

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

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

**MOTION FOR COMMISSION APPROVAL TO PAY  
INDEBTEDNESS WITH SURCHARGE FUNDS**

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Comes the Martin County Water District (“District”), by counsel, and moves the Commission for an Order, approving the District’s plan to pay its’ outstanding debt from the proceeds of the surcharge account established by the Commission’s Order of March 16, 2018 in Case No. 2018-00017.

Attached hereto and in support hereof is the rationale of the District for the basis of their request, which the District submits best serves the interests of the District, is most practical and expedient, and fulfils the obligations of the District to its’ creditors as timely and efficiently as possible.

Wherefore, the District requests the Commission approve the plan designated as B(1) attached hereto as Exhibit A. Alternatively, the District would request the Commission to approve the District’s plan designated as B.

Wherefore, the District requests appropriate Orders of the Commission consistent with this Motion.



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WATER DISTRICT  
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### CERTIFICATE OF SERVICE

This will certify that a true and correct copy of the foregoing was filed electronically and emailed on this the 10 day of October, 2018, as follows:

Public Service Commission (*Via Electronic Filing & Email*)  
P.O. Box 615  
Frankfort, KY 40602  
[brittany.koenig@ky.gov](mailto:brittany.koenig@ky.gov)

Hon. Mary Varson Cromer (*Via Email only*)  
Appalachian Citizens' Law Center, Inc.  
317 Main Street  
Whitesburg, KY 41858  
[mary@appalachianlawcenter.org](mailto:mary@appalachianlawcenter.org)

Hon. M. Todd Osterloh (*Via Email only*)  
Hon. James Wilson Gardner  
Sturgill, Turner, Barker & Moloney, PLLC  
333 West Vine Street, Ste. 1400  
Lexington, KY 40507  
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[jameswilsongardner@gmail.com](mailto:jameswilsongardner@gmail.com)



BRIAN CUMBO

# Re: Operating Capacity of Martin County Water District Pursuant to KRS 278.280 – Plan for Dispersal of Funds from the Surcharge Account to Retire Debt Incurred Prior to April 1, 2018.

Case No. 2016-00142

Commissioners:

At the hearing on August 29, 2018, there was some discussion about how money would be dispersed from the surcharge account to retire debt accrued by the district prior to April 1, 2018. This information was requested in the post hearing data requests. We are filing this separate from our response to the post hearing data requests so that the Commission can make a decision on which direction the District can take to start retiring those debts as soon as possible.

Attached are the three options to retire said debt marked A, B, & B(1)

Option (A) is the method that the Commission suggested using during the hearing, which would require using the current balance of the surcharge account to retire all debts \$1,000.00 and below and then forming a payment schedule to all remaining vendors based on the percentage of total debt of the district prior to April 1, 2018 that each vendor is owed. Each vendor would begin to receive a payment each month based on that percentage.

The Martin County Utility Board would prefer not to use this method. Paying the balances \$1,000.00 and below would retire debt owed to 31 vendors, leaving 28 vendors to be repaid and, in most cases, the payments the remaining vendors would receive would be very small. Not only would those payments be small, but the staff/accountants would have to prepare checks for each of the remaining vendors, and the district would have to pay for postage for each. While these expenses might seem nominal, we respectfully request that the Commission consider option B or B(1), as the Board believes these approaches to be a better use of the district's time and resources.

Option (B) is similar to option A, but would use the current balance of the surcharge account (\$82,169.25 as of October 2, 2018) to retire all debts below \$12,000.00. This would eliminate 49 total vendors, leaving 10 vendors to be repaid. After retiring all debt below \$12,000.00, we would like to move Prestonsburg City Utilities up to first position and apply all surcharge money collected for the month to Prestonsburg's bills until paid in full. We estimate being able to pay out \$14,000.00 a month from the surcharge account.



At \$14,000.00 a month, it would take 3.6 months to pay Prestonsburg City Utilities in full. Once Prestonsburg is paid, we would like also payoff Howell's Recycling and Sols Electric. We could retire Prestonsburg, Howell's, and Sol's is 5.9 months. After those bills are paid, we would then, based on the percentage of each vendor's debt vs. total balance of district's debt, formulate payment schedules for the seven remaining vendors monthly. This would bring down the numbers of checks written each month (thus reducing the administrative burden on the staff), decrease overall postage charge, and make the payments each vendor receives more substantial.

Option B(1) Similar to option B, option B(1) is the Board's preferred approach. We would add three additional vendors to pay off before beginning to pay remaining vendors a percentage each month. Those vendors are:

Brian Cumbo – Balance: \$26,736.84 - 1.9 months to pay in full.

All Pumps Sales & Service Inc. - Balance: \$29,722.36 - 2.1 months to pay in full.

Xylem – Dewatering Solutions, Inc. - Balance: \$42,496.60 - 3.03 months to pay in full.

So in 9.33 months, we could eliminate all but our 4 biggest vendors, which would then be repaid monthly. At this time we could pay each a payment based on their percentage balance vs. total debt owed by district. By November 2019 we would be down to 4 vendors to repay.

If this approach is approved by the PSC, the Board could then provide a summary of this plan to the 4 vendors with the largest outstanding balances so they know where they stand with the district.

Now, you may be asking yourself, why would our four largest vendors wait almost a year to start getting paid? The remaining four vendors would be:

Evan's Hardware: \$74,707.03

The C.I. Thornburg Company: \$86,814.65

Linda F. Sumpter: \$147,000.00

Zip Zone Inc.: \$175,448.56

Evan's and C.I. Thornburg are both happy with the changes they see with the new board and have been getting paid some money monthly. Both companies have agreed that, so long as we submit what our plan is moving forward, they will continue to work with us. Both also anticipate that our rate increase request will be granted so that payment plans we currently have set up with them will continue to be honored.

Linda F. Sumpter does not care when she gets paid. She has testified to this and that has not changed. As stated many times, she is a Saint.

Zip Zone – If the rate increase is granted, we will switch to the Wex System, and Zip Zone will get paid every time we purchase fuel. The district will pay the balance of the Wex card each month as part of operating expenses. They have carried us this long. So long as we show them a plan of what we intend to do, they will continue to work with us.

Thank you in advance for reviewing the plans stated above. The Martin County Utility Board respectfully requests that a decision be made as soon as possible, so we could begin to use the surcharge account for its intended purpose, i.e., to retire these debts owed by the District.

Also, please note that our Accounts Payable climbs monthly by around \$51,135.00, as we await a decision on the rate increase and an order permitting us to expend funds from the surcharge account. At this rate the District will be \$1,000,000.00 in debt again in 19.6 months. To reference this calculation, please see the attached breakdown. I asked Mrs. Sumpter to prepare a cash analysis, from the time we received the emergency rate increase to the period ending August 31, 2018. We averaged the collections for each month and expenditures. You will see that we have a Net Cash Deficit of \$51,135.00 each month. This is before we fund our depreciation of \$64,000.00 for repairs and capital improvements. So, overall, we have a shortfall \$115,135.00 each month. We will actually be in debt \$1,000,000.00 again before the debt prior to April 1, 2018 has been paid off, putting the district in worse shape than where it started.

Jimmy D. Kerr

Treasurer, Martin County Utility Board

# Martin County Water District

## Accounts Payable Retirement -- Surcharge

### Method A as Recommended by PSC

Vendor	31 - 60	61 - 90	Over 90 days	Amount Due	Paid before 9/25/18	Remaining	Lump Sum Payment for Accounts under \$1,000	Percentage Ratio of Future Distributions
AMERICAN ELECTRIC POWER	19.84			19.84	\$ 19.84	-	-	
AMERICAN ELECTRIC POWER	13.18	12.49		25.67	\$ 25.67	-	-	
AMERICAN ELECTRIC POWER	27.50			27.50	\$ 27.50	-	-	
AMERICAN ELECTRIC POWER	24.36	22.39		46.75	\$ 46.75	-	-	
AMERICAN ELECTRIC POWER	25.63	22.39		48.02	\$ 48.02	-	-	
AMERICAN ELECTRIC POWER	25.94	22.10		48.04	\$ 48.04	-	-	
AMERICAN ELECTRIC POWER	27.67	23.41		51.08	\$ 51.08	-	-	
AMERICAN ELECTRIC POWER	28.16	23.72		51.88	\$ 51.88	-	-	
AMERICAN ELECTRIC POWER	28.11	23.89		52.00	\$ 52.00	-	-	
AMERICAN ELECTRIC POWER	28.48	24.32		52.80	\$ 52.80	-	-	
AMERICAN ELECTRIC POWER	50.66	36.37		87.03	\$ 87.03	-	-	
AMERICAN ELECTRIC POWER	84.65	86.22		170.87	\$ 170.87	-	-	
AMERICAN ELECTRIC POWER	137.41	163.70		301.11	\$ 301.11	-	-	
AMERICAN ELECTRIC POWER	210.08	190.09		400.17	\$ 400.17	-	-	
AMERICAN ELECTRIC POWER	189.68	233.53		423.21	\$ 423.21	-	-	
AMERICAN ELECTRIC POWER	242.99	209.58		452.57	\$ 452.57	-	-	
AMERICAN ELECTRIC POWER	298.82	274.82		573.64	\$ 573.64	-	-	
AMERICAN ELECTRIC POWER		615.40		615.40	\$ 615.40	-	-	
AMERICAN ELECTRIC POWER	321.55	315.68		637.23	\$ 637.23	-	-	
AMERICAN ELECTRIC POWER	163.04	627.18		790.22	\$ 790.22	-	-	
AMERICAN ELECTRIC POWER	4,752.63		-2,958.11	1,794.52	\$ 1,794.52	-	-	
AMERICAN ELECTRIC POWER	3,928.83	3,742.37		7,671.20	\$ 7,671.20	-	-	
AMERICAN ELECTRIC POWER- Meathouse	166.42	212.09		378.51	\$ 378.51	-	-	
APPALACHIAN STATES ANALYTICAL, LLC	3,309.50		6,382.50	9,692.00	\$ 9,692.00	-	-	
ARAMARK	406.26	410.04		816.30	\$ 816.30	-	-	
CINTAS		1,024.84	1,020.24	2,045.08	\$ 2,045.08	-	-	
HINKLE BLACKTOP LLC	175.00	175.00	5,014.10	5,364.10	\$ 5,364.10	-	-	
KENTUCKY POWER COMPANY	29.45	26.67		56.12	\$ 56.12	-	-	
KENTUCKY POWER COMPANY	10,820.99			10,820.99	\$ 10,820.99	-	-	
PAINTSVILLE UTILITIES	57.21	61.61		118.82	\$ 118.82	-	-	
THE CHAPMAN PRINTING COMPANY	889.20			889.20	\$ 889.20	-	-	
THE ELITE AGENCY INC.		3,869.42		3,869.42	\$ 3,869.42	-	-	
USA BLUE BOOK	2,261.95		151.80	2,413.75	\$ 2,413.75	-	-	
WARFIELD SHOPRITE INC			12.00	12.00		12.00	12.00	
POCAHONTAS DEVLOPMENT CORP			25.00	25.00		25.00	25.00	
IPC			38.00	38.00		38.00	38.00	
VERMEER HEARTLAND	1.24	2.48	36.00	39.72		39.72	39.72	

# Martin County Water District

Accounts Payable Retirement -- Surcharge

Method A as Recommended by PSC

Vendor	31 - 60	61 - 90	Over 90 days	Amount Due	Paid before 9/25/18	Remaining	Lump Sum Payment for Accounts under \$1,000	Percentage Ratio of Future Distributions
J.J. KELLER & ASSOCIATES			40.00	40.00		40.00	40.00	
RAILROAD MANAGEMENT COMPANY IV LLC			55.00	55.00		55.00	55.00	
ASHLAND OFFICE SUPPLY			84.00	84.00		84.00	84.00	
KIRK LAWN SERVICE			100.00	100.00		100.00	100.00	
HIGHLAND COMMUNICATIONS, INC.			110.00	110.00		110.00	110.00	
STATE ELECTRIC SUPPLY CO			121.20	121.20		121.20	121.20	
KYTEKS			155.00	155.00		155.00	155.00	
INEZ AUTOMOTIVE SUPPLY			169.95	169.95		169.95	169.95	
GUTHRIE SALES AND SERVICE, INC			389.21	389.21		389.21	389.21	
THE HOME CITY INCE COMPANY			399.00	399.00		399.00	399.00	
WILSON EQUIPMENT COMPANY			413.01	413.01		413.01	413.01	
JH TOMBLIN FENCE CO			422.00	422.00		422.00	422.00	
PAUL DELONG	55.00	55.00	330.00	440.00		440.00	440.00	
CANDY MOORE			450.00	450.00		450.00	450.00	
QUILL CORPORATION			461.73	461.73		461.73	461.73	
UNIVERSAL LICENSING SERVICE			471.38	471.38		471.38	471.38	
ERIC CHAFINS	195.00		390.00	585.00		585.00	585.00	
McCOY'S TREE SERVICE			600.00	600.00		600.00	600.00	
RICHARD KIRK			600.00	600.00		600.00	600.00	
64 SECONDS			705.00	705.00		705.00	705.00	
ALL AMERICAN FIRE EQUIPMENT			725.00	725.00		725.00	725.00	
HOLBROOK IMPLEMENT			793.97	793.97		793.97	793.97	
W.VA. ELECTRIC SUPPLY COMPANY			908.03	908.03		908.03	908.03	
ACROPRINT TIME RECORDER CO.		955.54		955.54		955.54	955.54	
CDP ENGINEERS, INC.	960.00			960.00		960.00	960.00	
EDGAR'S TIRES			981.00	981.00		981.00	981.00	
ELLIOTT SUPPLY & GLASS	995.00			995.00		995.00	995.00	
WILDCAT AUTOMOTIVE SALES & SERVICE LLC			1,006.06	1,006.06		1,006.06	-	0.12%
ADVANCED AUTO PARTS PROFESSIONAL	142.68	59.32	890.27	1,092.27		1,092.27	-	0.13%
PAUL DAVIS		525.00	600.00	1,125.00		1,125.00	-	0.14%
MARCO MINE SUPPLY INC			1,382.87	1,382.87		1,382.87	-	0.17%
WALKER COMMUNICATIONS, INC.			1,602.00	1,602.00		1,602.00	-	0.19%
KENTUCKY RURAL WATER ASSOCIATION			1,700.00	1,700.00		1,700.00	-	0.21%
KY UNDERGROUND PROTECTION INC	93.00	27.20	1,646.40	1,766.60		1,766.60	-	0.21%
MARTIN COUNTY SANITATION DISTRICT	81.68	81.68	1,641.03	1,804.39		1,804.39	-	0.22%
BRENNTAG MID-SOUTH, INC			2,490.75	2,490.75		2,490.75	-	0.30%
COUNTY CONCRETE		926.00	1,750.00	2,676.00		2,676.00	-	0.32%
UNITED SYSTEMS& SOFTWARE INC			3,020.00	3,020.00		3,020.00	-	0.37%

# Martin County Water District

## Accounts Payable Retirement -- Surcharge

### Method B

Vendor	31 - 60	61 - 90	Over 90 days	Amount Due	Paid before 9/25/18	Remaining	Initial Lump Sum Payment of Accounts	Lump Sum Payments	Percentage Ratio of Future Distributions
AMERICAN ELECTRIC POWER	19.84			19.84	\$ 19.84	-	-		
AMERICAN ELECTRIC POWER	13.18	12.49		25.67	\$ 25.67	-	-		
AMERICAN ELECTRIC POWER	27.50			27.50	\$ 27.50	-	-		
AMERICAN ELECTRIC POWER	24.36	22.39		46.75	\$ 46.75	-	-		
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ARAMARK	406.26	410.04		816.30	\$ 816.30	-	-		
CINTAS		1,024.84	1,020.24	2,045.08	\$ 2,045.08	-	-		
HINKLE BLACKTOP LLC	175.00	175.00	5,014.10	5,364.10	\$ 5,364.10	-	-		
KENTUCKY POWER COMPANY	29.45	26.67		56.12	\$ 56.12	-	-		
KENTUCKY POWER COMPANY	10,820.99			10,820.99	\$ 10,820.99	-	-		
PAINTSVILLE UTILITIES	57.21	61.61		118.82	\$ 118.82	-	-		
THE CHAPMAN PRINTING COMPANY	889.20			889.20	\$ 889.20	-	-		
THE ELITE AGENCY INC.		3,869.42		3,869.42	\$ 3,869.42	-	-		
USA BLUE BOOK	2,261.95		151.80	2,413.75	\$ 2,413.75	-	-		
WARFIELD SHOPRITE INC			12.00	12.00		12.00	12.00		
POCAHONTAS DEVELOPMENT CORP			25.00	25.00		25.00	25.00		
IPC			38.00	38.00		38.00	38.00		
VERMEER HEARTLAND	1.24	2.48	36.00	39.72		39.72	39.72		



# Martin County Water District

Accounts Payable Retirement -- Surcharge  
Method B

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KIRK LAWN SERVICE			100.00	100.00		100.00	100.00		
HIGHLAND COMMUNICATIONS, INC.			110.00	110.00		110.00	110.00		
STATE ELECTRIC SUPPLY CO			121.20	121.20		121.20	121.20		
KYTEKS			155.00	155.00		155.00	155.00		
INEZ AUTOMOTIVE SUPPLY			169.95	169.95		169.95	169.95		
GUTHRIE SALES AND SERVICE, INC			389.21	389.21		389.21	389.21		
THE HOME CITY INCE COMPANY			399.00	399.00		399.00	399.00		
WILSON EQUIPMENT COMPANY			413.01	413.01		413.01	413.01		
JH TOMBLIN FENCE CO			422.00	422.00		422.00	422.00		
PAUL DELONG	55.00	55.00	330.00	440.00		440.00	440.00		
CANDY MOORE			450.00	450.00		450.00	450.00		
QUILL CORPORATION			461.73	461.73		461.73	461.73		
UNIVERSAL LICENSING SERVICE			471.38	471.38		471.38	471.38		
ERIC CHAFINS	195.00		390.00	585.00		585.00	585.00		
McCOY'S TREE SERVICE			600.00	600.00		600.00	600.00		
RICHARD KIRK			600.00	600.00		600.00	600.00		
64 SECONDS			705.00	705.00		705.00	705.00		
ALL AMERICAN FIRE EQUIPMENT			725.00	725.00		725.00	725.00		
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W.VA. ELECTRIC SUPPLY COMPANY			908.03	908.03		908.03	908.03		
ACROPRINT TIME RECORDER CO.		955.54		955.54		955.54	955.54		
CDP ENGINEERS, INC.	960.00			960.00		960.00	960.00		
EDGAR'S TIRES			981.00	981.00		981.00	981.00		
ELLIOTT SUPPLY & GLASS	995.00			995.00		995.00	995.00		
WILDCAT AUTOMOTIVE SALES & SERVICE LLC			1,006.06	1,006.06		1,006.06	1,006.06		
ADVANCED AUTO PARTS PROFESSIONAL	142.68	59.32	890.27	1,092.27		1,092.27	1,092.27		
PAUL DAVIS		525.00	600.00	1,125.00		1,125.00	1,125.00		
MARCO MINE SUPPLY INC			1,382.87	1,382.87		1,382.87	1,382.87		
WALKER COMMUNICATIONS, INC.			1,602.00	1,602.00		1,602.00	1,602.00		
KENTUCKY RURAL WATER ASSOCIATION			1,700.00	1,700.00		1,700.00	1,700.00		
KY UNDERGROUND PROTECTION INC	93.00	27.20	1,646.40	1,766.60		1,766.60	1,766.60		
MARTIN COUNTY SANITATION DISTRICT	81.68	81.68	1,641.03	1,804.39		1,804.39	1,804.39		
BRENNTAG MID-SOUTH, INC			2,490.75	2,490.75		2,490.75	2,490.75		
COUNTY CONCRETE		926.00	1,750.00	2,676.00		2,676.00	2,676.00		
UNITED SYSTEMS& SOFTWARE INC			3,020.00	3,020.00		3,020.00	3,020.00		

# Martin County Water District

Accounts Payable Retirement -- Surcharge

Method B

Vendor	31 - 60	61 - 90	Over 90 days	Amount Due	Paid before 9/25/18	Remaining	Initial Lump Sum Payment of Accounts	Monthly Lump Sum Payments	Percentage Ratio of Future Distributions
HOWELLS HVAC			3,166.85	3,166.85		3,166.85	3,166.85		
SERVICE PUMP & SUPPLY INC	2,874.11		1,263.66	4,137.77		4,137.77	4,137.77		
FAST CHANGE		232.26	4,115.69	4,347.95		4,347.95	4,347.95		
TECH 2000, INC.	2,580.00	408.99	4,037.94	7,026.93		7,026.93	7,026.93		
WHAYNE SUPPLY COMPANY			7,649.86	7,649.86		7,649.86	7,649.86		
R & J BUILDING SUPPLY	104.91	104.91	8,905.68	9,115.50		9,115.50	9,115.50		
CONSOLIDATED PIPE & SUPPLY CO INC	125.88		11,733.68	11,859.56		11,859.56	11,859.56		
PRESTONSBURG CITY UTILITIES - Pay monthly lump sums until paid in full	44,291.00	6,754.50		51,045.50		51,045.50	-	51,045.50	
HOWELL'S RECYCLING - Pay monthly lump sums until paid in full	3,300.00	4,300.00	6,525.00	14,125.00		14,125.00	-	14,125.00	
SOLES ELECTRIC OF HUNTINGTON - Pay monthly lump sums until paid in full	2,215.00	14,000.00	6,500.00	22,715.00	\$ 5,000.00	17,715.00	-	17,715.00	
BRIAN CUMBO, ATTORNEY AT LAW	11,133.40	1,166.25	14,437.19	26,736.84		26,736.84	-		4.59%
ALL PUMPS SALES & SERVICE INC.	671.00	6,785.00	24,266.36	31,722.36	\$ 2,000.00	29,722.36	-		5.10%
XYLEM DEWATERING SOLUTIONS INC			42,496.60	42,496.60		42,496.60	-		7.29%
EVANS HARDWARE, INC.	8,227.93		66,479.10	74,707.03		74,707.03	-		12.82%
THE C. I. THORNBURG CO., INC.	9,138.45	1,700.73	75,975.47	86,814.65		86,814.65	-		14.89%
LINDA F. SUMPTER, CPA, PSC	7,000.00	7,000.00	133,000.00	147,000.00		147,000.00	-		25.22%
ZIP ZONE, INC	13,088.15	7,518.01	176,388.64	196,994.80	\$ 21,546.24	175,448.56	-		30.10%
Footed and Crossfooted	136,018.62	65,052.19	624,267.11	825,337.92	79,351.28	745,986.64	80,175.10	82,885.50	

# Martin County Water District

## Accounts Payable Retirement -- Surcharge Method A as Recommended by PSC

HOWELLS HVAC			3,166.85	3,166.85		3,166.85	-	0.38%
SERVICE PUMP & SUPPLY INC	2,874.11		1,263.66	4,137.77		4,137.77	-	0.50%
FAST CHANGE		232.26	4,115.69	4,347.95		4,347.95	-	0.53%
TECH 2000, INC.	2,580.00	408.99	4,037.94	7,026.93		7,026.93	-	0.85%
WHAYNE SUPPLY COMPANY			7,649.86	7,649.86		7,649.86	-	0.93%
R & J BUILDING SUPPLY	104.91	104.91	8,905.68	9,115.50		9,115.50	-	1.10%
CONSOLIDATED PIPE & SUPPLY CO INC	125.88		11,733.68	11,859.56		11,859.56	-	1.44%
HOWELL'S RECYCLING	3,300.00	4,300.00	6,525.00	14,125.00		14,125.00	-	1.71%
SOLES ELECTRIC OF HUNTINGTON	2,215.00	14,000.00	6,500.00	22,715.00	\$ 5,000.00	17,715.00	-	2.15%
BRIAN CUMBO, ATTORNEY AT LAW	11,133.40	1,166.25	14,437.19	26,736.84		26,736.84	-	3.24%
ALL PUMPS SALES & SERVICE INC.	671.00	6,785.00	24,266.36	31,722.36	\$ 2,000.00	29,722.36	-	3.60%
XYLEM DEWATERING SOLUTIONS INC			42,496.60	42,496.60		42,496.60	-	5.15%
PRESTONSBURG CITY UTILITIES	44,291.00	6,754.50		51,045.50		51,045.50	-	6.18%
EVANS HARDWARE, INC.	8,227.93		66,479.10	74,707.03		74,707.03	-	9.05%
THE C. I. THORNBURG CO., INC.	9,138.45	1,700.73	75,975.47	86,814.65		86,814.65	-	10.52%
LINDA F. SUMPTER, CPA, PSC	7,000.00	7,000.00	133,000.00	147,000.00		147,000.00	-	17.81%
ZIP ZONE, INC	13,088.15	7,518.01	176,388.64	196,994.80	\$ 21,546.24	175,448.56	-	21.26%
Footed and Crossfooted	136,018.62	65,052.19	624,267.11	825,337.92	79,351.28	745,986.64	13,204.74	88.79%
							Divisor Prescribed by PSC	825,337.92

# Martin County Water District

## Accounts Payable Retirement -- Surcharge

### Method B1 (Preferred Method)

Vendor	31 - 60	61 - 90	Over 90 days	Amount Due	Paid before 9/25/18	Remaining	Lump Sum Payments	Retire Each of the Following in Succession
AMERICAN ELECTRIC POWER	19.84			19.84	\$ 19.84	-	-	
AMERICAN ELECTRIC POWER	13.18	12.49		25.67	\$ 25.67	-	-	
AMERICAN ELECTRIC POWER	27.50			27.50	\$ 27.50	-	-	
AMERICAN ELECTRIC POWER	24.36	22.39		46.75	\$ 46.75	-	-	
AMERICAN ELECTRIC POWER	25.63	22.39		48.02	\$ 48.02	-	-	
AMERICAN ELECTRIC POWER	25.94	22.10		48.04	\$ 48.04	-	-	
AMERICAN ELECTRIC POWER	27.67	23.41		51.08	\$ 51.08	-	-	
AMERICAN ELECTRIC POWER	28.16	23.72		51.88	\$ 51.88	-	-	
AMERICAN ELECTRIC POWER	28.11	23.89		52.00	\$ 52.00	-	-	
AMERICAN ELECTRIC POWER	28.48	24.32		52.80	\$ 52.80	-	-	
AMERICAN ELECTRIC POWER	50.66	36.37		87.03	\$ 87.03	-	-	
AMERICAN ELECTRIC POWER	84.65	86.22		170.87	\$ 170.87	-	-	
AMERICAN ELECTRIC POWER	137.41	163.70		301.11	\$ 301.11	-	-	
AMERICAN ELECTRIC POWER	210.08	190.09		400.17	\$ 400.17	-	-	
AMERICAN ELECTRIC POWER	189.68	233.53		423.21	\$ 423.21	-	-	
AMERICAN ELECTRIC POWER	242.99	209.58		452.57	\$ 452.57	-	-	
AMERICAN ELECTRIC POWER	298.82	274.82		573.64	\$ 573.64	-	-	
AMERICAN ELECTRIC POWER		615.40		615.40	\$ 615.40	-	-	
AMERICAN ELECTRIC POWER	321.55	315.68		637.23	\$ 637.23	-	-	
AMERICAN ELECTRIC POWER	163.04	627.18		790.22	\$ 790.22	-	-	
AMERICAN ELECTRIC POWER	4,752.63		-2,958.11	1,794.52	\$ 1,794.52	-	-	
AMERICAN ELECTRIC POWER	3,928.83	3,742.37		7,671.20	\$ 7,671.20	-	-	
AMERICAN ELECTRIC POWER- Meathouse	166.42	212.09		378.51	\$ 378.51	-	-	
APPALACHIAN STATES ANALYTICAL, LLC	3,309.50		6,382.50	9,692.00	\$ 9,692.00	-	-	
ARAMARK	406.26	410.04		816.30	\$ 816.30	-	-	
CINTAS		1,024.84	1,020.24	2,045.08	\$ 2,045.08	-	-	
HINKLE BLACKTOP LLC	175.00	175.00	5,014.10	5,364.10	\$ 5,364.10	-	-	
KENTUCKY POWER COMPANY	29.45	26.67		56.12	\$ 56.12	-	-	
KENTUCKY POWER COMPANY	10,820.99			10,820.99	\$ 10,820.99	-	-	
PAINTSVILLE UTILITIES	57.21	61.61		118.82	\$ 118.82	-	-	
THE CHAPMAN PRINTING COMPANY	889.20			889.20	\$ 889.20	-	-	
THE ELITE AGENCY INC.		3,869.42		3,869.42	\$ 3,869.42	-	-	
USA BLUE BOOK	2,261.95		151.80	2,413.75	\$ 2,413.75	-	-	
WARFIELD SHOPRITE INC			12.00	12.00		12.00	12.00	
POCAHONTAS DEVLOPMENT CORP			25.00	25.00		25.00	25.00	
IPC			38.00	38.00		38.00	38.00	
VERMEER HEARTLAND	1.24	2.48	36.00	39.72		39.72	39.72	

# Martin County Water District

Accounts Payable Retirement -- Surcharge

Method C (Preferred Method)

Vendor	31 - 60	61 - 90	Over 90 days	Amount Due	Paid before 9/25/18	Remaining	Lump Sum Payments	Retire Each of the Following in Succession
J.J. KELLER & ASSOCIATES			40.00	40.00		40.00	40.00	
RAILROAD MANAGEMENT COMPANY IV LLC			55.00	55.00		55.00	55.00	
ASHLAND OFFICE SUPPLY			84.00	84.00		84.00	84.00	
KIRK LAWN SERVICE			100.00	100.00		100.00	100.00	
HIGHLAND COMMUNICATIONS, INC.			110.00	110.00		110.00	110.00	
STATE ELECTRIC SUPPLY CO			121.20	121.20		121.20	121.20	
KYTEKS			155.00	155.00		155.00	155.00	
INEZ AUTOMOTIVE SUPPLY			169.95	169.95		169.95	169.95	
GUTHRIE SALES AND SERVICE, INC			389.21	389.21		389.21	389.21	
THE HOME CITY INCE COMPANY			399.00	399.00		399.00	399.00	
WILSON EQUIPMENT COMPANY			413.01	413.01		413.01	413.01	
JH TOMBLIN FENCE CO			422.00	422.00		422.00	422.00	
PAUL DELONG	55.00	55.00	330.00	440.00		440.00	440.00	
CANDY MOORE			450.00	450.00		450.00	450.00	
QUILL CORPORATION			461.73	461.73		461.73	461.73	
UNIVERSAL LICENSING SERVICE			471.38	471.38		471.38	471.38	
ERIC CHAFINS	195.00		390.00	585.00		585.00	585.00	
McCOY'S TREE SERVICE			600.00	600.00		600.00	600.00	
RICHARD KIRK			600.00	600.00		600.00	600.00	
64 SECONDS			705.00	705.00		705.00	705.00	
ALL AMERICAN FIRE EQUIPMENT			725.00	725.00		725.00	725.00	
HOLBROOK IMPLEMENT			793.97	793.97		793.97	793.97	
W.VA. ELECTRIC SUPPLY COMPANY			908.03	908.03		908.03	908.03	
ACROPRINT TIME RECORDER CO.		955.54		955.54		955.54	955.54	
CDP ENGINEERS, INC.	960.00			960.00		960.00	960.00	
EDGAR'S TIRES			981.00	981.00		981.00	981.00	
ELLIOTT SUPPLY & GLASS	995.00			995.00		995.00	995.00	
WILDCAT AUTOMOTIVE SALES & SERVICE LLC			1,006.06	1,006.06		1,006.06	1,006.06	
ADVANCED AUTO PARTS PROFESSIONAL	142.68	59.32	890.27	1,092.27		1,092.27	1,092.27	
PAUL DAVIS		525.00	600.00	1,125.00		1,125.00	1,125.00	
MARCO MINE SUPPLY INC			1,382.87	1,382.87		1,382.87	1,382.87	
WALKER COMMUNICATIONS, INC.			1,602.00	1,602.00		1,602.00	1,602.00	
KENTUCKY RURAL WATER ASSOCIATION			1,700.00	1,700.00		1,700.00	1,700.00	
KY UNDERGROUND PROTECTION INC	93.00	27.20	1,646.40	1,766.60		1,766.60	1,766.60	
MARTIN COUNTY SANITATION DISTRICT	81.68	81.68	1,641.03	1,804.39		1,804.39	1,804.39	
BRENNTAG MID-SOUTH, INC			2,490.75	2,490.75		2,490.75	2,490.75	
COUNTY CONCRETE		926.00	1,750.00	2,676.00		2,676.00	2,676.00	
UNITED SYSTEMS& SOFTWARE INC			3,020.00	3,020.00		3,020.00	3,020.00	

# Martin County Water District

Accounts Payable Retirement -- Surcharge

Method C (Preferred Method)

Vendor	31 - 60	61 - 90	Over 90 days	Amount Due	Paid before 9/25/18	Remaining	Lump Sum Payments	Retire Each of the Following in Succession
HOWELLS HVAC			3,166.85	3,166.85		3,166.85	3,166.85	
SERVICE PUMP & SUPPLY INC	2,874.11		1,263.66	4,137.77		4,137.77	4,137.77	
FAST CHANGE		232.26	4,115.69	4,347.95		4,347.95	4,347.95	
CONSOLIDATED PIPE & SUPPLY CO INC	125.88		11,733.68	11,859.56		11,859.56	11,859.56	
TECH 2000, INC.	2,580.00	408.99	4,037.94	7,026.93		7,026.93	7,026.93	
WHAYNE SUPPLY COMPANY			7,649.86	7,649.86		7,649.86	7,649.86	
R & J BUILDING SUPPLY	104.91	104.91	8,905.68	9,115.50		9,115.50	9,115.50	
PRESTONSBURG CITY UTILITIES	44,291.00	6,754.50		51,045.50		51,045.50	51,045.50	
HOWELL'S RECYCLING	3,300.00	4,300.00	6,525.00	14,125.00		14,125.00	14,125.00	
SOLES ELECTRIC OF HUNTINGTON	2,215.00	14,000.00	6,500.00	22,715.00	\$ 5,000.00	17,715.00	17,715.00	
BRIAN CUMBO, ATTORNEY AT LAW	11,133.40	1,166.25	14,437.19	26,736.84		26,736.84	26,736.84	
ALL PUMPS SALES & SERVICE INC.	671.00	6,785.00	24,266.36	31,722.36	\$ 2,000.00	29,722.36	29,722.36	
XYLEM DEWATERING SOLUTIONS INC			42,496.60	42,496.60		42,496.60	42,496.60	
EVANS HARDWARE, INC.	8,227.93		66,479.10	74,707.03		74,707.03	-	0.15
THE C. I. THORNBURG CO., INC.	9,138.45	1,700.73	75,975.47	86,814.65		86,814.65	-	0.18
LINDA F. SUMPTER, CPA, PSC	7,000.00	7,000.00	133,000.00	147,000.00		147,000.00	-	0.30
ZIP ZONE, INC	13,088.15	7,518.01	176,388.64	196,994.80	\$ 21,546.24	175,448.56	-	0.36
Footed and Crossfooted	136,018.62	65,052.19	624,267.11	825,337.92	79,351.28	745,986.64	262,016.40	1.00
				825,337.92				

# Martin County Water District

## Monthly Cash Requirements

### Cash Receipts

Gross Receipts	\$208,570	
Less: Surcharge, Sales Tax, and School Tax Collected	21,084	
<b>Net Cash Available</b>		<b>\$187,487</b>

### Cash Requirements

#### Minimal Operating Requirements

Salaries and Wages	49,976	
Employee Pensions and Benefits	19,091	
Purchased Water	11,000	
Purchased Power	27,887	
Chemicals	15,747	
Materials and Supplies	29,784	
Contractual Services-Engineering	2,500	
Contractual Services-Accounting	3,500	
Contractual Services-Legal	7,730	
Contractual Services-Water Testing	2,216	
Contractual Services-Other	11,722	
Rental of Real Property	715	
Rental of Equipment	7,249	
Transportation Expenses	5,518	
Insurance-Vehicle	769	
Insurance-General Liability	2,443	
Insurance-Workers Comp	3,113	
Insurance-Other	330	
Regulatory Assessment Fee	339	
Miscellaneous	4,143	
Vendor Collection Agreements	15,300	
<b>Cash Requirements</b>		<b>221,072</b>

### Cash Deficit

**Before Debt Service Requirements**

**(33,586)**

### Debt Service

Interest on Long-term Debt	7,845	
Principal on Long Term Debt	9,704	
<b>Total Other Income</b>		<b>17,549</b>

**Net Cash Deficit**

**(51,135)**

\*\*\*NOTE: No cash flow to fund depreciation reserves for bond requirements or failing infrastructure