



Andy Beshear
Governor

Rebecca W. Goodman
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
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psc.ky.gov

Michael J. Schmitt
Chairman

Robert Cicero
Vice Chairman

Talina R. Mathews
Commissioner

May 26, 2020

PARTIES OF RECORD

Re: Case No. 2018-00017

The attached documents have been filed in the record of the above-referenced case. If you have any comments you would like to make regarding the documents, please do so within five days of receipt of this letter.

If you have any questions, please contact Nancy J. Vinsel, Assistant General Counsel, at 502-782-2582.

Sincerely,

A handwritten signature in blue ink, appearing to read "Kent A. Chandler".

Kent A. Chandler
Executive Director

njv

Attachments

Martin County Water District
387 E. Main St.

Phone (606) 298-3885 **Inez, Kentucky 41224**

Special Meeting, Tuesday, January 21, 2020 – 6:00 p.m.
Martin County Government Center (2nd Floor)

- 1) Call the meeting to order
- 2) Review and Consideration to Approve Minutes
- 3) Introduction of Guests
- 4) Review and Consideration of Financial Reports
 - A. Review and Consideration to Approve Treasurer's Report
 - B. Review and Consideration to Approve Other Financials
 - C. Update on Financials by Ann Perkins
 - D. Other Items for Discussion & Approval
- 5) Review and Consideration to Approve Bills
- 6) Legal
 - A. Any Issues for Discussion with Board Attorney
- 7) Operations
 - A. Alliance Operations Report
 - B. Items Accomplished to Date
 - C. List/ Discussion of Priority Items
 - D. Schedule of AWR Support Personnel
- 8) Capital Projects Report
 - A. Project Updates
- 9) Other Old Business
- 10) Other New Business
 - A. List of Contacts & Meetings to Date with Other Agencies
- 11) Consider Motion to Convene Into Closed Executive Session
- 12) Consider Motion to Close Executive Session
- 13) Other and Informational
 - A. Martin County Concerned Citizens (MCCC) List of Priority Concerns
- 14) Adjourn

Notice is hereby given that, subject to a motion duly made and adopted, the Board of Directors may hold an Executive Session subject to the laws of Kentucky.

MARTIN COUNTY UTILITY BOARD

387 East Main Street, Suite 140
INEZ, KY 41224

606-298-3885 OFFICE

606-298-4913 FAX

Martin County Water District

Special Board Meeting

December 30, 2019

6:00 PM

Martin County Government Center
2nd Floor

James Kerr called meeting to order at 6:02 p.m.

In attendance were, James Kerr, Greg Crum, BJ Slone, Marcie Dials

Approval of Minutes:

- Motion by Greg Crum and seconded by BJ Slone to approve minutes from the previous board meeting. **Motion Carried**

Assign Officers for 2020:

- Greg Crum nominated James Kerr as Chairman. Motion made by BJ Slone and seconded by Greg Crum. **Motion Carried.**
- Greg Crum nominated himself as Treasurer. Motion made by BJ Slone and seconded by Greg Crum. **Motion Carried.**
- Greg Crum nominated BJ Slone as Secretary. Motion made by Greg Crum and seconded by BJ Slone. **Motion Carried.**

Adjourn:

- Motion made by BJ Slone and seconded by Greg Crum to adjourn. **Motion carried.**

James Kerr, Chairman

BJ Slone, Secretary

Greg Crum, Treasurer

Martin County Utility Board

387 East Main Street, Suite 140
Inez, KY41224

Office 606-298-3885

Fax 606-298-4913

Martin County Water District Special Board Meeting

**December 30, 2019
6:00 PM**

Government Center
2nd Floor

AGENDA

- 1. Call meeting to Order**
- 2. Reading and Approval of Minutes**
- 3. Assign officers for 2020**
- 4. Adjourn**

**Martin County Water District
Treasury Report
Summary of Cash & Investments
December 31, 2019**

Bank Account	Beginning Balance	Deposits	Interest Earned, Net of Fees	Payments	Ending Balance
Revenue Fund Account	\$ 5,419.91	19,160.51	-	(37.82)	\$ 24,542.60
Revenue EFT Account	11,071.62	37,400.42	-	(39,080.12)	9,391.92
Operations Account	14,742.36	109,233.86	-	(128,631.14)	(4,654.92)
Payroll Account	7,993.09	70,900.00	-	(78,542.15)	350.94
					-
Cash on Hand	<u>900.00</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>900.00</u>
Total Unrestricted Cash	40,126.98	236,694.79	-	(246,291.23)	30,530.54
Restricted Cash					
Debt Service Charge	1,323.32	9,499.60	0.42	(8,499.60)	2,323.74
Depreciation Reserve	1,991.63	-	0.02	(990.00)	1,001.65
Security Deposits	156,395.36	2,250.00	6.92	-	158,652.28
KY Assoc of Counties Leasing Trust	7,150.06	1,200.00	0.10	(949.10)	7,401.06
Management Infrastructure Surcharge	-	12,243.86	0.01	-	12,243.87
Rockhouse Project	3,195.74	10,800.00	-	(10,328.23)	3,667.51
KIA Bond & Interest	9,264.06	5,800.00	0.08	(5,696.74)	9,367.40
ARC Grant	<u>9,689.30</u>	<u>6,000.00</u>	<u>-</u>	<u>(15,600.00)</u>	<u>89.30</u>
Total Restricted Cash	189,009.47	47,793.46	7.55	(42,063.67)	194,746.81
Total Cash & Investments	<u>\$ 229,136.45</u>	<u>284,488.25</u>	<u>7.55</u>	<u>(288,354.90)</u>	<u>\$ 225,277.35</u>

**MARTIN COUNTY WATER DISTRICT
General Ledger**

For the Period From Dec 1, 2019 to Dec 31, 2019

Filter Criteria includes: 1) IDs: Multiple IDs. Report order is by ID. Report is printed with shortened descriptions and in Detail Format.

Account ID Account Descri	Date	Referen	Jrn	Trans Description	Debit Amt	Credit Amt	Balance
126d	12/1/1			Beginning Balance			3,195.74
53-694-6 RD - Si	12/19/	XFER	GE	Xfer to RD from Rev	10,800.00		
	12/20/		CD	KENTUCKY RURAL WATER		10,328.23	
				Current Period Change	10,800.00	10,328.23	471.77
	12/31/			Ending Balance			3,667.51
126e	12/1/1			Beginning Balance			7,150.06
04-137-8 KACO-	12/19/	XFER	GE	Xfer to Kaco from Rev	1,200.00		
	12/20/	1572	CD	US BANK KY POOLED CHE		474.55	
	12/20/	1573	CD	US BANK KY POOLED CHE		474.55	
	12/31/	12/31/19	GE	Interest Income	0.10		
				Current Period Change	1,200.10	949.10	251.00
	12/31/			Ending Balance			7,401.06
126g	12/1/1			Beginning Balance			9,264.06
61-769-5 KIA - S	12/9/1		CD	US BANK		5,696.74	
	12/26/	XFER	GE	Xfer to KIA from REV	5,800.00		
	12/31/	12/31/19	GE	Interest Income	0.08		
				Current Period Change	5,800.08	5,696.74	103.34
	12/31/			Ending Balance			9,367.40
127	12/1/1			Beginning Balance			1,323.32
Debt Surcharge	12/1/1	DSS XF	GE	To record daily DSS transfer	25.14		
	12/2/1	DSS XF	GE	To record daily DSS transfer	328.19		
	12/3/1	DSS XF	GE	To record daily DSS transfer	472.93		
	12/4/1	DSS XF	GE	To record daily DSS transfer	224.48		
	12/5/1	DSS XF	GE	To record daily DSS transfer	213.33		
	12/6/1	DSS XF	GE	To record daily DSS transfer	221.84		
	12/7/1	DSS XF	GE	To record daily DSS transfer	23.58		
	12/8/1	DSS XF	GE	To record daily DSS transfer	9.45		
	12/9/1	DSS XF	GE	To record daily DSS transfer	684.64		
	12/10/	DSS XF	GE	To record daily DSS transfer	396.59		
	12/11/	DSS XF	GE	To record daily DSS transfer	420.53		
	12/12/	DSS XF	GE	To record daily DSS transfer	523.59		
	12/13/	DSS XF	GE	To record daily DSS transfer	752.97		
	12/14/	DSS XF	GE	To record daily DSS transfer	15.78		
	12/15/	DSS XF	GE	To record daily DSS transfer	10.52		
	12/16/	DSS XF	GE	To record daily DSS transfer	402.30		
	12/17/	DSS XF	GE	To record daily DSS transfer	682.06		
	12/18/	DSS XF	GE	To record daily DSS transfer	557.29		
	12/19/	DSS XF	GE	To record daily DSS transfer	653.82		
	12/20/	DSS XF	GE	To record daily DSS transfer	887.75		
	12/21/	DSS XF	GE	To record daily DSS transfer	52.02		
	12/22/	DSS XF	GE	To record daily DSS transfer	32.05		
	12/23/	DSS XF	GE	To record daily DSS transfer	231.17		
	12/24/	DSS XF	GE	To record daily DSS transfer	23.09		
	12/26/	DSS XF	GE	To record daily DSS transfer	374.24		
	12/27/	DSS XF	GE	To record daily DSS transfer	421.49		
	12/28/	DSS XF	GE	To record daily DSS transfer	35.06		
	12/29/	DSS XF	GE	To record daily DSS transfer	12.08		
	12/30/	DSS XF	GE	To record daily DSS transfer	321.20		
	12/31/	DSS XF	GE	To record daily DSS transfer	490.42		
	12/31/	1070	CD	EVANS HARDWARE, INC.		2,833.20	
	12/31/	1071	CD	ZIP ZONE, INC		2,833.20	
	12/31/	1072	CD	THE C. I. THORNBURG CO.,		2,833.20	
	12/31/	12/31/19	GE	Interest Income	0.42		
				Current Period Change	9,500.02	8,499.60	1,000.42
	12/31/			Ending Balance			2,323.74

MARTIN COUNTY WATER DISTRICT General Ledger

For the Period From Dec 1, 2019 to Dec 31, 2019

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Account ID Account Descri	Date	Referen	Jrn	Trans Description	Debit Amt	Credit Amt	Balance
131.2a	12/1/1			Beginning Balance			5,419.91
51-757-7 Sec A	12/1/1	DSS XF	GE	To record daily DSS transfer		25.14	
	12/2/1	Deposits	GE	Recd deposit-accounts rec	6,424.47		
	12/2/1	DSS XF	GE	To record daily DSS transfer		328.19	
	12/3/1	DSS XF	GE	To record daily DSS transfer		472.93	
	12/3/1	Deposits	GE	Recd deposit-accounts rec	5,602.54		
	12/4/1	Deposits	GE	Recd deposit-accounts rec	2,330.80		
	12/4/1	DSS XF	GE	To record daily DSS transfer		224.48	
	12/5/1	Deposits	GE	Recd deposit-accounts rec	2,751.15		
	12/5/1	DSS XF	GE	To record daily DSS transfer		213.33	
	12/6/1	Deposits	GE	Recd deposit-accounts rec	3,106.48		
	12/6/1	DSS XF	GE	To record daily DSS transfer		221.84	
	12/7/1	DSS XF	GE	To record daily DSS transfer		23.58	
	12/8/1	DSS XF	GE	To record daily DSS transfer		9.45	
	12/9/1	Deposits	GE	Recd deposit-accounts rec	12,210.90		
	12/9/1	DSS XF	GE	To record daily DSS transfer		684.64	
	12/10/	Deposits	GE	Recd deposit-accounts rec	7,881.39		
	12/10/	DSS XF	GE	To record daily DSS transfer		396.59	
	12/11/	XFER	GE	Xfer from Rev to Payroll		8,300.00	
	12/11/	XFER	GE	Xfer to Payroll from Rev		29,000.00	
	12/11/	Deposits	GE	Recd deposit-accounts rec	5,879.30		
	12/11/	DSS XF	GE	To record daily DSS transfer		420.53	
	12/12/	XFER	GE	Xfer to Operations from Rev		5,000.00	
	12/12/	Deposits	GE	Recd deposit-accounts rec	9,679.43		
	12/12/	DSS XF	GE	To record daily DSS transfer		523.59	
	12/13/	XFER	GE	Xfer to Payroll from Rev		300.00	
	12/13/	XFER	GE	Xfer to Operations from Rev		6,000.00	
	12/13/	Deposits	GE	Recd deposit-accounts rec	14,843.32		
	12/13/	DSS XF	GE	To record daily DSS transfer		752.97	
	12/14/	DSS XF	GE	To record daily DSS transfer		15.78	
	12/15/	DSS XF	GE	To record daily DSS transfer		10.52	
	12/16/	Deposits	GE	Recd deposit-accounts rec	10,088.90		
	12/16/	DSS XF	GE	To record daily DSS transfer		402.30	
	12/17/	XFER	GE	Xfer to operations from Rev		20,000.00	
	12/17/	Deposits	GE	Recd deposit-accounts rec	14,088.56		
	12/17/	DSS XF	GE	To record daily DSS transfer		682.06	
	12/18/	Deposits	GE	Recd deposit-accounts rec	12,712.13		
	12/18/	DSS XF	GE	To record daily DSS transfer		557.29	
	12/19/	XFER	GE	Xfer to payroll from rev		300.00	
	12/19/	XFER	GE	Xfer to RD from Rev		10,800.00	
	12/19/	XFER	GE	Xfer to Kaco from Rev		1,200.00	
	12/19/	XFER	GE	Xfer to operations from Rev		10,000.00	
	12/19/	DSS XF	GE	To record daily DSS transfer		653.82	
	12/19/	Deposits	GE	Recd deposit-accounts rec	14,539.08		
	12/20/	Deposits	GE	Recd deposit-accounts rec	12,706.70		
	12/20/	DSS XF	GE	To record daily DSS transfer		887.75	
	12/21/	DSS XF	GE	To record daily DSS transfer		52.02	
	12/22/	DSS XF	GE	To record daily DSS transfer		32.05	
	12/23/	XFER	GE	Xfer to Operation from REV		17,000.00	
	12/23/	Deposits	GE	Recd deposit-accounts rec	3,700.27		
	12/23/	DSS XF	GE	To record daily DSS transfer		231.17	
	12/24/	DSS XF	GE	To record daily DSS transfer		23.09	
	12/26/	XFER	GE	Xfer to Operations from REV		24,000.00	
	12/26/	XFER	GE	Xfer to KIA from REV		5,800.00	
	12/26/	Deposits	GE	Recd deposit-accounts rec	14,999.41		
	12/26/	DSS XF	GE	To record daily DSS transfer		374.24	
	12/27/	XFER	GE	Xfer to Operations from Rev		8,000.00	
	12/27/	Deposits	GE	Recd deposit-accounts rec	5,648.26		
	12/27/	DSS XF	GE	To record daily DSS transfer		421.49	
	12/27/		CD	NSF		37.82	
	12/28/	DSS XF	GE	To record daily DSS transfer		35.06	
	12/29/	DSS XF	GE	To record daily DSS transfer		12.08	

**MARTIN COUNTY WATER DISTRICT
General Ledger**

For the Period From Dec 1, 2019 to Dec 31, 2019

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Account ID Account Descri	Date	Referen	Jrn	Trans Description	Debit Amt	Credit Amt	Balance
	12/30/	Deposits	GE	Recd deposit-accounts rec	13,788.41		
	12/30/	DSS XF	GE	To record daily DSS transfer		321.20	
	12/31/	Deposits	GE	Recd deposit-accounts rec	13,652.25		
	12/31/	DSS XF	GE	To record daily DSS transfer		490.42	
	12/31/	XFER	GE	Xfer to Operations from Rev		12,243.86	
	12/31/	12/31/19	GE	Service Charge		32.41	
	12/31/	12/31/19	GE	Interest Income	2.63		
				Current Period Change	186,636.38	167,513.69	19,122.69
	12/31/			Ending Balance			24,542.60
131.2b 60-094-6 Revenu	12/1/1			Beginning Balance			12,128.10
	12/1/1	CC REC	GE	Nexbill Pay	330.57		
	12/2/1	CC REC	GE	Nexbill Pay	1,742.17		
	12/3/1	CC REC	GE	Nexbill Pay	2,673.47		
	12/4/1	CC REC	GE	Nexbill Pay	1,665.08		
	12/5/1	CC REC	GE	Nexbill Pay	744.56		
	12/6/1	CC REC	GE	Nexbill Pay	1,338.98		
	12/7/1	CC REC	GE	Nexbill Pay	501.84		
	12/8/1	CC REC	GE	Nexbill Pay	247.21		
	12/9/1	CC REC	GE	Nexbill Pay	771.43		
	12/10/	CC REC	GE	Nexbill Pay	570.72		
	12/11/	CC REC	GE	Nexbill Pay	2,494.74		
	12/12/	CC REC	GE	Nexbill Pay	2,028.71		
	12/13/	CC REC	GE	Nexbill Pay	2,031.40		
	12/14/	CC REC	GE	Nexbill Pay	336.85		
	12/15/	CC REC	GE	Nexbill Pay	279.55		
	12/16/	CC REC	GE	Nexbill Pay	1,683.94		
	12/17/	CC REC	GE	Nexbill Pay	999.59		
	12/18/	CC REC	GE	Nexbill Pay	1,681.12		
	12/19/	CC REC	GE	Nexbill Pay	1,038.24		
	12/20/	XFER	GE	Xfer to Operations from EFT		4,000.00	
	12/20/	CC REC	GE	Nexbill Pay	3,127.27		
	12/21/	CC REC	GE	Nexbill Pay	1,119.49		
	12/22/	CC REC	GE	Nexbill Pay	627.34		
	12/23/	CC REC	GE	Nexbill Pay	1,230.04		
	12/24/	CC REC	GE	Nexbill Pay	326.14		
	12/26/	XFER	GE	Xfer to Payroll from EFT		33,000.00	
	12/26/	CC REC	GE	Nexbill Pay	1,859.64		
	12/27/	CC REC	GE	Nexbill Pay	3,324.24		
	12/27/		CD	NSF		212.37	
	12/27/		CD	NEXCHECK, LLC		2.00	
	12/28/	CC REC	GE	Nexbill Pay	890.24		
	12/29/	CC REC	GE	Nexbill Pay	307.99		
	12/30/	CC REC	GE	Nexbill Pay	2,548.30		
	12/31/	XFER	GE	Xfer to Operations from EFT		2,000.00	
	12/31/	CC REC	GE	Nexbill Pay	3,043.13		
				Current Period Change	41,563.99	39,214.37	2,349.62
	12/31/			Ending Balance			14,477.72
131.3b 04-134-3 Operati	12/1/1			Beginning Balance			14,742.36
	12/2/1		CD	ANTHEM BC/BS		7,346.08	
	12/2/1	10773	CD	MARTIN COUNTY CLERK O		37.00	
	12/2/1	10774	CD	MARTIN COUNTY SHERIFF		5.00	
	12/2/1	10775	CD	APPALACHIAN WIRELESS		96.82	
	12/2/1		CD	ANTHEM BC/BS		573.52	
	12/4/1	10777	CD	ROY F COLLIER COMMUNIT		751.66	
	12/4/1	10778	CD	US POSTAL SERVICE		956.48	
	12/4/1	10779	CD	US POSTAL SERVICE		275.00	
	12/5/1		CD	WEX BANK		3,544.27	
	12/5/1	10780	CD	TOMMY AUTO SALES		500.00	
	12/11/		CD	SUDDENLINK		92.45	

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General Ledger

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	12/11/		CD	SUDDENLINK		229.68	
	12/11/		CD	SUDDENLINK		260.64	
	12/12/	XFER	GE	Xfer to Operations from Rev	5,000.00		
	12/12/	10781	CD	WALKER COMMUNICATION		89.00	
	12/12/	10782	CD	PHYLLIS F YOUNG		1,350.00	
	12/12/	10783	CD	KY UNDERGROUND PROTE		67.50	
	12/12/		CD	PAINTSVILLE UTILITIES		48.65	
	12/13/	10784	CD	TUG VALLEY SERVICE @ S		1,134.74	
	12/13/	10785	CD	OLDHAM COUNTY WATER		990.00	
	12/13/	10786	CD	THE CI THORNBURG CO IN		7,721.11	
	12/13/	10787	CD	KLC INSURANCE SERVICES		4,476.18	
	12/13/	XFER	GE	Xfer to Operations from Rev	6,000.00		
	12/15/	10788	CD	BILLY PATRICK		88.04	
	12/17/	XFER	GE	Xfer to Operations from Dep.	990.00		
	12/17/	XFER	GE	Xfer to operations from Rev	20,000.00		
	12/17/		CD	AMERICAN ELECTRIC POW		651.15	
	12/17/	10789	CD	THE CI THORNBURG CO., I		2,500.00	
	12/18/	10790	CD	THE C. I. THORNBURG CO.,		885.67	
	12/19/		CD	AMERICAN ELECTRIC POW		2,465.05	
	12/19/	XFER	GE	Xfer to operations from Rev	10,000.00		
	12/20/		CD	KENTUCKY STATE TREASU		1,397.34	
	12/20/		CD	KENTUCKY DEPARTMENT		5,537.61	
	12/20/		CD	AMERICAN ELECTRIC POW		28.81	
	12/20/		CD	AMERICAN ELECTRIC POW		1,354.75	
	12/20/	10791	CD	APPALACHIAN STATES AN		1,316.00	
	12/20/	10792	CD	DANA SPENCE		470.00	
	12/20/		CD	BIG SANDY RURAL ELECTR		37.12	
	12/20/		CD	BIG SANDY RURAL ELECTR		1,691.72	
	12/20/		CD	BIG SANDY RURAL ELECTR		201.20	
	12/20/		CD	BIG SANDY RURAL ELECTR		37.08	
	12/20/		CD	BIG SANDY RURAL ELECTR		36.63	
	12/20/		CD	BIG SANDY RURAL ELECTR		38.46	
	12/20/		CD	BIG SANDY RURAL ELECTR		36.63	
	12/20/		CD	BIG SANDY RURAL ELECTR		281.67	
	12/20/		CD	BIG SANDY RURAL ELECTR		111.73	
	12/20/	10793	CD	BLUEWATER KENTUCKY, L		2,500.00	
	12/20/	10794	CD	CONSOLIDATED PIPE & SU		1,578.04	
	12/20/	10795	CD	R & J BUILDING SUPPLY		226.74	
	12/20/	10796	CD	ASHLAND OFFICE SUPPLY		194.88	
	12/20/	10797	CD	CONLEY TIRE		50.00	
	12/20/	10798	CD	HOWELL'S RECYCLING		350.00	
	12/20/	10799	CD	QUILL CORPORATION		76.90	
	12/20/	10800	CD	WORKINGMAN'S FAMILY ST		890.55	
	12/20/	10801	CD	STATIONERS, INC		178.10	
	12/20/	10802	CD	WESTSTAR LUBRICANTS, I		477.70	
	12/20/	10803	CD	THE CHAPMAN PRINTING C		975.00	
	12/20/	10804	CD	TECH 2000, INC.		730.39	
	12/20/	10805	CD	WALKER COMMUNICATION		89.00	
	12/20/	10806	CD	BRIAN CUMBO, ATTORNEY		2,830.05	
	12/20/	XFER	GE	Xfer to Operations from EFT	4,000.00		
	12/23/	10807	CD	JOHN STAFFORD		160.00	
	12/23/	XFER	GE	Xfer to Operation from REV	17,000.00		
	12/23/		CD	IPFS CORPORATION		3,618.54	
	12/23/		CD	SUDDENLINK		158.05	
	12/23/	10808	CD	PRESTONSBURG CITY UTIL		2,681.25	
	12/23/		CD	AMERICAN ELECTRIC POW		208.78	
	12/23/		CD	AMERICAN ELECTRIC POW		2,716.72	
	12/23/		CD	AMERICAN ELECTRIC POW		25.35	
	12/23/		CD	AMERICAN ELECTRIC POW		30.29	
	12/23/		CD	AMERICAN ELECTRIC POW		65.27	
	12/23/		CD	AMERICAN ELECTRIC POW		38.80	
	12/23/		CD	KENTUCKY POWER COMPA		9,907.57	
	12/23/		CD	AMERICAN ELECTRIC POW		13.50	

**MARTIN COUNTY WATER DISTRICT
General Ledger**

For the Period From Dec 1, 2019 to Dec 31, 2019

Filter Criteria includes: 1) IDs: Multiple IDs. Report order is by ID. Report is printed with shortened descriptions and in Detail Format.

Account ID Account Descri	Date	Referen	Jrn	Trans Description	Debit Amt	Credit Amt	Balance
	12/26/	XFER	GE	Xfer to Operations from REV	24,000.00		
	12/26/	10809	CD	WHITE & ASSOCIATES PSC		14,400.00	
	12/26/		CD	AMERICAN ELECTRIC POW		29.48	
	12/26/		CD	AMERICAN ELECTRIC POW		167.31	
	12/26/		CD	AMERICAN ELECTRIC POW		123.62	
	12/26/		CD	AMERICAN ELECTRIC POW		29.93	
	12/26/		CD	KENTUCKY POWER COMPA		30.15	
	12/26/		CD	AMERICAN ELECTRIC POW		29.93	
	12/26/		CD	AMERICAN ELECTRIC POW		146.33	
	12/26/		CD	AMERICAN ELECTRIC POW		220.90	
	12/26/		CD	AMERICAN ELECTRIC POW		204.28	
	12/26/		CD	AMERICAN ELECTRIC POW		244.19	
	12/26/		CD	AMERICAN ELECTRIC POW		12,951.13	
	12/26/		CD	AMERICAN ELECTRIC POW		29.59	
	12/26/		CD	AMERICAN ELECTRIC POW		20.33	
	12/27/	XFER	GE	Xfer to Operations from Rev	8,000.00		
	12/31/	10811	CD	INEZ DEPOSIT BANK		12,243.86	
	12/31/	XFER	GE	Xfer to Operations from EFT	2,000.00		
	12/31/	XFER	GE	Xfer to Operations from Rev	12,243.86		
	12/31/	10812	CD	ROY F COLLIER COMMUNIT		751.56	
	12/31/	10813	CD	APPALACHIAN WIRELESS		96.82	
	12/31/		CD	ANTHEM BC/BS		6,427.82	
				Current Period Change	109,233.86	128,631.14	-19,397.28
	12/31/			Ending Balance			-4,654.92
131.4b	12/1/1			Beginning Balance			7,993.09
76-994-0 Payroll	12/11/	XFER	GE	Xfer from Rev to Payroll	8,300.00		
	12/11/	XFER	GE	Xfer to Payroll from Rev	29,000.00		
	12/11/		CD	PAYROLL TRANSFERS		20,892.05	
	12/11/		CD	PAYROLL TAX DEPOSITS		8,059.44	
	12/11/		CD	PAYROLL SOLUTIONS		70.39	
	12/12/		CD	KENTUCKY STATE TREASU		16,276.87	
	12/12/		CD	COLONIAL LIFE		315.36	
	12/13/	XFER	GE	Xfer to Payroll from Rev	300.00		
	12/19/	9546	CD	JOSHUA HORN		292.17	
	12/19/	XFER	GE	Xfer to payroll from rev	300.00		
	12/26/	XFER	GE	Xfer to Payroll from EFT	33,000.00		
	12/26/		CD	PAYROLL SOLUTIONS		70.04	
	12/26/		CD	PAYROLL TRANSFERS		23,285.26	
	12/26/		CD	PAYROLL TAX DEPOSITS		9,280.57	
				Current Period Change	70,900.00	78,542.15	-7,642.15
	12/31/			Ending Balance			350.94
132b	12/1/1			Beginning Balance			156,316.85
10-550-3 Sec B	12/3/1	Security	GE	Security Deposit-Clarence Ov	90.00		
	12/3/1	Security	GE	Security Deposit-William Spe	90.00		
	12/3/1	Security	GE	Security Deposit-Selwyn Brew	90.00		
	12/30/	1223	CD	VICKIE MAYNARD		45.00	
	12/30/	1224	CD	NATASHA FLETCHER		51.49	
	12/30/	1225	CD	TINA BENNETT		47.77	
	12/30/	1226	CD	JESSICA AMWEG		7.75	
	12/30/	1227	CD	JAMES & NICOLE HORN		2.77	
	12/30/	1228	CD	BRANDY MORENA		1.22	
	12/30/	1229	CD	LOIS BOWENS		6.11	
	12/30/	1230	CD	HEATHER KENDRICK		6.20	
	12/30/	1231	CD	WAYNE MCCOY		50.11	
	12/30/	1232	CD	JENNIFER STACY		23.36	
	12/30/	1233	CD	LINDA SANSOM		29.94	
	12/30/	1234	CD	ALEXIS DELONG		50.11	
	12/30/	1235	CD	NICHOLAS ROOT		50.11	
	12/30/	1236	CD	CRYSTAL SWEENEY		10.22	

**MARTIN COUNTY WATER DISTRICT
General Ledger**

For the Period From Dec 1, 2019 to Dec 31, 2019

Filter Criteria includes: 1) IDs: Multiple IDs. Report order is by ID. Report is printed with shortened descriptions and in Detail Format.

Account ID Account Descri	Date	Referen	Jrn	Trans Description	Debit Amt	Credit Amt	Balance
	12/30/	1237	CD	KERI WHITE SMITH		45.50	
	12/30/	1238	CD	ANGEL JOHNSON		59.97	
	12/30/	1239	CD	TIFFANY MARCUM		26.52	
	12/30/	1240	CD	AMANDA MILLS		41.19	
	12/30/	1242	CD	MARTIN COUNTY WATER D		52.80	
	12/30/	Security	GE	Security Deposit-Ryan Blanke	90.00		
	12/30/	Security	GE	Security Deposit-Kelsey Garci	90.00		
	12/30/	Security	GE	Security Deposit-Eric Wayne	90.00		
	12/30/	Security	GE	Security Deposit-Rodella Stac	90.00		
	12/31/	Security	GE	Security Deposit-Gabrielle Ble	90.00		
	12/31/	Security	GE	Security Deposit-Jackie Dove	90.00		
	12/31/	1243	CD	DAKOTA MCKENZIE		37.20	
				Current Period Change	810.00	645.34	164.66
	12/31/			Ending Balance			156,481.51

MARTIN COUNTY WATER DISTRICT
Check Register
For the Period From Dec 1, 2019 to Dec 31, 2019

Filter Criteria includes: Report order is by Date.

Check #	Date	Payee	Cash Account	Amount
	12/2/1	ANTHEM BC/BS	131.3b	
	12/2/1	ANTHEM BC/BS	131.3b	7,346.08
10773	12/2/1	MARTIN COUNTY CLERK OFFIC	131.3b	37.00
10774	12/2/1	MARTIN COUNTY SHERIFF	131.3b	5.00
10775	12/2/1	APPALACHIAN WIRELESS	131.3b	96.82
	12/2/1	ANTHEM BC/BS	131.3b	573.52
10777	12/4/1	ROY F COLLIER COMMUNITY CE	131.3b	751.66
10778	12/4/1	US POSTAL SERVICE	131.3b	956.48
10779	12/4/1	US POSTAL SERVICE	131.3b	275.00
	12/5/1	WEX BANK	131.3b	3,544.27
10780	12/5/1	TOMMY AUTO SALES	131.3b	500.00
	12/11/	SUDDENLINK	131.3b	92.45
	12/11/	SUDDENLINK	131.3b	229.68
	12/11/	SUDDENLINK	131.3b	260.64
10781	12/12/	WALKER COMMUNICATIONS, IN	131.3b	89.00
10782	12/12/	PHYLLIS F YOUNG	131.3b	1,350.00
10783	12/12/	KY UNDERGROUND PROTECTIO	131.3b	67.50
	12/12/	PAINTSVILLE UTILITIES	131.3b	48.65
10784	12/13/	TUG VALLEY SERVICE & SUPPP	131.3b	1,134.74
10785	12/13/	OLDHAM COUNTY WATER DIST	131.3b	990.00
10786	12/13/	THE CI THORNBURG CO INC	131.3b	7,721.11
10787	12/13/	KLC INSURANCE SERVICES	131.3b	4,476.18
10788	12/15/	BILLY PATRICK	131.3b	88.04
	12/17/	AMERICAN ELECTRIC POWER	131.3b	651.15
10789	12/17/	THE CI THORNBURG CO., INC.	131.3b	2,500.00
10790	12/18/	THE C. I. THORNBURG CO., INC.	131.3b	885.67
	12/19/	AMERICAN ELECTRIC POWER	131.3b	2,465.05
	12/20/	KENTUCKY STATE TREASURER	131.3b	1,397.34
	12/20/	KENTUCKY DEPARTMENT OF R	131.3b	5,537.61
	12/20/	AMERICAN ELECTRIC POWER	131.3b	28.81
	12/20/	AMERICAN ELECTRIC POWER	131.3b	1,354.75
10791	12/20/	APPALACHIAN STATES ANALYTI	131.3b	1,316.00

MARTIN COUNTY WATER DISTRICT
Check Register
For the Period From Dec 1, 2019 to Dec 31, 2019

Filter Criteria includes: Report order is by Date.

Check #	Date	Payee	Cash Account	Amount
10792	12/20/	DANA SPENCE	131.3b	470.00
	12/20/	BIG SANDY RURAL ELECTRIC	131.3b	37.12
	12/20/	BIG SANDY RURAL ELECTRIC	131.3b	1,691.72
	12/20/	BIG SANDY RURAL ELECTRIC	131.3b	201.20
	12/20/	BIG SANDY RURAL ELECTRIC	131.3b	37.08
	12/20/	BIG SANDY RURAL ELECTRIC	131.3b	36.63
	12/20/	BIG SANDY RURAL ELECTRIC	131.3b	38.46
	12/20/	BIG SANDY RURAL ELECTRIC	131.3b	36.63
	12/20/	BIG SANDY RURAL ELECTRIC	131.3b	281.67
	12/20/	BIG SANDY RURAL ELECTRIC	131.3b	111.73
10793	12/20/	BLUEWATER KENTUCKY, LLC	131.3b	2,500.00
10794	12/20/	CONSOLIDATED PIPE & SUPPLY	131.3b	1,578.04
10795	12/20/	R & J BUILDING SUPPLY	131.3b	226.74
10796	12/20/	ASHLAND OFFICE SUPPLY	131.3b	194.88
10797	12/20/	CONLEY TIRE	131.3b	50.00
10798	12/20/	HOWELL'S RECYCLING	131.3b	350.00
10799	12/20/	QUILL CORPORATION	131.3b	76.90
10800	12/20/	WORKINGMAN'S FAMILY STORE	131.3b	890.55
10801	12/20/	STATIONERS, INC	131.3b	178.10
10802	12/20/	WESTSTAR LUBRICANTS, INC	131.3b	477.70
10803	12/20/	THE CHAPMAN PRINTING COMP	131.3b	975.00
10804	12/20/	TECH 2000, INC.	131.3b	730.39
10805	12/20/	WALKER COMMUNICATIONS, IN	131.3b	89.00
10806	12/20/	BRIAN CUMBO, ATTORNEY AT L	131.3b	2,830.05
10807	12/23/	JOHN STAFFORD	131.3b	160.00
	12/23/	IPFS CORPORATION	131.3b	3,618.54
	12/23/	SUDDENLINK	131.3b	158.05
10808	12/23/	PRESTONSBURG CITY UTILITIE	131.3b	2,681.25
	12/23/	AMERICAN ELECTRIC POWER	131.3b	208.78
	12/23/	AMERICAN ELECTRIC POWER	131.3b	2,716.72
	12/23/	AMERICAN ELECTRIC POWER	131.3b	25.35
	12/23/	AMERICAN ELECTRIC POWER	131.3b	30.29

MARTIN COUNTY WATER DISTRICT
Check Register
For the Period From Dec 1, 2019 to Dec 31, 2019

Filter Criteria includes: Report order is by Date.

Check #	Date	Payee	Cash Account	Amount
	12/23/	AMERICAN ELECTRIC POWER	131.3b	65.27
	12/23/	AMERICAN ELECTRIC POWER	131.3b	38.80
	12/23/	KENTUCKY POWER COMPANY	131.3b	9,907.57
	12/23/	AMERICAN ELECTRIC POWER	131.3b	13.50
10809	12/26/	WHITE & ASSOCIATES PSC	131.3b	14,400.00
	12/26/	AMERICAN ELECTRIC POWER	131.3b	29.48
	12/26/	AMERICAN ELECTRIC POWER	131.3b	167.31
	12/26/	AMERICAN ELECTRIC POWER	131.3b	123.62
	12/26/	AMERICAN ELECTRIC POWER	131.3b	29.93
	12/26/	KENTUCKY POWER COMPANY	131.3b	30.15
	12/26/	AMERICAN ELECTRIC POWER	131.3b	29.93
	12/26/	AMERICAN ELECTRIC POWER	131.3b	146.33
	12/26/	AMERICAN ELECTRIC POWER	131.3b	220.90
	12/26/	AMERICAN ELECTRIC POWER	131.3b	204.28
	12/26/	AMERICAN ELECTRIC POWER	131.3b	244.19
	12/26/	AMERICAN ELECTRIC POWER	131.3b	12,951.13
	12/26/	AMERICAN ELECTRIC POWER	131.3b	29.59
	12/26/	AMERICAN ELECTRIC POWER	131.3b	20.33
10811	12/31/	INEZ DEPOSIT BANK	131.3b	12,243.86
10812	12/31/	ROY F COLLIER COMMUNITY CE	131.3b	751.56
10813	12/31/	APPALACHIAN WIRELESS	131.3b	96.82
	12/31/	ANTHEM BC/BS	131.3b	6,427.82
Total				128,631.14

MARTIN COUNTY WATER DISTRICT
Check Register
For the Period From Dec 1, 2019 to Dec 31, 2019

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Check #	Date	Payee	Cash Account	Amount
	12/11/	PAYROLL TRANSFERS	131.4b	20,892.05
	12/11/	PAYROLL TAX DEPOSITS	131.4b	8,059.44
	12/11/	PAYROLL SOLUTIONS	131.4b	70.39
	12/11/	SUDDENLINK	131.4b	
	12/12/	KENTUCKY STATE TREASURER	131.4b	16,276.87
	12/12/	COLONIAL LIFE	131.4b	315.36
9546	12/19/	JOSHUA HORN	131.4b	292.17
	12/26/	PAYROLL SOLUTIONS	131.4b	70.04
	12/26/	PAYROLL TRANSFERS	131.4b	23,285.26
	12/26/	PAYROLL TAX DEPOSITS	131.4b	9,280.57
Total				<u>78,542.15</u>

MARTIN COUNTY WATER DISTRICT
Cash Disbursements Journal
For the Period From Dec 1, 2019 to Dec 31, 2019

Filter Criteria includes: Report order is by Date. Report is printed in Detail Format.

Date	Check #	Account ID	Line Description	Debit Amou	Credit Amou
12/2/1		231b 131.3b	Invoice: 120119 ANTHEM BC/BS	573.52	573.52
12/2/1		131.3b	ANTHEM BC/BS		
12/2/1		231b 131.3b	Invoice: 120119 ANTHEM BC/BS	7,346.08	7,346.08
12/2/1	10773	231b 131.3b	Invoice: 120219 MARTIN COUNTY CLERK OFFICE	37.00	37.00
12/2/1	10774	231b 131.3b	Invoice: 120219 MARTIN COUNTY SHERIFF	5.00	5.00
12/2/1	10775	231b 131.3b	Invoice: 5644285 APPALACHIAN WIRELESS	96.82	96.82
12/4/1	10777	231b 131.3b	Invoice: RFCCC0036 ROY F COLLIER COMMUNITY CENTER	751.66	751.66
12/4/1	10778	620.7b 131.3b	US POSTAL SERVICE	956.48	956.48
12/4/1	10779	620.7b 131.3b	US POSTAL SERVICE	275.00	275.00
12/5/1		231b 131.3b	Invoice: 120119 WEX BANK	3,544.27	3,544.27
12/5/1	1013	89000 129b	BELL ENGINEERING	9,600.00	9,600.00
12/5/1	1014	89000 129b	BELL ENGINEERING	6,000.00	6,000.00
12/5/1	10780	341b 131.3b	TOMMY AUTO SALES	500.00	500.00
12/9/1		224.1 126g	US BANK	5,696.74	5,696.74
12/11/		632.7b 131.4b	PAYROLL SOLUTIONS	70.39	70.39
12/11/		73000 131.4b	PAYROLL TAX DEPOSITS	8,059.44	8,059.44
12/11/		77500 131.4b	PAYROLL TRANSFERS	20,892.05	20,892.05
12/11/		231b 131.3b	Invoice: 120119 SUDDENLINK	229.68	229.68
12/11/		231b 131.3b	Invoice: 120119 SUDDENLINK	260.64	260.64

MARTIN COUNTY WATER DISTRICT
Cash Disbursements Journal
For the Period From Dec 1, 2019 to Dec 31, 2019

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Date	Check #	Account ID	Line Description	Debit Amou	Credit Amou
12/11/		131.4b	SUDDENLINK		
12/11/		231b 131.3b	Invoice: 120119 SUDDENLINK	92.45	92.45
12/12/		241.5 131.4b	KENTUCKY STATE TREASURER	16,276.87	16,276.87
12/12/		231b 131.3b	Invoice: 120119 PAINTSVILLE UTILITIES	48.65	48.65
12/12/		162b 131.4b	COLONIAL LIFE	315.36	315.36
12/12/	10781	231b 131.3b	Invoice: 19458 WALKER COMMUNICATIONS, INC.	89.00	89.00
12/12/	10782	231b 131.3b	Invoice: 110119 PHYLLIS F YOUNG	1,350.00	1,350.00
12/12/	10783	231b 131.3b	Invoice: 200643585 KY UNDERGROUND PROTECTION INC	67.50	67.50
12/13/	10784	231b 131.3b	Invoice: 121319 TUG VALLEY SERVICE & SUPPPPLY LLC	1,134.74	1,134.74
12/13/	10785	231b 131.3b	Invoice: 1346 OLDHAM COUNTY WATER DISTRICT	990.00	990.00
12/13/	10786	231b 231b 131.3b	Invoice: S100104542.001 Invoice: S100104630.001 THE CI THORNBURG CO INC	5,864.81 1,856.30	7,721.11
12/13/	10787	231b 131.3b	Invoice: W611-2019-17823-05 KLC INSURANCE SERVICES	4,476.18	4,476.18
12/15/	10788	231b 131.3b	Invoice: 121519 BILLY PATRICK	88.04	88.04
12/17/		231b 131.3b	Invoice: 120119 AMERICAN ELECTRIC POWER	651.15	651.15
12/17/	10789	231b 231b 131.3b	Invoice: S100052290.002 Invoice: S100052290.003 THE CI THORNBURG CO., INC.	1,934.00 566.00	2,500.00
12/18/	10790	231b	Invoice: S100056489 001	677.98	

MARTIN COUNTY WATER DISTRICT
Cash Disbursements Journal
For the Period From Dec 1, 2019 to Dec 31, 2019

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Date	Check #	Account ID	Line Description	Debit Amou	Credit Amou
		231b	S100056489.001 Invoice:	207.69	
		131.3b	S100059496.001 THE C. I. THORNBURG CO., INC.		885.67
12/19/		231b	Invoice: 120119	2,465.05	
		131.3b	AMERICAN ELECTRIC POWER		2,465.05
12/19/	9546	231b	Invoice: 121919	292.17	
		131.4b	JOSHUA HORN		292.17
12/20/		231b	Invoice: 120119	36.63	
		131.3b	BIG SANDY RURAL ELECTRIC		36.63
12/20/		231b	Invoice: 120119	1,354.75	
		131.3b	AMERICAN ELECTRIC POWER		1,354.75
12/20/		241.1		1,397.34	
		131.3b	KENTUCKY STATE TREASURER		1,397.34
12/20/		231b	Invoice: 120119	38.46	
		131.3b	BIG SANDY RURAL ELECTRIC		38.46
12/20/		231b	Invoice: 120119	36.63	
		131.3b	BIG SANDY RURAL ELECTRIC		36.63
12/20/		231b	Invoice: 120119	37.08	
		131.3b	BIG SANDY RURAL ELECTRIC		37.08
12/20/		231b	Invoice: 120119	111.73	
		131.3b	BIG SANDY RURAL ELECTRIC		111.73
12/20/		231b	Invoice: 120119	281.67	
		131.3b	BIG SANDY RURAL ELECTRIC		281.67
12/20/		231b	Invoice: 120119	28.81	
		131.3b	AMERICAN ELECTRIC POWER		28.81
12/20/		231b	Invoice: 120119	201.20	
		131.3b	BIG SANDY RURAL ELECTRIC		201.20
12/20/		231b	Invoice: 120119	1,691.72	
		131.3b	BIG SANDY RURAL ELECTRIC		1,691.72
12/20/		231b	Invoice: 120119	37.12	
		131.3b	BIG SANDY RURAL ELECTRIC		37.12
12/20/		241.2		5,537.61	
		131.3b	KENTUCKY DEPARTMENT OF		5,537.61

MARTIN COUNTY WATER DISTRICT
Cash Disbursements Journal
For the Period From Dec 1, 2019 to Dec 31, 2019

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Date	Check #	Account ID	Line Description	Debit Amou	Credit Amou
			DEPARTMENT OF REVENUE		
12/20/		221.8 126d	KENTUCKY RURAL WATER	10,328.23	10,328.23
12/20/	10791	231b 131.3b	Invoice: 060476 APPALACHIAN STATES ANALYTICAL, LLC	1,316.00	1,316.00
12/20/	10792	231b 131.3b	Invoice: 079454 DANA SPENCE	470.00	470.00
12/20/	10793	231b 231b 231b 131.3b	Invoice: August 2019 Invoice: 19-29 Invoice: 19-32 BLUEWATER KENTUCKY, LLC	1,125.00 450.00 925.00	2,500.00
12/20/	10794	231b 231b 231b 131.3b	Invoice: 289167-000-000 Invoice: 2891711-000-000 Invoice: 2891763-000-000 CONSOLIDATED PIPE & SUPPLY CO INC	1,137.56 395.48 45.00	1,578.04
12/20/	10795	231b 231b 231b 131.3b	Invoice: A51990 Invoice: B58200 Invoice: A52239 R & J BUILDING SUPPLY	29.97 12.99 183.78	226.74
12/20/	10796	231b 231b 131.3b	Invoice: 862451-0 Invoice: 864776-0 ASHLAND OFFICE SUPPLY	106.55 88.33	194.88
12/20/	10797	231b 131.3b	Invoice: 144375 CONLEY TIRE	50.00	50.00
12/20/	10798	231b 231b 131.3b	Invoice: 149 Invoice: 2085 HOWELL'S RECYCLING	175.00 175.00	350.00
12/20/	10799	231b 131.3b	Invoice: 2407942 QUILL CORPORATION	76.90	76.90
12/20/	10800	231b 131.3b	Invoice: 48953 WORKINGMAN'S FAMILY STORE, LLC	890.55	890.55
12/20/	10801	231b 131.3b	Invoice: S155763-00 STATIONERS, INC	178.10	178.10
12/20/	10802	231b 231b 131.3b	Invoice: 6426 Invoice: 6550 WESTSTAR IRRIGANTS INC	222.20 255.50	477.70

MARTIN COUNTY WATER DISTRICT
Cash Disbursements Journal
For the Period From Dec 1, 2019 to Dec 31, 2019

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Date	Check #	Account ID	Line Description	Debit Amou	Credit Amou
			LUBRICANTS, INC		
12/20/	10803	231b 131.3b	Invoice: 191081 THE CHAPMAN PRINTING COMPANY	975.00	975.00
12/20/	10804	231b 231b 231b 131.3b	Invoice: 17411399 Invoice: 17430399 Invoice: 17431399 TECH 2000, INC.	202.49 372.90 155.00	730.39
12/20/	10805	231b 131.3b	Invoice: 19563 WALKER COMMUNICATIONS, INC.	89.00	89.00
12/20/	10806	231b 131.3b	Invoice: 113019 BRIAN CUMBO, ATTORNEY AT LAW	2,830.05	2,830.05
12/20/	1572	231b 126e	Invoice: 173 US BANK KY POOLED CHECKS	474.55	474.55
12/20/	1573	231b 126e	Invoice: 169/172 US BANK KY POOLED CHECKS	474.55	474.55
12/23/		231b 131.3b	Invoice: 120119 AMERICAN ELECTRIC POWER	13.50	13.50
12/23/		231b 131.3b	Invoice: 120119 AMERICAN ELECTRIC POWER	208.78	208.78
12/23/		231b 131.3b	Invoice: 120119 AMERICAN ELECTRIC POWER	25.35	25.35
12/23/		231b 131.3b	Invoice: 120119 AMERICAN ELECTRIC POWER	38.80	38.80
12/23/		231b 131.3b	Invoice: 120119 AMERICAN ELECTRIC POWER	30.29	30.29
12/23/		231b 131.3b	Invoice: 120119 AMERICAN ELECTRIC POWER	2,716.72	2,716.72
12/23/		231b 131.3b	Invoice: 120119 KENTUCKY POWER COMPANY	9,907.57	9,907.57
12/23/		231b 131.3b	Invoice: 120119 AMERICAN ELECTRIC POWER	65.27	65.27
12/23/		231b 131.3b	Invoice: 120119 SUDDENLINK	158.05	158.05
12/23/		231b	Invoice: 5	3,618.54	

MARTIN COUNTY WATER DISTRICT
Cash Disbursements Journal
For the Period From Dec 1, 2019 to Dec 31, 2019

Filter Criteria includes: Report order is by Date. Report is printed in Detail Format.

Date	Check #	Account ID	Line Description	Debit Amou	Credit Amou
		131.3b	IPFS CORPORATION		3,618.54
12/23/	10807	231b 131.3b	Invoice: 122219 JOHN STAFFORD	160.00	160.00
12/23/	10808	231b 131.3b	Invoice: 08282017 PRESTONSBURG CITY UTILITIES	2,681.25	2,681.25
12/26/		231b 131.3b	Invoice: 120119 AMERICAN ELECTRIC POWER	146.33	146.33
12/26/		231b 131.3b	Invoice: 120119 AMERICAN ELECTRIC POWER	167.31	167.31
12/26/		231b 131.3b	Invoice: 120119 AMERICAN ELECTRIC POWER	29.93	29.93
12/26/		231b 131.3b	Invoice: 120119 AMERICAN ELECTRIC POWER	29.93	29.93
12/26/		231b 131.3b	Invoice: 120119 AMERICAN ELECTRIC POWER	29.48	29.48
12/26/		231b 131.3b	Invoice: 120119 AMERICAN ELECTRIC POWER	20.33	20.33
12/26/		231b 131.3b	Invoice: 120119 AMERICAN ELECTRIC POWER	244.19	244.19
12/26/		231b 131.3b	Invoice: 120119 AMERICAN ELECTRIC POWER	29.59	29.59
12/26/		231b 131.3b	Invoice: 120119 AMERICAN ELECTRIC POWER	12,951.13	12,951.13
12/26/		231b 131.3b	Invoice: 120119 AMERICAN ELECTRIC POWER	204.28	204.28
12/26/		231b 131.3b	Invoice: 120119 AMERICAN ELECTRIC POWER	220.90	220.90
12/26/		231b 131.3b	Invoice: 120119 KENTUCKY POWER COMPANY	30.15	30.15
12/26/		231b 131.3b	Invoice: 120119 AMERICAN ELECTRIC POWER	123.62	123.62
12/26/		632.7b 131.4b	PAYROLL SOLUTIONS	70.04	70.04

MARTIN COUNTY WATER DISTRICT
Cash Disbursements Journal
For the Period From Dec 1, 2019 to Dec 31, 2019

Filter Criteria includes: Report order is by Date. Report is printed in Detail Format.

Date	Check #	Account ID	Line Description	Debit Amou	Credit Amou
12/26/		73000 131.4b	PAYROLL TAX DEPOSITS	9,280.57	9,280.57
12/26/		77500 131.4b	PAYROLL TRANSFERS	23,285.26	23,285.26
12/26/	10809	231b 131.3b	Invoice: 9216 WHITE & ASSOCIATES PSC	14,400.00	14,400.00
12/27/		142b 131.2b	NSF	212.37	212.37
12/27/		142b 131.2a	Robert Murphy NSF	37.82	37.82
12/27/		675.7b 131.2b	NEXCHECK, LLC	2.00	2.00
12/30/	1223	231b 132b	Invoice: 7-00396 VICKIE MAYNARD	45.00	45.00
12/30/	1224	231b 132b	Invoice: 10-00821 NATASHA FLETCHER	51.49	51.49
12/30/	1225	231b 132b	Invoice: 8-01055 TINA BENNETT	47.77	47.77
12/30/	1226	231b 132b	Invoice: 5-00514 JESSICA AMWEG	7.75	7.75
12/30/	1227	231b 132b	Invoice: 5-00467 JAMES & NICOLE HORN	2.77	2.77
12/30/	1228	231b 132b	Invoice: 5-00505 BRANDY MORENA	1.22	1.22
12/30/	1229	231b 132b	Invoice: 10-00703 LOIS BOWENS	6.11	6.11
12/30/	1230	231b 132b	Invoice: 14-00408 HEATHER KENDRICK	6.20	6.20
12/30/	1231	235b 132b	WAYNE MCCOY	50.11	50.11
12/30/	1232	235b 132b	JENNIFER STACY	23.36	23.36
12/30/	1233	235b 132b	LINDA SANSOM	29.94	29.94
12/30/	1234	235b 132b	ALEXIS DELONG	50.11	50.11
12/30/	1235	235b 132b	NICHOLAS ROOT	50.11	50.11
12/30/	1236	235b 132b	CRYSTAL SWEENEY	10.22	10.22

MARTIN COUNTY WATER DISTRICT
Cash Disbursements Journal
For the Period From Dec 1, 2019 to Dec 31, 2019

Filter Criteria includes: Report order is by Date. Report is printed in Detail Format.

Date	Check #	Account ID	Line Description	Debit Amou	Credit Amou
12/31/	1070b	127	VOID		
12/31/	1070c	127	VOID		
12/31/	1071	231b	Invoice: 661816	315.72	
		231b	Invoice: 661810	31.54	
		231b	Invoice: 661806	43.00	
		231b	Invoice: 664720	48.00	
		231b	Invoice: 658233	33.00	
		231b	Invoice: 661897	91.00	
		231b	Invoice: 661896	284.80	
		231b	Invoice: 664732	26.92	
		231b	Invoice: 661930	378.36	
		231b	Invoice: 661918	78.38	
		231b	Invoice: 661916	308.52	
		231b	Invoice: 653735	97.82	
		231b	Invoice: 661471	58.88	
		231b	Invoice: 661467	349.29	
		231b	Invoice: 661460	31.27	
		231b	Invoice: 661944	108.29	
		231b	Invoice: 658241	43.14	
		231b	Invoice: 661525	43.98	
		231b	Invoice: 661523	256.86	
		231b	Invoice: 661526	204.43	
		127	ZIP ZONE, INC		2,833.20
12/31/	1071a	127	VOID		
12/31/	1072	231b	Invoice: S1716657.1	2,833.20	
		127	THE C. I. THORNBURG CO., INC.		2,833.20
12/31/	10811	675.8b	Deposit to start MIS account	12,243.86	
		131.3b	INEZ DEPOSIT BANK		12,243.86
12/31/	10812	641.7b	January 2020 rent & garbage pickup	751.56	
		131.3b	ROY F COLLIER COMMUNITY CENTER		751.56
12/31/	10813	231b	Invoice: 5714114	96.82	
		131.3b	APPALACHIAN WIRELESS		96.82
12/31/	1243	235b		37.20	
		132b	DAKOTA MCKENZIE		37.20
	Total			249,144.49	249,144.49

Martin County Water District

387 East Main St., Suite 140

Inez, KY 41224

(606) 298-3885

All Books

Payments Applied Between:12/1/2019 And 12/31/2019

UnFiled

Category	Description	Amount Paid
01	Sales Tax	\$1,569.96
Adjustment	Tap balance	\$29.26
Bal. Forward	Bal. Fwd. 6-01061	\$365.49
C1	Comm.. W/Tax Water	\$7,512.90
C1E	Res.. N/Tax Water	\$1,264.13
C2	1" Meter Water	\$3,407.01
C2E	1" Meter N/T Water	\$840.48
C3E	1 1/2" Com. N/T Wate	\$361.11
C4	2" Commercial Water	\$11,906.23
C4E	2" Com. N/T Water	\$7,296.32
C5	3" Commercial Water	\$1,400.98
C6	4" Commercial Water	\$1,853.87
DSS	Debt Svc. Surcharge	\$9,499.60
Late Charge	Late Charge	\$8,510.72
Meter Pull Non-Pay S	Meter pull non-pay	\$716.42
Meter Pull Non-Pay	Meter set back	\$493.39
Meter Set Fee	Meter set	\$135.88
MIS	Mgt. Inf. Surcharge	\$12,801.67
R1	Res. N/Tax Water	\$145,739.46
SC	School Tax	\$5,434.34
Service Fee	Read-In	\$80.00
	Total Payments:	\$221,219.22

MARTIN COUNTY WATER DISTRICT**Aged Payables
As of Dec 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 day	Amount Due
04 PAINTSVILLEUTILIT PAINTSVILLE UTILITIES	34.97				34.97
09 ALLPUMPSSALES&SER ALL PUMPS SALES & SERVICE				8,411.90	8,411.90
09 CI-VFD#1 THE CI THORNBURG CO., INC. 304-523-3484				1,006.16	1,006.16
09 CI-VFD#2 THE CI THORNBURG CO., INC 304-523-3484				15,653.12	15,653.12
09 CITHORNBURGCOINC THE C. I. THORNBURG CO., INC 304-523-3484	14,002.50			42,383.88	56,386.38
09 EVANSHARDWAREINC EVANS HARDWARE, INC.				51,921.51	51,921.51
10 ADVANCEDAUTOPROF ADVANCED AUTO PARTS PRO	232.42				232.42
10 ASHLANDOFFICESUP ASHLAND OFFICE SUPPLY	88.33				88.33
10 CONSOLIDATEDPIPE CONSOLIDATED PIPE & SUPPL 606-298-0333	2,078.41				2,078.41
10 CUMBO,BRIAN BRIAN CUMBO, ATTORNEY AT	404.30			31,434.10	31,838.40
10 EVANSHARDWARE#2 EVANS HARDWARE				17,392.76	17,392.76
10 FASTCHANGE FAST CHANGE 606-298-0764				3,110.36	3,110.36
10 KYRURALWATERASSOC	2,220.00		1,850.00		4,070.00

4B-21

MARTIN COUNTY WATER DISTRICT**Aged Payables
As of Dec 31, 2019**

Filter Criteria includes: 1) Includes Drop Shipments. Report order is by ID. Report is printed in Summary Format.

Vendor ID	0 - 30	31 - 60	61 - 90	Over 90 day	Amount Due
Vendor Contact Telephone 1					
KENTUCKY RURAL WATER AS					
10 KYUNDERGROUNDPROT KY UNDERGROUND PROTECTI	52.50				52.50
10 L&M HYDRACOMM LLC L&M HYDRACOMM, LLC 877-483-2806	2,575.00				2,575.00
10 LINDAFSUMPTERCPA LINDA F. SUMPTER, CPA, PSC				154,663.03	154,663.03
10 PRESTONSBURGCITYU PRESTONSBURG CITY UTILITIE				14,836.35	14,836.35
10 QUILLCORPORATION QUILL CORPORATION	426.03				426.03
10 R&JBUILDINGSUPPLY R & J BUILDING SUPPLY	3.40				3.40
10 SERVICEPUMP&SUPPL SERVICE PUMP & SUPPLY INC				21,282.99	21,282.99
10 SOLESELECTRIC SOLES ELECTRIC OF HUNTING				13,300.00	13,300.00
10 STATIONERS STAIONERS	178.10				178.10
10 TECH2000INC TECH 2000, INC.	2,520.00				2,520.00
10 UNITEDRENTALS UNITED RENTALS	3,141.29	21,908.90	7,533.00	7,533.00	40,116.19
10 WARREN PUMP WARREN PUMP	13.59				13.59

MARTIN COUNTY WATER DISTRICT

Aged Payables As of Dec 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 day	Amount Due
10 WESTSTARLUBRICANT WESTSTAR LUBRICANTS, INC 606-874-9381	431.00				431.00
10 WEX BANK WEX BANK	3,054.21				3,054.21
10 WILSON,LISA LISA WILSON	100.00				100.00
10 XYLEM XYLEM DEWATERING SOLUTIO				78,079.55	78,079.55
10 ZIPZONE(FASTLANE) ZIP ZONE, INC	831.67	569.00	5,924.29	243,301.67	250,626.63 *
Report Total	32,387.72	22,477.90	15,307.29	704,310.38	774,483.29

* Balance still in process of being reconciled,

RS
1/19/2020

January 21st, 2020

TO: Martin County Water District
Board of Directors

INFORMATION & DECISION

FROM: Staff

RE: Bank Resolution Modification

In order to enforce a best practices internal control measure, staff recommends reducing banking access. Currently Katrina Sansom can login into the District's bank account and set up vendors to pay online, it is staff's recommendation that this practice be discontinued to protect all parties. Staff recommends Katrina be allowed to continue to pay critical vendors, i.e. utilities, sales tax, school tax that are already set up online.

Staff is also recommending requesting the District's bank to automatically sweep daily deposits from the Revenue EFT accounts into the regular Revenue Account. Staff recommends the bank keep \$500 in the Revenue EFT account to cover any fees/NSF items that may need to be covered.

If the Board agrees, we are respectfully requesting a motion from the Board to proceed with these recommendations.

Martin County Water District, Inez KY
List of Bills for Consideration
21-Jan-20

	<u>Vendor</u>	<u>Description</u>	<u>Amount</u>
Operations Account			
1	CI Thornburg	Chemicals (Dec 2019)	\$ 14,002.50
2	Colonial Life	Insurance (last invoice)	\$ 315.36
3	AEP	Electric (25 bills)	\$ 36,094.64
4	Big Sandy RECC	Electric (9 bills)	\$ 2,630.46
5	Consolidated Pipe	Pipe & supplies (Dec 2019)	\$ 2,078.81
6	Fast Change	Service Vehicles (Dec 2019)	\$ 172.52
7	United Rentals	Pump Rental (Dec 2019)	\$ 3,141.29
8	Warren Pump & Supply	Supply (Dec 19)	\$ 13.59
9	Zip Zone	Fuel (Dec 2019)	\$ 831.00
11	L&M HydraComm LLC	Parts (Dec 2019)	\$ 2,575.00
12	KY Underground Protection	811 services (Nov 2019)	\$ 52.50
13	Ashland Office Supply	Printer maintenance contract (11/28-12/28/19)	\$ 88.33
14	Weststar Lubricant's	Tire & install (Dec 2019)	\$ 431.00
15	R&J Bulding Supply	Supplies (Dec 2019)	\$ 3.40
16	Stationers	Office supplies (Dec 2019)	\$ 178.10
17	Advance Auto Parts	Parts (Dec 2019)	\$ 232.42
18	Brian Cumbo	Attorney fees (Dec 2019)	\$ 404.30
19	Quill	Office supplies (Dec 2019)	\$ 426.03
20	Lisa Wilson	GPS coordinates for FEMA (Dec 2019)	\$ 100.00
21	Elite	Insurance (Dec 2019)	\$ 3,524.30
22	Tommy Maynard	Truck payment (Jan 2019)	\$ 500.00
23	DSS	Estimated (actual collected will be paid)	\$ 8,860.47
24	MIS	Estimated (actual collected will be paid)	\$ 15,972.48
25	Alliance Water Resources	1/16/20-1/31/20 O&M services	\$ 82,222.75
	TOTAL		\$ 174,851.25

The following invoices have already been paid via auto debit or to avoid service interruption(s) and/or late fees.

1	Paintsville Utilities	Electric for token	\$ 34.97
2	WEX	Marathon fuel cards (December)	\$ 3,054.21
3	Sales tax	Dec-19	\$ 2,295.43
4	School tax	Dec-19	\$ 5,499.69
5	KRS	KY Retirement (December)	\$ 18,654.54
6	Alliance Water Resources	1/1-20-1/15/20	\$ 82,222.75
	TOTAL		\$ 111,761.59

Martin County Water District, Inez KY
List of Bills for Consideration
21-Jan-20

<u>Vendor</u>	<u>Description</u>	<u>Amount</u>
Revenue Account		
1 KIA	Monthly funding for KIA Bond/Loan	\$ 7,150.00
2 KACo	Monthly funding for lease payment	\$ 1,200.00
3 KRW/Regions Bank	Monthly funding for loan	\$ 10,800.00
TOTAL		\$ 19,150.00

Payment Plans
Revenue Account

1 CI Thornburg 2018 Invoices	Parts & Chemicals	\$ 1,124.85
2 CI Thornburg VFD # 1 & # 2	VFD	\$ 2,500.00
3 Xylem	Pump rental	\$ 1,000.00
4 Soles Electric	Pump service	\$ 1,000.00
5 Service Pumps	Pump service	\$ 1,000.00
TOTAL		\$ 6,624.85

DSS Account (Current Payment Plan based on cash availability)

1 Evans Hardware	Parts & supplies	\$ 51,921.51
2 CI Thornburg	Parts & supplies	\$ 42,383.88
3 Linda Sumpter CPA	Accounting fees	\$ 154,663.03
4 Zip Zone	Fuel	\$ 243,301.67
TOTAL		\$ 492,270.09

Security Deposit Account

1 None for this meeting		\$ -
TOTAL		\$ -

Martin County Water District

OUR MISSION

We partner with communities to deliver the finest water and wastewater services available at a competitive price. We are committed to keeping water safe and clean while serving people and taking care of communities with improved technical operations, careful management and financial oversight, and ensured regulatory compliance.

Alliance Water Resources, Inc.

206 S. Keene St.
Columbia, MO
65201

(573)874-8080

January 2020

Administrative

Staff has begun work gathering and organizing information to assess the current state of the system from both an operational and financial perspective.

Staff has formed a leadership team focused work force development, issue identification, and solution development.

Water Treatment

Staff is working with Bell Engineering to identify items needed for upcoming projects.

Staff is working throughout the treatment plant to eliminate parts and equipment that are no longer useful.

Distribution

Staff are working to collect data for main and service repair reporting.

Staff are continuing to fix service lines and main breaks while assisting with the current meter reading audit.

Customer Service

Staff has attempted to physically read all meters in the system and is working to develop a list for meters that cannot be located (CNL). Once the list is developed, a team will be assigned to locate CNL meters.

Staff is working on paperwork and organization to ensure best practices for work order development and completion.

Project Updates

SOURCE	AMOUNT	PROJECTS
AML Pilot Nexus Grant-2017	\$3,450,000	A, B, C, D
COE 531 (25% Match)	\$1,869,718	B, C
ARC Grant	\$1,200,000	F
AML Pilot Nexus Grant-2018	\$2,000,000	I
Total Grant	\$8,519,718	

See Details in Section 8: Capital Projects Report

Safety

We will normally have the Monthly Safety Topic in this section. As a new division safety training is heavy loaded on the front end.

- New Employee Safety Orientation - Completed week 1 by all employees (WTP staff set up for on-line version)
- Competent Person Training Scheduled Week of 19 January for:
 - Confined Space
 - Trenching & Shoring
 - Arc Flash
- Safety PPE issued to all plant and field staff

Regulatory

Nothing to Report currently

Training

Ongoing in-house training.

***Our intent is to have all information in these tables filled**

Water Plant Operation

Water Pumped	
Total Water Production (gallons) - DEC	55,249,000
Total Water Metered/Billed - DEC	
Fire Hydrant Flushing/Main Breaks	
Total Water Loss (gallons) - DEC	
Average Daily Flow (Million Gallons per Day) - DEC	1.782 MGD
Maximum Daily Flow – DEC	
Fluoride Used (lbs.) - DEC	
Chlorine Used (lbs.) - DEC	
Lab Tests - DEC	

Water Quality Analysis

Test	Routine	Special	Repeat
Bacteriological	12 (Pass)	0	0
		Reported	Minimum Limit
Fluoride			
Chlorine			

Customer Service Request and Work Orders

Meter Reads	
Turn Ons	
Turn Offs	
New meter Installs	
Meter Changes	
Disconnects for Non-payment	
Boil Notices	
Line Locates	
Water Leaks/Breaks	



Martin County Water District

Water Quality Questions	
Other/Investigates	

Water Main Breaks

Date	Location	Pipe Size/Type	Estimated Water Loss (gallons)

Other

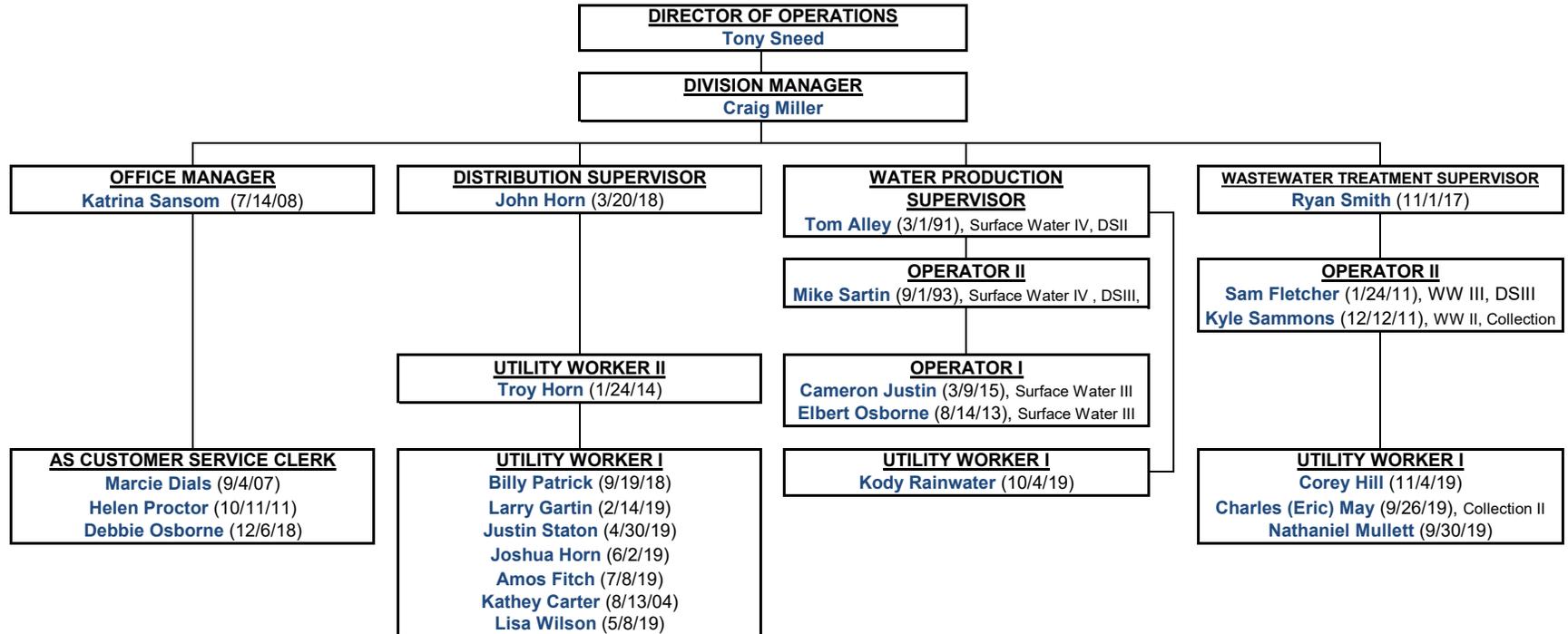
- Nothing to report.

MARTIN COUNTY WATER DISTRICT

Key Items Accomplished to Date

January 20, 2019

1. Established leadership team (see page B2)
2. Conducted a meter audit
3. Replaced 400ft. of 4" water main on Town point curve
4. Repaired distribution excavator
5. Repaired 2 MCUB vehicles
6. Replaced 2 tires on equipment trailer
7. Created 90-day goals (see page B3)





First Quarter Goals	Assigned	Description
NEW BILLING SOFTWARE	Ann Perkins	Select and schedule a new billing system for MCUB
EVERY METER READ	Craig Miller	Read, mark, and flag every meter in the system including meters that have not been located
BILLING SOP's	Craig Miller	Review current practices, customer issues/concerns PSC rules & regs -to develop and implement Standard Operating Procedures
CUSTOMER ISSUES DATABASE	Tony Sneed	Develop, Train Staff, and Implemt a database for collection of and responding to Customer Concerns (Report to be Included in Monthly Board Packet)
NEW OR HIGHER LICENSING	Tony Sneed	Identify 4 employees for new or higher licenses to meet or exceed requirements for the system
RECONCILE BILLING FOR METERS	Katrina Sansom	Ensure billing and information for all meters is reconciled in current billing softwater system
2018 DISTRICT AUDIT	Katrina Sansom	Ensure that the 2018 district audit is issued or completed
SECURITY DEPOSITS	Katrina Sansom	Identify owners of billing software customer security deposits for water and sewer
WTP	Tom Alley	Identify Critical Needs, Action Plan & Associated Costs
WWTP ((2)	Tony Sneed	Identify Critical Needs, Action Plan & Associated Costs
OXIDATION DITCH ROTORS	Ryan Smith	Have both rotors working at the oxidation ditch at the Inez plant
GRINDER PUMPS	Ryan Smith	Have all the grinder pumps replaced
INFLUENT PUMP	Ryan Smith	Repair/replace a pump in the influent



BOOSTER STATION AND TANK INFORMATION	John Horn	Collect information on each booster and tank in the system for deficiency.
TRUCK INVENTORY	John Horn/Ryan Smith	Do an inventory of every truck and create a standard load out.
COMMUNITY PROJECT	Craig Miller	Select, plan and schedule an event to that directly impacts community water shed- build partnerships

MARTIN COUNTY WATER DISTRICT
WATER TREATMENT PLANT PRIORITY ITEMS LIST

1. Refurbish treatment unit # 1, constructing new valve vault, also all required piping.
2. Repair filter beds, filter divider walls, repair rake, will need all new filter media and install tube settlers in unit #3, plus paint as needed. Check all bearings, motors and gear boxes.
3. Need 2 new filter level indicator probes, one for filter #4 and one for filter #6, and one level indicator for the clearwell under the plant, ethernet card for high service pump #2, this will allow the water plant to run on automatic.
4. Repair #3 filter drain valve.
5. Replace all online turbidimeters, total of 5, along with software.
6. New lab equipment, CL17 chlorine analyzer, bench turbidimeter, chlorine meter, iron and manganese meter.
7. Repair roof over the chemical storage room, leaks bad when it rains.
8. Or instead of a new roof maybe construct a new and bigger room to store the chemicals in, get them out of the building.
9. New chemical feed pumps.
10. Install doors that will lead into the valve vaults for unit #2 and unit #3, or a better ladder system.
11. Need a new turkey pump and motor, there is only one.



WEEK OF	AWR RESOURCE	TITLE	FOCUS AREA
30-Dec-19	Tim Geraghty	President	Admin & Ops
6-Jan-20	Mark Mahler	Director of Safety & Compliance	Training & Compliance
	Tyler Stuhlman	Distribution Supervisor	Distribution System
	Anthony Hays	IT Manager	Technology Systems
13-Jan-20	Ann Perkins	VP, Director of Finance	Office & Accounting Procedures
20-Jan-20	Ann Perkins	VP, Director of Finance	Office & Accounting Procedures
	Mark Mahler	Director of Safety & Compliance	Training & Compliance
27-Jan-20	Mark Mahler	Director of Safety & Compliance	Training & Compliance
	Steve Wilson	Local Manager	Distribution System & Inez WWTP
	Frank Steward	Local Manager	Tug Valey WWTP Warfield
3-Feb-20	Bob Hathcock	Local Manager	Distribution & Collections
10-Feb-20	Bob Hathcock	Local Manager	Distribution & Inez WWTP
17-Feb-20	James Ford	Local Manager	Distribution & WTP
24-Feb-20			
Permanent	Craig Miller	Division Manager	Ops & Admin
1 Jan - 31 March	Tony Sneed	Director of Operations	Operations & Outside Agencies

7D



MEETING AGENDA
ENGINEERING DESIGN - PROGRESS MTG #8
MARTIN COUNTY WATER DISTRICT
MARTIN COUNTY, KENTUCKY
January 8, 2020

LOCATION: BSADD, 110 Resource Court, Prestonsburg, KY 41653
TIME: 5:00 PM
Present: Please Sign Attendance Roster

SUMMARY OF PROJECT FUNDING:

<u>Source</u>	<u>Amount</u>	<u>Associated Project(s)</u>
AML Pilot NEXUS Grant (2017)	\$3,450,000	A,B,C,D
COE 531 Partnership (25% Match)	\$1,869,718	B,C
ARC Grant	\$1,200,000	F
AML Pilot NEXUS Grant (2018)	<u>\$2,000,000</u>	I
TOTAL GRANT	\$8,519,718	

A. CONTRACT 113-19-01

RAW WATER INTAKE IMPROVEMENTS (PUMP PURCHASE ONLY)

1. AML provided clearance to advertise for bids on June 13, 2019.
2. Bids were opened at BSADD at 11:00 AM Wednesday July 3. Xylem Dewatering Solutions was the only bid received in the amount of \$470,286.07, compared to Bell's opinion of cost of \$500,000.00.
3. Bell made recommendation to award to BSADD and they along with MCWD agreed to accept the bid.
4. On July 29th, Bell received the AML Contractor/Subcontractor Information, Campaign Finance Law Compliance and Affidavit for Bidders Forms from Xylem. These were forwarded to AML.
5. On August 9th, AML advised Xylem had cleared the AVS check and the contract could be signed. Contract documents were forwarded to Xylem.
6. Contract documents were executed by both Xylem and the BSADD. A Notice to Proceed was issued to Xylem after the contracts were executed.
7. Xylem has completed fabrication of the smaller (2 MGD pump) and the associated variable speed drive. These items are currently being stored in their shop awaiting delivery. The 4 MGD pump is currently being fabricated along with the variable speed drive for the 4 MGD pump. Bell is continuing to assist with electrical questions concerning the 4 MGD pump and coordination with the electrical company concerning maximum pump horsepower.

8. The river screen has been fabricated.
9. Xylem has agreed to discontinue future pump rental charges to MCWD.

B. CONTRACT 113-19-02

RWI&WTP IMPROVEMENTS

1. Bell has refocused design at the WTP to include upgrades to Clarifier #2, an on-site generator, a portable generator to operate the booster pump stations, a new roof out to the clarifiers, and a new flow meter.
2. This design effort is ongoing and Bell has completed front end bidding documents for the project.
3. Plans and specifications are currently being developed.
4. The WTP and RWI sites have all been surveyed.
5. A routing survey has been performed for the potential reservoir bypass.
6. Development of the rail system for pump level adjustment is ongoing.
7. Basins have been documented for condition assessment.
8. Electrical design is on-going.
9. The Preliminary Engineering Report for the project is complete and has been distributed.
10. The Phase I Environmental Site Assessment required by the Corps of Engineers is complete and has been submitted.
11. Vendor proposals for replacement equipment are being requested/reviewed.
12. Bell to schedule an additional site visit to the plant to resolve piping conflict issues.

C. CONTRACT 113-19-03

LINE IMPROVEMENTS

1. Bell was able to locate several sets of As-Built Drawings of the water distribution system. Bell scanned copies of all plan sets and returned to Greg Scott with digital copies of plan sets for MCWD future use.
2. Bell has completed front end bid documents for the project.
3. Bell has cut out plan sheets, prepared detail drawings and is continuing further development of design drawings.
4. Bell and MCWD personnel have been in the field multiple times locating existing lines, surveying existing meters, valves and fire hydrants and determining routing of new water lines.
5. Location of all the features affecting alignment of the waterline has been completed including gas lines.
6. The Phase I Environmental Site Assessment required by the Corps of Engineers is complete and has been submitted.
7. A preliminary Opinion of Probable Construction Cost for the lines is being developed to determine what can be replaced with available funds.

D. WATER SYSTEM CAPITAL IMPROVEMENT PLAN / HYDRAULIC MODELING

1. Document is required by PSC
2. Bell has completed field review of RWI, WTP, Storage Tanks, Pumping Stations and PRV's.
3. Bell & UK met in Martin County on June 21st to coordinate collection of field data the week of July 8th. This effort is for calibration of the Hydraulic Model.
4. UK professors and 3 students traveled to Martin County on July 8th to begin effort of collecting field data (pressures and flows) at key points throughout the water distribution system. Bell had a team of four individuals that were to join the UK team on July 10th; however, MCWD had some major line breaks on July 9th and were unable to recover water supply during the week to allow flowing water from hydrants.
5. The effort to collect flow data was rescheduled for August 6th and 7th, however, on August 5th MCWD has a failure of a PRV which would not allow the flowing of the hydrants.
6. The collection of the field data was rescheduled and occurred on August 14th and 15th.
7. Field data has been reviewed. UK returned to the field in an effort to repeat two tests for the Hazen Williams coefficient that appeared suspect.
8. Money is in place to pay for the Hydraulic Model through AML 2017 Grant. OSM refused to allow for payment of the CIP through the 2018 Grant. The funds associated with that have been realigned toward additional waterline replacement.

E. COE 531 AGREEMENT

1. Bell provided a Scope of Work to the COE on May 15th.
2. Bell and COE agreed on an O&M cost of \$250,000.
3. Lesli Stone Smith has asked for a PER with Alternative Analysis. Bell is modified the original PER to incorporate the COE funding. COE dollars will not be utilized for the 10-Yr CIP or RWI pump purchase. The requested Alternative Analysis was provided to COE on July 10.
4. The Project Partnering Agreement (PPA). This agreement was executed on September 13, 2019.
5. Funds from the COE are being utilized for the RWI, WTP and Line Improvements (Items B & C).
6. BSADD has forwarded work to date related to the Environmental Assessment to the USACE and USACE to determine if additional work is to be performed.

F. CONTRACT 113-19-04

ARC WATERLINE REPLACEMENT PROJECT

1. Bell received the signed contract on August 2nd.
2. Bell has prepared front end bid documents for the project.
3. Bell has cut out plan sheets and has begun further development of design drawings.
4. Bell and MCWD personnel have been in the field multiple times locating existing lines, surveying existing meters, valves and fire hydrants and determining routing of new water lines.
5. Location of all features affecting alignment of the waterline has been completed including gas lines.
6. Routing of the proposed replacement waterline has been completed.
7. A preliminary Opinion of Probable Construction cost has been developed for the replacement lines.

G. CONTRACT 695-19-01

**HIGH SCHOOL WATER STORAGE TANK & BOOSTER PUMP STATION
TELEMETRY**

1. Bell received the signed contract on August 14th.
2. The project was advertised for bids on August 21st and was advertised a second time on September 11th.
3. Bids for the project were opened September 26th @ 5:00 p.m. at the offices of the Martin County Fiscal Court.
4. The low (and only) bid was submitted by Micro-Comm. The base bid submitted was in the amount of \$48,921.00 and included the installation of an electrically powered telemetry unit at the pumping station and a solar powered unit at the tank site. A deductive alternate of \$5,400.00 was offered if the Fiscal Court ran electric to the tank site and Micro-Comm could also use an electrically powered unit at this location. Cost would then be \$43,521.00.
5. Bell provided a letter of recommendation to the Martin County Fiscal Court concerning the award of the project to Micro-Comm.
6. Martin County Fiscal Court has awarded the project to the low bidder.
7. Contract documents have been forwarded to the contractor for signature. After the contracts are signed and the contractor provides the bonds/insurance, a Notice to Proceed will be issued.

H. WASTEWATER TREATMENT PLANT/COLLECTION SYSTEM REVIEW

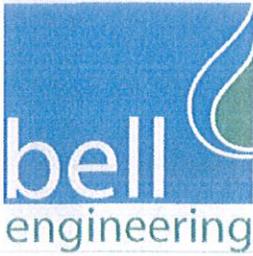
1. Bell and MCWD personnel reviewed the Inez and Warfield WWTPs.
2. Proposed work at the Inez facility includes: a redundant oxidation ditch, septage receiving station, belt filter press, solids processing building, sludge hauling equipment, influent flow meter, yard piping, upgraded electrical,

- sludge storage and drainage pad, replacement of the influent pumping station, clarifier rehabilitation of unit that is out of service, existing oxidation ditch metal work, covers for the aerators/gearboxes for existing oxidation ditch, entry road repairs, rehabilitating two system pumping stations, replacing floats/adding transducers at the two stations, replacing ten grinder pumps and rehabilitating the inoperable plant generator. OPPC: \$4,836,550.
3. Proposed work at the Warfield facility includes a septage receiving station, mechanical screen for trash, demolition of the Dempsey WWTP, rehabilitating two system pumping stations, replacing floats/adding transducers at the two stations and replacing ten grinder pumps. OPCC \$1,138,563.
 4. An RFQ for engineering services was published requiring a submission by interested firms by October 5, 2019. The RFQ was in conformance with EDA requirements so that EDA funding may be sought for the project.
 5. Bell Engineering was selected to provide engineering services for the project at the last MCUD meeting. A contract is being prepared for review and signature.
 6. The project budget will be adjusted to include administrative fees for the BSADD prior to any applications for project funding being submitted.
 7. A meeting was held with a representative of the Economic Development Administration (EDA) earlier today to discuss the project.

I. USP BIG SANDY, EASTERN KENTUCKY BUSINESS PARK & BIG SANDY AIRPORT WATER PROJECT

1. Project budget was revised and sent to AML on September 19.
2. The Memorandum of Agreement between AML and BSADD was signed by BSADD on September 25th. The MOA was signed by AML on October 1, 2019.
3. A contract for engineering services has been executed by the Big Sandy Area Development District.
4. Bell and MCWD personnel have been in the field reviewing potential tank and pump station sites.
5. The Preliminary Engineering Report for the project is complete and has been distributed.
6. Plans are being prepared for the 250,000-gallon water storage tank.
7. Bell and MCWD are coordinating with the mineral lease holder and the surface owner concerning location of the proposed tank and pump station.

Progress Meeting #9 will be held February 5, 2020 at 5:00 PM at Big Sandy Area Development District in Prestonsburg, KY.



ATTENDANCE ROSTER
 ENGINEERING DESIGN - PROGRESS MTG #8
 MARTIN COUNTY WATER DISTRICT
 MARTIN COUNTY, KENTUCKY
 January 8, 2020

<u>NAME</u>	<u>ORGANIZATION</u>	<u>EMAIL</u>	<u>PHONE</u>
Stephen Caudill	Bell Engineering	scaudill@hkbell.com	859-278-5412
Justin Adams	AML	justin.adams@ky.gov	606 594 4068
Bob Scott	Ky AML	Bob.F.Scott@ky.gov	502 782 6761
Jim Cable	AML	james.cable@ky.gov	606-594-4534
Mary Cromer	ACLCC	mary@aclc.org	606 633 3924
Nina McCoy	MCCC	nina.mccoy@hotmail.com	859-640-8989
Craig Miller	Alliance Water Resources	cmiller@alliancewater.com	606-548-2250
Jimmy D. Kerr	MCHB	jdandemkerr@yahoo.com	606-534-1194
Greg Scott	Alliance Water	Greg.Scott818@yahoo.com	606 534 0045
ERIC RATLIFF	BIG SANDY ADD	ERIC.RATLIFF@BIGSANDY.ORG	606 986 2374
Tony Sneed	TSNEED@AllianceWater.com	AWR	256-278-1264
Kelly Gillespie	Bell Engineering	kgillespie@hkbell.com	859-278-5412

RAW WATER INTAKE IMPROVEMENTS

Below are questions:

- 1) Where does the client want to store the second pump? We would suggest somewhere off site that may be more secure and above the 100-year flood level. Is storage to be in a covered/protected structure?
- 2) What happens if the water level approaches the 100-year level which is several feet above the road? How does District prefer to relocate pumps and move off site?

ROOF REPLACEMENT AT WATER TREATMENT PLANT

In looking at the roof information that we have it appears that the roof is precast concrete on steel supports with a couple inches of foam insulation on the concrete and a waterproof material on the insulation. It appears the roof was originally a asphalt/bitumen roof that was later replaced with a rubber roof. From the photos and the drawings it appears that either the raised gravel stop edges are still in place or the insulation has been badly compressed from people walking on it and that is why it has ponding water. With the raised gravel edge stops there should be a roof center drain pipe which could be clogged causing the ponding or it could have been covered over with the sheet rubber roofing. Below are questions:

- 1) Is there a center roof drain that comes down into the garage space? If so is it still used?
- 2) Is the original roof is still in place, i.e., was the new roof placed over it? The aluminum on the edges is original per the photos, is anything else?
- 3) What type of material was used and what is there now, EPDM, etc.?
- 4) Where are the leaks occurring, roof center/drain or at the edges? Are there multiple leaks?
- 5) Who should plant site visit be scheduled through?

Martin County Water District
Standardized Material List

1. Water Meter
Manufacturer _____
Model No. _____
2. Meter Yoke
Manufacturer _____
Model No. _____
3. Meter Box
Manufacturer _____
Model No. _____
4. Meter Box Lid
Manufacturer _____
Model No. _____
5. Corporation Stop
Manufacturer _____
Model No. _____
6. M.J. Gate Valves
Manufacturer _____
Model No. _____
7. Fire Hydrants
Manufacturer _____
Model No. _____
8. Blow-Off Assembly
Manufacturer _____
Model No. _____
9. Air Release Valves
Manufacturer _____
Model No. _____
10. Line Markers
Manufacturer _____
Model No. _____

11. Pressure Reducing Valve (Main Line)

Manufacturer _____

Model No. _____

12. Pressure Reducing Valve (Residential)

Manufacturer _____

Model No. _____

MARTIN COUNTY WATER & SANITATION BOARDS: STAFF SCHEDULE & SUMMARY OF MEETINGS WITH OUTSIDE ENTITIES

DATE	ENTITY	KEY CONTACTS	TOPIC	ADDITIONAL COMMENTS
12-Dec-19	MCCC	Mary Cromer, Nina McCoy	Key Concerns & Issue Solving	Tentative Follow Up Meeting First week in Feb
2-Jan-20	DOW & KRWA	Alicia Jacobs, Joe Burns	Introduction Ops Issues	
2-Jan-20	C.I. Thornburg	Mark Underwood	Updated Pricing / Inventory Support	We need to investigate and use
8-Jan-20	BSADD-AML-BELL	Eric Ratcliff-Bob Scott-Steve Caudill	Capital Projects Status Update	Have acquired a lot of Digital Information From Bell to begin reviewing
7-Jan-20	KRWA	Tim Blanton	System Issues & Water Loss	Working with Tim and Other KRWA staff to plan, organize, prioritize and focus their assistance
9-Jan-20	KRWA & USDARD	Steve Caps & Doug Hoff	INEZ WWTP & Overall Wastewater Issues & Funding Options	Currently reviewing list of Critical Needs & rate structure.
14-Jan-20	Bluewater Kentucky	Greg Heitzman, P.E.	System History & Challenges Discussion	Great Resource supplied data for review.
17-Jan-20	University of Kentucky	Dr. Lindell Ormsbee & Team	UK Support Projects- Hydraulic Modeling - GIS- DBP Study	Additional Cooperative Support - Need good data from us questions to answer
22-Jan-20	KRWA	Matt Glass	Develop Groutwater Protection Plan	at TUG WWTP for AO required deliverables
5-Feb-20	EEC & AML	Rebecca Goodman	Capital Projects	Meeting being held in Frankfort with new Secretary
5-Feb-20	DOW & KRWA	A. Jacobs	Face to Face meet with DOW staff	Get acquainted open communication channels DOW expectations
8-Apr-20	PSC	PSC Commissioners	PSC Hearing AWR Initial Assessment	



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OF COUNSEL
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January 17, 2020

James Anthony (Tony) Sneed, PE
Director of Operations, Alliance Water Resources
c/o Martin County Water District
387 E Main Street, Suite 140
Inez, Kentucky 41224

Dear Tony,

I want to again thank you for asking Martin County Concerned Citizens (MCCC) to draft a list of the top five issues that we believe Alliance should focus on during your first few months operating the Martin County Water District.

1. Customer Complaints

Most pressingly, we urge Alliance to develop clear procedures for receiving and responding to customer complaints. Based on communication MCCC has had with the public, many customers feel that their concerns are not taken seriously

This is our top priority because it is an umbrella issue that affects all of the other problems that have been brought to the attention of MCCC. Many customers' frustrations center on the lack of clear, knowledgeable, and respectful communication from the water district. Ensuring that each customer feels that their concerns are being heard and dealt with will allow the District and Alliance to begin rebuilding the trust that has been so damaged over the past couple of decades. Transparency and open communication from Alliance and the District are essential in reestablishing community trust.

We were encouraged that when we met in December, you agreed that it was important to keep a log of customer complaints. We are also pleased that you have agreed to provide that log of complaints and a report on the status of each complaint at the board meetings. For our part, we will make sure to advise all residents to submit concerns directly to the District. If you provide us with your preferred point of contact for customers wishing to make complaints, we will help get the word out.



2. Meter Issues

We are glad to hear that one of Alliance's first priorities is to ensure that meters are read on the same day of each month. We believe that meter reading is an issue causing significant distrust among MCWD's customers. We have talked to many customers whose meters are not read and have not been read in some time. We are often able to verify that just from the state of the meter (i.e., often overgrown or otherwise inaccessible), it is obvious that the meter cap has not been lifted to make a reading. Customers are aware that meters are not being read, yet bills indicate that every meter was read on the 20th of the month.¹

We have also heard a number of complaints that customers' bills for December went up inexplicably. In some instances, it seems that the bill amount increased despite the fact that the meter was not actually read.

We also want to mention that MCCC is also concerned about the long-term issues of meter accuracy and making sure that each household is required to pay the base rate for service. As part of our overarching concern with affordability, we want to ensure that each household is fairly paying its share of the costs of the District. To make sure that the costs are fairly distributed, each household's meter must be accurate.

With regard to locations with multiple households on one meter, we have been told that MCWD originally set up many systems this way. Ideally, each household should have a separate meter, but the meter setting fee of \$1000 is too much for many of the District's customers to pay. We suggest that until grant money is available for meter replacement that could be used to ensure that each household is served by a separate meter, the district should modify its tariff to charge an additional base rate for each household served by the same meter. As with all such changes, the district should be very clear in explaining to customers why this is necessary and raising community awareness before making the change.

3. Water outages and emergency planning

The District needs to have an emergency plan in place for water outages. Customers have been dealing with water outages on a fairly regular basis. We hear from many customers who express frustration with the lack of consistent communication about boil water advisories, where and when bottled water is being provided, and the location and duration of outages. We hope that you will consider creating a one-page emergency plan for water outages that you could include with customers' bills and post at the district office and online.

¹ Page 15 of the current tariff requires that estimated bills must be "distinctly marked as such."



4. Water quality concerns

We hope that Alliance will acknowledge the legitimacy of customer concerns about water quality and will discuss with the public plans to address those concerns. Customers often find that their water is smelly, discolored, or causes rashes or itching when bathing. In addition, customers received notices of disinfection byproducts violations on their water bills consistently between 2004 and 2016.

We are also concerned about current water quality in the system based on the results of the pilot study underway in the county. For that study, Nina and Ricki worked with UK researchers to sample tap water at 100 homes in the county. We plan to present the results to the District and at several public meetings in the county this spring. The results showed that disinfection byproducts continue to be a problem in many areas of the county. In addition, tap water tested positive for bacteria in about 20% of the samples.

We hope that you understand that given the system's violation history, the number of instances of objectionable water coming out of a tap, and the current research on drinking water quality, it is reasonable that most residents of Martin County do not feel that their water is safe to drink. We also hope you understand what a burden this is on the county's residents, who feel that they must buy water whether or not they can afford to do so.

5. Miscellaneous Concerns

And finally, we want to state our support for a couple of disparate issues. First, we hope that the district will take full advantage of the offers of support from Kentucky Water Resources Research Institute. We look forward to working with Alliance, the District, and partners at the University of Kentucky to collaborate on projects aimed at improving the water system.

Second, we encourage Alliance, when possible, to provide educational information to District customers about water quality and management. For example, customer bills could include information about the distribution system and which tank the residence is served by. We would be glad to work together to produce and distribute educational information to customers.

We appreciate your willingness to work with MCCC and the Martin County Water District to improve water quality and management in the county. We look forward to continued collaboration in support of our shared vision for clean and affordable drinking water for all Martin Countians.

Sincerely,

Mary Cromer

Martin County Water District
387 E. Main St.

Phone (606) 298-3885 **Inez, Kentucky 41224**

Regular Meeting, Saturday, February 15, 2020 – 9:00 a.m.
Martin County Government Center (2nd Floor)

- 1) Call the meeting to order
- 2) Review and Consideration to Approve Minutes
- 3) Introduction of Guests
- 4) Review and Consideration of Financial Reports
 - A. Review and Consideration to Approve Treasurer's Report
 - B. Review and Consideration to Approve Other Financials
 - C. Other Items for Discussion & Approval
 - D. Update on Status of Audits
- 5) Review and Consideration to Approve Bills
- 6) Legal
 - A. Any Issues for Discussion with Board Attorney
- 7) Operations
 - A. Alliance Operations Report
 - B. Meter Audit
 - C. Water Loss Report
- 8) Capital Projects Report
 - A. Project Updates – Craig M
- 9) Other Old Business
- 10) Other New Business
 - A. New Meeting Date Options
 - B. Meetings with Other Agencies (List Updated)
- 11) Consider Motion to Convene into Closed Executive Session
- 12) Consider Motion to Close Executive Session
- 13) Other and Informational
 - A. Compliance Confirmation AI No. 2987
- 14) Adjourn

Notice is hereby given that, subject to a motion duly made and adopted, the Board of Directors may hold an Executive Session subject to the laws of Kentucky.

**Martin County Water District
Special Meeting of the Board of Directors
January 21, 2020 Meeting Minutes**

Presiding: James Kerr, Chairman
Present: Directors: John Hensley, Greg Crum, BJ Slone
Staff: Brian Cumbo (Attorney), Craig Miller (GM), Katrina Sansom
Guests: Tony Sneed & Ann Perkins (AWR),
Gary Ball

The Regular Meeting of the Martin County Water District was held on January 21, 2020 at the Martin County Government Center, at 42 East Main St (2nd Floor), Inez, Kentucky 41224 at 6:00 PM.

James Kerr called the meeting to order.

The following directors were present: John Hensley, Greg Crum, and BJ Slone.

James Kerr called for review of the minutes of the December 30, 2019 Special Board Meeting. After review and discussion, John Hensley motioned to accept the minutes of the December 30, 2019 Special Board Meeting, seconded by BJ Slone, all yea, motion carried.

Next, James Kerr called for review of the Treasurer's Report. Katrina Sansom reported that she has been working lining books up and getting information in a better format. Tony Sneed said that within about 6 months, there will be a better financial report. After further discussion, BJ Slone motioned to accept the Treasurer's Report as presented; Greg Crum seconded, all yea, motion carried. BJ Slone motioned to approve other financials; Greg Crum seconded, all yea, motion carried.

James Kerr introduced the two people signed up to speak. Gary Ball from The Mountain Citizen asked what title to use when addressing Craig Miller. Tony Sneed responded to call him the General Manager. Tony Sneed from AWR gave an overview of Alliance Water Resources, what has been done so far, and what the board can expect in the future.

Next, Ann Perkins gave an update on financials. The 2016 yearly audit is completed and 2017 and 2018 are being worked on by White & Associates. She and Katrina have been working with the bank to resolve some account issues such as getting EFT accounts to sweep nightly. James Kerr asked if there were any other items to discuss. There was nothing else.

Next, James Kerr called for review and consideration of the list of bills to pay from the water funds. After review and discussion, John Hensley motioned to approve the list of bills as presented, seconded by BJ Slone all yea, motion carried.

James Kerr asked Attorney Brian Cumbo is there were any legal issues to discuss. He said no.

James Kerr then called for review of the Operations Report. Craig Miller provided a summary of the District's water system operations and repairs including water distribution, treatment, distribution, and customer service work performed during the month. Staff has been doing a great job. Leadership roles have been assigned. Meter auditing has been done. Project updates are included. Training is ongoing and in-house, gave list of key items accomplished to date, a priority list, and capital projects report.

James Kerr inquired if there was any other business to discuss; being none, Mr. Kerr inquired if there was any new business to discuss. Tony Sneed mentioned meetings, board training, working with Martin County Concerned Citizens.

Executive session not needed; Mr. Kerr asked if anyone had any questions before motion to adjourn. Gary Ball asked about exceeding disinfection by-products and testing sites. Tony Sneed answered that flushing methods are being discussed. James Kerr called for a motion to adjourn. John Hensley motioned to adjourn the meeting, seconded by Greg Crum, all yea, motion carried, meeting adjourned at 6:47 PM.

Minutes approved this _____ day of _____, 2020.

James Kerr, Chairman

Katrina Sansom, Acting Clerk

**Martin County Water District
Treasury Report
Summary of Cash & Investments
January 31, 2020**

Bank Account	Beginning Balance	Deposits	Interest Earned, Net of Fees	Payments	Ending Balance
Revenue Fund Account	\$ 24,542.60	179,743.82	-	(202,460.75)	\$ 1,825.67
Revenue EFT Account	9,391.92	53,162.95	-	(60,743.13)	1,811.74
Operations Account	(4,654.92)	217,574.55	-	(141,530.17)	71,389.46
Payroll Account	350.94	33,696.52	-	(34,108.86)	(61.40)
Cash on Hand	900.00	-	-	-	900.00
Total Unrestricted Cash	30,530.54	484,177.84	-	(438,842.91)	75,865.47
Restricted Cash					
Debt Service Charge	2,323.74	-	0.11	-	2,323.85
Depreciation Reserve	1,001.65	-	0.01	-	1,001.66
Security Deposits	158,652.28	1,080.00	6.75	(373.17)	159,365.86
KY Assoc of Counties Leasing Trust	7,401.06	-	0.09	(449.04)	6,952.11
Management Infrastructure Surcharge	12,243.87	-	0.26	-	12,244.13
Rockhouse Project	3,667.51	10,800.00	-	(10,648.65)	3,818.86
KIA Bond & Interest	9,367.40	5,800.00	0.05	(5,695.99)	9,471.46
ARC Grant	89.30	-	-	-	89.30
Regions Bank-KY 2015E Martin County	96,477.52	10,648.65	-	-	107,126.17
Total Restricted Cash	291,224.33	28,328.65	7.27	(17,166.85)	195,267.23
Total Cash & Investments	\$ 321,754.87	512,506.49	7.27	(456,009.76)	\$ 271,132.70

1:52 PM

02/12/20

**Martin County Water District
Vendor Balance Summary
All Transactions**

	<u>Mar 2, 20</u>
All Pumps Sales & Services	8,411.90
Brian Cumbo	31,434.10
CI Thornburg	51,980.17
CI Thornburg-VFD#1	1,337.90
CI Thornburg-VFD#2	16,999.52
Evans Hardware	54,968.13
Evans Hardware #2	20,735.71
Fast Change	4,327.85
Linda F Sumpter, CPA	154,663.03
Prestonsburg Cities Utilities	21,265.36
Service Pumps & Supply	21,282.99
Soles Electric	13,300.00
United Rentals	40,116.79
Xylem	78,079.55
Zip Zone	260,822.77
TOTAL	<u>779,725.77</u>

February 15th, 2020

TO: Martin County Water District
Board of Directors

INFORMATION & DECISION

FROM: Staff

RE: Appointment of District Clerk

In order to assist in the efficient execution of day to day business with various State & Federal agencies, i.e. sales tax, payroll, other taxes and other items, it is necessary to appoint a District Clerk.

It is the recommendation of staff that Katrina Sansom be appointed to serve as the Clerk for the Martin County Water District.

If the Board agrees, we are respectfully seeking a motion appoint Katrina Sansom as the District Clerk.

Martin County Water District, Inez KY
List of Bills for Consideration
15-Feb-20

	<u>Vendor</u>	<u>Description</u>	<u>Amount</u>
Operations Account			
1	AEP	Electric (25 bills) Estimated	\$ 36,094.64
2	Big Sandy RECC	Electric (9 bills) Estimated	\$ 2,630.46
3	Advance Auto	Parts & Supplies (December charges)	\$ 414.38
4	KY Underground	811 (December charges)	\$ 75.00
5	Walker Communications	Phone maintenance & service call (January)	\$ 229.00
6	Tommy Maynard	Payment on truck	\$ 500.00
7	Brian Cumbo	Legal Services (January services)	\$ 400.00
8	Alliance Water Resources	2/1-20-2/15/20 O&M services	\$ 82,222.75
9	Alliance Water Resources	2/16/20-2/28/20 O&M services	\$ 82,222.75
10	Ashland Office Supply	Service contract on copier	\$ 88.33
11	Debt Service Surcharge	Estimated (actual collected will be paid)	\$ 8,799.98
12	Management Inf. Surcharge	Estimated (actual collected will be paid)	\$ 15,868.54
13	Tech2000 Inc	Bill Xpress Support	\$ 2,520.00
14	CAD Accounts Rec. Mgmt	Collection Service	\$ 44.90
15	Ky Rural Water Association	Membership dues 2020	\$ 4,000.00
	TOTAL		\$ 236,110.73

The following invoices have already been paid via auto debit or to avoid service interruption(s) and/or late fees.

1	Roy F Collier Comm. Center	Rent	\$ 751.66
2	Paintsville Utilities	Electric for token	\$ 34.97
3	Appalachian Wireless	Cell Phones	\$ 96.62
4	WEX	Marathon fuel cards (January)	\$ 1,785.38
5	Sales tax	1/2020 (Billed)	\$ 1,681.04
6	School tax	1/2020 (Billed)	\$ 5,612.06
7	KRS	KY Retirement (January)	\$ 4,452.60
8	IPFS	Insurance (February)	\$ 3,618.54
	TOTAL		\$ 13,662.67

Martin County Water District, Inez KY
List of Bills for Consideration
15-Feb-20

<u>Vendor</u>	<u>Description</u>	<u>Amount</u>
Revenue Account		
1 KIA	Monthly funding for KIA Bond/Loan	\$ 5,800.00
2 KACo	Monthly funding for lease payment	\$ 1,200.00
3 KRW/Regions Bank	Monthly funding for loan	\$ 10,800.00
TOTAL		\$ 17,800.00
 Payment Plans		
Revenue Account		
1 CI Thornburg 2018 Invoices	Parts & Chemicals	\$ 1,000.00
2 CI Thornburg VFD # 1 & # 2	VFD	\$ 2,500.00
3 Xylem	Pump rental	\$ 1,000.00
4 Soles Electric	Pump service	\$ 1,000.00
5 Service Pumps	Pump service	\$ 1,000.00
TOTAL		\$ 6,500.00
 DSS Account (Current Payment Plan based on cash availability)		
1 Evans Hardware	Parts & supplies	\$ 54,968.13
2 CI Thornburg	Parts & supplies	\$ 42,383.88
3 Linda Sumpter CPA	Accounting fees	\$ 154,663.03
4 Zip Zone	Fuel	\$ 260,822.77
TOTAL		\$ 512,837.81
 Security Deposit Account		
1 None for this meeting		\$ -
TOTAL		\$ -

Martin County Water District, Inez KY
List of Bills for Consideration
1-Mar-20

	<u>Vendor</u>	<u>Description</u>	<u>Amount</u>
Operations Account			
1	AEP	Electric (25 bills) Estimated	\$ 36,094.64
2	Big Sandy RECC	Electric (9 bills) Estimated	\$ 2,630.46
3	Paintsville Utilities	Electric for token	\$ 34.97
4	Roy F Collier Comm. Center	Rent	\$ 751.66
5	IPFS	Insurance (March)	\$ 3,618.54
6	Sales tax	2/2020 (Billed)	\$ 1,681.04
7	School tax	2/2020 (Billed)	\$ 5,612.06
8	Alliance Water Resources	3/1-20-3/15/20 O&M services	\$ 82,222.75
9	Alliance Water Resources	3/16/20-3/31/20 O&M services	\$ 82,222.75
10	Management Inf. Surcharge	Estimated (actual collected will be paid)	\$ 15,868.54
11	Debt Service Surcharge	Estimated (actual collected will be paid)	\$ 8,799.98
12	Walker Communications	Phone maintenance	\$ 89.00
13	Ashland Office Supply	Service contract on copier	\$ 88.33
14	Tommy Maynard	Payment on truck	\$ 500.00
15	Brian Cumbo	Legal Services (February services)	\$ 400.00
	TOTAL		\$ 240,614.72
Revenue Account			
1	KIA	Monthly funding for KIA Bond/Loan	\$ 5,800.00
2	KACo	Monthly funding for lease payment	\$ 1,200.00
3	KRW/Regions Bank	Monthly funding for loan	\$ 10,800.00
	TOTAL		\$ 17,800.00
Payment Plans			
Revenue Account			
1	CI Thornburg 2018 Invoices	Parts & Chemicals	\$ 1,000.00
2	CI Thornburg VFD # 1 & # 2	VFD	\$ 2,500.00
3	Xylem	Pump rental	\$ 1,000.00
4	Soles Electric	Pump service	\$ 1,000.00
5	Service Pumps	Pump service	\$ 1,000.00
	TOTAL		\$ 6,500.00

Martin County Water District, Inez KY
List of Bills for Consideration
1-Mar-20

<u>Vendor</u>	<u>Description</u>	<u>Amount</u>
DSS Account (Current Payment Plan based on cash availabilty)		
1 Evans Hardware	Parts & supplies	\$ 54,968.13
2 CI Thornburg	Parts & supplies	\$ 42,383.88
3 Linda Sumpter CPA	Accounting fees	\$ 154,663.03
4 Zip Zone	Fuel	\$ 260,822.77
TOTAL		\$ 512,837.81
 Security Deposit Account		
1 None for this meeting		\$ -
TOTAL		\$ -

Martin County Water District

OUR MISSION

We partner with communities to deliver the finest water and wastewater services available at a competitive price. We are committed to keeping water safe and clean while serving people and taking care of communities with improved technical operations, careful management and financial oversight, and ensured regulatory compliance.

Alliance Water Resources, Inc.

206 S. Keene St.
Columbia, MO
65201

(573)874-8080

January 2020

Administrative

Staff is continuing their work gathering and organizing information to assess the current state of the system from both an operational and financial perspective.

The leadership team is meeting weekly to discuss goals and tasks for each department, ensuring that we are all ONE TEAM.

Water Treatment

Staff met with Bell Engineering to generate a list of items needed for upcoming projects as well as identify what the projects are going to be covering in the water plant.

Staff has cleaned out the meter room and is currently working on the map room to organize them by type and location. The goal is to be able to find them quickly when needed for locations or projects.

Distribution

Staff is now collecting data for main and service repair reporting. This data will have more details regarding each repair, what parts were used and how much water was lost during the break and repair.

Staff has been working diligently to fix Service and Main line leaks while reading meters, keeping pump stations in operation and monitoring tanks. They are also completing work orders daily and reading meters.

Customer Service

Staff has physically read all meters in the system and has developed a list of 35 meters that cannot be located. We are now working to develop a plan to locate each of these meters.

Staff is continuing to work on paperwork and organization to ensure best practices for work order development and completion.



WATER RESOURCES®
Alliance
 Professional Water and Wastewater Operations
Martin County Water District

Project Updates

SOURCE	AMOUNT	PROJECTS
AML Pilot Nexus Grant-2017	\$3,450,000	A, B, C, D
COE 531 (25% Match)	\$1,869,718	B, C
ARC Grant	\$1,200,000	F
AML Pilot Nexus Grant-2018	\$2,000,000	I
Total Grant	\$8,519,718	

See Details in Section 8: Capital Projects Report

Safety and Training

In the month of January all staff completed AWR safety training, including;

- New Employee Safety Orientation - Completed week 1 by all employees
- Competent Person Training
 - Confined Space
 - Trenching & Shoring
 - Arc Flash
- Roadway Flagger
- Safety PPE issued to all plant and field staff

Regulatory

Staff is preparing for our upcoming Sanitary Survey with the Division of Water. Portions of this survey are currently underway.

Water Plant Operation

Water Pumped	
Total Water Production (gallons)	56,328,200
Total Water Metered/Billed	14,830,000
Fire Hydrant Flushing/Main Breaks	3,529,483
Total Water Loss (gallons) - ESTIMATE	40,670,600
Average Daily Flow (Million Gallons per Day)	1.772 MDG
Maximum Daily Flow	1.849 MGD
Fluoride Used (lbs.)	434.2
Chlorine Used (lbs.)	1397.2
Lab Tests	3450

Water Quality Analysis

Test	Routine	Special	Repeat
Bacteriological	12 (Pass)	0	0
		Reported	Minimum Limit
Fluoride	31	0.73 mg/l Average	0.6 mg/l
Chlorine	31	1.84 Total - 1.82 Free Average	0.2 mg/l

Customer Service Request and Work Orders

Meter Reads	3402
Reconnections	18
Disconnect	17
New Meter Sets	22
Meter Changes	13
Disconnects for Non-payment	41
Boil Notices	3
Line Locates	21
Water Leaks/Breaks	37
Low Pressure Complaints	4



Martin County Water District

No Water Complaints	14
Other/Investigates	91

Major Water Main Breaks

Date	Location	Pipe Size/Type	Estimated Water Loss (gallons)
1/19/20	Milo Estates	2" PVC	26,842
1/19/20	Old RT 3	6" PVC	4,020
1/20/20	Gordon Hollow	2" PVC	39,391
1/21/20	Sweetwater	3" PVC	1,580,036

Other

- Nothing to report.

INITIAL ROUND	23-Jan-20	CNL	NEG READS	RRW/WMN	TOW	TOTAL
Total	3398	193	313	145	6	651
		5.68%	9.21%	4.27%	0.18%	19.16%

UPDATE PRIOR TO BILLING	3-Feb-20	MCW DIV 07 METER AUDIT NUMBERS				
BOOK #	TOTAL	CNL	NEG READS	RRW/WMN	TOW	TOTAL
1	60	0	1			1
2	286	1	30			31
3	65	3	5			8
4	256	4	15			19
5	176	4	16		1	21
6	400	6	36			42
7	412	4	38		1	43
8	490	3	45		1	49
9	74	2	5			7
10	233	0	0		1	1
11	68	0	6			6
12	70	1	9			10
13	100	1	9			10
14	233	3	23			26
15	98	1	9		1	11
16	154	2	18			20
17	75	0	6			6
18	152	0	21			21
Total	3402	35	292	0	5	332
		1.03%	8.58%	0.00%	0.15%	9.76%

DIFF	4	-158	-21	-145	-1	-319
		4.65%	0.63%	4.27%	0.03%	9.40%



CNL = Can Not Locate
Neg Read s = Reading this round less then entered in December
RRW/WMN = Reread (Water)/ Wrong Meter Number
TOW = Theft of Water

PUBLIC SERVICE COMMISSION

Monthly Water Loss Report

Water Utility: Martin County Water District

For the Month of: January Year: 2020

LINE #	ITEM	GALLONS
1	WATER PRODUCED, PURCHASED & DISTRIBUTED	
2	Martin WTP	54,930,000
3	Prestonsburg (Honey Branch)	1,398,200
3a	Kermit	-
3b	Mountain Water District	-
4	TOTAL PRODUCED AND PURCHASED \$	56,328,200.00
5		
6	WATER SALES	
7	Residential	11,127,000
8	Commercial	3,703,000
9	Industrial	-
9a	Prestonsburg (Honey Branch)	-
10	Wholesale	-
11	Bulk Loading Stations	-
12	Other Sales 0	-
13	TOTAL WATER SALES	14,830,000 26.3%
14		
15	OTHER WATER USED	
16	Utility and/or Water Treatment Plant	812,000
17	Wastewater Plant	2,000
18	System Flushing	3,600
19	Fire Department	10,000
20	Other	-
21	TOTAL OTHER WATER USED	827,600 1.5%
22		
23	WATER LOSS	
24	Tank Overflows	-
25	Line Breaks	3,515,883
26	Unaccounted For Water	37,154,717
27	Other	-
28	TOTAL LINE LOSS	40,670,600 72.2%
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)	72.2%

COMMENTS:

February 15th, 2020

TO: Martin County Water District
Board of Directors

INFORMATION & DECISION

FROM: Staff

RE: Discussion of Meeting Date & Time Options

In order to have the most accurate information possible at the Board Meetings, staff is requesting moving the meetings to the 4th week of each month.

This would allow for all banking information to be received and the posting of receivables to be completed prior to assembling the packet.

Staff is proposing moving the meetings to either the 4th Saturday of each month (same time) or since there are two new members, it is possible that a weeknight may better fit everyone's schedule. An alternative would be every 4th Tuesday at 6 P.M.

If the Board agrees, a new regular meeting time should be proposed and voted on.

**MARTIN COUNTY WATER & SANITATION BOARDS: STAFF SCHEDULE &
SUMMARY OF MEETINGS WITH OUTSIDE ENTITIES**

DATE	ENTITY	KEY CONTACTS	TOPIC	ADDITIONAL COMMENTS
5-Feb-20	EEC & AML	Secretary Goodman	Capital Projects	Meeting being held in Frankfort with new Secretary
7-Feb-20	KRWA	Steve Caps	AO Response	Under Review
12-Feb-20	DOW	R. Pack	Sanitary Survey WTP	
19/21 FEB	UK	Scott	Cap Stone Project	Weather
4-Mar-20	DOW	J Taimi	Sanitary Survey Management & Financials	Ann Perkins (AWR) will be on site
11-Mar-20	PSC	R Gray	PSC Inspection	We have received a copy of the last inspection
8-Apr-20	PSC	PSC Commissioners	PSC Hearing AWR Initial Assessment	
20-21 APR	PSC	Travis Leach	Water Board Commissioner Training	More classes Craig enrolling at Jenny Wiley
13-May-20	WG	Secretary Goodman	Unified Multi Agency Approach to MCUD Assistance	Big Sandy Area Development District
12-Aug-20	WG	Secretary Goodman	Unified Multi Agency Approach to MCUD Assistance	Big Sandy Area Development District
17-Nov-20	WG	Secretary Goodman	Unified Multi Agency Approach to MCUD Assistance	Big Sandy Area Development District

ANDY BESHEAR
GOVERNOR



REBECCA W. GOODMAN
SECRETARY

ENERGY AND ENVIRONMENT CABINET
DEPARTMENT FOR ENVIRONMENTAL PROTECTION

ANTHONY R. HATTON
COMMISSIONER

300 SOWER BOULEVARD
FRANKFORT, KENTUCKY 40601

January 24, 2020

Martin Co. Water Dist.
Attn: Jimmy Kerr
HC 69 BOX 875
Inez, KY 41224

Re: AI Name: Martin Co. Water District
AI No. 2987
Case No. DOW 150292
Activity No. ERF20150001
Facility ID: KY0800273
Martin County

Dear Mr. Kerr:

The Division of Enforcement has determined that Martin Co Water District has complied with the terms and conditions of the Agreed Order, executed October 3, 2016. The Division considers Case No. DOW 150292 resolved and closed. Please contact me at 502-782-6862 or Philip.Kejzlar@ky.gov if you have any questions.

Sincerely,

A handwritten signature in black ink, appearing to read "P. Kejzlar", written over a horizontal line.

Philip Kejzlar
Environmental Enforcement Specialist
Division of Enforcement

Martin County Water District

387 E. Main St.

Phone (606) 298-3885 Inez, Kentucky 41224

Regular Meeting, Tuesday, March 24, 2020 – 6:00 p.m.

Martin County Government Center (2nd Floor)

- 1) Call the meeting to order
- 2) Review and Consideration to Approve Minutes
- 3) Introduction of Guests
- 4) Review and Consideration of Financial Reports
 - A. Review and Consideration to Approve Treasurer's Report
 - B. Review and Consideration to Approve Other Financials
 - C. Other Items for Discussion & Approval
 - D. Update on Status of Audits
- 5) Review and Consideration to Approve Bills
- 6) Legal
 - A. Any Issues for Discussion with Board Attorney
- 7) Operations
 - A. Alliance Operations Report
 - B. Meter Audit
 - C. Water Loss Report
 - D. Schedule of AWR Support Personnel
- 8) Capital Projects Report
 - A. Project Updates
- 9) Other Old Business
 - A. Formal Adoption of Board By-laws
- 10) Other New Business
 - A. Rules and Regulations Standard Format
 - B. Sale of Equipment and Scrap
 - C. Office Furniture
 - D. List of Outside Agencies to Date
- 11) Consider Motion to Convene into Closed Executive Session
- 12) Consider Motion to Close Executive Session
- 13) Other and Informational
 - a. Mountain Water Request
 - b. Notice of Subcontractor for Mowing
- 14) Adjourn

Notice is hereby given that, subject to a motion duly made and adopted, the Board of Directors may hold an Executive Session subject to the laws of Kentucky.

**Martin County Water District
Meeting of the Board of Directors
February 15, 2020 Meeting Minutes**

Presiding: James Kerr, Chairman
Present: Directors: John Hensley, Greg Crum, BJ Slone
Staff: Brian Cumbo (Attorney), Craig Miller (GM), Katrina Sansom
Guests: Tony Sneed (AWR), Ricki Draper,
Nina McCoy

The Regular Meeting of the Martin County Water District was held on February 15, 2020 at the Martin County Government Center, at 42 East Main St (2nd Floor), Inez, Kentucky 41224 at 9:01 AM.

James Kerr called the meeting to order.

The following directors were present: John Hensley, Greg Crum, and BJ Slone.

James Kerr called for review of the minutes of the January 21, 2020 Special Board Meeting. After review and discussion, John Hensley motioned to accept the minutes of the January 21, 2020 Special Board Meeting, seconded by Greg Crum, all yea, motion carried.

James Kerr introduced Nina McCoy and Ricki Draper as guests wanting to speak. Nina McCoy asked about meters being read and negative reads. Craig Miller stated that a negative read means that the current reading is less than the last reading. He said that he is gathering data and will speak to the board about changing the meter readings to bill for each 100 gallons instead of 1,000 gallons. Mrs. McCoy asked if meters are read on the 10th of the month. Craig Miller stated that the goal is consistently reading meters each month on the same week.

Next, Ricki Draper asked about compensating customers for the high readings due to meters not being read consistently. Tony Sneed stated that it's almost impossible to correct everything from the past. Adjustments are being made that are allowed by the tariff. Individuals are welcome to come in the billing office and discuss their issues. As of Jan 1, 2020, forward, it will be done the correct way. James Kerr asked if there were any other items to discuss. There was nothing else.

Next, James Kerr called for review of the Treasurer's Report. Craig Miller stated the board packet was sent out before the meeting and that the goal was to have full financial reports by June. After further discussion, John Hensley motioned to accept the Treasurer's Report as presented; Greg Crum seconded, all yea, motion carried. AWR staff sought a motion for Katrina Sansom to be appointed to serve as the district clerk for Martin County Water District. John Hensley made motion to appoint Katrina as district clerk for Martin County Water District, seconded by BJ Slone, all yea, motion carried. James Kerr requested an update on the audits. Craig Miller reported that the 2017 audit should be completed by March 31, 2020 and the 2018 audit should be completed by June 30, 2020. There is currently no engagement letter for 2019. In the future, when communicating about the audits, James Kerr requested that he and Vice Chairman Cicero be sent a CC in email communications.

Next, James Kerr called for review and consideration of the list of bills for February and March to pay from the water funds. There were two sets of bills to be on track for the next board meeting. After review and discussion, John Hensley motioned to approve bills as presented for February

2020, BJ Slone seconded, all yea, motion carried. BJ Slone motioned to approve bills as presented for March 2020, John Hensley seconded, all yea, motion carried.

James Kerr asked Attorney Brian Cumbo is there was any legal issues to discuss. He said none that he was aware of.

James Kerr then called for review of the Operations Report. Craig Miller reported that the staff had physically read all meters in the system except 35 meters that could not be located at the time. We are now working to develop a plan to locate each of these meters.

Craig Miller gave an update on capital projects stating that everything is up to date with the exception of the inspection of the clarifier. Staff met with Bell Engineering and went over an upcoming project that will affect the treatment plant and raw water intake. He also stated that the district has an upcoming Sanitary Survey.

James Kerr inquired if there was any other business to discuss; being none, Mr. Kerr inquired if there was any new business to discuss. New board meeting date starting in March was set for the 4th Tuesday at 6 PM with motion made by BJ Slone, seconded by John Hensley, all yea, motion carried. James Kerr said he wants to thank Secretary Goodman for getting everyone together and that they were there to help us. Tony Sneed agreed and stated that the takeaway he got from the meeting was that outside agencies want to help us and their true mission is the supply of funds, to make the best decisions, cooperate, follow up and follow through. Craig Miller reported that the Agreed Order has been closed. Executive session not needed; James Kerr called for a motion to adjourn. John Hensley motioned to adjourn the meeting, seconded by Greg Crum, all yea, motion carried, meeting adjourned at 9:38 AM.

Minutes approved this _____ day of _____, 2020.

James Kerr, Chairman

Katrina Sansom, Acting Clerk

**Martin County Water District
Inez, KY
Treasury Report
Summary of Cash & Investments
February 29, 2020**

Bank Account	Beginning Balance	Deposits	Interest Earned, Net of Fees	Payments	Ending Balance
Revenue Fund Account	* \$ 6,527.35	161,746.25	-	(164,434.74)	\$ 3,838.86
Revenue EFT Account	1,811.74	48,419.09	-	(48,600.56)	1,630.27
Operations Account	71,389.46	186,483.10	-	(140,331.02)	117,541.54
Payroll Account	(61.40)	6,397.00	-	(6,371.26)	(35.66)
Cash on Hand	<u>900.00</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>900.00</u>
Total Unrestricted Cash	80,567.15	403,045.44	-	(359,737.58)	123,875.01
Restricted Cash					
Debt Service Surcharge	* 2,814.27	9,068.96	0.09	(5,713.43)	6,169.89
Depreciation Reserve	1,001.66	-	0.01	-	1,001.67
Security Deposits	** 159,287.35	1,350.00	6.14	-	160,643.49
KY Assoc of Counties Leasing Trust	6,952.11	-	0.08	(449.04)	6,503.15
Management Infrastructure Surcharge	12,244.13	-	0.24	-	12,244.37
Rockhouse Project	3,818.86	10,800.00	-	(11,098.65)	3,520.21
KIA Bond & Interest	9,471.46	5,800.00	0.05	(5,695.24)	9,576.27
ARC Grant	89.30	12,000.00	-	(12,000.00)	89.30
Regions Bank-KY 2015E Martin County	<u>107,126.17</u>	<u>10,648.65</u>	<u>111.43</u>	<u>-</u>	<u>117,886.25</u>
Total Restricted Cash	302,805.31	49,667.61	118.04	(34,956.36)	317,634.60
Total Cash & Investments	<u>\$ 383,372.46</u>	<u>452,713.05</u>	<u>118.04</u>	<u>(394,693.94)</u>	<u>\$ 441,509.61</u>

* Beginning balances changed due to deposit(s) in transit from prior months not previously reported

** Beginning balances changed due to outstanding checks from prior months not previously reported

**Martin County Water District
Billing Summary**

Date	Revenue	YTD Total	Gallons (000'S)	No of Customers	Payments Received
Feb-20	195,985	433,068	12,846	3,369	207,152
Jan-20	237,083	237,083	14,830	3,388	234,262
Dec-19	220,785	2,638,030	13,238	3,384	225,180
Nov-19	221,886	2,417,246	14,344	3,411	212,517
Oct-19	231,104	2,195,360	15,772	3,408	213,508
Sep-19	234,668	1,964,255	16,068	3,384	229,365
Aug-19	225,374	1,729,587	14,617	3,397	217,522
Jul-19	230,954	1,504,213	15,118	3,411	215,505
Jun-19	223,275	1,273,260	14,559	3,413	208,424
May-19	212,921	1,049,985	13,811	3,403	216,904
Apr-19	193,858	837,064	11,010	3,413	188,635
Mar-19	216,511	643,206	14,194	3,411	214,484
Feb-19	207,669	426,695	12,490	3,433	201,825

**Martin County Water District
Vendor Balance Summary
All Transactions**

	<u>Mar 15, 20</u>
All Pumps Sales & Services	8,411.90
Brian Cumbo	31,434.10
CI Thornburg	36,345.26
CI Thornburg-VFD#1	1,356.68
CI Thornburg-VFD#2	17,223.92
Evans Hardware	54,084.39
Evans Hardware #2	20,735.71
Fast Change	4,155.33
Linda F Sumpter, CPA	154,663.03
Prestonsburg City's Utilities	22,909.86
Service Pumps & Supply	21,282.99
Soles Electric	13,300.00
United Rentals	43,257.48
Xylem	93,739.10
Zip Zone Express	257,557.95
TOTAL	<u>780,457.70</u>

March 24th, 2020

TO: Martin County Water District
Board of Directors

INFORMATION & DECISION

FROM: Staff

RE: Consolidation of Bank Accounts

In order to assist in the efficient handling of the District's bank account, it is necessary to consolidate the following bank accounts.

- Revenue Fund Account
- Operations Account
- Payroll Account

If the District's current bank offers a sweep feature, staff is also recommending the automatic sweep of funds deposited into the Revenue EFT Fund Account to auto-sweep into the Operations account. The District's Clerk is having to manually transfer funds at this time.

Staff has inquired of Mr. Cumbo, the District's current auditors, and a representative of the PSC and was told that they saw no reason for the District to maintain multiple bank accounts for normal operations.

If the Board agrees, we are respectfully seeking a motion to consolidate the above mentioned bank accounts and if the bank is capable, have the Revenue EFT Fund Account maintain a daily balance of \$500 and the rest be swept/transferred into the Operations Account automatically.

March 24th, 2020

TO: Martin County Water District
Board of Directors

INFORMATION & DECISION

FROM: Staff

RE: RFP/ RFQ for Audits

Staff is recommending that the Board seek Proposals/ Qualifications for the outstanding 2019 Water District Audit.

It is the intent of the Staff to combine the request for Proposals/Qualifications with the 2019 Audit for the Sanitation District in an attempt to achieve economy of scale.

It is the intent of Staff that a summary and recommendation be submitted to the Board at the 28 April meeting.

If the Board agrees, we are respectfully seeking a motion to approve Ann Perkins (AWR VP, Director of Finance) to prepare the RFP/RFQ and seek responses.

Martin County Water District, Inez KY
List of Bills for Consideration
1-Apr-20

	<u>Vendor</u>	<u>Description</u>	<u>Amount</u>
Operations Account			
1	AEP	Electric (25 bills) Estimated	\$ 16,116.13
2	Big Sandy RECC	Electric (9 bills) Estimated	\$ 2,081.65
3	Paintsville Utilities	Electric for token	\$ 255.80
4	Roy F Collier Comm. Center	Rent	\$ 751.66
5	IPFS	Insurance (April)	\$ 3,618.54
6	Sales tax	3/2020 (estimated)	\$ 1,376.08
7	School tax	3/2020 (estimated)	\$ 5,111.21
8	Alliance Water Resources	4/1-20-4/15/20 O&M services	\$ 82,222.75
9	Alliance Water Resources	4/16/20-4/30/20 O&M services	\$ 82,222.75
10	Management Inf. Surcharge	Estimated (actual collected will be paid)	\$ 15,849.76
11	Debt Service Surcharge	Estimated (actual collected will be paid)	\$ 8,786.83
12	Walker Communications	Phone maintenance	\$ 89.00
13	Ashland Office Supply	Service contract on copier	\$ 88.33
14	Tommy Maynard	Payment on truck	\$ 500.00
15	Brian Cumbo	Legal Services (February services)	\$ 125.00
16	Mountain Citizen	Notice	\$ 79.54
17	Appalachian States Analytical	Lab Samples (December 2019)	\$ 687.50
18	Tech 2000	Computer tech/software services	\$ 3,158.15
	TOTAL		\$ 223,120.68
Revenue Account			
1	KIA	Monthly funding for KIA Bond/Loan	\$ 5,800.00
2	KACo	Monthly funding for lease payment	\$ 1,200.00
3	KRW/Regions Bank	Monthly funding for loan	\$ 10,800.00
	TOTAL		\$ 17,800.00

Martin County Water District, Inez KY
List of Bills for Consideration
1-Apr-20

<u>Vendor</u>	<u>Description</u>	<u>Amount</u>
Payment Plans		
Revenue Account		
1	CI Thornburg VFD # 1 & # 2 VFD	\$ 2,500.00
2	Xylem Pump rental	\$ 1,000.00
3	Soles Electric Pump service	\$ 1,000.00
4	Service Pumps Pump service	\$ 1,000.00
	TOTAL	\$ 5,500.00
 Past Due Accounts not in DSS		
1	United Rentals	\$ 43,257.48
2	Brian Cumbo	\$ 31,434.10
3	Evans Hardware #2	\$ 20,735.71
4	Prestonsburg City's Utilities	\$ 22,909.86
5	All Pumps Sales & Services	\$ 8,411.90
6	Fast Change	\$ 4,155.33
	TOTAL	\$ 130,904.38
 DSS Account (Current Payment Plan based on cash availabilty)		
1	Evans Hardware Parts & supplies	\$ 54,084.39
2	CI Thornburg Parts & supplies	\$ 36,345.26
3	Linda Sumpter CPA Accounting fees	\$ 154,663.03
4	Zip Zone Fuel	\$ 257,557.95
	TOTAL	\$ 502,650.63

Martin County Water District, Inez KY
List of Bills for Consideration
1-Apr-20

	<u>Vendor</u>	<u>Description</u>	<u>Amount</u>
	Security Deposit Account		
1	Meniffee Stacy	Security Deposit Refund to Customer	\$ 48.33
2	Donna Hall	Security Deposit Refund to Customer	\$ 45.00
3	Jeanetta Branscome	Security Deposit Refund to Customer	\$ 52.25
4	Matthew Baisden	Security Deposit Refund to Customer	\$ 5.28
5	Del Makailyn	Security Deposit Refund to Customer	\$ 15.97
6	Kayla Maynard	Security Deposit Refund to Customer	\$ 1.80
7	Jerold Castle Sr	Security Deposit Refund to Customer	\$ 44.16
8	Ray Marcum	Security Deposit Refund to Customer	\$ 15.51
9	Justin Staton	Security Deposit Refund to Customer	\$ 38.09
10	Virginia Patrick	Security Deposit Refund to Customer	\$ 47.64
11	Martin County Water District	Security Deposit Refund to Customer's Acc.	\$ 2,520.97
	TOTAL		\$ 2,835.00



Martin County Water District

OUR MISSION

We partner with communities to deliver the finest water and wastewater services available at a competitive price. We are committed to keeping water safe and clean while serving people and taking care of communities with improved technical operations, careful management and financial oversight, and ensured regulatory compliance.

Alliance Water Resources, Inc.

**206 S. Keene St.
Columbia, MO
65201**

(573)874-8080

February 2020

Administrative

Staff is continuing work gathering and organizing information to assess the current state of the system from both an operational and financial perspective. They have just about completed a system wide book of all tanks and booster stations in the system including pictures of each site.

The leadership team has quickly been establishing clear lines of communication.

The leadership team met to review the boil water advisory regulations and reporting requirements. Together they developed a program for more efficient methods of notification as well as quicker turn around for sampling and release of the boil advisories.

A local manager has been identified and hired. His name is James Ford. He comes with over 9 years of experience with Alliance and was formerly a local manager for Alliance's Sevierville, Tennessee division. James will be moving to the area and plans on starting here April 13th.

Water Treatment

Staff has identified needs associated with upcoming projects as well as been diligently cleaning around the plant. They have cleaned out the meter room and begun organizing the map room.

Staff has installed the second Turkey pump in the plant allowing for redundancy of operations in pumping to the Turkey tank. This ensures us the ability to always have an operational pump. Keep the run time hours down on each pump and do preventative maintenance when needed.

Distribution

Staff has begun using 811 on a regular basis. They have been trained on how to use the online platform for regular, scheduled work as well as how to call emergency locates for main break repair.

Staff cleaned up around the raw water intake. Eliminating materials that were trash and relocating equipment and parts that can be used.

Staff is currently working on cleaning up around the water plant and distribution area.



Alliance WATER RESOURCES®
Professional Water and Wastewater Operations
Martin County Water District

Staff has gathered pictures of all of the tanks and booster stations around the area and begun to develop a manual with all of the information collected from each site.

Staff has begun remodeling the distribution building to create a cleaner and more efficient workspace.

Staff was able to complete our monthly meter reading in just under 5 days. They did this while reading in the rain and are steadily learning the routes and where all the meters are located. This will aid in quickly accomplishing our goal of reading every meter on the same week each month.

Customer Service

Staff has developed a list of meters that cannot be located and are currently putting together a program to find each one.

Staff is continuing to work on paperwork and organization to ensure best practices for work order development and completion.

Staff has been steadily working to improve our meter reading data entry and procedures. We are trying to shorten the time that it takes to get the meter readings into the system once the meter reading is complete. Staff is also updating the meter audit each month to reflect progress.

Project Updates

SOURCE	AMOUNT	PROJECTS
AML Pilot Nexus Grant-2017	\$3,450,000	A, B, C, D
COE 531 (25% Match)	\$1,869,718	B, C
ARC Grant	\$1,200,000	F
AML Pilot Nexus Grant-2018	\$2,000,000	I
Total Grant	\$8,519,718	

See Details in Section 8: Capital Projects Report

Safety

The entire division underwent a safety audit to ensure that all employees were provided the safest workplace possible. At this point, all the employees have been through the safety training provided by Alliance.

We will begin monthly training sessions once the new local manager is on site.

Regulatory

Nothing to Report currently

Training

Ongoing in-house training.

Water Plant Operation

Water Pumped	
Total Water Production (gallons) - FEB	49,852,000
Total Water Metered/Billed - FEB	12,846,000
Fire Hydrant Flushing/Main Breaks	1,977,000
Total Water Loss (gallons) - FEB	34,732,000
Average Daily Flow (Million Gallons per Day) - FEB	1.719 MGD
Maximum Daily Flow – FEB	1.775 MGD
Fluoride Used (lbs.) - FEB	394.7 LBS
Chlorine Used (lbs.) - FEB	1322.1 LBS
Lab Tests - FEB	3,509 TESTS

Water Quality Analysis

Test	Routine	Special	Repeat
Bacteriological	12 (Pass)	12 (Pass)	0
		Reported	Minimum Limit
Fluoride	29	0.79 mg/l Average	0.6 mg/l
Chlorine	29	1.86 Total - 1.83 Free Average	0.2 mg/l

Customer Service Request and Work Orders

Meter Reads	3403
Turn Ons	19
Turn Offs	14
New meter Installs	0
Meter Changes	11
Disconnects for Non-payment	35
Boil Notices	1
Line Locates	45
Water Leaks/Breaks	10
Water Quality Questions	0
Other/Investigates	0

Water Main Breaks

Date	Location	Pipe Size/Type	Estimated Water Loss (gallons)
2/3/20	534 Preece Rd.	Service	83,562
2/5/20	Gordon Hollow	Service	14,855
2/6/20	2736 Hode Rd.	Service	167,124
2/6/20	4326 North Milo	Service	167,124
2/18/20	23 Tomahawk Estates	Service	27,854
2/18/20	445 Bone Hollow	Service	136,791
2/19/20	Crum Branch	Service	362,102
2/19/20	1/8 Mile from Turkey	Main	19,798
2/26/20	Little Mud Lick	Service	273,582
2/26/20	1226 Coldwater	Service	724,204

Other

- Nothing to report.

MARTIN COUNTY WATER DISTRICT PRIORITY ITEMS LIST UPDATE THROUGH 24 MAR 2020

Administration

1. Established leadership team
2. Created 90 day goals

Inez water plant

1. Repaired and replaced Turkey Creek booster pump #2.
2. Purchased new portable chlorine meter
3. Cleaned out meter room
4. Meter bench calibrated
5. Purchased new chemical pump
6. Created a water quality goals list

Distribution

1. Conducted a meter audit
2. Replaced 400ft. of 4" water main on Town point curve
3. Repaired distribution excavator
4. Repaired 2 MCUB vehicles
5. Replaced 2 tires on equipment trailer
6. Replaced tires on 3 MCWD vehicles
7. Obtained pictures of every tank and booster station throughout the system and began compiling data for O&M Manual
8. Began participating in 811 Call Before You Dig
9. Purchased welder
10. Purchased tools

INITIAL ROUND	23-Jan-20	CNL	NEG READS	RRW/WMN	TOW	TOTAL
Total	3398	193	313	145	6	651
		5.68%	9.21%	4.27%	0.18%	19.16%
JAN FINAL NUMBERS						
	3402	35	292	0	5	332
		1.03%	8.58%	0.00%	0.15%	9.76%

UPDATE PRIOR TO BILLING	26-Feb-20	MCW DIV 07 METER AUDIT NUMBERS				
BOOK #	TOTAL	CNL	NEG READS	RRW/WMN	TOW	TOTAL
1	59		0	2		2
2	285		0	0	1	1
3	65	3	5	1		9
4	255	2	0	11		13
5	175	1	1	6		8
6	401	4	0	4	1	9
7	412	1	5	9		15
8	490	9	5	0	1	15
9	75		0	2		2
10	229	4	0	0	0	4
11	71		0	0		0
12	71		0	0		0
13	102	1	0	8		9
14	233		0	3		3
15	98		0	0	1	1
16	153		1	2		3
17	76	0	0	1		1
18	153	0	0	0		0
Total	3403	25	17	49	4	95
		0.73%	0.50%	1.44%	0.12%	2.79%

DIF FROM INITIAL	5	-168	-296	-96	-2	-556
		4.95%	8.71%	2.83%	0.06%	16.37%



CNL = Can Not Locate
Neg Read s = Reading this round less then entered in December
RWW/WMN = Reread (Water)/ Wrong Meter Number
TOW = Theft of Water

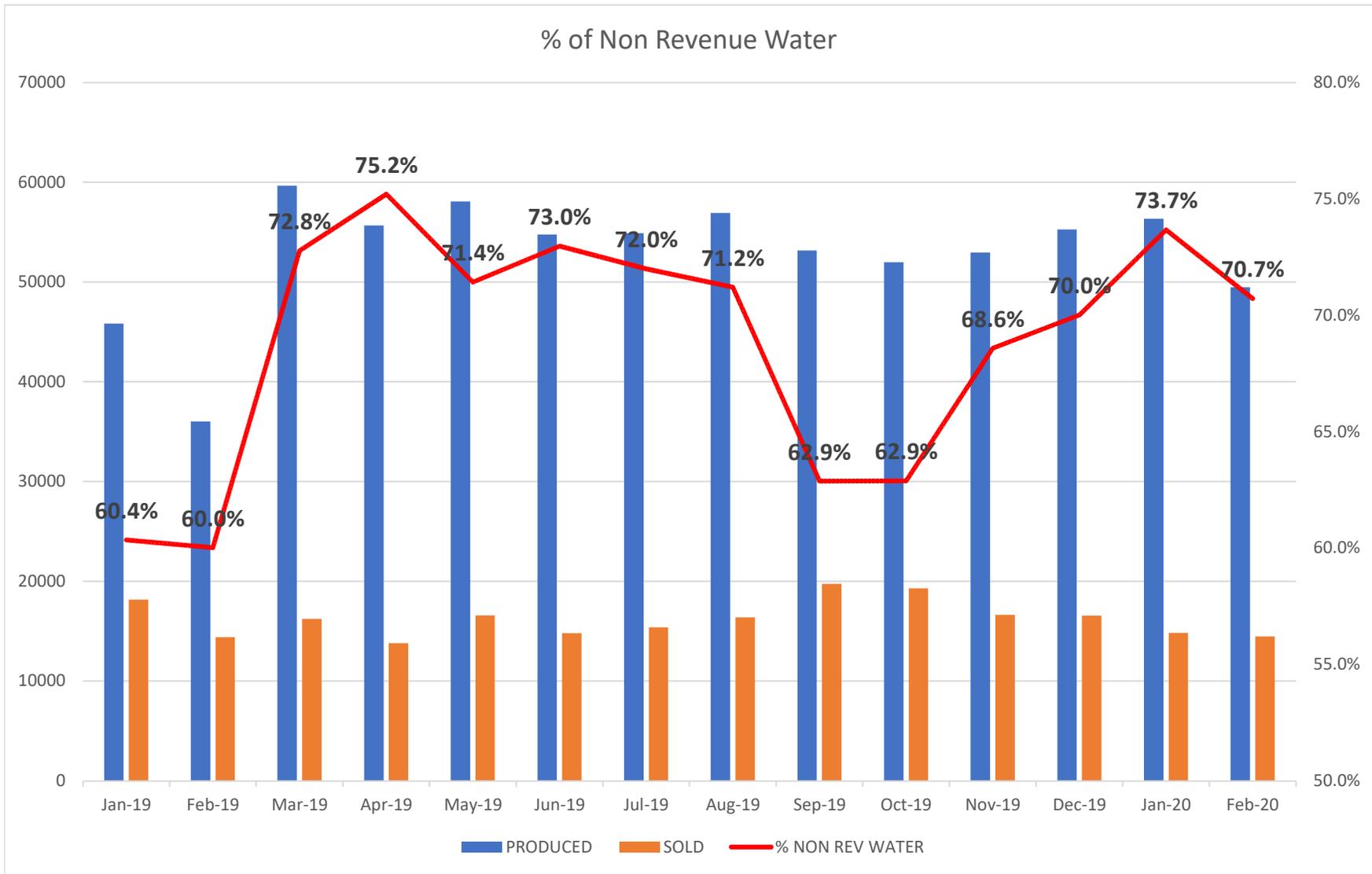
PUBLIC SERVICE COMMISSION

Monthly Water Loss Report

Water Utility: Martin County Water District

For the Month of: February Year: 2020

LINE #	ITEM	GALLONS (Omit 000's)
1	WATER PRODUCED AND PURCHASED	
2	Water Produced	49,852
3	Water Purchased	
4	TOTAL PRODUCED AND PURCHASED	49,852
5		
6	WATER SALES	
7	Residential	9,767
8	Commercial	3,079
9	Industrial	
10	Bulk Loading Stations	
11	Wholesale	
12	Public Authorities	1,575
13	Other Sales (explain)	
14	TOTAL WATER SALES	14,421
15		
16	OTHER WATER USED	
17	Utility and/or Water Treatment Plant	699
18	Wastewater Plant	
19	System Flushing	
20	Fire Department	
21	Other Usage (explain)	
22	TOTAL OTHER WATER USED	699
23		
24	WATER LOSS	
25	Tank Overflows	
26	Line Breaks	1,567
27	Line Leaks	32,743
28	Excavation Damages	410
29	Theft	12
30	Other Loss	
31	TOTAL WATER LOSS	34,732
32		
33	Note: Line 14 + Line 22 + Line 31 MUST Equal Line 4	
34		
35	WATER LOSS PERCENTAGE	
36	(Line 31 divided by Line 4)	69.67%



7D-2



WEEK OF	AWR RESOURCE	TITLE	FOCUS AREA
30-Dec-19	Tim Geraghty	President	Admin & Ops
6-Jan-20	Mark Mahler	Director of Safety & Compliance	Training & Compliance
	Tyler Stuhlman	Distribution Supervisor	Distribution System
	Anthony Hays	IT Manager	Technology Systems
13-Jan-20	Ann Perkins	VP, Director of Finance	Office & Accounting Procedures
20-Jan-20	Ann Perkins	VP, Director of Finance	Office & Accounting Procedures
	Mark Mahler	Director of Safety & Compliance	Training & Compliance
27-Jan-20	Mark Mahler	Director of Safety & Compliance	Training & Compliance
	Steve Wilson	Local Manager	Distribution System & Inez WWTP
	Frank Steward	Local Manager	Tug Valley WWTP Warfield
3-Feb-20	Bob Hathcock	Local Manager	Distribution & Collections
10-Feb-20	Bob Hathcock	Local Manager	Distribution & Inez WWTP
17-Feb-20	James Ford	Local Manager	Distribution & WTP
26-Feb-20			
2-Mar-20	Phil Webster	Local Manager	Labs and both WWTPs
2-Mar-20	Ann Perkins	VP, Director of Finance	Office & Accounting Procedures
13-Apr- 20/ Permanent	James Ford	Local Manager	Operations
Permanent	Craig Miller	Division Manager	Ops & Admin
1 Jan - 30 April	Tony Sneed	Director of Operations	Operations & Outside Agencies



MEETING AGENDA
ENGINEERING DESIGN - PROGRESS MTG #10
MARTIN COUNTY WATER DISTRICT
MARTIN COUNTY, KENTUCKY
March 4, 2020

LOCATION: BSADD, 110 Resource Court, Prestonsburg, KY 41653
TIME: 5:00 PM
Present: Please Sign Attendance Roster

SUMMARY OF PROJECT FUNDING:

	<u>Source</u>	<u>Amount</u>	<u>Associated Project(s)</u>
-	AML Pilot NEXUS Grant (2017)	\$3,450,000	A,B,C,D
-	COE 531 Partnership (25% Match)	\$1,869,718	B,C
-	ARC Grant	\$1,200,000	F
-	AML Pilot NEXUS Grant (2018)	<u>\$2,000,000</u>	I
	TOTAL GRANT	\$8,519,718	

A. CONTRACT 113-19-01

RAW WATER INTAKE IMPROVEMENTS (PUMP PURCHASE ONLY)

1. AML provided clearance to advertise for bids on June 13, 2019.
2. Bids were opened at BSADD at 11:00 AM Wednesday July 3. Xylem Dewatering Solutions was the only bid received in the amount of \$470,286.07, compared to Bell's opinion of cost of \$500,000.00.
3. Bell made recommendation to award to BSADD and they along with MCWD agreed to accept the bid.
4. On July 29th, Bell received the AML Contractor/Subcontractor Information, Campaign Finance Law Compliance and Affidavit for Bidders Forms from Xylem. These were forwarded to AML.
5. On August 9th, AML advised Xylem had cleared the AVS check and the contract could be signed. Contract documents were forwarded to Xylem.
6. Contract documents were executed by both Xylem and the BSADD. A Notice to Proceed was issued to Xylem after the contracts were executed.
7. Xylem has completed fabrication of the smaller (2 MGD pump) and the associated variable speed drive. These items are currently being stored in their shop awaiting delivery. The 4 MGD pump has been fabricated along with the river screen.
8. Based on an update provided by Xylem on March 3rd, the company is completing fabrication of the 4 MGD drive.
9. Xylem has agreed to discontinue future pump rental charges to MCWD.

B. CONTRACT 113-19-02

RWI&WTP IMPROVEMENTS

1. The WTP and RWI sites were surveyed.
2. Basins were documented for condition assessment.
3. The Preliminary Engineering Report for the project is complete and has been distributed.
4. The Phase I Environmental Site Assessment required by the Corps of Engineers is complete and has been submitted.
5. Vendor proposals for replacement equipment were requested and reviewed.
6. Plans and specifications have been developed.
7. Awaiting answers to questions concerning transport and storage of the raw water pumps along with questions concerning the roof at the water treatment plant (Distributed January meeting).
8. Project mapping for NEPA purposes was submitted to AML on February 6th.
9. Project description and Opinion of Probable Construction Costs were submitted to AML on February 17th.
10. Scheduled DOW submittal - March 13, 2020.

C. CONTRACT 113-19-03

LINE IMPROVEMENTS

1. Bell was able to locate several sets of As-Built Drawings of the water distribution system. Bell scanned copies of all plan sets and returned to Greg Scott with digital copies of plan sets for MCWD future use.
2. Bell and MCWD personnel have been in the field multiple times locating existing lines, surveying existing meters, valves and fire hydrants and determining routing of new water lines.
3. Location of all the features affecting alignment of the waterline has been completed including gas lines.
4. The Phase I Environmental Site Assessment required by the Corps of Engineers is complete and has been submitted.
5. Plans and specifications have been developed.
6. Awaiting answers regarding the types of valves, meters, etc. to specify for the project (Distributed January meeting).
7. Project mapping for NEPA purposes was submitted to AML on February 10th.
8. Project description and Opinion of Probable Construction Costs were submitted to AML on February 17th.
9. Scheduled DOW submittal - March 13, 2020.

D. WATER SYSTEM CAPITAL IMPROVEMENT PLAN / HYDRAULIC MODELING

1. Document is required by PSC
2. Bell has completed field review of RWI, WTP, Storage Tanks, Pumping Stations and PRV's.
3. Bell & UK met in Martin County on June 21st to coordinate collection of field data the week of July 8th. This effort is for calibration of the Hydraulic Model.
4. UK professors and 3 students traveled to Martin County on July 8th to begin effort of collecting field data (pressures and flows) at key points throughout the water distribution system. Bell had a team of four individuals that were to join the UK team on July 10th; however, MCWD had some major line breaks on July 9th and were unable to recover water supply during the week to allow flowing water from hydrants.
5. The effort to collect flow data was rescheduled for August 6th and 7th, however, on August 5th MCWD has a failure of a PRV which would not allow the flowing of the hydrants.
6. The collection of the field data was rescheduled and occurred on August 14th and 15th.
7. Field data has been reviewed. UK returned to the field in an effort to repeat two tests for the Hazen Williams coefficient that appeared suspect.
8. Money is in place to pay for the Hydraulic Model through AML 2017 Grant. OSM refused to allow for payment of the CIP through the 2018 Grant. The funds associated with that have been realigned toward additional waterline replacement.
9. UK delivered has delivered testing forms to Bell.
10. Development of the model is ongoing.

E. COE 531 AGREEMENT

1. Bell provided a Scope of Work to the COE on May 15th.
2. Bell and COE agreed on an O&M cost of \$250,000.
3. Lesli Stone Smith has asked for a PER with Alternative Analysis. Bell is modified the original PER to incorporate the COE funding. COE dollars will not be utilized for the 10-Yr CIP or RWI pump purchase. The requested Alternative Analysis was provided to COE on July 10.
4. The Project Partnering Agreement (PPA). This agreement was executed on September 13, 2019.
5. Funds from the COE are being utilized for the RWI, WTP and Line Improvements (Items B & C).
6. BSADD has forwarded work to date related to the Environmental Assessment to the USACE and USACE to determine if additional work is to be performed.

F. CONTRACT 113-19-04

ARC WATERLINE REPLACEMENT PROJECT

1. Bell received the signed contract on August 2nd.
2. Bell and MCWD personnel have been in the field multiple times locating existing lines, surveying existing meters, valves and fire hydrants and determining routing of new water lines.
4. Location of all features affecting alignment of the waterline has been completed including gas lines.
5. Plans and specifications have been developed.
6. Awaiting answers regarding the types of valves, meters, etc. to specify for the project (Distributed January meeting).
7. Scheduled DOW submittal – March 27, 2020.

G. CONTRACT 695-19-01

**HIGH SCHOOL WATER STORAGE TANK & BOOSTER PUMP STATION
TELEMETRY**

1. Bell received the signed contract on August 14th.
2. The project was advertised for bids on August 21st and was advertised a second time on September 11th.
3. Bids for the project were opened September 26th @ 5:00 p.m. at the offices of the Martin County Fiscal Court.
4. The low (and only) bid was submitted by Micro-Comm. The base bid submitted was in the amount of \$48,921.00 and included the installation of an electrically powered telemetry unit at the pumping station and a solar powered unit at the tank site. A deductive alternate of \$5,400.00 was offered if the Fiscal Court ran electric to the tank site and Micro-Comm could also use an electrically powered unit at this location. Cost would then be \$43,521.00.
5. Bell provided a letter of recommendation to the Martin County Fiscal Court concerning the award of the project to Micro-Comm.
6. Martin County Fiscal Court has awarded the project to the low bidder.
7. Contract documents have been executed by both the Contractor and Fiscal Court. The executed documents were received from the Fiscal Court on Friday, February 28th. They were forwarded to the contractor along with the Notice to Proceed with construction on March 3, 2020.
8. Initial information from the Contractor concerning the FCC licensing process has been received.

H. WASTEWATER TREATMENT PLANT/COLLECTION SYSTEM REVIEW

1. Bell and MCWD personnel reviewed the Inez and Warfield WWTPs.
2. Proposed work at the Inez facility includes: a redundant oxidation ditch, septage receiving station, belt filter press, solids processing building, sludge

- hauling equipment, influent flow meter, yard piping , upgraded electrical, sludge storage and drainage pad, replacement of the influent pumping station, clarifier rehabilitation of unit that is out of service, existing oxidation ditch metal work, covers for the aerators/gearboxes for existing oxidation ditch, entry road repairs, rehabilitating two system pumping stations, replacing floats/adding transducers at the two stations, replacing ten grinder pumps and rehabilitating the inoperable plant generator. OPPC: \$4,836,550.
3. Proposed work at the Warfield facility includes a septage receiving station, mechanical screen for trash, demolition of the Dempsey WWTP, rehabilitating two system pumping stations, replacing floats/adding transducers at the two stations and replacing ten grinder pumps. OPCC \$1,138,563.
 4. An RFQ for engineering services was published requiring a submission by interested firms by October 5, 2019. The RFQ was in conformance with EDA requirements so that EDA funding may be sought for the project.
 5. Bell Engineering was selected to provide engineering services for the project at the last MCUD meeting. A contract is being prepared for review and signature.
 6. The project budget will be adjusted to include administrative fees for the BSADD prior to any applications for project funding being submitted.
 7. A meeting was held with a representative of the Economic Development Administration (EDA) to discuss the project.

I. USP BIG SANDY, EASTERN KENTUCKY BUSINESS PARK & BIG SANDY AIRPORT WATER PROJECT

1. Project budget was revised and sent to AML on September 19.
2. The Memorandum of Agreement between AML and BSADD was signed by BSADD on September 25th. The MOA was signed by AML on October 1, 2019.
3. A contract for engineering services has been executed by the Big Sandy Area Development District.
4. Bell and MCWD personnel have been in the field reviewing potential tank and pump station sites.
5. The Preliminary Engineering Report for the project is complete and has been distributed.
6. Plans have been prepared for the 250,000-gallon water storage tank.
7. Bell, Alliance and MCWD are coordinating with the mineral lease holder and the surface owner concerning location of the proposed tank and pump station. BSADD, Bell and Alliance representatives met with the property owner on January 30th.

7. On March 3rd, the property owner advised most of the property is permitted with only a phase one bond release. We will need to walk the site with the property owner to decide on a site and property owner will see about revising their permit. We will provide a couple of dates for the walk.

Progress Meeting #11 will be held April 8, 2020 at 5:00 PM at Big Sandy Area Development District in Prestonsburg, KY.

March 24th, 2020

TO: Martin County Water District
Board of Directors

INFORMATION & DECISION

FROM: Staff

RE: Update By-Laws for board

Due to the change to the regular board meeting date and time approved at last month's Board Meeting, the by-laws had to be revised.

The revised by-laws have been included in the board packet for review and signature.

MARTIN COUNTY UTILITY BOARD

BYLAWS

These bylaws govern the actions of the Martin County Utility Board, a public body established by the Martin County Fiscal Court to manage the Martin County Water District and the Martin County Sewer District.

Effective March 24, 2020

MARTIN COUNTY UTILITY BOARD

BYLAWS

ARTICLE I

NAME AND PURPOSE

Section 1: NAME

This organization is established pursuant to Kentucky Revised Statutes (KRS) Chapter 67 and is known as the Martin County Utility Board, hereinafter referred to as “Utility Board”. This body is a public agency created to develop, operate, maintain and manage the Martin County Water District, created pursuant to KRS 74 and the Martin County Sanitation Utility Board, created pursuant to KRS 67 and KRS 220.

Section 2: PURPOSES

The primary purposes of the Utility Board shall be to develop, operate, maintain and manage water treatment and distribution facilities capable of providing adequate clean safe drinking water service as well as to develop operate, maintain and manage wastewater collection and treatment facilities for service to residential, commercial and industrial users in Martin County and neighboring communities.

As a component of its management responsibility, the Utility Board is charged to develop and enforce the tariffs, rules, regulations and procedures for its respective utility services, pursuant to Kentucky statute and regulation. The Utility Board is authorized to establish and enforce those policies and procedures it deems necessary and appropriate to guide the conduct of its business, including policies that best assure the Utility Board acts in conformity to federal and state law and regulation. Each policy established by the Utility Board shall be approved by official action of the Board of Commissioners, retained in official records and copies provided to affected parties or posted publicly for review.

ARTICLE II

BOARD OF COMMISSIONERS

Section 1: AUTHORITY

The Martin County Utility Board shall have and exercise all fiscal control and operational management responsibilities over the Martin County Water District and the Martin County Sanitation District, including the respective facilities and equipment, service area and personnel assigned to each. The Utility Board shall possess and exercise the powers, duties, and authorities as given to the water district by KRS Chapter 74 and those given to the sanitation district by Chapter 67 and Chapter 220, as set out in ordinance of the Martin County Fiscal Court. Each member shall have one vote in matters on which a vote is required. All members will be seated without regard to age, race, sex, handicap, or religious affiliation.

Section 2: DESIGNATION & COMPOSITION

Pursuant to Martin County Fiscal Court Resolution 001-08, enacted January 10, 2008, the Utility Board members shall be designated as commissioners and the board shall consist of five (5) individuals, each a resident of Martin County, Kentucky.

Section 3: APPOINTMENT

Any individual who resides within the jurisdictional boundaries of Martin County, Kentucky may be appointed by the County Judge/Executive to serve as a commissioner of the Utility Board, subject to ratification or approval of such appointment by the Martin County Fiscal Court.

Section 4: TENURE

The term of office shall be four (4) years. As terms of the initial commissioners, as set out in the Fiscal Court Resolution expire the resultant vacancy shall be filled by the same appointing authority in the same manner as set out above. A commissioner may continue to serve in office after the expiration of his term until and at which time his successor has been duly appointed by the Judge Executive and such appointment has been approved by the Fiscal Court. All official acts of such individuals are valid until their successors are appointed and qualified and individuals so serving shall be considered de facto commissioners until that time.

Section 5: VACANCIES

Commissioner positions that become vacant prior to the expiration of a term shall be filled in the same manner as set out about (Section 3, above), however, the new member shall serve the duration of the unexpired term.

Section 6: TERMINATION

Inactivity of a commissioner may be declared by resolution of the Board when he has failed to attend three successive regular or special meetings of the Board. After written notification is made to the member of its intent to make such a declaration by resolution, the Board may pass such a resolution and direct a copy to the Judge Executive. The Judge Executive may conduct a hearing regarding the matter, with proper notification and permit the member to be represented by legal counsel, at the individual's determination and cost. The Judge Executive, may as his findings warrant, declare the position vacant and appoint another individual to fill the unexpired term of the commissioner, subject to the approval of the Fiscal Court, in the normal manner.

ARTICLE III

BOARD OFFICERS & DUTIES

Section 1: OFFICERS

The officers of the Board of Commissioners shall be a chair, a secretary and a treasurer, and other such officers as the Board may deem necessary.

Section 2: OFFICER ELECTIONS

Officers shall be elected at the annual meeting. Any member of the Board shall be eligible to hold office. Voting in officer elections shall be by any method selected by the Board, with a majority of votes cast being required for election. The Chair will provide for nominations to be made from the floor.

Section 3: TERM OF OFFICE

The term of office for all officers of the board shall be two (2) years. Officers may succeed themselves, but no officer shall be eligible for more than two consecutive full terms in the same office. There shall be one year between repeated eligibility to serve in an office. No member shall be eligible to hold more than one office at a time.

Section 4: VACANCIES

Any vacancy of an office shall be filled by special election to be held at the first meeting of the Board of Commissioners after the vacancy occurs.

Section 5: REMOVAL OF AN OFFICER

An officer may be removed at any time with just cause, by a majority vote of the Board of Commissioners.

Section 6: DUTIES

Chair of the Board

The Chair shall be the Chief Executive Officer of the Board of Commissioners. He shall preside at all meetings of the Commissioners, and actively solicit input from other Commissioners, the General Manager and others, in the preparation of an agenda. The Chair shall represent the Board

in all matters as appropriate. The Chair may delegate certain of his duties to other commissioners or designated employees with the concurrence of the Board of Commissioners.

Secretary

It shall be the responsibility of the Secretary to see to the maintenance of the records of the Board of Commissioners and to sign and date the minutes of the meetings of the Utility Board once same are approved by the Utility Board. Further, it is the duty of the Secretary to keep a current register, or roll, of the Board of Commissioners, and to call the roll when required. The Secretary shall maintain a listing of the commissioners' respective appointment dates and term duration dates and notify the Board of Commissioners and the County Judge Executive as each member's term is due to expire. The Secretary shall be responsible for sending out notices for all meetings of the Board of Commissioners. The routine duties of the office may be delegated by the Secretary to one or more employee of the Board, subject to approval of the Board of Commissioners.

Treasurer

The Treasurer shall have custody of all monies and securities of the Utility Board and shall have oversight of the books of account, fiscal records, bank accounts and property. He shall see to it that all money and valuables of the Utility Board are deposited in such banks and depositories as the Board of Commissioners shall designate from time to time. He shall have power to endorse for deposit to the credit of the Utility Board all notes, checks, drafts, bonds, and other financial instruments of the Utility Board. He shall be authorized to disburse funds of the Utility Board, together with one additional signatory, as designated by the Board, for any or all legitimate expenditures as approved by the Board of Commissioners, making proper vouchers therefore. No payment shall be made from the funds of the Utility Board except by prior authorization or appropriation of the Board of Commissioners. The Treasurer shall be bonded to the extent as may be set forth by the Board of Commissioners and the laws of the Commonwealth of Kentucky, at the Board's expense. With the exception of signing checks, executing documents required to transfer funds and other similar financial documents, the routine duties of the office may be delegated to a qualified employee by the Board of Commissioners.

ARTICLE IV

MEETINGS

Section 1: REGULAR AND SPECIAL MEETINGS

Regular monthly meetings shall be held on the fourth Tuesday of each month at 6:00 p.m. at the Martin County Government Center, 2nd Floor Fiscal Court Meeting Room, Inez Kentucky, 41224. All meetings shall be open to the public, with the exceptions as set forth in the Kentucky Open Meetings Law.

Special Board Meetings may be called by the Chair or two or more members, with notice by mail, phone, or personal contact. No special Board meetings may be called without the members being given at least twenty-four hours prior notice. The local media must be also notified and a quorum must be present to conduct business.

Section 2: ANNUAL MEETING

The January meeting shall be the annual organizational meeting at which time officer elections will be held.

Section 3: BUSINESS

The business of the Utility Board shall be managed by the Commissioners acting as a body; such business shall be conducted principally at the regular monthly meeting. A quorum, consisting of three members must be present at a regular or special meeting to conduct business. The Utility Board may authorize the Chair or another Commissioner to act on its behalf in certain situations but only to the extent and for as long as so authorized.

A rule of order shall be established by the Board for the conduct of its business. The rules of order may be suspended at any time by consent of the majority of the members present. Except when in conflict with these Bylaws, Roberts Rules of Order shall govern the conduct and procedure of deliberations of the Board.

ARTICLE V

AUTHORIZATION TO HIRE EMPLOYEES & CONTRACTORS

The Board of Commissioners may solicit and employ a qualified individual to serve in the position of general manager, set his duties and determine an appropriate rate of compensation. With the advice of the general manager the Utility Board may solicit and employ or contract with other qualified individuals or firms to provide professional services and perform operations, maintenance and construction tasks necessary and appropriate to support the services of the Martin County Water District and the Martin County Sanitation District.

No individual appointed as a Utility Board Commissioner may participate in the decision making process as relates to the hiring, promotion, demotion or in any way affects a relative or family member employed or that is being considered for employment by the Utility Board in any capacity.

ARTICLE VI

AMENDMENT

The Bylaws of the Utility Board may be amended by majority vote of the Board of Commissioners at any regular or special meeting, provided the proposed changes are distributed to the Commissioners, in writing with the meeting notice, at least seven days prior to such meeting.

These bylaws were approved by an affirmative vote of the Commissioners of the Martin County Utility Board at a regular meeting, held on _____ to which proper notice and a copy of this document was provided to all members.

Secretary

March 24th, 2020

TO: Martin County Water District
Board of Directors

INFORMATION & DECISION

FROM: Staff

RE: Standard Format for Water Service Rules & Regulations

Over the past few months Staff has been working to solve issues in compliance with current Board policies. In some cases, these policies are difficult to locate in a written form, as well as difficult to determine if the practice in question has been duly authorized by the governing body.

It is the goal of Staff to codify existing practices, make recommendations to the Board on any needed changes to policies, and have a way to track that the Board has authorized policies that Staff is operating under.

It is also the goal of Staff that customers of the District have easy access to the current Board approved Rules & Regulations.

Staff is requesting the Board's approval of the attached document format as the mechanism for documenting approval of Board implemented Rules & Regulations.

MARTIN COUNTY WATER DISTRICT



WATER RULES AND REGULATIONS FOR SERVICE

Effective Date: March 24th, 2020

RESOLUTION

Be it resolved by the Board of Directors for the Martin County Water District, of Martin County Kentucky, that the rules and regulations in which water service will be provided to the customers of the Martin County Water District, are hereby set forth. These rules and regulations provide for orderly service and system uses, sets standards for connections to the system, sets rates and charges, provides for conservation and protection of drinking water, sets penalties for violations and other matters relating thereto. It is also noted that these Rules & Regulations are intended to comply with all PSC State and Federal requirements, and should a conflict arise deference is given to the agency with governing authority. On this motion duly made, seconded and carried, this resolution is hereby adopted by the Board of Directors of Martin County Water District, Kentucky on this 24th day of March 2020.

**MARTIN COUNTY WATER DISTRICT,
KENTUCKY**

**WATER
RULES AND REGULATIONS FOR SERVICE**

INDEX

Rule #	Description or Title of Rule	Page #
#1	General, Water	
#2	Definitions	
#3	Application, Supply and Taking of Service	
#4	Connection Fees and Procedures	
#5	Security Deposits	
#6	Water Rates and Charges	
#8	Billing, Payment of Bills and Collections	
#9	Water Loss & Conservation Plan	
#10	Backflow Prevention	
#11	Fire Hydrants, Regulations for Use	
#12	Sprinkler System Uses	
#13	Private Systems	
#14	Water Line Extensions	
#15	Governmental Agreements	
#16	Penalties for Violation	
#17	Severability and Effective Date	
Appendix A	Water Rates, Charges and Fees	
Appendix B	Theft of Service Procedures	

March 24th, 2020

TO: Martin County Water District
Board of Directors

INFORMATION & DECISION

FROM: Staff

RE: Sale or Trade of Heavy Equipment Trailer

Staff is recommending that the Board authorize the sale or trade of the district's heavy equipment trailer currently out of service.

It is the intent of the Staff to trade in the heavy equipment trailer that is currently not operational. The trailer has a possible bent axle and needs all new tires. If operational, the district does not currently have a vehicle heavy enough to haul the trailer. Staff are looking into the option of trading the trailer in for one that the distribution crew can use to haul equipment.

It is the intent of the Staff to sell the trailer for fair market value if the trailer has no trade in value.

If the Board agrees, we are respectfully seeking a motion to approve AWR personnel to trade in the trailer for a smaller trailer at little to no cost to the district, or sell it outright for fair market value if a trade is deemed impossible.

March 24th, 2020

TO: Martin County Water District
Board of Directors

INFORMATION & DECISION

FROM: Staff

RE: Sale of Scrap Metal

Staff is recommending that the Board authorize the sale of scrap and junk parts.

It is the intent of the Staff to sell any scrap parts, including but not limited to; brass meter bodies, old metal fittings, and other numerous metal items located at the Inez Water Plant.

This is an effort to remove unnecessary items in and around district owned property.

It is the intent of the Staff to take these items to the surrounding area scrap yards.

If the Board agrees, we are respectfully seeking a motion to approve AWR personnel to sell this scrap, with the proceeds returning to the district.

March 24th, 2020

TO: Martin County Water District
Board of Directors

INFORMATION & DECISION

FROM: Staff

RE: Sale of Non-Returnable Chemical Drums

Staff is recommending that the Board authorize the sale of empty chemical drums.

It is the intent of the Staff to sell the empty chemical drums located at the Inez Water Plant to remove unnecessary litter around district owned property.

It is the intent of the Staff to sell these drums for \$10 each to any persons willing to purchase.

If the Board agrees, we are respectfully seeking a motion to approve AWR personnel to sell these drums with the proceeds returning to the district.

March 24th, 2020

TO: Martin County Water District
Board of Directors

INFORMATION & DECISION

FROM: Staff

RE: Loan of Conference Table and Chairs

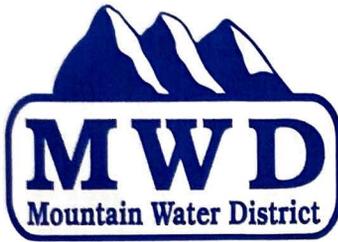
Staff is requesting that the Board authorize the loan of the district's conference table and chairs.

It is the intent of the Staff to utilize the district conference table and chairs at AWR's regional office for meetings.

If the Board agrees, we are respectfully seeking a motion to approve the loan of the conference table and six (6) chairs to Alliance Water Resources. This loan will be in place through the contract date and any extensions granted by the board. If such a time arrives that the AWR contract expires, the table and chairs will be return to the district. During this time, AWR will be providing a desk to the district office for use by office personnel.

**MARTIN COUNTY WATER & SANITATION BOARDS: STAFF SCHEDULE &
SUMMARY OF MEETINGS WITH OUTSIDE ENTITIES**

DATE	ENTITY	KEY CONTACTS	TOPIC	ADDITIONAL COMMENTS
5-Feb-20	EEC & AML	Secretary Goodman	Capital Projects	Meeting being held in Frankfort with new Secretary
7-Feb-20	KRWA	Steve Caps	AO Response	Under Review
12-Feb-20	DOW	R. Pack	Sanitary Survey WTP	
19/21 FEB	UK	Scott	Cap Stone Project	Weather
4-Mar-20	DOW	J Taimi	Sanitary Survey Management & Financials	Ann Perkins (AWR) will be on site
11-Mar-20	PSC	R Gray	PSC Inspection	We have received a copy of the last inspection
8-Apr-20	PSC	PSC Commissioners	PSC Hearing AWR Initial Assessment	Will be rescheduled due to virus
20-21 APR	PSC	Travis Leach	Water Board Commissioner Training	More classes Craig enrolling at Jenny Wiley
13-May-20	WG	Secretary Goodman	Unified Multi Agency Approach to MCUD Assistance	Big Sandy Area Development District
12-Aug-20	WG	Secretary Goodman	Unified Multi Agency Approach to MCUD Assistance	Big Sandy Area Development District
17-Nov-20	WG	Secretary Goodman	Unified Multi Agency Approach to MCUD Assistance	Big Sandy Area Development District



MAR 13 2020

**P. O. BOX 3157
PIKEVILLE, KY 41502
PHONE: (606) 631-9162
FAX: (606) 631-3087
TDD: (606) 631-3711**

March 9, 2020

Craig Miller, Regional Manager
Martin County Water District
387 E. Main Street
Suite 140
Inez, Ky. 41224

RE: CCR Agreement with Mountain Water District

Dear Mr. Miller,

As you are aware, the deadline for Mountain Water District to submit Consumer Confidence Report (CCR) information is April 1st of each year. However, MWD also must wait on information from the City of Pikeville and the City of Williamson to complete our report, which often makes getting our information to our purchasing systems by the deadline very difficult.

I would like to request that the Martin County Water District grant MWD a perpetual extension for CCR information to April 15th of each year, in order to accommodate the District's difficulty with compiling information from our system, in addition to our two wholesale systems.

If you agree to allow the Mountain Water District to extend the deadline to April 15th each year, beginning with 2020 for the 2019 CCR year, please sign below and send back to me as soon as possible. I have enclosed a return envelope for your convenience.

Thank you so much for your consideration in this matter.

Sincerely,

Tammy Olson
Office/Compliance Manager

I, _____, representative for the Martin County Water District, do hereby agree to extend the CCR deadline for the Mountain Water District from April 1st to April 15th of each year effective immediately.

Signature

Date

Equal Opportunity Provider and Employer

March 24th, 2020

TO: Martin County Water District
Board of Directors

FROM: Staff

INFORMATION

RE: Mowing Sub Contractor

Section 5.12 of the Professional Operating & Management Agreement dated 20 November 2019, states that the Board be advised when sub- contractors are hired to satisfy terms of the agreement.

In the past the District has used the services of Donny Young Mowing to handle the mowing of multiple district facilities.

AWR Staff has met with Mr. Young and intend to use him in the same capacity this season.

Martin County Water District
387 E. Main St.

Phone (606) 298-3885 Inez, Kentucky 41224
Special Meeting, Tuesday, April 28, 2020 – 6:00 p.m.
Martin County Government Center (2nd Floor)

- 1) Call the meeting to order

- 2) Review and Consideration to Approve Minutes

- 3) Review and Consideration of Financial Reports
 - A. Review and Consideration to Approve Treasurer's Report
 - B. Review and Consideration to Approve Other Financials
 - C. Memo for 2017 Audit Draft Approval
 - D. Update on Status of Audits

- 4) Review and Consideration to Approve Bills

- 5) Operations
 - A. Alliance Operations Report
 - B. DOW Sanitary Survey
 - C. PSC Periodic Water Inspection and Response
 - D. Meter Audit
 - E. Water Loss Report
 - F. IRP (PSC)

- 6) Capital Projects Report
 - A. Project Updates

- 7) Other New Business
 - A. Identity Theft Prevention Program

- 8) Q/A with Customers via Facebook

- 9) Adjourn

Notice is hereby given that, subject to a motion duly made and adopted, the Board of Directors may hold an Executive Session subject to the laws of Kentucky.

**Martin County Water District
Special Meeting of the Board of Directors
April 6, 2020 Meeting Minutes**

Presiding: James Kerr, Chairman
Present: Directors: John Hensley, Greg Crum, BJ Slone
Staff: Brian Cumbo (Attorney), Craig Miller (GM), Katrina Sansom
Guests: Tony Sneed (AWR)

The Special Meeting of the Martin County Water District was held on April 6, 2020 via a virtual Zoom meeting in Inez, Kentucky 41224. James Kerr called the meeting to order at 6:02 PM.

The following directors were present: John Hensley, Greg Crum, and BJ Slone.

James Kerr called for review of the minutes of the February 15, 2020 Board Meeting. After review and discussion, John Hensley motioned to accept the minutes of the February 20, 2020 Board Meeting, seconded by BJ Slone, all yea, motion carried.

Due to the meeting being held virtually on Zoom, there were no guests in attendance. The Zoom meeting was broadcasted publicly on Facebook.

Next, James Kerr called for review of the Treasurer's Report. Craig Miller reported the Treasurer's Report. After further discussion, John Hensley motioned to accept the Treasurer's Report as presented; BJ Slone seconded, all yea, motion carried. Other Financials were presented by Craig Miller, John Hensley motioned to accept, BJ Slone seconded, all yea, motion passed. A request to consolidate the Revenue and Payroll Account's into the Operations Account to create a more efficient handling of the District's bank account was submitted by Craig Miller; John Hensley made the motion, BJ Slone seconded, all yea, motion passed. Craig Miller requested the Board seek Proposals/Qualifications for the outstanding 2019 Water District Audit. A motion to accept was made by John Hensley, a second was made by BJ Slone, all yea, motion passed.

Next, James Kerr called for review and consideration of the list of bills for April to pay from the water funds. After review and discussion, John Hensley motioned to approve bills, BJ Slone seconded, all yea, motion carried.

James Kerr asked Attorney Brian Cumbo is there were any legal issues to discuss. He said not at this time.

James Kerr then called for review of the Operations Report. Craig Miller provided the Operations report.

Craig Miller gave an update on capital projects

James Kerr inquired if there was any other business to discuss; Craig Miller presented the Board By-Laws for approval. Motion was made to accept by John Hensley, BJ Slone seconded the motion, all yea, motion passed.

James Kerr inquired about new business to discuss. Craig Miller requested Board approval of Board implemented Rules and Regulations. John Hensley made the motion, Greg Crum seconded, all yea, motion passed. Craig Miller then requested authorization to sale or trade a heavy equipment trailer that is currently out of service, and to also sell scrap metal and junk parts

as an effort to remove unnecessary items in and around district owned property; and to also return the money received back to the district. Under the direction of Attorney Brian Cumbo, the heavy equipment trailer, the scrap metal, and unnecessary items would be required to be listed as surplus before they can be sold or removed of. Motion to itemize the heavy equipment trailer, the scrap metal, and unnecessary items as surplus was made by John Hensley, seconded by BJ Slone, all yea, motion carried. Craig Miller requested the sale of empty chemical drums located at the Inez Water Plant. Again, under the direction of Attorney Brian Cumbo, the empty chemical barrels would first require to be deemed as surplus property. John Hensley made the motion to deem the empty barrels as surplus property, Greg Crum seconded, all yea, motion carried. Craig Miller requested a price to be set for the barrels. BJ Slone made the motion to set the empty barrel price at \$10; Greg Crum seconded, all yea, motion carried. Craig Miller requested to sale the empty chemical barrels; John Hensley motioned to allow the sale of barrels, BJ Slone seconded the motion, all yea, motion carried. Craig Miller requested a motion to approve the loan of the conference table and six (6) chairs to Alliance Water Resources, to be returned upon expiration of the AWR contract with Martin County Water District; John Hensley made the motion, BJ Slone seconded the motion, all yea, motion carried. A list of Outside Agencies to Date was presented by Craig Miller to the Board.

Executive session was not needed.

James Kerr inquired if there was any other business to discuss; Division Manager Craig Miller requested permission to sign Mountain Water District's request for an extension of their CCR from April 1st of each year to April 15th of each year; John Hensley made the motion, BJ Slone seconded, all yea, motion passed. Craig Miller advised the Board that AWR intends to use Donny Young Mowing to handle the mowing of multiple district facilities.

James Kerr called for a motion to adjourn. John Hensley motioned to adjourn the meeting, seconded by Greg Crum, all yea, motion carried, meeting adjourned at 7:03 PM.

Minutes approved this _____ day of _____, 2020.

James Kerr, Chairman
Sansom, Clerk

Katrina

**Martin County Water District
Billing Summary**

Date	Revenue	YTD Total	Gallons (000'S)	No of Customers	Payments Received
Mar-20	160,370	593,438	10,818	3,386	195,052
Feb-20	195,985	433,068	12,846	3,369	207,152
Jan-20	237,083	237,083	14,830	3,388	234,262
Dec-19	220,785	2,638,030	13,238	3,384	225,180
Nov-19	221,886	2,417,246	14,344	3,411	212,517
Oct-19	231,104	2,195,360	15,772	3,408	213,508
Sep-19	234,668	1,964,255	16,068	3,384	229,365
Aug-19	225,374	1,729,587	14,617	3,397	217,522
Jul-19	230,954	1,504,213	15,118	3,411	215,505
Jun-19	223,275	1,273,260	14,559	3,413	208,424
May-19	212,921	1,049,985	13,811	3,403	216,904
Apr-19	193,858	837,064	11,010	3,413	188,635
Mar-19	216,511	643,206	14,194	3,411	214,484
Feb-19	207,669	426,695	12,490	3,433	201,825

**Martin County Water District
Inez, KY
Treasury Report
Summary of Cash & Investments
March 31, 2020**

Bank Account	Beginning Balance	Deposits	Interest Earned, Net of Fees	Payments	Ending Balance
Revenue Fund Account	\$ 3,838.86	151,231.09	-	(152,522.20)	\$ 2,547.75
Revenue EFT Account	1,630.27	45,228.44	-	(43,665.57)	3,193.14
Operations Account	117,541.54	168,311.72	-	(206,689.27)	79,163.99
Payroll Account	(35.66)	-	-	-	(35.66)
Cash on Hand	<u>900.00</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>900.00</u>
Total Unrestricted Cash	123,875.01	364,771.25	-	(402,877.04)	85,769.22
Restricted Cash					
Debt Service Surcharge	6,169.89	-	0.02	(3,264.82)	2,905.09
Depreciation Reserve	1,001.67	-	0.01	-	1,001.68
Security Deposits	160,643.49	4,121.60	7.10	(45.00)	164,727.19
KY Assoc of Counties Leasing Trust	6,503.15	10,000.00	0.06	(15,498.50)	1,004.71
Management Infrastructure Surcharge	12,244.37	-	0.27	-	12,244.64
Rockhouse Project	3,520.21	10,800.00	-	(10,648.65)	3,671.56
KIA Bond & Interest	9,576.27	5,800.00	0.07	(5,694.49)	9,681.85
ARC Grant	89.30	12,000.00	-	(12,000.00)	89.30
Regions Bank-KY 2015E Martin County	<u>117,886.25</u>	<u>11,221.29</u>	<u>31.15</u>	<u>(89,919.38)</u>	<u>39,219.31</u>
Total Restricted Cash	317,634.60	53,942.89	38.68	(137,070.84)	234,545.33
Total Cash & Investments	<u>\$ 441,509.61</u>	<u>418,714.14</u>	<u>38.68</u>	<u>(539,947.88)</u>	<u>\$ 320,314.55</u>

1:30 PM

04/22/20

**Martin County Water District
Vendor Balance Summary
As of March 31, 2020**

	<u>Mar 31, 20</u>
All Pumps Sales & Services	8,411.90
Brian Cumbo	31,434.10
CI Thornburg	36,345.26
CI Thornburg-VFD#1	1,375.46
CI Thornburg-VFD#2	17,448.32
Evans Hardware	54,560.99
Evans Hardware #2	21,300.21
Fast Change	4,155.33
Linda F Sumpter, CPA	154,663.03
Prestonsburg City's Utilities	22,909.86
Service Pumps & Supply	21,282.99
Soles Electric	13,300.00
United Rentals	46,997.55
Xylem	93,739.10
Zip Zone Express	257,557.95
	<hr/>
TOTAL	<u>785,482.05</u>

April 28th, 2020

TO: Martin County Water District
Board of Directors

FROM: Staff

INFORMATION & DECISION

RE: 2017 Audit Draft

Staff is recommending the Board review the 2017 Audit Draft.

Attached is the 2017 Audit Draft from White and Associates.

In the draft you will find an attached letter needing a signature. After review of the draft, If the Board agrees, we are respectfully seeking a motion to approve the 2017 Audit Draft.

MARTIN COUNTY WATER DISTRICT

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

For the Year Ended December 31, 2017

DRAFT

Prepared by:

White & Associates PSC
CERTIFIED PUBLIC ACCOUNTANTS
1407 Lexington Road
Richmond, Kentucky 40475
Phone 859.624.3926
Fax 859.625.0227

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White & Associates, PSC

CERTIFIED PUBLIC ACCOUNTANTS

1407 Lexington Road
Richmond, Kentucky 40475

INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners of the Martin County Water District
Martin County Water District
Inez, Kentucky

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities (enterprise fund) of the Martin County Water District (District), as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities (enterprise fund) of the District, as of December 31, 2017, and the respective changes in financial position, and where applicable, cash flows thereof, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the schedule of the District's proportionate share of the net pension liability, and schedule of contributions information as listed in the table of contents be presented to supplement the basic financial statements. Such 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 financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the remaining required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America requires to be presented to supplement the basic financial statements. Such missing information, although not a part of the financial statements is required by the Governmental Accounting Standards Board, who consider it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 9, 2020, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

White & Associates, PSC

White & Associates, PSC
Richmond, Kentucky
April 9, 2020

DRAFT

Martin County Water District
STATEMENT OF NET POSITION
December 31, 2017

	2017
ASSETS:	
Current assets:	
Cash and cash equivalents	\$ 60,822
Accounts receivable	
Customer, net	270,562
Inventory	8,377
Prepaid expenses	9,530
Unbilled revenue receivable	239,245
Restricted cash and cash equivalents	
Customer Deposits	177,852
Debt Service	112,973
Grants	33,480
Total current assets	912,841
Noncurrent assets:	
Capital assets not being depreciated	214,714
Capital assets, net of accumulated depreciation	19,662,700
Total noncurrent assets	19,877,414
Deferred outflows of resources:	
Deferred outflows of resources related to pensions	317,912
Total assets and deferred outflows of resources	\$ 21,108,167
LIABILITIES:	
Current liabilities:	
Accounts payable	\$ 770,186
Payroll tax liabilities	51,538
Other accrued liabilities	6,189
Interest, payable from restricted assets	36,172
Customer deposits, payable from restricted assets	162,231
Long-term debt, current portion, payable from restricted assets	117,196
Total current liabilities	1,143,512
Noncurrent liabilities:	
Net pension liability	1,255,723
Long-term debt, less current portion	2,496,340
Total noncurrent liabilities	3,752,063
Total liabilities	4,895,575
NET POSITION	
Net Investment in capital assets	17,263,878
Restricted for:	
Customer Deposits	177,852
Debt Service	112,973
Construction	33,480
Unrestricted	(1,375,591)
Total net position	16,212,592
Total liabilities and net position	\$ 21,108,167

See the accompanying notes to the financial statements.

Martin County Water District
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
For the Year Ended December 31, 2017

	2017
OPERATING REVENUES:	
Water sales:	
Residential	\$ 1,517,484
Commercial	317,825
Public authorities	92,260
Tap fees	6,210
Other	7
Unmetered	1,458
Other sales:	
Public authorities	31,227
Penalties	68,456
Other	6,484
Vendors	265
Miscellaneous	234
Total operating revenues	2,041,910
OPERATING EXPENSES:	
Water	
Salaries and wages	523,953
Employee benefits	265,255
Purchased water	402,253
Chemicals	123,269
Materials & supplies	146,646
Contractual services	182,297
Rental	20,229
Transportation	64,700
Insurance	83,287
Bad debt	81,182
Taxes	41,414
Regulatory assess fees	4,186
Depreciation	777,147
Miscellaneous	30,394
Total operating expenses	2,746,212
OPERATIONS INCOME (LOSS)	(704,302)
NONOPERATING REVENUES (EXPENSES)	
Earnings on investments	477
Amortization of deferrals	754
Interest expense	(96,061)
Total nonoperating revenues (expenses)	(94,830)
CHANGE IN NET POSITION	(799,132)
NET POSITION, BEGINNING	17,011,724
NET POSITION, ENDING	\$ 16,212,592

See the accompanying notes to the financial statements.

Martin County Water District
STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2017

	2017
Cash flows from operating activities:	
Cash received from customers and other sources	\$ 2,090,271
Cash payments to suppliers for goods and services	(1,138,121)
Cash payments for employees and benefits	(704,063)
Net cash provided (used) by operating activities	248,087
Cash flows from capital and related financing activities:	
Purchases and construction of capital assets	(11,063)
Amortization of deferrals	754
Principal payments on long-term debt	(110,679)
Interest expense	(96,061)
Net cash provided (used) by capital and related financing activities	(217,049)
Cash flows from investing activities:	
Earnings on investments	477
Net cash provided (used) by investing activities	477
Net increase (decrease) in cash and cash equivalents	31,515
Cash and cash equivalents, beginning of year	353,612
Cash and cash equivalents, end of year	\$ 385,127
Reconciliation of cash and cash equivalents:	
Cash and cash equivalents	\$ 60,822
Restricted cash and cash equivalents	
Customer Deposits	177,852
Debt Service	112,973
Grants	33,480
Total Cash and cash equivalents	\$ 385,127
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:	
Operating income (loss)	\$ (704,302)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:	
Depreciation	777,147
(Increase) Decrease in:	
Accounts receivable	48,361
Inventory	18,787
Prepaid expenses	13,670
Accrued revenues	(17,388)
Deferrals	(106,298)
Increase (Decrease) in:	
Accounts payable	7,754
Accrued liabilities	11,930
Accrued interest	(742)
Customer deposits	7,725
Net pension liability	191,443
Net cash provided (used) by operating activities	\$ 248,087

See the accompanying notes to the financial statements.

Martin County Water District
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2017

NOTE 1 – Reporting entity and significant accounting policies

(a) Description of the reporting entity

The Martin County Water District (District) was authorized by action of the Martin County Fiscal Court. The Martin County Water District Side A was formed December 1, 1962. On August 31, 1996 the Fiscal Court, with approval of the Kentucky Public Service Commission, merged Section A and B. The District is a Special Purpose Government Entity (SPGE) recognized by the Kentucky Department of Local Government. The District is governed by the Martin County Utility Board, which is comprised of Commissioners appointed by the Martin County Fiscal Court.

The District, for financial purposes, includes the transactions relevant to the operation of the Martin County Water District. The District provides potable water directly to residential and commercial customers in the Martin County area. In determining the financial reporting entity, the District complies with the provisions of generally accepted accounting principles (GAAP) and includes all component units that have a significant operational or financial relationship with the District. Based upon the criteria set forth by the Governmental Accounting Standards Board (GASB), there are no component units included in the reporting entity.

(b) Measurement Focus, Basis of accounting, and Financial Statement Presentation

The District's financial statements are reported using the economic resource measurement focus and the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America for proprietary funds. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. The accounting policies of the District conform to applicable generally accepted accounting principles as defined by the Governmental Accounting Standards Board (GASB). Operating revenues and expenses generally result from providing water services in connection with the District's ongoing operations. Operating expenses include the cost of personnel and contractual services, supplies, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

(c) Cash and cash equivalents

For the purposes of the statement of cash flows, cash and cash equivalents are defined to be cash on hand, demand deposits and highly liquid investments with a maturity of three months or less from the date of purchase. For financial statement presentation purposes, cash and cash equivalents are shown as cash and cash equivalents and restricted cash and cash equivalents.

(d) Restricted assets

Restricted cash and cash equivalents represent amounts held in trust at the bank and are set aside for customer security deposits, bond sinking, reserves and depreciation funds as required by the bond ordinance and for grant purposes. When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

Martin County Water District
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2017
(Continued)

(e) *Receivables*

Accounts receivable are presented, when considered necessary, net of an allowance for doubtful accounts.

(f) *Inventory*

The District maintains a detailed inventory of supplies needed to maintain the water infrastructure. Inventory is stated at the lower of cost or market. Cost is determined principally by the first-in, first-out method.

(g) *Prepaid expenses*

Payments made by the District that benefit periods beyond December 31st are classified as prepaid expenses. A current asset is recorded at the time of purchase and an expense is made per the consumption method. The prepayment of expenses is for the numerous insurances required on behalf of the District's employees' and its infrastructure.

(h) *Unbilled Revenues*

Revenues are recorded when earned. Customers' meters are read and bills are prepared monthly based on billing cycles. The District estimates the amount of water service rendered from the latest date of each meter-reading cycle to December 31 of each year and is accrued as unbilled revenues

(i) *Capital assets*

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated fixed assets are recorded at their fair market values as of the date received. The District's capitalization threshold for capital assets is \$5,000.

All reported capital assets are depreciated with the exception of land and construction in progress. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Land improvements	10-50 years
Buildings and improvements	10-25 years
Technology equipment	5-20 years
Equipment	5-50 years

Martin County Water District
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2017
(Continued)

(j) *Employee leave benefits*

The District's policy on vacation shall accrue at the rate of eighty (80) hours per year for one (1) to five (5) years of full time employment, henceforth employees' may earn an additional eight (8) hours per year up to a maximum of one hundred and twenty (120) hours. Maximum accrual of each employee is one hundred and sixty (160) hours. Accrual for vacation is included in accrued payroll liabilities in the amount of \$12,759 as of December 31, 2017.

The District's employees' shall accrue sick leave at the rate of eight (8) hours per month to a maximum of four hundred and eighty (480) hours. No monetary value is given to the accrual of sick leave based upon policy of no payout to employees upon termination or retirement.

(k) *Customer deposits*

Deposits are required by the District for each customer to receive services. The deposits are maintained by the District and returned when services are no longer used or other qualifying event by the District's policy.

(l) *Long-term debt*

In proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities. Bond premiums and discounts are amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of applicable bond premiums or discounts. Bond issuance costs are reported as an expense of the current period. Refunding of debt may result in deferred gains or losses and are reported as deferred inflows or outflows of resources. The difference between reacquisition price and the net carrying amount of the old debt is deferred and amortized as a component of interest expense using the straight-line method.

(m) *Net investment in capital assets*

Net investment in capital assets is the net amount of the capital assets less the amounts payable for long-term debt financing those capital assets.

(n) *Use of estimates*

The process of preparing financial statements in conformity with accounting principles generally accepted in the United States of America requires the District's management to make estimates and assumptions that affect reported amounts of assets, liabilities, revenues, expenses, and disclosure of contingent assets and liabilities at the date of the financial statements. Actual results could differ from those estimates.

Martin County Water District
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2017
(Continued)

(o) *Capital contributions*

Capital contributions include the amounts paid by state and local governments that arise from contributions of capital assets, or from grants or outside contributions of resources restricted to capital acquisition and construction.

(p) *Reserves for net position*

The amount restricted in net position is the amount that has been set aside for payments of long-term debt. The restricted amount equals the restricted cash and cash equivalents as reported in the statement of net position.

(q) *Pensions*

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the County Employees' Retirement System (CERS) and additions to/deductions from fiduciary net position have been determined on the same basis as they are reported by the pensions. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments, if any, are reported at fair value.

(r) *New Pronouncements*

The District has implemented the following new accounting pronouncement.

In March 2016, the GASB issued Statement No. 82, *Pension Issues* ("GASB 82"). GASB 82 addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements that arose during the implementation of GASB Statement No. 68. GASB 82 is effective for the District beginning with its year ending December 31, 2017. The adoption of this standard did not have a material effect on the District's financial statements.

Martin County Water District
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2017
(Continued)

The District will adopt the following new pronouncement in future years:

GASB issued Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefit Plans Other than Pension Plans* (“GASB 75”). GASB 75 replaces Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions* and No. 57, *OPEB Measurements by Agent Employers and Agent Multiple Employer Plans*. It establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures for other postemployment benefits (“OPEB”). In addition, GASB 75 details the recognition and disclosure requirements for employers with payables to defined benefit OPEB plans that are administered through trusts that meet the specified criteria and for employers whose employees are provided with defined contribution OPEB. GASB 75 will be effective for the District beginning with its year ending December 31, 2018. The impact of this pronouncement on the District’s financial statement has not been determined.

NOTE 2 – Budgetary data

The District’s Board of Commissioners receives and approves an annual budget from management each calendar year fulfilling the requirement to prepare an annual budget as required by all SPGE’s for the Kentucky Department of Local Government.

NOTE 3 – Cash and cash equivalents

Cash and cash equivalents as of December 31, 2017 are classified in the accompanying financial statements as follows:

Statement of Net Position:

Cash and cash equivalents	\$ 60,822
Restricted cash and cash equivalents	<u>324,305</u>
Total cash and cash equivalents	<u>\$ 385,127</u>

Cash and cash equivalents as of December 31, 2017 consist of the following:

Cash on hand	\$ 900
Deposits with financial institutions	<u>384,227</u>
Total cash and cash equivalents	<u>\$ 385,127</u>

Custodial risk

Custodial risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. As of December 31, 2017, the District deposits with financial institutions are fully collateralized by federal depository insurance up to \$250,000, and then by collateral held by the District’s agent in the District’s name.

Martin County Water District
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2017
(Continued)

NOTE 4 – Capital assets

Capital asset activity for the calendar year ended December 31, 2017, was as follows:

	<u>12/31/2016</u>	<u>Additions</u>	<u>Deductions</u>	<u>12/31/2017</u>
Land (non-depreciable)	\$ 214,714	\$ -	\$ -	\$ 214,714
Structures	500,264	-	-	500,264
Collecting & Impounding Reservoirs	288,203	-	-	288,203
Lakes, rivers and intakes	2,173,720	-	-	2,173,720
Pumping Equipment	359,439	5,660	-	365,099
Water Treatment Equipment	4,929,868	-	-	4,929,868
Distribution reservoir & standpipes	4,079,847	-	-	4,079,847
Transmission & Distribution mains	20,190,991	-	-	20,190,991
Meters & meter installation	511,397	1,200	-	512,597
Hydrants	2,969	-	-	2,969
Other plant & misc equipment	883,373	4,204	-	887,577
Lovely Project plant	153,129	-	-	153,129
Office Furniture & equipment	177,296	-	-	177,296
Transportation equipment	324,570	-	68,717	255,853
Tools	29,534	-	-	29,534
Lab Equipment	14,403	-	-	14,403
Power Operated equipment	43,193	-	-	43,193
Communication equipment	16,897	-	-	16,897
Power generation equipment	15,000	-	-	15,000
Total at historical cost	<u>34,908,806</u>	<u>11,064</u>	<u>68,717</u>	<u>34,851,153</u>
Less: Accumulated depreciation				
Structures	128,441	10,502	-	138,943
Collecting & Impounding Reservoirs	68,624	1,555	-	70,179
Lakes, rivers and intakes	640,718	43,475	-	684,193
Pumping Equip	313,930	10,920	-	324,850
Water Treatment Equipment	1,570,376	94,591	-	1,664,967
Distribution reservoir & standpipes	1,098,991	81,505	-	1,180,496
Transmission & Distribution mains	8,787,165	496,376	-	9,283,541
Meters & meter installation	227,037	13,914	-	240,951
Hydrants	2,110	89	-	2,199
Other plant & misc equip	799,288	12,541	-	811,829
Lovely Project plant	44,140	2,601	-	46,741
Office Furniture & equipment	175,415	560	-	175,975
Transportation equipment	300,678	5,438	68,717	237,399
Tools	29,407	80	-	29,487
Lab Equipment	14,401	-	-	14,401
Power Operated equipment	43,192	-	-	43,192
Communication equipment	16,896	-	-	16,896
Power generation equipment	4,500	3,000	-	7,500
Total accumulated depreciation	<u>14,265,309</u>	<u>777,147</u>	<u>68,717</u>	<u>14,973,739</u>
Capital Assets-net	<u>\$ 20,643,497</u>	<u>\$ (766,083)</u>	<u>\$ -</u>	<u>\$ 19,877,414</u>

Depreciation expense was \$777,147 for the year.

Martin County Water District
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2017
(Continued)

NOTE 5 – Long-term debt

Long-term debt activity for the calendar year ended December 31, 2017, was as follows:

KIA

The amounts shown below in the summary of debt obligations represents the District’s future obligations to make payments related to a loan obtained from the Kentucky Infrastructure Authority (KIA) to provide water to customers in the Martin County area.

The District is obligated to make payments in amounts sufficient to satisfy debt service. The original amount of the outstanding note, maturity date, interest rate, and outstanding balance at December 31, 2017 is summarized below:

<u>Note Issue</u>	<u>Original Amount</u>	<u>Maturity Date</u>	<u>Interest Rates</u>	<u>2016 Debt Outstanding</u>	<u>Additions</u>	<u>Retirements</u>	<u>2017 Debt Outstanding</u>
KIA	\$ 1,329,826	2027	3%	\$ 606,852		\$ 49,924	\$ 556,928

The current amount due for the note payable as of December 31, 2017, is \$51,443. The collateral for the revenue is service revenue. Payments accrue monthly. Future note payable obligation is as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	51,443	16,004	67,447
2019	53,007	14,440	67,447
2020	54,620	12,827	67,447
2021	56,281	11,166	67,447
2022	57,993	9,454	67,447
2023-2027	283,584	19,226	302,810
	<u>\$ 556,928</u>	<u>\$ 83,117</u>	<u>\$ 640,045</u>

KACO

The amount shown below in the summary of debt obligations represents the District’s purchase of vehicles and equipment by obtaining funding from the Kentucky Association of Counties (KACO).

The District is obligated to make payments in amounts sufficient to satisfy the debt service. The original amount of outstanding capital lease, maturity date, interest rate, and outstanding balance, at December 31, 2017 is summarized below:

<u>Capital Lease Issue</u>	<u>Original Amount</u>	<u>Maturity Date</u>	<u>Interest Rates</u>	<u>2016 Lease Outstanding</u>	<u>Additions</u>	<u>Retirements</u>	<u>2017 Lease Outstanding</u>
KACO	\$ 200,000	2025	1.85%	\$ 116,222		\$ 10,000	\$ 106,222

The current amount due for the capital lease as of December 31, 2017, is \$10,000. The collateral for the revenue is service revenue. Payments accrue monthly. Future capital lease obligations are as follows:

Martin County Water District
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2017
(Continued)

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	10,000	4,413	14,413
2019	10,000	3,986	13,986
2020	15,000	3,417	18,417
2021	15,000	2,779	17,779
2022	15,000	2,146	17,146
2023-2025	41,222	2,576	43,798
	<u>\$106,222</u>	<u>\$19,316</u>	<u>\$125,538</u>

KRW Bond Refunding

The amount shown below in the summary of debt obligations as bonds payable represents the District’s initiation and improvements of its water system by obtaining funding from the United States Department of Agriculture (USDA) Division of Rural Development (RD). The RD loans were refunded on May 12, 2015 from the Kentucky Rural Water Finance Corporation Public Projects.

Series 2015E Current Refunding

RD loans of \$2,008,100 were refunded on May 12, 2015 by \$2,010,000 par amount public project fund bond from the Kentucky Rural Water Finance Corporation. The new debt bears interest from 2.1 – 4.1% maturing on February 1, 2044. The net fair value cash flow savings is \$223,252, and the net present value savings of \$112,269, a savings of 4.06%. The District will receive a net future value benefit of \$185,746 of refunding with the new debt a 3.72% savings, along with a premium of 22,363 to be amortized annually (\$753) over the life of the bond.

The District is obligated to make payments in amounts sufficient to satisfy the new debt service. The original amount of outstanding bonds, maturity date, interest rate, and outstanding balance, at December 31, 2017 is summarized below:

<u>Bond Issues</u>	<u>Original Amount</u>	<u>Maturity Date</u>	<u>Interest Rates</u>	<u>2016 Debt Outstanding</u>	<u>Additions</u>	<u>Retirements</u>	<u>2017 Debt Outstanding</u>
Refunding KRW	\$ 2,010,000	2045	2.1-4.1%	1,980,000		50,000	1,930,000

The current amount due for the bonds as of December 31, 2017, is \$55,000. The collateral for the revenue is service revenue. Payments accrue monthly. Future bond obligations are as follows:

Martin County Water District
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2017
(Continued)

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	55,000	88,326	143,326
2019	55,000	84,506	139,506
2020	55,000	81,189	136,189
2021	60,000	77,720	137,720
2022	60,000	73,548	133,548
2023-2027	330,000	303,726	633,726
2028-2032	395,000	222,472	617,472
2033-2037	430,000	142,494	572,494
2038-2042	325,000	64,473	389,473
2043-2045	165,000	10,148	175,148
	<u>\$ 1,930,000</u>	<u>\$ 1,148,599</u>	<u>\$ 3,078,599</u>

A summary of activity in debt obligations of the District as of December 31, 2017 is as follows:

	<u>Beginning Balance 12/31/2016</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance 12/31/2017</u>	<u>Due in One Year</u>	<u>Due Beyond One Year</u>
KIA Loan	\$ 606,852	\$ -	\$ 49,924	\$ 556,928	\$ 51,443	\$ 505,485
KACO Lease	116,222	-	10,000	106,222	10,000	96,222
KRW Bond Ref	1,980,000	-	50,000	1,930,000	55,000	1,875,000
Accrued Premium	21,140	-	754	20,386	753	19,633
Total Long-Term Debt	<u>2,724,214</u>	<u>-</u>	<u>110,678</u>	<u>2,613,536</u>	<u>117,196</u>	<u>2,496,340</u>
Net Pension Liability	<u>1,064,280</u>	<u>191,443</u>	<u>-</u>	<u>1,255,723</u>	<u>-</u>	<u>1,255,723</u>
Total Debt Obligations	<u>\$ 3,788,494</u>	<u>\$ 191,443</u>	<u>\$ 110,678</u>	<u>\$ 3,869,259</u>	<u>\$ 117,196</u>	<u>\$ 3,752,063</u>

NOTE 6 – Pension Plan

General information about the County Employees Retirement System Non-Hazardous (“CERS”)

Plan description— Employees whose positions do not require a degree beyond a high school diploma are covered by the CERS, a cost-sharing multiple-employer defined benefit pension plan administered by the Kentucky General Assembly. The plan covers substantially all regular full-time members employed in non-hazardous duty positions of each county and school board, and any additional eligible local agencies electing to participate in the plan. The plan provides for retirement, disability and death benefits to plan members. CERS issues a publicly available financial report included in the Kentucky Retirement Systems Annual Report that includes financial statements and the required supplementary information for CERS. That report may be obtained by writing to Kentucky Retirement Systems, Perimeter Park West, 1260 Louisville Road, Frankfort, Kentucky, 40601, or by calling (502) 564-4646 or at <https://kyret.ky.gov>.

Benefits provided: Benefits under the plan will vary based on final compensation, years of service and other factors as fully described in the plan documents.

Martin County Water District
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2017
(Continued)

Contributions: Funding for CERS is provided by members, who contribute 5.00% (6.00% for employees hired after September 1, 2008) of their salary through payroll deductions, and by employers of members. For the year ending December 31, 2017 employers were required to contribute 18.68% of the member’s salary. During the year ended December 31, 2017, the District contributed \$82,452 to the CERS pension plan. The contribution requirements of CERS are established and may be amended by the CERS Board of Trustees.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At December 31, 2017, the District reported a \$1,255,723 liability for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2016. The total pension liability used to calculate the net pension liability was based on an actuarial valuation as of June 30, 2016. An expected total pension liability as of June 30, 2016 was determined using standard roll-forward techniques. The District’s proportion of the net pension liability was based on contributions to CERS during the fiscal year ended December 31, 2017. At December 31, 2017 the District’s proportion was .02550% (percent).

For the year ended December 31, 2017, the District recognized pension expense of \$85,145 related to CERS. At December 31, 2017, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 5,482	\$ -
Changes of assumptions	66,522	-
Net difference between projected and actual earnings on pension plan investments	118,051	-
Changes in proportion and differences between District contributions and proportionate share of contributions	45,405	-
District contributions subsequent to the measurement date	82,452	-
	\$ 317,912	\$ -

The \$82,452 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2018.

Martin County Water District
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2017
(Continued)

Deferred outflows and inflows related to differences between projected and actual earnings on plan investments are netted and amortized over a closed five year period. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions are amortized over the average service life of all members. These will be recognized in pension expense as follows:

	<u>Year Ended</u>
2018	\$ 47,092
2019	47,092
2020	47,092
2021	47,092
2022	47,092
	<u>\$ 235,460</u>

Actuarial Methods and Assumptions—The total pension liability for CERS was determined by applying procedures to the actuarial valuation as of June 30, 2016. The financial reporting actuarial valuation as of June 30, 2016, used the following actuarial methods and assumptions:

Valuation Date	June 30, 2016
Experience Study	July 1, 2008 – June 30, 2013
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level percentage of payroll, closed
Remaining Amortization Period	28 years
Asset Valuation Method	5-year smoothed market
Inflation	3.25%
Salary Increase	4.0 % average, including inflation
Investment Rate of Return	7.5%, net of pension plan investment expense, including inflation

The following represents the changes in assumptions from the prior valuation to the valuation performed as of June 30, 2016:

- The assumed investment rate of return remained at 7.5%.
- The assumed rate of inflation remained at 3.25%.
- The assumed rate of wage inflation remained at .75%.
- Payroll growth assumption remained at 4%.
- The mortality table used for active members is RP-2000 Combined Mortality Table projected with Scale BB to 2013 (multiplied by 50% for males and 30% for females).
- For healthy retired members and beneficiaries, the mortality table used is the RP-2000 Combined Mortality Table projected with Scale BB to 2013 (set back 1 year for females). For disabled members, the RP-2000 Combined Disabled Mortality Table projected with Scale BB to 2013 (set back 4 years for males) is used for the period after disability retirement.
- The assumed rates of Retirement, Withdrawal and Disability were updated to more accurately reflect experience.

Martin County Water District
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2017
(Continued)

The mortality table used for active members is RP-2000 Combined Mortality Table projected with Scale BB to 2013 (multiplied by 50% for males and 30% for females). For healthy retired members and beneficiaries, the mortality table used is the RP-2000 Combined Mortality Table projected with Scale BB to 2013 (set back 1 year for females). For disabled members, the RP-2000 Combined Mortality Table projected with Scale BB to 2013 (set back 4 years for males) is used for the period after disability retirement. There is some margin in the current mortality tables for possible future improvement in mortality rates and that margin will be reviewed again when the next experience investigation is conducted.

The long-term expected return on plan assets is reviewed as part of the regular experience studies prepared every five years for CERS. The most recent analysis, performed for the period covering fiscal years 2008 through 2013 is outlined in a report dated April 30, 2014. Several factors are considered in evaluating the long-term rate of return assumption including long-term historical data, estimates inherent in current market data, and a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected return, net of investment expense and inflation) were developed by the investment consultant for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation.

The target asset allocation and best estimates of arithmetic real rates of return for each major asset class, as provided by CERS's investment consultant, are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Combined Equity	44.0%	5.40%
Combined Fixed Income	19.0%	1.50%
Real Return (Diversified Inflation Strategies)	10.0%	3.50%
Real Estate	5.0%	4.50%
Absolute Return (Diversified Hedge Funds)	10.0%	4.25%
Private Equity	10.0%	8.50%
Cash Equivalent	<u>2.0%</u>	-0.25%
	<u>100.0%</u>	

Discount rate: The discount rate used to measure the total pension liability was 7.50%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and employers will be made at statutory contribution rates. Projected inflows from investment earnings were calculated using the long-term assumed investment return of 7.50%. The long-term assumed investment rate of return was applied to all periods of projected benefit payments to determine the total pension liability.

Martin County Water District
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2017
(Continued)

Sensitivity of the District's proportionate share of net pension liability to changes in the discount rate: The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 7.50%, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.50%) or 1-percentage-point higher (8.50%) than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
CERS	6.50%	7.50%	8.50%
District's proportionate share of net pension liability	1,564,585	1,255,723	990,595

Pension plan fiduciary net position: Detailed information about the pension plan's fiduciary net position is available in the separately issued CERS financial report which is publically available at <https://kyret.ky.gov>.

Payables to the pension plan: At December 31, 2017, there are no payables to CERS.

NOTE 7 – Risk Management

The District is exposed to various risks of loss related to illegal acts, torts, theft/damage/ destruction of assets, errors and omissions, injuries to employees, and natural disasters. To obtain insurance for workers' compensation, errors and omission, and general liability coverage, the District purchased commercial insurance coverage.

NOTE 8 – Subsequent events

The district has evaluated subsequent events through April 9, 2020, the date the financial statements were available to be issued. In August 2018, the district received a grant from the Appalachian Regional Commissioner (ARC) in the amount of \$1,200,000. The district intends to use the proceeds from this grant to improve the Martin County Water System. In addition, beginning January 1, 2020 the District will be utilizing the expertise of an outside management company to aid in operations of the District.

Martin County Water District
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
For the Year Ended December 31, 2017

	Reporting Fiscal Year (Measurement Date) 2017 (2016)	Reporting Fiscal Year (Measurement Date) 2016 (2015)	Reporting Fiscal Year (Measurement Date) 2015 (2014)
COUNTY EMPLOYEE'S RETIREMENT SYSTEM:			
Districts' proportion of the net pension liability	0.03%	0.02%	0.02%
District's proportionate share of the net pension liability	\$ 1,255,723	\$ 1,064,280	\$ 750,000
State's proportionate share of the net pension liability associated with the District	-	-	-
Total	<u>\$ 1,255,723</u>	<u>\$ 1,064,280</u>	<u>\$ 750,000</u>
District's covered-employee payroll	\$ 693,688	\$ 593,711	\$ 559,494
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	181.02%	179.26%	134.05%
Plan fiduciary net position as a percentage of the total pension liability	59.00%	59.97%	66.80%

Note: Schedule is intended to show information for the last 10 fiscal years. Additional years will be displayed as they become available.

Martin County Water District
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS
Year Ended December 31, 2017

COUNTY EMPLOYEE'S RETIREMENT SYSTEM:	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 82,452	\$ 84,846	\$ 104,892	\$ 97,385
Contributions in relation to the contractually required contribution	<u>82,452</u>	<u>84,846</u>	<u>104,892</u>	<u>\$ 97,385</u>
Contribution deficiency (excess)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
District's covered-employee payroll	\$ 574,250	\$ 693,688	\$ 593,711	\$ 559,494
District's proportionate share of the net pension liability as a percentage of it's covered-employee payroll	14.36%	12.23%	17.67%	17.41%

Note: Schedule is intended to show information for the last 10 fiscal years. Additional years will be displayed as they become available.

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Martin County Water District
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended December 31, 2017

(1) CHANGES OF ASSUMPTIONS

CERS

The following changes were made by the Kentucky Legislature and reflected in the valuation performed as of June 30, 2016:

- The assumed investment rate of return remained at 7.50%
- The assumed rate of inflation remained at 3.25%.
- The assumed rate of wage inflation remained at 0.75%.
- Payroll growth assumption remained at 4.00%.
- The morality table used for active members is RP-2000 Combined Mortality Table projected with Scale BB to 2013 (multiplied by 50% for males and 30% for females).
- For healthy retired members and beneficiaries, the mortality table used is the RP-2000 Combined Mortality Table projected with Scale BB to 2013 (set back 1 year for females). For disabled members, the RP-2000 Combined Disabled Mortality Table projected with Scale BB to 2013 (set back 4 years for males) is used for the period after disability retirement.
- The assumed rates of Retirement, Withdrawal and Disability were updated to more accurately reflect experience.

(2) METHOD AND ASSUMPTIONS USED IN CALCULATIONS OF ACTUARIALLY DETERMINED CONTRIBUTIONS

CERS

The actuarially determine contribution rates are determined on a biennial basis beginning with the fiscal years ended 2016 and 2017, determined as of July 1, 2016. The amortization period of the unfunded liability has been reset as of July 1, 2013 to a closed 30-year period. The following actuarial methods and assumptions were used to determine contribution rates reported in the most recent year of that schedule:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level percentage of payroll, closed
Remaining Amortization Period	28 years
Asset Valuation Method	5-year smoothed market
Inflation	3.25%
Salary Increase	4.0 % average, including inflation
Investment Rate of Return	7.5%, net of pension plan investment expense, including inflation

(3) CHANGES OF BENEFITS

There were no changes of benefit terms for CERS.

White & Associates, PSC

CERTIFIED PUBLIC ACCOUNTANTS

1407 Lexington Road
Richmond, Kentucky 40475

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Commissioners of the Martin County Water District
Martin County Water District
Inez, Kentucky

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standard* issued by the Comptroller General of the United States, the financial statements of the business-type activities (enterprise fund) of Martin County Water District (District), as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated April 9, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify and deficiencies in internal control that we consider to be material weaknesses. We did identify a certain deficiency in internal control, described in the accompany schedule of findings and responses that we consider to be a significant deficiency, 2017-001.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and responses as items: 2017-002, 2017-003, and 2017-004.

District's Response to Findings

The District's response to the findings identified in our audit is described in the accompanying schedule of findings and responses. The District's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

We noted certain matters that we reported to management of the District in a separate letter dated April 9, 2020.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

White & Associates, PSC

White & Associates, PSC
Richmond, Kentucky
April 9, 2020

MARTIN COUNTY WATER DISTRICT
SCHEDULE OF FINDINGS AND RESPONSES
Year Ended December 31, 2017

SECTION I – SUMMARY OF AUDITORS’ RESULTS

What type of report was issued for the financial statements?	Unmodified
Were there significant deficiencies in internal control disclosed?	Yes
If so, was any significant deficiencies material (GAGAS)?	No
Was any material noncompliance reported (GAGAS)?	No

SECTION II – FINANCIAL STATEMENT FINDINGS

Internal Controls

2017-001 Customer Security Deposit Liability

Condition: Customer security deposits log could not be reconciled to the general ledger.

Criteria: Internal controls should be in place to reconcile the total customer security deposit log to the customer security deposit liability in the general ledger.

Cause: There were no internal controls in place to maintain the customer security deposits log.

Effect: The District would not be able to accurately account for customers security deposits.

Recommendation: Management should implement internal controls to track and make comparisons of the customer security deposit log to the customer security deposit liability monthly. Procedures should be implemented to establish and document the reconciliation.

Views of Responsible Officials: The Board will meet to discuss the policy on security deposit refunds going forward and making any necessary adjustments to reconcile the customer security deposit liability and the customer security deposit log. Internal controls will be implemented to reconcile the two as mentioned above monthly.

MARTIN COUNTY WATER DISTRICT
SCHEDULE OF FINDINGS AND RESPONSES
Year Ended December 31, 2017

Compliance Findings

2017-002

Condition: The utility was not paying bills according to KRS 65.140.

Criteria: Per KRS Statute 65.140, purchases must be paid within 30 days of receipt of an invoice for cities, counties and special purpose government entities.

Cause: The District did not have the funds available to meet their financial obligations.

Effect: The District's ability to do business with vendors including those who provide parts and services for maintenance and repairs on the water system has been affected and could greatly impact the public who depend on the District's ability to provide a clean and safe water supply.

Recommendation: Procedures should be implemented to ensure financial obligations are fulfilled timely.

Views of Responsible Officials: Management will work with vendors to make payment plans where necessary and work toward making payments within 30 days as required.

2017-003

Condition: The District is not in compliance with loan covenants.

Criteria: Per loan agreement, the District has covenanted to maintain a depreciation and replacement reserve special account and to fund it until such account is equal to five percent (5%) of the original principal amount of the loan, \$66,491, in order to ensure loan obligations can be paid.

Cause: The District appears to have not given responsibility to an employee to be responsible or be held accountable for loan covenants or requirements.

Effect: The District could be deemed in default due to failure of compliance.

Recommendation: Procedures should be put in place to immediately fund the full reserve requirement of \$66,491 and other policies and procedures implemented for an employee to be responsible and held accountable for ensuring all loan covenants are met.

Views of Responsible Officials: Management will make plan to fully fund depreciation and replacement reserve account per loan covenant.

MARTIN COUNTY WATER DISTRICT
SCHEDULE OF FINDINGS AND RESPONSES
Year Ended December 31, 2017

2017-004

Condition: The District did not timely file their 2017 financial statements and 2017 audit to the Department of Local Government.

Criteria: Per KRS 65A.030, the special purpose government entity must prepare a financial statement and be audited annually.

Cause: There are no internal controls in place to ensure the requirements are met and no employee has been assigned this responsibility.

Effect: The state could withhold future funding.

Recommendation: Procedures should be put in place to assign responsibility and accountability for the SPGE filing requirements.

Views of Responsible Officials: Management will continue to get caught up on required filings as a Special Purpose Governmental Entity.

DRAFT

MARTIN COUNTY WATER DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
Year Ended December 31, 2017

2016-001

Condition: Customer security deposits log is not being maintained in total and compared to the general ledger monthly.

Recommendation: Management should implement internal controls to track and make comparisons of the customer security deposit log to the customer security deposit liability monthly. Procedures should be implemented to establish and document the reconciliation of the two as a starting point and reconcile monthly from that point forward.

Current Status: Finding was not corrected in current year.

2016-002

Condition: Per KRS Statute 65.140, purchases must be paid within 30 days of receipt of an invoice for cities, counties and special purpose government entities.

Recommendation: Procedures should be implemented to possibly raise rates, obtain grant funding and other support from the state to put the District in a better financial condition to meet its obligations not only financially but to the public.

Current Status: Finding was not corrected in current year.

2016-003

Condition: Per loan agreement, the District has covenanted to maintain a depreciation and replacement reserve special account and to fund it until such account is equal to five percent (5%) of the original principal amount of the loan, \$66,491.

Recommendation: Procedures should be put in place to immediately fund the full reserve requirement of \$66,491 and other policies and procedures for an employee to be responsible and held accountable for ensuring all loan covenants are held to.

Current Status: Finding was not corrected in current year.

2016-004

Condition: Per Kentucky Special Purpose Government Entities (SPGE) required filings by the Department for Local Government, the District did not timely file their 2016 audit.

Recommendation: Procedures should be put in place to assign responsibility and accountability for the SPGE filing requirements.

Current Status: Finding was not corrected in current year.

MANAGEMENT LETTER POINTS

Martin County Water District
Inez, KY

In planning and performing our audit of the financial statements of the Martin County Water District (District) for the year ended December 31, 2017, we considered the District's internal controls in order to determine our auditing procedures for the purpose of expressing an opinion on the financial statements and not to provide assurance on the internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

However, during our audit, we became aware of several matters that are opportunities for strengthening internal controls and operating efficiency. We previously reported on the District's internal control in our report dated April 9, 2020. This letter does not affect our report dated April 9, 2020, on the financial statements of the Martin County Water District. The conditions observed are as follows:

1-17

Statement of Condition: During our testing of inventory, the District was unable to provide supporting documentation (invoice) for sample items selected per the District's inventory list to support cost. It was noted by the office manager the majority of the items selected were purchased from a prior year.

Recommendation for Correction: Procedures should be put into place to retain supporting documentation (copies of invoices) which support the cost of the inventory list maintained.

2-17

Statement of Condition: During our testing of Accounts Receivable, we noted the proper monthly report was not printed for accounts receivable creating an inaccurate balance for Accounts Receivables per the general ledger.

Recommendation for Correction: Procedures should be put in place to print the proper Accounts Receivable report titled "Receivables Due Through Date" at the end of each month and then to reconcile to the general ledger.

3-17

Statement of Condition: During our testing of Accounts Receivables from Associated Companies, we noted an associated company for which the District is paying their health coverages for their employees has not been reimbursing the District for several years.

Recommendation for Correction: Procedures should be put into place to ensure payment of these reimbursements monthly and if they are not paid, to implement procedures to see they are in fact paid.

4-17

Statement of Condition: During our testing of deposits we noted several of our selections did not have supporting documentation available and deposits were not being made timely.

Recommendation for Correction: Procedures should be in place to ensure proper documentation is available to support deposits and ensure they are made timely.

5-17

Statement of Condition: During our testing of expenditures we noted several of our selections lacked supporting documentation.

Recommendation for Correction: Procedures should be in place to ensure proper supporting documentation is available.

We have already discussed this condition and suggestion with various District personnel, and we will be pleased to discuss this condition in further detail at your convenience, to perform any additional study of this matter, or to assist you in implementing the recommendation.

We would like to thank the Martin County Water District staff for their support and assistance during our audit.

This report is intended solely for the information and use of the Board, management, and others within the district and is not intended to be and should not be used by anyone other than these specified parties.

White & Associates, PSC

White & Associates, PSC
Richmond, Kentucky
April 9, 2020

Martin County Water District, Inez KY
List of Bills for Consideration
28-Apr-20

	<u>Vendor</u>	<u>Description</u>	<u>Amount</u>
Operations Account			
1	AEP	Electric (25 bills) Estimated	\$ 16,116.13
2	Big Sandy RECC	Electric (9 bills) Estimated	\$ 2,109.11
3	Paintsville Utilities	Electric for token	\$ 32.03
4	Roy F Collier Comm. Center	Rent	\$ 751.66
5	IPFS	Insurance (May)	\$ 3,618.54
6	Sales tax	4/2020 (estimated)	\$ 1,432.73
7	School tax	4/2020 (estimated)	\$ 5,297.17
8	Alliance Water Resources	5/1-20-5/15/20 O&M services	\$ 82,222.75
9	Alliance Water Resources	5/16/20-5/30/20 O&M services (estimated)	\$ 82,421.08
10	Management Inf. Surcharge	Estimated (actual collected will be paid)	\$ 15,859.20
11	Debt Service Surcharge	Estimated (actual collected will be paid)	\$ 8,792.09
12	Walker Communications	Phone maintenance/service	\$ 369.00
13	Tommy Maynard	Payment on truck	\$ 500.00
14	Brian Cumbo	Legal Services (April services)	\$ -
15	Mountain Citizen	Notice	\$ 79.54
16	KY State Treasurer	DLG Notice Non-Com Ad-FY2018	\$ 33.26
17	KY RWA	Fees from 7/19/18 Inv. # 23261	\$ 425.00
	TOTAL		\$ 220,059.29
Revenue Account			
1	KIA	Monthly funding for KIA Bond/Loan	\$ 5,800.00
2	KACo	Monthly funding for lease payment	\$ 1,200.00
3	KRW/Regions Bank	Monthly funding for loan	\$ 10,800.00
	TOTAL		\$ 17,800.00

Martin County Water District, Inez KY
List of Bills for Consideration
28-Apr-20

<u>Vendor</u>	<u>Description</u>	<u>Amount</u>
Payment Plans		
Revenue Account		
1	CI Thornburg VFD # 1 & # 2 VFD	\$ 2,500.00
2	Xylem Pump rental	\$ 1,000.00
3	Soles Electric Pump service	\$ 1,000.00
4	Service Pumps Pump service	\$ 1,000.00
	TOTAL	\$ 5,500.00
 Past Due Accounts not in DSS (2018)		
1	United Rentals	\$ 46,997.55
2	Brian Cumbo	\$ 31,434.10
3	Evans Hardware #2	\$ 21,300.21
4	Prestonsburg City's Utilities	\$ 22,561.36
5	All Pumps Sales & Services	\$ 8,411.90
6	Fast Change	\$ 4,155.33
	TOTAL	\$ 134,860.45
 DSS Account (Current Payment Plan based on cash availabilty)		
1	Evans Hardware Parts & supplies	\$ 54,560.99
2	CI Thornburg Parts & supplies	\$ 36,345.26
3	Linda Sumpter CPA Accounting fees	\$ 154,663.03
4	Zip Zone Fuel	\$ 257,557.95
	TOTAL	\$ 503,127.23

Martin County Water District, Inez KY
List of Bills for Consideration
28-Apr-20

<u>Vendor</u>	<u>Description</u>	<u>Amount</u>
Security Deposit Account		
Customer		
Mary Scott	Security Deposit Refund to Customer	\$ 42.13
Wanda Kazee	Security Deposit Refund to Customer	\$ 52.50
Jeffery Maggard	Security Deposit Refund to Customer	\$ 15.51
Cindy Fletcher	Security Deposit Refund to Customer	\$ 2.95
Shantaiah Harmon	Security Deposit Refund to Customer	\$ 38.09
Martin County Water District	Sec Deposits Refunded to Customer Accounts	\$ 6,598.82
TOTAL		\$ 6,750.00

Martin County Water District

OUR MISSION

We partner with communities to deliver the finest water and wastewater services available at a competitive price. We are committed to keeping water safe and clean while serving people and taking care of communities with improved technical operations, careful management and financial oversight, and ensured regulatory compliance.

Alliance Water Resources, Inc.

**206 S. Keene St.
Columbia, MO
65201**

(573)874-8080

March 2020

Administrative

The leadership team met to review their first quarter goals and are happy to report that they had an 88% completion rate of those goals. They then established their goals for the current second quarter.

James Ford started working in the district on April 13th. He has immediately jumped in and started working with the team and is quickly getting up to speed on our system.

Water Treatment

Staff has identified needs associated with upcoming projects as well as been diligently cleaning around the plant. They have cleaned out the meter room and begun organizing the map room.

Staff has installed the second Turkey pump in the plant allowing for redundancy of operations in pumping to the Turkey tank. This ensures us the ability to always have an operational pump. Keep the run time hours down on each pump and do preventative maintenance when needed.

Distribution

The team repaired the monument at the Crum Reservoir caused by vandalism.

The Distribution crew was able to locate and repair a major leak on Turkey Creek road. The leak has been estimated to be approximately 30,000 gallons of water per day.

Two new valves were installed at the Buffalo Horn booster station to prevent backflow through the station.

New screens were installed on Calloway, Buffalo Horn, and Turkey tanks. This was to correct a non-significant deficiency noted on our annual sanitary survey from the Division of water.

The Distribution crew installed a new valve on Alex Place for isolating the line for any potential future problems.



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 Professional Water and Wastewater Operations
Martin County Water District

Customer Service

A payment drop box has been installed outside the billing office for customer convenience. The billing process has improved due to both office staff and meter reading crew working together to get books prepared and meters read more efficiently.

Project Updates

SOURCE	AMOUNT	PROJECTS
AML Pilot Nexus Grant-2017	\$3,450,000	A, B, C, D
COE 531 (25% Match)	\$1,869,718	B, C
ARC Grant	\$1,200,000	F
AML Pilot Nexus Grant-2018	\$2,000,000	I
Total Grant	\$8,519,718	

No Significant Updates

Safety

We will begin monthly training sessions in the month of May.

Regulatory

The district Sanitary Survey was completed with the DOW with no significant deficiencies noted. There were several non-significant deficiencies identified. Our response has already been identified and is under internal review. Please see the report in section 5B.

The district PSC Periodic Water Inspection was completed on March 11, 2020, reviewing utility operations and management practices. This inspection identified 6 deficiencies. Our response has been generated, reviewed and sent to the PSC. Please see the report and response in section 5C.

Training

Ongoing in-house training.

Water Plant Operation

Water Pumped	
Total Water Production (gallons) – MAR	53,702,000
Total Water Metered/Billed – MAR	11,629,000
Fire Hydrant Flushing/Main Breaks	2,115,546
Total Water Loss (gallons) – MAR	39,098,000
Average Daily Flow (Million Gallons per Day) – MAR	1.732 MGD
Maximum Daily Flow – MAR	1.829 MGD
Fluoride Used (lbs.) – MAR	422.8 LBS
Chlorine Used (lbs.) – MAR	1,447.7 LBS
Lab Tests – MAR	3,565 TESTS

Water Quality Analysis

Test	Routine	Special	Repeat
Bacteriological	12 (Pass)	6 (Pass)	0
		Reported	Minimum Limit
Fluoride	31	0.76 mg/l Average	0.6 mg/l
Chlorine	31	1.85 Total - 1.80 Free Average	0.2 mg/l

Customer Service Request and Work Orders

Meter Reads	3388
Meter Sets	31
Turn offs-Close account	13
Taps	0
Meter Changes	6
Disconnects for Non-payment	0
Boil Notices	2
Line Locates	1
Water Leaks/Breaks	11



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Martin County Water District

Water Quality Questions	0
Other/Investigates	85

Water Main Breaks

Date	Location	Pipe Size/Type	Estimated Water Loss (gallons)
3/2/2020	3531 Davella rd SVS	1" CTS	54,872
3/3/2020	1911 Hode rd SVS	3/4" CTS	83,562
3/3/2020	436 Little Blacklog SVS	3/4" CTS	83,562
3/7/2020	292 SVS	3/4" CTS	60,658
3/10/2020	Jack Cassady Branch	3/4" CTS	60,658
3/16/2020	54 Madison Sarah Ln SVS	3/4" CTS	111,416
3/17/2020	Elk Creek PRV	1/2" Copper	669,655
3/18/2020	251 Kenny Dr svs	3/4" CTS	389,956
3/18/2020	210 Milo sub svs	3/4" CTS	194,978
3/18/2020	154 Kenny Dr svs	3/4" CTS	167,124
3/30/2020	Kirk Law Office svs	1" CTS	55,708
3/30/2020	Inez Physical Therapy svs	1" CTS	83,562
3/14/2020	Meathouse Rd.	3/4" CTS	82,066
3/29/2020	Stepp Bottom	6" PVC	27,355
3/31/2020	Turkey Hill	6" PVC	656,525

Other

- Staff has begun a customer education program regarding Theft of Water and have attached the flyer for your review.

Alliance Water Resources
Martin County Water District
387 E Main St Suite 140
Inez, KY 41224

If you suspect theft of water, please contact Martin County Water District at (606)298-3885 immediately.

Theft of Water

What is theft of water?

Any water service that is manipulated or connected in a way that is not being metered is theft of water.

Examples of theft of water include:

- Turning on meters that have been shut off by the utility worker
- Bypassing the meter in any form
- Tampering with the meter to disable the register
- Intentional damage to the utility's property for the purpose of stealing water
- Blocking access to utility property, such as the meter box
- Illegal connections to utility lines
- Taking unmetered water from hydrants

Martin County Water District can not afford to ignore theft of water.

Our goal is to produce and distribute the safest, most affordable water to our customers. Water treatment and maintenance is expensive, therefore all water produced and sold must be metered. Water theft does not just affect the perpetrator, it affects every customer in the water system as the expense of water production must be paid for.

Theft of water is a crime.

Not only is stealing water from a utility a crime, the theft results in added expense to the perpetrator, legal action, and/or permanent removal of service.



ANDY BESHEAR
GOVERNOR



REBECCA W. GOODMAN
SECRETARY

ENERGY AND ENVIRONMENT CABINET
DEPARTMENT FOR ENVIRONMENTAL PROTECTION

ANTHONY R. HATTON
COMMISSIONER

300 SOWER BOULEVARD
FRANKFORT, KENTUCKY 40601

April 7, 2020

Craig Miller, Division Manager
Martin Co Water District
387 E Main St, Suite 140
Inez, KY 41224

RE: AI: 2987
PWSID: KY0800273
Drinking Water Sanitary Survey

Dear Mr. Miller,

The Division of Water conducted a Drinking Water Sanitary Survey (attached) of Martin Co Water District on March 4, 2020. A Capacity Development assessment was also completed as part of the survey.

Significant Deficiencies Observed:

There were no significant deficiencies observed at the time of the survey.

Non-Significant Deficiencies Observed:

- The following duplex pump stations had only 1 pump at the time of inspection. (Turkey, Middle Fork, Buffalo Horn, and 292 south)
- The following tanks were lacking a screen on the overflow pipe. (Turkey, Calloway, Buffalo Horn)
- The raw water flow meter is past due for calibration
- The system has only one raw water river pump at the time of inspection.
- The system has not had the water plant backflow prevention device tested by a certified person.
- The CL17 online chlorine meter is past due for calibration

The system must submit a written response to the Division of Water by July 6, 2020 which addresses the above noted non-significant deficiencies.

The Division Recommends:

- The system have the storage tanks professionally inspected and cleaned every 5 years.
- The system should replace the online chlorine meter CL17.
- The system install emergency generators on the treatment plant and vital pump stations
- The system continue efforts to reduce water loss in the distribution system.
- The system repair and return treatment unit #1 to service.
- The system clean and repaint the treatment units to prevent future corrosion issues

- The system install a new roof on the chemical storage section of the plant to prevent leaks during rainfall events.
- The system develop a comprehensive cross connection control program to ensure potential cross connections are prevented and plumbing code is followed.
- To enhance familiarity, members of the board should pursue opportunities for continuing education regarding water treatment/distribution.
- Continue efforts to update and/or document all policies and procedures.
- Develop and utilize an asset management program. Websites for the Environmental Protection Agency (<https://www.epa.gov/sustainable-water-infrastructure/asset-management-water-and-wastewater-utilities>) and the Environmental Finance Center Network (<http://southwestefc.unm.edu/asset-management/>) have an abundance of useful information regarding asset management development and implementation.
- Develop a documented preventive maintenance program. All preventive maintenance performed should be logged.
- Continue efforts to augment both the Distribution and WTP Operation & Maintenance Manuals with system-specific SOPs. Be sure to review for any changes and update accordingly on at least an annual basis. (Add a signature page to the O&M Manual to document required annual review/updates.)
- Prepare an annual operating budget.
- Create a capital improvement plan, prepare an annual capital budget, and build long term needs into rate increases. (Failure to adjust rates to accommodate the costs of deteriorating infrastructure repairs and replacement can negatively affect eligibility for funding assistance.)
- Strive to increase the debt service coverage ratio to greater than 1.0.
- Continue efforts to keep payments for accounts payable current.
- Ensure compliance with reserve account requirements for all long-term debts.
- Calculate the cost to produce water.
- Continue efforts to track and reduce water loss throughout the water system. Track all non-revenue water loss (both “accounted-for” and “unaccounted-for”) on a monthly basis, and strive for less than 15% unaccounted-for water loss. Ultimately, all non-revenue water loss should be kept at a minimum.
- Develop a system-specific Emergency Response Plan that includes responding to water shortages and loss of service. It should comply with the new AWIA 2018 requirements. (Certification of its completion will be due to the EPA December 30, 2021.) Once completed, ensure the ERP is communicated to all employees and exercised regularly.
- Continue efforts to increase redundancy throughout the system.

All deficiency responses should be sent to the attention of David L. Messer, Drinking Water Technical Assistance, London Regional Office, 875 South Main Street, London, KY 40741. I may also be reached by phone at 606-330-2080 or by email at david.messer@ky.gov.

Assistance with the “Managerial and Financial Assessment” section of the sanitary survey for Martin Co Water District can be obtained by contacting Jennifer Taimi at 502-782-7087.

If you have any questions regarding the “Technical Inspection” portion, contact Robert D Back in the Hazard Regional Office at (606) 435-6022.

Sincerely,



David L. Messer
 Drinking Water Technical Assistance
 Division of Water

C: File



APR 01 2020

Andy Beshear
Governor

Rebecca W. Goodman
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

March 26, 2020

Craig Miller (Alliance)
Martin County Water District
387 East Main Street, Suite 140
Inez, KY 41224

Re: Periodic Water Inspection
Martin County Water District Water System
Martin County, KY

Dear Mr. Miller:

Public Service Commission staff performed a periodic inspection of the Martin County Water District water system on March 11, 2020, reviewing utility operations and management practices pursuant to Commission regulations. The report of this inspection is enclosed with this letter.

Based on the inspector's observations, the following deficiencies were identified:

1. Martin County Water District does not have annual written inspection records as required by 807 KAR 5:006, Section 26(6)(b). (no value records)
2. Martin County Water District 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) This also includes the raw and effluent water treatment plant meters.
3. Martin County Water District is not requiring fire departments to submit quarterly usage reports as required in 807 KAR 5:095, Section 9(1).
4. Martin County Water District does not have standby pumps available when pumps go out of service as required by 807 KAR 5:066, Section 4(3). (pump stations have one pump instead of two)
5. Martin County Water District is not filing a gross annual operating revenue report as required in 807 KAR 5:006, Section 4. (2017 and 2018)

Periodic Water Inspection
Martin County Water District
March 26, 2020
Page 2

6. 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. (2019-65.76%)

For the six deficiencies listed above, an explanation of why these deficiencies occurred and how these deficiencies will be remedied and prevented in the future needs to be provided. A letter addressing the organization's actions regarding these deficiencies shall be submitted by April 27, 2020.

Please review the enclosed inspection report in its entirety as you will find further information noted in regard to the inspection. If you have any questions regarding this inspection, feel free to contact Erin Donges at 502-782-2627 or via email at erin.donges@ky.gov.

Sincerely,

Erin Donges

Erin Donges

Enclosure(s)

Copy: Jimmy Don Kerr, Chairperson
Bill Davis, County Judge/Executive
Jared GoForth, County Magistrate District 1
Roger Preece, County Magistrate District 2
Derrick Stepp, County Magistrate District 3
Junior Hunt, County Magistrate District 4
Victor Slone, County Magistrate District 5



April 14, 2020

Mrs. Erin Donges
Public Service Commission
211 Sower Blvd
P.O. Box 615
Frankfort Ky 40602

Subject: **Periodic Water Inspection**

Mrs. Erin Donges:

We are in receipt of the deficiencies noted in your letter, dated March 26, 2020. We offer the following responses below.

1. Martin County Water District does not have annual written inspection records as required by 807 KAR 5:006, Section 26(6)(b). (no value records)
The district has not historically met the obligations of this statute prior to their partnership with Alliance Water Resources (AWR) on January 1, 2020. Their records retention has been inadequate. Since partnering with AWR the District is performing annual audits of the system as well as regular inspections of equipment. This practice is a part of our RECAP program that ensures compliance with the above regulations.
2. Martin County Water District 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). (3000 meters) This also includes the raw and effluent water treatment plant meters.
Due to inadequate resources, the meter testing bench calibration certificate expired. This caused the District to resort to purchasing used, calibrated meters from another utility at a discount. As of March 13, 2020 the meter bench has been calibrated and a plan is being developed to test, repair and replace meters according to regulations. Additionally, as part of a long-range Capital project, plans are being developed to potentially replace all existing meters in the district.
3. Martin County Water District is not requiring fire departments to submit quarterly usage reports as required in 807 KAR 5:095, Section 9(1).
After some discussion with the local fire departments, there was a precedent set that the water district would call them whenever they needed numbers. It is unknown when this practice was begun but it has since been discontinued. As of April 17th, 2020, AWR staff has reached out to the local fire department Chiefs and requested that they begin submitting their water use numbers monthly. This is in hope of creating a habit of submission so that the quarterly submission is never forgotten.
4. Martin County Water District does not have standby pumps available when pumps go out of service as



required by 807 KAR 5:066, Section 4(3). (pump stations have one pump instead of two)

Due to inadequate resources and poor preventative maintenance, the booster stations throughout the system have had many failures without replacement. Alliance Water Resources staff are currently developing a plan to repair or replace each booster pump that is required for redundancy throughout the system. It is our goal to have each station complete with redundant pumps in operation as quickly as appropriate funding has been identified.

5. Martin County Water District is not filing a gross annual operating revenue report as required in 807 KAR 5:006, Section 4. (2017 and 2018)

Alliance Water Resources is still gathering information regarding the financial reporting for the district over the past several years. This includes the draft release of the 2017 audit expected in the next couple weeks. AWR is also seeking to have the 2018 and 2019 audits complete and plan to submit all required financial reports as soon as they become available.

6. 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 (2019-65.76%)

Martin County Water District has been experiencing extremely high water loss numbers due to poor construction methods in water line installation causing many line breaks, as well as service line leaks, inconsistent metering and theft of water. Alliance staff has started working on water loss by:

1. *Establishing consistent meter reading.*
2. *Developing (with the assistance of KRWA) an efficient leak detection team.*
3. *Shortening time between leak detection and leak repair.*
4. *Establishing meter zones with associated area meters*
5. *Calibration of meters*

Please know that we take these deficiencies very seriously and will work hard to correct them in a timely manner. The Martin County Water District has been given a lot of attention by the Board of Directors since 1 January 2020. We are working with all available resources to correct and sustain operations in the district. If you have any questions or concerns, please contact me at 606-548-2250 or via email at cmiller@alliancewater.com

Sincerely,

Craig Miller, Division Manager
Alliance Water Resources

Cc: Tony Sneed, Director of Operations
Jimmy Don Kerr, Board Chairman

INITIAL ROUND	23-Jan-20	CNL	NEG READS	RRW/WMN	TOW	TOTAL
Total	3398	193	313	145	6	651
		5.68%	9.21%	4.27%	0.18%	19.16%

JAN FINAL NUMBERS	3402	35	292	0	5	332
		1.03%	8.58%	0.00%	0.15%	9.76%

FEB FINAL NUMBERS	3403	25	17	49	4	95
		0.06%	0.50%	1.44%	0.03%	2.79%

UPDATE PRIOR TO	19-Mar-20	MCW DIV 07 METER AUDIT NUMBERS				
BOOK #	TOTAL	CNL	NEG READS	RRW/WMN	TOW	TOTAL
1	4					0
2	282		2			2
3	9					0
4	106					0
5	169	1				1
6	371	1	1		1	3
7	402		3			3
8	475		2			2
9	19		1			1
10	184		8			8
11	70					0
12	68		1			1
13	48		1			1
14	200		2			2
15	98		2			2
16	155					0
17	75		2			2
18	152		3			3
19	66					
20	435					0
Total	3388	2	28	0	1	31
		0.06%	0.83%	0.00%	0.03%	0.91%

DIFF	-10	-191	-285	-145	-5	-620
		5.62%	8.38%	4.27%	0.15%	18.24%



CNL = Can Not Locate
 Neg Reads = Reading this round less than entered in December
 RWW/WMN = Reread (Water)/ Wrong Meter Number
 TOW = Theft of Water

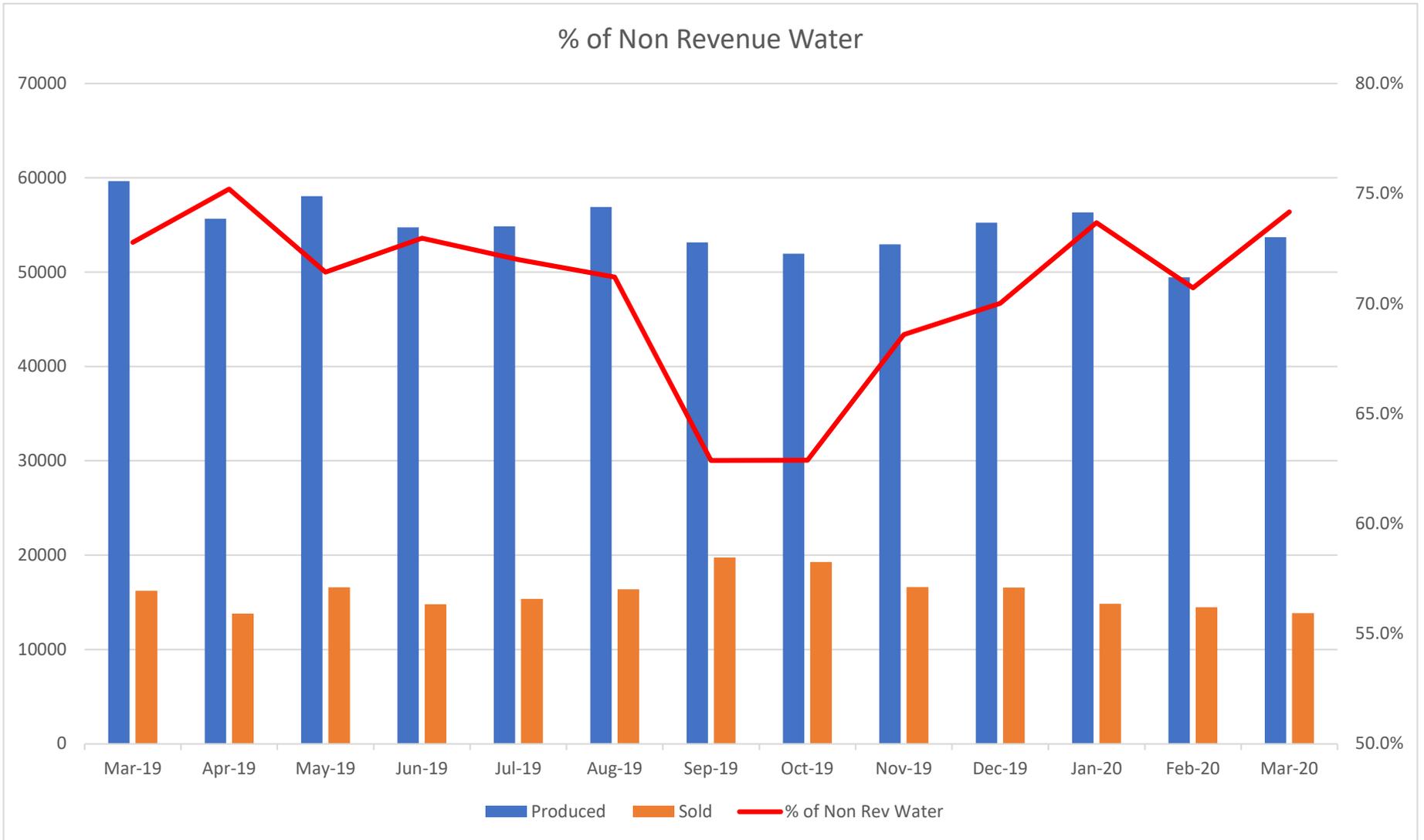
PUBLIC SERVICE COMMISSION

Monthly Water Loss Report

Water Utility:

For the Month of: Year:

LINE #	ITEM	GALLONS (Omit 000's)
1	WATER PRODUCED AND PURCHASED	
2	Water Produced	53,702
3	Water Purchased	
4	TOTAL PRODUCED AND PURCHASED	53,702
5		
6	WATER SALES	
7	Residential	9,358
8	Commercial	2,271
9	Industrial	
10	Bulk Loading Stations	
11	Wholesale	
12	Public Authorities	2,243
13	Other Sales (explain)	
14	TOTAL WATER SALES	13,872
15		
16	OTHER WATER USED	
17	Utility and/or Water Treatment Plant	698
18	Wastewater Plant	
19	System Flushing	29
20	Fire Department	5
21	Other Usage (explain)	
22	TOTAL OTHER WATER USED	732
23		
24	WATER LOSS	
25	Tank Overflows	
26	Line Breaks	2,081
27	Line Leaks	37,017
28	Excavation Damages	
29	Theft	
30	Other Loss	
31	TOTAL WATER LOSS	39,098
32		
33	Note: Line 14 + Line 22 + Line 31 MUST Equal Line 4	
34		
35	WATER LOSS PERCENTAGE	
36	(Line 31 divided by Line 4)	72.81%



**Martin County Water District
387 East Main St.
Inez, KY 41224**



Infrastructure Replacement Plan

**Written by Alliance Water Resources, Inc.
April 2020**



Contents

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Introduction
Approach
Executive Summary

SECTION II

Water Treatment Plant
Detailed Issues & Recommended Solutions
Priority Needs Cost Spreadsheet

SECTION III

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Detailed Issues & Recommended Solutions
Water Loss Process Flowchart
Priority Needs Cost Spreadsheet

ATTACHMENT

Bell Capital Project Summary



SECTION I

Introduction, Approach, Executive Summary

Introduction

Effective January 1, 2020, the Martin County Water District (District) contracted with Alliance Water Resources, Inc. (AWR), to manage and operate the utility. The Water District Board maintains decision making authority and sets policy. Alliance carries out the Board's policies and manages the day-to-day operation of the utility, reporting progress and making recommendations for improvements back to the Board for their consideration. There are currently in excess of \$8,000,000 of Capital Projects underway through the Big Sandy Area Development District with funding from the AML, and other sources. These projects are being designed and managed by Bell Engineering. (See Attachment A)

The Public Service Commission (PSC) has required that AWR submit an Infrastructure Replacement Plan for review by the PSC by 15 April 2020.

Approach

Alliance is focused on work force development and building a sustainable management team for the District. To that end, existing staff was heavily involved in determining priority needs for the system. The assembling of this report was a composite effort of the leadership team and included the following:

- Identifying critical needs from an Operator's perspective
- Reviewing Capital projects that are already identified and funded
- Bringing Operators & Engineers together to discuss overlap
- Obtaining High Level Cost Estimates
- Photographing & Documenting Priority Needs.
- Developing a Summary Sheet
- Developing and Action Plan
- Develop a High- Level Cost Estimate
- Identify Funding Source
- Identify Estimated Schedule

In addition, this approach focused on the identification of needs that should be addressed within the next 36 months and should be given higher priority to improve redundancy and sustainability of the existing infrastructure.



Executive Summary

Three primary concerns that should be focused on while evaluating needs and conducting the infrastructure replacement plan are: 1) Water Quality, 2) Water Loss, and 3) Affordability.

The water quality issue will be greatly improved when two of the three clarifiers have been rehabilitated and are functioning as designed. These items are being addressed through the Big Sandy Area Development Projects primarily funded through the AML. (See Attachment A)

AWR is in the process of implementing a Water Loss Control Program at the District. We are setting up internal systems and training the staff on program implementation. This program will identify problem areas with the largest contribution to the water loss issue. The initial 90 days has involved data acquisition and integrity checks. A leak detection program has been running in parallel, and a correlation of data and detection efforts will allow for focused infrastructure replacement planning.

Affordability is directly impacted by the extra expense due to excessive water loss and debt load that may be required to repair aging infrastructure. Therefore, it is critical that system knowledge be gathered, stored, and evaluated so that dollars spent on rehabilitation yield the greatest impact on water loss or other costly system integrity issues.

While it is the intent of AWR to develop a more detailed 5- year Capital Improvement Plan, there first needs to be a clear understanding of the District’s overall financial situation, as well as time to work through a cycle of the Water Loss Control Program. Currently, there simply is no surplus operational revenue to address all routine repairs or smaller, capital projects. Therefore, although the contract between AWR and the District includes a “Repair Limit” of \$125,000 for routine repairs costing less than \$2,500, AWR is aiming much of the Repair Limit funds, with the District Board’s approval, to perform routine O&M projects and smaller capital projects above \$2,500 to address critical priority needs where possible. The following table is a snapshot of currently identified priority needs funding requirements. The “AWR Repair Funds” column consists of capital projects potentially funded from the AWR Repair Limit.

	AML/ ARC FUNDS	OP REVENUE/ UNFUNDED	AWR REPAIR FUNDS
DISTRIBUTION	\$2,461,000	\$3,050,000	\$57,750
WATER TREATMENT	\$1,227,500	\$10,000	\$45,286
TOTALS	\$3,688,500	\$3,060,000	\$103,036

AML/ARC	Abandoned Mine Lands
AWR RC	Contract Repair Cap Funds
UF	Unfunded
OR	Operating Revenues

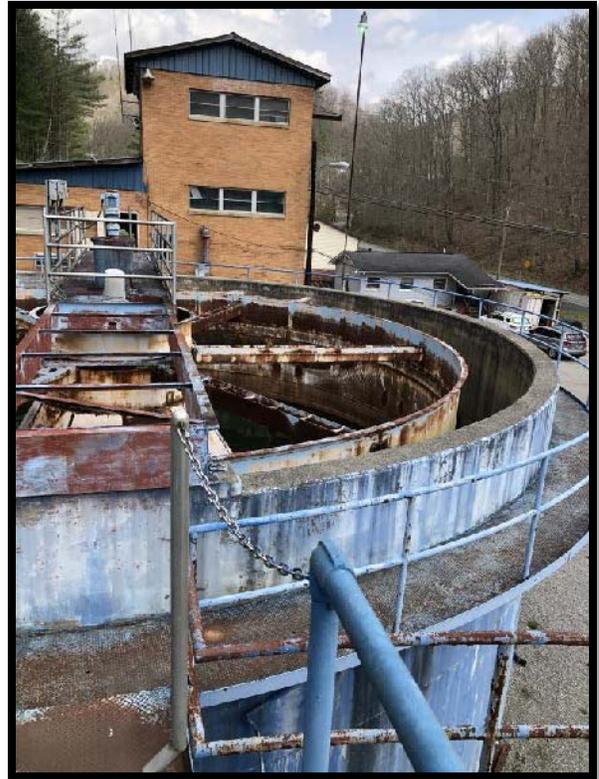


SECTION II

Water Treatment Plant

Detailed Issues & Recommended Solutions

1. **Refurbish Treatment Unit # 1.** Construct new valve vault; refurbish all piping, tube settlers, tank exterior and many other components; paint. The filters are also part of the Treatment Unit and must also be refurbished. This Unit #1 (shown here) has not been in operation for many years and has seen significant deterioration in the years since it became inoperable. Two of the three treatment units are required to run 24/7 to meet the distribution system's current demand for water. Therefore, in order to clean and/or rehab the plant's other two clarifiers (also overdue), this unit must be put into operation. The clarifiers are a critical component in the treatment process and are necessary for maintaining good water quality. This project is the highest priority of the recommended plant improvements.



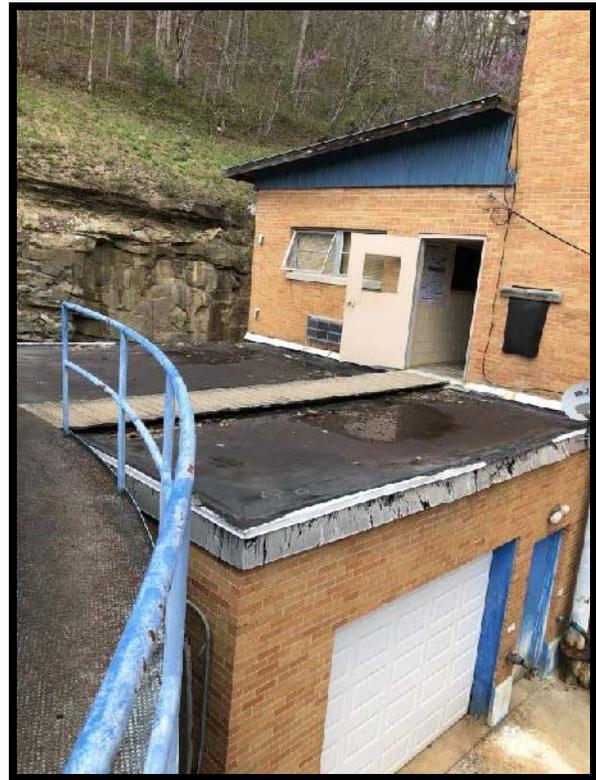
2. **Refurbish Treatment Unit #3** including pair of filter beds, filter divider walls, repair rake; replace all filter media; install tube settlers; paint. Check all bearings, motors and gear boxes and repair/replace as needed. The clarifiers are a critical component in the treatment process and are necessary for maintaining good water quality.

3. **Control Upgrades/Replacements:** Install 2 new filter level indicator probes, one for filter #4 and one for filter #6; replace level indicator for the clearwell; replace ethernet card for high service pump #2. These replacements will allow for additional automation and more consistent operation of various plant processes. This project may be included with the Treatment Unit projects. In case the control upgrades cannot be included in those projects, Southern Flow from Alpharetta, GA has provided a quote for parts and installation.

4. **Repair #3 Filter Drain Valve** in order to allow proper filter-to-waste for newly washed filters and to drain the filters properly for any needed ongoing maintenance. A repair quote has been provided by CI Thornburg.



5. **Replace all online turbidimeters**, total of 5, along with software. Filter turbidimeters measure water clarity and are necessary for maintaining good water quality. Hach has provided a quote for the equipment.
6. **Provide new lab equipment**, an online CL17 chlorine analyzer and a bench turbidimeter. Good working lab equipment is needed in order to ensure water quality and to adjust chemical additions and other treatment process on an ongoing basis. Hach has provided a quote for the equipment.
7. **Repair roof** over the chemical storage room (shown to the right) which leaks badly when it rains. Roof repairs will help prevent deterioration of plant equipment, extending their useful lives. This project is likely to be included with another plant project.
8. **Replace at least seven chemical metering pumps** for chlorine, caustic and sodium permanganate. Good working, reliable chemical metering pumps help ensure water quality and dose chemicals efficiently.
9. **Install better, safer access into the valve vaults** for Units #2 and #3 to better protect employees entering the vaults for routine and emergency operations and maintenance. This project may be included with another plant project.
10. **Add a Turkey pump and motor** for redundancy/reliability. *(Completed 3/18/2020)*



A summary of these projects is shown on the table on the following page.



PRIORITY NEEDS
MARTIN COUNTY WATER DISTRICT
WATER TREATMENT PLANT

ITEM 1	NAME	DESCRIPTION	COST EST	FUNDING SOURCE	PROJ COMP DATE	COMMENTS
1	UNIT 1 REFURB	Refurbish treatment unit # 1, constructing new valve vault, also all required piping.	\$850,000	USACE & AML	3RD QUARTER 2021	
2	FILTERS	Repair filter beds treatment unit # 3	\$350,000	USACE & AML	3RD QUARTER 2021	Evaluate actual needs
3	PROBES	Need #4 and #5 filter level indicator probes, also 1 plant clearwell level probe	\$11,480	AWR RC	3RD QUARTER 2020	Southern Flow did the original install and setup
4	DRAIN VALVE	Repair #3 filter drain valve.	\$3,097	AWR RC	Dec-20	CI Thornburgh did the original install and set up
5	ONLINE TURBS	Replace 5 online turbidimeters, plus 1 controller, Hach Equipment	\$18,150	AWR RC	Dec-20	Annual \$4,478.55 is for calibrateing and maintance
6	LAB EQUIPMENT	New lab equipment, CL17 chlorine analyzer, bench turbidimeter	\$6,605	AWR RC	2ND QUARTER 2020	Separate pricing from Hach
7	ROOF REPAIR	Construct new roof over chemical room	\$27,500	USACE & AML	3RD QUARTER 2021	Might be under estimated
8	CHEM FEED PUMPS	New chemical feed pumps	\$3,800	AWR RC	Jun-20	7 Peristaltic pumps, USA BlueBook
9	DOORS	Install doors that will lead into the valve vaults for unit #2 and unit #3, or a better ladder system	\$10,000	UF	4TH QUARTER 2020	Estimated costs
10	TURKEY PUMP	Replace turkey tank pump and motor	\$2,154	AWR RC	COMP	Repaired and then installed 3/18/20
Total			\$1,282,786	AML	Abandoned Mine Lands	
AML/ARC			\$1,227,500	AWR RC	Contract Repair Cap Funds	
AWR			\$45,286	UF	Unfunded	
UF/OR			\$10,000	OR	Operating Revenues	

SECTION III

Distribution System

Detailed Issues & Recommended Solutions

The District's water storage tanks at the plant and throughout the distribution system need regular cleaning and inspection. The staff has been unable to determine the last time the tanks were last inspected and/or cleaned or what the results of the inspections were. This will be further investigated and recommendations will be developed for implementation of a tank maintenance plan.



Distribution system improvements that have been investigated and evaluated to date are described in the following list. A summary of these projects follows the project descriptions.

1. **Excessive Water Loss.** The District has excessive water loss causing inefficient operation, high user rates and financial instability. A water loss management plan has been put in place to address the issue. (See flowchart on the following page)

2. **Meters.** Locating, reading and testing meters are critical to proper billing. Old or improperly functioning meters must be repaired or replaced. Causes of metering issues include:
 - Some meter locations were unknown
 - Previous estimates/incorrect reads
 - Lack of staff training/standard practices
 - Poor scheduling/inefficiency
 - Lack of meter testing
 - Little or no meter repair or replacement

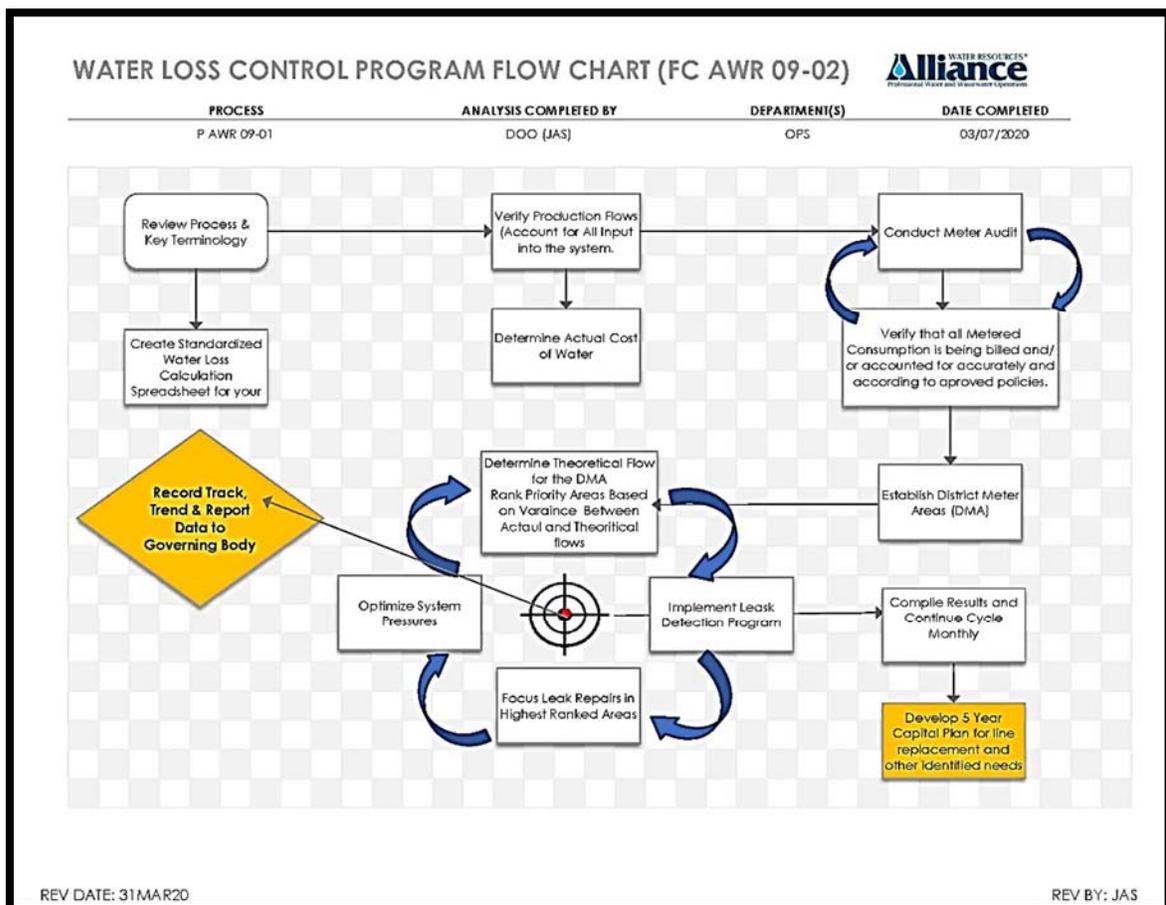
A plan was set in place in January 2020 to correct these issues. The plan is currently being implemented including identification and location of every customer meter as well as direct communication with the District's customers.

3. **Substandard Billing Software.** The billing software for the District is substandard. The software's key deficiencies include:
 - Unsecured data including customer information
 - Inadequate management reporting functions
 - Single point of failure with proprietary software

By June 30, 2020, modern billing software will be installed and operating to ensure data security, accurate billing and management systems for better identification and tracking of customers, bills and collections.



4. **Lack of Scada.** The lack of supervisory control and data acquisition (SCADA), specifically at water storage facilities limits efficient operation of those facilities. SCADA allows system operators to more quickly troubleshoot problems and minimize water loss at remote locations. SCADA projects have been identified and will be constructed as funds (including capital funds) become available.
5. **Pressure Management.** Improper operation of maintenance of pressure reducing valves (PRV's) has led to inefficient water pressure management. Excessively high pressures often lead to leaks and excessively low pressures lead to customer dissatisfaction and/or cross connections. The staff is currently locating and maintaining each PRV to ensure proper pressure settings and continuing operation.
6. **Failing distribution mains and services.** Poorly constructed lines along with poor operating practices & repair methods have led to a distribution system riddled with leaks. A leak detection program is now in place including identification of the most critical areas for capital main replacement projects. The previously identified Warfield/Beauty main replacement project is currently underway. To address historically poor construction methods and materials, the District is writing standard construction specifications for water mains and service lines. These standards will be provided to contractors beginning June 30.



PRIORITY NEEDS
MARTIN COUNTY WATER DISTRICT
DISTRIBUTION SYSTEM

ITEM 1	NAME	DESCRIPTION	COST EST	FUNDING SOURCE	PROJ COMP DATE	COMMENTS
1	RR Meters	3000 RR Meters Software & Installation	\$1,000,000	UF	* 6 Months from Award	ASAP When Funding Identified (Estimate on Recent BSADD quotes)
2	RR Meters	ALTERNATE _AWR INSTALLS_3000 RR Meters Software & Installation	\$630,000	UF**	18 Month From Award	AWR Staff Installs (increased time - reduced project costs) **
3	Scada	Scada at all Booster Stations and Tanks	\$50,000	UF		Estimate based on recent quotes from SAMSARA Equip & 6year license
4	Main Replacement	Warfield Beauty	\$1,261,000	AML	Apr-21	9,600 ft and appurtenances
5	4"	400 ft Main Replacement Town Point Curve	\$5,500	AWR RC	COMPLETE	Materials Only (AWR Staff Replaced)
6	4" Main Replacement	Various Locations as Identified by Need	\$41,250	AWR RC	18 Months	Repair/ Replace as identified (materials only)
7	Incode	New Billing Software	\$11,000	AWR/OR	Jul-20	To be reimbursed by District-Annual Fee
8	Main Replacement	Priority Areas to be Totally Rehabbed Following Water Loss Program identification of Critical Areas	\$2,000,000	UF	36 Months	Project to be identified and ready when funding acquired
9	Lovely Main Replacement	Areas identified earlier and currently funded through ARC funds	\$1,200,000	ARC	Jun-21	ARC Grant-11,975 ft
Total			\$5,568,750			
AML/ARC			\$2,461,000			
AWR			\$57,750			
UF/OR			\$3,050,000			

AML/ARC	Abandoned Mine Lands
AWR RC	Contract Repair Cap Funds
UF	Unfunded
OR	Operating Revenues



MEETING AGENDA
ENGINEERING DESIGN - PROGRESS MTG #11
MARTIN COUNTY WATER DISTRICT
MARTIN COUNTY, KENTUCKY
April 9, 2020

LOCATION: Via Teleconference
TIME: 3:00 PM
Present: Announcement of Those Present

SUMMARY OF PROJECT FUNDING:

<u>Source</u>	<u>Amount</u>	<u>Associated Project(s)</u>
AML Pilot NEXUS Grant (2017)	\$3,450,000	A,B,C,D
COE 531 Partnership (25% Match)	\$1,869,718	B,C
ARC Grant	\$1,200,000	F
AML Pilot NEXUS Grant (2018)	<u>\$2,000,000</u>	I
TOTAL GRANT	\$8,519,718	

A. CONTRACT 113-19-01

RAW WATER INTAKE IMPROVEMENTS (PUMP PURCHASE ONLY)

1. AML provided clearance to advertise for bids on June 13, 2019.
2. Bids were opened at BSADD at 11:00 AM Wednesday July 3. Xylem Dewatering Solutions was the only bid received in the amount of \$470,286.07, compared to Bell's opinion of cost of \$500,000.00.
3. Bell made recommendation to award to BSADD and they along with MCWD agreed to accept the bid.
4. On July 29th, Bell received the AML Contractor/Subcontractor Information, Campaign Finance Law Compliance and Affidavit for Bidders Forms from Xylem. These were forwarded to AML.
5. On August 9th, AML advised Xylem had cleared the AVS check and the contract could be signed. Contract documents were forwarded to Xylem.
6. Contract documents were executed by both Xylem and the BSADD. A Notice to Proceed was issued to Xylem after the contracts were executed.
7. Based on an update provided by Xylem, the 2 MG pump, 4 MG pump, 2MG variable speed drive, 4 MG variable speed drive and the river screen are complete.
8. The 2 MG pump belonging to Xylem is still onsite at the Raw Water Intake. MCWD is not paying pump rental charges.

**B. CONTRACT 113-19-02
RWI&WTP IMPROVEMENTS**

1. The WTP and RWI sites were surveyed.
2. Basins were documented for condition assessment.
3. The Preliminary Engineering Report for the project is complete and has been distributed.
4. The Phase I Environmental Site Assessment required by the Corps of Engineers is complete and has been submitted.
5. Vendor proposals for replacement equipment were requested and reviewed.
6. Plans and specifications have been developed.
7. Awaiting answers to questions concerning transport and storage of the raw water pumps along with questions concerning the roof at the water treatment plant (Distributed January meeting).
8. Project mapping for NEPA purposes was submitted to AML on February 6th.
9. Project description and Opinion of Probable Construction Costs were submitted to AML on February 17th.
10. Project was submitted for DOW review on March 13, 2020.
11. Project was submitted for COE 4345 Permit Application review on March 20, 2020
12. Project has been submitted to COE and is undergoing Plan and Specification Review.

**C. CONTRACT 113-19-03
LINE IMPROVEMENTS**

1. Bell was able to locate several sets of As-Built Drawings of the water distribution system. Bell scanned copies of all plan sets and returned to MCWD with digital copies of plan sets for MCWD future use.
2. Bell and MCWD personnel have been in the field multiple times locating existing lines, surveying existing meters, valves and fire hydrants and determining routing of new water lines.
3. Location of all the features affecting alignment of the waterline has been completed including gas lines.
4. The Phase I Environmental Site Assessment required by the Corps of Engineers is complete and has been submitted.
5. Plans and specifications have been developed.
6. Awaiting answers regarding the types of valves, meters, etc. to specify for the project (Distributed January meeting).
7. Project mapping for NEPA purposes was submitted to AML on February 10th.
8. Project description and Opinion of Probable Construction Costs were submitted to AML on February 17th.
9. Project was submitted for DOW review on March 13, 2020.

10. Project has been submitted to COE and is undergoing Plan and Specification Review.
11. Project has been submitted to KYTC and is undergoing Encroachment Permit review.

D. WATER SYSTEM CAPITAL IMPROVEMENT PLAN / HYDRAULIC MODELING

1. Document is required by PSC
2. Bell has completed field review of RWI, WTP, Storage Tanks, Pumping Stations and PRV's.
3. Bell & UK met in Martin County on June 21st to coordinate collection of field data the week of July 8th. This effort is for calibration of the Hydraulic Model.
4. UK professors and 3 students traveled to Martin County on July 8th to begin effort of collecting field data (pressures and flows) at key points throughout the water distribution system. Bell had a team of four individuals that were to join the UK team on July 10th; however, MCWD had some major line breaks on July 9th and were unable to recover water supply during the week to allow flowing water from hydrants.
5. The effort to collect flow data was rescheduled for August 6th and 7th, however, on August 5th MCWD has a failure of a PRV which would not allow the flowing of the hydrants.
6. The collection of the field data was rescheduled and occurred on August 14th and 15th.
7. Field data has been reviewed. UK returned to the field in an effort to repeat two tests for the Hazen Williams coefficient that appeared suspect.
8. Money is in place to pay for the Hydraulic Model through AML 2017 Grant. OSM refused to allow for payment of the CIP through the 2018 Grant. The funds associated with that have been realigned toward additional waterline replacement.
9. UK delivered has delivered testing forms to Bell.
10. Development of the model is ongoing. PRVs, tanks, lines, etc. have been input.
11. Working with Alliance Resources in an effort to obtain usage and address information for each customer to effectively distribute demand throughout the system.

E. COE 531 AGREEMENT

1. Bell provided a Scope of Work to the COE on May 15th.
2. Bell and COE agreed on an O&M cost of \$250,000.
3. COE asked for a PER with Alternative Analysis. Bell is modified the original PER to incorporate the COE funding. COE dollars will not be utilized for the 10-Yr CIP or RWI pump purchase. The requested Alternative Analysis was provided to COE on July 10.
4. The Project Partnering Agreement (PPA). This agreement was executed on September 13, 2019.
5. Funds from the COE are being utilized for the RWI, WTP and Line Improvements (Items B & C).
6. BSADD has forwarded work to date related to the Environmental Assessment to the COE and COE to determine if additional work is to be performed.
7. BSADD received a request for additional information related to the Environmental Assessment this past Sunday and is working through them.

**F. CONTRACT 113-19-04
ARC WATERLINE REPLACEMENT PROJECT**

1. Bell received the signed contract on August 2nd.
2. Bell and MCWD personnel have been in the field multiple times locating existing lines, surveying existing meters, valves and fire hydrants and determining routing of new water lines.
4. Location of all features affecting alignment of the waterline has been completed including gas lines.
5. Plans and specifications have been developed.
6. Awaiting answers regarding the types of valves, meters, etc. to specify for the project (Distributed January meeting).
7. Project was submitted for DOW review on March 27, 2020.
8. Project has been submitted to KYTC and is undergoing Encroachment Permit review.

**G. CONTRACT 695-19-01
HIGH SCHOOL WATER STORAGE TANK & BOOSTER PUMP STATION
TELEMETRY**

1. Bell received the signed contract on August 14th.
2. The project was advertised for bids on August 21st and was advertised a second time on September 11th.
3. Bids for the project were opened September 26th @ 5:00 p.m. at the offices of the Martin County Fiscal Court.
4. The low (and only) bid was submitted by Micro-Comm. The base bid submitted was in the amount of \$48,921.00 and included the installation of an

- electrically powered telemetry unit at the pumping station and a solar powered unit at the tank site. A deductive alternate of \$5,400.00 was offered if the Fiscal Court ran electric to the tank site and Micro-Comm could also use an electrically powered unit at this location. Cost would then be \$43,521.00.
5. Bell provided a letter of recommendation to the Martin County Fiscal Court concerning the award of the project to Micro-Comm.
 6. Martin County Fiscal Court has awarded the project to the low bidder.
 7. Contract documents have been executed by both the Contractor and Fiscal Court. The executed documents were received from the Fiscal Court on Friday, February 28th. They were forwarded to the contractor along with the Notice to Proceed with construction on March 3, 2020.
 8. Initial information from the Contractor concerning the FCC licensing process has been received.
 9. The Contractor has submitted shop drawings of the equipment to be used as part of the project. Bell Engineering is reviewing the equipment for conformance with the contract requirements.

H. WASTEWATER TREATMENT PLANT/COLLECTION SYSTEM REVIEW

1. Bell and MCWD personnel reviewed the Inez and Warfield WWTPs.
2. Proposed work at the Inez facility includes: a redundant oxidation ditch, septage receiving station, belt filter press, solids processing building, sludge hauling equipment, influent flow meter, yard piping , upgraded electrical, sludge storage and drainage pad, replacement of the influent pumping station, clarifier rehabilitation of unit that is out of service, existing oxidation ditch metal work, covers for the aerators/ gearboxes for existing oxidation ditch, entry road repairs, rehabilitating two system pumping stations, replacing floats/adding transducers at the two stations, replacing ten grinder pumps and rehabilitating the inoperable plant generator. OPPC: \$4,836,550.
3. Proposed work at the Warfield facility includes a septage receiving station, mechanical screen for trash, demolition of the Dempsey WWTP, rehabilitating two system pumping stations, replacing floats/adding transducers at the two stations and replacing ten grinder pumps. OPCC \$1,138,563.
4. An RFQ for engineering services was published requiring a submission by interested firms by October 5, 2019. The RFQ was in conformance with EDA requirements so that EDA funding may be sought for the project.
5. Bell Engineering was selected to provide engineering services for the project at the last MCUD meeting. A contract is being prepared for review and signature.
6. The project budget will be adjusted to include administrative fees for the BSADD prior to any applications for project funding being submitted.

7. A meeting was held with a representative of the Economic Development Administration (EDA) to discuss the project.

I. USP BIG SANDY, EASTERN KENTUCKY BUSINESS PARK & BIG SANDY AIRPORT WATER PROJECT

1. Project budget was revised and sent to AML on September 19.
2. The Memorandum of Agreement between AML and BSADD was signed by BSADD on September 25th. The MOA was signed by AML on October 1, 2019.
3. A contract for engineering services has been executed by the Big Sandy Area Development District.
4. Bell and MCWD personnel have been in the field reviewing potential tank and pump station sites.
5. The Preliminary Engineering Report for the project is complete and has been distributed.
6. Plans have been prepared for the 250,000-gallon water storage tank.
7. Bell, Alliance and MCWD are coordinating with the mineral lease holder and the surface owner concerning location of the proposed tank and pump station. BSADD, Bell and Alliance representatives met with the property owner on January 30th.
7. On March 3rd, the property owner advised most of the property is permitted with only a phase one bond release.
8. We are attempting to set up a date to walk the site with the property owner either next week or the following week.

Progress Meeting #12 will be held May 13, 2020 at 11:00 AM. It will be conducted through Zoom or other electronic means with the Division of Water sending out login information prior to the meeting date.

April 28th, 2020

TO: Martin County Water District
Board of Directors

INFORMATION & DECISION

FROM: Staff

RE: Identity Theft Prevention Program

Staff is recommending the Board approve a policy regarding Identity Theft and Prevention.

It is the intent of the Staff to adopt a program regarding identity theft prevention informally known as a "Red Flag Policy".

This is an program is an effort to help our employees identify red flags that will alert them when a new or existing account is being opened using false information, prevent against opening false accounts, and provide methods to ensure existing accounts were not opened using false information. This program will also provide measures to respond to such events.

It is the intent of the Staff to implement this program immediately.

Please review the attached program. If the Board agrees, we are respectfully seeking a motion to approve and sign the Identity Theft Prevention Program for Martin County Water District.



April 29, 2020

Martin County Water District
Inez, KY

Identity Theft
Prevention Program

Martin County Water District



Identity Theft Prevention Program

For

Martin County Water District

387 E Main Street, Suite 140

Inez, KY 41224

Effective April 29th, 2020

Martin County Water District Identity Theft Prevention Program

This Program is intended to identify red flags that will alert our employees when new or existing accounts are opened using false information, protect against the establishment of false accounts, provide methods to ensure existing accounts were not opened using false information, and provide measures to respond to such events.

Contact Information:

The Senior Management Person responsible for this program is:

Title: Local Manager

Phone number: 606-298-3885

Risk Assessment

Martin County Water District (the “Water District”) has conducted an internal risk assessment to evaluate how at risk the current procedures are at allowing customers to create a fraudulent account and evaluate if current (existing) accounts are being manipulated. This risk assessment evaluated how new accounts were opened and the methods used to access the account information. Using this information, the Water District was able to identify red flags that were appropriate to prevent identity theft. Current policies/practices include:

- ❑ All customers opening a new account, moving to a new address or reinstating service must complete the Martin County Utility Board Utilities Service Application Form (copy attached) and supply a copy of their drivers license which can be supplied In Person, Email or Fax
- ❑ Account information can be accessed In Person



Detection (Red Flags):

The Water District adopts the following red flags to detect potential fraud. These are not intended to be all-inclusive and other suspicious activity may be investigated as necessary.

- ❑ Inconsistent activity patterns indicated by consumer report such as:
 - Recent and significant increase in volume of inquiries
 - Accounts closed for cause or abuse
- ❑ Identification documents appear to be altered or inconsistent
- ❑ Photo and physical description do not match appearance of applicant
- ❑ Other information is inconsistent with information provided by applicant
- ❑ Other information provided by applicant is inconsistent with information on file
- ❑ Application appears altered or destroyed and reassembled
- ❑ Information provided is associated with known fraudulent activity (e.g. address or phone number provided is same as that of a fraudulent application)
- ❑ Information commonly associated with fraudulent activity is provided by applicant (e.g. address that is a mail drop or prison, non-working phone number or associated with answering service/pager)
- ❑ SS#, address, or telephone # is the same as that of other customer at utility
- ❑ Customer fails to provide all information requested
- ❑ Personal information provided is inconsistent with information on file for a customer
- ❑ Applicant cannot provide information requested beyond what could commonly be found in a purse or wallet
- ❑ Identity theft is reported or discovered

Response

Any Alliance Water Resources (“Alliance”) employee that may suspect fraud or detect a red flag will implement the following response as applicable. All detections or suspicious red flags shall be reported to the senior management official.

- ❑ Ask applicant for additional documentation
- ❑ Any Alliance employee who becomes aware of a suspected or actual fraudulent use of a customer or potential customer’s identity must notify the Office Manager or the Local Manager if the Office Manager is not available; the Office Manager is responsible for notifying the Local Manager
- ❑ Do not open/activate the account
- ❑ Do not attempt to collect against the account but notify authorities



Personal Information Security Procedures:

The Water District adopts the following security procedures:

1. Computer monitors will not be left visible to visitors with sensitive customer information
 2. If Alliance employees leave their desks, they must clear out of sensitive customer files
 3. Alliance employees will secure sensitive files when leaving their work areas
 4. Visitors who must enter work areas where sensitive files are kept must be escorted by an Alliance employee at all times
 5. No visitors will be given any entry codes or allowed unescorted access to the office
 6. Access to sensitive information will be controlled using passwords. Passwords will consist of a mix of letters and numbers. User names and passwords will be different
 7. Passwords will not be shared or posted near workstations
 8. Anti-virus and anti-spyware programs will be run on incoming and outgoing data transmissions
 9. When sensitive data is received or transmitted, secure connections will be used and/or password protected files will be utilized
 10. The computer network will have a firewall where it connects to the Internet
 11. Any wireless network in use is secured
 12. Alliance will check references and conduct background checks before hiring employees that will have access to sensitive data
 13. Access to customer's personal identity information is limited to Alliance employees with a need to know
 14. Procedures exist for making sure that workers who leave employment or transfer to another part of Alliance no longer have access to sensitive information
 15. Alliance employees are required to notify the Office Manager and Local Manager immediately if there is a potential security breach, such as a lost or stolen laptop, etc.
 16. Alliance employees who violate security policy are subject to discipline, up to and including dismissal
 17. Sensitive paper records will be shredded before being placed into the trash
 18. Any data storage media will be disposed of by shredding, punching holes in or incineration
-



Identity Theft Prevention Program Review and Approval

This plan has been reviewed and adopted by the Water District Board of Directors. Appropriate Alliance employees have been trained on the contents and procedures of this Identity Theft Prevention Program.

Signatures:

1. James D. Kerr _____ Date _____

2. John P. Hensley _____ Date _____

3. B.J. Slone _____ Date _____

4. Greg Crum _____ Date _____

A report will be prepared annually and submitted to the governing body to include matters related to the program, the effectiveness of the policies and procedures, the oversight and effectiveness of any third party billing and account establishment entities, a summary of any identify theft incidents and the response to the incident, and recommendations for substantial changes to the program, if any.

Martin County Water District

Net Income on a Cash Basis (Snapshot)

	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20
REVENUE												
Customer Count	3388	3369	3386	3370								
Payments Received	\$234,262	\$207,152	\$195,082	\$196,844								
EXPENSES												
Operations Account	\$286,613	\$236,111	\$240,615	\$223,319								
Revenue Account	\$19,150	\$17,800	\$17,800	\$17,800								
Payment Plans	\$6,625	\$6,500	\$6,500	\$5,500								
Security Deposit Act				\$2,835								
DSS EXP/ (FUNDING)	\$8,978	\$0	\$0	\$0								
MIS EXP / (FUNDING)	\$0	\$0	\$0	\$0								
Sub total	\$321,366	\$260,411	\$264,915	\$249,454	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
NET INCOME												
Cash Basis	-\$87,104	-\$53,259	-\$69,833	-\$52,610	\$0							

Notes:

- 1: Payments Received are those received for the full month
- 2: Expenses are those planned and presented in the Board Packet for the referenced month
- 3: Operations Account Includes the estimated DSS and MIS transfers (See list of Bills in Board Packet)
- 4: Based on the procedural requirements there will be deposits and subsequent withdrawals in DSS/MIS accounts with a likely sum of zero monthly

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