (POLYALUMINUM HYDROXYCHLOROSULFATE) NSF/ ANSI 60 MAX. USE 250 MG/L WT. OF CONTAINER(S) FULL_____ WT. OF CONTAINER(S) RETURNED_____ LOT#_____ DATE: _____ REPACKAGE DATE:_____	0.350/lb	3286.50
1ea	1ea	FUEL SURCHARGE	73.000/ea	73.00
		Prior Deposit on 02/20/2018 -3359.50		

01-19-2018 02:40:05 PM
S1000421 37.001

Tom Alley

**** REPRINT ** REPRINT ** REPRINT**
Invoice is due by 01/19/2018

Past Due Invoices may be subject to 1.50% late charge.

Subtotal	3359.50
S&H Charges	0.00
Tax	0.00
Payments	-3359.50
Amount Due	0.00

No returns without proper written authorization. Return material subject to restocking, handling, and freight charges. Warranties limited to those provided by manufacturer. As of December 31, 2017 we will no longer mail or fax invoices or monthly statements. Please tell us where you would like your invoices and statements emailed by calling Carma Voorhees or Cheri Green at 304-523-3484 or via email at carma.voorhees@cithornburg.com or cheri.green@cithornburg.com. Thank you for your business!

Printed By: VOORCAR on 01/20/18 7:42:07 AM

C.I. Thornburg

Invoice

INVOICE DATE	INVOICE NUMBER
01/26/2018	S100404-52.002

REMIT TO:
THE C.I. THORNBURG CO., INC.
P.O. BOX 2163
HUNTINGTON, WV 25722

PAGE NO.: 1 of 1

BILL TO:

MARTIN CO. WATER DIST. #1
387 EAST MAIN ST SUITE 140
INEZ, KY 41224

SHIP TO:

MARTIN CO. WATER DIST. #1
14 FLAT HOLLOW
RT 908 TURKEY ROAD
INEZ, KY 41224

CUSTOMER NUMBER	CUSTOMER PO NUMBER	JOB NAME / RELEASE NUMBER	SALESPERSON
5153	2017-208		Mark Underwood

WRITER	SHIP VIA	TERMS	SHIP DATE	ORDER DATE
Terry Cremeans	ROUTE 23 SOUTH	**** C O D ****	01/26/2018	12/28/2017

ORDER QTY	SHIP QTY	DESCRIPTION	UNIT PRICE	EXT PRICE
1ea	1ea	465# DRUM N-1986 SUPERFLOC POLYMER	794.000/ea	794.00
		Prior Deposit on 02/20/2018 -794.00		
		01-26-2018 04:17:03 PM		
		Tom		

**** REPRINT ** REPRINT ** REPRINT**
Invoice is due by 01/26/2018

Past Due invoices may be subject to 1.50% late charge.

Subtotal	794.00
S&H Charges	0.00
Tax	0.00
Payments	-794.00
Amount Due	0.00

No returns without proper written authorization. Return material subject to restocking, handling, and freight charges. Warranties limited to those provided by manufacturer. As of December 31, 2017 we will no longer mail or fax invoices or monthly statements. Please tell us where you would like your invoices and statements emailed by calling Cenna Voorhees or Cheri Green at 304-523-3484 or via email at cenna.voorhees@cithornburg.com or cheri.green@cithornburg.com. Thank

Printed By: TOUCAN on 1/26/2018 1:42:04 AM

C.I. Thornburg

Invoice

INVOICE DATE	INVOICE NUMBER
01/30/2018	S100043O22.001

REMIT TO:
THE C.I. THORNBURG CO., INC.
P.O. BOX 2163
HUNTINGTON, WV 25722

PAGE NO.
1 of 2

BILL TO:

MARTIN CO. WATER DIST. #1
387 EAST MAIN ST SUITE 140
INEZ, KY 41224

SHIP TO:

MARTIN CO. WATER DIST. #1
14 FLAT HOLLOW
RT 908 TURKEY ROAD
INEZ, KY 41224

CUSTOMER NUMBER	CUSTOMER PO NUMBER	JOB NAME / RELEASE NUMBER	SALESPERSON
5153	CHEMCIALS-WILL CALL		Mark Underwood

WRITER	SHIP VIA	TERMS	SHIP DATE	ORDER DATE
Richie Porter	ROUTE 23 SOUTH	**** C O D ****	01/30/2018	01/26/2018

ORDER QTY	SHIP QTY	DESCRIPTION	UNIT PRICE	EXT PRICE
1252gl	1252gl	RQ, UN1791, HYPOCHLORITE SOLUTIONS, 8, PG III, TOTE (12.5% SODIUM HYPOCHLORITE) CERTIFIED TO * NSF/ ANSI 60 * WT OF CONTAINERS FULL _____ WT OF CONTAINERS EMPTY _____ MAXIUM USE 60 MG/L LOT#_____MFR.DATE_____ REPACKAGE DATE _____	1.851/ea	2317.53
1ea	1ea	UN3214, PERMANGANATES 15% INORGANIC AQUEOUS SOLUTIONS, N.O.S., 5.1, PGII, 510LB NRD,(SODIUM PERMANGANATE 15%	600.000/ea	600.00
3130lb	3130lb	UN1760, CORROSIVE LIQUIDS, N.O.S. 8, PG III, DELPAC 2020, TOTE (POLYALUMINUM HYDROXYCHLOROSULFATE) NSF/ ANSI 60 MAX. USE 250 MG/L WT. OF CONTAINER(S) FULL_____ WT. OF CONTAINER(S) RETURNED_____ LOT#_____ DATE: _____ REPACKAGE DATE:_____	0.350/lb	1095.50
1ea	1ea	FUEL SURCHARGE	73.000/ea	73.00
		Prior Deposit on 01/31/2018 -4086.03		

** REPRINT ** REPRINT ** REPRINT

Subtotal	
S&H Charges	
Tax	
Payments	
Amount Due	

Printed By: VOOCAR on 8/1/2019 7:42:08 AM

C.I. Thornburg

Invoice

INVOICE DATE	INVOICE NUMBER
01/30/2018	S100043022.001

REMIT TO:
THE C.I. THORNBURG CO., INC.
P.O. BOX 2163
HUNTINGTON, WV 25722

PAGE NO.
2 of 2

BILL TO:

MARTIN CO. WATER DIST. #1
387 EAST MAIN ST SUITE 140
INEZ, KY 41224

SHIP TO:

MARTIN CO. WATER DIST. #1
14 FLAT HOLLOW
RT 908 TURKEY ROAD
INEZ, KY 41224

CUSTOMER NUMBER	CUSTOMER PO NUMBER	JOB NAME / RELEASE NUMBER	SALESPERSON
5153	CHEMCIALS-WILL CALL		Mark Underwood

WRITER	SHIP VIA	TERMS	SHIP DATE	ORDER DATE
Richie Porter	ROUTE 23 SOUTH	**** C O D ****	01/30/2018	01/26/2018

ORDER QTY	SHIP QTY	DESCRIPTION	UNIT PRICE	EXT PRICE
		01-30-2018 11:59:09 AM S100043022.001 Tom Tom		

**** REPRINT ** REPRINT ** REPRINT**
Invoice is due by 01/30/2018

Past Due Invoices may be subject to 1.50% late charge.

Subtotal	4086.03
S&H Charges	0.00
Tax	0.00
Payments	-4086.03
Amount Due	0.00

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Printed By: VOORCAR on 1/30/2018 11:42:07 AM

C.I. Thornburg

Invoice

INVOICE DATE	INVOICE NUMBER
02/16/2018	S100044825.001

REMIT TO:
THE C.I. THORNBURG CO., INC.
P.O. BOX 2163
HUNTINGTON, WV 25722

BILL TO:

MARTIN CO. WATER DIST. #1
387 EAST MAIN ST SUITE 140
INEZ, KY 41224

SHIP TO:

MARTIN CO. WATER DIST. #1
14 FLAT HOLLOW
RT 908 TURKEY ROAD
INEZ, KY 41224

CUSTOMER NUMBER	CUSTOMER PO NUMBER	JOB NAME / RELEASE NUMBER	SALESPERSON
5153	CHEMICALS-WILL CALL		Mark Underwood

WRITER	SHIP VIA	TERMS	SHIP DATE	ORDER DATE
Richie Porter	ROUTE 23 SOUTH	**** C O D ****	02/16/2018	02/13/2018

ORDER QTY	SHIP QTY	DESCRIPTION	UNIT PRICE	EXT PRICE
313gl	313gl	RQ, UN1791, HYPOCHLORITE SOLUTIONS, 8, PG III, TOTE (12.5% SODIUM HYPOCHLORITE) CERTIFIED TO * NSF/ ANSI 60 * WT OF CONTAINERS FULL _____ WT OF CONTAINERS EMPTY _____ MAXIUM USE 60 MG/L LOT#_____MFR.DATE_____ REPACKAGE DATE _____	1.851/ea	579.38
1ea	1ea	UN3214, PERMANGANATES 15% INORGANIC AQUEOUS SOLUTIONS, N.O.S., 5.1, PGII, 510LB NRD,(SODIUM PERMANGANATE 15%	600.000/ea	600.00
9388lb	9388lb	UN1760, CORROSIVE LIQUIDS, N.O.S. 8, PG III, DELPAC 2020, TOTE (POLYALUMINUM HYDROXYCHLOROSULFATE) NSF/ ANSI 60 MAX. USE 250 MG/L WT. OF CONTAINER(S) FULL_____ WT. OF CONTAINER(S) RETURNED_____ LOT#_____ DATE: _____ REPACKAGE DATE:_____	0.367/lb	3449.07
1ea	1ea	FUEL SURCHARGE	73.000/ea	73.00
		Prior Deposit on 02/19/2018 -4701.45		

** REPRINT ** REPRINT ** REPRINT

Subtotal	
S&H Charges	
Tax	
Payments	
Amount Due	

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C.I. Thornburg

Invoice

INVOICE DATE	INVOICE NUMBER
02/16/2018	S100044825.001

REMIT TO:	PAGE NO.
THE C.I. THORNBURG CO., INC. P.O. BOX 2163 HUNTINGTON, WV 25722	2 of 2

BILL TO:

MARTIN CO. WATER DIST. #1
387 EAST MAIN ST SUITE 140
INEZ, KY 41224

SHIP TO:

MARTIN CO. WATER DIST. #1
14 FLAT HOLLOW
RT 908 TURKEY ROAD
INEZ, KY 41224

CUSTOMER NUMBER	CUSTOMER PO NUMBER	JOB NAME / RELEASE NUMBER	SALESPERSON
5153	CHEMICALS-WILL CALL		Mark Underwood

WRITER	SHIP VIA	TERMS	SHIP DATE	ORDER DATE
Richie Porter	ROUTE 23 SOUTH	**** C O D ****	02/16/2018	02/13/2018

ORDER QTY	SHIP QTY	DESCRIPTION	UNIT PRICE	EXT PRICE
		02-16-2018 01:53:15 PM Tom		

**** REPRINT ** REPRINT ** REPRINT**
Invoice is due by 02/16/2018

Past Due Invoices may be subject to 1.50% late charge.

Subtotal	4701.45
S&H Charges	0.00
Tax	0.00
Payments	-4701.45
Amount Due	0.00

No returns without proper written authorization. Return material subject to restocking, handling, and freight charges. Warranties limited to those provided by manufacturer. As of December 31, 2017 we will no longer mail or fax invoices or monthly statements. Please tell us where you would like your invoices and statements emailed by calling Carma Voorhees or Cheri Green at 304-523-3484 or via email at carma.voorhees@cithornburg.com or cheri.green@cithornburg.com. Thank

Printed By: YOUCAN on 6/1/2018 7:42:16 AM

C.I. Thornburg

Credit Memo

INVOICE DATE	INVOICE NUMBER
03/02/2018	S100045762.003

REMIT TO:
THE C.I. THORNBURG CO., INC.
P.O. BOX 2163
HUNTINGTON, WV 25722

PAGE NO.
1 of 1

BILL TO:

MARTIN CO. WATER DIST. #1
387 EAST MAIN ST SUITE 140
INEZ, KY 41224

SHIP TO:

MARTIN CO. WATER DIST. #1
14 FLAT HOLLOW
RT 908 TURKEY ROAD
INEZ, KY 41224

CUSTOMER NUMBER	CUSTOMER PO NUMBER	JOB NAME / RELEASE NUMBER	SALESPERSON
5153	CHEMICALS-WILL CALL		Mark Underwood

WRITER	SHIP VIA	TERMS	SHIP DATE	ORDER DATE
Richie Porter	701-3031	**** C O D ****	03/02/2018	02/26/2018

ORDER QTY	SHIP QTY	DESCRIPTION		UNIT PRICE	EXT PRICE
-7ea	-7ea	EMPTY 55 GALLON DRUM		50.000/ea	-350.00
		Prior Deposit on 05/15/2018	350.00		

** REPRINT ** REPRINT ** REPRINT

Past Due invoices may be subject to 1.50% late charge.

Subtotal	-350.00
S&H Charges	0.00
Tax	0.00
Payments	350.00
Amount Due	0.00

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C.I. Thornburg

Invoice

INVOICE DATE	INVOICE NUMBER
03/03/2018	S100045673.001

REMIT TO:
THE C.I. THORNBURG CO., INC.
P.O. BOX 2163
HUNTINGTON, WV 25722

PAGE NO.: 1 of 1

BILL TO:

MARTIN CO. WATER DIST. #1
387 EAST MAIN ST SUITE 140
INEZ, KY 41224

SHIP TO:

MARTIN CO. WATER DIST. #1
14 FLAT HOLLOW
RT 908 TURKEY ROAD
INEZ, KY 41224

CUSTOMER NUMBER	CUSTOMER PO NUMBER	JOB NAME / RELEASE NUMBER	SALESPERSON
5153	JOE		Mark Underwood

WRITER	SHIP VIA	TERMS	SHIP DATE	ORDER DATE
Terry Cremeans	ROUTE 23 SOUTH	**** C O D ****	03/03/2018	02/23/2018

ORDER QTY	SHIP QTY	DESCRIPTION	UNIT PRICE	EXT PRICE
1ea	1ea	55 GAL DRUM UN3264 CORROSIVE LIQUID ACIDIC INORGANIC N.O.S. 8 PGIII WSU MAIN STREAM 635 ALGAECIDE/BACTERICIDE (545# NET)	575.000/ea	575.00
1ea	1ea	DEPOSIT ON 55 GALLON DRUM	50.000/ea	50.00
		Prior Deposit on 03/05/2018 -625.00		
		03-03-2018 11:33:17 AM		
		Mike		
		Mke		

**** REPRINT ** REPRINT ** REPRINT**
Invoice is due by 03/03/2018

Past Due Invoices may be subject to 1.50% late charge.

Subtotal	625.00
S&H Charges	0.00
Tax	0.00
Payments	-625.00
Amount Due	0.00

No returns without proper written authorization. Return material subject to restocking, handling, and freight charges. Warranties limited to those provided by manufacturer. As of December 31, 2017 we will no longer mail or fax invoices or monthly statements. Please tell us where you would like your invoices and statements emailed by calling Carma Voorhees or Cheri Green at 304-523-3484 or via email at carma.voorhees@cithornburg.com or cheri.green@cithornburg.com. Thank

Printed by: TOUCAN on 3/7/2018 7:42:16 AM

Invoice

INVOICE DATE	INVOICE NUMBER
03/03/2018	S100045762.001

REMIT TO:	PAGE NO.
THE C.I. THORNBURG CO., INC. P.O. BOX 2163 HUNTINGTON, WV 25722	1 of 1

BILL TO:

MARTIN CO. WATER DIST. #1
387 EAST MAIN ST SUITE 140
INEZ, KY 41224

SHIP TO:

MARTIN CO. WATER DIST. #1
14 FLAT HOLLOW
RT 908 TURKEY ROAD
INEZ, KY 41224

CUSTOMER NUMBER	CUSTOMER PO NUMBER	JOB NAME / RELEASE NUMBER	SALESPERSON
5153	CHEMICALS-WILL CALL		Mark Underwood

WRITER	SHIP VIA	TERMS	SHIP DATE	ORDER DATE
Richie Porter	ROUTE 23 SOUTH	**** C O D ****	03/03/2018	02/26/2018

ORDER QTY	SHIP QTY	DESCRIPTION	UNIT PRICE	EXT PRICE
5ea	5ea	UN1824, 30% SODIUM HYDROXIDE SOLUTION, 8, PGII, 591LB DRUM CAUSTIC SODA (WET BASIS)	196.000/ea	980.00
5ea	5ea	DEPOSIT ON 55 GALLON DRUM	50.000/ea	250.00
1ea	1ea	UN3214, PERMANGANATES 15% INORGANIC AQUEOUS SOLUTIONS, N.O.S., 5.1, PGII, 510LB NRD,(SODIUM PERMANGANATE 15%	600.000/ea	600.00
3200lb	3200lb	RQ, UN1778, FLUOROSILICIC ACID, 8, PG II, (HYDROFLUOROSILICIC ACID SOLUTION) TOTE WT OF CONTAINER(S) FULL_____ WT OF CONTAINER(S) RETURNED_____	0.550/ea	1760.00
1ea	1ea	FUEL SURCHARGE	73.000/ea	73.00
		Prior Deposit on 03/05/2018 -3663.00		

03-03-2018 11:33:17 AM

Mike

Mike

**** REPRINT ** REPRINT ** REPRINT**
Invoice is due by 03/03/2018

Past Due invoices may be subject to 1.50% late charge.

Subtotal	3663.00
S&H Charges	0.00
Tax	0.00
Payments	-3663.00
Amount Due	0.00

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Printed By: VOOCAR on 3/7/2018 1:42:19 AM

C.I. Thornburg

Invoice

INVOICE DATE	INVOICE NUMBER
03/03/2018	S100045931.001

REMIT TO:
THE C.I. THORNBURG CO., INC.
P.O. BOX 2163
HUNTINGTON, WV 25722

PAGE NO. 1 of 1

BILL TO:

MARTIN CO. WATER DIST. #1
387 EAST MAIN ST SUITE 140
INEZ, KY 41224

SHIP TO:

MARTIN CO. WATER DIST. #1
14 FLAT HOLLOW
RT 908 TURKEY ROAD
INEZ, KY 41224

CUSTOMER NUMBER	CUSTOMER PO NUMBER	JOB NAME / RELEASE NUMBER	SALESPERSON
5153	SOD HYPO		Mark Underwood

WRITER	SHIP VIA	TERMS	SHIP DATE	ORDER DATE
Richie Porter	ROUTE 23 SOUTH	**** C O D ****	03/03/2018	02/27/2018

ORDER QTY	SHIP QTY	DESCRIPTION	UNIT PRICE	EXT PRICE
626gl	626gl	RQ, UN1791, HYPOCHLORITE SOLUTIONS, 8, PG III, TOTE (12.5% SODIUM HYPOCHLORITE) CERTIFIED TO * NSF/ ANSI 60 * WT OF CONTAINERS FULL _____ WT OF CONTAINERS EMPTY _____ MAXIUM USE 60 MG/L LOT#_____MFR.DATE_____ REPACKAGE DATE _____ Prior Deposit on 03/05/2018 -1158.77 03-03-2018 11:33:17 AM Mike Mke	1.851/ea	1158.77

**** REPRINT ** REPRINT ** REPRINT**
Invoice is due by 03/03/2018

Past Due invoices may be subject to 1.50% late charge.

Subtotal	1158.77
S&H Charges	0.00
Tax	0.00
Payments	-1158.77
Amount Due	0.00

No returns without proper written authorization. Return material subject to restocking, handling, and freight charges. Warranties limited to those provided by manufacturer. As of December 31, 2017 we will no longer mail or fax invoices or monthly statements. Please tell us where you would like your invoices and statements emailed by calling Cammie Voorhees or Cheri Green at 304-523-3484 or via email at cammie.voorhees@cithornburg.com or cheri.green@cithornburg.com. Thank

Printed By: VOOCAR on 3/1/2018 9:42:26 AM

C.I. Thornburg

Invoice

INVOICE DATE	INVOICE NUMBER
03/15/2018	S100047362.001

REMIT TO:
THE C.I. THORNBURG CO., INC.
P.O. BOX 2163
HUNTINGTON, WV 25722

PAGE NO.: 1 of 2

BILL TO:

MARTIN CO. WATER DIST. #1
387 EAST MAIN ST SUITE 140
INEZ, KY 41224

SHIP TO:

MARTIN CO. WATER DIST. #1
14 FLAT HOLLOW
RT 908 TURKEY ROAD
INEZ, KY 41224

CUSTOMER NUMBER	CUSTOMER PO NUMBER	JOB NAME / RELEASE NUMBER	SALESPERSON
5153	2018-027		Mark Underwood

WRITER	SHIP VIA	TERMS	SHIP DATE	ORDER DATE
Terry Cremeans	ROUTE 23 SOUTH	**** C O D ****	03/15/2018	03/13/2018

ORDER QTY	SHIP QTY	DESCRIPTION		UNIT PRICE	EXT PRICE
12520lb	12520lb	UN1760, CORROSIVE LIQUIDS, N.O.S. 8, PG III, DELPAC 2020, TOTE (POLYALUMINUM HYDROXYCHLOROSULFATE) NSF/ ANSI 60 MAX. USE 250 MG/L WT. OF CONTAINER(S) FULL_____ WT. OF CONTAINER(S) RETURNED_____ LOT#_____ DATE: _____ REPACKAGE DATE:_____		0.367/lb	4594.84
626gl	626gl	RQ, UN1791, HYPOCHLORITE SOLUTIONS, 8, PG III, TOTE (12.5% SODIUM HYPOCHLORITE) CERTIFIED TO * NSF/ ANSI 60 * WT OF CONTAINERS FULL _____ WT OF CONTAINERS EMPTY _____ MAXIUM USE 60 MG/L LOT#_____MFR.DATE_____ REPACKAGE DATE _____		1.850/ea	1158.10
5ea	5ea	UN1824, 30% SODIUM HYDROXIDE SOLUTION, 8, PGII, 591LB DRUM CAUSTIC SODA (WET BASIS)		196.000/ea	980.00
5ea	5ea	DEPOSIT ON 55 GALLON DRUM		50.000/ea	250.00
-4ea	-4ea	EMPTY 55 GALLON DRUM		50.000/ea	-200.00
1ea	1ea	FUEL SURCHARGE		73.000/ea	73.00
		Prior Deposit on 03/16/2018	-7030.98		
		Prior Deposit on 05/15/2018	175.04		

** REPRINT ** REPRINT ** REPRINT

Subtotal	
S&H Charges	
Tax	
Payments	
Amount Due	

Printed By: VOOCAR on 8/1/2019 7:42:22 AM

C.I. Thornburg

Invoice

INVOICE DATE	INVOICE NUMBER
03/15/2018	S100047362.001

REMIT TO:
THE C.I. THORNBURG CO., INC.
P.O. BOX 2163
HUNTINGTON, WV 25722

BILL TO:

MARTIN CO. WATER DIST. #1
387 EAST MAIN ST SUITE 140
INEZ, KY 41224

SHIP TO:

MARTIN CO. WATER DIST. #1
14 FLAT HOLLOW
RT 908 TURKEY ROAD
INEZ, KY 41224

CUSTOMER NUMBER	CUSTOMER PO NUMBER	JOB NAME / RELEASE NUMBER	SALESPERSON
5153	2018-027		Mark Underwood

WRITER	SHIP VIA	TERMS	SHIP DATE	ORDER DATE
Terry Cremeans	ROUTE 23 SOUTH	**** C O D ****	03/15/2018	03/13/2018

ORDER QTY	SHIP QTY	DESCRIPTION	UNIT PRICE	EXT PRICE
		03-15-2018 03:00:11 PM S100047362.001 Tom Alley Tom Alley		

**** REPRINT ** REPRINT ** REPRINT**

Invoice is due by 03/15/2018

Past Due Invoices may be subject to 1.50% late charge.

Subtotal	6855.94
S&H Charges	0.00
Tax	0.00
Payments	-6855.94
Amount Due	0.00

No returns without proper written authorization. Return material subject to restocking, handling, and freight charges. Warranties limited to those provided by manufacturer. As of December 31, 2017 we will no longer mail or fax invoices or monthly statements. Please tell us where you would like your invoices and statements emailed by calling Carma Voorhees or Cheri Green at 304-523-3484 or via email at carma.voorhees@cithornburg.com or cheri.green@cithornburg.com. Thank

Printed By: VOORHEES on 3/15/2018 7:42:22 AM

C.I. Thornburg

Invoice

INVOICE DATE	INVOICE NUMBER
04/04/2018	S100048689.001

REMIT TO:
THE C.I. THORNBURG CO., INC.
P.O. BOX 2163
HUNTINGTON, WV 25722

BILL TO:

MARTIN CO. WATER DIST. #1
387 EAST MAIN ST SUITE 140
INEZ, KY 41224

SHIP TO:

MARTIN CO. WATER DIST. #1
14 FLAT HOLLOW
RT 908 TURKEY ROAD
INEZ, KY 41224

CUSTOMER NUMBER	CUSTOMER PO NUMBER	JOB NAME / RELEASE NUMBER	SALESPERSON
5153	2018-056		Mark Underwood

WRITER	SHIP VIA	TERMS	SHIP DATE	ORDER DATE
Dick Simmons	ROUTE 23 SOUTH	**** C O D ****	04/04/2018	03/30/2018

ORDER QTY	SHIP QTY	DESCRIPTION	UNIT PRICE	EXT PRICE
626gl	626gl	RQ, UN1791, HYPOCHLORITE SOLUTIONS, 8, PG III, TOTE (12.5% SODIUM HYPOCHLORITE) CERTIFIED TO * NSF/ ANSI 60 * WT OF CONTAINERS FULL _____ WT OF CONTAINERS EMPTY _____ MAXIUM USE 60 MG/L LOT#_____MFR.DATE_____ REPACKAGE DATE _____	1.851/ea	1158.77
6260lb	6260lb	UN1760, CORROSIVE LIQUIDS, N.O.S. 8, PG III, DELPAC 2020, TOTE (POLYALUMINUM HYDROXYCHLOROSULFATE) NSF/ ANSI 60 MAX. USE 250 MG/L WT. OF CONTAINER(S) FULL_____ WT. OF CONTAINER(S) RETURNED_____ LOT#_____ DATE: _____ REPACKAGE DATE:_____	0.367/lb	2299.87
5ea	5ea	UN1824, 30% SODIUM HYDROXIDE SOLUTION, 8, PGII, 591LB DRUM CAUSTIC SODA (WET BASIS)	196.000/ea	980.00
5ea	5ea	DEPOSIT ON 55 GALLON DRUM	50.000/ea	250.00
1ea	1ea	UN3214, PERMANGANATES 15% INORGANIC AQUEOUS SOLUTIONS, N.O.S., 5.1, PGII, 510LB NRD,(SODIUM PERMANGANATE 15%	600.000/ea	600.00

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Subtotal	
S&H Charges	
Tax	
Payments	
Amount Due	

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C.I. Thornburg

Invoice

INVOICE DATE	INVOICE NUMBER
04/04/2018	S100048689.001

REMIT TO:
THE C.I. THORNBURG CO., INC.
P.O. BOX 2163
HUNTINGTON, WV 25722

BILL TO:

MARTIN CO. WATER DIST. #1
387 EAST MAIN ST SUITE 140
INEZ, KY 41224

SHIP TO:

MARTIN CO. WATER DIST. #1
14 FLAT HOLLOW
RT 908 TURKEY ROAD
INEZ, KY 41224

CUSTOMER NUMBER	CUSTOMER PO NUMBER	JOB NAME / RELEASE NUMBER	SALESPERSON
5153	2018-056		Mark Underwood

WRITER	SHIP VIA	TERMS	SHIP DATE	ORDER DATE
Dick Simmons	ROUTE 23 SOUTH	**** C O D ****	04/04/2018	03/30/2018

ORDER QTY	SHIP QTY	DESCRIPTION		UNIT PRICE	EXT PRICE
1ea	1ea	465# DRUM N-1986 SUPERFLOC POLYMER		794.000/ea	794.00
-6ea	-6ea	EMPTY 55 GALLON DRUM		50.000/ea	-300.00
1ea	1ea	FUEL SURCHARGE		73.000/ea	73.00
		Prior Deposit on 04/05/2018	-6060.60		
		Prior Deposit on 05/15/2018	204.96		

04-04-2018 01:32:57 PM

Tom

**** REPRINT ** REPRINT ** REPRINT**
Invoice is due by 04/04/2018

Past Due Invoices may be subject to 1.50% late charge.

Subtotal	5855.64
S&H Charges	0.00
Tax	0.00
Payments	-5855.64
Amount Due	0.00

No returns without proper written authorization. Return material subject to restocking, handling, and freight charges. Warranties limited to those provided by manufacturer. As of December 31, 2017 we will no longer mail or fax invoices or monthly statements. Please tell us where you would like your invoices and statements emailed by calling Carma Voorhees or Cheri Green at 304-523-3464 or via email at carma.voorhees@cithornburg.com or cheri.green@cithornburg.com. Thank

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C.I. Thornburg

Invoice

INVOICE DATE	INVOICE NUMBER
04/18/2018	S100050228.001

REMIT TO:
THE C.I. THORNBURG CO., INC.
P.O. BOX 2163
HUNTINGTON, WV 25722

PAGE NO.
1 of 1

BILL TO:

MARTIN CO. WATER DIST. #1
387 EAST MAIN ST SUITE 140
INEZ, KY 41224

SHIP TO:

MARTIN CO. WATER DIST. #1
14 FLAT HOLLOW
RT 908 TURKEY ROAD
INEZ, KY 41224

CUSTOMER NUMBER	CUSTOMER PO NUMBER	JOB NAME / RELEASE NUMBER	SALESPERSON
5153	TOM		Mark Underwood

WRITER	SHIP VIA	TERMS	SHIP DATE	ORDER DATE
John Kelly	ROUTE 23 SOUTH	**** C O D ****	04/18/2018	04/17/2018

ORDER QTY	SHIP QTY	DESCRIPTION		UNIT PRICE	EXT PRICE
3166lb	3166lb	RQ, UN1778, FLUOROSILICIC ACID, 8, PG II, (HYDROFLUOROSILICIC ACID SOLUTION) TOTE		0.550/ea	1741.30
		WT OF CONTAINER(S) FULL_____			
		WT OF CONTAINER(S) RETURNED_____			
5ea	5ea	UN1824, 30% SODIUM HYDROXIDE SOLUTION, 8, PGII, 591LB DRUM CAUSTIC SODA (WET BASIS)		196.000/ea	980.00
5ea	5ea	DEPOSIT ON 55 GALLON DRUM		50.000/ea	250.00
-5ea	-5ea	EMPTY 55 GALLON DRUM		50.000/ea	-250.00
1ea	1ea	FUEL SURCHARGE		73.000/ea	73.00
		Prior Deposit on 04/19/2018	-2990.00		
		Prior Deposit on 05/15/2018	195.70		

04-18-2018 02:51:08 PM

Tom

Tom

**** REPRINT ** REPRINT ** REPRINT**
Invoice is due by 04/18/2018

Past Due invoices may be subject to 1.50% late charge.

Subtotal	2794.30
S&H Charges	0.00
Tax	0.00
Payments	-2794.30
Amount Due	0.00

No returns without proper written authorization. Return material subject to restocking, handling, and freight charges. Warranties limited to those provided by manufacturer. As of December 31, 2017 we will no longer mail or fax invoices or monthly statements. Please tell us where you would like your invoices and statements emailed by calling Carma Voorhees or Cheri Green at 304-523-3484 or via email at carma.voorhees@cithornburg.com or cheri.green@cithornburg.com. Thank

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C.I. Thornburg

Invoice

INVOICE DATE	INVOICE NUMBER
04/30/2018	S100051209.001

REMIT TO:
THE C.I. THORNBURG CO., INC.
P.O. BOX 2163
HUNTINGTON, WV 25722

PAGE NO.: 1 of 2

BILL TO:

MARTIN CO. WATER DIST. #1
387 EAST MAIN ST SUITE 140
INEZ, KY 41224

SHIP TO:

MARTIN CO. WATER DIST. #1
14 FLAT HOLLOW
RT 908 TURKEY ROAD
INEZ, KY 41224

CUSTOMER NUMBER	CUSTOMER PO NUMBER	JOB NAME / RELEASE NUMBER	SALESPERSON
5153	TOM		Mark Underwood

WRITER	SHIP VIA	TERMS	SHIP DATE	ORDER DATE
John Kelly	ROUTE 23 SOUTH	**** C O D ****	04/30/2018	04/27/2018

ORDER QTY	SHIP QTY	DESCRIPTION		UNIT PRICE	EXT PRICE
6260lb	6260lb	UN1760, CORROSIVE LIQUIDS, N.O.S. 8, PG III, DELPAC 2020, TOTE (POLYALUMINUM HYDROXYCHLOROSULFATE) NSF/ ANSI 60 MAX. USE 250 MG/L WT. OF CONTAINER(S) FULL_____ WT. OF CONTAINER(S) RETURNED_____ LOT#_____ DATE: _____ REPACKAGE DATE:_____		0.367/lb	2299.87
939gl	939gl	RQ, UN1791, HYPOCHLORITE SOLUTIONS, 8, PG III, TOTE (12.5% SODIUM HYPOCHLORITE) CERTIFIED TO * NSF/ ANSI 60 * WT OF CONTAINERS FULL _____ WT OF CONTAINERS EMPTY _____ MAXIUM USE 60 MG/L LOT#_____MFR.DATE_____ REPACKAGE DATE _____		1.851/ea	1738.09
4ea	4ea	UN1824, 30% SODIUM HYDROXIDE SOLUTION, 8, PGII, 591LB DRUM CAUSTIC SODA (WET BASIS)		196.000/ea	784.00
4ea	4ea	DEPOSIT ON 55 GALLON DRUM		50.000/ea	200.00
-4ea	-4ea	EMPTY 55 GALLON DRUM		50.000/ea	-200.00
1ea	1ea	FUEL SURCHARGE		73.000/ea	73.00
		Prior Deposit on 05/02/2018	-5249.96		
		Prior Deposit on 05/15/2018	355.00		

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Subtotal	
S&H Charges	
Tax	
Payments	
Amount Due	

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C.I. Thornburg

Invoice

INVOICE DATE	INVOICE NUMBER
04/30/2018	S100051 209.001

REMIT TO:
THE C.I. THORNBURG CO., INC.
P.O. BOX 2163
HUNTINGTON, WV 25722

BILL TO:

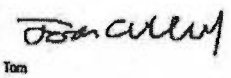
MARTIN CO. WATER DIST. #1
387 EAST MAIN ST SUITE 140
INEZ, KY 41224

SHIP TO:

MARTIN CO. WATER DIST. #1
14 FLAT HOLLOW
RT 908 TURKEY ROAD
INEZ, KY 41224

CUSTOMER NUMBER	CUSTOMER PO NUMBER	JOB NAME / RELEASE NUMBER	SALESPERSON
5153	TOM		Mark Underwood

WRITER	SHIP VIA	TERMS	SHIP DATE	ORDER DATE
John Kelly	ROUTE 23 SOUTH	**** C O D ****	04/30/2018	04/27/2018

ORDER QTY	SHIP QTY	DESCRIPTION	UNIT PRICE	EXT PRICE
		05-01-2018 02:13:51 PM S100051 209.001  Tom		

**** REPRINT ** REPRINT ** REPRINT**
Invoice is due by 04/30/2018

Past Due Invoices may be subject to 1.50% late charge.

Subtotal	4894.96
S&H Charges	0.00
Tax	0.00
Payments	-4894.96
Amount Due	0.00

No returns without proper written authorization. Return material subject to restocking, handling, and freight charges. Warranties limited to those provided by manufacturer. As of December 31, 2017 we will no longer mail or fax invoices or monthly statements. Please tell us where you would like your invoices and statements emailed by calling Carma Voorhees or Cheri Green at 304-523-3484 or via email at carma.voorhees@cithornburg.com or cheri.green@cithornburg.com. Thank

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C.I. Thornburg

Invoice

INVOICE DATE	INVOICE NUMBER
05/11/2018	S100051209.003

REMIT TO:	PAGE NO.
THE C.I. THORNBURG CO., INC. P.O. BOX 2163 HUNTINGTON, WV 25722	1 of 1

BILL TO:

MARTIN CO. WATER DIST. #1
387 EAST MAIN ST SUITE 140
INEZ, KY 41224

SHIP TO:

MARTIN CO. WATER DIST. #1
14 FLAT HOLLOW
RT 908 TURKEY ROAD
INEZ, KY 41224

CUSTOMER NUMBER	CUSTOMER PO NUMBER	JOB NAME / RELEASE NUMBER	SALESPERSON
5153	TOM		Mark Underwood

WRITER	SHIP VIA	TERMS	SHIP DATE	ORDER DATE
John Kelly	ROUTE 23 SOUTH	**** C O D ****	05/11/2018	04/27/2018

ORDER QTY	SHIP QTY	DESCRIPTION	UNIT PRICE	EXT PRICE
1ea	1ea	45LB PAIL BIO-NEUTRALIZER TABLETS	155.000/ea	155.00
		Prior Deposit on 10/16/2018 -155.00		
		05-11-2018 09:20:01 AM		
		Tori Allen		
		Tomelley		

** REPRINT ** REPRINT ** REPRINT
Invoice is due by 05/11/2018

Past Due Invoices may be subject to 1.50% late charge.

Subtotal	155.00
S&H Charges	0.00
Tax	0.00
Payments	-155.00
Amount Due	0.00

No returns without proper written authorization. Return material subject to restocking, handling, and freight charges. Warranties limited to those provided by manufacturer. As of December 31, 2017 we will no longer mail or fax invoices or monthly statements. Please tell us where you would like your invoices and statements emailed by calling Carma Voorhees or Cheri Green at 304-523-3484 or via email at carma.voorhees@cithornburg.com or cheri.green@cithornburg.com. Thank

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C.I. Thornburg

Invoice

INVOICE DATE	INVOICE NUMBER
05/17/2018	S100053 122.001

REMIT TO:
THE C.I. THORNBURG CO., INC.
P.O. BOX 2163
HUNTINGTON, WV 25722

PAGE NO.
1 of 1

BILL TO:

MARTIN CO. WATER DIST. #1
387 EAST MAIN ST SUITE 140
INEZ, KY 41224

SHIP TO:

MARTIN CO. WATER DIST. #1
14 FLAT HOLLOW
RT 908 TURKEY ROAD
INEZ, KY 41224

CUSTOMER NUMBER	CUSTOMER PO NUMBER	JOB NAME / RELEASE NUMBER	SALESPERSON
5153	TOM		Mark Underwood

WRITER	SHIP VIA	TERMS	SHIP DATE	ORDER DATE
John Kelly	ROUTE 23 SOUTH	**** C O D ****	05/17/2018	05/16/2018

ORDER QTY	SHIP QTY	DESCRIPTION		UNIT PRICE	EXT PRICE
4ea	4ea	UN1824, 30% SODIUM HYDROXIDE SOLUTION, 8, PGII, 591LB DRUM CAUSTIC SODA (WET BASIS)		196.000/ea	784.00
4ea	4ea	DEPOSIT ON 55 GALLON DRUM		50.000/ea	200.00
1ea	1ea	FUEL SURCHARGE		73.000/ea	73.00
-5ea	-5ea	EMPTY 55 GALLON DRUM		50.000/ea	-250.00
		Prior Deposit on 06/04/2018	-807.00		

05-17-2018 06:13:48 PM

Tom

Tom

**** REPRINT ** REPRINT ** REPRINT**
Invoice is due by 05/17/2018

Past Due Invoices may be subject to 1.50% late charge.

Subtotal	807.00
S&H Charges	0.00
Tax	0.00
Payments	-807.00
Amount Due	0.00

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C.I. Thornburg

Invoice

INVOICE DATE	INVOICE NUMBER
05/25/2018	S100053787.001

REMIT TO:
THE C.I. THORNBURG CO., INC.
P.O. BOX 2163
HUNTINGTON, WV 25722

PAGE NO.
1 of 2

BILL TO:

MARTIN CO. WATER DIST. #1
387 EAST MAIN ST SUITE 140
INEZ, KY 41224

SHIP TO:

MARTIN CO. WATER DIST. #1
14 FLAT HOLLOW
RT 908 TURKEY ROAD
INEZ, KY 41224

CUSTOMER NUMBER	CUSTOMER PO NUMBER	JOB NAME / RELEASE NUMBER	SALESPERSON
5153	CHEMS/TOM		Mark Underwood

WRITER	SHIP VIA	TERMS	SHIP DATE	ORDER DATE
Dick Simmons	ROUTE 23 SOUTH	**** C O D ****	05/25/2018	05/22/2018

ORDER QTY	SHIP QTY	DESCRIPTION	UNIT PRICE	EXT PRICE
939gl	939gl	RQ, UN1791, HYPOCHLORITE SOLUTIONS, 8, PG III, TOTE (12.5% SODIUM HYPOCHLORITE) CERTIFIED TO * NSF/ ANSI 60 * WT OF CONTAINERS FULL _____ WT OF CONTAINERS EMPTY _____ MAXIUM USE 60 MG/L LOT#_____MFR.DATE_____ REPACKAGE DATE _____	1.851/ea	1738.09
9390lb	9390lb	UN1760, CORROSIVE LIQUIDS, N.O.S. 8, PG III, DELPAC 2020, TOTE (POLYALUMINUM HYDROXYCHLOROSULFATE) NSF/ ANSI 60 MAX. USE 250 MG/L WT. OF CONTAINER(S) FULL_____ WT. OF CONTAINER(S) RETURNED_____ LOT#_____ DATE: _____ REPACKAGE DATE:_____	0.367/lb	3449.80
3226lb	3226lb	RQ, UN1778, FLUOROSILICIC ACID, 8, PG II, (HYDROFLUOROSILICIC ACID SOLUTION) TOTE WT OF CONTAINER(S) FULL_____ WT OF CONTAINER(S) RETURNED_____	0.550/ea	1774.30
2ea	2ea	UN1824, 30% SODIUM HYDROXIDE SOLUTION, 8, PGII, 591LB DRUM CAUSTIC SODA (WET BASIS)	196.000/ea	392.00

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Subtotal	
S&H Charges	
Tax	
Payments	
Amount Due	

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C.I. Thornburg

Invoice

INVOICE DATE	INVOICE NUMBER
05/25/2018	S100053787.001

REMIT TO:
THE C.I. THORNBURG CO., INC.
P.O. BOX 2163
HUNTINGTON, WV 25722

PAGE NO.
2 of 2

BILL TO:

MARTIN CO. WATER DIST. #1
387 EAST MAIN ST SUITE 140
INEZ, KY 41224

SHIP TO:

MARTIN CO. WATER DIST. #1
14 FLAT HOLLOW
RT 908 TURKEY ROAD
INEZ, KY 41224

CUSTOMER NUMBER	CUSTOMER PO NUMBER	JOB NAME / RELEASE NUMBER	SALESPERSON
5153	CHEMS/TOM		Mark Underwood

WRITER	SHIP VIA	TERMS	SHIP DATE	ORDER DATE
Dick Simmons	ROUTE 23 SOUTH	**** C O D ****	05/25/2018	05/22/2018

ORDER QTY	SHIP QTY	DESCRIPTION	UNIT PRICE	EXT PRICE
2ea	2ea	DEPOSIT ON 55 GALLON DRUM	50.000/ea	100.00
1ea	1ea	UN3214, PERMANGANATES 15% INORGANIC AQUEOUS SOLUTIONS, N.O.S., 5.1, PGII, 510LB NRD,(SODIUM PERMANGANATE 15%	600.000/ea	600.00
1ea	1ea	FUEL SURCHARGE	73.000/ea	73.00
		Prior Deposit on 05/29/2018 -8006.83		
		Prior Deposit on 01/15/2019 -120.36		

05-25-2018 08:23:56 AM
S100053787.001

Earl Alley

Earl Alley

**** REPRINT ** REPRINT ** REPRINT**
Invoice is due by 05/25/2018

Past Due invoices may be subject to 1.50% late charge.

Subtotal	8127.19
S&H Charges	0.00
Tax	0.00
Payments	-8127.19
Amount Due	0.00

No returns without proper written authorization. Return material subject to restocking, handling, and freight charges. Warranties limited to those provided by manufacturer. As of December 31, 2017 we will no longer mail or fax invoices or monthly statements. Please tell us where you would like your invoices and statements emailed by calling Carma Voorhees or Cheri Green at 304-523-3484 or via email at carma.voorhees@cithornburg.com or cheri.green@cithornburg.com. Thank

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C.I. Thornburg

Invoice

INVOICE DATE	INVOICE NUMBER
05/31/2018	S100054347.001

REMIT TO:
THE C.I. THORNBURG CO., INC.
P.O. BOX 2163
HUNTINGTON, WV 25722

PAGE NO.: 1 of 1

BILL TO:

MARTIN CO. WATER DIST. #1
387 EAST MAIN ST SUITE 140
INEZ, KY 41224

SHIP TO:

MARTIN CO. WATER DIST. #1
14 FLAT HOLLOW
RT 908 TURKEY ROAD
INEZ, KY 41224

CUSTOMER NUMBER	CUSTOMER PO NUMBER	JOB NAME / RELEASE NUMBER	SALESPERSON
5153	2018-136		Mark Underwood

WRITER	SHIP VIA	TERMS	SHIP DATE	ORDER DATE
John Kelly	ASHLAND IRONTON	**** C O D ****	05/31/2018	05/30/2018

ORDER QTY	SHIP QTY	DESCRIPTION		UNIT PRICE	EXT PRICE
3ea	3ea	UN1824, 30% SODIUM HYDROXIDE SOLUTION, 8, PGII, 591LB DRUM CAUSTIC SODA (WET BASIS)		196.000/ea	588.00
3ea	3ea	DEPOSIT ON 55 GALLON DRUM		50.000/ea	150.00
-3ea	-3ea	EMPTY 55 GALLON DRUM		50.000/ea	-150.00
1ea	1ea	FUEL SURCHARGE		73.000/ea	73.00
		Prior Deposit on 01/15/2019	-661.00		

08-01-2018 02:47:53 PM
S100054347.001

Tom

Tom

**** REPRINT ** REPRINT ** REPRINT**
Invoice is due by 05/31/2018

Past Due invoices may be subject to 1.50% late charge.

Subtotal	661.00
S&H Charges	0.00
Tax	0.00
Payments	-661.00
Amount Due	0.00

No returns without proper written authorization. Return material subject to restocking, handling, and freight charges. Warranties limited to those provided by manufacturer. As of December 31, 2017 we will no longer mail or fax invoices or monthly statements. Please tell us where you would like your invoices and statements emailed by calling Carma Voorhees or Cheri Green at 304-523-3494 or via email at carma.voorhees@cithornburg.com or cheri.green@cithornburg.com. Thank

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C.I. Thornsburg

Invoice

INVOICE DATE	INVOICE NUMBER
06/05/2018	S100054347.002

REMIT TO:
THE C.I. THORNBURG CO., INC.
P.O. BOX 2163
HUNTINGTON, WV 25722

PAGE NO.
1 of 1

BILL TO:

MARTIN CO. WATER DIST. #1
387 EAST MAIN ST SUITE 140
INEZ, KY 41224

SHIP TO:

MARTIN CO. WATER DIST. #1
14 FLAT HOLLOW
RT 908 TURKEY ROAD
INEZ, KY 41224

CUSTOMER NUMBER	CUSTOMER PO NUMBER	JOB NAME / RELEASE NUMBER	SALESPERSON
5153	2018-136		Mark Underwood

WRITER	SHIP VIA	TERMS	SHIP DATE	ORDER DATE
John Kelly	ROUTE 23 SOUTH	**** C O D ****	06/05/2018	05/30/2018

ORDER QTY	SHIP QTY	DESCRIPTION	UNIT PRICE	EXT PRICE
1ea	1ea	2162# TOTE THORNSORB ACTIVATED CARBON SLURRY	800.000/ea	800.00
		Prior Deposit on 01/15/2019 -800.00		

08-05-2016 11:02:20 AM
S100054347.002

Tom

Tom

**** REPRINT ** REPRINT ** REPRINT**
Invoice is due by 06/05/2018

Past Due Invoices may be subject to 1.50% late charge.

Subtotal	800.00
S&H Charges	0.00
Tax	0.00
Payments	-800.00
Amount Due	0.00

No returns without proper written authorization. Return material subject to restocking, handling, and freight charges. Warranties limited to those provided by manufacturer. As of December 31, 2017 we will no longer mail or fax invoices or monthly statements. Please tell us where you would like your invoices and statements emailed by calling Carma Voorhees or Cheri Green at 304-523-3464 or via email at carma.voorhees@cithornburg.com or cheri.green@cithornburg.com. Thank

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C.I. Thornburg

Invoice

INVOICE DATE	INVOICE NUMBER
06/14/2018	S100054347.003

REMIT TO:
THE C.I. THORNBURG CO., INC.
P.O. BOX 2163
HUNTINGTON, WV 25722

PAGE NO.
1 of 1

BILL TO:

MARTIN CO. WATER DIST. #1
387 EAST MAIN ST SUITE 140
INEZ, KY 41224

SHIP TO:

MARTIN CO. WATER DIST. #1
14 FLAT HOLLOW
RT 908 TURKEY ROAD
INEZ, KY 41224

CUSTOMER NUMBER	CUSTOMER PO NUMBER	JOB NAME / RELEASE NUMBER	SALESPERSON
5153	2018-136		Mark Underwood

WRITER	SHIP VIA	TERMS	SHIP DATE	ORDER DATE
John Kelly	ROUTE 23 SOUTH	**** C O D ****	06/14/2018	05/30/2018

ORDER QTY	SHIP QTY	DESCRIPTION	UNIT PRICE	EXT PRICE
1ea	1ea	30 GALLON NR DRUM CARUS 1100	600.000/ea	600.00
		Prior Deposit on 01/15/2019 -600.00		
		06-14-2018 03:01:43 PM S100054347.003		
		Tom		
		Tom		

**** REPRINT ** REPRINT ** REPRINT**
Invoice is due by 06/14/2018

Past Due Invoices may be subject to 1.50% late charge.

Subtotal	600.00
S&H Charges	0.00
Tax	0.00
Payments	-600.00
Amount Due	0.00

No returns without proper written authorization. Return material subject to restocking, handling, and freight charges. Warranties limited to those provided by manufacturer. As of December 31, 2017 we will no longer mail or fax invoices or monthly statements. Please tell us where you would like your invoices and statements emailed by calling Carma Voorhees or Cheri Green at 304-523-3484 or via email at carma.voorhees@cithornburg.com or cheri.green@cithornburg.com. Thank

Printed by: VOOCAR on 6/14/2018 9:42:51 AM

C.I. Thornburg

Invoice

INVOICE DATE	INVOICE NUMBER
06/14/2018	S100055685.001

REMIT TO:
THE C.I. THORNBURG CO., INC.
P.O. BOX 2163
HUNTINGTON, WV 25722

PAGE NO.
1 of 2

BILL TO:

MARTIN CO. WATER DIST. #1
387 EAST MAIN ST SUITE 140
INEZ, KY 41224

SHIP TO:

MARTIN CO. WATER DIST. #1
14 FLAT HOLLOW
RT 908 TURKEY ROAD
INEZ, KY 41224

CUSTOMER NUMBER	CUSTOMER PO NUMBER	JOB NAME / RELEASE NUMBER	SALESPERSON
5153	2018-151		Mark Underwood

WRITER	SHIP VIA	TERMS	SHIP DATE	ORDER DATE
Dick Simmons	ROUTE 23 SOUTH	**** C O D ****	06/14/2018	06/12/2018

ORDER QTY	SHIP QTY	DESCRIPTION	UNIT PRICE	EXT PRICE
939gl	939gl	RQ, UN1791, HYPOCHLORITE SOLUTIONS, 8, PG III, TOTE (12.5% SODIUM HYPOCHLORITE) CERTIFIED TO * NSF/ ANSI 60 * WT OF CONTAINERS FULL _____ WT OF CONTAINERS EMPTY _____ MAXIUM USE 60 MG/L LOT#_____MFR.DATE_____ REPACKAGE DATE _____	1.851/ea	1738.09
6260lb	6260lb	UN1760, CORROSIVE LIQUIDS, N.O.S. 8, PG III, DELPAC 2020, TOTE (POLYALUMINUM HYDROXYCHLOROSULFATE) NSF/ ANSI 60 MAX. USE 250 MG/L WT. OF CONTAINER(S) FULL_____ WT. OF CONTAINER(S) RETURNED_____ LOT#_____ DATE: _____ REPACKAGE DATE:_____	0.367/lb	2299.87
1ea	1ea	FUEL SURCHARGE	73.000/ea	73.00
		Prior Deposit on 06/15/2018 -4098.47 Prior Deposit on 01/15/2019 -12.49		

** REPRINT ** REPRINT ** REPRINT

Subtotal	
S&H Charges	
Tax	
Payments	
Amount Due	

Printed By: VOOCAR on 8/1/2019 7:42:52 AM

C.I. Thornburg

Invoice

INVOICE DATE	INVOICE NUMBER
06/14/2018	S100055685.001

REMIT TO:
THE C.I. THORNBURG CO., INC.
P.O. BOX 2163
HUNTINGTON, WV 25722

BILL TO:

MARTIN CO. WATER DIST. #1
387 EAST MAIN ST SUITE 140
INEZ, KY 41224

SHIP TO:

MARTIN CO. WATER DIST. #1
14 FLAT HOLLOW
RT 908 TURKEY ROAD
INEZ, KY 41224

CUSTOMER NUMBER	CUSTOMER PO NUMBER	JOB NAME / RELEASE NUMBER	SALESPERSON
5153	2018-151		Mark Underwood

WRITER	SHIP VIA	TERMS	SHIP DATE	ORDER DATE
Dick Simmons	ROUTE 23 SOUTH	**** C O D ****	06/14/2018	06/12/2018

ORDER QTY	SHIP QTY	DESCRIPTION	UNIT PRICE	EXT PRICE
		06-14-2018 01:43:39 PM S100055685.001 Tom Tom		

**** REPRINT ** REPRINT ** REPRINT**
Invoice is due by 06/14/2018

Past Due invoices may be subject to 1.50% late charge.

Subtotal	4110.96
S&H Charges	0.00
Tax	0.00
Payments	-4110.96
Amount Due	0.00

No returns without proper written authorization. Return material subject to restocking, handling, and freight charges. Warranties limited to those provided by manufacturer. As of December 31, 2017 we will no longer mail or fax invoices or monthly statements. Please tell us where you would like your invoices and statements emailed by calling Carma Voorhees or Cheri Green at 304-523-3484 or via email at carma.voorhees@cithornburg.com or cheri.green@cithornburg.com. Thank

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C.I. Thornburg

Invoice

INVOICE DATE	INVOICE NUMBER
06/26/2018	S100056752.001

REMIT TO:	PAGE NO.
THE C.I. THORNBURG CO., INC. P.O. BOX 2163 HUNTINGTON, WV 25722	1 of 1

BILL TO:

MARTIN CO. WATER DIST. #1
387 EAST MAIN ST SUITE 140
INEZ, KY 41224

SHIP TO:

MARTIN CO. WATER DIST. #1
14 FLAT HOLLOW
RT 908 TURKEY ROAD
INEZ, KY 41224

CUSTOMER NUMBER	CUSTOMER PO NUMBER	JOB NAME / RELEASE NUMBER	SALESPERSON
5153	TOM		Mark Underwood

WRITER	SHIP VIA	TERMS	SHIP DATE	ORDER DATE
Terry Cremeans	ROUTE 23 SOUTH	**** C O D ****	06/26/2018	06/22/2018

ORDER QTY	SHIP QTY	DESCRIPTION	UNIT PRICE	EXT PRICE
1ea	1ea	UN3214, PERMANGANATES 15% INORGANIC AQUEOUS SOLUTIONS, N.O.S., 5.1, PGII, 510LB NRD,(SODIUM PERMANGANATE 15%	600.000/ea	600.00
1ea	1ea	FUEL SURCHARGE	73.000/ea	73.00
		Prior Deposit on 07/08/2019 -673.00		

Tom Alley
Signature Date
Tom Alley
Printed Name # Items

**** REPRINT ** REPRINT ** REPRINT**
Invoice is due by 06/26/2018

Past Due invoices may be subject to 1.50% late charge.

Subtotal	673.00
S&H Charges	0.00
Tax	0.00
Payments	-673.00
Amount Due	0.00

No returns without proper written authorization. Return material subject to restocking, handling, and freight charges. Warranties limited to those provided by manufacturer. As of December 31, 2017 we will no longer mail or fax invoices or monthly statements. Please tell us where you would like your invoices and statements emailed by calling Carma Voorhees or Cheri Green at 304-523-3484 or via email at carma.voorhees@cithornburg.com or cheri.green@cithornburg.com. Thank

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C.I. Thornburg

Invoice

INVOICE DATE	INVOICE NUMBER
07/03/2018	S100057464.001

REMIT TO:
THE C.I. THORNBURG CO., INC.
P.O. BOX 2163
HUNTINGTON, WV 25722

PAGE NO. 1 of 2

BILL TO:

MARTIN CO. WATER DIST. #1
387 EAST MAIN ST SUITE 140
INEZ, KY 41224

SHIP TO:

MARTIN CO. WATER DIST. #1
14 FLAT HOLLOW
RT 908 TURKEY ROAD
INEZ, KY 41224

CUSTOMER NUMBER	CUSTOMER PO NUMBER	JOB NAME / RELEASE NUMBER	SALESPERSON
5153	2018-176		Mark Underwood

WRITER	SHIP VIA	TERMS	SHIP DATE	ORDER DATE
Dick Simmons	ROUTE 23 SOUTH	**** C O D ****	07/03/2018	06/29/2018

ORDER QTY	SHIP QTY	DESCRIPTION	UNIT PRICE	EXT PRICE
939gl	939gl	RQ, UN1791, HYPOCHLORITE SOLUTIONS, 8, PG III, TOTE (12.5% SODIUM HYPOCHLORITE) CERTIFIED TO * NSF/ ANSI 60 * WT OF CONTAINERS FULL _____ WT OF CONTAINERS EMPTY _____ MAXIUM USE 60 MG/L LOT#_____MFR.DATE_____ REPACKAGE DATE _____	2.000/ea	1878.00
3113lb	3113lb	UN1760, CORROSIVE LIQUIDS, N.O.S. 8, PG III, DELPAC 2020, TOTE (POLYALUMINUM HYDROXYCHLOROSULFATE) NSF/ ANSI 60 MAX. USE 250 MG/L WT. OF CONTAINER(S) FULL_____ WT. OF CONTAINER(S) RETURNED_____ LOT#_____ DATE: _____ REPACKAGE DATE:_____	0.367/lb	1143.69
3242lb	3242lb	RQ, UN1778, FLUOROSILICIC ACID, 8, PG II, (HYDROFLUOROSILICIC ACID SOLUTION) TOTE WT OF CONTAINER(S) FULL_____ WT OF CONTAINER(S) RETURNED_____	0.550/ea	1783.10
1ea	1ea	FUEL SURCHARGE Prior Deposit on 07/11/2018 -3097.00	73.000/ea	73.00

** REPRINT ** REPRINT ** REPRINT

Subtotal	
S&H Charges	
Tax	
Payments	
Amount Due	

Printed By: VOOCAR on 8/1/2019 7:43:04 AM

C.I. Thornburg

Invoice

INVOICE DATE	INVOICE NUMBER
07/03/2018	S100057464.001

REMIT TO:
THE C.I. THORNBURG CO., INC.
P.O. BOX 2163
HUNTINGTON, WV 25722

PAGE NO.
2 of 2

BILL TO:

MARTIN CO. WATER DIST. #1
387 EAST MAIN ST SUITE 140
INEZ, KY 41224

SHIP TO:

MARTIN CO. WATER DIST. #1
14 FLAT HOLLOW
RT 908 TURKEY ROAD
INEZ, KY 41224

CUSTOMER NUMBER	CUSTOMER PO NUMBER	JOB NAME / RELEASE NUMBER	SALESPERSON
5153	2018-176		Mark Underwood

WRITER	SHIP VIA	TERMS	SHIP DATE	ORDER DATE
Dick Simmons	ROUTE 23 SOUTH	**** C O D ****	07/03/2018	06/29/2018

ORDER QTY	SHIP QTY	DESCRIPTION	UNIT PRICE	EXT PRICE
		07-03-2018 01:09:02 PM S100057464.001 Tom Tom		

**** REPRINT ** REPRINT ** REPRINT**
Invoice is due by 07/03/2018

Past Due invoices may be subject to 1.50% late charge.

Subtotal	4877.79
S&H Charges	0.00
Tax	0.00
Payments	-3097.00
Amount Due	1780.79

No returns without proper written authorization. Return material subject to restocking, handling, and freight charges. Warranties limited to those provided by manufacturer. As of December 31, 2017 we will no longer mail or fax invoices or monthly statements. Please tell us where you would like your invoices and statements emailed by calling Carma Voorhees or Cheri Green at 304-523-3464 or via email at carma.voorhees@cithornburg.com or cheri.green@cithornburg.com. Thank

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Invoice

INVOICE DATE	INVOICE NUMBER
07/10/2018	S100058215.001

REMIT TO:	PAGE NO.
THE C.I. THORNBURG CO., INC. P.O. BOX 2163 HUNTINGTON, WV 25722	1 of 1

BILL TO:

MARTIN CO. WATER DIST. #1
387 EAST MAIN ST SUITE 140
INEZ, KY 41224

SHIP TO:

MARTIN CO. WATER DIST. #1
14 FLAT HOLLOW
RT 908 TURKEY ROAD
INEZ, KY 41224

CUSTOMER NUMBER	CUSTOMER PO NUMBER	JOB NAME / RELEASE NUMBER	SALESPERSON
5153	Sodium perm		Mark Underwood

WRITER	SHIP VIA	TERMS	SHIP DATE	ORDER DATE
Mark Underwood	ROUTE 23 SOUTH	**** C O D ****	07/10/2018	07/06/2018

ORDER QTY	SHIP QTY	DESCRIPTION	UNIT PRICE	EXT PRICE
1ea	1ea	UN3214, PERMANGANATES 20% INORGANIC AQUEOUS SOLUTIONS N.O.S., 5.1, PG II (SODIUM PERMANGANATE) (CARUSOL) 534LB DRUM	990.000/ea	990.00
1ea	1ea	FUEL SURCHARGE	73.000/ea	73.00
		Prior Deposit on 07/11/2018 -1063.00		

07-10-2018 06:16:14 PM
S100058215.001

Tom

Tom

**** REPRINT ** REPRINT ** REPRINT**
Invoice is due by 07/10/2018

Past Due invoices may be subject to 1.50% late charge.

Subtotal	1063.00
S&H Charges	0.00
Tax	0.00
Payments	-1063.00
Amount Due	0.00

No returns without proper written authorization. Return material subject to restocking, handling, and freight charges. Warranties limited to those provided by manufacturer. As of December 31, 2017 we will no longer mail or fax invoices or monthly statements. Please tell us where you would like your invoices and statements emailed by calling Carma Voorhees or Cheri Green at 304-523-3484 or via email at carma.voorhees@cithornburg.com or cheri.green@cithornburg.com. Thank

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C.I. Thornburg

Invoice

INVOICE DATE	INVOICE NUMBER
07/13/2018	S100058595.001

REMIT TO:
THE C.I. THORNBURG CO., INC.
P.O. BOX 2163
HUNTINGTON, WV 25722

PAGE NO.
1 of 1

BILL TO:

MARTIN CO. WATER DIST. #1
387 EAST MAIN ST SUITE 140
INEZ, KY 41224

SHIP TO:

MARTIN CO. WATER DIST. #1
14 FLAT HOLLOW
RT 908 TURKEY ROAD
INEZ, KY 41224

CUSTOMER NUMBER	CUSTOMER PO NUMBER	JOB NAME / RELEASE NUMBER	SALESPERSON
5153	2018-186		Mark Underwood

WRITER	SHIP VIA	TERMS	SHIP DATE	ORDER DATE
John Kelly	ROUTE 23 SOUTH	**** C O D ****	07/13/2018	07/11/2018

ORDER QTY	SHIP QTY	DESCRIPTION	UNIT PRICE	EXT PRICE
939gl	939gl	RQ, UN1791, HYPOCHLORITE SOLUTIONS, 8, PG III, TOTE (12.5% SODIUM HYPOCHLORITE) CERTIFIED TO * NSF/ ANSI 60 * WT OF CONTAINERS FULL _____ WT OF CONTAINERS EMPTY _____ MAXIUM USE 60 MG/L LOT#_____MFR.DATE_____ REPACKAGE DATE _____	2.000/ea	1878.00
1ea	1ea	FUEL SURCHARGE	73.000/ea	73.00
		Prior Deposit on 07/16/2018 -1951.00		

07-13-2018 09:21:16 AM
S100058595.001

Tom Alley

Tom Alley

**** REPRINT ** REPRINT ** REPRINT**
Invoice is due by 07/13/2018

Past Due invoices may be subject to 1.50% late charge.

Subtotal	1951.00
S&H Charges	0.00
Tax	0.00
Payments	-1951.00
Amount Due	0.00

No returns without proper written authorization. Return material subject to restocking, handling, and freight charges. Warranties limited to those provided by manufacturer. As of December 31, 2017 we will no longer mail or fax invoices or monthly statements. Please tell us where you would like your invoices and statements emailed by calling Carma Voorhees or Cheri Green at 304-523-3484 or via email at carma.voorhees@cithornburg.com or cheri.green@cithornburg.com. Thank

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Invoice

INVOICE DATE	INVOICE NUMBER
07/18/2018	S100056752.002

REMIT TO:	PAGE NO.
THE C.I. THORNBURG CO., INC. P.O. BOX 2163 HUNTINGTON, WV 25722	1 of 1

BILL TO:

MARTIN CO. WATER DIST. #1
387 EAST MAIN ST SUITE 140
INEZ, KY 41224

SHIP TO:

MARTIN CO. WATER DIST. #1
14 FLAT HOLLOW
RT 908 TURKEY ROAD
INEZ, KY 41224

CUSTOMER NUMBER	CUSTOMER PO NUMBER	JOB NAME / RELEASE NUMBER	SALESPERSON
5153	TOM		Mark Underwood

WRITER	SHIP VIA	TERMS	SHIP DATE	ORDER DATE
Terry Cremeans	ROUTE 52 SOUTH	**** C O D ****	07/18/2018	06/22/2018

ORDER QTY	SHIP QTY	DESCRIPTION	UNIT PRICE	EXT PRICE
1ea	1ea	2162# TOTE THORNSORB ACTIVATED CARBON SLURRY Prior Deposit on 07/11/2018 -840.00	840.000/ea	840.00

07-18-2018 02:35:35 PM
S100056752.002

Tom Alley

Tom Alley

**** REPRINT ** REPRINT ** REPRINT**
Invoice is due by 07/18/2018

Past Due invoices may be subject to 1.50% late charge.

Subtotal	840.00
S&H Charges	0.00
Tax	0.00
Payments	-840.00
Amount Due	0.00

No returns without proper written authorization. Return material subject to restocking, handling, and freight charges. Warranties limited to those provided by manufacturer. As of December 31, 2017 we will no longer mail or fax invoices or monthly statements. Please tell us where you would like your invoices and statements emailed by calling Carma Voorhees or Cheri Green at 304-523-3484 or via email at carma.voorhees@cithornburg.com or cheri.green@cithornburg.com. Thank

Printed by: VOOCAR on 8/1/2018 1:43:08 AM

C.I. Thornburg

Invoice

INVOICE DATE	INVOICE NUMBER
07/20/2018	S100059289.001

REMIT TO:
THE C.I. THORNBURG CO., INC.
P.O. BOX 2163
HUNTINGTON, WV 25722

PAGE NO.: 1 of 1

BILL TO:

MARTIN CO. WATER DIST. #1
387 EAST MAIN ST SUITE 140
INEZ, KY 41224

SHIP TO:

MARTIN CO. WATER DIST. #1
14 FLAT HOLLOW
RT 908 TURKEY ROAD
INEZ, KY 41224

CUSTOMER NUMBER	CUSTOMER PO NUMBER	JOB NAME / RELEASE NUMBER	SALESPERSON
5153	2018195		Mark Underwood

WRITER	SHIP VIA	TERMS	SHIP DATE	ORDER DATE
John Kelly	ROUTE 23 SOUTH	**** C O D ****	07/20/2018	07/17/2018

ORDER QTY	SHIP QTY	DESCRIPTION	UNIT PRICE	EXT PRICE
9390lb	9390lb	UN1760, CORROSIVE LIQUIDS, N.O.S. 8, PG III, DELPAC 2020, TOTE (POLYALUMINUM HYDROXYCHLOROSULFATE) NSF/ ANSI 60 MAX. USE 250 MG/L WT. OF CONTAINER(S) FULL_____ WT. OF CONTAINER(S) RETURNED_____ LOT#_____ DATE: _____ REPACKAGE DATE:_____	0.367/lb	3449.80
1ea	1ea	55 GAL DRUM UN3264 CORROSIVE LIQUID ACIDIC INORGANIC N.O.S. 8 PGIII WSU MAIN STREAM 635 ALGAECIDE/BACTERICIDE (545# NET)	575.000/ea	575.00
1ea	1ea	DEPOSIT ON 55 GALLON DRUM	50.000/ea	50.00
1ea	1ea	FUEL SURCHARGE	73.000/ea	73.00
		Prior Deposit on 07/23/2018 -4147.80		

07-20-2016 12:15:59 PM
S100059289.001

Tom

Tom

**** REPRINT ** REPRINT ** REPRINT**
Invoice is due by 07/20/2018

Past Due invoices may be subject to 1.50% late charge.

Subtotal	4147.80
S&H Charges	0.00
Tax	0.00
Payments	-4147.80
Amount Due	0.00

No returns without proper written authorization. Return material subject to restocking, handling, and freight charges. Warranties limited to those provided by manufacturer. As of December 31, 2017 we will no longer mail or fax invoices or monthly statements. Please tell us where you would like your invoices and statements emailed by calling Carma Voorhees or Cheri Green at 304-523-3484 or via email at carma.voorhees@clithornburg.com or cheri.green@clithornburg.com. Thank

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C.I. Thornburg

Invoice

INVOICE DATE	INVOICE NUMBER
08/10/2018	S100061630.001

REMIT TO:
THE C.I. THORNBURG CO., INC.
P.O. BOX 2163
HUNTINGTON, WV 25722

PAGE NO.: 1 of 1

BILL TO:

MARTIN CO. WATER DIST. #1
387 EAST MAIN ST SUITE 140
INEZ, KY 41224

SHIP TO:

MARTIN CO. WATER DIST. #1
14 FLAT HOLLOW
RT 908 TURKEY ROAD
INEZ, KY 41224

CUSTOMER NUMBER	CUSTOMER PO NUMBER	JOB NAME / RELEASE NUMBER	SALESPERSON
5153	2018-216		Mark Underwood

WRITER	SHIP VIA	TERMS	SHIP DATE	ORDER DATE
Dick Simmons	ROUTE 23 SOUTH	**** C O D ****	08/10/2018	08/08/2018

ORDER QTY	SHIP QTY	DESCRIPTION	UNIT PRICE	EXT PRICE
1ea	1ea	55 GAL DRUM UN3264 CORROSIVE LIQUID ACIDIC INORGANIC N.O.S. 8 PGIII WSU MAIN STREAM 635 ALGAECIDE/BACTERICIDE (545# NET)	575.000/ea	575.00
1ea	1ea	DEPOSIT ON 55 GALLON DRUM	50.000/ea	50.00
1ea	1ea	465# DRUM N-1986 SUPERFLOC POLYMER	794.000/ea	794.00
		Prior Deposit on 08/13/2018 -1419.00		

08-10-2018 03:05:52 PM
S100061830.001

Tom

Tom

** REPRINT ** REPRINT ** REPRINT
Invoice is due by 08/10/2018

Past Due Invoices may be subject to 1.50% late charge.

Subtotal	1419.00
S&H Charges	0.00
Tax	0.00
Payments	-1419.00
Amount Due	0.00

No returns without proper written authorization. Return material subject to restocking, handling, and freight charges. Warranties limited to those provided by manufacturer. As of December 31, 2017 we will no longer mail or fax invoices or monthly statements. Please tell us where you would like your invoices and statements emailed by calling Carma Voorhees or Cheri Green at 304-523-3464 or via email at carma.voorhees@cithornburg.com or cheri.green@cithornburg.com. Thank

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C.I. Thornburg

Invoice

INVOICE DATE	INVOICE NUMBER
08/17/2018	S100062198.001

REMIT TO:
THE C.I. THORNBURG CO., INC.
P.O. BOX 2163
HUNTINGTON, WV 25722

PAGE NO.
1 of 2

BILL TO:

MARTIN CO. WATER DIST. #1
387 EAST MAIN ST SUITE 140
INEZ, KY 41224

SHIP TO:

MARTIN CO. WATER DIST. #1
14 FLAT HOLLOW
RT 908 TURKEY ROAD
INEZ, KY 41224

CUSTOMER NUMBER	CUSTOMER PO NUMBER	JOB NAME / RELEASE NUMBER	SALESPERSON
5153	2018-201		Mark Underwood

WRITER	SHIP VIA	TERMS	SHIP DATE	ORDER DATE
John Kelly	ROUTE 23 SOUTH	**** C O D ****	08/17/2018	08/14/2018

ORDER QTY	SHIP QTY	DESCRIPTION	UNIT PRICE	EXT PRICE
939gl	939gl	RQ, UN1791, HYPOCHLORITE SOLUTIONS, 8, PG III, TOTE (12.5% SODIUM HYPOCHLORITE) CERTIFIED TO * NSF/ ANSI 60 * WT OF CONTAINERS FULL _____ WT OF CONTAINERS EMPTY _____ MAXIUM USE 60 MG/L LOT#_____MFR.DATE_____ REPACKAGE DATE _____	2.000/ea	1878.00
6260lb	6260lb	UN1760, CORROSIVE LIQUIDS, N.O.S. 8, PG III, DELPAC 2020, TOTE (POLYALUMINUM HYDROXYCHLOROSULFATE) NSF/ ANSI 60 MAX. USE 250 MG/L WT. OF CONTAINER(S) FULL_____ WT. OF CONTAINER(S) RETURNED_____ LOT#_____ DATE: _____ REPACKAGE DATE:_____	0.370/lb	2316.20
1ea	1ea	55 GAL DRUM UN3264 CORROSIVE LIQUID ACIDIC INORGANIC N.O.S. 8 PGIII WSU MAIN STREAM 635 ALGAECIDE/BACTERICIDE (545# NET)	575.000/ea	575.00
1ea	1ea	DEPOSIT ON 55 GALLON DRUM	50.000/ea	50.00
1ea	1ea	FUEL SURCHARGE	73.000/ea	73.00
		Prior Deposit on 08/20/2018 -4892.20		

** REPRINT ** REPRINT ** REPRINT

Subtotal	
S&H Charges	
Tax	
Payments	
Amount Due	

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C.I. Thornburg

Invoice

INVOICE DATE	INVOICE NUMBER
08/17/2018	S100062198.001

REMIT TO:
THE C.I. THORNBURG CO., INC.
P.O. BOX 2163
HUNTINGTON, WV 25722

PAGE NO.
2 of 2

BILL TO:

MARTIN CO. WATER DIST. #1
387 EAST MAIN ST SUITE 140
INEZ, KY 41224

SHIP TO:

MARTIN CO. WATER DIST. #1
14 FLAT HOLLOW
RT 908 TURKEY ROAD
INEZ, KY 41224

CUSTOMER NUMBER	CUSTOMER PO NUMBER	JOB NAME / RELEASE NUMBER	SALESPERSON
5153	2018-201		Mark Underwood

WRITER	SHIP VIA	TERMS	SHIP DATE	ORDER DATE
John Kelly	ROUTE 23 SOUTH	**** C O D ****	08/17/2018	08/14/2018

ORDER QTY	SHIP QTY	DESCRIPTION	UNIT PRICE	EXT PRICE
		08-17-2018 04:13:32 PM S100062198.001 Tom Alley Tom Alley		

**** REPRINT ** REPRINT ** REPRINT**
Invoice is due by 08/17/2018

Past Due Invoices may be subject to 1.50% late charge.

Subtotal	4892.20
S&H Charges	0.00
Tax	0.00
Payments	-4892.20
Amount Due	0.00

No returns without proper written authorization. Return material subject to restocking, handling, and freight charges. Warranties limited to those provided by manufacturer. As of December 31, 2017 we will no longer mail or fax invoices or monthly statements. Please tell us where you would like your invoices and statements emailed by calling Carma Voorhees or Cheri Green at 304-523-3484 or via email at carma.voorhees@cithornburg.com or cheri.green@cithornburg.com. Thank

Printed by: VOORHEES on 8/17/2018 1:45:17 PM

C.I. Thornburg

Invoice

INVOICE DATE	INVOICE NUMBER
08/30/2018	S100063211.001

REMIT TO:
THE C.I. THORNBURG CO., INC.
P.O. BOX 2163
HUNTINGTON, WV 25722

BILL TO:

MARTIN CO. WATER DIST. #1
387 EAST MAIN ST SUITE 140
INEZ, KY 41224

SHIP TO:

MARTIN CO. WATER DIST. #1
14 FLAT HOLLOW
RT 908 TURKEY ROAD
INEZ, KY 41224

CUSTOMER NUMBER	CUSTOMER PO NUMBER	JOB NAME / RELEASE NUMBER	SALESPERSON
5153	2018-245		Mark Underwood

WRITER	SHIP VIA	TERMS	SHIP DATE	ORDER DATE
Mark Underwood	ROUTE 23 SOUTH	**** C O D ****	08/30/2018	08/23/2018

ORDER QTY	SHIP QTY	DESCRIPTION	UNIT PRICE	EXT PRICE
626gl	626gl	RQ, UN1791, HYPOCHLORITE SOLUTIONS, 8, PG III, TOTE (12.5% SODIUM HYPOCHLORITE) CERTIFIED TO * NSF/ ANSI 60 * WT OF CONTAINERS FULL _____ WT OF CONTAINERS EMPTY _____ MAXIUM USE 60 MG/L LOT#_____MFR.DATE_____ REPACKAGE DATE _____	2.000/ea	1252.00
3130lb	3130lb	UN1760, CORROSIVE LIQUIDS, N.O.S. 8, PG III, DELPAC 2020, TOTE (POLYALUMINUM HYDROXYCHLOROSULFATE) NSF/ ANSI 60 MAX. USE 250 MG/L WT. OF CONTAINER(S) FULL_____ WT. OF CONTAINER(S) RETURNED_____ LOT#_____ DATE: _____ REPACKAGE DATE:_____	0.367/lb	1149.93
3370lb	3370lb	RQ, UN1778, FLUOROSILICIC ACID, 8, PG II, (HYDROFLUOROSILICIC ACID SOLUTION) TOTE WT OF CONTAINER(S) FULL_____ WT OF CONTAINER(S) RETURNED_____	0.550/ea	1853.50

** REPRINT ** REPRINT ** REPRINT

Subtotal	
S&H Charges	
Tax	
Payments	
Amount Due	

Printed By: VOOCAR on 8/1/2019 7:43:19 AM

C.I. Thornburg

Invoice

INVOICE DATE	INVOICE NUMBER
08/30/2018	S100063211.001

REMIT TO:
THE C.I. THORNBURG CO., INC.
P.O. BOX 2163
HUNTINGTON, WV 25722

PAGE NO.
2 of 2

BILL TO:

MARTIN CO. WATER DIST. #1
387 EAST MAIN ST SUITE 140
INEZ, KY 41224

SHIP TO:

MARTIN CO. WATER DIST. #1
14 FLAT HOLLOW
RT 908 TURKEY ROAD
INEZ, KY 41224

CUSTOMER NUMBER	CUSTOMER PO NUMBER	JOB NAME / RELEASE NUMBER	SALESPERSON
5153	2018-245		Mark Underwood

WRITER	SHIP VIA	TERMS	SHIP DATE	ORDER DATE
Mark Underwood	ROUTE 23 SOUTH	**** C O D ****	08/30/2018	08/23/2018

ORDER QTY	SHIP QTY	DESCRIPTION		UNIT PRICE	EXT PRICE
1ea	1ea	UN3214, PERMANGANATES 20% INORGANIC AQUEOUS SOLUTIONS N.O.S., 5.1, PG II (SODIUM PERMANGANATE) (CARUSOL) 534LB DRUM		990.000/ea	990.00
1ea	1ea	FUEL SURCHARGE		73.000/ea	73.00
		Prior Deposit on 08/31/2018	-5224.93		
		Prior Deposit on 09/12/2018	-93.50		

08-30-2018 04:46:41 PM
S100063211.001

Tom

Tom

**** REPRINT ** REPRINT ** REPRINT**
Invoice is due by 08/30/2018

Past Due invoices may be subject to 1.50% late charge.

Subtotal	5318.43
S&H Charges	0.00
Tax	0.00
Payments	-5318.43
Amount Due	0.00

No returns without proper written authorization. Return material subject to restocking, handling, and freight charges. Warranties limited to those provided by manufacturer. As of December 31, 2017 we will no longer mail or fax invoices or monthly statements. Please tell us where you would like your invoices and statements emailed by calling Canna Voorhees or Cheri Green at 304-523-3464 or via email at canna.voorhees@cithornburg.com or cheri.green@cithornburg.com. Thank

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C.I. Thornburg

Invoice

INVOICE DATE	INVOICE NUMBER
09/11/2018	S100064708.001

REMIT TO:
THE C.I. THORNBURG CO., INC.
P.O. BOX 2163
HUNTINGTON, WV 25722

BILL TO:

MARTIN CO. WATER DIST. #1
387 EAST MAIN ST SUITE 140
INEZ, KY 41224

SHIP TO:

MARTIN CO. WATER DIST. #1
14 FLAT HOLLOW
RT 908 TURKEY ROAD
INEZ, KY 41224

CUSTOMER NUMBER	CUSTOMER PO NUMBER	JOB NAME / RELEASE NUMBER	SALESPERSON
5153	2018-266	TOM	Mark Underwood

WRITER	SHIP VIA	TERMS	SHIP DATE	ORDER DATE
Mark Underwood	ROUTE 23 SOUTH	**** C O D ****	09/11/2018	09/07/2018

ORDER QTY	SHIP QTY	DESCRIPTION	UNIT PRICE	EXT PRICE
626gl	626gl	RQ, UN1791, HYPOCHLORITE SOLUTIONS, 8, PG III, TOTE (12.5% SODIUM HYPOCHLORITE) CERTIFIED TO * NSF/ ANSI 60 * WT OF CONTAINERS FULL _____ WT OF CONTAINERS EMPTY _____ MAXIUM USE 60 MG/L LOT#_____MFR.DATE_____ REPACKAGE DATE _____	2.000/ea	1252.00
6260lb	6260lb	UN1760, CORROSIVE LIQUIDS, N.O.S. 8, PG III, DELPAC 2020, TOTE (POLYALUMINUM HYDROXYCHLOROSULFATE) NSF/ ANSI 60 MAX. USE 250 MG/L WT. OF CONTAINER(S) FULL_____ WT. OF CONTAINER(S) RETURNED_____ LOT#_____ DATE: _____ REPACKAGE DATE:_____	0.367/lb	2299.87
1ea	1ea	55 GAL DRUM UN3264 CORROSIVE LIQUID ACIDIC INORGANIC N.O.S. 8 PGIII WSU MAIN STREAM 635 ALGAECIDE/BACTERICIDE (545# NET)	575.000/ea	575.00
1ea	1ea	DEPOSIT ON 55 GALLON DRUM	50.000/ea	50.00
1ea	1ea	45LB PAIL BIO-NEUTRALIZER TABLETS	155.000/ea	155.00
1ea	1ea	FUEL SURCHARGE	73.000/ea	73.00
		Prior Deposit on 09/12/2018 -4404.87		

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Subtotal	
S&H Charges	
Tax	
Payments	
Amount Due	

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C.I. Thornburg

Invoice

INVOICE DATE	INVOICE NUMBER
09/11/2018	S100064708.001

REMIT TO:
THE C.I. THORNBURG CO., INC.
P.O. BOX 2163
HUNTINGTON, WV 25722

BILL TO:

MARTIN CO. WATER DIST. #1
387 EAST MAIN ST SUITE 140
INEZ, KY 41224

SHIP TO:

MARTIN CO. WATER DIST. #1
14 FLAT HOLLOW
RT 908 TURKEY ROAD
INEZ, KY 41224

CUSTOMER NUMBER	CUSTOMER PO NUMBER	JOB NAME / RELEASE NUMBER	SALESPERSON
5153	2018-266	TOM	Mark Underwood

WRITER	SHIP VIA	TERMS	SHIP DATE	ORDER DATE
Mark Underwood	ROUTE 23 SOUTH	**** C O D ****	09/11/2018	09/07/2018

ORDER QTY	SHIP QTY	DESCRIPTION	UNIT PRICE	EXT PRICE
		09-11-2018 11:45:19 AM S100064708.001 Tom Tom		

**** REPRINT ** REPRINT ** REPRINT**
Invoice is due by 09/11/2018

Past Due invoices may be subject to 1.50% late charge.

Subtotal	4404.87
S&H Charges	0.00
Tax	0.00
Payments	-4404.87
Amount Due	0.00

No returns without proper written authorization. Return material subject to restocking, handling, and freight charges. Warranties limited to those provided by manufacturer. As of December 31, 2017 we will no longer mail or fax invoices or monthly statements. Please tell us where you would like your invoices and statements emailed by calling Carma Voorhees or Cheri Green at 304-523-3484 or via email at carma.voorhees@clthornburg.com or cheri.green@clthornburg.com. Thank

Printed by: VOOCAR on 9/11/2018 11:45:22 AM

Invoice

INVOICE DATE	INVOICE NUMBER
09/21/2018	S100065251.001

REMIT TO:	PAGE NO.
THE C.I. THORNBURG CO., INC. P.O. BOX 2163 HUNTINGTON, WV 25722	1 of 1

BILL TO:

MARTIN CO. WATER DIST. #1
387 EAST MAIN ST SUITE 140
INEZ, KY 41224

SHIP TO:

MARTIN CO. WATER DIST. #1
14 FLAT HOLLOW
RT 908 TURKEY ROAD
INEZ, KY 41224

CUSTOMER NUMBER	CUSTOMER PO NUMBER	JOB NAME / RELEASE NUMBER	SALESPERSON
5153	2018-363		Mark Underwood

WRITER	SHIP VIA	TERMS	SHIP DATE	ORDER DATE
Terry Cremeans	ROUTE 23 SOUTH	**** C O D ****	09/21/2018	09/14/2018

ORDER QTY	SHIP QTY	DESCRIPTION	UNIT PRICE	EXT PRICE
6260lb	6260lb	UN1760, CORROSIVE LIQUIDS, N.O.S. 8, PG III, DELPAC 2020, TOTE (POLYALUMINUM HYDROXYCHLOROSULFATE) NSF/ ANSI 60 MAX. USE 250 MG/L WT. OF CONTAINER(S) FULL_____ WT. OF CONTAINER(S) RETURNED_____ LOT#_____ DATE: _____ REPACKAGE DATE:_____	0.367/lb	2299.87
626gl	626gl	RQ, UN1791, HYPOCHLORITE SOLUTIONS, 8, PG III, TOTE (12.5% SODIUM HYPOCHLORITE) CERTIFIED TO * NSF/ ANSI 60 * WT OF CONTAINERS FULL _____ WT OF CONTAINERS EMPTY _____ MAXIUM USE 60 MG/L LOT#_____MFR.DATE_____ REPACKAGE DATE _____	2.000/ea	1252.00
1ea	1ea	FUEL SURCHARGE Prior Deposit on 09/21/2018 -3624.87 09-21-2018 02:21:29 PM S100065251.001 Tom Tommy	73.000/ea	73.00

**** REPRINT ** REPRINT ** REPRINT**
Invoice is due by 09/21/2018

Past Due invoices may be subject to 1.50% late charge.

Subtotal	3624.87
S&H Charges	0.00
Tax	0.00
Payments	-3624.87
Amount Due	0.00

No returns without proper written authorization. Return material subject to restocking, handling, and freight charges. Warranties limited to those provided by manufacturer. As of December 31, 2017 we will no longer mail or fax invoices or monthly statements. Please tell us where you would like your invoices and statements emailed by calling Carma Voorhees or Cheri Green at 304-523-3464 or via email at carma.voorhees@cithornburg.com or cheri.green@cithornburg.com. Thank

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Invoice

INVOICE DATE	INVOICE NUMBER
09/25/2018	S100065251.003

REMIT TO:	PAGE NO.
THE C.I. THORNBURG CO., INC. P.O. BOX 2163 HUNTINGTON, WV 25722	1 of 1

BILL TO:

MARTIN CO. WATER DIST. #1
387 EAST MAIN ST SUITE 140
INEZ, KY 41224

SHIP TO:

MARTIN CO. WATER DIST. #1
14 FLAT HOLLOW
RT 908 TURKEY ROAD
INEZ, KY 41224

CUSTOMER NUMBER	CUSTOMER PO NUMBER	JOB NAME / RELEASE NUMBER	SALESPERSON
5153	2018-363		Mark Underwood

WRITER	SHIP VIA	TERMS	SHIP DATE	ORDER DATE
Terry Cremeans	ROUTE 23 SOUTH	**** C O D ****	09/25/2018	09/14/2018

ORDER QTY	SHIP QTY	DESCRIPTION	UNIT PRICE	EXT PRICE
1ea	1ea	55 GAL DRUM UN3264 CORROSIVE LIQUID ACIDIC INORGANIC N.O.S. 8 PGIII WSU MAIN STREAM 635 ALGAECIDE/BACTERICIDE (545# NET)	575.000/ea	575.00
1ea	1ea	DEPOSIT ON 55 GALLON DRUM	50.000/ea	50.00
		Prior Deposit on 09/26/2018 -625.00		

09-25-2018 11:38:38 AM
S100065251.003

Justin Scott

Justin Scott

**** REPRINT ** REPRINT ** REPRINT**
Invoice is due by 09/25/2018

Past Due Invoices may be subject to 1.50% late charge.

Subtotal	625.00
S&H Charges	0.00
Tax	0.00
Payments	-625.00
Amount Due	0.00

No returns without proper written authorization. Return material subject to restocking, handling, and freight charges. Warranties limited to those provided by manufacturer. As of December 31, 2017 we will no longer mail or fax invoices or monthly statements. Please tell us where you would like your invoices and statements emailed by calling Carma Voorhees or Cheri Green at 304-523-3464 or via email at carma.voorhees@cithornburg.com or cheri.green@cithornburg.com. Thank

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C.I. Thornburg

Invoice

INVOICE DATE	INVOICE NUMBER
10/03/2018	S100066077.003

REMIT TO:
THE C.I. THORNBURG CO., INC.
P.O. BOX 2163
HUNTINGTON, WV 25722

PAGE NO.
1 of 2

BILL TO:

MARTIN CO. WATER DIST. #1
387 EAST MAIN ST SUITE 140
INEZ, KY 41224

SHIP TO:

MARTIN CO. WATER DIST. #1
14 FLAT HOLLOW
RT 908 TURKEY ROAD
INEZ, KY 41224

CUSTOMER NUMBER	CUSTOMER PO NUMBER	JOB NAME / RELEASE NUMBER	SALESPERSON
5153	BIWEEKLY DELPAC HYPO		Mark Underwood

WRITER	SHIP VIA	TERMS	SHIP DATE	ORDER DATE
Mary Beth Anderson	ROUTE 23 SOUTH	**** C O D ****	10/03/2018	09/24/2018

ORDER QTY	SHIP QTY	DESCRIPTION	UNIT PRICE	EXT PRICE
939gl	939gl	RQ, UN1791, HYPOCHLORITE SOLUTIONS, 8, PG III, TOTE (12.5% SODIUM HYPOCHLORITE) CERTIFIED TO * NSF/ ANSI 60 * WT OF CONTAINERS FULL _____ WT OF CONTAINERS EMPTY _____ MAXIUM USE 60 MG/L LOT#_____MFR.DATE_____ REPACKAGE DATE _____	2.000/ea	1878.00
3130lb	3130lb	UN1760, CORROSIVE LIQUIDS, N.O.S. 8, PG III, DELPAC 2020, TOTE (POLYALUMINUM HYDROXYCHLOROSULFATE) NSF/ ANSI 60 MAX. USE 250 MG/L WT. OF CONTAINER(S) FULL_____ WT. OF CONTAINER(S) RETURNED_____ LOT#_____ DATE: _____ REPACKAGE DATE:_____	0.367/lb	1149.93
1ea	1ea	UN3214, PERMANGANATES 15% INORGANIC AQUEOUS SOLUTIONS, N.O.S., 5.1, PGII, 510LB NRD,(SODIUM PERMANGANATE 15%	600.000/ea	600.00
1ea	1ea	FUEL SURCHARGE	73.000/ea	73.00
		Prior Deposit on 10/04/2018 -3700.93		

Subtotal	
S&H Charges	
Tax	
Payments	
Amount Due	

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C.I. Thornburg

Invoice

INVOICE DATE	INVOICE NUMBER
10/03/2018	S100066077.003

REMIT TO:
THE C.I. THORNBURG CO., INC.
P.O. BOX 2163
HUNTINGTON, WV 25722

PAGE NO.
2 of 2

BILL TO:

MARTIN CO. WATER DIST. #1
387 EAST MAIN ST SUITE 140
INEZ, KY 41224

SHIP TO:

MARTIN CO. WATER DIST. #1
14 FLAT HOLLOW
RT 908 TURKEY ROAD
INEZ, KY 41224

CUSTOMER NUMBER	CUSTOMER PO NUMBER	JOB NAME / RELEASE NUMBER	SALESPERSON
5153	BIWEEKLY DELPAC HYPO		Mark Underwood

WRITER	SHIP VIA	TERMS	SHIP DATE	ORDER DATE
Mary Beth Anderson	ROUTE 23 SOUTH	**** C O D ****	10/03/2018	09/24/2018

ORDER QTY	SHIP QTY	DESCRIPTION	UNIT PRICE	EXT PRICE
		10-03-2018 05:33:41 PM S100066077.003 Tom Tom		

Invoice is due by 10/03/2018

Past Due Invoices may be subject to 1.50% late charge.

Subtotal	3700.93
S&H Charges	0.00
Tax	0.00
Payments	-3700.93
Amount Due	0.00

No returns without proper written authorization. Return material subject to restocking, handling, and freight charges. Warranties limited to those provided by manufacturer. As of December 31, 2017 we will no longer mail or fax invoices or monthly statements. Please tell us where you would like your invoices and statements emailed by calling Carma Voorhees or Cheri Green at 304-523-3484 or via email at carma.voorhees@cithornburg.com or cheri.green@cithornburg.com. Thank

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C.I. Thornburg

Invoice

INVOICE DATE	INVOICE NUMBER
10/09/2018	S100067232.001

REMIT TO:	PAGE NO.
THE C.I. THORNBURG CO., INC. P.O. BOX 2163 HUNTINGTON, WV 25722	1 of 1

BILL TO:

MARTIN CO. WATER DIST. #1
387 EAST MAIN ST SUITE 140
INEZ, KY 41224

SHIP TO:

MARTIN CO. WATER DIST. #1
14 FLAT HOLLOW
RT 908 TURKEY ROAD
INEZ, KY 41224

CUSTOMER NUMBER	CUSTOMER PO NUMBER	JOB NAME / RELEASE NUMBER	SALESPERSON
5153	CARBON		Mark Underwood

WRITER	SHIP VIA	TERMS	SHIP DATE	ORDER DATE
John Kelly	ROUTE 23 SOUTH	**** C O D ****	10/09/2018	10/04/2018

ORDER QTY	SHIP QTY	DESCRIPTION	UNIT PRICE	EXT PRICE
1ea	1ea	2162# TOTE THORNSORB ACTIVATED CARBON SLURRY	840.000/ea	840.00
		Prior Deposit on 10/05/2018 -840.00		
		10-09-2018 10:37:38 AM		
		Justin		
		Justin		

Invoice is due by 10/09/2018

Past Due Invoices may be subject to 1.50% late charge.

Subtotal	840.00
S&H Charges	0.00
Tax	0.00
Payments	-840.00
Amount Due	0.00

No returns without proper written authorization. Return material subject to restocking, handling, and freight charges. Warranties limited to those provided by manufacturer. As of December 31, 2017 we will no longer mail or fax invoices or monthly statements. Please tell us where you would like your invoices and statements emailed by calling Carma Voorhees or Cheri Green at 304-523-3484 or via email at carma.voorhees@cithornburg.com or cheri.green@cithornburg.com. Thank

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C.I. Thornburg

Invoice

INVOICE DATE	INVOICE NUMBER
10/09/2018	S100067333.001

REMIT TO:
THE C.I. THORNBURG CO., INC.
P.O. BOX 2163
HUNTINGTON, WV 25722

PAGE NO.: 1 of 1

BILL TO:

MARTIN CO. WATER DIST. #1
387 EAST MAIN ST SUITE 140
INEZ, KY 41224

SHIP TO:

MARTIN CO. WATER DIST. #1
14 FLAT HOLLOW
RT 908 TURKEY ROAD
INEZ, KY 41224

CUSTOMER NUMBER	CUSTOMER PO NUMBER	JOB NAME / RELEASE NUMBER	SALESPERSON
5153	TOM		Mark Underwood

WRITER	SHIP VIA	TERMS	SHIP DATE	ORDER DATE
John Kelly	ROUTE 23 SOUTH	**** C O D ****	10/09/2018	10/05/2018

ORDER QTY	SHIP QTY	DESCRIPTION		UNIT PRICE	EXT PRICE
1ea	1ea	55 GAL DRUM UN3264 CORROSIVE LIQUID ACIDIC INORGANIC N.O.S. 8 PGIII WSU MAIN STREAM 635 ALGAECIDE/BACTERICIDE (545# NET)		575.000/ea	575.00
1ea	1ea	DEPOSIT ON 55 GALLON DRUM		50.000/ea	50.00
1ea	1ea	FUEL SURCHARGE		73.000/ea	73.00
		Prior Deposit on 10/16/2018	-698.00		

10-09-2018 10:37:38 AM

Justin

Justin

** REPRINT ** REPRINT ** REPRINT

Invoice is due by 10/09/2018

Past Due invoices may be subject to 1.50% late charge.

Subtotal	698.00
S&H Charges	0.00
Tax	0.00
Payments	-698.00
Amount Due	0.00

No returns without proper written authorization. Return material subject to restocking, handling, and freight charges. Warranties limited to those provided by manufacturer. As of December 31, 2017 we will no longer mail or fax invoices or monthly statements. Please tell us where you would like your invoices and statements emailed by calling Carma Voorhees or Cheri Green at 304-523-3484 or via email at carma.voorhees@cithornburg.com or cheri.green@cithornburg.com. Thank

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C.I. Thornburg

Invoice

INVOICE DATE	INVOICE NUMBER
10/18/2018	S10006080.002

REMIT TO:
THE C.I. THORNBURG CO., INC.
P.O. BOX 2163
HUNTINGTON, WV 25722

BILL TO:

MARTIN CO. WATER DIST. #1
387 EAST MAIN ST SUITE 140
INEZ, KY 41224

SHIP TO:

MARTIN CO. WATER DIST. #1
14 FLAT HOLLOW
RT 908 TURKEY ROAD
INEZ, KY 41224

CUSTOMER NUMBER	CUSTOMER PO NUMBER	JOB NAME / RELEASE NUMBER	SALESPERSON
5153	BIWEEKLY CHEMICALS		Mark Underwood

WRITER	SHIP VIA	TERMS	SHIP DATE	ORDER DATE
Mary Beth Anderson	ROUTE 23 SOUTH	**** C O D ****	10/18/2018	09/24/2018

ORDER QTY	SHIP QTY	DESCRIPTION	UNIT PRICE	EXT PRICE
626gl	626gl	RQ, UN1791, HYPOCHLORITE SOLUTIONS, 8, PG III, TOTE (12.5% SODIUM HYPOCHLORITE) CERTIFIED TO * NSF/ ANSI 60 * WT OF CONTAINERS FULL _____ WT OF CONTAINERS EMPTY _____ MAXIUM USE 60 MG/L LOT#_____MFR.DATE_____ REPACKAGE DATE _____	2.089/ea	1307.64
6260lb	6260lb	UN1760, CORROSIVE LIQUIDS, N.O.S. 8, PG III, DELPAC 2020, TOTE (POLYALUMINUM HYDROXYCHLOROSULFATE) NSF/ ANSI 60 MAX. USE 250 MG/L WT. OF CONTAINER(S) FULL_____ WT. OF CONTAINER(S) RETURNED_____ LOT#_____ DATE: _____ REPACKAGE DATE:_____	0.402/lb	2518.90
1ea	1ea	55 GAL DRUM UN3264 CORROSIVE LIQUID ACIDIC INORGANIC N.O.S. 8 PGIII WSU MAIN STREAM 635 ALGAECIDE/BACTERICIDE (545# NET)	575.000/ea	575.00
1ea	1ea	DEPOSIT ON 55 GALLON DRUM	50.000/ea	50.00
1ea	1ea	FUEL SURCHARGE	73.000/ea	73.00
		Prior Deposit on 10/19/2018 -4524.54		

Subtotal	
S&H Charges	
Tax	
Payments	
Amount Due	

Invoice

INVOICE DATE	INVOICE NUMBER
10/18/2018	S100066 080.002

REMIT TO:	PAGE NO.
THE C.I. THORNBURG CO., INC. P.O. BOX 2163 HUNTINGTON, WV 25722	2 of 2

BILL TO:

MARTIN CO. WATER DIST. #1
387 EAST MAIN ST SUITE 140
INEZ, KY 41224

SHIP TO:

MARTIN CO. WATER DIST. #1
14 FLAT HOLLOW
RT 908 TURKEY ROAD
INEZ, KY 41224

CUSTOMER NUMBER	CUSTOMER PO NUMBER	JOB NAME / RELEASE NUMBER	SALESPERSON
5153	BIWEEKLY CHEMICALS		Mark Underwood

WRITER	SHIP VIA	TERMS	SHIP DATE	ORDER DATE
Mary Beth Anderson	ROUTE 23 SOUTH	**** C O D ****	10/18/2018	09/24/2018

ORDER QTY	SHIP QTY	DESCRIPTION	UNIT PRICE	EXT PRICE
		10-18-2018 04:28:22 PM S100066080.002 Tom Culley Tom		

Invoice is due by 10/18/2018

Past Due Invoices may be subject to 1.50% late charge.

Subtotal	4524.54
S&H Charges	0.00
Tax	0.00
Payments	-4524.54
Amount Due	0.00

No returns without proper written authorization. Return material subject to restocking, handling, and freight charges. Warranties limited to those provided by manufacturer. As of December 31, 2017 we will no longer mail or fax invoices or monthly statements. Please tell us where you would like your invoices and statements emailed by calling Carma Voorhees or Cheri Green at 304-523-3464 or via email at carma.voorhees@cithornburg.com or cheri.green@cithornburg.com. Thank

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C.I. Thornburg

Invoice

INVOICE DATE	INVOICE NUMBER
10/29/2018	S100066081.002

REMIT TO:
THE C.I. THORNBURG CO., INC.
P.O. BOX 2163
HUNTINGTON, WV 25722

BILL TO:

MARTIN CO. WATER DIST. #1
387 EAST MAIN ST SUITE 140
INEZ, KY 41224

SHIP TO:

MARTIN CO. WATER DIST. #1
14 FLAT HOLLOW
RT 908 TURKEY ROAD
INEZ, KY 41224

CUSTOMER NUMBER	CUSTOMER PO NUMBER	JOB NAME / RELEASE NUMBER	SALESPERSON
5153	BIWEEKLY CHEMICALS		Mark Underwood

WRITER	SHIP VIA	TERMS	SHIP DATE	ORDER DATE
Mary Beth Anderson	ROUTE 23 SOUTH	**** C O D ****	10/29/2018	09/24/2018

ORDER QTY	SHIP QTY	DESCRIPTION	UNIT PRICE	EXT PRICE
313gl	313gl	RQ, UN1791, HYPOCHLORITE SOLUTIONS, 8, PG III, TOTE (12.5% SODIUM HYPOCHLORITE) CERTIFIED TO * NSF/ ANSI 60 * WT OF CONTAINERS FULL _____ WT OF CONTAINERS EMPTY _____ MAXIUM USE 60 MG/L LOT#_____MFR.DATE_____ REPACKAGE DATE _____	2.000/ea	626.00
6270lb	6270lb	UN1760, CORROSIVE LIQUIDS, N.O.S. 8, PG III, DELPAC 2020, TOTE (POLYALUMINUM HYDROXYCHLOROSULFATE) NSF/ ANSI 60 MAX. USE 250 MG/L WT. OF CONTAINER(S) FULL_____ WT. OF CONTAINER(S) RETURNED_____ LOT#_____ DATE: _____ REPACKAGE DATE:_____	0.367/lb	2303.54
1ea	1ea	UN3214, PERMANGANATES 15% INORGANIC AQUEOUS SOLUTIONS, N.O.S., 5.1, PGII, 510LB NRD,(SODIUM PERMANGANATE 15%	600.000/ea	600.00
1ea	1ea	465# DRUM N-1986 SUPERFLOC POLYMER	994.000/ea	994.00
1ea	1ea	FUEL SURCHARGE	73.000/ea	73.00
		Prior Deposit on 10/30/2018 -4596.54		

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Subtotal	
S&H Charges	
Tax	
Payments	
Amount Due	

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C.I. Thornburg

Invoice

INVOICE DATE	INVOICE NUMBER
10/29/2018	S100066081.002

REMIT TO:
THE C.I. THORNBURG CO., INC.
P.O. BOX 2163
HUNTINGTON, WV 25722

BILL TO:

MARTIN CO. WATER DIST. #1
387 EAST MAIN ST SUITE 140
INEZ, KY 41224

SHIP TO:

MARTIN CO. WATER DIST. #1
14 FLAT HOLLOW
RT 908 TURKEY ROAD
INEZ, KY 41224

CUSTOMER NUMBER	CUSTOMER PO NUMBER	JOB NAME / RELEASE NUMBER	SALESPERSON
5153	BIWEEKLY CHEMICALS		Mark Underwood

WRITER	SHIP VIA	TERMS	SHIP DATE	ORDER DATE
Mary Beth Anderson	ROUTE 23 SOUTH	**** C O D ****	10/29/2018	09/24/2018

ORDER QTY	SHIP QTY	DESCRIPTION	UNIT PRICE	EXT PRICE
		10-29-2018 02:13:09 PM S100066081.002 Justin Justin		

**** REPRINT ** REPRINT ** REPRINT**
Invoice is due by 10/29/2018

Past Due invoices may be subject to 1.50% late charge.

Subtotal	4596.54
S&H Charges	0.00
Tax	0.00
Payments	-4596.54
Amount Due	0.00

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Invoice

INVOICE DATE	INVOICE NUMBER
10/29/2018	S100069162.002

REMIT TO:	PAGE NO.
THE C.I. THORNBURG CO., INC. P.O. BOX 2163 HUNTINGTON, WV 25722	1 of 1

BILL TO:

MARTIN CO. WATER DIST. #1
387 EAST MAIN ST SUITE 140
INEZ, KY 41224

SHIP TO:

MARTIN CO. WATER DIST. #1
14 FLAT HOLLOW
RT 908 TURKEY ROAD
INEZ, KY 41224

CUSTOMER NUMBER	CUSTOMER PO NUMBER	JOB NAME / RELEASE NUMBER	SALESPERSON
5153	2018-10-063		Mark Underwood

WRITER	SHIP VIA	TERMS	SHIP DATE	ORDER DATE
John Kelly	ROUTE 23 SOUTH	**** C O D ****	10/29/2018	10/26/2018

ORDER QTY	SHIP QTY	DESCRIPTION	UNIT PRICE	EXT PRICE
3188lb	3188lb	RQ, UN1778, FLUOROSILICIC ACID, 8, PG II, (HYDROFLUOROSILICIC ACID SOLUTION) TOTE WT OF CONTAINER(S) FULL_____ WT OF CONTAINER(S) RETURNED_____ Prior Deposit on 10/30/2018 -1870.00 Prior Deposit on 11/09/2018 116.60 10-29-2018 02:13:31 PM S100069162.002 Justin Justin	0.550/ea	1753.40

**** REPRINT ** REPRINT ** REPRINT**
Invoice is due by 10/29/2018

Past Due Invoices may be subject to 1.50% late charge.

Subtotal	1753.40
S&H Charges	0.00
Tax	0.00
Payments	-1753.40
Amount Due	0.00

No returns without proper written authorization. Return material subject to restocking, handling, and freight charges. Warranties limited to those provided by manufacturer. As of December 31, 2017 we will no longer mail or fax invoices or monthly statements. Please tell us where you would like your invoices and statements emailed by calling Carma Voorhees or Cheri Green at 304-523-3484 or via email at carma.voorhees@cithornburg.com or cheri.green@cithornburg.com. Thank

Printed by: VOOCAR on 8/17/2018 1:43:35 AM

C.I. Thornburg

Invoice

INVOICE DATE	INVOICE NUMBER
11/12/2018	S100066083.002

REMIT TO:
THE C.I. THORNBURG CO., INC.
P.O. BOX 2163
HUNTINGTON, WV 25722

BILL TO:

MARTIN CO. WATER DIST. #1
387 EAST MAIN ST SUITE 140
INEZ, KY 41224

SHIP TO:

MARTIN CO. WATER DIST. #1
14 FLAT HOLLOW
RT 908 TURKEY ROAD
INEZ, KY 41224

CUSTOMER NUMBER	CUSTOMER PO NUMBER	JOB NAME / RELEASE NUMBER	SALESPERSON
5153	2018-11-009		Mark Underwood

WRITER	SHIP VIA	TERMS	SHIP DATE	ORDER DATE
Mary Beth Anderson	ROUTE 23 SOUTH	**** C O D ****	11/12/2018	09/24/2018

ORDER QTY	SHIP QTY	DESCRIPTION	UNIT PRICE	EXT PRICE
626gl	626gl	RQ, UN1791, HYPOCHLORITE SOLUTIONS, 8, PG III, TOTE (12.5% SODIUM HYPOCHLORITE) CERTIFIED TO * NSF/ ANSI 60 * WT OF CONTAINERS FULL _____ WT OF CONTAINERS EMPTY _____ MAXIUM USE 60 MG/L LOT#_____MFR.DATE_____ REPACKAGE DATE _____	2.000/ea	1252.00
6282lb	6282lb	UN1760, CORROSIVE LIQUIDS, N.O.S. 8, PG III, DELPAC 2020, TOTE (POLYALUMINUM HYDROXYCHLOROSULFATE) NSF/ ANSI 60 MAX. USE 250 MG/L WT. OF CONTAINER(S) FULL_____ WT. OF CONTAINER(S) RETURNED_____ LOT#_____ DATE: _____ REPACKAGE DATE:_____	0.367/lb	2307.95
1ea	1ea	55 GAL DRUM UN3264 CORROSIVE LIQUID ACIDIC INORGANIC N.O.S. 8 PGIII WSU MAIN STREAM 635 ALGAECIDE/BACTERICIDE (545# NET)	575.000/ea	575.00
1ea	1ea	DEPOSIT ON 55 GALLON DRUM	50.000/ea	50.00
1ea	1ea	FUEL SURCHARGE	73.000/ea	73.00
		Prior Deposit on 11/13/2018 -4249.87		
		Prior Deposit on 11/15/2018 -8.08		

Subtotal	
S&H Charges	
Tax	
Payments	
Amount Due	

C.I. Thornburg

Invoice

INVOICE DATE	INVOICE NUMBER
11/12/2018	S100066-083.002

REMIT TO:
THE C.I. THORNBURG CO., INC.
P.O. BOX 2163
HUNTINGTON, WV 25722

BILL TO:

MARTIN CO. WATER DIST. #1
387 EAST MAIN ST SUITE 140
INEZ, KY 41224

SHIP TO:

MARTIN CO. WATER DIST. #1
14 FLAT HOLLOW
RT 908 TURKEY ROAD
INEZ, KY 41224

CUSTOMER NUMBER	CUSTOMER PO NUMBER	JOB NAME / RELEASE NUMBER	SALESPERSON
5153	2018-11-009		Mark Underwood

WRITER	SHIP VIA	TERMS	SHIP DATE	ORDER DATE
Mary Beth Anderson	ROUTE 23 SOUTH	**** C O D ****	11/12/2018	09/24/2018

ORDER QTY	SHIP QTY	DESCRIPTION	UNIT PRICE	EXT PRICE
		11-12-2018 11:18:04 AM S100066083.002 Michael Sartin		

Subtotal	4257.95
S&H Charges	0.00
Tax	0.00
Payments	-4257.95
Amount Due	0.00

Invoice is due by 11/12/2018

Past Due invoices may be subject to 1.50% late charge.

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C.I. Thornburg

Invoice

INVOICE DATE	INVOICE NUMBER
11/12/2018	S10007O155.001

REMIT TO:	PAGE NO.
THE C.I. THORNBURG CO., INC. P.O. BOX 2163 HUNTINGTON, WV 25722	1 of 1

BILL TO:

MARTIN CO. WATER DIST. #1
387 EAST MAIN ST SUITE 140
INEZ, KY 41224

SHIP TO:

MARTIN CO. WATER DIST. #1
14 FLAT HOLLOW
RT 908 TURKEY ROAD
INEZ, KY 41224

CUSTOMER NUMBER	CUSTOMER PO NUMBER	JOB NAME / RELEASE NUMBER	SALESPERSON
5153	STOCK MATERIAL		Mark Underwood

WRITER	SHIP VIA	TERMS	SHIP DATE	ORDER DATE
Mark Underwood	ROUTE 23 SOUTH	**** C O D ****	11/12/2018	11/06/2018

ORDER QTY	SHIP QTY	DESCRIPTION	UNIT PRICE	EXT PRICE
4ea	4ea	5/8"X3/4"X7" AYM 722-207WC22-33 SETTER BALL VALVE X SINGLE CHECK 3/4" CTS PJ ENDS NL	165.000/ea	660.00
12ea	12ea	3/4" AYM 74758-22 PJ CTS X PJ CTS COUPLING NL	22.000/ea	264.00
4ea	4ea	18" LC218 CI FLAT METER BOX COVER	26.000/ea	104.00
500ft	500ft	3/4"X500' 250# CTS BLACK PE4710 ENDOPOLY HIGH DENSITY POLYETHYLENE TUBING	0.250/ft	125.00
6ea	6ea	3/4" AYM 74753-22 PJ CTS COMP X MIPT ADAPTER NL	18.000/ea	108.00
6ea	6ea	3/4" AYM 74754-22 PJ CTS X FIPT ADAPTER NL	17.000/ea	102.00
4ea	4ea	3/4" AYM 74701-22 CC X PJ CTS CORP STOP NL	35.000/ea	140.00
50ea	50ea	3/4" STAINLESS STEEL CTS STIFFENER	1.000/ea	50.00
11ea	11ea	3/4"X3" FSC-088-3R2 WRAP CLAMP WITH DUAL ARMOR AND EPDM GASKET (.875)	20.000/ea	220.00
		Prior Deposit on 11/15/2018 -1773.00		

11-12-2018 11:19:58 AM
S10007O155.001

Michael Sartin

**** REPRINT ** REPRINT ** REPRINT**
Invoice is due by 11/12/2018

Past Due invoices may be subject to 1.50% late charge.

Subtotal	1773.00
S&H Charges	0.00
Tax	0.00
Payments	-1773.00
Amount Due	0.00

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C.I. Thornburg

Invoice

INVOICE DATE	INVOICE NUMBER
12/11/2018	S100066085.002

REMIT TO:
THE C.I. THORNBURG CO., INC.
P.O. BOX 2163
HUNTINGTON, WV 25722

BILL TO:

MARTIN CO. WATER DIST. #1
387 EAST MAIN ST SUITE 140
INEZ, KY 41224

SHIP TO:

MARTIN CO. WATER DIST. #1
14 FLAT HOLLOW
RT 908 TURKEY ROAD
INEZ, KY 41224

CUSTOMER NUMBER	CUSTOMER PO NUMBER	JOB NAME / RELEASE NUMBER	SALESPERSON
5153	BIWEEKLY CHEMICALS		Mark Underwood

WRITER	SHIP VIA	TERMS	SHIP DATE	ORDER DATE
Mary Beth Anderson	ROUTE 23 SOUTH	**** C O D ****	12/11/2018	09/24/2018

ORDER QTY	SHIP QTY	DESCRIPTION	UNIT PRICE	EXT PRICE
627gl	627gl	RQ, UN1791, HYPOCHLORITE SOLUTIONS, 8, PG III, TOTE (12.5% SODIUM HYPOCHLORITE) CERTIFIED TO * NSF/ ANSI 60 * WT OF CONTAINERS FULL _____ WT OF CONTAINERS EMPTY _____ MAXIUM USE 60 MG/L LOT#_____MFR.DATE_____ REPACKAGE DATE _____	2.000/ea	1254.00
3130lb	3130lb	UN1760, CORROSIVE LIQUIDS, N.O.S. 8, PG III, DELPAC 2020, TOTE (POLYALUMINUM HYDROXYCHLOROSULFATE) NSF/ ANSI 60 MAX. USE 250 MG/L WT. OF CONTAINER(S) FULL_____ WT. OF CONTAINER(S) RETURNED_____ LOT#_____ DATE: _____ REPACKAGE DATE:_____	0.367/lb	1149.93
3640lb	3640lb	RQ, UN1778, FLUOROSILICIC ACID, 8, PG II, (HYDROFLUOROSILICIC ACID SOLUTION) TOTE WT OF CONTAINER(S) FULL_____ WT OF CONTAINER(S) RETURNED_____	0.550/ea	2002.00
1ea	1ea	FUEL SURCHARGE	73.000/ea	**73.00**
		Prior Deposit on 12/12/2018 -4478.93		

** REPRINT ** REPRINT ** REPRINT

Subtotal	
S&H Charges	
Tax	
Payments	
Amount Due	

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C.I. Thornburg

Invoice

INVOICE DATE	INVOICE NUMBER
12/11/2018	S100066085.002

REMIT TO:
THE C.I. THORNBURG CO., INC.
P.O. BOX 2163
HUNTINGTON, WV 25722

BILL TO:

MARTIN CO. WATER DIST. #1
387 EAST MAIN ST SUITE 140
INEZ, KY 41224

SHIP TO:

MARTIN CO. WATER DIST. #1
14 FLAT HOLLOW
RT 908 TURKEY ROAD
INEZ, KY 41224

CUSTOMER NUMBER	CUSTOMER PO NUMBER	JOB NAME / RELEASE NUMBER	SALESPERSON
5153	BIWEEKLY CHEMICALS		Mark Underwood

WRITER	SHIP VIA	TERMS	SHIP DATE	ORDER DATE
Mary Beth Anderson	ROUTE 23 SOUTH	**** C O D ****	12/11/2018	09/24/2018

ORDER QTY	SHIP QTY	DESCRIPTION	UNIT PRICE	EXT PRICE
		12-11-2018 01:34:55 PM S100066085.002 Tom Tom		

**** REPRINT ** REPRINT ** REPRINT**
Invoice is due by 12/11/2018

Past Due invoices may be subject to 1.50% late charge.

Subtotal	4478.93
S&H Charges	0.00
Tax	0.00
Payments	-4478.93
Amount Due	0.00

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C.I. Thornburg

Invoice

INVOICE DATE	INVOICE NUMBER
12/26/2018	S100066087.003

REMIT TO:
THE C.I. THORNBURG CO., INC.
P.O. BOX 2163
HUNTINGTON, WV 25722

PAGE NO.
1 of 2

BILL TO:

MARTIN CO. WATER DIST. #1
387 EAST MAIN ST SUITE 140
INEZ, KY 41224

SHIP TO:

MARTIN CO. WATER DIST. #1
14 FLAT HOLLOW
RT 908 TURKEY ROAD
INEZ, KY 41224

CUSTOMER NUMBER	CUSTOMER PO NUMBER	JOB NAME / RELEASE NUMBER	SALESPERSON
5153	BIWEEKLY CHEMICALS		Mark Underwood

WRITER	SHIP VIA	TERMS	SHIP DATE	ORDER DATE
Mary Beth Anderson	ROUTE 23 SOUTH	**** C O D ****	12/26/2018	09/24/2018

ORDER QTY	SHIP QTY	DESCRIPTION	UNIT PRICE	EXT PRICE
626gl	626gl	RQ, UN1791, HYPOCHLORITE SOLUTIONS, 8, PG III, TOTE (12.5% SODIUM HYPOCHLORITE) CERTIFIED TO * NSF/ ANSI 60 * WT OF CONTAINERS FULL _____ WT OF CONTAINERS EMPTY _____ MAXIUM USE 60 MG/L LOT#_____MFR.DATE_____ REPACKAGE DATE _____	2.000/ea	1252.00
6272lb	6272lb	UN1760, CORROSIVE LIQUIDS, N.O.S. 8, PG III, DELPAC 2020, TOTE (POLYALUMINUM HYDROXYCHLOROSULFATE) NSF/ ANSI 60 MAX. USE 250 MG/L WT. OF CONTAINER(S) FULL_____ WT. OF CONTAINER(S) RETURNED_____ LOT#_____ DATE: _____ REPACKAGE DATE:_____	0.367/lb	2304.28
1ea	1ea	UN3214, PERMANGANATES 20% INORGANIC AQUEOUS SOLUTIONS N.O.S., 5.1, PG II (SODIUM PERMANGANATE) (CARUSOL) 534LB DRUM	990.000/ea	990.00
1ea	1ea	FUEL SURCHARGE	73.000/ea	73.00
		Prior Deposit on 12/27/2018 -4614.87		
		Prior Deposit on 01/15/2019 -4.41		

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Subtotal	
S&H Charges	
Tax	
Payments	
Amount Due	

Printed By: VOOCAR on 8/9/2019 2:12:34 PM

Invoice

INVOICE DATE	INVOICE NUMBER
12/26/2018	S100066087.003

REMIT TO:	PAGE NO.
THE C.I. THORNBURG CO., INC. P.O. BOX 2163 HUNTINGTON, WV 25722	2 of 2

BILL TO:

MARTIN CO. WATER DIST. #1
387 EAST MAIN ST SUITE 140
INEZ, KY 41224

SHIP TO:

MARTIN CO. WATER DIST. #1
14 FLAT HOLLOW
RT 908 TURKEY ROAD
INEZ, KY 41224

CUSTOMER NUMBER	CUSTOMER PO NUMBER	JOB NAME / RELEASE NUMBER	SALESPERSON
5153	BIWEEKLY CHEMICALS		Mark Underwood

WRITER	SHIP VIA	TERMS	SHIP DATE	ORDER DATE
Mary Beth Anderson	ROUTE 23 SOUTH	**** C O D ****	12/26/2018	09/24/2018

ORDER QTY	SHIP QTY	DESCRIPTION	UNIT PRICE	EXT PRICE
		12-26-2018 11:32:23 AM S100066087.003 Earl Alley Earl Alley		

**** REPRINT ** REPRINT ** REPRINT**
Invoice is due by 12/26/2018

Past Due Invoices may be subject to 1.50% late charge.

Subtotal	4619.28
S&H Charges	0.00
Tax	0.00
Payments	-4619.28
Amount Due	0.00

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Printed By: VOOCAR on 9/9/2019 2:12:35 PM

PSC EXHIBIT 18

Gillig, Gretchen (PSC)

A

From:	jonathan@whiteandassociatespsc.com
Sent:	Monday, July 22, 2019 2:07 PM
To:	Schmitt, Michael J (PSC)
Subject:	FWD: RE: MCWD
Attachments:	Regions Bank Confirmation (Waiting on).docx; WTB 2016.xlsx; KACO Lease Confirmation Template (Waiting on).docx; Kentucky Rural Water Finance Corporation COnfirmation (Waiting on).docx; KIA Confirmation template (Waiting on).docx

--------- Original Message ---------
Subject: FWD: RE: MCWD
From: jonathan@whiteandassociatespsc.com
Date: 6/26/19 1:54 pm
To: "Linda Sumpter" <linda@lindasumptercpa.com>

--------- Original Message ---------
Subject: RE: MCWD
From: jonathan@whiteandassociatespsc.com
Date: 6/12/19 7:25 am
To: "Hale, Earnest" <earnest.hale@martin.kyschools.us>

Earnest,

Please find an updated list of items needed below for the '16 audit: I will send a separate email with the internal control information I need.

Cash:

- Subsequent bank statements for the months of January and February of 2017
- Regions Bank Trust bank statements for the year.
- Regions Bank Trust Confirmation that I have yet to hear from.

Debt:

- I need a contact from KACO to confirm the account, I have yet to receive a response
- I need a contact from KIA to confirm the account, I have yet to receive a response
- I need a contact from KRW to confirm the account, I have yet to receive a response

Revenue:

- The A/R report I have does not match the WTB, you can find it attached as well as the WTB
- I am trying to match 141.1 and 145b on the WTB as attached to the AR report.

- Need help finding support for tax collection payable accounts and Misc Current and Accrued Liability accounts: WTB #'s 241.1 through 242b.
- Need Support for any grants received or income that would be located in accounts 271.1 through 271.6
- I have billing reports for the year, but do those include Other Sales to Public Authority and Other Water Revenues-Penalties, WTB #'s 471 and 474.1?
- What is Nonutility income #421b?

Expenses:

- Do you all have purchased water reports for invoices for accounts #610.1 through 615.8b.
- Is there an inventory for Chemicals? Or a specific vendor you all use for inventory. WTB #618.3b.
- Do you all have 990's for contractual services?
- Do you all have copies of rental agreements for equipment that is rented?
- What is included in Miscellaneous Expense AG WTB #675.8b?

Capital Assets:

- I need support for the sale of capital assets Acct #421b
- I need the following capital asset invoices:
    - pump soles-electric $19,315.63
    - Vertical pump-CI Thornburg- $1,658.5
    - 16' Rosemount Meter $6,895
    - Fire Equipment $725
    - Pit Ladder $19,967.63

--------- Original Message ---------
Subject: RE: MCWD
From: "Hale, Earnest" <earnest.hale@martin.kyschools.us>
Date: 6/12/19 5:07 am
To: "jonathan@whiteandassociatespsc.com" <jonathan@whiteandassociatespsc.com>

Can you also send me what items you need for the 16 audit that you are missing from Sumpter?

We are approaching a deadline on a Grant and need that one finished to submit with the Grant.

From: jonathan@whiteandassociatespsc.com [mailto:jonathan@whiteandassociatespsc.com]
Sent: Wednesday, June 12, 2019 8:05 AM

To: Hale, Earnest
Subject: MCWD

Earnest,

You will have the internal control information forms that I need for the MCWD by the end of the day today.

Thanks,

Jonathan

B.

Balance Information with Financial Institutions

ORIGINAL
To be mailed to

Financial Institution's Name and Address

Regions Bank
P.O Box 830805
Birmingham, Alabama
35283

Martin County Water District
CUSTOMER NAME

We have provided to our accountants the following information as of the close of business on December 31, 2016, regarding our deposit and loan balances. Please confirm the accuracy of the information, noting any exceptions to the information provided. If the balances have been left blank, please complete this form by furnishing the balance in the appropriate space below.* Although we do not request nor expect you to conduct a comprehensive, detailed search of your records, if during the process of completing this confirmation additional information about other deposit and loan accounts we may have with you comes to your attention, please include such information below. Please return the confirmation to jonathan@whiteandassociatespsc.com

1) At the close of business on the date listed above.

ACCOUNT NAME	ACCOUNT NO.	INTEREST RATE	BALANCE

_____
(Customer's Authorized Signature) (Date)

The information presented above by the customer is in agreement with our records. Although we have not conducted a comprehensive, detailed search of our records, no other deposit or loan accounts have come to our attention except as noted below.

_____ _____
(Financial Institution Authorized Signature) (Date)

_____
(Title)

EXCEPTIONS AND/OR COMMENTS
If the attached list does not include all bank accounts, please provide information regarding accounts not listed on the attached statement.

Please return this form directly to our auditors:

White & Associates, PSC
1407 Lexington Rd
Richmond, KY 40475

C

Account ID	Account Description	Debit Amt	Credit Amt	Auditor WP Index	Auditor Notes
1081.1b	Accumulated Depreciation-UPIS		14,221,012.00		
126	04-135-1 KACO- Sinking Fund	63.11			
126a	17-493-9 Berkadia-Sinking Fund	19.5			
126c	51-136-6 KIA - Sinking Fund	6111.44			
126d	53-694-6 RD - Sinking Fund	298.89			
126e	04-137-8 KACO-Sinking Fund	415.18			
126f	Regions Trust--Sinking Fund	91857.4			
128a	17-492-0 KIA-Depreciation Fund	1063.35			
128b	04-138-6 RD- Depreciation Fund	4641.25			
129	56-407-9 Grant Fund	33417.74			
131.1a	Cash on Hand	200			
131.1b	Cash on Hand	200			
131.1c	Cash on Hand	300			
131.1d	Cash on Hand	200			
131.2a	51-757-7 Sec A Revenue	24209.48			
131.2b	60-094-6 Revenue EFT	5370.38			
131.3b	04-134-3 Operation & Maint	2068.4			
131.4b	76-994-0 Payroll	12178.49			
132a	18-445-4 Sec A Security Dep	23615.19			
132b	10-550-3 Sec B Security Dep	146410.9			
133b	59-829-1 Airpt Proj-Oth Sp Dp		16.86		
141.1	Customer A/R	615380.09			
142b	Returned Checks	90.42			
143	Accum Provision for Uncollect		394,026.90		
145b	Accounts Rec fr Associated Co	30437.5			
151b	Plant Materials and Supplies	27164			
162b	Prepayments	23199.89			
173	Accrued Utility Revenues	221856.78			
186.2	Misc. Deferred Pension Outflow	166297			
215b	Uuappropiated Retained Earn	11675557.4			
221.8	Bonds Payable - KY Rural Water		1,980,000.00		KRW this loan was received in 2015
221.9k	Current Classification - KY RW	50000			KRW 2017 current principal due
224.1	Notes Payable - KIA		606,851.84		KIA schedule agrees to this amount
224.2	Lease Payable - KACO		116,221.96		KACO Lease agrees

NOTE: All Accounts were tested analytically see 1.11.

224.9c	Current Classification - KIA	49924.15		KIA 2017 current principle due
224.9g	Current Classification - US	10000		KACO 2017 current principal due
224b1	Other - Net pension Liability.		1,064,280.00	
231b	Accounts Payable		762,431.67	
235b	Customer Deposits		154,505.53	
236.13a	Accrued Taxes-PR SS/MC		712.44	
236.15a	Accrued Taxes-PR SUTA		103.50	
237.1b	Accrued Interest on L/T Debt		33,315.54	
237.2b	Accrued Interest on Other Liab		3,598.76	
239c	Matured Long-Term Debt - KIA		49,924.15	offsets debits above
239g	Matured Long-Term Debt - US		10,000.00	offsets debits above
239h	Matured Long-Term Debt - KRWFC		50,000.00	offsets debits above
241.1	Tax Collections Payable-Sales		1,982.20	
241.2	Tax Collections Payable-School		4,016.23	
241.4	Tax Collections Payable-KY		3,126.22	
241.5	Tax Collections Payable-Retr		2,963.22	
241.6	Tax Collection Payable-40		30.00	
241.7	Tax Collections Payable-Martin		1,457.90	
242b	Misc Current & Accrued Liability		31,405.75	
251b	Unamortized Premium on Debt		21,140.16	
271.1	Grants In Aid Of Construction		13,197,146.10	
271.2	Gov't Grants in Aid of Const		14,363,164.20	
271.5	Contributions in Aid of Const		494,379.60	
271.6b	Tap Fees		1,268,062.17	
303b	Land and Land Rights	214713.83		
304b	Structures and Improvements	500263.89		
305b	Collecting & Impounding Peserv	288202.65		
306b	Lakes, River & Other Intakes	2173720.33		
310b	Power Generation Equipment	15000		
311b	Pumping Equipment	359438.99		
320b	Water Treatment Equipment	4929868.17		
330b	Dist Reservoirs & Standpipes	4071501.55		
331b	Transmission & Dist Mains	20183670.7		
334b	Meters & Meter Installations	511397.32		
335b	Hydrants	2969		

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		50931013.02	50930812.94

Martin County Water District
HC 69 Box 875
Inez, KY 41224-9406

January 30, 2019

KACO

Attn: BJ White

400 Englewood Drive

Frankfort, KY 40601

Our auditors, White & Associates CPA's PSC, are conducting an audit of our financial statements. Please confirm directly to them the following information relating to our note payable to you at December 31, 2016:

Date of note:
Original amount of note:
Unpaid principal balance:
Maturity date:
Interest rate:
Date to which interest has been paid:
Description of collateral:

Please indicate in the space provided below whether the above information is in agreement with your records. If it is not, please furnish our auditors any information you have that will help them reconcile the difference.

After signing and dating your reply, please mail it directly to White & Associates CPA's PSC, in the enclosed return envelope.

Very truly yours,

Martin County Water District

To: White & Associates, PSC.

The above information regarding the obligation from Martin County Water District agrees with our records:

_____

_____

If there are any direct or contingent liabilities to you not otherwise indicated, please list:

_____

_____

Signature: _____
Title: _____
Date: _____

Martin County Water District

HC 69 Box 875

Inez, KY 41224-9406

January 30, 2019

Kentucky Rural Water Finance Corporation

Attn: Gary Larimore

3251 Spring Hollow Avenue

Bowling Green, KY 42104

Our auditors, White & Associates CPA's PSC, are conducting an audit of our financial statements. Please confirm directly to them the following information relating to our note payable to you at December 31, 2016:

Date of note:
Original amount of note:
Unpaid principal balance:
Maturity date:
Interest rate:
Date to which interest has been paid:
Description of collateral:

Please indicate in the space provided below whether the above information is in agreement with your records. If it is not, please furnish our auditors any information you have that will help them reconcile the difference.

After signing and dating your reply, please mail it directly to White & Associates CPA's PSC, in the enclosed return envelope.

Very truly yours,

Martin County Water District

To: White & Associates, PSC.

The above information regarding the obligation from Martin County Water District agrees with our records:

_____

_____

If there are any direct or contingent liabilities to you not otherwise indicated, please list:

_____

_____

Signature: _____
Title: _____
Date: _____

ALG-CL-10.2: Note Payable Confirmation

Martin County Water District
HC 69 Box 875
Inez, KY 41224-9406

January 30, 2019

Kentucky Infrastructure Authority
1024 Capital Center Drive #340
Frankfort, KY 40601

Our auditors, White & Associates CPA's PSC, are conducting an audit of our financial statements. Please confirm directly to them the following information relating to our note payable to you at December 31, 2016:

Date of note:
Original amount of note:
Unpaid principal balance:
Maturity date:
Interest rate:
Date to which interest has been paid:
Description of collateral:

Please indicate in the space provided below whether the above information is in agreement with your records. If it is not, please furnish our auditors any information you have that will help them reconcile the difference.

After signing and dating your reply, please mail it directly to White & Associates CPA's PSC, in the enclosed return envelope.

Very truly yours,

Martin County Water District

To: White & Associates, PSC.

The above information regarding the obligation from Martin County Water District agrees with our records:

_____

_____

If there are any direct or contingent liabilities to you not otherwise indicated, please list:

_____

_____

Signature: _____
Title: _____
Date: _____

PSC EXHIBIT 19

MARTIN COUNTY UTILITY BOARD

POLICY MANUAL

The Martin County Utility Board is a public body established by the Martin County Fiscal Court to manage the Martin County Water District and the Martin County Sewer District.

These Policies govern the actions of the Board of Commissioners, employees, and others associated with the Utility Board in any capacity.

Effective November_____, 2008

MARTIN COUNTY UTILITY BOARD

POLICY MANUAL

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MARTIN COUNTY UTILITY BOARD

CODE OF ETHICS

This Code Of Ethics is the principal and guiding Policy of the Utility Board, establishing a basic standard of ethical conduct expected and required of all Commissioners, employees, and others associated with the Utility Board in any capacity. This Policy sets out the required basic nature, style and manner of behavior that the Utility Board expects and requires to characterize all of its commerce in the development, operation and management of the Martin County Water District and the Martin County Sanitation District.

A. STANDARDS OF CONDUCT

1. Each Commissioner and each employee of the Utility Board shall demonstrate the highest standards of personal integrity, characterized by truthfulness, honesty, responsibility and civility in the interaction with others necessary to carrying out their duties, assignments and tasks, so as to earn public confidence and trust.

2. Commissioners, employees and others associated with the Utility Board in any capacity shall demonstrate conviction and dedication to their public trust by showing respect, concern, courtesy, and responsiveness to matters of importance to each other, the customers of the Martin County Water District and the Martin County Sanitation District, as well as to members of the general public and to local elected and appointed officials.

3. Commissioners and all employees shall comply fully with laws and regulations relating to the public's right to know and public access to matters of public policy, public business and public record, and, at the same time diligently respect and protect privileged, confidential information, especially personal identity information acquired in the course of their official duties, whether in traditional or electronic forms of commerce.

4. Commissioners and all employees shall be dedicated to the concepts of effective and democratic local governance by responsible officials. Consequently, the Utility Board shall determine and establish sound policies and reasonable business procedures, methods and practices and the employees of the Utility Board shall conform their actions accordingly. Similarly, employees and others associated with the Utility Board in any capacity shall accept and support the decisions and interpretations of the Utility Board concerning the provision of drinking water and wastewater services unless such decisions and interpretations are known to be erroneous. In such instance, employees and others are required to inform the Utility Board of such error in a timely manner.

5. Commissioners, employees and others associated with the Utility Board in any capacity shall not engage in or permit, encourage, tolerate or fail to report intentional or unintentional misconduct, illegal activities, malfeasance, fraud, or abuse of public funds by any individual or group.

6. Commissioners, employees and others associated with the Utility Board shall be bound by the various policies established by the Utility Board and shall be obligated to implement these policies in the conduct of the day to day business of the Utility Board, the Martin County Water District and the Martin County Sanitation District.

B. CONFLICT OF INTEREST

1. Commissioners, employees, and others associated with the Utility Board in any capacity shall not seek nor accept any favor, benefit, personal aggrandizement or profit whether it be in the form of objects, money, services, favorable loans, travel, entertainment, or other way, either personally or for family members or friends, secured by privileged information or by misuse of position, public time or public resources. Further, Commissioners, employees and others associated with the Utility Board in any capacity shall avoid any interest or activity which may convey the appearance of such a conflict of interest.

2. To avoid conflicts of interest or any appearance of a conflict of interest, a Commissioner, employee or others associated with the Utility Board in any capacity shall:

a. Notify and declare to the Chair of the Board, in writing, regarding any matter in which he, a family member, his company or business, or a business associate could benefit financially from a decision to be made by the Board. And,

b. Excuse himself from any discussion, debate, deliberation and the decision-making process as regards a matter that constitutes a conflict of interest in its entirety. And,

c. Physically vacate the room(s) or area wherein such discussion, debate, deliberation or other aspect of the decision-making process relating to a conflict of interest or potential conflict of interest is being conducted.

C. IMPLEMENTATION PROCEDURE FOR CODE OF ETHICS

1. The Utility Board shall provide a copy of its Code of Ethics to each Commissioner and each employee to better assure full awareness and understanding of the Policy. A written acknowledgement confirming both receipt and awareness of the gravity of this Code shall be attached to and made part of this Policy and shall be executed by each individual affected, respectively, and a copy of same shall be kept in the official records of the Utility Board.

2. Any Commissioner or employee found to be in violation of any element of this Code shall be subject to discipline up to and including termination. Commissioners, employees and others found to have violated or being in violation of this Code shall have the right to a fair hearing pursuant to Utility Board policy.

This Policy approved by the Board of Commissioners _____.

_____
Secretary

CODE OF ETHICS ACKNOWLEDGEMENT

I have been provided a copy of the Martin County Utility Board's Code of Ethics. I have studied this code, understand it, and agree that my participation with the Utility Board as a Commissioner, an employee or associated in any other capacity is conditioned upon my compliance with the elements of this Code.

_____
Name (Print)

_____
Signature

_____
Date

MARTIN COUNTY UTILITY BOARD

NEPOTISM POLICY

A. POLICY

It is the Policy of the Utility Board to permit the employment of qualified relatives of Commissioners and employees as long as such employment does not, in the determination of the Utility Board, create actual or perceived conflicts of interest and that all persons selected for employment are qualified for the specific position. For purposes of this policy, "relative" is a spouse, child, parent, sibling, grandparent, grandchild, aunt, uncle, first cousin, or corresponding in-law or "step" relation. The Utility Board will exercise fair, impartial and sound business judgment in the placement of any relative of a Commissioner or existing employee in accordance with the following guidelines:

1. Individuals who are related by blood or marriage are permitted to be employed by the Utility Board, provided no direct reporting or supervisory/management relationship exists. That is, no employee is permitted to work within the "chain of command" of a relative such that one relative's work responsibilities, salary or career progress could be influenced by the other relative.

2. No relatives are permitted to work in the same department or in any other positions in which the Utility Board believes an inherent conflict of interest may exist.

3. Employees who marry while employed are treated in accordance with these guidelines. That is, if, in the opinion of the Utility Board, a conflict or apparent conflict arises as a result of the marriage, one of the employees will be transferred at the earliest reasonable time. If no position is available, one of the individuals will be released from employment.

B. IMPLEMENTATION

1. The elements of this Policy apply to all categories of employment, including full-time, part-time, and temporary classifications.

2. When an individual applies to fill a position with the Utility Board and that individual is a relative of a Commissioner or is a relative of an employee of the Utility Board, such relationship shall be fully disclosed to the General Manager and, in turn, to the members of the Utility Board.

3. A determination shall be made as to a conflict or potential conflict with this Policy and the results communicated to all parties in a timely manner.

This Policy approved by the Board of Commissioners _____.

_____

Secretary

MARTIN COUNTY UTILITY BOARD

CONFIDENTIALITY POLICY.

In order to clarify and make specific the policy of the Martin County Utility Board regarding confidentiality and protection of privacy as regards data and information obtained in whatever context or format the following statements are enunciated as Utility Board policy and procedure. The Utility Board recognizes its responsibilities under the Kentucky Open Records/Open Meetings laws as well as the Freedom of Information Act, and finds compliance with these laws not in conflict with this Confidentiality Policy.

A. POLICY

It is policy of the Utility Board that all board and staff functions and responsibilities are to be carried out in such a manner so as to assure that every individual's, every household's and every corporate entity's, right to privacy is protected. Further, it is the policy of the Utility Board that data and information relating to any and all individuals, especially residential, commercial or industrial customers of the Martin County Water District and the Martin County Sanitation District, be obtained, utilized and maintained with assurance of protective security and the strictest confidentiality.

B. IMPLEMENTATION PROCEDURE

1. It is understood that the Utility Board is required to obtain a broad range of data and information relating to individuals, including residential, commercial and industrial customers using the drinking water and wastewater services managed by the Utility Board. It is also understood that the Utility Board must often obtain detailed personal information on an individual, or proprietary information on residential, commercial or industrial customers as may be required to establish their respective eligibility for participation in assistance programs.

2. Pursuant to this policy all information gathering methods, use, and maintenance for planning purposes, program and project implementation purposes or any other purpose shall conform to the following procedures:

    a. Regarding Personal & Proprietary Data and Information

        1. Data and information relating to individuals and residential, commercial or industrial customers of utility systems may be obtained only with the authorization of the individual customer, or his/her guardian, and/or officials or other designated person having access to such information and who is authorized to share such information. Such data and information shall be obtained only by person(s) specifically authorized to do so by the Utility Board.

2. Only that personal and/or proprietary information specifically required and necessary for the development or management of a program or project shall be obtained from any individual, residential, commercial or industrial requesting or being provided services of the Utility Board.

3. Any and all personal and/or proprietary information generated as authorized by an individual, residential, commercial or industrial customer shall be used or disseminated only after a written release to do so is granted by the individual, residential, commercial or industrial customer.

4. Any data and information contained in an electronic database shall be secured and protected so as not to allow piracy; electronic data and information relating to applicants for service and customers shall never be sold, traded or in any other way used except for the management of the utility service.

b. Regarding Internal Business Data and Information

1. All data and information once developed and/or generated by the Utility Board is proprietary; diligence and care commensurate with the nature of specific data and information shall be exercised by board and staff including the development, maintenance and enforcement of appropriate security measures, for hard copies or electronic formats, as warranted.

2. Use or dissemination of confidential business data and information relating to any individual for any non-routine purpose or reason including judicial processes or inquiries is restricted solely to the Chair of the Utility Board and designated others by specific delegation of the Chair.

3. Any informal, non-secure use or commentary involving personal data and information by any Commissioner or employee during the routine course of the conduct of Utility Board business and operations is strictly prohibited and a violation of this Policy and subject to the penalties thereof.

This Policy approved by the Board of Commissioners _____.

_____

Secretary

MARTIN COUNTY UTILITY BOARD

HARASSMENT & VIOLENCE POLICY

In order to clarify and make specific the policy of the Martin County Utility Board regarding prohibition of harassment and violence, in any manner or form, the following statements are set out as Board policy and procedure.

A. POLICY

It is the policy of the Utility Board that all persons, including of the Martin County Water District and Martin County Sanitation District, Utility Board Commissioners and employees and others associated with the Utility Board in any capacity have a right to receive services, carry out official duties and perform work tasks, respectively, in an environment free of harassment and violence. The Utility Board shall strive to maintain an atmosphere wherein individuals treat each other with respect, dignity and courtesy. Further, the Utility Board expressly prohibits and will not tolerate any form of harassment or violence in the work place, whether in an office setting or in the field. Further, the Utility Board charges all Commissioners, employees and others associated with the Utility Board in any capacity to be personally responsible for insuring that its workplace, management of its projects and operation of its water and wastewater service delivery systems are in no way tolerant of or conducive to harassment or violence.

1. FURTHER DELINEATION OF OFFENSIVE BEHAVIOR

This Policy is further defined by and specifically prohibits the following:

a. Direct or implied sexual advances; requests for sexual favors, whether or not accompanied by promises or threats with regard to an existing or proposed customer or employment relationship, participation in projects(s) or program(s), or any type of service or assistance; physically threatening or aggressive behavior; intimidation.

b. Verbal or physical conduct of a sexual or aggressive nature made to, or by any individual that may threaten or insinuate, either explicitly or implicitly, that submission to or rejection of sexual advances or submitting to aggressive actions will in any way influence any decision regarding a person's appointment, employment, evaluation, wages, advancement, assigned duties, designation of work station, or any decision regarding participation in any project of the Utility Board, or any decision regarding Utility Board services or assistance.

c. Any verbal or physical conduct that has the purpose or effect of substantially interfering with an individual's ability to perform his or her responsibility, performance of work tasks, or receiving or participating in a Utility Board program or project or from receiving services or assistance from the Utility Board.

d. Any verbal or physical conduct that has the purpose or effect of creating an intimidating, hostile or offensive environment, whether in an office or in the field, or other setting in which services or assistance is provided by the Utility Board.

2. EXAMPLES OF OFFENSIVE BEHAVIOR

Some specific example of behaviors that violate this Policy, include, but are not limited to:

a. Unsolicited comments or commentary about an individual's body, whether conveyed verbally, in writing, illustrated graphically or by gestures;

b. Use of sexually offensive words to describe an individual; offensive comments, off-color language or jokes; sexual innuendos; display of sexually suggestive objects, books, magazines, photographs, cartoons, pictures, videos, or computer programs;

c. aggressive posturing or threatening physical stances; aggressive or threatening comments, innuendoes and gestures.

Special Note: Use of any electronic device or method, including but not limited to telephone, computer, email, Internet or other means to carry out, make, convey, transmit, illustrate or otherwise perpetrate any of the actions set out above, or other similarly offensive act or acts is considered to carry the same weight of offense as if perpetrated in person, is strictly prohibited by this Policy and shall evoke the same procedures and penalties, as set out in paragraph B. 4, below.

B. IMPLEMENTATION PROCEDURE

1. The Utility Board and by delegation, the General Manager shall take whatever actions necessary to actively promote an atmosphere of intolerance regarding harassment and violence, including sexual harassing actions delineated above. Further, she/he shall take whatever actions necessary to actively promote an atmosphere wherein any victim will feel free to report any incidence of harassment, aggression or threaten aggression or violence.

2. Upon receiving a report of such offensive behavior, whether written or verbal, the General Manager shall make a determination as to the accuracy of the report, and subsequently, devise and take appropriate action(s) to: assure non re-occurrence and to obtain redress of any specific harm or grievance arising from the occurrence pursuant to the Utility Board's complaint and fair hearing policies. Both the apparent victim and the individual(s) found to be engaged in such behavior have a right to a hearing pursuant to the Utility Board's Fair Hearing Policy.

3. If the General Manager is the apparent source of such behavior, individuals are encouraged to report the incident directly to the Chair of the Board of Commissioners.

NOTE: In the implementation of this policy, special care must be taken so as to not further victimize the subject of any harassment, violence or aggressive behavior. Consequently, confidentiality shall be guarded to the utmost, to the extent that the General Manager or his/her

designee, shall communicate with the apparent victim prior to any substantive action regarding the individual(s) reported to be involved in the offensive behavior.

4. Any act or conduct as described above, engaged in by a Commissioner, employee or others associated with the Utility Board in any capacity will result in immediate investigation, and, as appropriate, notification and warning to the perpetrator by the General Manager to stop the offensive action immediately. Verification of any occurrence of action(s) subject of this Policy perpetrated by a Commissioner, employee or others associated with the Board in any capacity may result in a hearing and disciplinary action, up to and including termination, or other appropriate action, pursuant to the Utility Board policies.

5. The Utility Board strictly prohibits any form of retaliation against any individual for filing a good faith complaint under this Policy or for assisting in the investigation of a complaint. Any incident of such retaliation shall be reported and investigated in accordance with the procedures set forth above. However, if after investigating any complaint of harassment, aggressive behavior, violence, or retaliation, KACo determines that the complaint was not made in good faith or that an employee has provided false information regarding the complaint, disciplinary action may be taken against the individual who filed the complaint or who gave the false information.

This Policy approved by the Board of Commissioners _____.

_____

Secretary

Revised: 11/08

Martin County Utility Board

COMPLAINT RESOLUTION & FAIR HEARING POLICY

This policy and these procedures are established in order to afford fair and timely resolution to complaints or formal grievances directed to the Utility Board by any person. This Policy and the procedures set out here are prompted by consensus building and mediation as means to conflict resolution, and do not in any way abridge the right of a complainant to seek redress in other forums, including appropriate courts of jurisdiction

A. POLICY

It is the Policy of the Utility Board that every person has the right to fair treatment and fair treatment includes the right to a formal grievance and complaint resolution procedure accessible to all individuals, groups and organizations on a timely basis. By definition, for purposes of this Policy, an aggrieved person shall include, but may not be limited to, a customer or a person seeking services of the Martin County Water District or the Martin County Sanitation District, a member of the Board of Commissioners, an employee, and any other individual, group or organization associated with the Utility Board in any capacity. Complaints or grievances may relate to any violation of any Utility Board policy, or to quality of or access to services, actions of another individual involved in the Utility Board programs in any manner, or stem from any other substantive cause.

B. IMPLEMENTATION PROCEDURE

1. The Utility Board shall provide all aggrieved individuals or entities the opportunity to fully present his complaint, which shall be done only in accord with the sequence set out in # 3 through # 7, of this section, below.

2. The Utility Board shall delegate the primary responsibility for implementing and enforcing Utility Board policies to the General Manager, who shall represent the interests of the Utility Board, as so directed. As circumstance warrants, the Utility Board may designate another individual to serve in this capacity.

3. If and when any individual or entity has a complaint or grievance, he or she should inform the General Manager as soon as reasonably possible and seek, through informal negotiation with the General Manager, to resolve the complaint. The General Manager may seek additional information from the parties alleged to be involved. The General Manager shall seek to resolve the incident within three days from the initial contact with the complainant.

4. If the General Manager is not successful in achieving such resolution, he shall inform the complainant and direct the complainant to submit the complaint or grievance in writing to the Utility Board within fifteen (15) days from the time of the incident. The written narrative shall describe the nature of the situation or incident giving rise to the complaint. A complainant will be offered the assistance of an individual not involved in the incident in preparing the written complaint or grievance.

5. Upon receipt of the written complaint, the Chair shall appoint an unbiased third party, known for common sense, experience and maturity to serve on an ad hoc basis as a Hearing Officer.

6. The Hearing Officer shall be authorized to make inquiries, perform investigations, and conduct interviews regarding the complaint, being careful to comply with the Utility Board's Confidentiality Policy. Once he has achieved sufficient knowledge and understanding of the details of the incident, the Hearing Officer shall provide a written report containing findings of fact and citing any additional requests for information and provide same to the complainant and other parties, as appropriate. Once responses to the additional information requests have been received and reviewed, the Hearing Officer shall provide notice, schedule and conduct a hearing. The complainant may elect to be accompanied by another individual or represented at the hearing by legal counsel at his own discretion and cost. Within three days of the completed hearing, the Hearing Officer shall provide a written summary of findings and provide a written statement containing his decision as to resolution of the matter and provide copies of same to the complainant and the Chair of the Utility Board. Such final report shall also inform the complainant that if he is not satisfied with the Hearing Officer's decision, the matter may be further appealed to the Utility Board.

7. If the complainant elects to appeal the Hearing Officers decision to the Utility Board, the Board of Commissioners shall:

    a. review the Hearing Officer's final report and may conduct additional investigations, make inquiries and conduct an additional hearing; or

    b. ratify, by vote, the findings and decision of the Hearing Officer, and inform all parties, accordingly.

8. The decision of the Utility Board is final.

9. If, in the opinion of the complainant, the Fair Hearing Process has failed to resolve the complaint or grievance, the complainant may request the Utility Board to consider engaging in mediation or arbitration.

10. All other alternatives at conflict resolution failing, the complainant may pursue the matter in a court of jurisdiction.

This Policy approved by the Board of Commissioners _____.

_____

Secretary

MARTIN COUNTY UTILITY BOARD

CIVIL RIGHTS & EQUAL EMPLOYMENT OPPORTUNITY POLICY

The Martin County Utility Board shall operate in compliance with the Civil Rights Act of 1964, as amended, and comply with regulations issued by all its funding agencies in implementing the Act, designated as Part 8 of Subtitle A of Title 15 of the Code of Federal Regulations, which prohibits discrimination on the basis of race, religion, age, sex, or disability; and the Equal Opportunity Act of 1964, and specifically with implementing regulations designated as Title 7 of the Code of Federal Regulations, which prohibits discrimination because of race, color, religion, sex, age, handicap, national origin or ancestry with respect to application for employment, employment upgrading, demotions, re-assignments, retirement, recruitment, advertising, layoffs, terminations, rates of pay, or other forms of compensation, and selection for training.

The Utility Board's Affirmative Action Program shall be the basic method by which the directives of the US Civil Rights Act and the Equal Employment Opportunity Act are implemented by the Utility Board and is set out here, attached to and considered part of this Policy.

A. POLICY

1. Non-discrimination Policy: Pursuant to Title VI of the Civil Rights Act of 1964, and in compliance with program regulations adopted by the Appalachian Regional Commission, U.S. Department of Housing and Urban Development, Economic Development Administration, Rural Development Administration, and other federal agencies, it is the policy of the Martin County Water Utility Board (sic. Utility Board):

   a. To provide equality of opportunity in employment with the Utility Board for all persons;

   b. To carry out all planning and facilities construction projects as well as water service and wastewater service operations, maintenance and management activities in compliance with Title VI of the Civil Rights Act of 1964, and in such a manner that no person shall, on the grounds of race, color, national origin, religion, sex, age, or handicap be excluded from participation in, be denied the benefits of, or be subjected to discrimination with respect to any such planning, facilities construction, or drinking water or wastewater service activities; and

   c. To afford full and fair representation of all sectors of the population throughout Martin County, the designated service area of the Martin County Utility Board and assure that, to the fullest extent practicable, the composition of the Utility Board itself, shall reflect the composition and interests of the population in the area.

2. Employment and Personnel Practices: It is the policy of the Martin County Utility Board to prohibit discrimination because of race, color, religion, sex, national origin, age, or handicap in all aspects of its personnel policies, programs, practices and operations, and in all its working conditions and relationships with employees and applicants for employment; and to

promote the full realization of equal opportunity in employment through continuing programs of affirmative action in the Utility Board.

B. IMPLEMENTATION PROCEDURE

1. Affirmative Action Program

The General Manager of the Utility Board shall direct the implementation of this Affirmative Action program to promote equal opportunity in every aspect of employment policy and practice, including but not limited to: recruitment or recruitment advertising; employment, upgrading, transfer, lay-off or termination; rates of pay or other forms of compensation; and selection of training, including internship. This implementation shall include, but not be limited to, the following actions:

a. A notice of the Utility Board's policy on non-discrimination in employment shall be posted in conspicuous places, so as to come to the attention of all Utility Board employees and applicants for employment.

b. Notification of employment opportunities, new positions, vacancies, promotion possibilities and training opportunities shall be posted in conspicuous places, so as to come to the attention of all Utility Board employees and applicants for employment.

c. Newspaper advertisements and other public announcements of employment opportunities placed by or on behalf of the Utility Board shall state that the Utility Board is an equal opportunity employer.

d. The General Manager shall conduct a study of the percentages of minorities and women employed by the Utility Board, compare the percentages of minorities and women in the labor pool in the Utility Board's employment area each year, and, within ninety (90) days after the formal adoption of this Affirmative Action Plan, and report to the Utility Board the results of such study with recommendations for additions to the Affirmative Action Program to remedy any deficiencies found in equal employment opportunities, as necessary.

2. Process for Implementing Equal Opportunity Review Procedure

a. The Utility Board has created a Fair Hearing Policy, including statements delineating and setting forth Board policy relating to access as well as fair and equal treatment to all individuals, including employees of the Utility Board. The policy also delineates a procedure for the resolution of grievances and complaints associated with all Utility Board policies and procedures, including its Equal Opportunity Policy.

b. Equal Opportunity Counselor: The Board of Commissioners shall appoint an individual, either a staff member or another, to be the Utility Board's Equal Opportunity Counselor. It shall be the duty of such Counselor to provide information and advice to employees, or other persons, upon request, concerning their rights under

the equal opportunity policy established in Section 1, other policies of the Utility Board, and other pertinent laws and regulations.

3. Procedures for Conciliation, Investigation and Resolution of Complaints Relating to Discrimination.

   a. Any person who believes that he/she has been discriminated against by reason of race, color, religion, sex, creed, national origin, or disability in connection with any personnel action taken by or under the authority of the Utility Board, shall be advised of his/her rights under this section, including his/her right to seek advice through the Equal Opportunity Counselor (EOC), and to invoke the Utility Board's Fair Hearing Policy.

   b. The aggrieved party shall comply with the Utility Board's Fair Hearing Policy, included in this Policy Manual.

4. Contractors

   a. Contractors of the Utility Board shall comply with Title VI of the Civil Rights Act of 1964. The standard provisions on equal employment opportunity, set forth in the KY CDBG Handbook 2007 pages 400 through 416 shall be made a part of each contract and agreement between the Utility Board and contractors for projects costing in excess of $10,000.

5. Implementation Plan

   a. Every two years, the General Manager shall conduct a comprehensive review of the demographics of Martin County and prepare a related Affirmative Action Report to the Board of Commissioners to be presented at the February meeting of the Board. The review and report shall include, at a minimum, analyses and data relating to the following topics and issues:

      1. A current demographic analysis of the population of Martin County made by the Kentucky Data Center or others with emphasis on those elements that illustrate the impact of drinking water and wastewater services on the population.

      2. The geographic accessibility of water and wastewater services provided by the Utility Board to residents.

      3. The affordability of water and wastewater services.

      4. An analysis as to the impact, if any, of water and wastewater utility services on the quality of life indexes (such as health, safety, convenience, etc.) for those residents that are currently customers of the systems compared to residents in those areas not presently served by the Utility Board.

      5. The report shall contain a listing of known or probably causes as to why certain areas of the County do not have access to safe drinking water and wastewater

services, and a determination as to whether areas lacking services have, in any way, been discriminated against.

6. A comparison of percentages of minorities and women in the general population of Martin County, considered the labor pool for the Utility Board, to the percentages of minorities and women employed by the Utility Board.

b. The General Manager's Affirmative Action Report shall cite those steps being taken and proposed to be taken to remedy any deficiency in service access and affordability, if any. Additionally, the report shall cite the results of the comparison of percentages of minorities and women in the general population with the percentage of minorities and women employed by the Utility Board make recommendations to correct deficiencies found in equal employment opportunities, if any.

c. The report shall cite whether any person(s) have alleged that he/she has been discriminated against by reason of race, color, religion, sex, national origin, age, or handicap in connection with the administration of any program or award of any grant or contract, by or under the authority of the Utility Board, and whether such person(s) was advised of his/her rights under this Policy and the Utility Board's Fair Hearing Policy and the final disposition by the Utility Board of any such complaint.

d. The report shall note any changes in the Board of Commissioners, include an assessment of the Board of Commissioners' composition to determine geographic representation and provide an assessment of the quality of Commissioners' representation of the interests of all residents of Martin County, including low-income and minority groups, and their access to the decision-making processes of the Utility Board.

e. The biennial Affirmative Action Report shall be reviewed and approved by the Utility Board, by resolution, and retained in the permanent records of the Utility Board.

6. Access to Records

Any citizen, including representatives of various state and federal agencies shall be allowed access to the records of the Utility Board, and the Utility Board shall submit such records and information as may be required, to assure compliance with the Affirmative Action Plan.

This Affirmative Action Plan Adopted at a regular meeting held on:_____

MARTIN COUNTY UTILITY BOARD

_____
Chair

Attest: _____
Secretary

MARTIN COUNTY UTILITY BOARD

PROCUREMENT POLICY & PROCEDURES & RELATED CODE OF ETHICS PROVISIONS

In order to assure best utilization of available public resources, assure equity to vendors/providers, and effect compliance with applicable State and Federal regulations and attendant audit requirements. The Martin County Utility Board (Utility Board) does hereby establish and create this Procurement Policy and Procedures.

A. Policy

1. Authority

   For purposes of administration of these policies and KRS 45A, the chief officer shall be the Chairperson. With delegation and in the absence of the Chairperson, responsibility shall be passed to the Treasurer.

2. Scope

   The Utility Board shall obtain and/or acquire all goods and services required by the Utility Board in the course of its responsibility to operate, maintain and manage the Martin County Water District and the Martin County Sanitation District, pursuant to laws, regulations and procedures as referenced or as set out herein.

B. IMPLEMENTATION PROCEDURE FOR PURCHASING BY BIDS

1. In all purchasing, the Utility Board shall comply with KRS 45A.345-460, OMB Circular A-102, and such other state or federal statues or regulations as may be required in compliance with the governmental accounting standards and applicable audit guidelines for governmental agencies. This Policy shall be deemed to include any and all legislated or regulatory amendments made by the Commonwealth or the Federal Government.

   a. All purchases or contracts for goods or services in a total or aggregate amount of $20,000 or more shall be acquired as provided in KRS 45A.365, KRS 45A.370, KRS 45A.375 or KRS 45A.380. The term "services" may or may not apply, at the discretion of the Utility Board, to the selection of professional services such as certified public accountant, civil engineer, archaeologist, attorney, architect, etc., or where provision is made for an alternative manner for such selection by statute or regulation.

   b. No bid for goods or services shall be considered under KRS 45A.365, KRS 45A.370, or KRS 45A.375 when any Commissioner serving on the Utility Board or any employee, officer or agent of the Utility Board and the supplier or service provider have a relationship creating a conflict of interest as described in KRS 45A.344 (a), (b) or (c), with the exception that the affected Board member or individual may declare, on

record, that a relationship with a prospective vendor exists and from that point in time the party ceases any and all involvement, direct or indirect, in the procurement process.

c. All solicitations or bids for goods and services and subsequently, all purchases and contracts allowed under Sections 2 and 3 shall be specifically authorized by the Board of Commissioners in a regular or special meeting, and so reflected in meeting minutes.

d. All bids for goods and services in response to a solicitation by the Utility Board shall be mailed or delivered to the Utility Board's attorney, opened and considered in a regular or special meeting of the Board of Commissioners.

e. Amounts approved by the Board for payment for all purchases of goods and services, including incremental payments for operations and/or construction contract services shall be paid by check signed by two authorized officers of the Board of Commissioners.

2. The Chairperson or the Treasurer in the absence of the Chairperson, may determine that bidding procedures provided for under 1.b shall be followed for certain purchases having a total or aggregate cost of more than $500, but less than $20,000. In such instances, the determination shall be made in writing and shall state: a) the likelihood of savings shall be greater than the cost and time delays of the bidding process; b) the taking of bids shall not discriminate against any possible supplier; and c) the goods or services to be purchased are of a single kind or class for which taking a bid is practicable.

3. All bank statements on all Utility Board accounts shall be mailed to the Utility Board's designated, independent accountant and reconciled monthly by the accountant and other designated individual(s).

4. All contracts for goods and services to be provided to the Utility Board shall be signed by the Chairperson of the Utility Board and witnessed by the Secretary or another board member.

C. IMPLEMENTATION PROCEDURES FOR NON-BID PURCHASING

The following practices shall be followed in the purchase of consumable items and miscellaneous office supplies wherein such purchases do not require application of procedures as provided in B.1.a., above.

1. All purchases shall be made in such manner as to afford the lowest cost for the highest combination of quality and quantity. All purchases shall be made in a manner assuring fair and equitable treatment to all potential suppliers.

2. A purchase order or requisition system shall be used to track all acquisitions. The Chair or General Manager or his designated representative shall reviewed all purchase orders to determine necessity and affordability. For purchases totaling or expected to aggregate to not

more than $500 within one year, the Chairperson will confer with the Board of Commissioners and the General Manager to determine the best method of acquisition to apply.

3. For all non-bid purchases of goods and services, it shall be the Utility Board's practice to solicit price quotations for the goods and services to be acquired from at least three (3) qualified parties. Such solicitation may be for specific prices on specific or generic items or for a discount rate on the purchase of varied items. The solicitation may be done in person, by telephone or mailed invitation, and the offer, terms, and date of the offer by each respondent shall be recorded in writing and dated. The Chairperson shall review the offers prior to the acceptance of any offer. Records of offers shall be maintained and opened for review by any supplier to determine that his offer was fairly recorded and considered.

D. RECORDS

All documentation, records, and written materials required by these policies and such other statutes or regulations as noted above shall be maintained in the Utility Board's office. A copy of this policy and of the required documentation and reports shall be kept in such manner as to be available for public inspection.

E. PREFERRED SOURCE

Acquisition of materials, supplies, and equipment through the Kentucky Surplus Property Program, appropriate State Price Contract, and competitive lease arrangements shall be pursued whenever it is determined to be in the best interest of the Utility Board.

F. REQUIRED ACTIONS OF CONTRACTOR RELATING TO PROCUREMENT POLICY & CODE OF ETHICS POLICY

1. No individual or company seeking to be, or already under contract to perform a service for the Utility Board may act in any manner which may create a conflict of interest in the performance of their duties or the appearance of a conflict of interest to ensure the best interest of the Utility Board.

2. No individual or company under contract to perform a service for the Utility Board may perform any additional service on the same project that a reasonable person would believe to be a conflict of interest.

3. The principals of any contractor providing services to the Utility Board may respond to a bid notice or other solicitation for goods or services, pursuant to this Procurement Policy, under the name of a second company as long as such action is declared, in writing at the time of the bid and include a statement that the performance under either contract shall not be impaired, made subservient to or otherwise limited as a result of the principals controlling both contracting firms.

4. No Commissioner, employee or attorney, inspector, engineer, accountant, project administrator or consultant under contract to the Utility Board to perform certain services may have any ownership interest in or receive any payment from any contractor who bids on or is selected to construct project(s) for the Utility Board.

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

6. All Utility Board contractors, engineers, accountants, contract operations and management contractor(s), inspectors, construction contractors, project administrators, consultants, and any others, will be issued and required to sign a statement acknowledging receipt and acceptance of this Procurement Policy, and specifically acknowledge awareness of and commitment to comply with statements contained in the Utility Board's Code of Ethics Policy including conflict of interest provisions that affect all individuals associated with the Utility Board in any way.

This Policy approved by the Board of Commissioners _____.

_____

Secretary

MARTIN COUNTY UTILITY BOARD

PERSONNEL POLICIES & PROCEDURES

The Martin County Utility Board is charged by the Martin County Fiscal Court and by Kentucky Statute to establish and enforce policies and procedures relating to all aspects of the operations, maintenance and management of the Martin County Water District and the Martin County Sanitation District. Consequently, the Utility Board hereby establishes these personnel policies and procedures and delegates primary responsibility for their implementation and enforcement to its General Manager. These policies and procedures apply to all Utility Board employees as well as volunteers and trainees engaged with the Utility Board.

(Note: the terms employee, personnel, staff, and staff member are used interchangeably throughout these policies and are considered synonyms.)

All personnel are encouraged to review, provide comments and suggest improvements regarding these policies to the Board of Commissioners, for its consideration .

A copy of these policies will be provided to each employee at the time of employment and copies of revisions and/or amendments shall be provided to all employees. The employee shall sign for the copy received to verify receipt.

EMPLOYEE CLASSIFICATIONS AND POSITIONS

A. Employee Classifications shall include: working-test, full time-time, part-time, temporary and trainee. Each employee is also classed as non-exempt or exempt from federal and state wage and hour laws.

1. Working-Test Employee

Definition: An employee who is engaged in a three(3) month or longer working test to determine his suitability for filling a position with the Utility Board. The individual shall be assigned all regular duties associated with the position to be filled and shall be compensated at the rate established in a letter of employment.

Benefits: An individual engaged in a working-test period shall not receive any employee benefits provided by the Utility Board until successful completion of the test period and written notification to that effect by the General Manager

2. Full-time Employee

Definition: An employee who has successfully completed a working test period and has accepted an offer of full-time employee status; is assigned specific work, and, is required to be engaged in assigned work a minimum of eight (8) hours each regular work day. A full-time employee may be either an hourly employee or a salaried employee, that is, one exempted from strictures of wage and hour laws by reason of profession.

Benefits: A full-time employee may participate in all benefits provided by the Utility Board, starting upon completion of a working test period and when he/she has met the qualifications of the respective benefit plan, as may be offered by the Utility Board.

3. Part-time Employee

Definition: An employee who works and is compensated on either a salaried or an hourly basis, is expected to be employed on this basis indefinitely and is assigned to work less than eight hours each day or less than forty hours each week on work as set out when employed.

Benefits: A part-time employee is eligible to participate in the benefits of the Utility Board, in proportion to work time as stipulated and approved through conditions of employment, starting upon successful completion of a working test period.

4. Temporary Employee

Definition: An employee filling a specific job for a specific period of time of twelve (12) months or less; and who is either a salaried or an hourly paid employee subject to

the provisions of wage and hour laws; and who shall be engaged in the assigned work as set out through conditions of employment.

Benefits: A temporary employee is not eligible to participate in the benefits of the Utility Board unless approved through conditions of employment.

5. Trainee

Definition: An individual who works in a voluntary capacity (i.e., without monetary compensation) with the Utility Board typically engaged in a course of training and assigned to work in the facilities of the Utility Board to gain experiential knowledge of the utility field or a specific aspect of the field. A trainee is subject to these personnel policies, as appropriate and any program specific policies which may apply, as stipulated in the conditions of the training agreement. Such individual may be reimbursed for expenses incurred in the course of his service, as determined by the Utility Board.

Benefits: A Work-Training Program Participant is eligible to participate in the benefits of the Utility Board, to the limits set out in the Utility Board's letter of acceptance and/or training agreement. Minimally, these shall include leave time and holidays pursuant to policy, and liability insurance, as appropriate.

Nonexempt employees. Employees who are required to be paid on an hourly wage basis and who are paid overtime at the rate of time and one half (i.e., one and one-half times) their regular rate of pay for all hours worked beyond forty (40) hours in a workweek, in accordance with applicable federal and state wage and hour laws.

Exempt employees. Employees who are paid a salary and are not required to be paid overtime, in accordance with applicable federal and state wage and hour laws, for work performed beyond forty (40) hours in a workweek. Executives, professional employees, and certain employees in administrative positions are typically exempt.

B. Employee Positions The Utility Board shall retain qualified personnel to staff its various services and may include but not be limited to the following positions:

1. General Manager: An exempt employee, supervised directly by the Board of Commissioners and charged with the overall operation and functioning of the management systems required to assure consistent, high quality service to customers of the Martin County Water District and the Martin County Sanitation District. The General Manager's duties shall include but are not limited to:
   A. Devise and recommend to the Board of Commissioners a comprehensive personnel plan necessary to staff treatment plants and the distribution and collection systems associated with the respective utilities, as well as the administrative offices; related duties include administrative tasks associated with hiring procedures, personnel assignments and work scheduling.

B. Administration of procurement procedures necessary for acquisition of vehicles, equipment, tools, supplies and materials necessary for operations.
C. Routine communication with the Board of Commissioners, regulatory agencies, and system customers in the context of the day to day operation of the utilities.
D. Coordination and oversight of maintenance and development projects, including interaction and oversight of professional consultants, construction contractors, inspectors, and others.

2. Operations and Administrative Personnel: In accord with its approved personnel plan, the Board of Commissioners, assisted by the General Manager shall hire qualified individuals to perform the wide array of services necessary to assure quality, consistent operation, maintenance and management of the Martin County Water District and the Martin County Sanitation District. It shall be the policy of the Utility Board to seek to achieve economies by time-sharing personnel to service the respective utilities, being careful to provide full cost accounting for each employee based on actual percentage of time served by the employee in each system, aggregated and reported on a monthly basis. Such employee positions may include, but not be limited to:
   A. Water and Wastewater Treatment Plant Operators
   B. Water Distribution Operations; Collection System Operators
   C. Assistant General Manager; Office Manager; Administrative Clerks

EMPLOYEE SELECTION, HIRING, ADVANCEMENT, SUSPENSION & DISCHARGE

Only qualitative factors relevant to education, training, experience and performance in a position will be considered in selection, hiring, promotion, transfers, demotion, layoff, conditions of employment and other personnel actions.

Procedure:

A. Creation of Position: The Utility Board shall establish the need and create a position. The position shall be assigned a title, and a description of duties shall be developed together with the minimum qualifications necessary for an individual to be considered for the position.

B. Notice: A notice of intent to fill a position shall be publicized via the news media, via electronic forums and posted with the Kentucky Workforce Development Cabinet. The position may also be advertised in a professional journal if the General Manager deems appropriate. Such notices shall direct interested parties to contact the Utility Board's office for a packet containing:

1. Title of the position to be filled, together with a brief description of duties, qualifications, special requirements and salary range, as applicable.

2. Information as to when and where to submit resumes, completed employment applications, nature and times for any testing that may be required, and the time and date for submittal of applications.

C. Applicant Evaluation: An applicant shall be evaluated and a determination made as to whether the individual is qualified for a position, based on data from a combination of the following sources:

1. Information the applicant supplies in a resume and/or on an application form.
2. Personal interview.
3. Information and evaluations supplied by references, former employers, and others.
4. A physical examination or drug test signed by a physician.
5. Information available through police and criminal records checks.

D. Filing A Position: After the above procedures are completed, the General Manager may recommend one or more of the candidates who meet the established minimum qualifications to the Board. The Board shall consider the recommendations of the General Manager and either concur with the recommendations and authorize filling the position pursuant to the recommendations or direct that the position(s) be re-advertised.

E. Letter of Employment: When the Utility Board authorizes hiring an individual, the General Manager shall execute a 'letter of employment' to the individual, citing the position description, salary, the conditions of his working-test and any other conditions and other information pertinent to the employment offer. At the successful completion of the working-test, the General Manager shall execute a second letter to the individual informing him of the completion of the test and notifying him that employee benefits will become available.

F. Position Vacancy: In the event of a vacancy in any position, the General Manager may fill the position by promotion or may temporarily appoint a qualified individual to the position, subject to approval of the Board of Commissioners on the matter. Once the Utility Board has acted on the matter the General Managers shall execute a letter of employment, as above.

G. Advancement: An employee may advance within a position or by qualifying for and taking a different position with the Utility Board, subject to a performance evaluation.

1. Advancement within a position is subject to and may be based on an annual, standardize performance evaluation, conducted by the General Manager or a designated supervisor. Based on scores achieved in such evaluation, an employee may be granted a salary or wage increment, a bonus payment, a schedule accommodation or other appropriate form of acknowledgement of his work performance, as recommended by the General Manager and subject to the approval of the Board of Commissioners.
2. If an employee seeks to fill a vacant position that is more difficult and more highly compensated than his current position, he may be promoted to this position based on the

results of a performance evaluation. The employee must engage in a Working Test Period in the new position and any increase in salary or wages will begin at the completion of the Period. However, employee benefits and accrual of various leave times shall continue without interruption.

H. Suspension & Discharge: Any employee, regardless of classification may be suspended or discharged at any time for just cause determined after careful and factual consideration of all relevant matters.

Procedure

1. The suspension or discharge of an employee shall be in writing, and the reasons for the action shall be cited. Any employee may use the Fair Hearing Process to appeal the suspension or discharge decision. (See Fair Hearing Policy set out in this manual.)

2. A suspension will clearly state the terms and conditions under which a staff member will be allowed to return to the position.

3. The General Manager may suspend or discharge a staff member for the following reasons:
   a. Failure to satisfactorily perform the duties for which employed.
   b. Fighting; threatening or attempting bodily injury to another; stealing; malicious mischief resulting in the injury of a person or destruction of property.
   c. Public intoxication
   d. Non-prescribed use of drugs or use of hallucinogens or their induction or possession.
   e. Disorderly or immoral conduct; violation of the Utility Board's policy prohibiting harassment and violence,
   f. Insubordination, including refusal or failure to perform work assignments.
   i. Unauthorized use of vehicles, tools, equipment, supplies, and materials relating to either the field operations of the utility systems or the administrative offices.
   j. Willful neglect in the care of use of Utility Board property.
   k. Failure to disclose a health condition which may endanger the health of persons involved with the Utility Board including fellow staff members.
   l. Gross or habitual carelessness or recklessness.
   m. Failure to work the required minimum hours; unauthorized absence, tardiness
   n. Three (3) absences in one (1) year without prior notice to the General Manager;
   o. Incurring costs, or obligations in the name of the Utility Board without the written authorization or prior approval of the General Manager.
   p. Falsifying an official document or record including application for employment and other personnel records.
   q. Any political activity during routine work time, other than voting or private expression of opinion.
   r. Unauthorized use of the office address to receive personal mail or goods; unauthorized use of the office telephone or equipment for personal matters.
   s. Conduct unbecoming a staff member of the Utility Board, including but not limited to the acceptance of anything of value from a client of Utility Board services.
   t. Repeated failure to comply with the provisions set froth in this manual. Three (3) reprimands in one (1) calendar year may can result in dismissal.

u. Conviction of any penal or criminal offense.
v. Other actions or behavior which disrupts or impedes the business of the Utility Board.
w. Any employee receiving notice of suspension or termination pursuant to this policy must comply immediately with the directive or risk t.

4. Any staff member wishing to appeal the action of the General Manager must follow the procedures for invoking the Fair Hearing Process, as set out in the Utility Board's Policy Manual.

I. Voluntary Termination of Employment: When a employee seeks voluntary termination by resigning a position, he shall provide a minimum of two (2) weeks notice prior to the last date of employment with the Utility Board.

WORKING TEST PERIOD

Each prospective employee for any employee classification, must engage in a Working Test Period. During this time, the General Manager or his designee will explain what the Utility Board requires of him in order to successfully fill the position, routinely review and advise him regarding his performance over the course of the period, as appropriate. The General Manager will use the Working Test Period to determine whether or not the prospective employee has the ability, attitude, self-discipline, and motivation to satisfactorily perform the work associated with a position, in a cooperative and responsible manner.

The Working Test Period is the last and most important step in the personnel selection process.

Procedure

A. The Working Test Period is a period of three (3) months during which time the individual shall be provided and initial orientation but then be required to perform all typical and routine tasks and job duties associated with the position.

B. An employee engaged in a Working Test will be periodically assessed and the results of the assessment will be shared with the employee.

C. The period may be extended at the discretion of the General Manager if periodic evaluations are inconclusive as to the individual's ability or performance capacity.

D. If an overall satisfactory rating is not maintained during the period, the employee will be informed of the reason for the unsatisfactory rating and the General Manager shall recommend his discharge to the Board of Commissioners.

E. Employees engaged in a Working Test Period are hired at will, and may be separated at any time for any reason. Such employees may avail themselves of the grievance and complaint resolution procedure, as stipulated in the Utility Board's Fair Hearing Policy.

COMPENSATION

The sole method of compensation of employees of the Utility Board shall be in monetary salary and wages, based on accurate records.

Procedure

A. Payment: Salary and wage payments are distributed bi-weekly. These payments are paid by check with a statement of earnings, deductions, and accrued leave time, if an employee has any questions concerning this system, or any aspect thereof he/she is encouraged to discuss it with the General Manager.

B. Work Records: Each employee is required to use the time clock for purposes of recording hours worked. No employee shall record work time until designated required work time. (List of work times are posted)

C. Payroll Deductions: Deductions other than those required by law will be made only upon authorization of the employee. The Utility Board reserves the right to limit the types of deductions which may be made. Mandatory deductions currently include the following.

1. Federal Income Tax – the amount deducted is determined by the number of exemptions declared and the salary received.

2. Kentucky Income Tax – the amount deducted is determined by the number of exemptions declared and the salary received.

3. Social Security/Medicare

D. Overtime: Time worked in addition to the standard forty (40) hours per week by hourly (non-exempt) employees is compensated at the rate of time and one half (1 and ½) the approved hourly rate of pay. All overtime work must be pre-approved by the General Manager. An employee must work the forty (40) hours per week before any time worked can be considered as overtime work.

BUSINESS PROCEDURE

A. Office Management: The General Manager shall obtain, organize, and assign appropriate space, equipment, and materials, for the Utility Board; operations and maintenance responsibilities, special work assignments and office management policies or procedures shall be established and promulgated, and changed as required in like manner.

B. **Correspondence**: All correspondence concerning any action taken by the Utility Board or any correspondence to government officials or state or local agencies regarding a policy or regulatory compliance issue shall be signed by the General Manager or his designee, and a copy placed in the next subsequent monthly meeting board packet for each Commissioner.

C. Dress: Field operations staff are expected to dress in uniforms provided for their use. Office personnel are expected to dress in clothing appropriate to business situations or to the work in which the staff member is engaged, Specifically,

1. When in the office, dress appropriate to business offices in the region.

2. When attending public meetings, the staff member should dress in a manner similar to those conducting the meeting.

3. When doing manual labor or engaged in field survey work, less formal clothing is permissible but should always be neat, clean and good taste.

4. Uniform and personal identification badges must be worn by all employees without exception.

E-MAIL, COMPUTER EQUIPMENT AND INFORMATION SYSTEMS POLICY

The Utility Board's computer systems and other information technology resources including, without limitation, telephone systems, cell phones, data devices, voice mail systems, electronic mail ("e-mail") systems, internet and intranet access, computer hardware, software and peripherals, is provided to employees for use in the course of routine utility business. All such computer hardware, software and electronic systems provided by the Utility Board KACo, including the equipment and the data stored in these systems, are to remain at all times, the property of the Utility Board. Misuse of telephones, e-mail, voice mail, the Internet, or any other Utility Board computer equipment, systems or information may result in disciplinary action up to and including termination. All electronic files, data bases, information and email messages created, stored, sent or retrieved over these systems are the property of the Utility Board and any tampering, removal, data deletion or destruction shall be considered theft and dealt with accordingly.

Procedure

A. The following are examples of unacceptable uses of Utility Board's electronic equipment and access to the Internet that will result in disciplinary action:

3. Using the Internet and E-mail for personal gain or personal business activities in a commercial connotation such as buying or selling of commodities or services with a profit motive.

2. Engaging in illegal activities or using the Internet for any illegal purposes, including initiating or receiving communications that violate any laws and regulations, including KRS 434.840-434.860 (Unlawful Access to a Computer) and KRS 512.020 (Criminal Damage to Property Law). This includes malicious use, spreading of viruses, and hacking.

3. Transmitting statements, language, images or other materials that are reasonably likely to be perceived as offensive or disparaging of others based on race, national origin, sex, sexual orientation, age, disability, religious or political beliefs.

4. Using abusive or objectionable language or images in either public or private messages.

5. Knowingly visiting pornographic or illegal sites, disseminating, soliciting or storing sexually oriented messages or images.
6. Misrepresenting, obscuring, suppressing, or replacing a user's identity on the Internet or email. This includes the use of false or misleading subject headers and presentation of information in the distribution of email.
7. Sending or forwarding chain letters.
8. Developing or maintaining a personal web page on or from a device owned by the Utility Board.
9. Distributing or forwarding unsolicited commercial email.
10. Soliciting money for religious or political causes, or advocating religious or political opinions.
11. Using official dissemination tools to distribute personal information to include any information that constitutes an unwarranted invasion of personal privacy as defined in the Kentucky Open Records Act, KRS 61.870.
12. Copying, disseminating or printing copyrighted materials (including articles, images, games, or other software) in violation of copyright laws.
13. Other non-business related activities that will cause congestion, disruption of networks or systems including, but not limited to, Internet games, online gaming, unnecessary Listserve subscriptions and email attachments, and chat rooms or other similar forums.

B. Violations similar to any of the examples listed or other similar acts may result in disciplinary action up to and including termination. In addition, the Utility Board may advise appropriate legal officials of any illegal violations.

TOBACCO

To maintain a safe and comfortable working environment, the use of tobacco products in the Utility Board's offices and facilities is prohibited except in designated areas and is not permitted in service trucks or other vehicles. Violation of this policy may be grounds for disciplinary action, up to and including termination.

PERSONNEL RECORDS

Personnel records shall be maintained by the General Manager or his designee, in a secure place with access restricted to the Commissioners, the General Manager or his designee, each employee as regards his personal records, respectively, official representatives of state and federal agencies and profession service providers such as attorneys and others retained by the Utility Board and thereby subject to the Utility Board's Confidentiality Policy

Procedure:

A. The General Manager will establish and maintain an inventory of items contained in personnel files to include:
   1. Name
   2. Date of birth;
   3. A listing of qualifications, with copies of certifications, degrees, licenses, or other similar documents;
   4. Results of staff assessments;
   5. Police and/or criminal records check, and similar documents;
   6. Letters of commendation;
   7. Written complaints or records or oral complaints;
   8. Notice of disciplinary actions;
   9. Medical records, if any, shall be maintained in a separate file.

B. Personnel files shall be kept in strict confidence and no personnel information shall be released except that which is:

   1. Required by law or court order.

   2. Required for customary business procedures such as audits and labor compliance checks.

   3. Authorized by the staff member.

C. An employee's personnel file will be made available to him, upon request and after having sign a log when reviewing file material. Employees may request changes or corrections to their respective file.

D. Personnel records will be kept for a period of three (3) years following an employee's separation from service. In response to inquiries regarding a former employee, the Utility

Board will only confirm the following file data unless written authorization to release file information is received from the former employee:

1. Dates the individual worked for the Utility Board.

2. Position title(s) held by the individual during the period employed.

EMPLOYEE TRAINING

All employees are encouraged to improve their personal skill sets and to participate in specialized training in furtherance of the Utility Board's responsibility to properly operate, maintain and manage the drinking water and wastewater systems serving Martin County. Employees filing certain operators positions shall be required, as a condition of employment to secure certifications and licenses as are required of the Utility Board by the Kentucky Division of Water.

Procedure

A. Employees hired after August 1, 2007 to work in drinking water distribution are required to obtain a Class II Distribution License prior to the end of their third (3rd) year of employment with the Utility Board. Failure to obtain the license in this timeframe is grounds for dismissal.

B. Employees hired after August 1, 2007 who aspire to become drinking water treatment plant operators are required to work at least one (1) year at the treatment plant prior to taking the required training and test, and subsequently obtain a Class III Treatment license prior to the end of their fourth (4th) year of employment with the Utility Board.

C. All personnel are required to participate in formal and informal training, held locally or out of area, related to drinking water and wastewater treatment and drinking water distribution and wastewater collection, as well as work place safety, including drivers safety and other job related topics as scheduled by the General Manager.

D. The Utility Board will incur all costs associated with formal and informal training of employees at the recommendation of the General Manager. On a one-time per employee basis, the Utility Board will incur all authorized costs associated with an employee's effort to secure an operator's certification or license, including the cost of backup-operator coverage, study course and testing fees, together with travel and lodging expenses, as authorized by the General Manager. Such arrangement shall be set out in a written agreement with the employee and shall also include:

1. In consideration for the Utility Board incurring the employee's costs as cited above, the employee shall agree to continue as an employee of the Utility Board for at least two (2) consecutive years after receiving the certificate or license. If the employee leaves to accept a job of the same nature, requiring the same certification or license, during the two

year period the employee shall reimburse the costs to the Utility Board or any remaining percentage thereof prorated over the two (2) year obligation period.

2. In the event that an employee completes the required training and secures the appropriate operator's license the Utility Board will consider this achievement as grounds for consideration of a $1.00 per hour wage increment, pending the fiscal condition of the Utility Board and recommendation of the General Manager.

E. Upgrade Training / Continuing Education: Employees who are required to participate in continuing education after having received a license through the Kentucky Division of Water will be scheduled for such training by the General Manager or his designee. Costs associated with such employee training, including travel, lodging and meals shall be verified and authorized by the General Manager and shall be incurred by the Utility Board, with the exception that no allowance shall be made for entertainment or alcoholic beverages.

F. Employees will be reimbursed for the use of their private vehicles to and from a training site or otherwise while on Utility Board business at the rate of $____ per mile traveled.

HOLIDAYS

The Utility Board shall grant as paid holidays the following:

New Year's Day

Martin Luther King Day

Good Friday (1/2 Day)

President's Day

Memorial Day

Independence Day

Labor Day

Veteran's Day

Thanksgiving Day and 1 additional day

Christmas Day and 1 additional day

Procedure

A. The time off for a holiday may be taken as it occurs, or be taken after the actual date of the holiday with the authorization of the General Manager.

B. When a holiday falls on a Saturday or a Sunday, the Utility Board's observance of the holiday shall conform to that of the Kentucky State Government.

C. An employee who is scheduled to work during a holiday shall be compensated at the rate of time and one half (1 & 1/2).

LEAVE TIME FOR VOTING & JURY DUTY

A. A reasonably sufficient time not to exceed three (3) hours shall be allowed each employee for the purpose of voting in local, state and national elections. The actual time-off for voting shall be arranged between the voting employee and the General Manager to assure service coverage.

B. Employees who chose not to vote are not granted this time off.

C. Employees selected to serve on a jury shall be granted necessary leave time to perform this duty. The employee so serving shall fully inform the General Manager as to his times for serving on the jury as soon as he is aware of such times.

D. Time required to vote and time require to serve on a jury shall be considered as regular time worked and the employee shall receive regular salary or wages during such periods, conditioned upon the individual fully disclosing the scheduling of such time during regular work hours with the General Manager.

E. Vacation and sick leave accrual as well as other Utility Board employee benefits shall continue for the employee during voting and jury duty service.

VACATION LEAVE TIME

The Utility Board provides for and encourages all employees to take advantage of available vacation leave.

Procedure

A. Vacation leave time for full-time employees shall be accrued at the rate of eighty (80) hours after the first year of employment, each year thereafter up to an through the 5th year. Thereafter, employees shall receive an additional eight (8) hours each successive year up to but not to exceed 120 hours in any year.

B. Vacation leave time for part-time permanent employees shall be accrued at a rate proportional to their regular work hours based on the accrual rate for full-time employees.

C. Annual Leave time may be accrued up to but not exceeding twenty (20) days(160 hours) at any given time, and any portion thereof may be carried over from year to year.

D. Vacation leave time shall be scheduled by arrangement between the employee and the General Manager so as to accommodate, to the extent possible, the employee's preferred timing, so long as services to utility customers are not negatively affected.

BEREAVEMENT LEAVE TIME

Employees may be granted three(3) days bereavement leave time upon the death of a member of the immediate family. The immediate family is defined as husband, wife, child, stepchild, or grandchild, father, mother, grandparents, sister, brother, or significant other. Such time shall not be considered sick or vacation leave time.

SICK LEAVE / PERSONAL EMERENCY LEAVE

Employees are provided sick leave time and personal emergency leave time for treatment or recovery associated with personal illness or injury, pregnancy, or to respond to the serious illness or injury of a member of the immediate family. The immediate family is defined as husband, wife, child, stepchild, or grandchild, father, mother, grandparents, sister, or brother, or significant other.

Procedure

A. Full-time employees shall accrue sick leave time / personal emergency leave time at a rate of eight (8) hours per month worked, and may accrue an amount not to exceed four hundred-eighty (480) hours, which may be carried into a subsequent fiscal year.

B. Sick leave time for part-time permanent employees shall be accrued at a rate proportional to their regular work hours based on the accrual rate of full time employees.

C. Eligible employees who are absent from work on legal holidays during authorized sick leave, vacation leave, or any authorized short-term absence with pay, shall continue to accumulate sick leave at the regular prescribed rate.

D. When an employee uses more than three (3) consecutive for sick leave, a physician's statement indicating the nature and anticipated duration of the sickness may be required. Note: A 'doctor's excuse' will not be sufficient to meet this requirement.

E. Any abuse of sick leave will result in time off without pay or termination of employment.

F. All sick leave time / personal emergency time shall be approved by the General Manager, who may, in unique circumstances, grant additional sick leave time / personal emergency leave time without pay when an employee has used their accumulated time.

G. In the case of sudden illness or other extenuating circumstance, the request may be delivered by phone by or before 8:30 a.m. of the day for which sick leave is requested. It is the employee's responsibility to make this request, personally or through another individual, emergencies notwithstanding.

H. The sick leave records kept by the secretary/bookkeeper or his/her designee shall be considered official.

I. Accrued sick leave / personal emergency time has no monetary value; consequently no payment of accrued sick leave time / personal emergency leave time will be made to any employee in any circumstance.

J. Any abuse of sick leave time / personal emergency time shall result in disciplinary action. Such time is never to be considered or included in the calculation of overtime or other time accruals, such as for vacation time.

MILITARY LEAVE TIME

The military leave time benefit is provide by the Utility Board to employees as a means for taking leave with compensation for reserve military duty in the Armed Forces of the United States.

Procedure

A. Military leave will not be granted for a period in excess of ten (10) working days in the course of one fiscal year.

B. Only full-time employees are eligible for military leave time.

C. A staff member seeking military leave for two (2) or more contiguous days shall submit a written request to the General Manager at least thirty (3) days prior to the proposed start date of said leave detailing the date of leaving and expected return.

D. Upon taking authorized military leave, an employee will remain on active payroll and will accrue all sick leave, vacation leave, and all other benefits awarded to others in full-time positions.

LEAVE OF ABSENCE WITHOUT PAY

The leave of absence without pay is a benefit which may be granted to Utility Board employees to take uncompensated leave for compelling personal reasons without termination of employment, provided such leave does not result in unreasonable expenses or major disruption of the Utility Board's work activities. An employee may be granted a leave of absence by the General Manager for reasons such as health, education, maternity, paternity, adoption, internship, and any other significant reason.

Procedure

A. Except under special circumstances, a leave of absence will only be granted for extended periods of time but not to exceed a period in excess of twelve (12) weeks in a calendar year.

B. An employee desiring a leave of absence shall submit a written request to the General Manager at least thirty (3) days prior to the proposed start date of said leave, detailing the reasons and expected duration.

C. An employee requesting a leave of absence without pay may do so only after all available sick leave time / personal emergency leave time has been utilized.

D. While on leave of absence, an employee will be removed from the active payroll and will not accrue sick leave or vacation leave for the period of the leave of absence.

RETIREMENT

Any employee of the Utility Board may retire at the end of the calendar year in which the employee becomes 65years old, upon notification of the General Manager of his decision at least two (2) weeks prior to the effective date of the retirement.

NEWS MEDIA POLICY

It is the policy of the Utility Board to respond to media inquiries promptly and accurately, mindful of commitments and attendant obligations relating to the Utility Board's policies regard ethical behavior and confidentially.

Procedure

A. When credentialed media personnel inquire concerning any situation, action or event involving the Utility Board, the Martin County Water District or the Martin County Sanitation District, the General Manager shall function as the Utility Board's designated spokesperson.

B. If credentialed media personnel approach or contact an employee by phone regarding a matter related to the Utility Board or either utility system, the employee shall courteously direct such individuals to the General Manager.

C. The General Manager shall take care to provide accurate, precise and concise comments and statements of fact, so as to avoid any misunderstanding or misinterpretation to the extent possible. All statements shall be confined to citing actions taken or positions adopted by the Utility Board, while in session. Recounting hearsay, conjecture or opinion shall be completely avoided.

GRIEVANCE & COMPLAINT POLICY

Any employee who has a grievance or complaint shall comply with the Utility Board's Complaint Resolution & Fair Hearing Policy.

DRUG FREE WORKPLACE POLICY

It is the policy of Utility Board that its work place and general work environment shall be drug-free in compliance with the Drug-Free Workplace Act of 1988 (PL 100-690, Title V, Subtitle D). Consequently, no employee of the Utility Board shall engage in unlawful manufacture, distribution, dispensing, possession or use of a controlled substance in the work place, i.e., the geographic boundary of Martin County, Kentucky.

Controlled substances are those described in KRS 218A.020 through KRS 218A.140, or in regulations for the Cabinet for Human Resources.

Procedure

A. Each employee shall read and sign the Drug Free Workplace Certification, attached to this policy.

B. Each staff member is hereby informed that they shall notify the Chair of the Utility Board or the General Manager within two (2) days of any criminal drug statute conviction for a violation in the work place. Within ten (10) days, the Utility Board will take action as appropriate.

C. Any employee violating the terms of this policy statement is subject to immediate dismissal.

D. Employees found to be abusing drugs, but not convicted of any drug statute violation, will be subject to appropriate personnel action up to and including a requirement to participate in and complete a drug abuse assistance or rehabilitation program approved for such purposes, or face immediate termination. The Utility Board shall not incur any cost associated with such rehabilitation.

E. Staff members are hereby informed that drug abuse prevention information and counseling is available through a Mountain Comprehensive Care Center located in Martin County.

F. All prospective employees of the Utility Board are required, as a condition of consideration for employment to submit to a drug text and be found drug-free. All employees are subject to random drug-testing at the discretion of the General Manager.

This Policy approved by the Board of Commissioners _____.

_____

Secretary

Revised: 11/08

DRUG FREE WORKPLACE CERTIFICATION

The Martin County Utility Board certifies that it will provide a drug free work place. It will accomplish this by establishing and implementing its Drug-Free Workplace Policy and developing a Drug-Free Awareness Program.

I am aware of the Utility Board's Drug-Free Workplace Policy and by signing this Certification acknowledge and understand that any manufacture, distribution, dispensing, possession, or use of a controlled substance is illegal and is prohibited in any work area related to the Utility Board, including the facilities and service areas of the Martin County Water District and the Martin County Sanitation District. As a condition of my employment with the Utility Board, I agree and commit to:

A. Abide by the Utility Board's Drug-Free Workplace Policy and this Certification statement; and,
B. Notify the General Manager or the Chair of the Board of Commissioners of any violation of a criminal drug statute occurring in the work place; and to provide such notification if I am convicted for such offence.

I understand that the penalties for any drug abuse violations occurring while employed by the Utility Board include, but are not limited to:

A. Mandatory participation and timely completion of an appropriate drug abuse assistance or rehabilitation program.
B. Disciplinary personnel action up to and including termination.

I further acknowledge that the Utility Board's DRUG-FREE AWARENESS PROGRAM is intended to inform employees that:

A. There is zero tolerance of drug abuse in the work place;
B. The Utility Board is intent on maintaining a drug-free work place;
C. Employees who may develop a drug abuse problem are required and encouraged to avail themselves of professional drug counseling, rehabilitation, and personnel assistance programs;
D. That penalties will be imposed upon employees for drug abuse violations occurring in the work place.

PLACE OF PERFORMANCE: Martin County, Kentucky

Contact: General Manager
Martin County Utility Board Offices
Route 69, P. O. Box 875
Inez, (Martin County) KY 41224

_____ _____

(EMPLOYEE SIGNATURE) DATE

EMPLOYEE BENEFITS PLAN

In recognition of the valued dedication and work of its employees, it is the policy of the Utility Board to provide health insurance and retirement benefits to full-time employees, as fiscal resources allow.

Procedure

A. Full-Time Employees -- Health Insurance: All full-time employees may elect to receive a single coverage through the Anthem for a packaged policy covering life insurance, health insurance, dental insurance and vision insurance at the expense of the Utility Board. Employees have the option of including other family members, individually or as a group, but are required to cover the additional expense.

1. As with eligibility for all other benefits, the comprehensive health insurance benefit begins after the employee has successfully completed the Working Test Period and has received a letter of employment from the Utility Board.
2. The employee is required to complete all necessary applications in a timely and accurate manner to assure proper and timely coverage to begin.

B. Full-Time Employees -- Retirement: All full-time employees may participate in the Kentucky County Employee Retirement System (CERS). The Utility Board is the participating entity and contributes the required percentage for each covered employee. Individual employees who elect to participate in this retirement program must contribute their percentage share, which is automatically deducted from their monthly salary or wages.

C. Part-Time Employees – Health Insurance: Part-time employees who agrees to contribute a percentage share of the cost may receive single coverage through the Anthem for a packaged policy covering life insurance, health insurance, dental insurance and vision insurance. In this instance, the Utility Board's contribution would be that percentage share based on the actual number of hours the employee works in a week divided by 40 hours. Employees have the option of including other family members, individually or as a group but are required to cover the additional expense.

1. As with eligibility for all other benefits, the comprehensive health insurance benefit begins after the employee has successfully completed the Working Test Period and has received a letter of employment from the Utility Board.
2. The employee is required to complete all necessary applications in a timely and accurate manner to assure proper and timely coverage to begin.

D. The Kentucky County Employees Retirement System does not have a program for part-time employees.

720 S.W.2d 725
Supreme Court of Kentucky.

PUBLIC SERVICE COMMISSION
OF KENTUCKY, Appellant,
v.
DEWITT WATER DISTRICT, Appellee.
EAST CLARK WATER DISTRICT and
Warren County Water District, Appellant,
v.
PUBLIC SERVICE COMMISSION and
David L. Armstrong, Attorney General,
Division of Consumer Protection, Appellee.

Nos. 86-SC-342-DG, 86-SC-362-DG
|
Nov. 26, 1986.

Synopsis
In one case, the Franklin Circuit Court held that depreciation expense on contributed property should be allowed to water district the same as for other property. In other cases, the Franklin Circuit Court determined that the Public Service Commission properly disallowed rate recovery for depreciation expense on contributed property to water districts. After conflicting action by the Court of Appeals, the Supreme Court, Wintersheimer, J., held that: (1) Commission's denial of rate recovery for depreciation expense on contributed property with respect to water districts that were nonprofit utilities that were political subdivisions of county government with no private capital and no corporate investors was unlawful act in contravention of statutory and regulatory requirements; (2) disallowance of depreciation with respect to the water districts was unreasonable and amounted to confiscatory governmental policy; and (3) depreciation expense on publicly owned water district plant that had been purchased by federal grants and contributions and/or tap-on fees should be allowed in revenue requirement of public water districts.

One Court of Appeals decision affirmed; the other decision reversed.

Vance, J., concurred in result only.

West Headnotes (9)

[1] **Public Utilities**
Review and determination in general

It is responsibility of reviewing court to protect parties subject to regulatory authority of Public Service Commission from arbitrary and capricious action.

[2] **Water Law**
Findings and adjudication

Public Service Commission's denial of rate recovery for depreciation expense on contributed property to water districts which were nonprofit utilities that were political subdivisions of county government with no private capital and no corporate investors was unlawful act in contravention of statutory and regulatory requirements; statute requires regulated utilities to keep accounts in uniform system in accordance with specific standards, statute requires Commission to consider costs of reproduction, among other factors, in valuing plant property for rate-making purposes, and statute requires that water districts be permitted to charge rates which will provide for adequate depreciation reserves. KRS 74.480, 278.220, 278.290.

[3] **Water Law**
Findings and adjudication

Fact that Kentucky was original value state did not preclude water districts which were nonprofit utilities that were political subdivisions of county government with no private capital and no corporate investors from taking depreciation expense on contributed property, where original cost was only one factor to be considered in valuing utility's property, under statutes, with Public Service Commission being required to consider various factors, including cost of reproduction as going concern. KRS 278.290.

1 Cases that cite this headnote

PSC EXHIBIT 20

[4] **Water Law**
Findings and adjudication

Public Service Commission's denial of rate recovery for depreciation expense on contributed property with respect to water districts which were nonprofit utilities that were political subdivisions of county government with no private capital and no corporate investors was unreasonable and amounted to confiscatory governmental policy; disallowance of depreciation expense as rate recovery permitted substantial portion of property of district to be consumed by current customers without requiring customers to pay for a replacement, and total plants, not just portion financed by noncontributed funds, were wearing out.

[5] **Water Law**
Findings and adjudication

When considering issue of confiscation and determining whether Public Service Commission's denial of rate recovery for depreciation expense on contributed property was confiscatory with respect to water districts which were nonprofit utilities that were political subdivisions of county government with no private capital and no corporate investors, future as well as present must be considered, with determination being made as to whether rates complained of were yielding and would yield sum sufficient to meet operating expenses.

[6] **Water Law**
Findings and adjudication

Public Service Commission's disallowance of depreciation expense by denying rate recovery for depreciation expense on contributed property to water districts which were nonprofit utilities that were political subdivisions of county government with no private capital and no corporate investors was not sound utility management practice; if districts did not have sufficient revenues to cover replacement costs, due to refusal to recognize total depreciation expense, districts would be forced to short-term credit market for funding, which would raise overall cost to district, and higher rates were concededly inevitable in event districts were forced into short-term credit market.

[7] **Water Law**
Methodologies; establishment of rate base

Purpose of depreciation expense as applied to nonprofit water districts does not relate to recoupment of investment, but rather, relates to renewal and replacement. KRS 74.480, 278.220, 278.290.

[8] **Water Law**
Methodologies; establishment of rate base

Proper rate-making treatment for depreciation expense of contributed property with respect to water districts which were nonprofit utilities that were political subdivisions of county government with no private capital and no corporate investors was to allow depreciation on contributed plant as operating expense, with fact that utility did not make investment in plant being of no consequence in context of publicly owned facilities.

[9] **Water Law**
Methodologies; establishment of rate base

Depreciation expense on publicly owned water district plant that has been purchased by federal grants and contributions and/or customer tap-on fees should be allowed in revenue requirement; publicly owned water district had no private investor capital and its rates did not generate return on rate base, and public water districts relied on internally generated cash flow.

Attorneys and Law Firms

*726 John N. Hughes, Thomas A. Marshall, Frankfort, for Public Service commission.

James M. Honaker, Frankfort, for Dewitt Water District.

Charles E. English, Murry A. Raines, English Lucas Priest & Owsley, Bowling Green, James W. Clay, Winchester, for East Clark Water District and Warren County Water District.

David L. Armstrong, Atty. Gen., Frankfort, Pamela Johnson, James D. Brannen, Paul E. Reilander Jr., Frankfort, for Attorney General, Division of Consumer Protection.

Opinion

WINTERSHEIMER, Justice.

These two cases represent a conflict between panels of the Court of Appeals as well as a conflict in the same division of the Franklin Circuit Court. Both Court of Appeals opinions were rendered the same day and recognize that their conflict should be resolved by this Court.

The question is whether the Public Service Commission may disallow a depreciation expense on contributed property when determining the rates of publicly-owned water districts.

The resolution of this question is important and it appears that both sides have *727 some merit to their respective positions. If depreciation is considered to be the allocation of an investment over a period of time, it could be said that depreciation expenses on contributed property should not be allowed because to allow such an expense would require the customers to, in part, pay again for facilities for which they had already paid in full. On the other hand, failure to allow depreciation for rate-making purposes on contributed property would necessarily cause this property to be utilized only by the present generation and become unavailable as an ongoing asset.

Contributed property is property obtained by the water district either through government grants or directly from customer contributions. Consequently, the water district has title to but no specific investment in the property. No imputed interest expense is claimed. However, for rate-making purposes, the water districts desire to list as an expense depreciation on the contributed properties. The Commission considers depreciation for accounting purposes but not for rate-making.

In the Dewitt case, the circuit court held that depreciation expense on contributed property should be allowed the same as for other property. The court noted that recipients of this contributed property would be limited to the present generation if depreciation expense were not allowed. In the East Clark Water case the circuit court held that the appropriate role of depreciation is to recapture invested capital. Here, the water districts have no investments in these facilities because they are contributed property. Consequently, the circuit court determined that the Commission properly disallowed rate recovery for depreciation expense on contributed property.

There are approximately 115 water districts in the Commonwealth of Kentucky which are nonprofit political subdivisions of county government. They have no investor or private capital. Their rates, as regulated by the Public Service Commission do not generate a return on rate base. The water districts are permitted to earn net revenues based either on a debt services cost formula or on a percentage of operating expenses known as an operating ratio. Lower operating expenses mean lower rate recovery.

The Dewitt Water District has 83 customers and is a publicly owned utility which has furnished water service in a rural section of Knox County since 1971.

The Warren County Water District has been in existence for 16 years. It has two divisions, a water division and a sewer division. It owns a water treatment plant but also purchases treated water from the city of Bowling Green.

The East Clark Water District provides water services to residential customers living in rural Clark County. It began its operation in March, 1979, and has approximately 300 customers.

The districts argue that the Commission's rate-making determination in regard to a disallowance for depreciation is an unlawful and unreasonable exercise of its regulatory authority and that the regulatory agency has acted in an arbitrary and capricious manner. They also maintain that the customers and the company are virtually one and the same and that they desire to pay rates which are sufficient to provide for the orderly replacement of existing water plant facilities. They contend that there is no question relating to private capital and no outside investors involved in this situation.

The Public Service Commission argues that the depreciation expense should not be allowed and that the order of the Commission be upheld as being in conformity with the law, both statutory and case law. They maintain that the water districts failed to accept the distinction between accounting and rate making and that the criteria for appellate review has been properly met in the East Clark and Warren County cases.

The Attorney General's Consumer Protection Division argues that the Commission properly disallowed depreciation because nonprofit water districts that attempt to charge customers for facilities purchased with grant money and customer *728 contributions are violating the spirit of the grants and frustrating the governmental intent. In addition the Attorney General contends that the districts are attempting to assess a double charge on tap-on fees and other customer contributions and the result is a confiscation of rate-payer funds in violation of the law.

This Court affirms the decision of the Court of Appeals in the Dewitt water case and reverses the decision in the East Clark and Warren County cases. Depreciation expense on contributed plant property may be considered as an operating expense for rate-making purposes in matters involving publicly held water districts as distinguished from investor-owned companies.

The Public Service Commission's disallowance of rate of recovery for depreciation expense on contributed property was arbitrary, capricious and confiscatory.

The standard of review of commission action is found in KRS 278.410 which provides for judicial review on a showing by clear and convincing evidence that the Commission's order is unlawful or unreasonable. The decision to disregard depreciation expenses on contributed property effectively reduced recoverable revenues for each of the districts involved.

[1] It is the responsibility of the reviewing court to protect the parties subject to the regulatory authority of the Commission from arbitrary and capricious action. *Kentucky Power Company v. Energy Regulatory Commission of Kentucky*, Ky., 623 S.W.2d 904 (1981) holds that judicial intervention is permissible only when the reviewing court determines that the Commission has not dealt fairly with the utility. The failure of the Commission to allow a rate recovery for depreciation expense on contributed property could have a substantial impact on the financial stability of the publicly-owned systems and their ability to continue to provide needed water utility services to the rural areas of this state.

The disallowance of depreciation expense on contributed property by the Commission is opposed to its statutory mandate, constitutional prohibitions against confiscation and sound utility management practices.

[2] The Commission's denial of rate-recovery for depreciation expense on contributed property is an unlawful act in contravention of statutory and regulatory requirements. KRS 278.220 and the Uniform System of Accounts require the water district to account for depreciation on all classes of depreciable property as an operating expense.

Water districts subject to the regulatory jurisdiction of the commission are required to maintain a uniform system of accounts. KRS 278.220. The applicable system promulated by the Public Service Commission for water and sewer districts is codified in a regulation manual entitled, "Uniform System of Accounts for Class C and D Sewer Utilities," which became effective October 1, 1979. This manual specifically requires that depreciation of contributed property be accounted for in language identical to the National Association of Railway and Utility Commissioners (NARUC) regulation pertaining to donated property which is in accord with generally accepted accounting principles set forth by the American Institute of Public Accountants.

The uniform system required by the Commission provides that depreciation expense be treated as a utility-operating expense account. Section 403 of the uniform system, entitled Depreciation Expense, provides that the account shall include the amount of depreciation expense for all classes of depreciable utility plant in service. The clear language of the Commission's own regulations draws no distinction between depreciation of contributed and noncontributed plant property. The source of the funds does not affect the properties' status as depreciable or nondepreciable. Consequently, the stated rate-making treatment of depreciation expense on property financed by federal grants and customer contributions is to view the expense the same as for that of noncontributed property.

KRS 278.290 requires the Commission to consider cost of reproduction, among other *729 factors, in its valuation of plant property for rate-making purposes. The Commission must follow the valuation standards set out in KRS 278.290 so that there will be a check on its assessment of assets and liabilities of utilities subject to its regulation.

KRS 278.290(1) provides the method for valuation of a utility's property for rate-making purposes. The plant to be valued is the plant used to give the service.

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There are essentially three methods for evaluating a utility's property. The original cost method uses the cost of utility plant to the person first devoting it to public use. The fair value method examines the fair value of the utility's property in service at the time of the rate inquiry. The reproduction cost method applies the reproduction cost to the utility's existing plant.

[3] The Commission argues that water districts are not entitled to take depreciation expense on contributed property because Kentucky is an original value state. It cites *Princess Anne Utilities Corporation v. Commonwealth,* 211 Va. 620, 179 S.E.2d 714 (1971) as authority that an original value jurisdiction should not allow depreciation on contributed property. KRS 278.290 provides that Kentucky is not exclusively an original cost jurisdiction. Original cost is only one factor to be considered in valuing the utility's property. The Commission must consider various factors including cost of reproduction as a going concern.

We have previously held that contributed property must be included in valuing the utility plant for purposes of assessing a rate base. Rate base is the value of the facility of a utility employed in providing its services. *City of Covington v. Public Service Commission,* Ky., 313 S.W.2d 391 (1958) held that the Commission's order excluding a federal grant from the city's water plant's rate base was unlawful. We are not convinced by the Commission's attempts to distinguish *City of Covington, supra,* on the basis that its holding is limited to "rate base" cases. The concern in *City of Covington* is the proper valuation for public utilities in assessing the revenue requirements needed by the utility. The Commission cannot disregard contributed plant property purchased through federal grants in making its determination. If the Commission must consider all plant property for rate-making purposes, it follows that it must consider all operating expenses incurred in conjunction with the use of the property. Therefore, depreciation expense must be treated uniformly for all plant property thus acquired.

Depreciation is a concern to most enterprises, but it is of particular importance to water and sewer utilities because of the relatively large investment in utility plants required to produce each dollar of annual revenue. Water districts are capital intensive, asset-wasting enterprises. The structure of a water plant, comprised of innumerable components, demands allocation of proper depreciation to ensure financial stability. Adequate depreciation allowance is critical in order to allot to the district sufficient revenue to provide for a replacement fund for all its plant property, contributed or noncontributed.

KRS 74.480 requires the Commission to establish such rates and charges for water as will be sufficient at all times to provide an adequate fund for renewals, replacement and reserves.

This statute indicates the legislative intent that water operations must have sufficient revenues to provide for depreciation. The Commission's reduction of the depreciation expense is in contravention of this legislative directive. Therefore it is an unlawful act.

[4] The Commission cites no authority for disallowing depreciation of the property of the water district. Reference to a "well-established policy of disallowing depreciation in connection with facilities funded with contributions in aid of construction" is not sufficient. KRS 278.220 provides that regulated utilities shall keep their accounts in a uniform system in accordance with the standards of NARUC. The guidelines of ***730** the Commission define depreciation as "loss in service value not restored by current maintenance" and require that depreciation be treated as an operating expense. KRS 74.480 requires that districts be permitted to charge rates which will provide for adequate depreciation reserves. Consequently depreciation should be allowed as an expense. The Commission's disallowance of depreciation in this situation is unreasonable and amounts to a confiscatory governmental policy.

A determination by the Commission will not withstand judicial review if it is unreasonable pursuant to KRS 278.410. Unreasonable has been construed in a rate-making sense to be the equivalent of confiscatory. This Court has equated an unjust and unreasonable rate to confiscation of utility property. We have declared that rates established by a regulatory agency must enable the utility to operate successfully and maintain its financial integrity in order to meet the just and reasonable nonconfiscatory tests. *See Commonwealth ex rel Stephens v. South Central Bell Telephone Company,* Ky., 545 S.W.2d 927 (1976).

The rates established by the Commission will not generate sufficient revenues to enable the districts to provide for an adequate depreciation account and replacement fund. Disallowance of depreciation expense as a rate recovery permits a substantial portion of the property of the district to be consumed by present customers without requiring the

customers to pay for replacement. Approximately 50 percent of Warren County's total utility plant is attributable to federal grants. Sixty-four percent of the East Clark District's plant is attributable to federal grants and customer contributions.

Both state and federal constitutions protect against confiscation of property without regard to the source of acquisition funds. *See Board of Commissioners v. New York Telephone Company,* 271 U.S. 23, 31, 46 S.Ct. 363, 70 L.Ed. 808 (1926).

[5] When considering the concept of confiscation, the future as well as the present must be considered. It must be determined whether the rates complained of are yielding and will yield a sum sufficient to meet operating expenses. *See McCardle v. Indianapolis Water Company,* 272 U.S. 400, 47 S.Ct. 144, 71 L.Ed. 316 (1926). Depreciation is uniformly recognized as an operating expense and it is important that the amounts set aside to cover depreciation of public utility property be large enough to replace the property when it is worn out. 64 Am.Jur.2d *Public Utilities* § 182 (1972).

The districts' total plants are wearing out, not just that portion financed by noncontributed funds. The Commission's disallowance of rate recovery of depreciation expense is unreasonable and constitutes a taking of the property of the districts without just compensation.

[6] The Commission's disallowance of depreciation expense is not sound utility management practice. The Commission has ignored one of its most important roles which is to provide the lowest possible cost to the rate payer. In refusing to recognize the total depreciation expense, it does not consider the obvious. If the districts do not have sufficient revenues to cover replacement costs, they will be forced to the short-term credit market for funding which will raise the overall cost to the district. The Commission conceded that higher rates were inevitable in the event the districts were forced into the short-term credit market. In the Dewitt case, the Commission expressed its concern over rate case expense. Invocation of the bonding authority provided by KRS 74.300 would undoubtedly escalate the expenses of all the districts involved far beyond the present cost.

Other jurisdictions have recognized the necessity of setting rates sufficient to provide for replacement costs. *Westwood Lake v. Dade County,* Fla., 264 So.2d 7 (1972) held that to arbitrarily disregard that part of a utility's equipment because it was contributed ignores reality and would result in rate increases later when it was necessary to replace the equipment. *Du* *731 *Page Utility Company v. Illinois Commerce Commission,* 47 Ill.2d 550, 267 N.E.2d 662 (1971) stated in part that depreciation should be allowed because a utility will need to replace from time to time properties which become obsolete in order to sustain customer services.

Therefore in order to properly assess the revenue requirements of water districts, it is critical that the commission consider all of the district's operating expenses. Failure to do so will result in an inaccurate computation of the operating ratio on which the allowable rates hinge and jeopardize the financial integrity and stability of the districts.

It is important to remember that this case involves water districts which are nonprofit utilities organized under Chapter 74 of the Kentucky Revised Statutes. The owners and consuming ratepayers are essentially the same individuals because the districts are political subdivisions of county government. They have no private capital and no corporate investors who must be satisfied as to traditional profits. Their rates do not generate a return on rate base. The water districts are permitted to earn net revenues based on a debt service formula or on an operating ratio computed in accordance with a percentage of operating expenses. Lowering operating expenses means lowering rate recovery.

[7] Water lines are indivisible and not identifiable as to the source of funds used to purchase them. The elements causing depreciation indiscriminately take their toll over time on the service life of all plant facilities. The districts are responsible for making replacements and are obliged by statute to make provisions for future replacements. The purpose of depreciation expense as applied to nonprofit water districts does not relate to a recoupment of investment. The overriding statutory concept is renewal and replacement. The Commission's argument relative to recoupment of investment is without merit and unconvincing.

[8] The Commission is required by statute to treat depreciation as an operating expense to provide an adequate fund for renewals, replacement and reserves. The proper rate-making treatment for depreciation expense of contributed property is to allow depreciation on contributed plant as an operating expense. The fact that the utility did not make an investment in the plant is of no consequence in the context of publicly-owned facilities. The water district must eventually replace this plant which customers are using and the ratepayers are therefore obligated to provide funds

for this replacement. The proper rate-making treatment of depreciation expense on property financed by federal grants and customer contributions is to treat the expense the same as that for noncontributed property. *See City of Covington.*

The Commission misinterprets and misapplies *Public Service Commission v. Continental Telephone Co.*, Ky., 692 S.W.2d 794 (1985), which related to job development tax credit, intrastate toll revenues and return on rate base. There was no issue of depreciation expense involved in that case which can be applied here.

Chapter 74, by definition, does not apply to privately owned utilities which have investors to provide needed funds on their behalf in expectation of legitimate monetary dividends. The water districts sole concern is continuous water service to its members and consumers who are one and the same.

Board of Public Utilities Commissioners v. New York Telephone Co., supra, held that constitutional protections against confiscation does not depend on the source of money used to purchase the property. It is enough that it is used to render the service.

The propriety of permitting a reasonable depreciation deduction on property of a utility is not dependent on the source of funds for the original construction of the plant. *See DuPage, supra,* and *Langan v. West Keansburg Water Co.*, 51 N.J.Super. 41, 143 A.2d 185 (1958).

Any water district will be required to replace property and plant which have become *732 obsolete or whose useful lives have expired in order to sustain continued service to the customers. Therefore, the utility should be entitled to a reasonable depreciation deduction on its entire plant in-service for the purpose of computing its operating expenses. Depreciation by definition includes only that loss which cannot be restored by current maintenance. *See Lindheimer v. Illinois Bell Telephone Co.*, 292 U.S. 151, 54 S.Ct. 658, 78 L.Ed. 1182 (1934).

[9] The Commission's rate-making determinations in these cases constitute an unlawful and unreasonable exercise of its regulatory authority. It is the holding of this Court that depreciation expense on a publicly-owned water district plant that has been purchased by federal grants and contributions and/or customer tap-on fees should be allowed in the revenue requirement because they have no private investor capital and their rates do not generate a return on rate base. Public water districts rely on internally generated cash flow.

The decision of the Court of Appeals in Dewitt Water District is affirmed. The decision of the Court of Appeals in East Clark County Water District and Warren County Water District is reversed.

All concur, except VANCE, J., who concurs in result only.

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637 S.W.2d 649
Supreme Court of Kentucky.

SOUTH CENTRAL BELL TELEPHONE COMPANY, Movant,
v.
UTILITY REGULATORY COMMISSION, and Steven L. Beshear, Attorney General, Respondents.

Aug. 31, 1982.

A telephone utility sought to enjoin the Utility Regulatory Commission from enforcing a penalty imposed in a rate hearing. The order of the Franklin Circuit Court granting a permanent injunction against the Commission was reversed by the Court of Appeals and discretionary review was granted. The Supreme Court held that: (1) arbitrary and subjective decision on part of the Utility Regulatory Commission in a rate case to reduce the rate of return on the telephone utility's investment because of alleged poor service amounting to a reduction in what was originally determined to be an adequate rate and, as such, amounted to imposition of a penalty which was beyond scope of the Commission's statutory authority, and (2) permanent injunction enjoining the Utility Regulatory Commission from enforcing those portions of its orders which proposed to penalize the telephone utility for alleged service deficiencies did not amount to rate making since it simply eliminated an illegal act of the Commission and reinstated the original rate which the Commission, not the courts, determined would give the utility a fair rate of return.

Decision of the Court of Appeals reversed and judgment of the trial court affirmed.

West Headnotes (6)

[1] **Public Utilities**
Nature and Extent in General

The legislative grant of power to regulate rates will be strictly construed and will neither be interpreted by implication nor inference. KRS 278.030, 278.040(2), 278.260, 278.270, 278.280, 278.390.

[2] **Public Utilities**
Nature and Extent in General

The Utility Regulatory Commission must give effect to all factors which are prescribed by the legislative body in fixing rates, but it may not act on a matter which the legislature has not established. KRS 278.030, 278.040(2), 278.260, 278.270, 278.280, 278.390.

[3] **Public Utilities**
Statutory Basis and Limitation

The powers of the Utility Regulatory Commission are purely statutory and, if the statute prescribes a precise procedure, the Commission may not add to the statute. KRS 278.030, 278.040(2), 278.260, 278.270, 278.280, 278.390.

1 Cases that cite this headnote

[4] **Public Utilities**
Nature and Extent in General

There is an inherent danger in permitting poor service as a basis for setting rates particularly in the imposition of a penalty which results in a reduction of a rate which the Utility Regulatory Commission has already found to be fair and reasonable. KRS 278.030, 278.040(2), 278.260, 278.270, 278.280, 278.390.

3 Cases that cite this headnote

[5] **Telecommunications**
Rate of Return

Arbitrary and subjective decision on part of the

Utility Regulatory Commission in a rate case to reduce the rate of return on the telephone utility's investment because of alleged poor service amounting to a reduction in what was originally determined to be an adequate rate and, as such, amounted to imposition of a penalty which was beyond scope of the Commission's statutory authority. KRS 278.030, 278.040(2), 278.260, 278.270, 278.280, 278.390.

2 Cases that cite this headnote

[6] **Telecommunications**
Equitable Relief; Injunction

Permanent injunction preventing the Utility Regulatory Commission from enforcing those portions of its orders which proposed to penalize telephone utility for alleged service deficiencies did not amount to rate making since it simply eliminated an illegal act of the Commission and reinstated the original rate which the Commission, not the courts, determined would give the utility a fair rate of return. KRS 278.030, 278.040(2), 278.260, 278.270, 278.280, 278.390.

2 Cases that cite this headnote

Attorneys and Law Firms

*650 Lively M. Wilson, Bruce F. Clark, John A. Bartlett, Stites, McElwain & Fowler, Louisville, for movant.

James D. Brannen, Asst. Atty. Gen., William M. Sawyer, Paul M. Cupp, Staff Attys., Public Service Com'n, Frankfort, for respondents.

Opinion

***651 OPINION OF THE COURT**

The primary issue on this appeal is the legality of the action of the Kentucky Utility Regulatory Commission[1] in penalizing a utility, in a rate application case, for alleged poor service to its customers. We rule that such action is illegal, and reverse the Court of Appeals.

On March 14, 1980, movant (Bell) filed an application with the Commission, pursuant to KRS Chapter 278, to increase the rates paid by Kentucky customers by a total of $71,000,000. Following extensive hearings and arguments, the Commission found that a reasonable rate of return on Bell's investment was 10.61%. However, the Commission, in its order, reduced the rate of return to 10.47%, solely because of alleged poor service by Bell, which was the issue of another pending case before the Commission. The effect of this ruling was to reduce the granted rate increase by $2,108,000. The reduction of the rate increase was described by the Commission's order as a "penalty."

Following the denial of the motion for a rehearing on the penalty question, Bell filed an action in the Franklin Circuit Court seeking an injunction against the Commission to prevent it from enforcing the penalty. The circuit court granted a permanent injunction against the Commission and the Court of Appeals reversed. Because of the important issue involved, we granted discretionary review.

On appeal, Bell argues: (1) that the action of the Commission, imposing a penalty for poor service in a rate case, violates the provisions of KRS Chapter 278; (2) that the action of the Commission in imposing the penalty in this particular case violated its right to due process of law; (3) that the application of the penalty was arbitrary, capricious and unreasonable; (4) that the application of the penalty was confiscatory; and (5) that the trial court did not act as a rate-making authority in granting the injunction.

I. DID THE ORDER OF THE COMMISSION, WHICH IMPOSED A PENALTY FOR ALLEGED POOR SERVICE TO ITS CUSTOMERS IN A RATE APPLICATION CASE, VIOLATE THE PROVISIONS OF KRS CHAPTER 278?

In a special non-rate, adequacy-of-service proceeding, (identified as Case No. 7535), the Commission, on November 19, 1979, entered an order requiring Bell to provide telephone service to new applicants no later than twelve months following an application for such service. The basis of the order was the Commission's finding that Bell was either unable or unwilling to provide the type of service desired by its applicants. In effect, the order gave Bell a year to improve its service and to comply with the order.

Bell subsequently filed its present rate application (Case No. 7774), and the Commission rendered its decision on September 2, 1980. After determining that a reasonable rate of return on investment was 10.61%, the penalty was applied. The relevant portion of the order is as follows:

> "Although the Commission finds that a rate of return on Net Investment of 10.61% is reasonable in this proceeding based on cost of capital considerations only, the *Commission also finds that the Company has failed to fulfill its service obligations in providing service to new Applicants within a reasonable time period.*" (Emphasis added.)

The order then referred to Case No. 7535 and stated that the Commission's order in that case had not achieved successful results. It then continued:

> "Due to the inadequate progress the Company has made in providing new service to those applicants within a reasonable time period, the Commission finds that it is fully justified in reducing the approved fair, just and reasonable rate of return the Company has the opportunity to earn to 10.47%. *Such a penalty is* ***652** required based on the facts of this case in order to provide an incentive for the Company to improve its record in providing requested service within a reasonable time, as ordered in Case No. 7535.*" (Emphasis added.)

The trial court, in considering Bell's petition for a permanent injunction enjoining the Commission from enforcing its penalty, ruled that the penalty violated the "letter and spirit" of KRS Chapter 278 by "unlawfully reducing a rate of return *not germane to the rate-making process.*" (Emphasis added.) The trial court held that, under the statutes, the rate making procedures and the service enforcement procedures are separate and apart.

The Commission and the Kentucky Attorney General appealed to the Court of Appeals. That court reversed the trial court, thereby upholding the penalty. The Court of Appeals reasoned that since there is no specific statutory provision prohibiting the use of a penalty for poor service in a rate case, the Commission had, by implication, the necessary authority to use adequacy of service as a factor in a rate application case. We disagree.

There is no doubt that the Commission's order in the rate case imposes a penalty against the utility by reducing what the Commission found to be an adequate rate. The clear wording of the order shows that Bell was being punished because it had not complied with the Commission's previous order in Case No. 7535. A reduction of the rate increase totaling $2,108,000 is undoubtedly a severe penalty. It is a permanent reduction, with nothing in the order to indicate that the utility can have the original rate increase restored. During Bell's probable corporate existence, the penalty could result in a staggering sum.

We now examine the statutes to determine if such a procedure is authorized. KRS 278.030 sets out two basic goals to be achieved by the regulation of utilities by the Commission: viz, (1) that the companies shall receive adequate rates; and (2) that the companies shall furnish adequate service to its customers. It states:

> "*Rates, classifications and service of utilities to be just and reasonable; service to be adequate.*
>
> (1) Every utility may demand, collect and receive fair, just and reasonable rates for the services rendered or to be rendered by it to any person.
>
> (2) Every utility shall furnish adequate, efficient and reasonable service, ..."

The General Assembly has unequivocally allowed utilities to be fairly paid for their services, but has also placed an obligation on them to render reasonable service to its customers. The Commission is given the power to regulate utilities, which includes the power to set rates and service requirements. KRS 278.040(2) provides that, "... (T)he jurisdiction of the commission shall extend to all utilities in this state. The ... utility regulatory commission shall have exclusive jurisdiction over the regulation of rates and service of all non-energy utilities."

KRS 278.260 provides that any directly interested persons, organizations, political bodies and others may complain about any rate that is unreasonable or unjustly discriminatory or any service that is inadequate or cannot be obtained.

KRS 278.260 gives the Commission responsibility and authority in the area of rates and services. However, rates and service are two distinct areas and, therefore, are subject to separate procedures, standards and remedies. KRS 278.270 deals with rates. It provides the Commission the authority to investigate and to prescribe just and reasonable rates. On the other hand, KRS 278.280 sets forth the procedure in dealing with service complaints.

Even more significantly, the General Assembly has specifically provided two separate remedies which may be used to enforce the Commission's orders concerning

service-oriented problems. KRS 278.390 gives the Commission specific authority to compel obedience to its orders by "... (in) mandamus, injunctions or other proper proceeding in the Franklin Circuit Court." Thus, the court could use its normal contempt power ***653** to enforce resulting judgments and orders. In addition, there are criminal penalties provided. KRS 278.990 provides a fine from $25 to $1,000 against any utility that is a private corporation which "... violates any of the provisions of KRS 278.010 to 278.450, or does any act therein prohibited, or fails to perform any duty imposed upon it under those sections for which no penalty has been provided by law, or fails to obey any lawful requirement or order of the Commission...." KRS 278.990(2) permits the Commission to institute the criminal proceedings under this section.

Clearly, the legislature has provided two effective vehicles to enforce its orders, including those that deal with adequacy of service. It is equally clear that the General Assembly omitted a specific provision allowing the Commission to enforce its service cases by a reduction in a rate case.

[1] [2] [3] Although there is a paucity of authority on the specific question of whether rate reductions can be used to penalize utilities for poor service, it is clear that the legislative grant of power to regulate rates will be strictly construed and will neither be interpreted by implication nor inference. It will be strictly construed. 73 C.J.S., Public Utilities, § 41, p. 1080. In fixing rates, the Commission *must* give effect to all factors which are prescribed by the legislative body, but may not act on a matter which the legislature has not established, *id.*, Sec. 41, (c)(aa) p. 1093. We have held that the Commission's powers are purely statutory. *City of Olive Hill v. Public Service Commission*, 305 Ky. 249, 203 S.W.2d 68 (1947). When a statute prescribes a precise procedure, an administrative agency may not add to such provision. *Union Light, Heat & Power Co. v. Public Service Commission*, Ky., 271 S.W.2d 361 (1954).[3] We believe that granting the Commission the authority, in a rate case, to penalize the utility for poor service would be an improper extension of the statutory procedure.

The rate making process is to provide for the utility a reasonable profit on its operations so that its owners may achieve a return on their investment. Such matters are purely those of a financial nature.

In addition, we concur with the trial judge that the quality of service is not germane to the normal, time-tested factors that go into the determination of a proper rate for the services rendered by a utility.

[4] [5] It seems to us that there is an inherent danger in permitting poor service as a basis for setting rates, particularly in the imposition of a penalty which results in a reduction of a rate which the Commission has already found to be fair and reasonable. There are no objective, definable standards upon which to base a penalty. It is, at best, arbitrary and subjective. Punitive actions should not be subject to the possible whims of individuals, including those serving on a responsible administrative body. In the present case, it appears that the Commission was upset or frustrated by what it deemed Bell's failure to improve its service in a previous case. Such a reaction may be justified but it is difficult to reconcile Bell's possible failure with the imposition of a penalty that would cost the company tens of millions of dollars over the years. This case is a classic example of arbitrary and subjective judgment.

We are aware that public utilities, in many instances, give poor or less than adequate service. We are also aware that such action has properly been decried by our General Assembly. That selfsame General Assembly has provided two very quick and very effective remedies, at least one of which is purely punitive in nature, to remedy such situations.

***654** We agree with the Florida Supreme Court when it ruled that, absent legislation to the contrary, the question of rates should be kept separate from the question of service.

> "While the Legislature may have the power to change the law and provide for all such matters to be disposed of in one proceeding, it is beyond the power of the Commission to change the law. The Florida Railroad and Public Utilities Commission is a creature of the statute and has only such powers as have been granted to it by the Legislature.
>
> The increase in rates affected the entire system. The complaint with reference to poor or inadequate service covered only about 15 percent of the entire system. The imposition of penalties is covered by sections of the statute different from those authorizing the fixing of rates and are based upon different theories. *Elyria Tel. Co. v. Public Utilities Commission*, 158 Ohio St. 441, 110 N.E.2d 59. The respondent-Commission had no authority to deny an increase in rates which it found to be just, by the means of inflicting a penalty because of poor or inadequate service, and exceeded its jurisdiction when it inflicted such penalty in a rate-making proceeding. If the service is poor or inadequate, the Commission may of its own motion, or upon the complaint of others, take appropriate action as provided by law." 70 So.2d at 510. *Florida Telephone Corp. v.*

Carter, Fla., 70 So.2d 508 (1954).

We therefore conclude that the Commission acted beyond the scope of its statutory authority when, in a rate hearing, it imposed a rate reduction penalty against Bell for alleged poor service.

II. DID THE TRIAL COURT ACT AS A RATEMAKER WHEN IT ENJOINED THE COMMISSION FROM USING SERVICE IN A RATE APPLICATION CASE?

Acting on a petition by Bell, the trial court permanently enjoined the Commission "... from enforcing those portions of its orders ... entered in Case No. 7774, which purpose to penalize South Central Bell Telephone Company for alleged service deficiencies by reducing its rate of return on Net Investments from 10.61% to 10.47%." The court specifically limited the injunction to the penalty provision of the Commission's orders, and further stated "... (T)his injunction ... does not adjudicate the question of whether a 10.61% rate of return on Net Investment is fair and reasonable."

The Commission argues that the granting of the injunction violates the standards set out in *Commonwealth Ex Rel. Stephens v. South Central Bell Telephone Company*, Ky., 545 S.W.2d 927 (1976). We do not agree. In that case, Bell obtained a temporary injunction in the circuit court restraining the Commission from enforcing its order which set a certain rate from which Bell could produce a fair and adequate return. The injunction suspended enforcement of the Commission's order, pending an appeal on the merits. In effect, the injunction permitted Bell to collect revenues at a higher rate during adjudication of the correctness of the Commission's rate determination. We dissolved the temporary injunction and ruled that a utility company is entitled to temporary relief only if in a final hearing there is a reasonable probability that it will succeed in proving that the rate set by the Commission is confiscatory. We determined that the factual record before the trial judge did not support such a finding.

In the case at bar, the issue decided by the court when it granted the permanent injunction was a legal one, not a factual one. The same issue, whether the Commission can in a rate case, penalize a utility for inadequate service, is the one we have decided here. We agree with the trial court that it is not legally proper for the Commission to take such action. The effect of the trial court's ruling and our decision is to abolish the penalty assessed against Bell, and to restore the rate originally awarded to Bell *by the Commission.*

[6] We believe the situation in this case is analogous to that in *Kentucky Power* *655 *Company v. Energy Regulatory Commission*, Ky., 623 S.W.2d 904 (1981). In that case, the Commission had entered an order granting an increase in revenues of approximately $7,000,000. However, the actual rate increase ordered would have produced $4,000,000 less in actual revenue. We affirmed the judgment of the trial court which directed the Commission to permit the utility to charge rates which would, in fact, produce the $7,000,000 in revenue. Rejecting the argument that such action constituted improper "rate-making" by a court, we held:

> "(W)ith regard to the argument that the circuit court has entered the forbidden area of rate-making, it is important to bear in mind that rates are merely the means designed for achieving a predetermined objective, which in this instance was how much additional revenue should the Company be allowed to earn. That determination (was) made solely by the Commission and not in any degree or respect disturbed by the court....
>
> ....
>
> (I)t is to be observed that the circuit court did not set any rates or direct the Commission to authorize those submitted by the Company with its certificate showing the inadequacy of the rates fixed by the Commission." *Id.*, at 908.
>
> In the present case, the *Commission* established a rate which, in its opinion, gave the utility a fair rate of return. It then assessed a penalty against the utility by reducing the rate granted. The circuit court ruled, and, again we agree, that such action is illegal because it violates the Kentucky statutory rate-making scheme. Our decision eliminates an illegal act of the Commission and reinstates the original rate determined *by the Commission*, and *not by the courts*. We conclude that the court's action is not rate-making.

Since we have declared the action of the Commission in applying the penalty illegal, the other issues raised by Bell are moot, and we need not address them in this opinion.

The decision of the Court of Appeals is reversed and the judgment of the trial court is affirmed.

PALMORE, C. J., and AKER, CLAYTON, STEPHENS, STEPHENSON and STERNBERG, JJ., sitting.

All concur.

O'HARA, J., not sitting to avoid the appearance of impropriety since he had matters pending before movant Commission when appointed to this Court.

Footnotes

1 Subsequent to the filing of this lawsuit, the General Assembly changed the name of the regulatory agency to Public Service Commission. For convenience, we will refer to the agency as the Commission.

2 In the case of *City of Lexington v. Public Service Commission*, Ky., 249 S.W.2d 760 (1952) (overruled on other grounds) the court, by way of *obiter dictum*, made reference to an argument made by the city that since the service of the utility was inadequate, a penalty rate should be applied. We said, "... (a)ssuming that under proper circumstances a penalty rate might be invoked, we are of the opinion that the question of whether such a rate should be invoked is primarily one of regulatory policy to be determined by the Public Service Commission." The court assumed—*but did not decide* that a "penalty rate" could be invoked. This dictum, now overruled, is not precedent to sustain the action of the Commission.

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324 S.W.3d 373
Supreme Court of Kentucky.

KENTUCKY PUBLIC SERVICE COMMISSION, Appellant,
v.
COMMONWEALTH of Kentucky, ex rel. Jack CONWAY; and Duke Energy Kentucky, Inc. (f/k/a The Union Light, Heat, and Power Company), Appellees.
and
Duke Energy Kentucky, Inc. (f/k/a The Union Light, Heat, and Power Company), Appellant,
v.
Commonwealth of Kentucky, ex rel. Jack Conway; and Kentucky Public Service Commission, Appellees.

Nos. 2009–SC–000134–DG, 2009–SC–000150–DG. | Oct. 21, 2010.

Synopsis

Background: The Attorney General appealed from orders of the Public Service Commission (PSC) approving public utility's applications to allow utility to adjust its rates by imposing a surcharge or rider aimed at recovering costs associated with the utility's program to accelerate improvement of its gas distribution main. Appeals were consolidated. The Circuit Court, Franklin County, vacated and remanded orders. Utility appealed. The Court of Appeals affirmed in part and reversed in part. Utility appealed.

[Holding:] The Supreme Court, Minton, C.J., held that the PSC had plenary authority to allow the utility to adjust its rates by imposing the surcharges or riders.

Affirmed in part, reversed in part, and remanded.

Venters, J., dissented and filed opinion.

West Headnotes (3)

[1] **Appeal and Error**
Cases Triable in Appellate Court

Statutory interpretation is a question of law and the Supreme Court reviews it de novo.

3 Cases that cite this headnote

[2] **Gas**
Operating expenses in general

Even before enactment of statute which expressly clarified the Public Service Commission's (PSC) authority to allow recovery of the cost of natural gas pipeline replacement not covered by existing rates, PSC had plenary authority to allow utility to adjust its rates by imposing a surcharge or rider aimed at recovering costs associated with utility's program to accelerate improvement of its gas distribution mains; so long as rates established by utility were fair, just, and reasonable, the PSC had broad ratemaking power to allow recovery of such costs outside parameters of a general rate case and even in absence of a statute specifically authorizing recovery of such costs. KRS 278.190, 278.030,278.040, 278.509.

[3] **Public Utilities**
Operating expenses

The Public Service Commission (PSC) is not restricted to authorizing the recovery of costs without specific statutory authorization only where the facts of the case present a danger such as a utility facing immediate bankruptcy or discontinuance of service; such a view would be contrary to the PSC's general powers and plenary authority.

Attorneys and Law Firms

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*373 Anita Brooks Mitchell, David Shawn Samford, Gerald Edward Wuetcher, Helen C. Helton, Kentucky Public Service Commission, Frankfort, KY, Counsel for Appellant/Appellee, Kentucky Public Service Commission.

*374 Jason Patrick Renzelmann, M. Holliday Hopkins, Sheryl G. Snyder, Frost, Brown, Todd, LLC, Louisville, KY, Counsel for Appellant/Appellee, Duke Energy Kentucky, Inc. (f/k/a The Union Light, Heat, and Power Company).

Dennis Gordon Howard, II, Assistant Attorney General, Lawrence Wilson Cook, Office of Rate Intervention, Office of the Attorney General, Frankfort, KY, Counsel for Appellee Commonwealth of Kentucky, ex rel. Jack Conway.

John Newton Hughes, Frankfort, KY, Mark R. Hutchinson, Wilson, Hutchinson & Poteat, Owensboro, KY, Counsel for Amicus Curiae, Atmos Energy Corporation.

James M. Miller, Sullivan, Mountjoy, Stainback & Miller, PSC, Owensboro, KY, Counsel for Amicus Curiae, Big Rivers Electric Corporation.

Richard S. Taylor, Frankfort, KY, Stephen B. Seiple, Columbus, OH, Counsel for Amicus Curiae, Columbia Gas of Kentucky, Inc.

Robert M. Watt, III, Stoll, Keenon, Ogden PLLC, Lexington, KY, Counsel for Amicus Curiae, Delta Natural Gas Company, Inc.

David Arthur Smart, General Counsel, East Kentucky Power Cooperative, Winchester, KY, Roger R. Cowden, Lexington, KY, Counsel for Amicus Curiae, East Kentucky Power Cooperative.

Clayton Otis Oswald, Taylor, Keller, Dunaway & Tooms, PLLC, London, KY, Counsel for Amicus Curiae, Jackson Energy Cooperative Corporation.

Frank N. King, Jr., Dorsey, King, Gray, Norment & Hopgood, Henderson, KY, Counsel for Amicus Curiae, Kenergy Corp.

Daniel T. Yates, Governmental Affairs and Member Counsel, Kentucky Association of Electric Cooperatives, Inc., Louisville, KY, Counsel for Amicus Curiae, Kentucky Association of Electric Cooperatives, Inc.

Mark Richard Overstreet, Stites & Harbison, PLLC, Frankfort, KY, Counsel for Amicus Curiae, Kentucky Power Company.

Damon R. Talley, Hodgenville, KY, Counsel for Amicus Curiae, Kentucky Rural Water Association, Inc.

Allyson Kay Sturgeon, E. on U.S., LLC, Deborah Tully Eversole, Kendrick Riggs, William Duncan Crosby, III, Stoll, Keenon, Ogden, PLLC, Louisville, KY, Counsel for Amicus Curiae, Kentucky Utilities Company and Louisville Gas and Electric Company.

Robert M. Spragens, Jr., Spragens & Higdon, PSC, Lebanon, KY, Counsel for Amicus Curiae, Taylor County Rural Electric Cooperative Corporation.

Opinion

Opinion of the Court by Chief Justice MINTON.

We granted discretionary review of these cases to decide whether the Kentucky Public Service Commission (PSC) had the plenary authority to allow a utility to adjust its rates by imposing a surcharge or rider aimed at recovering costs associated with the utility's program to accelerate improvement of its gas distribution mains. We hold that so long as the rates established by the utility were fair, just, and reasonable, the PSC has broad ratemaking power to allow recovery of such costs outside the parameters of a general rate case and even in the absence of a statute specifically authorizing recovery of such costs.

I. PROCEEDINGS IN THE COURT OF APPEALS AND TRIAL COURT.

The Court of Appeals held that the PSC lacked this plenary authority absent a statute *375 specifically allowing the recovery of such costs outside a general rate case. To that extent, the Court of Appeals affirmed trial court orders invalidating the rider as it existed before the enactment of Kentucky Revised Statutes (KRS) 278.509[1] in 2005. But the Court of Appeals reversed trial court orders invalidating the rider after the enactment of KRS 278.509 because the Court of Appeals disagreed with the trial court's ruling that KRS 278.509 was unconstitutional. By our holding today, we disagree with the Court of Appeals' view that the legitimacy of the rider depended upon the enactment of a specific statute authorizing recovery of that particular cost outside a general rate case. Accordingly, we reverse, in part, affirm, in part, and remand to the trial court with directions to reinstate the PSC orders allowing for the rider or surcharge.[2]

II. FACTS.

As stated by the Court of Appeals, the instant controversy:

> involves five consolidated appeals by the Attorney General from the Public Service Commission's (PSC) orders over a five-year period approving and implementing a portion of Duke Energy Kentucky, Inc.'s (f/k/a the Union Light, Heat and Power Company (Duke)) rate schedule known as the Accelerated Main Replacement Program (AMRP) Rider.

Neither party takes issue with the Court of Appeals' recitation of the relevant facts, which stated as follows:

> In 2001, Duke developed a program to improve its gas distribution mains. The company owned approximately 1000 miles of mains, including over 150 miles of cast iron and bare steel mains dating back to 1887 and 1907. Because cast iron and bare steel mains leak more frequently than those constructed from coated steel or polyethylene, Duke at first intended to replace the aging mains over a fifty-year period. However, because of the age of the mains to be replaced, Duke implemented the AMRP to replace all mains within ten years.
>
> In May 2001, confronted with increases in its capital expenditures, Duke filed an application with the Commission [PSC] pursuant to KRS 278.180 for an adjustment of its general rates and, in the same filing, sought approval to employ the AMRP Rider to streamline recovery of the costs associated with the main replacement program. The Attorney General intervened in the 2001 rate case and opposed the AMRP Rider contending that the PSC had no authority to permit a surcharge to recover costs ***376** incurred after a general rate case without conducting a new general rate case. It asserted that single-issue ratemaking is not permitted under the statutory scheme unless the General Assembly specifically permits the procedure.
>
> The PSC concluded that its authority was derived from its general powers conferred by KRS 278.030 and 278.040 to establish "fair, just and reasonable" rates and KRS 278.290, to revaluate new construction, extensions, and additions to utility property. On January 31, 2002, the PSC authorized Duke to implement the AMRP Rider for a three-year period subject to annual review of new AMRP costs during that period. Under the surcharge formula, Duke was permitted to automatically recover its return on investment of the preceding year's increase in plant investment incurred under the replacement program for three years following the completion of the 2001 general rate case. After the expiration of three years, if Duke intended to continue the program, it was required to file a new general rate application. The Attorney General appealed.
>
> In the years that followed, the PSC approved each of Duke's annual applications for adjustments to the AMRP Rider and the Attorney General appealed each ruling to the Franklin Circuit Court. The final PSC order appealed was entered on December 22, 2005. As directed by the PSC's 2001 order, on February 25, 2005, Duke filed its next general rate case and sought approval of the continuation of the AMRP Rider. Again, the Attorney General intervened.
>
> While the Attorney General's appeals from the prior orders and Duke's 2005 rate case were pending, the Kentucky General Assembly passed KRS 278.509. As it did before, the PSC relied on its plenary rate-making powers but also relied on what it perceived as its specific authority conferred by the newly enacted KRS 278.509 and approved the rider. The Attorney General appealed. The Franklin Circuit Court consolidated the Attorney General's appeals and, after the parties filed cross-motions for summary judgment, vacated and remanded the orders of the PSC pertaining to the AMRP rider. It held that KRS 278.509 was unconstitutional in violation of the title and single-subject provisions of Section 51 of the Kentucky Constitution, and that the PSC's authority under KRS 278.030 and 278.040 did not permit the PSC to perform an interim review on a single cost absent specific statutory authority. The court concluded that the PSC's authority to consider any expense was limited to a general rate filing. Duke appealed.[3]

III. ANALYSIS.

[1] This appeal presents questions of statutory interpretation, so we review de novo the lower courts' determinations about the scope of the PSC's authority.[4]

As noted by the Court of Appeals, a party challenging a PSC action in court bears the burden of proving that the PSC's ***377** action is unreasonable or unlawful under KRS 278.430. And, as further noted by the Court of Appeals, the PSC is a "creature of statute"; and, thus, the lawfulness of its action depends on whether the PSC's action exceeded its statutory authority. Differing with the Court of Appeals, we conclude that the PSC's ratemaking actions were within its statutory ratemaking authority, which we read

somewhat more broadly than does the Court of Appeals.

The broad role of the PSC in regulating and investigating utilities to ensure that utilities comply with state law is set forth in KRS 278.040, which provides, in pertinent part:

> (1) The Public Service Commission *shall regulate utilities and enforce the provisions of this chapter.* ...
>
> (2) The jurisdiction of the commission shall extend to all utilities in this state. The commission shall have exclusive jurisdiction over the regulation of rates and service of utilities, but with that exception nothing in this chapter is intended to limit or restrict the police jurisdiction, contract rights or powers of cities or political subdivisions.
> (3) The commission may adopt, in keeping with KRS Chapter 13A, reasonable regulations to implement the provisions of KRS Chapter 278 and *investigate the methods and practices of utilities to require them to conform to the laws of this state,* and to all reasonable rules, regulations and orders of the commission not contrary to law.[5]

Because utilities are allowed to charge consumers only "fair, just, and reasonable rates" under KRS 278.030(1), the PSC must ensure that utility rates are fair, just, and reasonable to discharge its duty under KRS 278.040 to ensure that utilities comply with state law.

As a key part of its duty to ensure that utility rates charged comply with state law, the PSC must approve or deny any requested changes in a utility's rate. KRS 278.180 governs how rate changes must be made. The statute requires that utilities generally give the PSC thirty days' notice of any proposed rate change and that the PSC order rate changes only after giving the utility the same amount of notice.[6] In other words, KRS 278.180 does not require any particular process to allow a utility to change its rates other than complying with notice requirements.

KRS 278.190 covers the subject of "[p]rocedure when new schedule of rates filed." Apparently the Court of Appeals construed this statute as requiring a certain process (a general rate case) in most cases in which some sort of new rate is requested or filed. Some of the factors that may be considered by the PSC in ***378** ratemaking within general rate cases or otherwise, specifically those regarding valuation of utility property, are established in KRS 278.290.[7] But the plain language of KRS 278.190 does not actually require that the PSC proceed with a general rate case or other particular process every time some new rate or change in rates is requested. To the contrary, the statute simply provides that upon filing of a schedule of new rates, the PSC "may" conduct a "hearing concerning the reasonableness of the new rates" on its own motion or if a complaint is filed by any person challenging the rates as unreasonable or otherwise contrary to law under KRS 278.260.[8] If a complaint is filed by a person challenging rates as unreasonable or contrary to law, other provisions of KRS Chapter 278, KRS 278.260[9], KRS 278.270[10] and ***379** KRS 278.280,[11] authorize the PSC to conduct investigations and hearings and enter appropriate orders concerning rates or services. Hearings are not necessarily required to resolve the complaint.[12] And these statutes do not mandate that a complaint compels a general rate case under KRS 278.190.

The Court of Appeals stated in its opinion that "KRS 278.030 and KRS 278.040 expressly grant the PSC plenary ratemaking authority." Yet, it answered the question of whether KRS 278.030 and KRS 278.040 gave the PSC the authority to approve the AMRP Rider outside the context of a general rate case in the negative.[13] Apparently the Court of Appeals read KRS 278.190 as requiring the filing of a general rate case for any changes in rate because its opinion stated that: "KRS 278.190 establishes the procedure to be followed when a rate change is sought, referred to as a general rate case." On the other hand, latter portions of its opinion ***380** suggest that this requirement might not apply where the issue was not "amenable" to general rate proceedings. But, as noted previously, the plain language of KRS 278.190 does not necessarily require the filing of a general rate case any time a utility seeks a change in its rates.

Noting the "complex and lengthy procedure" of a general rate case customarily employed when a utility seeks to change its rates under KRS 278.190, the Court of Appeals reviewed case law concerning whether more expedited proceedings involving isolated issues in ratemaking might be allowable without specific statutory authority[14] and determined that cases approving such expedited proceedings for isolated issues involved issues that were "not amenable to review *via* a general rate increase" and were distinguishable from the instant case because "[t]he present controversy does not involve capital expenditures that are unanticipated, fluctuating, or beyond Duke's control, or threaten its solvency." So the Court of Appeals decided that the AMRP surcharge was "amenable to the test-year review concept to be followed in a general rate case, and is a replacement cost to be considered in a general rate increase case."

The Attorney General similarly argues that the PSC, as a creature of statute, only has those powers that are expressly granted to it by statute or are necessarily implied for it to be able to exercise its enumerated powers and responsibilities.[15]

[2] While the power to approve the AMRP rider at issue may not have been expressly granted by statute before the enactment of KRS 278.509, we, nonetheless, conclude that the PSC has the power to allow such a rider based upon (1) its plenary ratemaking authority derived from KRS 278.030 and KRS 278.040, which essentially require that the PSC act to ensure that rates are "fair, just and reasonable" and (2) the absence of any statutes specifically requiring a particular procedure ***381** when determining if rates are fair, just, and reasonable.[16]

Despite the Court of Appeals' findings that the AMRP was amenable to general rate case proceedings,[17] we find nothing in the statutes that mandates that this rider or the calculation of the actual monetary surcharge could only be approved through a general rate case. Although, undoubtedly, such a rider or surcharge could be approved through a general rate case—and here the AMRP rider was initially approved in this manner—KRS 278.190(1) states simply that the PSC "may" hold a hearing "concerning the reasonableness of the new rates" when a utility files a schedule setting new rates. So the statute does not command such a hearing upon the filing of new rates.

Nor does it require that all possible factors be considered in the hearing. KRS 278.192 states that the Commission may allow a utility to use either a historical 12–month test period or a forward-looking 12 month test period to determine the reasonability of a general rate increase. Similarly, 807 KAR 5:001 § 10 requires that applications for general adjustment of rates must be supported by either a historical 12–month test period or a forward-looking 12–month test period. But nothing requires that a utility can only recover costs for the previous year, as the Attorney General contends, rather such test periods appear aimed at predicting future costs when determining if proposed rates are fair, just, and reasonable.[18]

[3] Occasionally, the legislature has seen fit to enact a statute concerning a specific ratemaking issue.[19] But the PSC and utilities argue that these statutes actually limit the PSC's ratemaking powers rather than expand them. They also point to fuel adjustment clauses, which have long been used and have been recognized as valid by courts in other jurisdictions,[20] despite ***382** the lack of a specific statute permitting these (although a regulation permitting such fuel adjustment clauses premised on KRS 278.030 exists).[21] They contend that the PSC has implied authority to deal with specific ratemaking issues outside the context of a general rate proceeding unless specifically limited by statute. Their argument is contrary to the Court of Appeals' view that the PSC's powers are only those expressly and specifically enumerated by statute or those actions required under "disaster" situations where such measures are required to rescue utilities from the brink of bankruptcy.[22]

We decline to reach the utility's argument that other statutes dealing with specific ratemaking issues limit rather than expand their power because those specific ratemaking issues are not before us. But we simply find nothing in other statutes in KRS Chapter 278 that would forbid the PSC from allowing a rider or surcharge for the costs at issue here before the enactment of KRS 278.509. In fact, we find nothing in the statutes that would prohibit "single-issue ratemaking"—contrary to the Attorney General's arguments.[23]

Although the Attorney General contends that the utilities were able to obtain a guaranteed return on their investment or obtained a double recovery of costs, he shows us no evidence of record that such events occurred.[24] And we note that the PSC required annual review of the surcharge and, on occasion, modified it. So the facts indicate that the PSC acted to ensure that the rates were fair, just, and reasonable by expedited annual proceedings to review the application of the rider or surcharge.[25]

***383** In sum, we agree with the view that the PSC had the plenary authority to regulate and investigate utilities and to ensure that rates charged are fair, just, and reasonable under KRS 278.030 and KRS 278.040. This authority allowed the PSC to allow the rider and to re-calculate the dollar amount of the surcharge in expedited annual proceedings even before the effective date of KRS 278.509, which expressly clarified (but did not create) the PSC's authority to allow recovery of the cost of natural gas pipeline replacement not covered by existing rates so long as the rates are fair, just, and reasonable. So we reverse the lower court decisions to the contrary and reinstate the PSC's orders allowing for the recovery of these costs.

Contrary to the conclusion of the Court of Appeals that the statutes unambiguously denied the authority to allow the AMRP rider and, thus, no deference was owed to the administrative agency's interpretation under *Chevron U.S.A., Inc. v. Natural Resources Defense Council, Inc.*,[26] we find nothing in the statutes disallowing the AMRP rider, although, we similarly find no real ambiguity in the statutes. We conclude that because the statutes generally recognize a duty to establish "fair, just, and reasonable" rates without necessarily requiring a particular procedure to deal with isolated ratemaking issues, the *Hope* doctrine that "[it is] the result reached rather than the method employed which is controlling"[27] is applicable. Applying this doctrine to the instant case, we conclude that the lower courts erred when disturbing the challenged orders of the PSC.

In summary, since there was no statutory authority forbidding it to do so, the PSC's plenary powers were sufficient to permit it to approve the AMRP rider even before the enactment of KRS 278.509. KRS 278.509 is, thus, merely a legislative codification and approval of the lawful actions the PSC had already taken as to the AMRP program. So we reverse the portion of the Court of Appeals' opinion that upheld the trial court's reversal of PSC orders predating the enactment of KRS 278.509 and affirm on other grounds the portion of the Court of Appeals' opinion reinstating the PSC orders following the enactment of KRS 278.509.[28]

IV. CONCLUSION.

For the foregoing reasons, the opinion of the Court of Appeals is affirmed, in part, and reversed, in part; and this case is remanded to the Franklin Circuit Court with directions to reinstate the challenged orders of the PSC.

MINTON, C.J.; ABRAMSON, CUNNINGHAM, NOBLE, SCOTT, and VENTERS, JJ., sitting. ABRAMSON, CUNNINGHAM, NOBLE, and SCOTT, *384 JJ., concur. VENTERS, J., dissents by separate opinion. SCHRODER, J., not sitting.

VENTERS, J., Dissenting:

I respectfully dissent. The Court of Appeals correctly determined that prior to the 2005 enactment of KRS 278.509, the PSC had no statutory authority to approve the requested rate increases other than through the general rate-making process established in KRS 278.190. By granting the increased rates so that Appellants could expedite the recovery of certain long-term capital expenditures, the PSC side-stepped its own regulations (807 KAR 5:001 § 10) and the closer public scrutiny inherent in KRS 278.190. That KRS 278.509 was specifically adopted to provide legislative cover for rate changes involved here simply highlights the fact that, without such legislation, the rate changes were not authorized. The Court of Appeals properly struck down the pre–2005 rate increases.

Parallel Citations

Util. L. Rep. P 27,128

Footnotes

1 KRS 278.509 provides:
> Notwithstanding any other provision of law to the contrary, upon application by a regulated utility, the commission may allow recovery of costs for investment in natural gas pipeline replacement programs which are not recovered in the existing rates of a regulated utility. No recovery shall be allowed unless the costs shall have been deemed by the commission to be fair, just, and reasonable.

2 The terms *rider* and *surcharge* are not well-defined under Kentucky law. From our examination of the briefs, it appears to us that the parties may use the term *rider* to refer to a formula rather than a particular dollar amount used in the ratemaking process to recover costs of the AMRP program and that the parties may use the term *surcharge* to refer to the particular dollar amount actually imposed on consumers to recover such costs. *See also* KRS 278.010(12) (defining *rate* as "any individual or joint fare, toll, charge, rental, or other compensation for service rendered or to be rendered by any utility, and any rule, regulation, practice, act, requirement, or privilege in any way relating to such fare, toll, charge, rental, or other compensation, and any schedule or tariff or part of a schedule or tariff thereof" without further defining such terms as *fare, toll, charge, schedule,* or *tariff.*)

3 The Court of Appeals' recitation of facts also indicates that the trial court granted the PSC and utilities a stay "of any effect the circuit court's order may have on surcharge proceedings other than the AMRP Rider, pending the outcome of this appeal" after the Attorney General issued an opinion stating that "because there was no explicit, direct, or statutory power to authorize such clauses, the PSC had no authority to approve the [fuel adjustment] surcharge."

4 *See Artrip v. Noe,* 311 S.W.3d 229, 231 (Ky.2010) ("Statutory interpretation is a question of law and this Court reviews it *de novo.*").

5 Emphasis added.

6 KRS 278.180 (Changes in rates, how made) provides that:
> (1) Except as provided in subsection (2) of this section, no change shall be made by any utility in any rate except upon thirty

(30) days' notice to the commission, stating plainly the changes proposed to be made and the time when the changed rates will go into effect. However, the commission may, in its discretion, based upon a showing of good cause in any case, shorten the notice period from thirty (30) days to a period of not less than twenty (20) days. The commission may order a rate change only after giving an identical notice to the utility. The commission may order the utility to give notice of its proposed rate increase to that utility's customers in the manner set forth in its regulations.

(2) The commission, upon application of any utility, may prescribe a less time within which a reduction of rates may be made.

We note that the PSC states in its brief that KRS 278.180 "is not implicated here." We believe that the PSC means that there has been no allegation that notice requirements under KRS 278.180 were violated in this case.

7 The Court of Appeals noted the utilities' argument that the trial court failed to consider KRS 289.290(1), and the Court of Appeals stated that this "statute delineates the factors to be considered when fixing utility rates and has been interpreted to afford the PSC broad discretion." *Citing National–Southwire Aluminum Co. v. Big Rivers Elec. Corp.*, 785 S.W.2d 503 (Ky.App.1990).

KRS 278.290 (Valuation of utility property in connection with rates, service or issuance of securities—Unit Rate Base) states:

(1) Subject to the provisions of subsection (2) of this section, the commission may ascertain and fix the value of the whole or any part of the property of any utility in so far as the value is material to the exercise of the jurisdiction of the commission, and may make revaluations from time to time and ascertain the value of all new construction, extensions and additions to the property of the utility. In fixing the value of any property under this subsection, the commission shall give due consideration to the history and development of the utility and its property, original cost, cost of reproduction as a going concern, capital structure, and other elements of value recognized by the law of the land for rate-making purposes.

(2) The commission shall not value or revalue the property of any utility unless the valuation or revaluation is necessary or advisable in order to determine the legality or reasonableness of any rate or service or of the issuance of securities, and then only after an investigation affecting the rate, service or securities has been instituted by the commission upon complaint or application or upon its own motion, and a hearing has been held on reasonable notice.

(3) In any rate investigation where the utility serves two (2) or more municipalities, the commission may, in computing the rate of return on the property used and useful, take as the base for the computation the valuation of the system as a whole, but may make a differential in the case of an individual municipality in proportion to the increased cost of service, if the utility can show that such a differential should be allowed.

8 KRS 278.190 covers "Procedure when new schedule of rates filed—Suspension of new rate schedule—Burden of Proof—Refunds." KRS 278.190(1) states: "Whenever any utility files with the commission any schedule stating new rates, the commission *may*, upon its own motion, or upon complaint as provided in KRS 278.260, and upon reasonable notice, hold a hearing concerning the reasonableness of the new rates." (Emphasis added.) Subsections (2), (3) and (4) respectively establish that the PSC may suspend the new rate schedule under certain circumstances, that the utility bears the burden of proof to show that increased rates are just and reasonable, and that the PSC may order a utility to make refunds under certain circumstances.

9 KRS 278.260 (Jurisdiction over complaints as to rates or service—Investigations—Hearing) states:

(1) The commission shall have original jurisdiction over complaints as to rates or service of any utility, and upon a complaint in writing made against any utility by any person that any rate in which the complainant is directly interested is unreasonable or unjustly discriminatory, or that any regulation, measurement, practice or act affecting or relating to the service of the utility or any service in connection therewith is unreasonable, unsafe, insufficient or unjustly discriminatory, or that any service is inadequate or cannot be obtained, the commission shall proceed, with or without notice, to make such investigation as it deems necessary or convenient. The commission may also make such an investigation on its own motion. No order affecting the rates or service complained of shall be entered by the commission without a formal public hearing.

(2) The commission shall fix the time and place for each hearing held by it, and shall serve notice thereof upon the utility and the complainant not less than twenty (20) days before the time set for the hearing. The commission may dismiss any complaint without a hearing if, in its opinion, a hearing is not necessary in the public interest or for the protection of substantial rights.

(3) The complainant and the person complained of shall be entitled to be heard in person or by an attorney and to introduce evidence.

10 KRS 278.270 (Orders by commission as to rates) states:

Whenever the commission, upon its own motion or upon complaint as provided in KRS 278.260, and after a hearing had upon reasonable notice, finds that any rate is unjust, unreasonable, insufficient, unjustly discriminatory or otherwise in violation of any of the provisions of this chapter, the commission shall by order prescribe a just and reasonable rate to be followed in the future.

11 KRS 278.280 (Orders by commission as to service—Extension of service) states:

(1) Whenever the commission, upon its own motion or upon complaint as provided in KRS 278.260, and after a hearing had upon reasonable notice, finds that the rules, regulations, practices, equipment, appliances, facilities or service of any utility subject to its jurisdiction, or the method of manufacture, distribution, transmission, storage or supply employed by such utility, are unjust, unreasonable, unsafe, improper, inadequate or insufficient, the commission shall determine the just, reasonable, safe, proper, adequate or sufficient rules, regulations, practices, equipment, appliances, facilities, service or methods to be observed, furnished, constructed, enforced or employed, and shall fix the same by its order, rule or regulation.

(2) The commission shall prescribe rules for the performance of any service or the furnishing of any commodity of the character furnished or supplied by the utility, and, on proper demand and tender of rates, the utility shall furnish the commodity or render the service within the time and upon the conditions provided in the rules.
(3) Any person or group of persons may come before the commission and by petition ask that any utility subject to its jurisdiction be compelled to make any reasonable extension. The commission shall hear and determine the reasonableness of the extension, and sustain or deny the petition in whole or in part.

12 KRS 278.260(2).

13 The Court of Appeals included within the legal analysis portion of its opinion a subheading entitled, "WHETHER KRS 278.030 AND KRS 278.040 CONFERRED AUTHORITY UPON THE PSC TO APPROVE THE AMRP RIDER." After reviewing other caselaw concerning other issues of ratemaking outside general rate cases, the Court of Appeals concluded "that the PSC cannot authorize the imposition of a surcharge for the main replacement program proposed by Duke without specific statutory authorization."

14 Specifically, the Court of Appeals cited *National–Southwire Aluminum Co.*, 785 S.W.2d at 503, in which the Court of Appeals affirmed a trial court order affirming a PSC order allowing a utility to offer variable rates solely to aluminum smelter customers based on fluctuating aluminum prices. No specific statute allowed the PSC to approve utility rates employing this particular type of variable rate; and, in fact, one statute prohibited utilities from unreasonably treating different types of customers differently. But the Court of Appeals in *National–Southwire* found the differential treatment of the aluminum smelters reasonable due to various factors. *See id.* at 514–15.

The Court of Appeals also cited *Kentucky Industrial Utility Customers, Inc. v. Kentucky Utilities Co.*, 983 S.W.2d 493 (Ky.1998), as indicating that "[o]ur highest Court has specifically recognized with approval the prevailing view that separate rate proceedings for fuel adjustment expenses are valid." But because fuel adjustment clauses were not at issue in that case, our statements to the effect that fuel adjustment clauses are generally accepted was dicta. Fuel adjustment clauses are not specifically, explicitly permitted by any statute, although there is a regulation, 807 Kentucky Administrative Regulations (KAR) 5:056, which purports to permit them. It appears that Kentucky appellate courts have never directly addressed the validity of fuel adjustment clauses.

15 In *Public Service Commission v. Cities of Southgate and Highland Heights*, 268 S.W.2d 19 (Ky.1954), this Court concluded that the PSC's power included not only powers expressly provided by statute but could also encompass powers necessarily implied to take action to meet its statutory duties. Specifically, in that case this Court concluded that the PSC had the implied power to approve or disapprove a utility systems sale, despite the lack of express statutory authority to do so, because of the PSC's general statutory authority under KRS 278.040 to regulate utility service. *See id.* at 21. We note that *Highland Heights* did not involve questions of the PSC's ratemaking authority, unlike the present case.

16 While we recognize that the PSC has discretion in fulfilling its statutory duty of insuring that rates are fair, just, and reasonable, we do not hold that the PSC has unlimited power to do whatever it wants in regards to ratemaking. For example, in *South Central Bell Telephone Co. v. Util. Reg. Comm'n*, 637 S.W.2d 649 (Ky.1982), we recognized that the PSC (or its predecessor) could not use its plenary ratemaking authority for purposes other than insuring that rates were fair, just, and reasonable; specifically we held that the Commission could not order a rate that was too low to be "fair, just, and reasonable" to penalize a utility for poor service because statutes required separate procedures for dealing with ratemaking issues and dealing with service issues. *Id.* at 651–54. Although *South Central Bell* does indicate that the PSC's ratemaking power "will be strictly construed[,]" *see id.* at 653, we do not read it as inconsistent with our opinion here, given that the ratemaking challenged in *South Central Bell* stemmed from an improper purpose inconsistent with the statutory duty to ensure that rates are "fair, just, and reasonable" to utilities as well as customers.

17 In fact, Duke Energy and the PSC point out that the AMRP rider (a formula) was approved through a general rate case, and that only the particular monetary cost/surcharge (not the rate or formula itself) would change from year to year subject to PSC approval (at least for first three years) in expedited proceedings.

18 *See generally* 73B C.J.S. *Public Utilities* § 105 (2010) ("The purpose of using a test year is to establish with a reasonable degree of accuracy revenue and expenses that a public utility will experience during the period when new rates will be in effect.").

19 *See, e.g.*, KRS 278.183 (allowing surcharge to recover costs associated with compliance with Federal Clean Air Act and other environmental legislation).

20 This Court noted in dicta that approval of other fuel adjustment clauses in expedited proceedings outside general rate cases has been accepted in many other jurisdictions in *Kentucky Industrial Utility Customers, Inc. v. Kentucky Utilities Co.*, 983 S.W.2d at 498. But this Court was not faced with deciding the validity of a fuel adjustment clause there. More precisely, we determined whether KRS 278.183 (permitting allowance of environmental surcharges to help utilities recoup costs of complying with environmental legislation) was constitutional and could be applied retroactively to allow recoupment of costs incurred before KRS 278.183 was

enacted.

21 *See* 807 KAR 5:056 (regulating fuel adjustment clauses and stating that the statutory authority for the regulation is KRS 278.030(1)). Naturally, a regulation must be authorized by statute to be valid. *See Commonwealth v. Chestnut*, 250 S.W.3d 655, 662 (Ky.2008) ("an administrative agency cannot by its rules and regulations, amend, alter, enlarge or limit the terms of legislative enactment.") (internal quotation marks omitted). Because the issue is not directly presented to us in this case, we express no opinion about whether 807 KAR 5:056 is valid.

22 To the extent that the Court of Appeals opinion holds that the PSC may only authorize the recovery of costs without specific statutory authorization only where the facts of the case present a danger such as a utility facing immediate bankruptcy or discontinuance of service, we reject such a view as being contrary to the PSC's general powers and plenary authority.

23 To the extent that the PSC has established its own policy against "single-issue ratemaking," as suggested by the Attorney General's brief, it appears that the PSC would have discretion whether to retain or discard such a policy or determine whether it has been violated under the facts of a particular case given its plenary ratemaking authority circumscribed primarily by its duty to ensure that rates are "fair, just and reasonable" and the lack of clear statutory prohibition against "single issue ratemaking."

24 The Attorney General has not contended that use of the AMRP rider in expedited proceedings actually resulted in higher rates than those that would have resulted if AMRP riders/surcharges were subjected to an annual general rate case process, nor clearly argued that the end result (the actual rate charged to customers) was not fair, just, and reasonable.

25 The PSC has also alleged that it took other protective measures benefiting consumers, such as requiring certificates of need before any mains were replaced and requiring the surcharge to be disclosed as a separate line item on customers' bills. We need not extensively review all protective measures actually or allegedly taken as we conclude that the PSC's plenary ratemaking authority under KRS 278.030 and KRS 278.040, the lack of statutory prohibition against recovery of these particular costs, and the lack of argument that the end result was unjust and unreasonable lead us to conclude that the lower courts lacked justification to disturb the challenged PSC orders here.

26 467 U.S. 837, 104 S.Ct. 2778, 81 L.Ed.2d 694 (1984).

27 *National–Southwire*, 785 S.W.2d at 510, *citing Federal Power Comm'n v. Hope Natural Gas Co.*, 320 U.S. 591, 64 S.Ct. 281, 88 L.Ed. 333 (1944).

28 As we hold the PSC had the authority to approve the AMRP rider even prior to the enactment of KRS 278.509, we need not reach whether the Court of Appeals erred in reversing the trial court's ruling that KRS 278.509 violated Section 51 of the Kentucky Constitution.

End of Document

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278.023 Approval of federally-funded construction projects -- Commission review of agreement and supporting documents -- Surcharge.

(1) The provisions of this section shall apply to any construction project undertaken by a water association, commission, district, or combined water, gas or sewer district formed under KRS Chapter 74 or 273, which is financed in whole or in part under the terms of an agreement between the water utility and the United States Department of Agriculture or the United States Department of Housing and Urban Development. Because federal financing of such projects entails prior review and oversight by the federal agency and obligates the utility to certain actions, and because conflicting requirements by the federal agency and the Public Service Commission may place the water utility in an untenable position and delay or jeopardize such projects, it is declared to be the policy of the Commonwealth that such agreements shall be accepted by the Public Service Commission, and that the commission shall not prohibit a water utility from fulfilling its obligations under such an agreement.

(2) No agreement between a water utility and federal agency under this section shall take effect until thirty (30) days after such agreement, together with necessary applications and documentation, is filed with the commission, unless the commission acts within a lesser time. The commission in its administrative regulations shall list the specific documents required to be filed under this subsection.

(3) The commission shall review the project and the agreement, may recommend changes to the utility and the federal agency, but shall not modify or reject any portion of the agreement on its own authority. The commission shall issue a certificate of necessity and convenience and such other orders as may be required to implement the terms of the agreement no later than thirty (30) days after filing.

(4) The commission shall not prohibit the inclusion of any cost or the use of any accounting procedure in reviewing or setting the rates of the utility if such cost or procedure is required as a condition for federal financing of a construction project under an approved agreement between the water utility and federal agency.

(5) If the federal agency approves a surcharge to the water bills of customers who receive service through an extension of water facilities under this section, which is in lieu of an assessment against the customer for the cost of the extension, then the Public Service Commission shall allow collection of the surcharge to continue for the period of years for which the surcharge was established.

Effective: July 15, 1994

History: Amended 1994 Ky. Acts ch. 158, sec. 1, effective July 15, 1994. â€“ Amended 1992 Ky. Acts ch. 388, sec. 2, effective July 14, 1992. -- Created 1988 Ky. Acts ch. 12, sec. 4, effective July 15, 1988.

PSC EXHIBIT 24

Matthew G. Bevin
Governor

Charles G. Snavely
Secretary
Energy and Environment Cabinet

Commonwealth of Kentucky
Public Service Commission
211 Sower Blvd.
P.O. Box 615
Frankfort, Kentucky 40602-0615
Telephone: (502) 564-3940
Fax: (502) 564-3460
psc.ky.gov

Michael J. Schmitt
Chairman

Robert Cicero
Vice Chairman

Talina R. Mathews
Commissioner

12/18/2018

Parties of Record

Re: Case No. 2018-00367

The attached electronic mail has been filed in the record of the above-referenced case. If you have any comments you would like to make regarding the contents of the electronic mail, please do so within five days of receipt of this letter.

If you have any questions, please contact Andrew Bowker, Staff Attorney II, at 502-782-2580.

Sincerely,

Gwen R. Pinson

Gwen R. Pinson
Executive Director

AB

Attachment

Bowker, Andrew (PSC)

From: Bowker, Andrew (PSC)
Sent: Tuesday, December 18, 2018 9:54 AM
To: 'Brian Cumbo'
Subject: Case No. 2018-00367 Jan. 8 hearing

Mr. Cumbo,

Good morning. Pursuant the voicemail that you left on my direct office line yesterday (12/17/18 at 11:53AM) when you returned my phone call to you, you confirmed that the hearing that was scheduled for January 8 at 1PM in Case No. 2018-00367 is no longer necessary due to the fact that at a special meeting of the Martin County Water District Board on December 5, 2018, John Horn resigned as Chairman of the Martin County Water District Board of Commissioners and Jimmy Don Kerr was named Acting Chairman.

This email will be filed into the case record of Case No. 2018-00367 and may be referenced in an upcoming order of the Commission that will cancel the Jan. 8 hearing, close this case, and remove it from the Commission's docket. If you have any objections to the contents of this email please contact me and let me know as soon as possible.

Thank you,

Andrew Bowker
Staff Attorney
Kentucky Public Service Commission
211 Sower Blvd.
P.O. Box 615
Frankfort, Kentucky 40602
Direct: (502) 782-2580

Bowker, Andrew (PSC)

From: postmaster@kyteksmsp.onmicrosoft.com
To: Brian Cumbo
Sent: Tuesday, December 18, 2018 9:54 AM
Subject: Delivered: Case No. 2018-00367 Jan. 8 hearing

Your message has been delivered to the following recipients:

Brian Cumbo (brian@cumbolaw.com)

Subject: Case No. 2018-00367 Jan. 8 hearing

*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

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

*Denotes Served by Email

PSC EXHIBIT 25

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF MARTIN COUNTY WATER DISTRICT FOR AN ALTERNATIVE RATE ADJUSTMENT	)))	CASE NO. 2018-00017

ORDER

The Commission, by order dated October 18, 2018, sustained a motion filed by Martin County Water District (Martin District) that sought approval to pay certain outstanding indebtedness with funds contained in a surcharge account established by a previous Order of this Commission. On December 20, 2018, the Commission ordered Martin District to issue requests for proposals for management services, covering all of its operations, to entities identified in Appendix B of its Order dated November 5, 2018, and to advertise for additional proposals between January 18, 2019, and February 1, 2019, in at least one local newspaper and one newspaper of statewide circulation.

Lastly, Martin District was subjected to a financial audit covering the year 2016, but such audit has not been completed and filed with the Commission because Martin District has not paid the accounting firm employed to perform it. The Commission reasonably believes that entities potentially interested in performing management services for the District will require a review of this most recent audit prior to tendering a management proposal.

ACCORDINGLY, IT IS THEREFORE ORDERED AS FOLLOWS:

1. Notwithstanding any priority of payment to creditors established by the Commission's Order of October 18, 2018, the Martin District shall immediately contact White and Associates, the firm contracted to perform the 2016 audit, and arrange to pay all invoices required by White and Associates to complete its work and produce a finalized audit report as soon as possible.

2. Martin District, upon receipt of the audit report, shall forthwith furnish a copy to the Public Service Commission and offer to make such report available to all parties interested in potentially providing management services to Martin District.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

By the Commission

ENTERED

JAN 22 2019

KENTUCKY PUBLIC
SERVICE COMMISSION

ATTEST:

Executive Director

*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

*Greg Scott
General Manager
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

*M. Todd Osterloh
Sturgill, Turner, Barker & Moloney, PLLC
333 West Vine Street
Suite 1400
Lexington, KENTUCKY 40507

PSC EXHIBIT 26

A

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

INVESTIGATION OF THE OPERATING CAPACITY OF MARTIN COUNTY WATER DISTRICT PURSUANT TO KRS 278.280	)))	CASE NO. 2002-00116

O R D E R

This is an Order accepting a Settlement Agreement in a case in which the Commission investigated the operating capacity of Martin County Water District (Martin District). The Settlement Agreement, which is between Martin District and Commission Staff, addresses the Commission s concerns regarding Martin District s operating capacity.

This case had its genesis on April 5, 2002 when Commission Staff issued a Utility Inspection Report (Inspection Report) describing the results of an inspection of Martin District s facilities and records conducted on April 4, 2002. The inspection revealed that Martin District s water treatment plant was in a general state of disrepair, and Commission Staff expressed the concern that further equipment failure would render the plant incapable of providing water to Martin District s system.

On April 5, 2002, the Commission initiated an investigation to address the conditions described in the Investigation Report and the long-term actions necessary to ensure the continuity of service to Martin District s customers. Following a hearing on July 1, 2002, the Commission expanded the scope of its investigation to include assessing the current condition of Martin District s operations and management.

Commission Staff extensively investigated Martin District s management and operations and filed written testimony with the Commission regarding its findings and recommendations. Following the investigation, Martin District and Commission Staff conducted settlement negotiations.

As a result of settlement negotiations and Martin District s affirmative showing of improvements to its operating capacity, Martin District and Commission Staff have entered into the Settlement Agreement attached hereto as Appendix A. The Commission notes that while this Settlement Agreement addresses the Commission s concerns relating to Martin District s operating capacity, Martin District remains challenged by many obstacles from within (antiquated, inadequate distribution system) and without (inadequate funding). Consequently, issues still exist regarding Martin District s future operational capacity. This Settlement Agreement, therefore, is intended not merely to address the immediate issues facing Martin District s short-term threats to its system, but also to prescribe a manner in which Martin District may ensure the long-term health and viability of its system.

Based upon the foregoing, and the Commission being otherwise sufficiently advised, IT IS HEREBY ORDERED that:

1. The attached Settlement Agreement is accepted and adopted by the Commission.

2. This case is closed and is removed from the Commission s docket.

Done at Frankfort, Kentucky, this 17th day of November, 2003.

By the Commission

ATTEST:

Deborah T. Eversole for
Thomas M. Dorman

Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2002-00116 DATED November 17, 2003

(See document named 200200116_11172003apx.pdf for Appendix A)

B.

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

INVESTIGATION OF THE OPERATING CAPACITY OF MARTIN COUNTY WATER DISTRICT PURSUANT TO KRS 278.280	)))	CASE NO. 2002-00116

SETTLEMENT AGREEMENT

THIS AGREEMENT is made and entered this 20th day of October, 2003, by and between the STAFF OF THE PUBLIC SERVICE COMMISSION OF KENTUCKY ("Commission Staff") and MARTIN COUNTY WATER DISTRICT ("Martin District").

W I T N E S S E T H :

THAT, WHEREAS, the Commission Staff issued a Utility Inspection Report dated April 5, 2002 ("Inspection Report") describing the results of an inspection of Martin District's facilities and records conducted on April 4, 2002; and

WHEREAS, Commission Staff in its Inspection Report described Martin District's water treatment plant as "in a general state of disrepair," noted that the plant had "lost most of the redundancy that was designed into it due to equipment failure," and expressed the concern that further equipment failure would render the plant "unable to supply water to... [Martin District's] distribution system"; and

WHEREAS, on April 5, 2002, the Public Service Commission initiated an investigation to address the conditions described in the Investigation Report and the long term actions necessary to ensure the continuity of service to Martin District's customers; and

WHEREAS, following a hearing on the conditions of Martin District's water treatment plant, the Public Service Commission on July 1, 2002 expanded the scope of its investigation "to assess the current condition of Martin District's operations and management, to determine the rules, methods, and practices that are required to ensure the water district provides adequate and reasonable service, and to restore public confidence in the water district's operations"; and

WHEREAS, Commission Staff extensively investigated Martin District's management and operations and filed written testimony with the Public Service Commission regarding its findings and recommendations; and

WHEREAS, Martin District and Commission Staff have agreed to the actions necessary to ensure the water district provides adequate and reasonable service; and

WHEREAS, Martin District and Commission Staff further agree that Martin District constructed during calendar years 2000 and 2001 a raw water supply pipeline at a total cost of $2,852,048 without obtaining a Certificate of Public Convenience and Necessity from the Public Service Commission and that such action is contrary to KRS 278.020(1); and

WHEREAS, Martin District and Commission Staff desire to settle the issues raised by this proceeding;

NOW, THEREFORE, Martin District and Commission Staff agree as follows:

1. Martin District shall take the following actions:

A. Martin District will prepare and develop, no later than 180 days after the date this agreement is executed, a long-range plan for the provision of water service to Martin District's service area. This plan will set forth Martin District's objectives for the next 10 years, prioritize these objectives, and set forth a program for

achieving these objectives. It will include Martin District's plan for establishing telemetry and SCADA systems, shall make provisions for repairs to the existing treatment and distribution system and for system expansions (distribution and treatment) to meet demand for water services in Martin District's territory, and state a target date for completion of a thorough hydraulic analysis of Martin District's system that is calibrated by field measurements. Martin District shall review and, where appropriate, update this plan annually. It will annually file any revisions of this plan with the Public Service Commission on or about March 31 with its annual report.

B. Martin District will develop and submit to the Public Service Commission, no later than 30 days after the date this agreement is executed, a program for testing water meters. This plan shall provide for submission of quarterly reports to the Public Service Commission commencing no later than December 1, 2003.

C. Martin District will develop and submit to the Public Service Commission, no later than 60 days after the date this agreement is executed, a safety program covering the operation of all of its facilities.

D. Martin District will develop and submit to the Public Service Commission no later than 270 days from the execution of this agreement a written inspection procedure to assure a safe and adequate operation of its system components and facilities. These procedures will include provisions regarding the contents and maintenance of inspection records.

E. Martin District will develop and submit to the Public Service Commission, no later than 30 days after the date this agreement is executed, a program to test all of the flush hydrants within its system. Implementation of this program will begin no later than December 1, 2003. The Signatories to this Agreement recognize that full implementation of such program will depend upon the hydraulics of Martin District's system.

F. Martin District will develop and submit to the Public Service Commission, no later than 30 days after the date this agreement is executed, a program for charting, inspecting and exercising the valves in its distribution

system. Implementation of this program will occur no later than December 1, 2003.

G. Martin District will maintain inspection records on its system components and facilities as of the date of this Agreement in accordance with Administrative Regulation 807 KAR 5:006, Section 25(3).

H. Martin District will maintain a record of customer complaints in accordance with Administrative Regulation 807 KAR 5:006, Section 9.

I. Martin District will file monthly with the Public Service Commission, beginning no later than 30 days after the date of the execution of this agreement and continuing for a period of at least 36 months, a report listing all customer complaints, boil water advisories, all notices of violation that the Division of Water of the Kentucky Cabinet of Natural Resources and Environmental Protection, issued against Martin District during the previous month, all repairs required by agreement that were conducted in the previous month, the status of all repairs required by the agreement, the minutes of the previous month's meetings of Martin District's Board of Commissioners, any changes in the membership of the Martin District Board of Commissioners, any changes in the persons who serve as Martin District's certified water treatment plant operators or distribution system operators, and any changes in Martin District's bylaws. These reports shall replace the semi-monthly reports that the Public Service Commission currently requires pursuant to its Order of June 1, 2002. Upon the Public Service Commission's approval of this Agreement, any reporting requirement that the Public Service Commission previously established by Order in Case No. 2002-00116 shall terminate.

J. Martin District shall develop and submit, no later than 30 days after the date of the execution of this agreement, a water shortage response plan to the Public Service Commission for approval.

K. Martin District shall develop and submit to the Public Service Commission, within 180 days after the date of this agreement, as part of its long-range plan a plan for installing, repairing and maintaining a functioning telemetry system.

L. Martin District shall, no later than 90 days after the date of the execution of this agreement, take all actions necessary to repair its existing radio signaling equipment that is presently installed on its facilities and to ensure that such equipment is fully functional.

M. Martin District shall develop and submit to the Public Service Commission, no later than 270 days after the execution of this agreement, a plan for inspecting all water storage tanks. This plan shall specify a schedule for water tank inspections and shall provide for periodic inspections of all water storage tanks after completion of the initial inspections. Initial inspections shall begin no later than November 15, 2003 and be completed no later than November 15, 2004. After the inspection of each water storage tank, Martin District will prepare a report of the findings of the inspection and submit this report to the Public Service Commission. Within 60 days of the filing of such report with the Public Service Commission, Martin District will submit to the Public Service Commission a written plan for repairing or correcting all noted problems or deficiencies. The Signatories agree that completion of all inspections is subject to the availability of funding.

N. Martin District will commission, implement, and complete a preliminary engineering and operational review of its facilities and system no later than July 15, 2003. It shall submit to Public Service Commission, no later than July 30, 2003, the findings of this review and a detailed plan for implementing these findings.

O. Martin District will perform a review of security at all facilities and submit to the Public Service Commission, no later than 30 days after the date of the execution of this agreement, the report of this review and a plan for implementing the report's recommendations. Martin District will implement the report's recommendations or correct all noted deficiencies as soon as possible, but no later than January 1, 2004, provided that funding to make such corrections is available.

P. Martin District will, no later than February 1, 2004, make all necessary improvements and repairs to enable automatic control of all pumping stations that are presently equipped with automatic controls.

Q. Martin District will, no later than no later than 30 days after the date of the execution of this agreement, report to the Public Service Commission in writing on its plan to install a new billing system.

R. Martin District will develop and implement procedures and controls designed to improve the accuracy of monthly meter readings. These procedures should include employee training on the detection of water leaks and theft of water service.

S. Martin District will immediately cease computing a late payment penalty on taxes for water service in accordance with Martin District's tariff until such time as Martin District's tariff is revised to permit such computation.

T. Martin District will review all customer accounts no later than 30 days after the date of the execution of this agreement to ensure that sales tax is collected from all non-residential customers that do not provide a tax exemption certificate and develop a procedure to evaluate new applicants for service to ensure that taxes are collected as appropriate. Martin District should provide procedures used to correctly code customers in the new billing system to ensure proper application of taxes.

U. Martin District will immediately begin billing all sewer customers served through the Pride Demonstration Program for sewer service, will bill for any unbilled service received within 2 years of the Settlement Agreement, and will exercise its best efforts to collect for such unbilled service.

V. Martin District will assess and charge all fees for the services set forth in its filed rate schedules and uniformly apply all rules and conditions of service set forth in its filed rate schedules.

W. Martin District will develop and implement appropriate cash management procedures including maintenance of a check register or other cash disbursement journal with an ongoing balance. These procedures should also include procedures for investment of surplus funds and financial planning.

X. Martin District will perform bank statement reconciliations on a timely basis monthly. Any individual

without direct responsibilities for handling or accounting for cash will receive bank statements and prepare reconciliations.

Y. Martin District will document the Martin District Board of Commissioners' review of all proposed disbursements by having Martin District's chairman and secretary initial or sign invoices approved for payment or sign a list of proposed disbursements that includes the vendor and amount of each proposed disbursement. If a list of proposed disbursements is used, the list shall be maintained with the minutes of board of commissioners' meeting.

Z. Martin District's Board of Commissioners will elect a member to serve as treasurer. This member shall sign all checks that Martin District issues.

AA. Martin District will implement appropriate procedures for management's review of invoices including matching invoice with purchase order, attaching shipping reports with appropriate notations verifying receipt and condition of items on report, marking invoices as paid, checking pricing and extensions, and checking to ensure that sales tax is not being charged.

BB. Martin District will develop and submit to the Public Service Commission, no later than 60 days after the date of the execution of this agreement proposed internal controls to ensure that work orders are completed and that all information on such orders is correct.

CC. Martin District will install and connect new services within the time periods set forth in Administrative Regulation 807 KAR 5:006, Section 13(4), and will amend its filed rate schedules to provide for procedures for the inspection of water service lines prior to providing water service in accordance with Administrative Regulation 807 KAR 5:006, Section 9(3).

DD. Martin District will pay interest on customer deposits in accordance with Administrative Regulation 807 KAR 5:006, Section 7(6), and will maintain a current list of customers who have paid deposits.

EE. Martin District recognizes its obligation under KRS 65.065 to prepare annual operating budgets and to

submit such budgets to Martin County Fiscal Court no later than 30 days prior to the beginning of the water district's fiscal year.

FF. Martin District will file with the Public Service Commission, no later than 30 days after the date of the execution of this agreement, its Annual Report for the year ending December 31, 2001 and December 31, 2002.

GG. Martin District will discontinue water service, in accordance with its tariffed rules and Public Service Commission regulations to those customers who fail to pay their bills in a timely manner and fail to keep their accounts current.

HH. Martin District, through its Board of Commissioners, will, no later than 30 days after the date of the execution of this agreement, adopt a resolution requiring members of Martin District's Board of Commissioners to attend at least 12 hours of certified water district commissioner training biennially and shall provide for the reimbursement of a member's reasonable expenses to attend such training.

II. Martin District will develop and submit to the Public Service Commission, no later than November 1, 2003, a policy for training of employees employed by or on behalf of Martin District as of October 1, 2003. This policy shall, at a minimum, require the general manager and all office employees to attend at least 10 hours of Public Service Commission Water Personnel Training no later than August 31, 2004 or within 18 months of their hiring, whichever is later, and shall provide for the reimbursement of an employee's reasonable expenses to attend such training.

JJ. Martin District will reaffirm, no later than 30 days after the date of the execution of this agreement, its present code of ethics for the members of its Board of Commissioners and shall annually with the filing of its annual report with the Public Service Commission identify any revisions to this code.

KK. Martin District will reaffirm, no later than 60 days after the date of the execution of this agreement, its adoption of the provisions of KRS 45A.343 to 45A.460 to govern its procurement decisions. Such provisions shall not

apply to purchases or services that American Water Services makes to fulfil its obligations under the management contract that it and Martin District executed on October 1, 2002.

LL. Martin District will review the use of the county attorney to provide legal services to Martin District and report to the Public Service Commission, no later than December 1, 2003, on the results of such review.

MM. Martin District will develop and submit to the Public Service Commission, no later than 60 days after the date of the execution of this agreement, a written policy on emergency planning procedures and will implement such procedures upon Public Service Commission review of such procedures.

NN. Martin District will develop and submit to Public Service Commission, within one hundred eighty (180) days of execution of this Agreement, written leak detection procedures. These procedures will include procedures to prepare meaningful water loss reports on a monthly basis. Martin District will immediately implement such procedures upon Public Service Commission review and approval.

OO. Martin District will, if it hires any additional employees, develop and implement written procedures and policies for the hiring, evaluation and retention of employees, to include standards for determining an employee's compensation level.

PP. Within ninety 90 days of execution of this agreement, Martin District shall develop and maintain an up-to-date map of the distribution system and update the map as necessary to reflect the current configuration and apparatus of the distribution system.

QQ. Martin District will comply with all regulations and requirements of the Kentucky Cabinet for Natural Resources and Environmental Protection.

2. The Public Service Commission should assess Martin District a penalty of two thousand five hundred dollars ($2,500) for failure to obtain a Certificate of Public Convenience and Necessity from the Public Service Commission before constructing its

raw water supply pipeline. This penalty should be suspended for a period of two years. If at the end of this period, Martin District has fully complied with the terms of this Agreement and is in substantial compliance with all Commission regulations, this penalty should be vacated. If at any time during that period, Martin District fails to comply with the terms of this Agreement or fails to substantially comply with any Commission regulation, the penalty shall immediately become due and payable.

3. This Agreement is subject to the acceptance of and approval by the Public Service Commission.

4. This Settlement Agreement constitutes full satisfaction of any penalties against Martin District arising out of this proceeding or any conduct occurring on or before April 5, 2002.

5. If the Public Service Commission fails to accept and approve this Settlement Agreement in its entirety, this proceeding shall go forward and neither the terms of this Settlement Agreement nor any matters raised during settlement negotiations shall be binding on either signatory.

6. If the Public Service Commission accepts and adopts this Settlement Agreement in its entirety and enters an order in this proceeding to that effect, Martin District shall not apply for rehearing in this proceeding nor bring an action for review of that order.

IN WITNESS WHEREOF, Martin District and Commission Staff have executed this Settlement Agreement the day and year first above written by and through their duly authorized attorneys.

STAFF OF PUBLIC SERVICE COMMISSION
OF KENTUCKY

BY: John E.B. T

TITLE: Counsel for P.S.C.

MARTIN COUNTY WATER DISTRICT

BY: Greg Scott

TITLE: Chairman

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

AN INVESTIGATION INTO THE MANAGEMENT AND OPERATION OF MARTIN COUNTY WATER DISTRICT	)))	CASE NO. 2006-00303

ORDER

On June 27, 2006, the Commission initiated this investigation into the condition of Martin County Water District ("Martin District"). The purpose of this investigation was to not only identify the existing deficiencies in Martin District's management and operation but to identify possible solutions to those deficiencies and possible courses of action to improve the quality of service. To this end, we directed, pursuant to KRS 278.255, that a management and operations audit be conducted to investigate Martin District's management, engineering and technical operations and that a competent, qualified and independent firm be retained to perform this audit.

We subsequently retained Barrington-Wellesley Group, Inc. ("Barrington-Wellesley"), a management consultant firm, to perform a management audit of Martin District.[1] On April 18, 2007, Barrington-Wellesley submitted a final report of its findings

[1] Pursuant to KRS 278.255(3), the Commission required Martin District to bear the cost of the management audit. Recognizing Martin District's limited financial resources and the potential cost of a management audit, the Commission sought and obtained financial assistance from the Kentucky Division of Water. See Letter from David W. Morgan, Director, Division of Water, Kentucky Environmental and Public Protection Cabinet, to Robert A. Amato, Deputy Executive Director, Kentucky Public Service Commission (June 23, 2006). The Division of Water agreed to allocate an amount not to exceed $95,000 from the Drinking Water State Revolving Fund Set-Aside Program toward the cost of the audit on the condition that Martin District provide 5 percent of the total cost of the audit not to exceed $5,000 and that Martin District agree to implement any audit recommendations that the Commission deems necessary. The final cost of the management audit was $91,389.48, of which Martin District paid $5,000.

and recommendations regarding Martin District's operations and finances and its action plan for implementing these recommendations. On June 20, 2007, it submitted Management Audit Action Plans for Martin District. These plans provide a cost-benefit analysis of each recommendation, Martin District's response to the recommendation, and the auditing firm's review of the utility's response.

On July 26, 2007, the Commission found that the auditing firm's recommendations may serve as the basis for a determination of the practices and methods that Martin District should employ to furnish water service. We directed Martin District to show cause as to why we should not rely upon the auditor's findings and recommendations to determine the practices and methods that Martin District should employ to furnish water service. We further provided Martin District the opportunity to request a hearing on this issue or to otherwise offer evidence and argument on this proposed course of action. Martin District did not submit any response to our Order or otherwise offer any objection.

Having considered all of the evidence of record, including Barrington-Wellesley's final report of its findings and recommendations regarding Martin District's operations and finances and its Management Audit Action Plans for Martin District, and being otherwise sufficiently advised, the Commission finds that:

1. Some of Martin District's current practices prevent the provision of adequate and reasonable water service.

2. The recommended actions set forth in the Management Audit Action Plans will permit the elimination of those practices that prevent Martin District's provision of reasonable, adequate and sufficient water service. These recommended actions are also set forth in Appendix A to this Order.

3. Martin District should take the actions set forth in Appendix A to this Order within the prescribed time periods.[2]

4. The members of Martin District's Board of Commissioners, individually and collectively, are responsible for ensuring that Martin District undertakes the actions set forth in Appendix A in a timely manner.

IT IS THEREFORE ORDERED that:

1. Martin District shall take the actions set forth in Appendix A to this Order within the prescribed time period.

2. Beginning July 1, 2008, and every 180 days thereafter until January 1, 2011, and then annually thereafter until all actions are completed, Martin District shall submit to the Commission a written report on the status of each action set forth in Appendix A. This report shall, among other things, identify each action that Martin District failed to perform in a timely manner, the reason(s) for this failure, and Martin District's plan for resolving this failure. Each member of Martin District's Board of Commissioners shall sign and verify the accuracy of the report.

3. If, at any time prior to completion of the actions set forth in Appendix A, Martin District experiences a significant change in circumstances that renders any of those actions unfeasible, impractical, or unnecessary, it may apply to the Commission in writing to be relieved of its obligation to perform that action.

4. The Executive Director shall cause a copy of this Order to be served upon the Martin County Judge/Executive, each member of Martin County Fiscal Court, and each member of Martin District's Board of Commissioners.

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[2] Failure to take the required actions within the prescribed time period may subject Martin District and its officers and employees to possible administrative sanction. See KRS 278.990(1); KRS 74.455.

5. Subject to the filing of timely petition for rehearing pursuant to KRS 278.400, these proceedings are closed. The Executive Director shall place any future filings in the appropriate utility's general correspondence file or shall docket the filing as a new proceeding.

Done at Frankfort, Kentucky, this 2nd day of April, 2008.

By the Commission

ATTEST:

Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2006-00303 DATED APRIL 2, 2008

REQUIRED ACTION	COMPLETION DATE
Submit an application for rate adjustment to Public Service Commission in addition to the adjustment for which Martin District applied in Case No. 2007-00245.	10/31/2008
Eliminate the backlog of connection requests to permit connection within 3 days of receipt of tap or connection fees.	06/30/2009
Develop a comprehensive water loss reduction program.	12/31/2008
Implement a preventive maintenance program that includes upgrading the existing leak detection and repair program.	06/30/2009
Implement a damage prevention program.	06/30/2009
Establish a watershed pollution control program.	06/30/2009
Develop and implement a long-term plan to reduce Martin District's vulnerability to supply disruptions.	12/31/2008
Establish an in-house capital program planning and management function staffed by one engineer or provided through a regional source.(1)	12/31/2008
Prioritize water loss reduction programs over system expansion programs until water losses are reduced to 15 percent or less.(2)	12/31/2008
Improve procedures to identify theft of service.	12/31/2008
Establish procedures and take action necessary to assure compliance with Martin District Tariff Sheet No. 19.	12/31/2008
Improve collections of past due accounts.	06/30/2008
Improve meter reading controls.	06/30/2009
Provide meter readers additional tools to complete their routes timely and safely.	06/30/2009
Study cycle billing to shorten meter reading-to-billing cycle and improve cash flow.(3)	06/30/2009
Study bi-monthly meter reading for residential customers while continuing to bill customers monthly.(4)	06/30/2009
As meter services are replaced, those meters that are located in difficult to read locations should be moved to locations that are less difficult to reach and placed in a consistent manner relative to the main and customer's premises.	06/30/2009
Conduct a cost-benefit study of automated meter reading before making further investments in AMR technology.(5)	06/30/2009
Process customer payments on the day received so the payments are posted to Martin District's account on the day received.	12/31/2008
Clearly define the roles of Martin District's Commissioners and General Manager. The definitions should be explicit as to the scope and limits of authority, the types of decisions that can be made, and areas of responsibility.(6)	12/31/2008
Apply to County Judge/Executive and Fiscal Court for salaries for the members of Martin District Board of Commissioners.(7)	06/30/2009
Arrange for an external audit of Martin District's financial statements and continue such audits on a timely basis.(8)	06/30/2008
Establish a position of bookkeeper/accountant with responsibility for accounting and other transactional accounting processes.	06/30/2009
Water District Commissioners attend state sponsored training opportunities.(9)	12/31/2008
Study increased regionalization to achieve economies of scale and reduce vulnerabilities to supply and personnel interruptions.(10)	06/30/2009

Notes

(1) The water district is not required to retain or employ an in-house engineer to perform capital planning or supervised the implementation of capital plans. It should, however, demonstrate that it has consulted with or obtained advice from an independent, professional source that lacks any direct or indirect interest in the outcome of capital planning decisions. A regional planning agency may serve this purpose.

(2) The Commission does not require the water district to reduce water line loss to 15 percent of water production by the required date, but requires that the water district implement and emphasize line loss reduction programs. We further expect the water district to achieve a 15 percent or less line loss and to maintain such level no later than December 31, 2015.

(3) Performance of the required action requires the production of a written report that the water district should submit to the Commission.

(4) Performance of the required action requires the production of a written report that the water district should submit to the Commission.

(5) Performance of the required action requires the production of a written report that the water district should submit to the Commission.

(6) In developing these roles and responsibilities, the water district should closely review House Bill 83, which the Kentucky General Assembly recently enacted.

(7) In its report, Barrington-Wellesley recommends that the water district pay "members of the Board of Commissioners salaries based on guidelines provided by Kentucky Administrative Regulations." We note that the Kentucky Administrative Regulations do not contain any salary guidelines for water district commissioners. KRS 74.020 provides a maximum level of salary compensation. The Commission agrees with the finding that ratepayers should not expect a water district commission to serve on a volunteer basis and that a reasonable level of compensation should be provided. As a county judge/executive with the approval of fiscal court fixes the salary of water district commissioners, we find that Martin District should apply to Martin County Fiscal Court to establish such salary level.

(8) This action requires completion of an external audit no later than June 30, 2008 and the performance of annual audits thereafter.

(9) Martin District's commissioners may attend any recognized training to satisfy this required action. Recognized training includes training that the Commission, American Water Works Association, Kentucky Rural Water Association, Department of Environmental Protection's Division of Water, Kentucky League of Cities, and Kentucky Association of Counties provide. Martin District should note that KRS 74.020(7) requires a water district to reimburse its commissioners for the cost of such training.

(10) Performance of the required action requires the production of a written report that the water district should submit to the Commission.

D

Steven L. Beshear
Governor

Leonard K. Peters
Secretary
Energy and Environment Cabinet

Commonwealth of Kentucky
Public Service Commission
211 Sower Blvd.
P.O. Box 615
Frankfort, Kentucky 40602-0615
Telephone: (502) 564-3940
Fax: (502) 564-3460
psc.ky.gov

David L. Armstrong
Chairman

James W. Gardner
Vice Chairman

Charles R. Borders
Commissioner

March 9, 2010

Joe Hammond
General Manager
Martin County Water District
387 East Main Street, Suite 140
Inez, KY 41224

Dear Mr. Hammond:

The order issued by the Kentucky Public Service Commission on Case No. 2006-00303 dated April 2, 2008 stipulates the following:

- Beginning July 1, 2008, and every 180 days thereafter until January 1, 2011, and then annually thereafter until all actions are completed, Martin District shall submit to the Commission a written report on the status of each action set forth in appendix A. This report shall, among other things, identify each action that Martin District failed to perform in a timely manner, the reason(s) for this failure, and Martin District's plan for resolving this failure. Each member of Martin District's Board of Commissioners shall sign and verify the accuracy of this report.

By this letter, we are advising you that the Commission has not received your response which was due July 1, 2009 and January 1, 2010. It is imperative that you submit these reports immediately in order to be in compliance with this order.

Sincerely,

Linda Faulkner
Division Director Filings

E

Ernie Fletcher
Governor

LaJuana S. Wilcher, Secretary
Environmental and Public
Protection Cabinet

Christopher L. Lilly
Commissioner
Department of Public Protection

Commonwealth of Kentucky
Public Service Commission
211 Sower Blvd.
P.O. Box 615
Frankfort, Kentucky 40602-0615
Telephone: (502) 564-3940
Fax: (502) 564-3460
psc.ky.gov

Mark David Goss
Chairman

Teresa J. Hill
Vice Chairman

Gregory Coker
Commissioner

June 27, 2006

Joe Hammond
Martin County Water District
HC 69, Box 875
Inez, KY 41224

RE: Case No. 2006-00303

We enclose one attested copy of the Commission's Order in the above case.

Sincerely,

Beth O'Donnell
Executive Director

BOD/jc
Enclosure

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

AN INVESTIGATION INTO THE MANAGEMENT AND OPERATION OF MARTIN COUNTY WATER DISTRICT	)))	CASE NO. 2006-00303

ORDER

Martin County Water District ("Martin District"), a water district organized pursuant to KRS Chapter 74, owns and operates facilities that treat and distribute water to approximately 3,376 persons in Martin County, Kentucky.[1] It is a utility subject to Commission jurisdiction. KRS 278.010(3(d); KRS 278.015; KRS 278.040.

In recent years, the Commission has become concerned about Martin District's operation and management. Commission Staff has inspected the water district on numerous occasions since 1997 and found that it was experiencing significantly high water loss, not performing routine maintenance and testing, and failing to follow acceptable management practices.

In April 2002, Martin District experienced a system-wide water shortage after the only operable high service pump at its water treatment plant failed. Commission Staff inspected Martin District's facilities on April 4, 2002 and noted some serious concerns:

> Martin District's equipment is in serious disrepair. Redundancies required by any water system are lacking. Necessary equipment is either inoperable or is damaged. Insufficient personnel are available to ensure continued operation of the system. In short, there is a very real, and entirely unacceptable, possibility that the hundreds of homes

[1] Annual Report of Martin County Water District to the Kentucky Public Service Commission for the Calendar Year Ended December 31, 2003 at 27.

and businesses served by Martin District could lose water service.[2]

Responding to this report, the Commission initiated an investigation to examine the serious operating deficiencies that immediately threatened Martin District's ability to provide water service. It subsequently expanded this investigation to consider 20 service and management issues. It found that an examination of these issues "was necessary to assess the current condition of Martin District's operations and management, to determine the rules, methods, and practices that are required to ensure the water district provides adequate and reasonable service, and to restore public confidence in the water district's operations."[3]

Significant changes occurred in Martin District's operations and management while this investigation was proceeding, including the appointment of several new members to Martin District's Board of Commissioners and Martin District's execution of a contract with American Water Services for the management of the water district's operations. As part of its effort to resolve its outstanding operations issues, Martin District entered into negotiations with Commission Staff regarding the actions necessary to bring the water district into proper operating condition.

On October 20, 2003, Commission Staff and Martin District entered into an Agreement that addressed a wide array of Martin District's operation and management aspects and mandated significant remedial actions on Martin District's part. The Commission approved this agreement on November 17, 2003.

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[2] Case No. 2002-00116, Investigation of the Operating Capacity of Martin County Water District Pursuant to KRS 278.280 (PSC Ky. April 5, 2002) at 1.

[3] Case No. 2002-00116, Investigation of the Operating Capacity of Martin County Water District Pursuant to KRS 278.280 (PSC Ky. July 1, 2002) at 2.

While Martin District has made some progress in the 32 months that have elapsed since the Commission's approval of this agreement, this progress has been slow and unsteady. Martin District has not yet satisfied all of the provisions in the Agreement. Additionally, it has yet to file its required financial and statistical reports for Calendar Years 2004 and 2005. Moreover, Martin District has terminated its management contract with American Water Services and again assumed full responsibility for the operation and management of the water district's facilities and operations.

In view of these developments, the Commission finds that, pursuant to KRS 278.250, an investigation into the condition of Martin District should be initiated. The purpose of this investigation is to not only identify the existing deficiencies in Martin District's management and operation but to identify possible solutions to those deficiencies and possible courses of actions to improve the quality of service. To this end, the Commission further finds that, pursuant to KRS 278.255, a management and operations audit should be conducted to investigate Martin District's management, engineering and technical operations and that a competent, qualified and independent firm should be retained to perform this audit.

KRS 278.255(3) requires that the audited utility bear the cost of any management audit. The Commission recognizes that the imposition of such cost on a utility with limited financial resources, such as Martin District, might impose significant hardships on the utility and ultimately its customers. The Commission has therefore sought and

obtained in principle an alternative source of funding upon which Martin District could rely to meet its obligations under KRS 278.255(3).[4]

IT IS THEREFORE ORDERED that:

1. This proceeding is initiated to investigate and examine the condition of Martin District.

2. Pursuant to KRS 278.255, a competent, qualified and independent firm shall be retained to perform a full and comprehensive audit of the management effectiveness and operational efficiency of Martin District.

3. Pursuant to KRS 278.255(3), Martin District shall bear the cost of this audit.

4. Commission Staff shall take all actions necessary for the selection and retention of a competent, qualified and independent firm to conduct the audit of Martin District and for the performance of such audit.

5. Upon completion of the audit, Commission Staff shall file with the Commission a written report of the auditing firm's findings and conclusions and all documents that were assembled or produced as a result of the audit.

6. Until the completion and filing of the final report of the auditing firm's findings and conclusions, Commission Staff's Management Audit Branch shall file with the Commission on the fifteenth day of each month a report on the audit's status.

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[4] Letter from David W. Morgan, Director, Division of Water, Kentucky Environmental and Public Protection Cabinet, to Robert A. Amato, Deputy Executive Director, Kentucky Public Service Commission (June 23, 2006). The Division of Water has agreed to allocate an amount not to exceed $95,000 from the Drinking Water State Revolving Fund Set-Aside Program towards the cost of the audit on the condition that Martin District provide 5 percent of the total cost of the audit not to exceed $5,000 and that Martin District agree to implement any Audit recommendations that the Commission deems necessary.

Done at Frankfort, Kentucky, this 27th day of June, 2006.

By the Commission

ATTEST:

Executive Director

F

MARTIN COUNTY WATER DISTRICT

387 East Main Street, Suite 140
INEZ, KY 41224

606-298-3885 OFFICE **606-298-4913 FAX**

December 19, 2011

RECEIVED
DEC 20 2011
PUBLIC SERVICE COMMISSION

Mr. George Wakim, PSC
PO Box 615
211 Sower BLVD.
Frankfort, KY 40602-0615

RE: Water Loss Prevention Report
Meter Testing Plan

Attached for your review and submission are the Water Loss Prevention Report and Meter Testing Report requested via letter dated March 22nd, 2011.

Should you need additional information please feel free to contact me at mauricemills@bellsouth.net or 606-626-7749.

Thank you

Maurice Mills
Assistant Distribution Supervisor

Cc:
File
John Mills

Martin County Water District

Meter Testing Program

The Martin County Water District submits to you a Meter Testing plan in accordance with 807 KAR 5:066, Section 16(1).

Martin County Water District has in its system as of this plan approximately 3606 meters, included in this numbers are 5/8" meters, 1" meters, 1 ½" commercial meters, 2" commercial meters, 3" commercial meters, 3" master meters, 4" master meters, and 6" master meters.

Of the 3606 meters, **1,769** are over ten (10) years old, **22** are ten (10) years old, **35** are nine (9) years old, **159** are eight (8) years old, **819** are seven (7) years old, **8** are six (6) years old, **146** are five (5) years old, **23** are four (4) years old, **7** are three (3) years old, **452** are two (2) years old, and **165** are one (1) year old.

Martin County Water District has been following the 10% testing rule since 2002, testing at least 350 meters each year for the last 9 years with quarterly reports submitted to state. From this point forward Martin County Water District will identify all meters 10 years of age and older. Meter testing will be completed for each meter, results of the test as well as inspection of the meter condition will determine whether the meter requires replacement with a new meter, rebuilding and/or placing back in the system.

Meter test data of those meters placed back in the system will be entered into Martin County Water District billing software. The data will follow that meter to the account and will be available to office personnel and management at any given time. Quarterly meter test reports will be provided by the 10th of the month following the quarter.

Martin County Water District

Water Loss Prevention and Leak Detection Program

The Martin County Water District has a distribution system serving all of Martin County. All distribution mains remain original to the system. Funding is in place to begin replacing areas defined as problem areas. Martin County Water District currently has purchase agreements to purchase water measured via master meters from Kermit Water in Kermit, WV, and Prestonsburg City Utilities in Prestonsburg, KY, and Mountain Water District, Pike Co. KY. Total miles of transmission main approximate to 200, our customer services are 3594, currently the District has 16 pumping stations, and 16 water storage tanks. Water loss has been a continual problem for the Water District mainly due to old transmission mains and customer services. The District is committed to reducing water loss by allocating resources necessary to identify all causes of water loss, and improved operating efficiencies.

The following plan outlines procedures and processes that Martin County Water District will follow on a routine basis to identify and repair water line leaks, monitor and identify un-metered water usage, and reduce the overall water loss.

1. ROUTINE PROCEDURES (Monthly):

   A. COMMUNICATIONS: Communication meetings will be held on at least a monthly basis or more often should the need arise to address the status of water loss. Meetings will involve the General Manager, Assistant Distribution Supervisor, Plant Supervisor, and the Office Manager; these will work as a team to provide input on reduction of water loss. When needed board members will be included in the plan and will be updated on a monthly basis.

   B. MASTER METERS: Read and record all master meter readings throughout the distribution system at approximately the same time each day. Martin County Water District currently has within its distribution system 18 master meters with plans for additional meters in the near future.
      - Master Meter locations
        1) Coldwater
        2) 40 East Pump Station
        3) Muncy Regulator Pit
        4) Meathouse
        5) Pigeon Roost
        6) Emily
        7) Peter Cave
        8) 292 Long Branch
        9) 292 Railroad Bridge
        10) R & J

11) Hode
12) New Rt. 3
13) Tomahawk Hill
14) Milo
15) Rockhouse
16) Old Rt. 3
17) 40 West Pump Station
18) Turkey

C. RECORDING READINGS: All master meter readings will be obtained via the radio read meter-reading system.

D. CONSISTENT METER READING SCHEDULES: Martin County Water District has in place an established meter-reading schedule wherein all customer meters are read at approximately the same time each month. This is to ensure any inconsistencies are identified and potential service line problems are identified and corrected.

E. FIELD PERSONNEL RESPONSIBILITIES: All field distribution personnel (including meter readers and plant operators) shall immediately report to their supervisor any observed or customer reported water leaks, observed or reported tank overflows, observed telemetry problems, observed or reported pressure problems, or other observed or reported concerns (whether theses problems are discovered or reported during normal business hours or after hours) that are or could potentially result in water leaks or water loss. A work order will be generated by the supervisor or responsible personnel to investigate the problem immediately, or at the earliest possible time, given the urgency of the problem reported.

F. OFFICE PERSONNEL RESPONSIBILITY: All office personnel shall immediately report to their supervisor any observed or customer reported water leaks, observed or reported tank overflows, observed or reported pressure problems, or other observed or reported concerns (whether theses problems are discovered or reported during normal business hours or after hours) that are or could potentially result in water leaks or water loss. A work order will be generated by the office supervisor or office staff and coordinate with the field supervisor or manager to make a determination as to whether the situation warrants a field crew dispatched immediately or later, based on the urgency of the problem reported.

G. RECORDING DATA: Daily and or monthly records (via computer databases, manual logs, or spreadsheets) shall be maintained by appropriate supervisory personnel to record and analyze the following information as needed.
    - Daily, weekly or monthly master meter readings
    - Daily, weekly or monthly pump station run time logs
    - Estimated water losses from line breaks, tank overflows, hydrant usage, etc.
    - Metered customer water sales by route
    - Other un-metered water usage

H. DATA ANALYSIS: Water purchased and usage data obtained and recorded (item F above) shall be evaluated and analyzed on a daily/weekly/monthly basis to determine:
    - Water production and purchase amounts
    - Metered usage
    - Known un-metered usage
    - Known losses from line breaks, etc
    - Water loss by distribution zone

I. FOCUS ON DISTRIBUTION SYSTEM ZONES: Martin County Water Districts current system has eighteen (18) separate zones as determined buy the above master meters.
    - Master meter readings will be entered into a database program, on a daily/weekly/monthly basis to identify usage that may indicate a water line break.
    - Each master meter has customers assigned to the meter, upon completion of monthly billing, reports will be generated to determine the amount of water passing thru the zone compared to the amount of usage passing thru the customer meters, a determination can be made as to the amount of loss for the particular zone.
    - Monthly water loss reports will be compiled for each of the eighteen (18) zones.
    - Data analysis will be focused on water usage and loss in each of these major zones in order to prioritize leak detection efforts based on potential water loss in each area.

J. METER TESTING AND REPLACEMENT: For purposes of meter testing Martin County Water District has a PSC certified meter-testing bench and four (4) PSC certified meter testers on staff. Pursuant to PSC regulation, customer meters will be tested and/or replaced on a periodic schedule to ensure that they are registering water accurately.

- Meters are to be tested as follows:
  1. Larger meters (master meters and customer meters 4" and larger) shall be tested on an annual basis.
  2. All 3" meters will be tested every two (2) years
  3. All 2" meters will be tested every three (3) years
  4. All 1" and ¾" meters are to be tested or replaced new every ten years
- All meters will be replaced as warranted

2. LEAK DETECTION PROCEDURES

A. DISTRICT PERSONNEL: On a routine basis (weekly or bi-weekly, as routine system operations permit), District personnel will be assigned to leak detection shifts after hours (typically 12:00 midnight to 3:00 AM). Customer usage is minimal at this time and allows field personnel to go valve to valve using master meters and by-pass meters to detect abnormal flows. Personnel will perform leak detection in those areas with the highest known water loss, based on routine data collection and analysis.

B. OUTSIDE CONSULTANTS: Outside consultants will be utilized as circumstances and funding dictate. The District has routinely used the services of Kentucky Rural Water in this process and has also utilized the services of Kentucky Engineering Group, LLC for leak detection.

3. CAPITAL IMPROVEMENTS

As funding permits, the District will prioritize and acquire/install the following:

A. INTERNAL MASTER METERS: Additional master meters for subsections of the system will be prioritized and acquired in order to more accurately monitor water usage and identify water loss throughout the system.

B. BY-PASS METERS: As funding permits, additional by-pass meters will be installed to further isolate smaller portions of the distribution system in order to more accurately identify and correct water loss problems in specific areas of the system.

C. FLOW METER: A portable flow meter is considered one of the most important tools in detecting water usage and loss. As funds become, the District will purchase one of these units.

D. GATE VALVES: All gate valves will be exercised as recommended in the Kentucky Division of Water Regulations. Valves, which fail to operate properly, will be replaced, as funding becomes available.

E. MAPS: The Water District will maintain updated distribution system maps. Accurate maps depicting line size and location are vital to leak detection.

F. REPLACEMENT OF OLDER TRANSMISSION MAINS: As noted all distribution mains remain original to the system. As funding permits, new projects to replace areas of line determined to be problematic areas will be developed.

PSC EXHIBIT 27

EXHIBIT #2

MCUB REFERENCE Q&A – CITY OF ST. JAMES

Martin County Water District
Request for Proposal Evaluation
Reference Questionnaire

Mr. Lyle Thomas
573-265-7013
City of St. James, MO

1. How long has Alliance Water in provlding services to your utility? (Water, waste water, or both).

   The PWSP has been in contract for Operation and Maintenance since February 2018.

2. What is your current contract term, and how many years do you have remaining on your contract?

   Their current contract is for 5 years with 4 remaining.

3. Do you anticipate renewing your contract?

   Yes, at this time.

4. Have you experienced any unanticipated expenses that were not included in the annual contract fee? If so can you provide examples?

   None.

5. During the contract term have you experienced any difficulty in resolving contract issues with alliance water?

   No.

6. Have you had to mediate or litigate any issues with Alliance Water?

   No

7. As Alliance Water complied with water quality, safety, employment, and other regulations?

   Yes

8. Does your utility provide vehicles and/or equipment, or does Alliance Water provide vehicles and equipment in their contract fee?

   Took ownership of existing fleet. New purchase will be by Alliance.

9. Does Alliance Water provide timely and complete reports to your governing board and regulating authorities?

   Yes.

10. Did Alliance Water retain your workers into their contract operations?

Yes, retained the one employee that was left on staff.

11. Did Alliance Water provide a general manager to run their operations of your utility?

Yes.

12. Do you have a contract manager/administrator to assure compliance with contract obligations or does your governing board administer the contract?

Yes.

13. Does your utility retain any expense applications, such as power, water purchases, utilities, etc.?

Yes.

14. What areas of operations could Alliance Water improve with your operations?

None at this time.

15. Overall how would you rate the performance of Alliance Water (excellent, very good, good, fair, poor) ?

Excellent.

Comments: The City had a $ eserve account for repairs; at the end of the year, Alliance returned $) the City. The City retained ownership of the natural gas and electric utilities. The City will loan the use of heavy equipment to Alliance to make repairs. The City retained the billing and collection services; Alliance is in charge of the O&M of the water and wastewater system. Alliance reduced the City' overtime costs. The previous manager was using staff from the electric and gas departments to make repairs.

EXHIBIT #3

MCUB Q&A
FRANKLIN COUNTY
PWSP3

Martin County Water District
Request for Proposal Evaluation
Reference Questionnaire

Ms. Gail Bader
636-742-5200
Franklin County PWSP#3
Labadie, MO

1. How long has Alliance Water in providing services to your utility? (Water, waste water, or both).

   The PWSP has been in contract for Operation and Maintenance since 1994.

2. What is your current contract term, and how many years do you have remaining on your contract?

   Their current contract was renewed in 2018 for an additional 10 years.

3. Do you anticipate renewing your contract? *N/A*

4. Have you experienced any unanticipated expenses that were not included in the annual contract fee? If so can you provide examples?

   None.

5. During the contract term have you experienced any difficulty in resolving contract issues with alliance water?

   No.

6. Have you had to mediate or litigate any issues with Alliance Water?

   No

7. As Alliance Water complied with water quality, safety, employment, and other regulations?

   Yes

8. Does your utility provide vehicles and/or equipment, or does Alliance Water provide vehicles and equipment in their contract fee?

   Alliance.

9. Does Alliance Water provide timely and complete reports to your governing board and regulating authorities?

   Yes.

10. Did Alliance Water retain your workers into their contract operations?

Yes.

11. Did Alliance Water provide a general manager to run their operations of your utility?

Yes.

12. Do you have a contract manager/administrator to assure compliance with contract obligations or does your governing board administer the contract?

The Board and Alliance assure compliance with Contract Obligations.

13. Does your utility retain any expense applications, such as power, water purchases, utilities, etc.?

Yes.

14. What areas of operations could Alliance Water improve with your operations?

None at this time.

15. Overall how would you rate the performance of Alliance Water (excellent, very good, good, fair, poor) ?

Excellent.

Comments: *None*

EXHIBIT #4

MCUB Q&A
LINCOLN COUNTY

Martin County Water District
Request for Proposal Evaluation
Reference Questionnaire

Mr. Dale McDonald
636-262-7782
Lincoln Co PWSD #1
Troy, MO

1. How long has Alliance Water in providing services to your utility? (Water, waste water, or both).

   The PWSP has been in contract for Operation and Maintenance since 2011.

2. What is your current contract term, and how many years do you have remaining on your contract?

   The contract is renewed annually.

3. Do you anticipate renewing your contract?

   Yes

4. Have you experienced any unanticipated expenses that were not included in the annual contract fee? If so can you provide examples?

   None.

5. During the contract term have you experienced any difficulty in resolving contract issues with alliance water?

   No.

6. Have you had to mediate or litigate any issues with Alliance Water?

   No

7. As Alliance Water complied with water quality, safety, employment, and other regulations?

   Yes

8. Does your utility provide vehicles and/or equipment, or does Alliance Water provide vehicles and equipment in their contract fee?

   Took ownership of existing fleet. New purchases will be by *Alliance.*

9. Does Alliance Water provide timely and complete reports to your governing board and regulating authorities?

   Yes.

10. Did Alliance Water retain your workers into their contract operations?

   No, the Water Board terminated all the employees before Alliance started.

11. Did Alliance Water provide a general manager to run their operations of your utility?

   Yes.

12. Do you have a contract manager/administrator to assure compliance with contract obligations or does your governing board administer the contract?

   The Board and Alliance assure compliance with Contract Obligations

13. Does your utility retain any expense applications, such as power, water purchases, utilities, etc.?

   Yes.

14. What areas of operations could Alliance Water improve with your operations?

   None at this time.

15. Overall how would you rate the performance of Alliance Water (excellent, very good, good, fair, poor) ?

   Excellent.

Comments: Mr. McDonald stated that the Board could not have turned the system around without Alliance. Alliance promote internally. The District Manager and Area Manager attend monthly meetings.

PSC EXHIBIT 28

MARTIN COUNTY
FCO43 PG636

MARTIN COUNTY "SPECIAL" FISCAL COURT MEETING

THURSDAY DECEMBER 7TH, 2017 1:00 P.M.

OPENING OF THE COURT

The meeting was called to order at 1:00 P.M. by Judge Executive Kelly Callaham. Those present were: Magistrate Josh Muncy district #1, Magistrate Kenny McCoy district #2, Magistrate Darrell Mills district#3 and Magistrate Victor Slone district #5. Assistant County Attorney Lynette Muncy was present and led prayer.

ACCEPTING MINUTES OF LAST COURT MEETING

The minutes from December 4th, 2017 were approved upon motion made by Magistrate Darrell Mills and seconded by Magistrate Josh Muncy. It was a unanimous vote.

APPOINT WATER BOARD MEMBERS

Judge Executive addressed the court stating the terms of the water board members have to be staggered. He recommended a 1-year term for John Hensley and Rex Endicott. Their term will end December 2018. Jimmy Don Kerr and Jarrod Crum a 2-year term. John Horn a 3-year term. These terms will be from this day forward. This will makeup a full water board. Judge Executive Kelly Callaham told Mike Crum he would have to go up to the water company and swear in these new board members and conduct the meeting the following Monday. Motion to accept these water board members was made by Magistrate Josh Muncy and seconded by Magistrate Victor Slone. It was a unanimous vote.

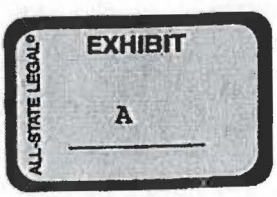
PETITION TO ADOPT ROAD EASEMENTS

Much debate went on about the KRS laws on adopting a road into the county road system. Assistant County Attorney Lynette Muncy recommended doing a petition then the county road foreman and another viewer go out and make sure the road met all the requirements and that it would serve a public purpose. If it met the requirements an easement with exact boundaries would be needed. If possible, get the petition and easement at the same time. Once the road has a CR number, the county could maintain road. Assistant County Attorney Lynette Muncy stated this is the process County Attorney Kennis Maynard has required for the past 15 years. Magistrate Victor Slone read KRS 178.080 and stated these was not the requirements that County Attorney Kennis Maynard was requiring.

Motion to accept the easement going forward and on any road in the past without a CR# can use this easement and petition was made by Magistrate Darrell Mills and seconded by Magistrate Kenny McCoy. It was a unanimous vote with Magistrate Victor Slone protesting.

MOA – BLACKTOP

Motion to accept the memorandum of agreement on blacktop was made by Magistrate Victor Slone and seconded by Magistrate Darrell Mills. It was a unanimous vote.



MOA – FLOOD CONTROL PROJECT

Judge Executive Kelly Callaham stated the flood project has been on hold for the past two years due to the federal funds not being available. The flood control project is a 95% federal money and 5% money county liability. The county funds have already been set aside in an account. The federal government has their portion for the project.

Motion to accept the Flood Control Project agreement was made by Magistrate Josh Muncy and seconded by Magistrate Victor Slone. It was a unanimous vote.

ADJOURN

Motion to adjourn was made by Magistrate Victor Slone and seconded by Magistrate Kenny McCoy. It was a unanimous vote.

KELLY CALLAHAM, JUDGE EXECUTIVE

JEANETTA GOBLE, COURT RECORDER

A.

22225000 Martin County Water District 01/01/2017 - 12/31/2017

Title Page

	Name of Respondent	Addr Line 1	Addr Line 2	City	State	Zip
Sewer Utilities						
Annual Report of						
Respondent	Martin County Water District	387 East Main Street, Suite 140		Inez	KY	41224

PSC EXHIBIT 29

22225000 Martin County Water District 01/01/2017 - 12/31/2017

Principal Payment and Interest Information

	Amount	Yes/No
Amount of Principal Payment During Calendar Year	$0.00	
Is Principal Current?		Y
Is Interest Current?		Y

22225000 Martin County Water District 01/01/2017 - 12/31/2017

Services Performed by Independent CPA

	Yes/No	A/C/R
Are your financial statements examined by a Certified Public Accountant?		
Enter Y for Yes or N for No	Y	
If yes, which service is performed?		
Enter an X on each appropriate line		
Audit		
Compilation		Y
Review		
Please enclose a copy of the accountant's report with annual report.		

22225000 Martin County Water District 01/01/2017 - 12/31/2017

Additional Information Required

Case Num	Date	Explain

General Information 1. (Ref Page: 1)

Exact name of utility making this report.

(Use the words "The", "Company" or "Incorporated" only when part of the corporate name.)

Martin County Water District - Sewer Demo

22225000 Martin County Water District 01/01/2017 - 12/31/2017

General Information 2 - 3 (Ref Page: 1)

	Name	Address	City	State	Phone
Give the location,including street and number, and TELEPHONE NUMBER of the principal office in KY.					
principal office in KY	Martin County Water District	387 East Main Street, Suite 140	Inez	KY	(606) 298-3885
Name,title, address and telphone number with area code of the person to be contacted concerning this report					
	Greg Scott	387 East Main Street, Suite 140	Inez	KY	

22225000 Martin County Water District 01/01/2017 - 12/31/2017

General Information 4 (Ref Page: 1)

	List
Name of State under the laws of which respondent is incorporated and the date of incorporation.	Kentucky 12/1/62

22225000 Martin County Water District 01/01/2017 - 12/31/2017

General Information 5. (Ref Page: 1)

	Date
Date sewer utility began operations	2/1/2000

22225000 Martin County Water District 01/01/2017 - 12/31/2017

General Information 6. (Ref Page: 1)

City or Town	Community or Subdivision	County
	Lovely, KY	Martin

22225000 Martin County Water District 01/01/2017 - 12/31/2017

General Information 7. (Ref Page: 1)

	Count
Number of Full-time employees	0
Number of Part-time employees	0

22225000 Martin County Water District 01/01/2017 - 12/31/2017

Principal Officers (Ref Page: 1)

Title	Last Name	First Name	Bus. Address	Salary or Fee
Chairperson	Horn	John	387 E Main Street, Suite 140	$0.00
Treasurer	Kerr	James	387 E Main Street, Suite 140	$0.00
Secretary	Crum	Jaryd	387 E Main Street, Suite 140	$0.00
Commissioner	Hensley	John	387 E Main Street, Suite 140	$0.00
Commissioner	Endicott	Rex	387 E Main Street, Suite 140	$0.00

22225000 Martin County Water District 01/01/2017 - 12/31/2017

Balance Sheet - Assets and Other Debts (Ref Page: 2)

	Balance First of Yr	Balance End of Yr
UTILITY PLANT		
Utility Plant (101-109)	$153,129.00	$0.00
less: Accum. Prov. for Depr., Depletion and Amortization (110)	$44,140.00	$0.00
Net Utility Plant	$108,989.00	$0.00
OTHER PROPERTY AND INVESTMENTS		
Non-Utility Property (121)		
less: Accum. Prov for Depr. and Amort. of Non-Utility Property (122)		$0.00
Net non-Utility Property	$0.00	$0.00
Other Investments (124)		
Special Funds (125)		
Total Other Property and Investments	$0.00	
CURRENT AND ACCRUED ASSETS		
Cash and Working Funds (131)	$926.00	$926.00
Temporary Cash Investments (132)		
Notes Receivable (141)		
Customer Accounts Receivable (142)	$1,064.00	$0.00
Other Accounts Receivable (143)		
Accum. Prov. For Uncollectible Accts - CR (144)		
Notes Receivable from Assoc. Companies (145)		
Accounts Receivable from Assoc Companies (146)		
Materials and Supplies (150)		
Prepayments (166)		
Other Current and Accrued Assets (170)		
Total Current and Accrued Assets	$1,990.00	$926.00
DEFERRED DEBITS		
Unamortized Debt Expense (181)		
Extraordinary Property Losses (182)		
Other Deferred Debits (183)		
Total Deferred Debits	$0.00	
TOTAL ASSETS AND OTHER DEBITS	$110,979.00	$926.00

22225000 Martin County Water District 01/01/2017 - 12/31/2017

Balance Sheet - Liabilities and Other Credits (Ref Page: 3)

	Balance First of Yr.	Balance End of Yr.
EQUITY CAPITAL		
Common Capital Stock (201)		
Preferred Capital Stock (204)		
Other Paid-In Capital (207)		$0.00
Discount on Capital Stock (213)		
Capital Stock Expense (214)		
Appropriated Retained Earnings (215)		
Unappropriated Retained Earnings (216)	($54,140.00)	($164,193.00)
Non-Corporate Proprietorship (218)		
Total Equity Capital	($54,140.00)	($164,193.00)
LONG-TERM DEBT		
Bonds (221)		
Advances From Associated Companies (223)		
Other Long-Term Debt (224)		
Total Long-Term Debt	$0.00	$0.00
CURRENT AND ACCRUED LIABILITIES		
Notes Payable (231)		
Accounts Payable (232)		
Notes Payable to Associated Companies (233)		
Accounts Payable to Associated Companies (234)		
Customer Deposits (235)		
Taxes Accrued (236)		
Interest Accrued (237)		
Other Current and Accrued Liabilities (238)		
Total Current and Accrued Liabilities	$0.00	$0.00
DEFERRED CREDITS		
Advances for Construction (252)		
Other Deferred Credits (253)		
Accum. Deferred Investment Tax Credits (255)		
Total Deferred Credits	$0.00	$0.00
Operating Reserves (261-265)		
Contributions in Aid of Construction (271)	$165,119.00	$165,119.00

22225000 Martin County Water District 01/01/2017 - 12/31/2017

Balance Sheet - Liabilities and Other Credits (Ref Page: 3)

	Balance First of Yr.	Balance End of Yr.
ACUMULATED DEFERRED INCOME TAXES		
Accum. Def. Income Taxes-Accel. Amort (281)		
Accum. Def. INcome Taxes-Lib. Depr. (282)		
Accum. Def. Income Taxes-Other (283)		
Total Accum. Deferred Income Taxes		
TOTAL LIABILITIES AND OTHER CREDITS	$110,979.00	$926.00

22225000 Martin County Water District 01/01/2017 - 12/31/2017

Summary of Utility Plant (Ref Page: 4)

	Amount
UTILITY PLANT	
In Service:	
Plant in Service Classified (from pg 5 line 40) (101)	
Completed Construction Not Classified (102)	
Utility Plant in Process of Reclassificiation (103)	
Utility Plant Purchased or Sold (106)	
Total In Service	$0.00
Utility Plant Leased to Others (104)	
Property Held for Future Use (105)	
Construction Work in Progress (107)	
Utility Plant Acquisition Adjustments (108)	
Other Utility Plant Adjustments (109)	
Total Utility Plant (to pg 2 line 4)	$0.00
Less:	
Accumulated Provision for Depreciation and Amort. of Utility Plant (to pg 2 line 6) (110)	
Net Utility Plant (to pg 2 line 7)	$0.00

22225000 Martin County Water District 01/01/2017 - 12/31/2017

Accum. Prov. for Depreciation and Amortization of Utility Plant (Ref Page: 4)

	Item	Amount
Balance Beginning of Year		$44,140.00
Accruals for Year:		
Depreciation		$1,517.00
Amortization		
Other Accounts (detail)		
Total Accruals for Year		$1,517.00
Credit Adjustments (describe)		
	Customer Service System Retirement	($45,657.00)
Total Credits for Year		($45,657.00)
Net Charges for Plant Retired:		
Book Cost of Plant Retired (same as pg 5 line 40)	Customer Service System	$153,129.00
Add: Cost of Removal		$0.00
Less: Salvage		$0.00
Net Charges for Plant Retired		$153,129.00
Debit Adjustments (describe)		
Total Debit Adjustments for Year		$0.00
Balance End of Year		

22225000 Martin County Water District 01/01/2017 - 12/31/2017

Sewer Utility Plant In Service (Ref Page: 5)

	Depr Rate	Balance Beg of Year	Additions	Retirements	ReClass (Debit-Credit)	Balance End of Year
INTANGIBLE PLANT						
Organization (301)						
Franchises and Consents (302)						
Misc. Intangible Plant (303)						
Total Intangible Plant		$0.00	$0.00	$0.00	$0.00	$0.00
LAND AND STRUCTURES						
Land and Land Rights (310)						
Structures and Improvements (311)						
Total Land and Structures		$0.00	$0.00	$0.00	$0.00	$0.00
COLLECTION PLANT						
Collection Sewers - Force (352.1)						
Collection Sewers - Gravity (352.2)						
Other Collection Plant Facilities (353)						
Services to Customers (354)		$130,029.00	$23,100.00	$153,129.00	$0.00	$0.00
Flow Measuring Devices (355)						
Total Collection Plant		$130,029.00	$23,100.00	$153,129.00	$0.00	$0.00
PUMPING PLANT						
Receiving Wells and Pump Pits (362)						
Pumping Equipment - Electric (363A)						
Pumping Equipment- Diesel (363B)						
Pumping Equipment - Other (363C)						
Total Pumping Plant (364)		$0.00	$0.00	$0.00	$0.00	$0.00
TREATMENT AND DISPOSAL PLANT						

22225000 Martin County Water District 01/01/2017 - 12/31/2017

Sewer Utility Plant In Service (Ref Page: 5)

	Depr Rate	Balance Beg of Year	Additions	Retirements	ReClass (Debit-Credit)	Balance End of Year
Oxidation Lagoon (372)						
Treatment and Disposal Equipment (373)						
Plant Sewers (374)						
Outfall Sewer Lines (375)						
Other Treatment and Disposal Plant Equip. (376)						
Total Treatment and Disposal Plant (371)		$0.00	$0.00	$0.00	$0.00	$0.00
GENERAL PLANT (372)						
Office Furniture and Equipment (391)						
Transportation Equipment (392)						
Stores Equipment (393A)						
Tools, Shop and Garage Equipment (393B)						
Laboratory Equipment (393C)						
Power Operated Equipment (393D)						
Communication Equipment (393E)						
Other Tangible Property (393F)						
Total General Plant		$0.00	$0.00	$0.00	$0.00	$0.00
TOTAL SEWER PLANT IN SERVICE		$130,029.00	$23,100.00	$153,129.00	$0.00	$0.00

22225000 Martin County Water District 01/01/2017 - 12/31/2017

Capital Stock (Ref Page: 6)

	Class and Series (a)	No. of Shares Auth. (b)	Par Val per Share of Par	Stated Val Per Share of	Outstanding Shares (e)	Outstanding Amount (f)
Total		0	$0.00	0.0000	0	$0.00

22225000 Martin County Water District 01/01/2017 - 12/31/2017

Long-Term Debt (Ref Page: 6)

	Class and Series	Orig. Issue Amt	Date of Issue (b)	Date of Maturity (c)	Outstanding Balance	Interest Rate (e)	Interest Amt (f)
List each Original Issue Amount Class and Series of Obligation							
Total		$0.00			$0.00	0.0000	$0.00

Notes Payable (Ref Page: 6)

	Name of Payee (a)	Date Of Note (b)	Date of Maturity (c)	Interest Rate (d)	Balance End of Year (e)
(Include Notes Payable to Associated Companies Under This Heading)					
Total				0.0000	$0.00

22225000 Martin County Water District 01/01/2017 - 12/31/2017

Interest Accrued (Ref Page: 6)

	Description of Obligation (a)	Int. Accr. Balance First of Yr	Int. Accr. During Yr (c)	Int. Paid During Yr (d)	Int. Accr. Balance End of Yr
Total		$0.00	$0.00	$0.00	$0.00

22225000 Martin County Water District 01/01/2017 - 12/31/2017

Other Current and Accrued Liabilities (Ref Page: 7)

Description	Amount
None	$0.00
Total (must agree with pg 3 Acct 238)	$0.00

22225000 Martin County Water District 01/01/2017 - 12/31/2017

Statement of Retained Earnings For the Year (Ref Page: 7)

Item (a)	This Year (b)	Last Year (c)
UNAPPROPRIATED RETAINED EARNINGS (216)		
Balance Beginning of Year	($54,140.00)	($31,180.00)
Balance Transferred From Income (435)	($110,053.00)	($22,960.00)
Appropriations of Retained Earnings (436)		
	$0.00	
Dividends Declared-Preferred Stock (437)	$0.00	$0.00
Dividends Declared-Common Stock (438)	$0.00	$0.00
Adjustments to Retained Earnings (439)		
		$0.00
Balance End of Year	($164,193.00)	($54,140.00)

22225000 Martin County Water District 01/01/2017 - 12/31/2017

Statement of Income for the Year (Ref Page: 8)

Description	Number Customers (b)	Amount (c)
OPERATING REVENUES		
Flat Rate Revenues-General Customers:		
Residential Revenues (521.1)		
Commercial Revenues (521.2)		
Industrial Revenues (521.3)		
Revenues From Public Authorities (521.4)		
Total (521)	0	$0.00
Measured Revenues - General Customers: (483)		
Residential Revenues (522.1)		
Commercial Revenues (522.2)		
Industrial Revenues (522.3)		
Revenues From Public Authorities (522.4)		
Total (522)	0	$0.00
Revenues From Public Authorities (523)		
Revenues From Other Systems (524)		
Miscellaneous Sewage Revenues (526)		
Total Sewage Service Revenues (521-526)	0	$0.00
OTHER OPERATING REVENUES		
Customers Forfeited Discounts (532)		
Miscellaneous Operating Revenues (536)		
Total Other Operating Revenues		$0.00
Total Operating Revenues		$0.00
OPERATING EXPENSES		
Total Sewer Operation and Maint. Expenses (from pg 9)		$1,064.00
Depreciation Expense (403)		$1,517.00
Amortization Expense (from pg 10) (404-407)		
Taxes Other Than Income taxes (from pg 10) (408.1)		
Total Income Taxes-Utility Operations (from pg 10)		
Total Sewage Operating Expenses		$2,581.00
Net Operating Income		($2,581.00)

22225000 Martin County Water District 01/01/2017 - 12/31/2017

Statement of Income for the Year (Ref Page: 8)

	Description	Number Customers (b)	Amount (c)
OTHER INCOME			
Income from NonUtility Operations (417)			
Interest and dividend Income (419)			
Miscellaneous Nonoperating Income (421)			
Other Accounts (Specify Acct. No & Title)			
Total Other Income			
OTHER DEDUCTIONS			
Interest on Long-Term Debt (427)			
Amortization of Debt Discount and Expense (428)			
Interest on Debt to Associated Companies (430)			
Other Interest Expense (431)			
Taxes Other than Income Taxes 408.2 (from pg 10)			
Total Income Taxes-Nonutility Operations (from pg 10)			
Other Accounts (Specify Acct. No. and Title)			
	414 Loss on Disposal of Customer Service System		$107,472.00
Total Other Deductions			$107,472.00
Net Income			($110,053.00)

22225000 Martin County Water District 01/01/2017 - 12/31/2017

Sewer Operation and Maintenance Expenses (Ref Page: 9)

	Amount (b)
OPERATION EXPENSES	
Supervision and Engineering (700) :	
Owner/Manager-Management Fee (700-A)	
Other Expenses (700-B)	
Labor and Expenses (701):	
Collection System-Labor, Materials and Expenses (701-A)	
Pumping System-Labor, Materials and Expenses (701-B)	
Treatment System (701-C) :	
Sludge Hauling	
Utility Service - Water Cost	
Other-Labor, Materials and Expense	
Rents (702)	
Fuel and Power Purchased for Pumping and Treatment (703)	
Chemicals (704)	
Miscellaneous Supplies and Expenses (705):	
Collection System (705-A)	
Pumping System (705-B)	
Treatment an Disposal (705-C)	$0.00
Total Operation Expenses	$0.00
MAINTENANCE EXPENSES	
Supervision and Engineering (710) :	
Routine Maintenance Service Fee (710-A)	
Internal Supervision and Engineering (710-B)	
Maintenance of Structures and Improvements (711)	
Maintenance of Collection Sewer system (712)	
Maintenance of Pumping System (713)	
Maintenance of Treatment and Disposal Plant (714)	
Maintenance of Other Plant Facilities (715)	
Total Maintenance Expenses	
CUSTOMER ACCOUNTS EXPENSES	
Supervision (901)	
Meter Reading Expenses and Flat Rate Inspections (902)	

22225000 Martin County Water District 01/01/2017 - 12/31/2017

Sewer Operation and Maintenance Expenses (Ref Page: 9)

	Amount (b)
Customer Records and Collection Expenses (903):	
Agency Collection Fee (903-A)	
Internal Labor, Materials and Expenses (903-B)	
Uncollectible Accounts (904)	$1,064.00
Miscellaneous Customer Accounts Expenses (905)	
Total Customer Accounts Expenses	$1,064.00
ADMINISTRATIVE AND GENERAL EXPENSES	
Administrative and General Salaries (920)	
Office Supplies and Other Expenses (921)	
Outside Services Employed (923)	
Insurance Expenses (924)	
Employee Pensions and Benefits (926)	
Regulatory Commission Expense (928)	
Transportation Expenses (929)	
Miscellaneous General Expenses (930)	
Rents (931)	
Maintenance of General Plant (932)	
Total Administrative and General Expenses	$0.00
TOTAL SEWER OPERATION AND MAINTENANCE EXPENSES (to pg 8)	$1,064.00

22225000 Martin County Water District 01/01/2017 - 12/31/2017

Taxes Other Than Income Taxes (Ref Page: 10)

Item (a)	Amount (b)
Payroll Taxes	
Property Taxes	
Utility Regulatory Commission Assessment	
Other (specify)	
Total (Same as Page 8 line 27 plus 44)	$0.00

22225000 Martin County Water District 01/01/2017 - 12/31/2017

Operating and Non-Operating Income Taxes (Ref Page: 10)

	Amount (b)
Income Taxes-Federal (409.1)	
Income Taxes - State (409.1)	
Income Taxes - Other (409.1)	
Provisions for Deferred Income Taxes (410.1)	
Income Taxes Deferred in Prior Years - Credit (411.1)	
Investment Tax Credits - Net (412.0)	
Total Income Taxes - Util. Operating Income (to pg 8 line 28)	$0.00
Income Taxes - Federal (409.2)	
Income Taxes - State (409.2)	
Income Taxes - Other (409.2)	
Provisions for Deferred Income (410.2)	
Income Taxes Deferred in Prior Years - Credit (411.2)	
Investment Tax Credits - Net (412.4)	
Total Inc. Taxes - Nonutil. Op. Income (to pg 8 line 45)	$0.00

22225000 Martin County Water District 01/01/2017 - 12/31/2017

Amortization Expense (Ref Page: 10)

	Amount (b)
Amortization of Limited - Term Utility Plant (404)	
Amortization of Other Utility Plant (405)	
Amortization of Utility Plant Acquisition Adjustments (406)	
Amortization of Property Losses (407)	
Amortization of Rate Case Expense	
Total Amortization Expense (to pg 8 line 26)	$0.00

22225000 Martin County Water District 01/01/2017 - 12/31/2017

Sewer Plant Statistics - Plant Valuation 1 - 3 (Ref Page: 11)

	Description	Percentage
What method of valuation was used with reference to Sewer Utility Plant in Service Appearing on page two line four: Original Cost, Estimated Cost, Origainal Cost Study?	None	
What percentage of Sewer Utility Plant in Service was recovered, by the developer of hte subdivision, through the sale of lots?		
If less than one-hundred percent of the utility plant was recovered, please designate what portion (collection lines, treatement plant, etc.) of the plant that represents non-contributed plant		

Sewer Plant Statistics - Plant Valuation 4. (Ref Page: 11)

	Last Name	First Name	Date
By whom were the books of account audited? What was the date of the last audit?			
If unaudited in the past twelve months, when and by whom is the next audit anticipated?			

22225000 Martin County Water District 01/01/2017 - 12/31/2017

Sewer Plant Statistics - Physical Data of Sewer Plant (Ref Page: 11)

Date of Construction of original Plant
Type of treatment process
Date and additional GPD Capacity of subsequent additions to plant
Population for which plant is designed including population equivalent of industrial waste load

22225000 Martin County Water District 01/01/2017 - 12/31/2017

Sewer Plant Statistics - Treatment Plant Operating Statistics (Ref Page: 11)

	Total	Cost
Total gallons received during the year		
Total gallons received on maximum day		
Maximum G.P.D. Capacity of the sewage treatment plant		
Routine maintenance service fee		
Cost per month		
Contract Expires		
Sludge hauling		
Cost per load		
Average number of gallons per load		
Number of loads this year		

22225000 Martin County Water District 01/01/2017 - 12/31/2017

Sewer Plant Statistics - Customer Statistics End of Year (Ref Page: 12)

Type	Num of Customers	Bi-Month or Month Billing	Number of bills
Residential			
Single Family			
Apartments/Condominiums			
Commercial			
Industrial			
Other			
Total			

22225000 Martin County Water District 01/01/2017 - 12/31/2017

Sewer Plant Statistics - Industrial Customers Served (Ref Page: 12)

Name	Type of Industry	Gallons	Pretreatment of Wastes

22225000 Martin County Water District 01/01/2017 - 12/31/2017

Sewer Plant Statistics - Pumping Stations (Ref Page: 12)

Location	Size of Motor	Type of Motor	Gals per Day

22225000 Martin County Water District 01/01/2017 - 12/31/2017

Sewer Plant Statistics - Mains (Feet) (Ref Page: 12)

	Kind of Pipe	Diameter	Num of Feet	additions	removed	Feet End of Year

22225000 Martin County Water District 01/01/2017 - 12/31/2017

Sewer Plant Statistics - Service Laterals and Stubs (Ref Page: 12)

	Count
Number of service laterals owned by the utility at end of year	0
Number of stubs as of end of year	0
Number of service laterals owned by others	0

CheckList

Item	Value 1	Value 2	Agree	Explain
Balance Sheet (ref pg 2) Line Utility Plant (101-109) agrees with Sched Summary of Utility Plant (ref. pg 4) Total Utility Plant	0.0000	0.0000	OK	
Balance Sheet (ref pg 2) Line Less: Acct 110 agrees with Sched Summary of Utility Plant (ref pg 4) Line Total Utility Plant	0.0000	0	OK	
Balance Sheet (ref pg 2) Line Net Utility Plant agrees with Summary of Utility Plant (ref pg 4) Line Net Utility Plant	0.0000	0.0000	OK	
Summary of Utility Plant (ref pg 4) Plant in Service Classified (Acct 101) agrees with Sched Sewer Plant in Service (ref pg 5) Total Sewer Plant in Service	0	0.0000	OK	
Accum. Prov for Deprec. and Amort (Ref pg 4) Balance End of Year agrees with Sched Summary of Utility Plant (ref pg 4) Accumulated Prov. for Depr. and Amort.	0	0	OK	
Balance Sheet (ref pg 3) Sum of Common Capital Stock (201) and Preferred Capital Stock (204) agrees with Schedule Capital Stock (ref pg 6)	0	0.0000	OK	
Balance Sheeet (ref pg 3) Unappropriated Retained Earnings (216) agrees with Sched Statement of Retained Earnings (ref pg 7) Balance End of Year	-164193.00	-164193.00	OK	
Balance Sheet (ref pg 3) Total Long Term Debt (224) agrees with Sched Long Term Debt (ref pg 6) Total col d	0.0000	0.0000	OK	
Balance Sheet (ref pg 3) The sum of Notes Payable (231) and (233) agrees with Sched Notes Payable (ref pg 6) Total Col e	0	0.0000	OK	
Balance Sheet (ref pg 3) Interest Accrued (237) agrees with Sched Interest Accrued (ref pg 6) Total Col e	0	0.0000	OK	
Balance Sheet (ref pg 3) Current and Accrued Liabilities (238) agrees with Sched Other Current and Accrued Liabilities (ref pg 7) Total	0	0.0000	OK	

CheckList

Item	Value 1	Value 2	Agree	Explain
Balance Sheet (ref pg 3) Total Liabilities and Other Credits agrees with Balance Sheet (ref pg 2) Total Assets and Other Debits	926.00	926.00	OK	
Accum Prov. for Depreciation and Amortization (ref. pg 4) Depreciation agrees with Sched Statement of Income for the Year (ref pg 8) Depreciation Expense (403)	1517.00	1517.00	OK	
Sched Long Term Debt (ref pg 6) Total Interest Amount agrees with Sched Statement of Income (ref pg 8) Interest on Long Term Debt (427)	0.0000	0	OK	
Interest Accrued (ref pg 6) Total Interest Accrued agrees with Sched Statement of Income (ref pg 8) Other Interest Expense (431)	0.0000	0	OK	
Statement of Income for the Year (ref pg 8) Total Sewer Operation and Maint. Expenses agrees with Sched Sewer Operation and Maintenance Expenses (ref pg 9) Total Sewer Operation and Maint. Exp	1064.00	1064.00	OK	
Statement of Income for the Year (ref pg 8) Total Income taxes - Utility Operations agrees with Sched Operating and Non-Operating Income Taxes (ref pg 10) Total Income Taxes - Util Operating Income	0	0.0000	OK	
Statement of Income for the Year (ref pg 8) Amortization Expense agrees with Sched Amortization Expense (ref pg 10) Total Amortization Expense	0	0.0000	OK	
Statement of Income for the Year (ref pg 8) The sum of lines Taxes Other than Income Taxes 408.1 and 408.2 agrees with Taxes Other Than Income (ref pg 10)	0	0.0000	OK	
Statement of Income for the Year (ref pg 8) Total Income Taxes - Nonutility Operations agrees with Sched Operating and Non-Operating Income Taxes Total Inc. Taxes - Nonutil. Op Income	0	0.0000	OK	
Schedule Sewer Plant Statistics (ref pg 11 and 12) have been completed				

22225000 Martin County Water District 01/01/2017 - 12/31/2017

Upload supporting documents

Document	Description	Supports

Utility ID: 22225000

OATH

Commonwealth of Kentucky)
) ss:
County of Martin)

Greg Scott makes oath and says
(Name of Officer)

that he/she is Interim General Manager of
(Official title of officer)

Martin County Water District
(Exact legal title or name of respondent)

that it is his/her duty to have supervision over the books of account of the respondent and to control the manner in which such books are kept; that he/she knows that such books have, during the period covered by the foregoing report, been kept in good faith in accordance with the accounting and other orders of the Public Service Commission of Kentucky, effective during the said period; that he/she has carefully examined the said report and to have the best of his/her knowledge and belief the entries contained in the said report have, so far as they relate to matters of account, been accurately taken from the said books of account and are in exact accordance therewith; that he/she believes that all other statements of fact contained in the said report are true; and that the said report is a correct and complete statement of the business and affairs of the above-named respondent during the period of time from and including

January 01, 2017 , to and including December 31, 2017

(Signature of Officer)

subscribed and sworn to before me, a Notary Public , in and for

the State and County named in the above this 30th day of August, 2018

(Apply Seal Here)

My Commission expires 2/6/2022

(Signature of officer authorized to administer oath)

[Persons making willful false statements in this report may be punished by fine or imprisonment under KRS 523.040 and 523.100.]

B.

No Audit on file for years 2011 – 2018 for Martin County Sewer District

Kentucky Public Service Commission

psc.ky.gov | General | Commission Records | For Consumers | Utility Information | SiteMap | Er

Register | Login

List Utility Filed Audit Documents completed by a C.P.A

Available Report Periods

- ☐ 2018
- ☐ 2017
- ☐ 2016
- ☐ 2015
- ☐ 2014
- ☐ 2013
- ☐ 2012
- ☐ 2011

General Utility Types

- ☐ Electric
- ☐ Gas
- ☑ Sewer
- ☐ Telecom
- ☐ Water

Clear Filters

Lyon County Water District	Sewer	2015
Lyon County Water District	Sewer	2014
Lyon County Water District	Sewer	2012
Mallard Point Disposal Systems, Inc.	Sewer	2011
McCreary County Water District	Sewer	2018
McCreary County Water District	Sewer	2017
McCreary County Water District	Sewer	2016
McCreary County Water District	Sewer	2015
McCreary County Water District	Sewer	2014
Mountain Water District	Sewer	2013
P. R. Wastewater Management, Inc.	Sewer	2018
P. R. Wastewater Management, Inc.	Sewer	2017
P. R. Wastewater Management, Inc.	Sewer	2015
Powell's Valley Water District	Sewer	2018

C

MARTIN COUNTY WATER

DISTRICT_SEWER

P.S.C. KY. NO. _____

CANCELLING P.S.C. KY. NO. _____

Martin County Water District

OF

HC 69, Box 875, Inez, KY 41224

RATES, RULES, AND REGULATIONS FOR FURNISHING

Sewer Service

PUBLIC SERVICE COMMISSION OF KENTUCKY EFFECTIVE

OCT 21 1999

PURSUANT TO 807 KAR 5:011, SECTION 9 (1)

BY: Stephan O Bell

SECRETARY OF THE COMMISSION

FILED WITH THE

PUBLIC SERVICE COMMISSION

OF

KENTUCKY

PUBLIC SERVICE COMMISSION OF KENTUCKY EFFECTIVE

OCT 21 1999

PURSUANT TO 807 KAR 5:011, SECTION 9 (1)

BY: Stephan O Bell

SECRETARY OF THE COMMISSION

ISSUED August 17, 1999

EFFECTIVE October 21, 1999

ISSUED BY Martin County Water District

Name of Utility

BY _____

For Lovely, Kentucky
Community, Town or City

P.S.C. NO. _____

REVISED SHEET NO. _____

Martin County Water District
Name of Issuing Corporation

CANCELLING P.S.C. NO. _____

ORIGINAL SHEET NO. 1

CLASSIFICATION OF SERVICE

	RATE PER UNIT
Sewer Service - Lovely PRIDE Demonstration Project	$26.25 per month

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

OCT 21 1999

PURSUANT TO 807 KAR 5:011,
SECTION 9 (1)
BY: Stephan O Bey
SECRETARY OF THE COMMISSION

DATE OF ISSUE 8/17/1999 DATE EFFECTIVE ~~9/1/1999~~ 10-21-99

ISSUED BY [signature] TITLE Chairman

Issued by authority of an Order of the Public Service Commission of Kentucky in Case No. 99-382 dated 10-21-99.

Martin County Water & Sanitation
(Name of Utility)

Credit / Debit Cards

All customers may pay their bill by credit or debit card. This method of payment may be made in person at the utility office or by telephone.

If on the bill due date an attempt to pay by credit card or debit card is made and the card is declined for any reason, payment is still due in full on that date and will be considered late after that date. All late charges and penalties will be applied. If a customer is paying on our disconnect day and the card is denied, the same rules as above apply, in addition to service being disconnected.

When a customer makes a payment by credit or debit card, the utility will assess a fee equal to that charged to the utility by the credit or debit card processing company to process the transaction. This fee is generally calculated using a formula applied to the balance of the amount charged to the credit or debit account but may be a flat fee per transaction.

Prior to processing the transaction, the customer will be informed of the fee amount and, upon request by the customer, the formula employed to arrive at this fee amount.

KENTUCKY
PUBLIC SERVICE COMMISSION
JEFF R. DEROUEN
EXECUTIVE DIRECTOR
TARIFF BRANCH
Brent Kirtley
EFFECTIVE
11/24/2012
PURSUANT TO 807 KAR 5:011 SECTION 9 (1)

D.

Martin County Sanitation District

Counties Served
Martin

Registration 2018

SECTION I

SPGE INFORMATION

SPGE NAME	REGISTRATION PAID	TAXING AUTHORITY
Martin County Sanitation District	05/29/2018	No
MAILING ADDRESS	**CITY**	**ZIP CODE**
387 E Main St Suite 140	Inez	41224
CONTACT NAME	**TELEPHONE NUMBER**	**FAX NUMBER**
Greg Scott	(606) 298-3885	
EMAIL	**WEBSITE URL**	
greg_scott818@yahoo.com		

SPGE TYPE
Enterprise – Water District

TYPES OF SERVICES PROVIDED BY SPGE
SANITATION SERVICES

OPERATIONAL BOUNDARIES AND SERVICE AREA OF SPGE
MARTIN COUNTY, KY

LIST ALL FEDERAL, STATE AND LOCAL ENTITIES THAT HAVE OVERSIGHT OVER THE SPGE
MARTIN COUNTY UTILITY BOARD AND FISCAL COURT

SECTION II

CREATION AND OPERATIONAL INFORMATION

KRS UNDER WHICH SPGE WAS ESTABLISHED	DATE SPGE ESTABLISHED	DATE OF LAST AUDIT
65	01/01/1980	12/31/2014

ESTABLISHING ENTITY
County

KRS UNDER WHICH SPGE OPERATES	ETHICS ORDINANCE
65	County

AUTHORITY UNDER WHICH SPGE OPERATES

SECTION III

LOCAL NEWSPAPER (per KRS 424.120)

NEWSPAPER NAME	MAILING ADDRESS		
MOUNTAIN CITIZEN	20 WEST MAIN STREET		
CITY	**STATE**	**ZIP**	**PHONE**
INEZ	KY	41224	(606) 298-7570

SECTION IV

DATA SUPPLIED BY

NAME	TELEPHONE NUMBER	EXTENSION
Greg Scott	(606) 298-3885	
TITLE		**DATE**
General Manager		05/25/2018

MAILING ADDRESS	CITY	
387 E Mainstreet	Inez	
STATE	**ZIP**	**EMAIL**
KY	41224	greg_scott818@yahoo.com

SECTION V

FEES

SUM OF TOTAL ANNUAL REVENUES FROM ALL SOURCES FROM PREVIOUS YEAR FOR CALCULATING FEE RATE (DUE BY JULY 15)
$0.00

DOES YOUR ENTITY CHARGE TAXES OR FEES?
No

SECTION VI

BOARD MEETINGS

MEETING DATE	MEETING TIME	LOCATION
2ND TUESDAY OF MONTH	8:00 AM	ROY F. COLLIER COMMUNITY CENTER

BOARD MEMBERS			
JAMES CLARK, TREASURER 387 EAST MAIN STREET INEZ, 41224	Term Expires: 02-01-2018	Term: 4	Phone: (303) 298-4189
JAMES CLARK, TREASURER 387 EAST MAIN STREET INEZ, 41224	Term Expires: 02-01-2018	Term: 4	Phone: (303) 298-4189
JAMES CLARK, TREASURER 387 EAST MAIN STREET INEZ, 41224	Term Expires: 12-31-2015	Term: 4	Phone: (303) 298-4189
NITA COLLIER, SECRETARY 387 EAST MAIN STREET INEZ, 41224	Term Expires: 12-31-2015	Term: 4	Phone: (606) 298-4189
NITA COLLIER, SECRETARY 387 EAST MAIN STREET INEZ, 41224	Term Expires: 02-01-2015	Term: 4	Phone: (606) 298-4189
NITA COLLIER, SECRETARY 387 EAST MAIN STREET INEZ, 41224	Term Expires: 02-01-2015	Term: 4	Phone: (606) 298-4189
JARED CRUM, SECRETARY 387 E Main St Suite 140 Inez, 41224	Term Expires: 02-01-2020	Term: 4	Phone: (606) 298-3885
REX ENDICOTT, BOARD 387 East Main Street Inez, 41224	Term Expires: 02-01-2020	Term: 4	Phone: (606) 298-4189
JOHN HANEY, BOARD 387 EAST MAIN STREET INEZ, 41224	Term Expires: 12-31-2015	Term: 4	Phone: (606) 298-4189
JOHN HANEY, BOARD 387 EAST MAIN STREET INEZ, 41224	Term Expires: 02-01-2018	Term: 4	Phone: (606) 298-4189
JOHN HANEY, BOARD 387 EAST MAIN STREET INEZ, 41224	Term Expires: 02-01-2018	Term: 4	Phone: (606) 298-4189
Bill Harvey, Chairperson 387 East Main Street Inez, 41224	Term Expires: 02-01-2015	Term: 4	Phone: (606) 298-4189

BOARD MEMBERS			
Bill Harvey, Chairperson 387 East Main Street Inez, 41224	Term Expires: 12-31-2015	Term: 4	Phone: (606) 298-4189
Bill Harvey, Chairperson 387 East Main Street Inez, 41224	Term Expires: 02-01-2015	Term: 4	Phone: (606) 298-4189
JOHN HENSLEY, BOARD 387 EAST MAIN STREET INEZ, 41224	Term Expires: 02-01-2020	Term: 4	Phone: (606) 298-4189
JOHN HORN, CHAIRPERSON 387 EAST MAIN STREET INEZ, 41224	Term Expires: 02-01-2020	Term: 4	Phone: (606) 298-4189
JAMES KERR, TREASURER 387 EAST MAIN STREET INEZ, 41224	Term Expires: 02-01-2020	Term: 4	Phone: (303) 298-4189

E.

Compliance Reports

MORE / LESS

REGISTRATION	BUDGETS	AMENDMENTS	ACTUALS	AUDITS
2018	2018			
2017	2017			
2016	2016			
2015	2015	2015		

Vendor **Blue Water Kentucky**

Date Filed	Date	0-30	31-60	61-90	Over 90 Days	Amount Due
6/18/2018	May-18					$ -
7/16/2018	Jun-18					-
8/15/2018	Jul-18	2,500.00				2,500.00
9/7/2018	Aug-18	1,000.00	2,500.00			3,500.00
10/12/2018	Sep-18		1,000.00	2,500.00		3,500.00
11/14/2018	Oct-18	1,275.00		1,000.00	2,500.00	4,775.00
12/13/2018	Nov-18	1,300.00	1,275.00		1,000.00	3,575.00
1/15/2019	Dec-18		1,300.00			1,300.00
2/14/2019	Jan-19					-
3/12/2019	Feb-19					-
4/11/2019	Mar-19	3,554.64	3,350.00			6,904.64
5/14/2019	Apr-19		3,554.64	1,825.00		5,379.64
6/14/2019	May-19	9,298.73		3,554.64		12,853.37
7/15/2019	Jun-19	4,840.48	9,298.73		1,054.64	15,193.85
8/15/2019	Jul-19	2,351.30	4,840.48	7,853.37		15,045.15
9/16/2019	Aug-19	3,641.00	2,351.30	4,840.48	5,353.37	16,186.15
10/15/2019	Sep-19	1,125.00	3,641.00	2,351.30	7,693.85	14,811.15

PSC EXHIBIT 30

Exhibits – Abbreviated

1. Annual Reports

2. Reg—requiring filing Annual Repts.

3. Audits—Sumpter letter

4. Statute requiring Audit filing

5. KAR Rules

6. Due Dates Annual Reports + Supp. Info

7. KAR Deviation

8. Inspections

9. Water Loss Reports

10. Quarterly Meter Reports

11. Management Audits – Huron, B/W

12. EKU report

13. PSC Challenged Utils Report 2002
Update to Report 2005

14. GAO Infrastructure Report

15. PSC Risk Ranking

16. Base Rates

17. July 25, 2019 and August 25, 2019 Data Responses

18. Audit Letters, White & Associates

19. Policy Manual Fiscal Court

20. Dewitt

21. S.C. Bell

22. Plenary Powers

23. Statute – Approve Loans

24. Vacancy notification Horn

25. 2016 ARF Requirement

26. Greg Scott signed – orders

27. Alliance References

28. Minutes MCWD – Slate of Cmrs.

29. Sewer Annual Report (PSC), Sanitation District Background

PSC EXHIBIT 31