

EXHIBIT 1(a)

MINUTES OF MCWD BOARD OF
COMMISSIONER'S MEETINGS

JANUARY, 2018

THROUGH

JUNE, 2018

JANUARY, 2018

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

January 4, 2018

2nd Floor Small Conference Room
Roy F. Collier Community Center

- Chairman John Horn called meeting to order at 8:30 AM.
- Members present: Chairman John Horn, John Hensley, Rex Endicott, Jaryd Crum, Jimmy Kerr, Attorney Brian Cumbo, Greg Heitzman (Blue Water Kentucky), Gary Larimore (Kentucky Rural Water), John Mills, Marcie Dials
- Gregory Heitzman gave a water rate presentation discussing different options and recommendations to increase revenue for the district.
 - Attachment #1- MCWD Recommendations Prepared by Blue Water Kentucky
 - Attachment #2- MCWD Rate Analysis Summary
 - Attachment #3- Water Rate Presentation to the Martin County Water District
- Motion made by Jimmy Kerr to file for a rate increase with the PSC and seconded by John Hensley. Motion carried.
- Motion made by John Horn for the business manager to apply for a loan and seconded by Jimmy Kerr. Motion carried.
- Greg Heitzman asked the public in attendance if there were any questions or comments.

Nina McCoy from Inez, KY commented about water theft and wanting to make sure every customer pays. Mr. Heitzman told her that MCWD is working on catching

those hooked up illegally, and when MCWD starts replacing water lines, they should be able to find those that are hooked up illegally.

- No further comments from the public.
- Motion to adjourn by Rex Endicott and seconded by John Hensley.

John G. Horn, Chairman

John Hensley, Board Member

Rex Endicott, Board Member

Jaryd Crum, Secretary

James D. Kerr, Treasurer

MCWD
Recommendations
Prepared by Blue
Water Kentucky

Attach #1

**MCWD Recommendations
Prepared by BlueWater Kentucky**

**Presented to the
Martin County Water District Board of Commissioners**

January 4, 2018

BACKGROUND

The Martin County Water District (MCWD or District) retained the services of BlueWater Kentucky beginning January 1, 2016. The scope of services includes a review of the District's management and operations; a review of the annual operating budget; a review of the adequacy of rates; and a review of the capital improvement program. This report provides a summary of the Observations and Recommendations for the District's Board to consider.

OBSERVATIONS

BlueWater Kentucky provides the following Observations following six months of reviewing the finance, management, operations and maintenance of the District. Various reports, including District Annual Reports to the Kentucky Public Service Commission (PSC), financial audits, and management audits were reviewed in preparation of these observations. These observations should be reviewed and validated by the MCWD Board and Management, prior to accepting the Recommendations and implementing corrective action.

1. MCWD did not comply with the EPA Stage 2 Disinfection By Products (DBP) Rule for the period July 2013 to July 2017, when the annual quarterly average of Trihalomethane (TTHM) and/or Haloacetic Acids (HAA5) levels exceeding 0.080 mg/l and .060 mg/l, respectfully. Changes to the water treatment process in 2017, including the relocation of the chlorine feed point, has improved water quality and as of the third quarter, MCWD is in compliance with the EPA Stage 2 DBP Rule.
2. MCWD has a very high rate of water loss, averaging 64 percent for 2016. The primary cause of the water loss includes service line leakage, water main breaks and leaks, inaccurate meters and water theft. With the assistance of Kentucky Rural Water Association (KRWA), District resources were able to reduce water loss below 55 percent

system and meeting EPA drinking water regulations. System water pressure varies significantly due to elevation changes. Some areas are supplied through booster pumps and/or pressure regulating valves (PRVs) that over pressurize the system. High water pressures and deficient piping contribute to a main breaks and service line leaks, resulting in high water loss and service disruption. Due to the coverage area and size of the distribution system, water flushing is extensive, leading to high non-revenue water.

9. The District's website (www.mcub.org) has limited capabilities and does not adequately provide customer information, water quality reports and activities of the District. The District does not have resources to effectively communicate to or receive input from customers (i.e. social media, survey, focus groups, etc.).
10. The management and labor resources of the District are currently under-resourced due to the combination of financial stress, failing infrastructure, water quality compliance, and meeting customer service expectations. The current management and labor resources must rely extensively on external resources to manage and operate the District. This includes resources from Kentucky Rural Water, accounting and audit services, engineering services, legal services and vendor support.
11. The District is currently co-managed by an Office Manager and Operations Manager. Through November, 2017, the former Board Chair provided extensive leadership and daily managerial assistance in operating the District, without compensation.
12. Prior management reviews and audits have only been partially implemented due to lack of resources and the expertise needed to manage the managerial, financial, operational, and engineering challenges of the District. Essentially the District management is doing its best to maintain operations on a day-to-day basis, leaving little time and resources available to address long term financial, managerial and technical needs for sustainable operations.

Additional management and operational review is needed to assess the status of the following areas:

- Policy and procedures
- Safety procedures and performance
- Distribution mapping, operational and maintenance technology and software
- Office management practices, technology and business software
- Billing management practices and software
- Employee performance reviews and employee training
- Review and disposal of abandon or unused equipment and assets

additional funds, currently not budgeted, and the timing and scope of work must be adjusted based upon available budget, revenues and grant funds.

Finance/Accounting/Rates:

1. Develop an aggressive plan to reduce the backlog of accounts payable (approximately \$734,000 as of Oct 1, 2017), including a rate increase/surcharge, short term loan, cost efficiencies, and other revenues opportunities. **High Priority, 3-12 months.**
2. Conduct a Cost-of-Service rate study, following AWWA Standards and Kentucky PSC regulations, using 2016 as a base year. Proforma adjustments should be made for various changes in income and expenses during 2017 and for items forecast for 2018. Upon completion, file a updated rate case to Kentucky PSC. The rate study should include fully funding depreciation and required debt reserves. **High Priority, 3-12 months.**

Consider these elements in the rate analysis, in order of priority:

- a. Emergency rate relief in the form of an interim rate increase and/or surcharge.
 - b. A five year surcharge to cover the current backlog of accounts payable of approximately \$734,000 owed to creditors. A dedicated reserve account for the accounts payable backlog should be established, and once accounts payable is current (less than 30 days) the surcharge should be removed.
 - c. A base rate increase to cover anticipated annual expenses, using 2016 as a base year and adjusting for revenue and expenses based on 2017/18 activities.
 - d. A 5 to 10 year surcharge to cover the needed capital investment to reduce water loss from 60 percent to 15 percent (if grant funding and depreciation funding is not adequate to fund capital improvements).
 - e. A formal request to the Kentucky PSC to allow a phased reduction of water loss from 60 percent to 15 percent over a five year period.
 - f. A review of current fee schedule for late payment, turn on/off, insufficient funds, electronic payment, etc. with revisions to cover the cost of service for these transactions.
3. Upon completion of the water rate increases, evaluate the sewer revenue and expenses and make appropriate adjustments in sewer rates to cover annual expenses. **High Priority, 3-12 months.**
 4. Pursue grants and low interest loans for critical capital projects from state and federal agencies, including: Kentucky Infrastructure Authority, Rural Development, Community Development Block Grants, Appalachian Regional Commission (ARC), Abandon Mine Land (AML). **High Priority, 3-12 months.**

7. Evaluate current business hardware and software (billing, accounting, customer information, word processing, spreadsheet, etc) and upgrade as needed to improve efficiency and customer satisfaction. **Medium Priority, 1-3 years.**
8. Evaluate communication equipment, including land phone, mobile phone and radio equipment, for replacement as needed. **Medium Priority, 1-3 years.**
9. Evaluate unused assets and sell or lease to generate additional income. **Medium Priority, 1-3 years.**

Water Treatment and Delivery:

1. Evaluate water treatment alternatives to reduce disinfection by-products (TTHM and HAAS) below EPA MCL levels, including changing the chlorine feed point and evaluating alternative disinfectants (i.e. chlorine dioxide). **High Priority, 3-12 months.**
2. Evaluate the water source, treatment and pumping systems to identify process changes to achieve regulatory compliance on a consistent basis, assure reliable supply, improve aesthetic water quality (taste and odor) and improve operating efficiency and safety. **High Priority, 3-12 months.**
3. Repair and/or replace existing SCADA system to allow reporting of real time data to plant and distribution operators. **Medium Priority, 1-3 years.**
4. Implement pressure management technology to reduce pressure surges and associated pipe line and service line breaks/leaks. **Medium Priority, 1-3 years.**
5. As water loss declines, begin implementation of a planned distribution flushing program to maintain distribution water quality. Purchase flushing and metering equipment as budget allows, to properly account for water distribution flushing. **Medium Priority, 1-3 years.**
6. Develop and budget an annual preventative maintenance program for plant, pump and storage facilities. **Low Priority, 3-5 years.**
7. Develop a system wide hydraulic model to evaluate the pressure zones and flow in the system. **Low Priority, 3-5 years.**
8. Continue to utilize the technical resources available from the Kentucky Rural Water Association and the Kentucky Division of Water to assist with plant operations and distribution water quality. **Ongoing.**

Human Resources:

1. Evaluate staffing needs for operations and capital improvements. **Medium Priority, 1-3 years.**

Consider the following:

- a. Hire or Appoint a District General Manager that reports to the Board
 - b. Hire a Project Manager or Project Engineer to manage capital improvements.
 - c. Hire or assign an in-house book keeper to manage accounts receivable/payable
 - d. Continue with external accounting to assure separation of duties and financial reporting to the Board.
 - e. Evaluate the current distribution and plant work backlog and add staff or contract work to reduce backlog of work to less than 90 days.
 - f. Evaluate the current staff and develop a succession plan for critical positions (I.e. Plant Manager, Office Administration).
2. Consider part time or seasonal employees to assist with operations, maintenance and capital work. **Medium Priority, 1-3 years.**
 3. Conduct informal semi-annual reviews and formal (written) annual performance reviews of all employees using a consistent standard methodology, including both competencies and measurable performance elements. **Medium Priority, 1-3 years.**
 4. Evaluate opportunities to share resources with other regional water providers, in areas of planning, preventative maintenance, emergency work, water loss, information systems, billing, engineering, construction management. **Low Priority, 3-5 years.**

Planning/Policy:

1. Review all Board policies and update as needed for the following areas: Procurement, Human Resources; Accounting/Finance; Metering/Billing. **Medium Priority, 1-3 years.**
2. Develop a GIS mapping system of distribution assets, including water mains, valves, hydrants, pressure regulating valves, storage tanks, pump stations and other major appurtenances. Begin building an asset management system of distribution assets, including install date, size, type, manufacturer. **Low Priority, 3-5 years.**
3. Develop a 5 year utility business plan to address current deficiencies in areas of water treatment, capital improvement, finance, customer satisfaction, administration and human resources. Establish performance metrics and 5 year goals for each area. Report progress annually to the Board. **Low Priority, 3-5 years.**

MCWD Rate Analysis Summary

Attach #2

MARTIN COUNTY WATER DISTRICT

RATE ANALYSIS SUMMARY

January 4, 2017

DRAFT PENDING ACTIONS BY MCWD BOARD

I. Rate Alternatives

The rate analysis considered three alternatives to generate sufficient revenue to operate the the Martin County Water District (District). These alternatives include:

Alternative 1 - a 49 percent rate increase to recover operating costs using a test year of 2016 revenue and expenses with adjustments for an increase in revenue (\$180,000) from a water tank lease agreement with Prestonsburg City Utilities Commission; a 4.76 percent reduction in revenue (\$91,056) due to the economic decline in coal mining and related businesses during the first 9 months of 2017; a reduction in operating expenses (\$112,032) for power and chemicals corresponding to a 39 percent water loss assumption; and an increase in annual debt service expenses (\$163,187) for a five year \$733,903 operational deficit loan planned in 2018.

Alternative 2 - a 40.5 percent rate increase that includes the same revenue and expense adjustments as Alternative 1 but recovers the accounts payable loan of \$733,903 through a customer surcharge. Two surcharge options are considered:

- Alternative 2A - a \$3.87 monthly surcharge for each customer will finance a \$733,903 loan amortized over five years at 4.25 percent.
- Alternative 2B - a \$0.85 per 1,000 gallon surcharge will finance a \$733,903 loan amortized over five years at 4.25 percent.

Alternative 3 – a capital surcharge to fund a five year capital improvement program. This surcharge is not recommended at this time, since the District has been successful in obtaining a \$1.2 million grant for service line replacement from the Appalachian Regional Commission (ARC) and has applied for an additional \$4.8 million in grant funds from the Abandon Mine Land (AML) program for capital improvements in raw water supply, transmission/pumping, controls systems, main replacement and service line replacement. A future application for a capital surcharge may be required to fund capital improvements if the full AML grant of \$4.8 million is not obtained.

II. Water Loss Strategy

Water Loss History - Martin County Water District (District) is keenly aware of its serious problem regarding unaccounted-for water loss. Over the past five years, annual water loss has ranged from 56 to 64 percent.

2012 – 56 percent

2013 – 61 percent

2014 – 57 percent

2015 – 62 percent

2016 (test year) – 64 percent

For the test year of 2016 the District's water loss was over 64 percent. This high loss placed a huge burden on the District both operationally and financially. During the last half of 2016 the District placed a much greater emphasis on reducing water loss and with the help of Kentucky Rural Water Association (KRWA) personnel began to make steady progress in reducing water loss. Water loss is running approximately 56 percent through September, 2017.

Service Line and Meter Replacement Program – The District manages approximately 275 miles of water main and 3,500 service lines. The majority of water service lines were installed in the 1970's and 1980's using non-standard plastic tubing installed from the water main to meter pit. In addition, the hilly and rocky terrain has contributed to an extraordinarily high leakage rate and this is believed to be the majority of the water loss in the distribution system. In addition to the work being done by the District and KRWA, the District has been awarded a \$1.2 million ARC grant to replace approximately 1,000 leaking service lines and defective meters, approximately 29 percent of the total service line inventory. These improvements will be completed over the next 18 to 24 months. Over the next five years, the District plans to replace all remaining service lines and meters (approximately 2,500) with funding from grants, low interest loans and the depreciation account (once fully funded). The replacement meters will include AMR (Automated Meter Reading) technology that will improve metered water accuracy. A total service/meter system replacement program will also identify water theft from direct water main connections (without meters) and by-pass piping in the meter pit. Total system wide replacement costs are estimated at \$4.2 million. This comprehensive service line and meter replacement strategy will result in significant reduction in water loss, with a goal to achieve 15 percent water loss over the next five years (2023).

Water Loss Allowance in Rate Base - Typically, the Kentucky Public Service Commission (PSC) allows only the expenses associated with 15 percent water loss to be included in the rate base. If the

current rate application includes only the expenses associated with a 15 percent water loss, the District would not have adequate revenue to cover operating expenses and the District would continue to suffer financially (approximately \$224,000 in annual expense not recovered through the rates). Without sufficient operating funds the District's efforts to reduce water loss will be limited and the goal to achieve a 15 percent water loss will extend well beyond five years. Therefore, this rate application includes operating expenses (power and chemicals) for 39 percent water loss. A 39 percent water loss target is approximately half of the way between the test year (2016) loss of 64 percent and the normally allowed 15 percent. The 39 percent water loss target can reasonably be achieved over the next two years with the replacement of 1,000 service lines and meters and continued repair of water main and service line leaks. After two years, the District will continue the capital program to replace failing service lines and defective meters and work to achieve the 15 percent water loss target within 5 years (2023).

The governing regulation for allowable expenses related to unaccounted-for water loss in rate making is 807 KAR 5:066, Section 6(3):

Unaccounted-for water loss. Except for purchased water rate adjustments for water districts and water associations, and rate adjustments pursuant to KRS 278.023(4), for rate making purposes a utility's unaccounted-for water loss shall not exceed fifteen (15) percent of total water produced and purchased, excluding water used by a utility in its own operations. Upon application by a utility in a rate case filing or by separate filing, or upon motion by the commission, an alternative level of reasonable unaccounted-for water loss may be established by the commission. A utility proposing an alternative level shall have the burden of demonstrating that the alternative level is more reasonable than the level prescribed in this section.

Because of Martin County Water District's extraordinary situation, the District is requesting the PSC allow an "alternative level of reasonable unaccounted-for water loss". An alternate level of 39 percent is proposed by the District and in this case is much more reasonable than the 15 percent water loss prescribed in the regulation.

III. Operational Deficit Retirement

The District's last rate increase went into effect in 2011. That rate increase provided sufficient revenue for the District's operating expenses through 2013. However, after 2013, as expenses continued to increase, the District's revenue was not adequate to make full payments to its creditors and its past due accounts payable began to accumulate. As of September 30, 2017, the District's accounts payable balance totals \$733,904 with 83 percent of that amount over 90 days past due.

At this time several former vendors will no longer do business with the District. Many others require cash payment upon delivery and some are considering legal action. The inability to pay vendors on a timely basis increases the cost of supplies (interest and late fees) and eliminates the ability to competitively procure goods and services. Currently, accounts payable are prioritized for payment and without additional revenue the District will not be able to meet regulatory and fiscal requirements. This is a very difficult situation for managing the water system and a financial catastrophe is eminent without additional revenue from increased rates.

In order to address the operating deficit, the District proposes a five year loan in 2018 to provide immediate relief of payment to suppliers. Bringing all accounts payable claims current within 30 days will allow the District to reduce costs of materials and supplies by eliminating late fees, securing purchase discounts, and obtaining competition among suppliers. The District is considering two options to fund a short term loan:

- Option 1 is to fund a five year loan with a fixed monthly surcharge per customer of \$3.87 or a variable \$0.85 surcharge per 1,000 gallons of consumption. Either surcharge will provide adequate revenue to retire the five year loan, at a rate of 4.25 percent. A five year loan at 4.25 percent rate will add \$163,187 to annual debt service.
- Option 2 is to fund a two to five year loan with the net revenue from the Tank Lease Agreement with Prestonsburg City Utilities Commission. The District will receive \$15,000 per month (\$180,000 annually) for the lease of the Airport storage tank and related facilities. The net revenue from this lease is estimated to be \$163,400 after making adjustments to water revenue and expenses impacted by the lease agreement. A short term loan (2-5 years) would allow for all or a portion of accounts payable deficit to be addressed.

In evaluating options for eliminating the backlog of accounts payable the District will consider the following:

- the amount of accounts payable backlog over 30 days
- the ability to secure a loan
- the amount of the loan
- the interest rate and term (5 to 10 years)
- the time to secure approval of a loan and/or surcharge from the Kentucky PSC

The District must apply and receive permission from the Kentucky PSC to obtain a loan exceeding two years and implement a monthly surcharge to retire the debt of the loan. In the event a loan is not secured, the District will continue to prioritize payments of past due bills based on availability of funds, debt service, payroll and operational expenses.

SCHEDULE OF ADJUSTED OPERATIONS - ALTERNATIVE 1
Martin County Water District

	<u>Test Year</u>	<u>Adjustments</u>	<u>Ref.</u>	<u>Proforma</u>
<u>Operating Revenues</u>				
Sales of Water				
Unmetered Water Sales	\$ 304			\$ 304
Metered Water Sales	1,878,795	\$ 34,146	a.	
		(91,056)	b.	1,821,885
Sales for Resale	62,792	(62,792)	c.	-
Other Water Revenues:				
Forfeited Discounts		72,155	d.	72,155
Misc. Service Revenues	28,253			28,253
Other Revenues	77,813	(72,155)	d.	
		180,000	e.	185,658
Total Operating Revenues	\$ 2,047,957	60,298		\$ 2,108,255
<u>Operating Expenses</u>				
Operation and Maintenance				
Salaries and Wages - Employees	\$ 555,390	(6,360)	f.	\$ 549,030
Salaries and Wages - Officers	0			-
Employee Pensions and Benefits	296,755			296,755
Purchased Water	24,603	(24,603)	g.	-
Purchased Power	373,353	(21,640)	h.	
		(84,421)	i.	267,292
Chemicals	115,033	(27,611)	i.	87,422
Materials and Supplies	156,069	(17,640)	f.	138,429
Contractual Services - Acct. & Legal	44,844			44,844
Contractual Services - Water Testing	14,709			14,709
Contractual Services - Other	154,668			154,668
Rental of Bldg./Real Property	7,898			7,898
Rental of Equipment	51,314			51,314
Transportation Expenses	75,334			75,334
Insurance - Vehicle & Liability	33,121			33,121
Insurance - Worker's Compensation	28,737			28,737
Insurance - Other	7,257			7,257
Advertising	0			-
Other	3,000			3,000
Bad Debt Expense	67,543			67,543
Miscellaneous Expenses	40,341			40,341
Total Operation and Mnt. Expenses	2,049,969	(182,275)		1,867,694
Depreciation Expense	771,703	(87,953)	j.	683,750
Amortization Expense	0			-
Taxes Other Than Income	46,496			46,496
Total Operating Expenses	\$ 2,868,168	\$ (270,228)		\$ 2,597,940
Net Utility Operating Income	\$ (820,211)	\$ 330,526		\$ (489,685)

REVENUE REQUIREMENTS

Pro Forma Operating Expenses				\$ 2,597,940
Plus: Avg. Annual Principal and Interest Payments			k.	209,998
Additional Working Capital			k.	38,822
Debt Service for Operational Deficit Retirement				163,187
Total Revenue Requirement				3,009,947
Less: Other Operating Revenue				(286,066)
Nonutility Income	22,789	(22,789)	l.	-
Interest Income				(293)
Revenue Required From Retail Rates				2,723,588
Less: Revenue from Sales at Present Rates				(1,822,189)
Required Revenue Increase				\$ 901,399
Percent Increase				49.47%

Proposed Rates - Alternative 1

Minimum Bills Based on Meter Size

<u>Meter Size</u>	<u>Gals. incl'd. in Minimum</u>	<u>Minimum Monthly Bill</u>
5/8 x 3/4 inch	2,000	\$ 39.62
1 inch	5,000	69.67
1-1/2 inch	10,000	119.75
2 inch	20,000	219.91
3 inch	30,000	320.08
4 inch	50,000	520.41

Rates for Water Usage in Addition to Minimum

<u>Gallons per Month</u>	<u>Charge per 1,000 gals.</u>
All usage above minimum	\$ 10.02

Bill Comparison:

	<u>Average Bill*</u>	<u>\$\$\$ Increase</u>	<u>Percent Increase</u>
Existing	\$ 39.90		
Proposed	\$ 59.65	\$ 19.75	49.5%

* Water bill for 4,000 gallons

SCHEDULE OF ADJUSTED OPERATIONS - ALTERNATIVE 2
Martin County Water District

	<u>Test Year</u>	<u>Adjustments</u>	<u>Ref.</u>	<u>Proforma</u>
<u>Operating Revenues</u>				
Sales of Water				
Unmetered Water Sales	\$ 304			\$ 304
Metered Water Sales	1,878,795	\$ 34,146	a.	
		(91,056)	b.	1,821,885
Sales for Resale	62,792	(62,792)	c.	-
Other Water Revenues:				
Forfeited Discounts		72,155	d.	72,155
Misc. Service Revenues	28,253			28,253
Other Revenues	77,813	(72,155)	d.	
		180,000	e.	185,658
Total Operating Revenues	\$ 2,047,957	60,298		\$ 2,108,255
<u>Operating Expenses</u>				
Operation and Maintenance				
Salaries and Wages - Employees	\$ 555,390	(6,360)	f.	\$ 549,030
Salaries and Wages - Officers	0			-
Employee Pensions and Benefits	296,755			296,755
Purchased Water	24,603	(24,603)	g.	-
Purchased Power	373,353	(21,640)	h.	
		(84,421)	i.	267,292
Chemicals	115,033	(27,611)	i.	87,422
Materials and Supplies	156,069	(17,640)	f.	138,429
Contractual Services - Acct. & Legal	44,844			44,844
Contractual Services - Water Testing	14,709			14,709
Contractual Services - Other	154,668			154,668
Rental of Bldg./Real Property	7,898			7,898
Rental of Equipment	51,314			51,314
Transportation Expenses	75,334			75,334
Insurance - Vehicle & Liability	33,121			33,121
Insurance - Worker's Compensation	28,737			28,737
Insurance - Other	7,257			7,257
Advertising	0			-
Other	3,000			3,000
Bad Debt Expense	67,543			67,543
Miscellaneous Expenses	40,341			40,341
Total Operation and Mnt. Expenses	2,049,969	(182,275)		1,867,694
Depreciation Expense	771,703	(87,953)	j.	683,750
Amortization Expense	0			-
Taxes Other Than Income	46,496			46,496
Total Operating Expenses	\$ 2,868,168	\$ (270,228)		\$ 2,597,940
Net Utility Operating Income	\$ (820,211)	\$ 330,526		\$ (489,685)

REVENUE REQUIREMENTS

Pro Forma Operating Expenses				\$ 2,597,940
Plus: Avg. Annual Principal and Interest Payments			k.	209,998
Additional Working Capital			k.	38,822
Total Revenue Requirement				2,846,760
Less: Other Operating Revenue				(286,066)
Nonutility Income	22,789	(22,789)	l.	-
Interest Income				(293)
Revenue Required From Retail Rates				2,560,401
Less: Revenue from Sales at Present Rates				(1,822,189)
Required Revenue Increase				\$ 738,212
Percent Increase				40.51%

**CALCULATION OF SURCHARGE FOR
OPERATIONAL DEFICIT RETIREMENT**

Part of Alternative 2A

Based on PSC approval of a 5 year loan at a 4.25% annual interest rat

Total accounts payable as of 9/30/17	\$ 733,903
Monthly payments on 5 year loan	13,599
No. of existing customers	3,517
Monthly Surcharge per Customer	\$ 3.87

Part of Alternative 2B

Based on PSC approval of a 5 year loan at a 4.25% annual interest rat

Total accounts payable as of 9/30/17	\$ 733,903
Monthly payments on 5 year loan	13,599
Retail Gallons sold in 2016 (x 1000)	191,752
Monthly Surcharge per Thousand Gallons	\$ 0.85

Proposed Rates - Alternative 2A

Minimum Bills Based on Meter Size

<u>Meter Size</u>	<u>Gals. incl'd. in Minimum</u>	<u>Minimum Monthly Bill</u>
5/8 x 3/4 inch	2,000	\$ 37.24
1 inch	5,000	65.47
1-1/2 inch	10,000	112.52
2 inch	20,000	206.62
3 inch	30,000	300.72
4 inch	50,000	488.92

Rates for Water Usage in Addition to Minimum

<u>Gallons per Month</u>	<u>Charge per 1,000 gals.</u>
All usage above minimum	\$ 9.41

Surcharge for Operational Deficit Retirement

Monthly Lump Sum Surcharge per Customer	\$ 3.87
---	---------

Bill Comparison:

	<u>Average Bill*</u>	<u>\$\$\$ Increase</u>	<u>Percent Increase</u>
Existing	\$ 39.90		
Proposed	\$ 56.06	\$ 16.16	40.5%
Prop. w/ Surcharge	\$ 59.93	\$ 20.03	50.2%

* Water bill for 4,000 gallons

Proposed Rates - Alternative 2B

Minimum Bills Based on Meter Size

<u>Meter Size</u>	<u>Gals. incl'd. in Minimum</u>	<u>Minimum Monthly Bill</u>
5/8 x 3/4 inch	2,000	\$ 37.24
1 inch	5,000	65.47
1-1/2 inch	10,000	112.52
2 inch	20,000	206.62
3 inch	30,000	300.72
4 inch	50,000	488.92

Rates for Water Usage in Addition to Minimum

<u>Gallons per Month</u>	<u>Charge per 1,000 gals.</u>
All usage above minimum	\$ 9.41

Surcharge for Operational Deficit Retirement

Surcharge per 1,000 gallons of usage	\$ 0.85
--------------------------------------	---------

Bill Comparison:

	<u>Average Bill*</u>	<u>\$\$\$ Increase</u>	<u>Percent Increase</u>
Existing	\$ 39.90		
Proposed	\$ 56.06	\$ 16.16	40.5%
Prop. w/ Surcharge	\$ 59.46	\$ 19.56	49.0%

* Water bill for 4,000 gallons

References

- a. The Existing Billing Analysis indicates the total amount of retail water sales billed during the test period after billing adjustments is \$1,912,941. The difference between this amount and the sales revenue reported is the sum of the accountant's adjustments (\$34,146) required to show revenue accrued between January 1 and December 31, 2016.
- b. The District has experienced a 4.76% reduction in sales revenue over the first 9 months of 2017. This is primarily due to the decline in coal mining, related suppliers and other businesses. Because it is not expected that this revenue will return, an adjustment of 4.76% is applied to total adjusted 2016 retail sales.
- c. The 2016 Sales for Resale amount was for water purchased by Prestonsburg in the Davella/Industrial Park area. Under a new agreement Prestonsburg will no longer be purchasing water on a routine basis, so this revenue will be eliminated.
- d. A large portion of the amount reported for Other Water Revenues is actually late fees and will therefore be included here as Forfeited Discounts.
- e. The new agreement with Prestonsburg includes lease payments for the District's Honey Branch Tank in the amount of \$15,000 per month. The annual total is included as Other Revenues.
- f. During the test year District employees installed 24 new meter connections and these costs were charged to operating expenses. Based on the District's tariff filing the estimated cost of these additions is \$24,000 with \$6,360 in Labor expense and \$17,640 in Materials cost. These amounts are deducted from corresponding expense categories and the total is added in the Depreciation Expense Adjustment schedule.
- g. In 2016 the District purchased water from Prestonsburg to supplement its supply to the Davella/Industrial Park area. Under the new agreement it will not normally be necessary to purchase water from another utility.
- h. Under the new agreement Prestonsburg will provide the District up to 625,000 gallons of water per month at no charge. It is expected that this volume will be sufficient to supply all of the District's customers in the Davella/Industrial Park area under normal circumstances. Therefore, the District's Davella Pumping Station will be operated only when needed to supplement Prestonsburg's supply to the area and to exercise the pumps. It is estimated that the power cost at the pump station will be reduced by 85 percent. The District will also no longer pay for power costs at the Honey Branch Tank. These two changes will reduce total power cost by \$21,640.
- i. The District's test year water loss was 63.02%. The PSC's maximum allowable loss for rate-making purposes is normally 15%, however the regulations provide that upon application by a utility in a rate case, an alternative level of reasonable water loss may be established by the PSC. As documented in the Supplemental Information, the District proposes a reasonable water loss percentage of 39% for this rate. The costs for power and chemicals related to water treatment and transport above this limit must be deducted. The adjustment for power is calculated after the reduction in total power cost is taken for the change in operations described in Item h, above.

$$\text{Required adjustment for power} = (\$373,353 - 21,640) \times 24\% = \$84,421$$

$$\text{Required adjustment for chemicals} = \$115,033 \times 24\% = \$27,611$$

- j. It is the PSC's practice to require an adjustment to a utility's depreciation expense when asset lives fall outside the ranges recommended by NARUC in its publication titled "Depreciation Practices for Small Water Utilities". Therefore, adjustments are included to bring asset lives near the midpoint of NARUC recommended ranges. In a few cases adjustments may deviate from this to recognize the specific work performed instead of a broad category. See Table A. All asset life adjustments are based on actual experience with the assets.
- k. The annual debt service payments for the District's loans are shown in Table B. The five year average of these payments is included in the required revenue calculation. Table B also includes coverage on debt service which is required by loan agreements.
- l. During the test year the District realized a Gain on Disposition of Utility Property. Because such a gain will not occur routinely in the future, it is deducted.

Table A
DEPRECIATION EXPENSE ADJUSTMENTS

<u>Sys ID/ Asset Code</u>	<u>Description</u>	<u>Date In Service</u>	<u>Original Cost</u>	<u>Life</u>	<u>Current Depreciation</u>	<u>Proposed for Rates Life</u>	<u>Depreciation</u>	<u>Difference</u>
Land & Land Rights								
All	Property and R/W's	Various	214,713.83	99.00	-	99.00	-	-
Structures								
191 132	New Office	01/01/93	15,731.00	25.00	629.24	37.50	419.49	(209.75)
All Other			493,496.89	50.00	9,553.76	37.50	13,159.92	3,606.16
Collecting & Impounding								
15 21	Landfill dam	01/01/70	210,488.00	99.00	-	62.50	3,367.81	3,367.81
16 22	Concrete spillway	01/01/70	72,180.00	50.00	1,443.60	50.00	1,443.60	-
370 03-002	Reservoir Dam Improvements	08/01/03	5,534.65	50.00	110.69	37.50	147.59	36.90
Lakes, Rivers & Intakes								
17 23	River project	01/01/88	752,546.00	50.00	15,050.92	40.00	18,813.65	3,762.73
18 24	River pump modifications	01/01/91	9,822.00	50.00	196.44	35.00	280.63	84.19
19 25	River pump modifications	01/01/92	3,950.00	50.00	79.00	35.00	112.86	33.86
20 26	Myers submersible pump	06/30/96	8,246.00	50.00	164.92	35.00	235.60	70.68
388 04-003	Turkey Pumping Station	08/18/04	10,297.97	50.00	205.96	37.50	274.61	68.65
430 05-003	Tug Fork Intake	04/13/05	3,075.86	50.00	61.52	40.00	76.90	15.38
431 05-004	Tug Fork Intake	10/07/05	17,256.50	50.00	345.13	40.00	431.41	86.28
432 05-005	Tug Fork Intake	12/21/05	32,319.30	50.00	646.39	40.00	807.98	161.60
482 06-002	Raw Water Intake	02/23/06	17,565.28	50.00	351.71	40.00	439.63	87.93
483 06-003	Raw Water Intake	03/15/06	888.00	50.00	17.76	40.00	22.20	4.44
524 07-002	PR Valves	01/01/07	9,095.76	50.00	181.92	35.00	259.88	77.96
525 07-003	Raw Water Intake	01/31/07	4,228.00	50.00	84.56	40.00	105.70	21.14
526 07-004	RW Intake Pump Service	04/17/07	6,731.05	50.00	134.62	20.00	336.55	201.93
527 07-005	Raw Water Intake	06/08/07	5,604.50	50.00	112.09	40.00	140.11	28.02
608 11-001	System Air Compressor	01/26/11	4,557.14	50.00	91.14	20.00	227.86	136.71
622 12-001	RW Intake Pumps & Rehab	10/01/12	135,199.34	50.00	2,703.99	20.00	6,759.97	4,055.98
644 644	Pump and Deep Well Rehab	08/01/14	1,132,350.00	50.00	22,647.00	40.00	28,308.75	5,661.75
657 657	Plt ladder	12/15/16	19,967.63	50.00	33.00	37.50	532.47	499.47
Power Generation Equipment								
645 645	Generator	07/10/17	15,000.00	5.00	3,000.00	15.00	1,000.00	(2,000.00)
Pumping Equipment								
609 11-002	M110-1200-4 Deep Well Pump	08/19/11	44,479.00	5.00	5,930.00	20.00	2,223.95	(3,706.05)
610 11-003	Pump	12/11/11	1,648.50	5.00	301.00	20.00	82.43	(218.58)
633 13-002	Pumping Equip - Replace pump	06/17/13	1,428.00	5.00	286.00	20.00	71.40	(214.60)
638 13-007	Pump	08/14/13	2,030.16	5.00	406.00	20.00	101.51	(304.49)
643	Stenner Pump	06/23/14	580.99	5.00	116.00	20.00	29.05	(86.95)
648 648	Aquaboost Pump	12/18/15	1,299.99	5.00	260.00	20.00	65.00	(195.00)
658 658	Davella Pump - Soles Electric	3/10/2016	5,687.30	5.00	948.00	20.00	284.37	(663.64)
659 659	Pump - Soles Electric	03/23/16	19,315.63	5.00	2,897.00	20.00	965.78	(1,931.22)
660 660	Vertical Pump - CI Thornburg	05/02/16	1,658.50	5.00	221.00	20.00	82.93	(138.08)
661 661	5HP Pump -- Albert Crush	07/16/16	2,209.88	5.00	184.00	20.00	110.49	(73.51)
662 662	Pump - Soles Electric	09/09/16	19,800.00	5.00	1,320.00	20.00	990.00	(330.00)
Water Treatment Equipment								
24 44	Treatment plant equipment	01/01/88	1,055,302.00	50.00	21,106.00	27.50	38,374.62	17,268.62
25 45	Chlorinator	01/01/95	5,871.00	50.00	117.00	27.50	213.49	96.49
354 02-008	Backwash Equipment	12/01/02	5,773.61	33.00	175.00	27.50	209.95	34.95
355 02-009	Sludge Basin/Chem Feeders	12/01/02	34,641.66	50.00	693.00	27.50	1,259.70	566.70
375 03-007	AWS Plant Equipment Overhaul	06/02/03	5,640.54	50.00	113.00	27.50	205.11	92.11
391 04-006	Water Chamber Model M1t-1	10/13/04	1,997.00	50.00	40.00	27.50	72.62	32.62
436 05-009	Bearing for Clarifier	06/06/05	17,764.00	50.00	355.00	27.50	645.96	290.96
486 06-006	Engineering	05/09/06	30,125.00	50.00	602.00	27.50	1,095.45	493.45

Table A, page 2 of 3

<u>Sys ID/ Asset Code</u>	<u>Description</u>	<u>Date In Service</u>	<u>Original Cost</u>	<u>Current</u>		<u>Proposed for Rates</u>		<u>Difference</u>
				<u>Life</u>	<u>Depreciation</u>	<u>Life</u>	<u>Depreciation</u>	
487 06-007	Grant Administration	05/09/06	5,000.00	50.00	100.00	27.50	181.82	81.82
531 07-009	Auto Switch Chlorinator	06/19/07	12,328.00	50.00	247.00	27.50	448.29	201.29
557 08-003	Clarifier Improvements	01/02/08	40,878.00	50.00	818.00	27.50	1,486.47	668.47
601 10-002	Water Treatment Clarifier	10/22/10	3,388,415.79	50.00	67,728.00	37.50	90,304.42	22,576.42
611 11-004	Water Treatment Equipment	09/12/11	259.98	50.00	5.00	27.50	9.45	4.45
612 11-005	Fuser	10/27/11	4,042.50	50.00	81.00	27.50	147.00	66.00
613 11-006	Submersible Pump	10/27/11	1,709.80	50.00	34.00	20.00	85.49	51.49
634 13-003	Dechlorinator	05/02/13	1,930.29	50.00	39.00	27.50	70.19	31.19
646 646	Clarifier Rehab	09/29/15	64,449.00	50.00	1,289.00	27.50	2,343.60	1,054.60
663 663	Rehab Filter 6	05/11/16	52,449.00	50.00	699.00	27.50	1,907.24	1,208.24
<u>Distribution Reservoir & Standpipes</u>								
All	Tanks and Standpipes	Various	4,071,501.55	50.00	81,505.00	45.00	90,477.81	8,972.81
<u>Transmission & Distribution Mains</u>								
Various	Mains, etc. depreciated over 33 yrs.	Various	12,466,039.66	33.00	373,818.00	62.50	199,456.63	(174,361.37)
Various	Mains, etc. depreciated over 50 yrs.	Various	3,450,631.92	50.00	69,012.64	62.50	55,210.11	(13,802.53)
60 80	Hydrants	01/01/90	23,810.00	33.30	715.00	50.00	476.20	(238.80)
84 84	Hydrants	01/01/93	34,990.00	33.30	1,051.00	50.00	699.80	(351.20)
29 49	Glass lined tanks	06/30/97	162,716.81	50.00	3,254.00	45.00	3,615.93	361.93
79 216	Raw water intake & pump station	06/30/01	1,665,131.00	50.00	33,303.00	40.00	41,628.28	8,325.28
353 02-007	2 Chart Recorders	11/15/02	3,343.50	33.00	101.00	17.50	191.06	90.06
394 04-009	Telemetry	05/28/04	318,951.75	33.00	9,665.00	10.00	31,895.18	22,230.18
397 04-012	Pressure Recorder	09/14/04	1,847.75	33.00	56.00	17.50	105.59	49.59
447 05-020	PRV	06/30/05	2,158.00	33.00	65.00	62.50	34.53	(30.47)
448 05-021	Telemetry	07/18/05	69,587.78	33.00	2,109.00	10.00	6,958.78	4,849.78
507 06-027	Meters	01/01/06	2,016.00	33.00	61.00	40.00	50.40	(10.60)
495 06-015	Telemetry	03/29/06	48,881.97	33.00	1,481.00	10.00	4,888.20	3,407.20
532 07-010	Repair Booster Pump	01/01/07	2,765.00	33.00	84.00	20.00	138.25	54.25
<u>Meters and Meter Installations</u>								
All	Meters	Various	462,216.32	33.00	13,999.00	35.00	13,206.18	(792.82)
<u>Hydrants</u>								
345 85b	Hydrants	01/01/93	2,969.00	33.30	89.00	50.00	59.38	(29.62)
<u>Other Plant and Misc. Equipment</u>								
306 410	Booster Station	01/01/77	28,818.00	50.00	576.00	37.50	768.48	192.48
155 311	Water Lines	01/01/97	4,389.01	50.00	88.00	62.50	70.22	(17.78)
156 312	Water Lines	01/01/80	3,328.92	50.00	67.00	62.50	53.26	(13.74)
157 313	Water Lines	01/01/81	6,366.45	50.00	127.00	62.50	101.86	(25.14)
158 314	Water Lines	01/01/83	16,091.46	50.00	322.00	62.50	257.46	(64.54)
307 411	Pump	04/27/84	1,807.00	50.00	36.00	20.00	90.35	54.35
308 412	Pump	04/27/84	1,649.00	50.00	33.00	20.00	82.45	49.45
287 339	Installation	01/01/85	4,800.00	33.00	145.00	62.50	76.80	(68.20)
288 340	Meters	01/01/86	759.00	33.00	23.00	35.00	21.69	(1.31)
159 315	Bone Hollow	01/01/88	585.00	50.00	12.00	62.50	9.36	(2.64)
167 356	Hydrant	06/30/88	984.00	33.00	30.00	50.00	19.68	(10.32)
168 357	Hydrant-Bone Hollow	10/06/88	935.00	33.00	28.00	50.00	18.70	(9.30)
160 316	Water Lines Sammons	10/17/88	700.00	50.00	14.00	62.50	11.20	(2.80)
293 345	Meter Installation	01/01/89	1,647.50	33.00	50.00	45.00	36.61	(13.39)
169 358	Hydrant-Warfield Curve	02/16/90	90.00	33.00	3.00	50.00	1.80	(1.20)
294 346	Meter Installation	06/30/90	1,680.00	33.00	51.00	45.00	37.33	(13.67)
170 359	Hydrant-Pigeon Roost	02/15/91	120.00	33.00	4.00	50.00	2.40	(1.60)
296 348	Meter & Installation	06/30/92	3,360.00	33.00	102.00	45.00	74.67	(27.33)
297 349	Meter Installations	06/30/93	4,420.00	33.00	134.00	45.00	98.22	(35.78)
298 350	LMIMeters	12/15/94	59,814.60	33.00	1,813.00	35.00	1,708.99	(104.01)
162 318	Waterlines Extension	01/01/95	19,865.79	50.00	397.00	62.50	317.85	(79.15)
163 319	Waterlines Addition	06/30/96	5,211.90	50.00	104.00	62.50	83.39	(20.61)
164 413	Pump	02/16/99	7,349.33	50.00	147.00	20.00	367.47	220.47
300 352	Master Meters	02/16/99	2,614.00	33.30	78.00	35.00	74.69	(3.31)

Table A, page 3 of 3

<u>Sys ID/ Asset Code</u>	<u>Description</u>	<u>Date In Service</u>	<u>Original Cost</u>	<u>Current Life</u>	<u>Current Depreciation</u>	<u>Proposed for Rates</u>		<u>Difference</u>	
						<u>Life</u>	<u>Depreciation</u>		
305 428	Meters	09/30/00	4,712.00	33.30	142.00	35.00	134.63	(7.37)	
304 425	Meter Replacements	12/01/01	5,427.79	33.00	164.00	35.00	155.08	(8.92)	
628 12-007	Microcom - Telemetry	09/25/12	8,290.92	5.00	1,658.18	10.00	829.09	(829.09)	
639 13-008	Leak Detection Equip	07/17/13	7,064.00	5.00	1,412.80	17.50	403.66	(1,009.14)	
650 650	Modulating Actuator	03/03/15	5,220.00	5.00	1,044.00	15.00	348.00	(696.00)	
651 651	2.5" Hole Hammer	04/15/15	4,200.00	5.00	840.00	12.50	336.00	(504.00)	
652 652	Air Compressor	08/18/15	6,000.00	5.00	1,200.00	12.50	480.00	(720.00)	
655 655	Cilcro-Com Equipment	12/21/15	1,264.00	5.00	252.80	17.50	72.23	(180.57)	
667 667	Fire Equipment	02/22/16	4,000.00	5.00	667.00	17.50	228.57	(438.43)	
668 668	Fire Equipment	11/29/16	725.00	5.00	12.00	17.50	41.43	29.43	
<u>Office Furniture & Equipment</u>									
619 11-012	Toshiba Notebook	09/17/11	805.59	5.00	121.00	10.00	80.56	(40.44)	
620 11-013	Toshiba Notebook	09/17/11	634.94	5.00	94.00	10.00	63.49	(30.51)	
629 12-008	Dell Poweredge Server	02/28/12	1,866.50	5.00	374.00	10.00	186.85	(187.15)	
630 12-009	Acroprint Time Clock	11/16/12	482.37	5.00	96.00	10.00	48.24	(47.76)	
669 669	Copier	03/07/16	2,045.00	5.00	341.00	10.00	204.50	(136.50)	
<u>Transportation Equipment</u>									
621 11-014	Trailer 6X16	11/03/11	1,653.40	5.00	274.00	7.00	236.20	(37.80)	
631 12-010	Trailer Axles	03/19/12	760.00	5.00	152.00	7.00	108.57	(43.43)	
670 670	2004 Chevy Blazer	04/06/16	3,500.00	5.00	525.00	7.00	500.00	(25.00)	
671 671	1994 F-350 Dump Truck	04/07/16	5,500.00	5.00	825.00	7.00	785.71	(39.29)	
672 672	Ford F-150 Ext Cab - White	06/21/16	18,000.00	5.00	1,800.00	7.00	2,571.43	771.43	
<u>Items Added in 2016 Not Previously Included</u>									
	Meters and Service Installations	06/30/16	24,000.00			35.00	685.71	685.71	
TOTALS						<u>771,702.77</u>		<u>663,750.13</u>	<u>(87,952.64)</u>

Table B
DEBT SERVICE SCHEDULE
Martin County Water District
CY 2017 - 2021

	<u>KIA Loan</u>				<u>KRWFC Bonds</u>				<u>KACo Lease</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Fees</u>	<u>Totals</u>	<u>Principal</u>	<u>Interest</u>	<u>Fees</u>	<u>Totals</u>	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2017	49,924	17,523	1,168	68,615	50,000	73,974	450	124,424	10,000	4,834	14,834
2018	51,443	16,004	1,067	68,514	55,000	72,321	450	127,771	10,000	4,413	14,413
2019	53,007	14,440	963	68,410	55,000	70,066	450	125,516	10,000	3,986	13,986
2020	54,620	12,827	855	68,302	55,000	68,361	450	123,811	15,000	3,417	18,417
2021	56,281	11,166	744	68,191	60,000	66,554	450	127,004	15,000	2,779	17,779
5 Yr. Averages				\$ 68,407				\$ 125,705			\$ 15,886
Sum of Averages for All Debt								\$ 209,998			
Coverage on Long Term Debt								\$ 38,822			

**A RESOLUTION OF THE BOARD OF COMMISSIONERS
OF THE MARTIN COUNTY WATER DISTRICT PROPOSING
ADJUSTMENTS TO ITS WATER RATES AND CHARGES
AND AUTHORIZING ITS CHAIRMAN TO FILE AN
APPLICATION WITH THE PSC SEEKING APPROVAL OF
THE PROPOSED RATE ADJUSTMENT**

WHEREAS, the Martin County Water District ("District") is a water district created and organized under the provisions of KRS Chapter 74. The District is subject to the jurisdiction of the Kentucky Public Service Commission ("PSC");

WHEREAS, prudent financial management dictates that the District take appropriate action to adjust its water rates and charges; and

WHEREAS, KRS 278.180 and 807 KAR 5:076 provide the legal mechanism for the District to propose adjustments to its water rates and charges;

**NOW, THEREFORE, IT IS HEREBY RESOLVED BY THE BOARD
OF COMMISSIONERS OF MARTIN COUNTY WATER DISTRICT AS
FOLLOWS:**

Section 1. The facts, recitals, and statements contained in the foregoing preamble of this Resolution are true and correct and are hereby affirmed and incorporated as a part of this Resolution.

Section 2. The District proposes to adjust its monthly water rates and charges as set forth in **Appendix A**, which is attached hereto and is incorporated herein by reference as a part of this Resolution. The proposed rates and charges set forth in **Appendix A** are subject to any minor adjustments that may be made by the PSC. The proposed rate adjustment shall not become effective until PSC approval has been obtained.

Section 3. The Chairman is hereby authorized and directed to prepare, execute, and file with the PSC, by utilizing the Alternative Rate Adjustment Procedure for Small Utilities set forth in 807 KAR 5:076, an Alternative Rate Filing (“ARF”) Application, Tariff Sheets, and all other documents that may be required by the PSC.

Section 4. The Chairman, Manager of Finance, and all other appropriate District staff are hereby further authorized and directed to take any and all other actions and to execute and deliver any and all other documents as may be reasonably necessary to implement this Resolution.

Section 5. This Resolution shall take effect upon its adoption.

ADOPTED BY THE COMMISSION OF MARTIN COUNTY WATER DISTRICT at a meeting held on January 4, 2018, signed by the Chairman, and attested by the Secretary.

ATTEST:

CHAIRMAN

SECRETARY

CERTIFICATION

I, Secretary of the Martin County Water District (the "District"), do hereby certify that the foregoing is a true copy of a Resolution duly adopted by the Commission of the District at a meeting properly held on January 4, 2018, signed by the Chairman of the Commission, attested by me as Secretary, and now in full force and effect.

WITNESS my hand this 4th day of January, 2018.

SECRETARY

Water Rate
Presentation to the
Martin County Water
District

Attach #3

Martin County Water District

Water Rate Presentation to the Martin County Water District January 4, 2018



2016 Bass Rate Analysis

Resource Documents:

- 2016 PSC Annual Report
- 2016 Revenue and Expenses
- 2016 Water Sales
- 2016 Water Loss Rate



Proforma Revenue Adjustments

- \$34,146 for actual water sales Jan 1 to Dec 31, 2016
- (\$91,056) for 4.76% declining water sales experienced Jan to July 2016
- (\$62,792) less in water resales to Prestonsburg per Tank lease Agreement, beginning 2018
- \$180,000 from Tank Lease Agreement, beginning 2018
- Total Revenue Adjustments = \$60,298



Alternatives

Alternative 1 – Base Rate Increase of 49.47% to generate additional \$901,399 in annual revenue

Alternative 2 – Base Rate Increase of 40.51% to generate additional \$738,212 plus a monthly surcharge to fund a 5 year loan for the operational deficit of \$733,903 with:

- a \$3.87 monthly surcharge per customer
- or
- a \$0.85 per 1,000 gallons of water consumption



Alternate #1 Water Rates

Proposed Rates - Alternative 1

Minimum Bills Based on Meter Size

<u>Meter Size</u>	<u>Gals. incl'd. in Minimum</u>	<u>Minimum Monthly Bill</u>
5/8 x 3/4 inch	2,000	\$ 39.62
1 inch	5,000	69.67
1-1/2 inch	10,000	119.75
2 inch	20,000	219.91
3 inch	30,000	320.08
4 inch	50,000	520.41

Rates for Water Usage in Addition to Minimum

<u>Gallons per Month</u>	<u>Charge per 1,000 gals.</u>
All usage above minimum	\$ 10.02

Bill Comparison:

	<u>Average Bill*</u>	<u>\$\$\$ Increase</u>	<u>Percent Increase</u>
Existing	\$ 39.90		
Proposed	\$ 59.65	\$ 19.75	49.5%

* Water bill for 4,000 gallons

Surcharge Alternate #2A & 2B

CALCULATION OF SURCHARGE FOR OPERATIONAL DEFICIT RETIREMENT

Part of Alternative 2A

Based on PSC approval of a 5 year loan at a 4.25% annual interest rate

Total accounts payable as of 9/30/17	\$ 733,903
Monthly payments on 5 year loan	13,599
No. of existing customers	3,517
Monthly Surcharge per Customer	\$ 3.87

Part of Alternative 2B

Based on PSC approval of a 5 year loan at a 4.25% annual interest rate

Total accounts payable as of 9/30/17	\$ 733,903
Monthly payments on 5 year loan	13,599
Retail Gallons sold in 2016 (x 1000)	191,752
Monthly Surcharge per Thousand Gallons	\$ 0.85

Alternate #2B Water Rates

Proposed Rates - Alternative 2B

Minimum Bills Based on Meter Size

<u>Meter Size</u>	<u>Gals. incl'd. in Minimum</u>	<u>Minimum Monthly Bill</u>
5/8 x 3/4 inch	2,000	\$ 37.24
1 inch	5,000	65.47
1-1/2 inch	10,000	112.52
2 inch	20,000	206.62
3 inch	30,000	300.72
4 inch	50,000	488.92

Rates for Water Usage in Addition to Minimum

<u>Gallons per Month</u>	<u>Charge per 1,000 gals.</u>
All usage above minimum	\$ 9.41

Surcharge for Operational Deficit Retirement

Surcharge per 1,000 gallons of usage	\$ 0.85
--------------------------------------	---------

Bill Comparison:

	<u>Average Bill*</u>	<u>\$\$\$ Increase</u>	<u>Percent Increase</u>
Existing	\$ 39.90		
Proposed	\$ 56.06	\$ 16.16	40.5%
Prop. w/ Surcharge	\$ 59.46	\$ 19.56	49.0%

* Water bill for 4,000 gallons

FEBRUARY, 2018

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 Regular Meeting February 13, 2018

2nd Floor Small Conference Room
Roy F. Collier Community Center

John Horn called meeting to order at 8:00 a.m.

In attendance were Chairman John Horn, James Kerr, Jaryd Crum, John Hensley, Rex Endicott, John Mills, Joe Hammond, Linda Sumpter, Marcie Dials

Approval of Minutes:

- Motion by Jaryd Crum and seconded by James Kerr, to approve the Minutes as presented. **Motion Carried**

Linda Sumpter, CPA:

- Budget presented
- See Attachment #1
- Board discussed theft of services, collection of closed account balances, and office procedures for disconnecting for non-payment.
- See Attachment #2

Management Report –John Mills:

- Operations Manager's Report
- See Attachment #3

Joe Hammond:

- Business Manager's Report
- See Attachment #4

Kentucky Engineering Group :

- Project Report
- See Attachment #5

Executive Session- Personnel

Additional Business :

- Contract Extension w/Bluewater Consulting
- See Attachment #6
- James Kerr discussed Bob Bowcock coming to help MCWD with water issues and his belief that he can help.
- Discussed Prestonsburg City Utilities contract with MCWD and getting is signed within the next week.
- Joe Hammond announced his retirement.

Adjourn

- No other business, a motion was made by John Horn and seconded by James Kerr to adjourn. **Motion Carried**

John Horn, Chairman

James Kerr, Treasurer

John Hensley, Secretary

Jaryd Crum, Board Member

MARCH, 2018

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 Regular Meeting Tuesday March 13, 2018

2nd Floor Small Conference Room
Roy F. Collier Community Center

John Horn called meeting to order at 8:00 a.m.

In attendance were, Chairman John Horn, James Kerr, John Hensley, Rex Endicott, Jaryd Crum, Greg Scott, John Mills, Linda Sumpter

Approval of Minutes:

- Motion by John Horn and seconded by James Kerr, to approve the Minutes as presented. **Motion Carried**
- Discussed appointing Greg Scott as interim General Manager per the job description provided by Greg Heitzman. James Kerr made a motion to hire Mr. Scott and Jaryd Crum seconded. Motion passed without opposition.

Accounts Payable:

- See attachment #1

Management Report-John Mills

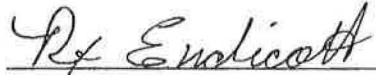
- Operations Manager's Report
- See Attachment #2

Adjourn:

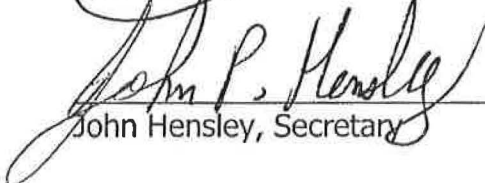
- No other business, a motion was made by James Kerr and seconded by John Horn to adjourn. **Motion Carried**

John Horn , Chairman

James Kerr, Treasurer



Rex Endicott, Board Member



John Hensley, Secretary



Jaryd Crum, Board Member

Accounts Payable

Attach #1

MARTIN COUNTY WATER DISTRICT

February

2018

Cash flow/cash budget – a prediction of future cash receipts and expenditures for a particular time period. It usually covers a period in the short-term future. The cash flow budget helps the business determine when income will be sufficient to cover expenses and when the company will need to seek outside financing.

ACTUAL

- **To control resources
- **To communicate plans to various responsibility center managers.
- **To motivate managers to strive to achieve budget goals.
- **To evaluate the performance of managers
- **To provide visibility into the company's performance
- **For accountability

	BUDGET		ACTUAL		FAVORABLE / UNFAVORABLE
	% of Expenses	% of Income			
Cash Receipts - Average for Jan to Sept	180,000	100.00%	100%	199,605	19,605
Expenses					
Bonds & Leases	17,500	9.88%	10%	17,500	-
School and Sales Tax	6,200	3.50%	3%	6,990	(790)
Payroll Taxes	4,000	2.26%	2%	3,918	82
Salaries & Wages	45,300	25.58%	25%	41,862	3,438
Employee Pensions & Ben	14,000	7.91%	8%	14,080	(80)
Purchased Water	-	0.00%	0%	48,005	(48,005)
Purchased Power	25,250	14.26%	14%	28,698	(3,448)
Chemicals TO	12,000	6.78%	7%	18,677	(6,677)
Materials & Supplies	18,850	10.65%	10%	17,215	1,635
Contractual Services	16,800	9.49%	9%	17,559	(759)
Rental (Pumps)	-	0.00%	0%	-	-
Rental of Bld/RI Prop CAE	650	0.37%	0%	710	(60)
Transportation Expense	6,000	3.39%	3%	1,488	4,512
Insurance	5,010	2.83%	3%	6,200	(1,190)
Miscellaneous Expense AG	5,500	3.10%	3%	1,448	4,052
Total Expenses	177,060	100.00%	98%	224,348	(47,288)
Balance to Apply to Delinquent Aps	2,940		2%	(24,743)	

**MARTIN COUNTY WATER DISTRICT
General Ledger**

For the Period From Jan 1, 2018 to Mar 31, 2018

Filter Criteria includes: 1) IDs from 126d to 126d. Report order is by ID. Report is printed with shortened descriptions and in Detail Format.

Account ID Account Description	Date	Reference	Jrnl	Trans Description	Debit Amt	Credit Amt	Balance
126d	1/1/18			Beginning Balance			2,800.07
53-694-6 RD - Sinking	1/19/18	3165	CRJ	REVENUE SECTI	10,900.00		
	1/23/18		CDJ	KENTUCKY RURA		10,516.15	
				Current Period Cha	10,900.00	10,516.15	383.85
	2/1/18			Beginning Balance			3,183.92
	2/2/18		CDJ	KENTUCKY RURA		450.00	
	2/16/18	1081	CRJ	EFT ACCOUNT	10,900.00		
	2/20/18		CDJ	KENTUCKY RURA		10,516.15	
				Current Period Cha	10,900.00	10,966.15	-66.15
	3/1/18			Beginning Balance			3,117.77
	3/15/18	3185	CRJ	REVENUE SECTI	10,900.00		
	3/23/18		CDJ	KENTUCKY RURA		10,516.15	
				Current Period Cha	10,900.00	10,516.15	383.85
	3/31/18			Ending Balance			3,501.62

**MARTIN COUNTY WATER DISTRICT
General Ledger**

For the Period From Mar 1, 2018 to Mar 31, 2018

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 Description	Date	Reference	Jrnl	Trans Description	Debit Amt	Credit Amt	Balance
131.2a	3/1/18			Beginning Balance			27,564.74
51-757-7 Sec A Reve	3/1/18	DEPOSITS	GEN	Recd deposit-acco	5,330.00		
	3/2/18	3181	CDJ	MARTIN COUNTY		15,000.00	
	3/2/18	DEPOSITS	GEN	Recd deposit-acco	5,483.06		
	3/5/18	DEPOSITS	GEN	Recd deposit-acco	3,674.63		
	3/6/18	DEPOSITS	GEN	Recd deposit-acco	2,800.66		
	3/7/18	DEPOSITS	GEN	Recd deposit-acco	5,890.86		
	3/8/18	Deposits	GEN	Recd deposit-acco	6,106.18		
	3/8/18	Deposits	GEN	Recd deposit of ser	240.00		
	3/8/18	Deposits	GEN	Recd deposit of tap	585.00		
	3/9/18	3182	CDJ	MARTIN COUNTY		26,374.55	
	3/9/18	DEPOSITS	GEN	Recd deposit-acco	6,933.87		
	3/9/18	DEPOSITS	GEN	Recd deposit-acco	1,799.60		
	3/12/18	Deposits	GEN	Recd deposit of ser	400.00		
	3/12/18	Deposits	GEN	Recd deposit-acco	4,242.03		
	3/12/18	Deposits	GEN	Recd deposit of tap	125.00		
	3/12/18	3183	CDJ	MARTIN COUNTY		10,000.00	
	3/13/18	DEPOSITS	GEN	Recd deposit-acco	13,825.00		
	3/14/18	DEPOSITS	GEN	Recd deposit-acco	4,803.01		
	3/15/18	3184	CDJ	MCWD KACO SIN		10,525.00	
	3/15/18	3185	CDJ	MARTIN CO WAT		10,900.00	
	3/15/18	DEPOSITS	GEN	Recd deposit-acco	10,696.78		
	3/16/18	DEPOSITS	GEN	Recd deposit-acco	11,098.82		
	3/19/18	DEPOSITS	GEN	Recd deposit-acco	25,878.33		
	3/20/18	DEPOSITS	GEN	Recd deposit-acco	13,533.95		
	3/21/18	DEPOSITS	GEN	Recd deposit-acco	13,644.87		
	3/22/18	3186	CDJ	MARTIN COUNTY		24,942.30	
	3/22/18	DEPOSITS	GEN	Recd deposit-acco	7,713.53		
	3/23/18	3187	CDJ	MARTIN COUNTY		3,000.00	
	3/23/18	DEPOSITS	GEN	Recd deposit-acco	5,729.37		
	3/26/18	3188	CDJ	MARTIN COUNTY		54,000.00	
	3/26/18	DEPOSITS	GEN	Recd deposit-acco	8,565.62		
	3/27/18	Deposits	GEN	Recd deposit-acco	2,454.45		
	3/27/18	Deposits	GEN	Recd deposit of ser	200.00		
	3/27/18	Deposits	GEN	Recd deposit of tap	50.00		
	3/27/18	Deposits	GEN	Recd deposit of un	19.60		
	3/28/18	3189	CDJ	MARTIN COUNTY		7,500.00	
	3/28/18	Deposits	GEN	Recd deposit-acco	1,274.10		
	3/28/18	Deposits	GEN	Recd deposit of un	1.00		
	3/28/18	Deposits	GEN	Recd deposit of ser	160.00		
	3/29/18	DEPOSITS	GEN	Recd deposit-acco	6,336.75		
	3/30/18	DEPOSITS	GEN	Recd deposit-acco	1,555.44		
				Current Period Cha	171,151.51	162,241.85	8,909.66
	3/31/18			Ending Balance			36,474.40
131.2b	3/1/18			Beginning Balance			11,629.30
60-094-6 Revenue EF	3/1/18	CC REC	GEN		1,803.75		
	3/2/18	1083	CDJ	MARTIN COUNTY		235.96	
	3/2/18	CC REC	GEN		1,829.71		
	3/3/18	CC REC	GEN		140.02		
	3/4/18	CC REC	GEN		75.57		
	3/5/18	CC REC	GEN		1,500.22		
	3/6/18	CC REC	GEN		1,213.13		
	3/7/18	CC REC	GEN		472.34		
	3/8/18	CC REC	GEN		1,375.55		
	3/10/18	CC REC	GEN		483.74		
	3/11/18	CC REC	GEN		790.75		
	3/12/18	CC REC	GEN		180.00		
	3/12/18	CC REC	GEN		1,207.07		
	3/13/18	CC REC	GEN		600.16		
	3/14/18	CC REC	GEN		1,297.63		
	3/15/18	1084	CDJ	MCWD SEC A KIA		5,800.00	
	3/15/18	1085	CDJ	MARTIN COUNTY		15,000.00	

MARTIN COUNTY WATER DISTRICT
General Ledger

For the Period From Mar 1, 2018 to Mar 31, 2018

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 Description	Date	Reference	Jrnl	Trans Description	Debit Amt	Credit Amt	Balance
	3/15/18	CC REC	GEN		1,247.57		
	3/19/18	CC REC	GEN		5,122.28		
	3/20/18	CC REC	GEN		2,790.67		
	3/21/18	CC REC	GEN		1,211.75		
	3/22/18	CC REC	GEN		725.87		
	3/23/18	CC REC	GEN		1,269.78		
	3/24/18	CC REC	GEN		131.00		
	3/25/18	CC REC	GEN		174.08		
	3/26/18	1086	CDJ	MARTIN COUNTY		10,000.00	
	3/26/18	CC REC	GEN		631.62		
	3/27/18	CC REC	GEN		589.95		
	3/28/18	CC REC	GEN		1,055.99		
	3/29/18	CC REC	GEN		429.03		
	3/30/18	CC REC	GEN		1,077.53		
	3/31/18	CC REC	GEN		30.03		
				Current Period Cha	29,456.79	31,035.96	-1,579.17
	3/31/18			Ending Balance			10,050.13

Management Report

Attach #2

Martin County Water District

Manager's Report 2018

March 2018

1. Leak repairs and line replacements:

- We are working every day finding and fixing leaks.
- We are currently working in the Beauty area replacing service lines.
- Last week, we re-done Smith Road.

Replaced a $\frac{3}{4}$ " main line with 306' of 1" main line, replaced everything new from the main and re-done 3 taps.

Unhooked 3 old taps from the main line and disconnected 2 old taps that were abandoned.

- Replaced 2 more service lines from the main to the meter.
- Going to replace as many service lines as possible each week depending on our regular work order schedule.

2. Raw Water:

- The pump station hasn't been working since the flood.
- Within the next couple of weeks, we are going to start cleaning and installing pumps where needed.
- As of right now, the reservoir is full, and raw water pump station isn't needed.

3. Davella Pump Station:

- We are currently pumping as much as we can based on the amount of water in the airport tank.

APRIL, 2018

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 Regular Meeting Tuesday April 10, 2018

3rd Floor Large Conference Room
Roy F. Collier Community Center

James Kerr called meeting to order at 8:00 a.m.

In attendance were James Kerr, John Hensley, Rex Endicott, Jaryd Crum, Greg Scott, John Mills, Raymond Sumpter, and Marcie Dials

Approval of Minutes:

- Motion by John Hensley and seconded by Jaryd Crum, to approve the minutes as presented. **Motion Carried**

Accounts Payable:

- See attachment #1
- Notable improvement on collections.
- Motion by John Hensley to pay bills and seconded by Jaryd Crum. **Motion Carried.**
- James Kerr is working with KIA and Inez Deposit Bank on a consolidation loan.
- Bank account has been set up for debt consolidation surcharge.

Management Report-Greg Scott:

- See attachment #2
- Greg asked board to start the process of selling surplus vehicles. Motion made by John Hensley and seconded by James Kerr to start the process. **Motion Carried.**

Operations Report-John Mills:

- See attachment #3

Big Sandy ADD:

- Will use KY Engineering Group and will go into bid process in 30 days.

Discuss 2 contracts for consideration about the \$1.2 million grant:

- Motion made by Rex Endicott and seconded by John Hensley for Greg Scott and John Horn to sign contracts with ARC and Big Sandy ADD. **Motion carried.**
- Big Sandy ADD will oversee funds.
- Grant is only for line replacement and meters.
- Rural Development wants to give MCWD a loan. Loan would be for replacing lines. Will be using multiple contractors to get the work done quickly.

Executive Session:

- No executive session.

Additional Business:

- Greg Scott said MCWD needs a small tank & pump station at Davella because of pressure. Motion made by John Hensley and seconded by James Kerr to check into it. **Motion carried.**
- Motion made by John Hensley and seconded by Rex Endicott for Greg Scott to apply for a debt consolidation loan. **Motion carried.**
- James Kerr asked if anyone had questions. Nina McCoy asked about the status of the water for the new high school. Barbie Maynard asked for a community clean up project at the reservoir. Mary Cromer asked how much contact had the board had with Bob Bowcock.

Adjourn:

- No other business, a motion was made by Jaryd Crum and seconded by John Hensley to adjourn. **Motion Carried.**

John Horn, Chairman

Rex Endicott

Rex Endicott, Board Member

Jaryd Crum, Board Member

James Kerr

James Kerr, Treasurer

John P. Hensley

John Hensley, Secretary

Accounts Payable

Attach #1

MARTIN COUNTY WATER DISTRICT

March

2018

Cash flow/cash budget – a prediction of future cash receipts and expenditures for a particular time period. It usually covers a period in the short-term future. The cash flow budget helps the business determine when income will be sufficient to cover expenses and when the company will need to seek outside financing.

ACTUAL

- **To control resources
- **To communicate plans to various responsibility center managers.
- **To motivate managers to strive to achieve budget goals.
- **To evaluate the performance of managers
- **To provide visibility into the company's performance
- **For accountability

	BUDGET			ACTUAL	FAVORABLE/ (UNFAVORABLE)
	% of Expenses	% of Income			
Cash Receipts - Average for Jan to Sept	180,000	100.00%	100%	161,634	(18,366)
Expenses					
Bonds & Leases	17,500	9.88%	10%	17,500	-
School and Sales Tax	6,200	3.50%	3%	7,301	(1,101)
Payroll Taxes	4,000	2.26%	2%	3,725	275
Salaries & Wages	45,300	25.58%	25%	40,815	4,485
Employee Pensions & Ben	14,000	7.91%	8%	13,866	134
Purchased Water	-	0.00%	0%	27,031	(27,031)
Purchased Power	25,250	14.26%	14%	38,751	(13,501)
Chemicals TO	12,000	6.78%	7%	10,169	1,831
Materials & Supplies	18,850	10.65%	10%	21,418	(2,568)
Contractual Services	16,800	9.49%	9%	13,798	3,002
Rental (Pumps)	-	0.00%	0%	-	-
Rental of Bld/RI Prop CAE	650	0.37%	0%	710	(60)
Transportation Expense	6,000	3.39%	3%	2,799	3,201
Insurance	5,010	2.83%	3%	6,200	(1,190)
Miscellaneous Expense AG	5,500	3.10%	3%	2,577	2,923
Total Expenses	177,060	100.00%	98%	206,659	(29,599)
Balance to Apply to Delinquent Aps	2,940		2%	(45,025)	

MARTIN COUNTY WATER DISTRICT
Income Statement
For the Three Months Ending March 31, 2018

	Current Month		Year to Date	
Revenues				
Interest & Dividend Income	\$ 6.40	0.00	\$ 19.61	0.00
Unmetered Water Revenues	20.60	0.01	333.33	0.06
Metered Sales To Resid Cust	121,218.00	75.00	403,242.50	77.95
Metered Sales to Comm Cust	20,145.50	12.46	77,832.30	15.05
Metered Sales to Comm Exempt	5,997.80	3.71	5,997.80	1.16
Miscellaneous Service Revenue	9,366.08	5.79	12,286.08	2.38
Other Water Revenues-Penalitie	5,129.11	3.17	17,395.01	3.36
Other Water Revenues	0.00	0.00	300.00	0.06
Other Revenues - JW	(272.40)	(0.17)	(272.40)	(0.05)
Other Revenues	0.00	0.00	100.00	0.02
Other Revenues-Vendors Comp	22.86	0.01	61.69	0.01
Total Revenues	<u>161,633.95</u>	<u>100.00</u>	<u>517,295.92</u>	<u>100.00</u>
Cost of Sales				
Total Cost of Sales	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Gross Profit	<u>161,633.95</u>	<u>100.00</u>	<u>517,295.92</u>	<u>100.00</u>
Expenses				
Depreciation Expense	64,441.92	39.87	193,325.76	37.37
Payroll Taxes-SS & MC	3,122.32	1.93	10,379.45	2.01
Payroll Taxes-Unemployment	162.40	0.10	636.68	0.12
Payroll Taxes-Retirement	440.48	0.27	1,697.96	0.33
Interest on Long-Term Debt	11,884.17	7.35	15,644.97	3.02
Amortization of Prem on Debt	(62.73)	(0.04)	(188.19)	(0.04)
Salaries and Wages - Emp TO	13,677.59	8.46	49,245.73	9.52
Salaries and Wages - Emp DO	4,116.35	2.55	15,428.12	2.98
Salaries and Wages - Emp DM	7,822.26	4.84	24,052.59	4.65
Salaries and Wages - Emp DM	3,984.04	2.46	17,886.92	3.46
Salaries and Wages - Emp CAE	5,321.10	3.29	14,237.21	2.75
Salaries and Wages - Emp AG	5,893.22	3.65	17,279.66	3.34
Employee Pensions & Ben TO	3,764.07	2.33	11,568.23	2.24
Employee Pensions & Ben DO	433.31	0.27	1,299.93	0.25
Employee Pensions & Ben DM	5,683.45	3.52	18,870.65	3.65
Employee Pensions & Ben CAE	2,709.18	1.68	8,047.22	1.56
Employee Pensions & Ben AG	1,275.76	0.79	3,901.44	0.75
Purchased Water SO	26,584.07	16.45	86,232.16	16.67
Purchased Water TO	447.07	0.28	894.14	0.17
Purchased Power SO	2,792.53	1.73	28,366.32	5.48
Purchased Power TO	22,293.38	13.79	45,077.27	8.71
Purchased Power DO	13,008.76	8.05	28,446.23	5.50
Purchased Power AG	656.14	0.41	1,753.87	0.34
Chemicals TO	10,168.94	6.29	48,422.83	9.36
Materials & Supplies SO	417.38	0.26	9,244.17	1.79
Materials & Supplies TO	5,805.93	3.59	17,628.76	3.41
Materials & Supplies DO	1,733.37	1.07	5,014.36	0.97
Materials & Supplies DM	11,921.08	7.38	31,157.49	6.02
Materials & Supplies CAE	1,539.90	0.95	4,692.69	0.91
Contractual Ser-Acct AG	3,500.00	2.17	14,000.00	2.71
Contractual Ser-Leg AG	3,644.70	2.25	18,944.35	3.66
Contractual Ser-Wtr Test TO	0.00	0.00	3,309.50	0.64
Contractual Ser-Other TM	0.00	0.00	7,456.00	1.44
Contractual Ser-Other DO	0.00	0.00	451.35	0.09
Contractual Ser-Other DM	6,430.47	3.98	40,801.45	7.89
Contractual Ser-Other CAE	162.50	0.10	3,151.49	0.61

For Management Purposes Only

MARTIN COUNTY WATER DISTRICT
Income Statement
For the Three Months Ending March 31, 2018

	Current Month		Year to Date	
Contractual Ser-Other AG	60.00	0.04	170.00	0.03
Rental of Bld/Rl Prop CAE	709.58	0.44	2,128.74	0.41
Rental of Equipment TO	0.00	0.00	2,500.00	0.48
Transportation Expense DO	0.00	0.00	232.26	0.04
Transportation Expense DM	2,389.56	1.48	11,534.19	2.23
Transportation Expense CAE	328.38	0.20	985.14	0.19
Transportation Expense AG	81.00	0.05	1,877.05	0.36
Insurance-Vehicles SO	38.69	0.02	116.07	0.02
Insurance-Vehicles SM	38.69	0.02	116.07	0.02
Insurance-Vehicles TO	38.69	0.02	116.07	0.02
Insurance-Vehicles TM	38.69	0.02	116.07	0.02
Insurance-Vehicles DO	247.59	0.15	742.77	0.14
Insurance-Vehicles DM	338.13	0.21	1,014.39	0.20
Insurance-Vehicles CAE	38.69	0.02	116.07	0.02
Insurance-Vehicles AG	61.90	0.04	185.70	0.04
Insurance-Gen Liab SO	129.59	0.08	388.77	0.08
Insurance-Gen Liab SM	86.39	0.05	259.17	0.05
Insurance-Gen Liab TO	259.18	0.16	777.54	0.15
Insurance-Gen Liab TM	107.99	0.07	323.97	0.06
Insurance-Gen Liab DO	669.54	0.41	2,008.62	0.39
Insurance-Gen Liab DM	691.13	0.43	2,073.39	0.40
Insurance-Gen Liab CAE	86.39	0.05	259.17	0.05
Insurance-Gen Liab AG	129.59	0.08	388.77	0.08
Insurance-Workers Comp TO	1,117.48	0.69	3,352.44	0.65
Insurance-Workers Comp DO	429.81	0.27	1,289.43	0.25
Insurance-Workers Comp DM	628.51	0.39	1,885.53	0.36
Insurance-Workers Comp CAE	25.84	0.02	77.52	0.01
Insurance-Workers Comp AG	382.78	0.24	1,148.34	0.22
Insurance-Other CAE	333.31	0.21	999.93	0.19
Insurance-Other AG	281.79	0.17	845.37	0.16
Miscellaneous Expense TO	245.29	0.15	1,027.67	0.20
Miscellaneous Expense TM	81.68	0.05	245.04	0.05
Miscellaneous Expense DM	74.88	0.05	112.50	0.02
Miscellaneous Expense CAE	213.56	0.13	874.04	0.17
Miscellaneous Expense AG	364.26	0.23	757.54	0.15
Miscellaneous Expense AG	0.00	0.00	2,100.00	0.41
Miscellaneous Expense AG	1,585.68	0.98	4,155.84	0.80
Other Contractor -- Operations	11.87	0.01	1,077.08	0.21
	<u>258,121.24</u>	<u>159.69</u>	<u>846,737.02</u>	<u>163.69</u>
Total Expenses				
Net Income	\$ (96,487.29)	(59.69)	\$ (329,441.10)	(63.69)

MARTIN COUNTY WATER DISTRICT

Aged Payables
As of Mar 31, 2018

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 days	Amount Due
64SECONDS	64 SECONDS						705.00	705.00
ACROPRINT	ACROPRINT TIME RECORD					955.54		955.54
ADVANCEDAUTOPROF	ADVANCED AUTO PARTS				142.68	59.32	890.27	1,092.27
AEP-03084017411	AMERICAN ELECTRIC POW		PC UNIT PUMP		137.41	163.70		301.11
AEP-03145493403	AMERICAN ELECTRIC POW		BONE HOLLOW RD	96.70	50.66	36.37		183.73
AEP-03146011204	AMERICAN ELECTRIC POW		LICK-STOCKROOM	25.89	13.18	12.49		51.56
AEP-03176005217	AMERICAN ELECTRIC POW		RCF TRLR	29.31	28.11	23.89		81.31
AEP-03186942201	KENTUCKY POWER COMP			30.43	29.45	26.67		86.55
AEP-03192343626	AMERICAN ELECTRIC POW		FLB-PUMPING STATION	325.02	298.82	274.82		898.66
AEP-03210093104	AMERICAN ELECTRIC POW		INDUSTRIAL PARK	55.38	25.63	22.39		103.40
AEP-03264151600	AMERICAN ELECTRIC POW		FLUTY LICK BR	28.94	28.16	23.72		80.82
AEP-03303415503	KENTUCKY POWER COMP	LICK BRANCH		22,242.68	10,820.99			33,063.67
AEP-03333380701	AMERICAN ELECTRIC POW		LICK BR	146.12	84.65	86.22		316.99
AEP-03433524133	AMERICAN ELECTRIC POW		ELI RD- MIDDLE FK RD	1,632.81	163.04	627.18		2,423.03
AEP-03456165400	AMERICAN ELECTRIC POW			122.88	166.42	212.09		501.39
AEP-03569659000	AMERICAN ELECTRIC POW			149.06	189.68	233.53		572.27
AEP-03589545205	AMERICAN ELECTRIC POW	LITTLE BLACKLOG ROAD		89.48				89.48
AEP-03593020211	AMERICAN ELECTRIC POW		BIG ELK PUMP STATION	263.31	321.55	315.68		900.54
AEP-03601264702	AMERICAN ELECTRIC POW		MAIN STREET	58.31	27.50			85.81
AEP-03620331128	AMERICAN ELECTRIC POW		TC NEW RIVER STATION	381.04	4,752.63		-2,958.11	2,175.56
AEP-03646008916	AMERICAN ELECTRIC POW		BUCK CRK TANK	19.92	19.84			39.76
AEP-03661023014	AMERICAN ELECTRIC POW		STORAGE TANK CANEY H	1,060.85		615.40		1,676.25
AEP-03732420900	AMERICAN ELECTRIC POW		LITTLE BLACKLOG ROAD	58.31				58.31
AEP-03746011216	AMERICAN ELECTRIC POW		FLB-LIGHTS AT PLANT	24.81	24.36	22.39		71.56
AEP-03767125408	AMERICAN ELECTRIC POW		RT 3 S AIRPORT PUMP	1,111.75	210.08	190.09		1,511.92
AEP-03875011813	AMERICAN ELECTRIC POW		LBR-COLDWATER TANK	55.01	25.94	22.10		103.05
AEP-03909194403	AMERICAN ELECTRIC POW			7,181.44	3,928.83	3,742.37		14,852.64
AEP-03923020212	AMERICAN ELECTRIC POW		BIG ELK CREEK	29.44	28.48	24.32		82.24
AEP-03956011211	AMERICAN ELECTRIC POW		TC-PLANT OFFICE	332.26	242.99	209.58		784.83
AEP-03998292506	AMERICAN ELECTRIC POW		TURKEY CREEK ROAD	28.70	27.67	23.41		79.78
ALLAMERICANFIREEQUIP	ALL AMERICAN FIRE EQUIP						725.00	725.00
ALLPUMPSALES&SERVIC	ALL PUMPS SALES & SERV				671.00	6,785.00	24,266.36	31,722.36
ANTHEM	ANTHEM BS/BC			9,618.84				9,618.84
APPALACHIANSTATESANA	APPALACHIAN STATES AN				3,309.50		6,382.50	9,692.00
APPWIRELESS	APPALACHIAN WIRELESS			452.53				452.53
ARAMARK	ARAMARK			417.38	406.26	410.04		1,233.68
ASHLANDOFFICESUPPLY	ASHLAND OFFICE SUPPLY			262.40			84.00	346.40
BRENTTAG	BRENTTAG MID-SOUTH, IN						2,490.75	2,490.75
CDPENGINERS,INC.	CDP ENGINEERS, INC.				960.00			960.00
CHAFINS,ERIC	ERIC CHAFINS				195.00		390.00	585.00
CINTAS	CINTAS	04505				1,024.84	1,020.24	2,045.08
CONSOLIDATEDPIPE	CONSOLIDATED PIPE & SU		FLUTY LICK BR	377.64	125.88		11,733.68	12,237.20
COUNTYCONCRETE	COUNTY CONCRETE					926.00	1,750.00	2,676.00
CUMBO,BRIAN	BRIAN CUMBO, ATTORNEY			2,644.70	11,133.40	1,166.25	14,437.19	29,381.54
DAVIS,PAUL	PAUL DAVIS					525.00	600.00	1,125.00
DELONG,PAUL	PAUL DELONG			60.00	55.00	55.00	330.00	500.00
EDGAR'STIRE	EDGAR'S TIRES						981.00	981.00
ELITEAGENCYINC	THE ELITE AGENCY INC.		1-859-264-9400			3,869.42		3,869.42
ELLIOTTSUPPLY&GLASS	ELLIOTT SUPPLY & GLASS				995.00			995.00
EVANSHARDWAREINC	EVANS HARDWARE, INC.			7,337.27	8,227.93		66,479.10	82,044.30

MARTIN COUNTY WATER DISTRICT

Aged Payables

As of Mar 31, 2018

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 days	Amount Due
FASTCHANGE	FAST CHANGE		606-298-0764			232.26	4,115.69	4,347.95
GUTHRIESALES	GUTHRIE SALES AND SER						389.21	389.21
HIGHLANDCOMMUNICATI	HIGHLAND COMMUNICATI						110.00	110.00
HINKLEBLACKTOP	HINKLE BLACKTOP LLC			850.00	175.00	175.00	5,014.10	6,214.10
HOLBROOKIMPLEMENT	HOLBROOK IMPLEMENT						793.97	793.97
HOWELLSHVAC	HOWELLS HVAC			818.58			3,166.85	3,985.43
HOWELLSRECYCLING	HOWELL'S RECYCLING				3,300.00	4,300.00	6,525.00	14,125.00
INEZAUTOMOTIVESUPPLY	INEZ AUTOMOTIVE SUPPL						169.95	169.95
IPC	IPC						38.00	38.00
JHTOMBLINFENCECO	JH TOMBLIN FENCE CO						422.00	422.00
JJKELLER	J.J. KELLER & ASSOCIATES						40.00	40.00
KIRK,RICHARD	RICHARD KIRK						600.00	600.00
KIRKLAWNSERVICE	KIRK LAWN SERVICE						100.00	100.00
KYRURALWATERASSOCIA	KENTUCKY RURAL WATER						1,700.00	1,700.00
KYTEKS	KYTEKS						155.00	155.00
KYUNDERGROUNDPROTE	KY UNDERGROUND PROT			19.50	93.00	27.20	1,646.40	1,786.10
LINDAFSUMPTERCPAPSC	LINDA F. SUMPTER, CPA, P			3,500.00	7,000.00	7,000.00	133,000.00	150,500.00
MARCOMINESUPPLYINC	MARCO MINE SUPPLY INC						1,382.87	1,382.87
MCCOYTREESERVICE	McCOY'S TREE SERVICE						600.00	600.00
MCSO - 9-00706	MARTIN COUNTY SANITAT			81.68	81.68	81.68	1,641.03	1,886.07
MOORE,CANDY	CANDY MOORE						450.00	450.00
NORFOLKSOUTHERN	RAILROAD MANAGEMENT						55.00	55.00
PAINTSVILLEUTILITIES	PAINTSVILLE UTILITIES			71.57	57.21	61.61		190.39
POCAHONTASDEV	POCAHONTAS DEVELOPME						25.00	25.00
PRESTONSBURGCITYUTIL	PRESTONSBURG CITY UTI			26,512.50	44,291.00	6,754.50		77,558.00
QUILLCORPORATION	QUILL CORPORATION						461.73	461.73
R&JBUILDINGSUPPLY	R & J BUILDING SUPPLY			104.91	104.91	104.91	8,905.68	9,220.41
RFCCC	MARTIN COUNTY COMMUN			-709.58				-709.58
SERVICEPUMP&SUPPLYIN	SERVICE PUMP & SUPPLY			5,805.93	2,874.11		1,263.66	9,943.70
SOLESELECTRIC	SOLES ELECTRIC OF HUN				2,215.00	14,000.00	6,500.00	22,715.00
STATE ELECTRIC	STATE ELECTRIC SUPPLY						121.20	121.20
SUDDENLINK-901(OFFIC	SUDDENLINK			213.56				213.56
SUDDENLINK-901(PLANT	SUDDENLINK			245.29				245.29
TECH2000INC	TECH 2000, INC.			162.50	2,580.00	408.99	4,037.94	7,189.43
THECHAPMANPRINTINGCO	THE CHAPMAN PRINTING				889.20			889.20
THECITHORNBURGCOINC	THE C. I. THORNBURG CO			-525.04	9,138.45	1,700.73	75,975.47	86,289.61
THEHOMECITYICECO	THE HOME CITY INCE COM						399.00	399.00
UNITEDSYSTEMS	UNITED SYSTEMS& SOFTV						3,020.00	3,020.00
UNIVERSALLICENSINGSE	UNIVERSAL LICENSING SE						471.38	471.38
USABLUEBOOK	USA BLUE BOOK				2,261.95		151.80	2,413.75
VERMEER	VERMEER HEARTLAND				1.24	2.48	36.00	39.72
WALKERCOMMUNICATION	WALKER COMMUNICATION						1,602.00	1,602.00
WARFIELDSHOPRITE	WARFIELD SHOPRITE INC						12.00	12.00
WHAYNESUPPLY	WHAYNE SUPPLY COMPAN						7,649.86	7,649.86
WILDCAT TIRE	WILDCAT AUTOMOTIVE SA		606-534-4020				1,006.06	1,006.06
WILDCATAUTO&SERVICE	WILDCAT AUTOMOTIVE SA			1,430.85				1,430.85
WILSONEQUIPMENTCOMF	WILSON EQUIPMENT COM		874-8036				413.01	413.01
WVAELECTRIC	W.VA. ELECTRIC SUPPLY						908.03	908.03
XYLEM	XYLEM DEWATERING SOL						42,496.60	42,496.60
ZIPZONE(FASTLANE)	ZIP ZONE, INC			5,170.80	13,088.15	7,518.01	176,388.64	202,165.60

MARTIN COUNTY WATER DISTRICT

Aged Payables

As of Mar 31, 2018

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 days	Amount Due	
Report Total				100,503.66	136,018.62	65,052.19	624,267.11	925,841.58	
									\$ 3,592.75

Martin County Water District

387 East Main St., Suite 140

Inez, KY 41224

(606) 298-3885

All Books

Date Range 3/1/2018 Through 3/31/2018

<u>Date</u>	<u>Usage</u>	<u>Category</u>	<u>Billed Amount</u>
3/20/2018	13301000		
		01	\$1,208.76
		Adjustment	\$220.00
		Bal. Forward	\$2,356.08
		C1	\$7,033.10
		C1E	\$730.70
		C2	\$1,387.60
		C2E	\$741.90
		C3	\$441.30
		C3E	\$200.00
		C4	\$5,408.80
		C4E	\$4,325.20
		C5	\$2,987.30
		C6	\$2,887.40
		EX	\$0.00
		Late Charge	\$5,129.11
		Meter Pull Non-Pay Service Fee	\$3,440.00
		Meter Pull Non-Pay Re-set Fee	\$1,900.00
		Meter Re-set Fee	\$40.00
		Meter Set Fee	\$240.00
		NSF Check Fee	\$10.00
		R1	\$121,218.00
		SC	\$4,433.91
		Service Fee	\$160.00
		3/20/2018 Total Billed:	\$166,499.16

Martin County Water District

387 East Main St., Suite 140
Inez, KY 41224
(606) 298-3885

All Books

Payments Applied Between:3/1/2018 And 3/31/2018

UnFiled

Category	Description	Amount Paid
01	Sales Tax	\$1,204.67
Bal. Forward	Beginning Balance	\$1,585.97
C1	Comm.. W/Tax Water	\$6,766.49
C1E	Res. N/T Water	\$690.80
C2	1" Meter Water	\$1,287.40
C2E	1" Meter N/T Water	\$788.50
C3	1 1/2" Com. Water	\$521.40
C3E	1 1/2" Com. N/T Wate	\$200.00
C4	2" Commercial Water	\$5,763.07
C4E	2" Com. N/T Water	\$5,328.39
C5	3" Commercial Water	\$2,987.30
C6	4" Commercial Water	\$2,887.40
DSS	Debt Svc. Surcharge	\$119.03
Late Charge	Late Charge	\$10,986.52
Meter Pull Fee	Meter Pull N/Pay	\$45.00
Meter Pull Non-Pay S	Meter pull non-pay	\$1,241.38
Meter Pull Non-Pay	Meter set back	\$1,150.94
Meter Re-set Fee	Meter set	\$40.00
Meter Set Fee	Meter set	\$277.12
NSF Check Fee	RCF #165	\$34.00
R1	Res. N/Tax Water	\$179,016.64
SC	School Tax	\$6,096.37
Service Fee	Read-In	\$274.66
	Total Payments:	\$229,293.05

Management Report

Attach #2

Martin County Water District

General Manager's Report 2018

April 2018

1. New purchase order program has been installed:

- We have changed the way we purchase supplies. Invoice is sent for consideration. Office will then affirm or deny.
- Sent to accounting, along with a p.o. number for payment.
- Then matched to a work order.
- See attachment #1

2. New fuel procedures:

- See attachment #2

3. Plant personnel report:

- Shut down plant for approximately 3 hours a day in a 24 hour period.

4. Negotiated payment plans with vendors:

- C.I. Thornburg
- All Pumps
- Soles Electric
- Service Pump
- Evans Hardware

5. Working on raw water intake problems.

6. Working on equipment purchase through K.I.A.

Management Report

Attach #3

Martin County Water District

Manager's Report 2018

April 2018

1. Major leak repairs (month of March):

- Turkey: 3" PVC completely into.
- Old Rt. 3 (Grassy): 20' section of 6" PVC completely split.
- Buffalo Horn: 4" main (now the zone is tight).
- Town: 1" line completely into.
- New Rt. 3 (Davella): 8" ductile with 2-1 1/2" diameter holes.
- Coldwater: 4" AC completely into.
- Holden Hills Trailer Park (Davella): 3" PVC completely into.
- Evans Hardware (Town): 8" AC with a 4" * 24" split.
- Total of 17 leaks fixed for March.

2. Raw Water:

- We spent four days cleaning on the inside and outside station.
- Installed the motor back on pump #1 and is operating properly.
- Installed pump #2 but waiting on #2 motor to be repaired.
- Station is shut down because reservoir is full at this time.

3. Davella Pump Station:

- Have pumped all we can based on leaks and amount of water in airport tank.
- Scheduled to install a new 4" PRV at Holden Hills trailer park this week.

4. Water Plant:

- The water plant has been shutting down 2-3 hours a day.
- Haloacetic Acids (HAA)
- Trihalomethanes (THM)

MAY, 2018

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 Regular Meeting Tuesday May 8, 2018

3rd Floor Large Conference Room
Roy F. Collier Community Center

John Horn called meeting to order at 8:00 a.m.

In attendance were, Chairman John Horn, James Kerr, John Hensley, Brian Cumbo, John Mills, Marcie Dials, and Linda Sumpter. Mary Cromer and Nina McCoy from MCCC were also present.

Approval of Minutes:

- Motion by John Horn and seconded by James Kerr, to approve the Minutes as presented. **Motion Carried**

Accounts Payable:

- Linda Sumpter said that there was improvement for March & April.
- Motion made by James Kerr and seconded by John Hensley to approve payables.
- See attachment #1

Management Report-Greg Scott:

- General Manager's Report
- See attachment #2

Operations Report-John Mills:

- See attachment #3

Executive Session:

- Motion made by John Horn and seconded by James Kerr to go into executive session.
- Motion made by James Kerr and seconded by John Horn to come out of executive session.

Additional Business:

- Motion made by John Hensley and seconded by James Kerr to offer to sell the prison infrastructure to Prestonsburg for five million.

Adjourn:

- No other business, a motion was made by James Kerr and seconded by John Hensley to adjourn. **Motion Carried**



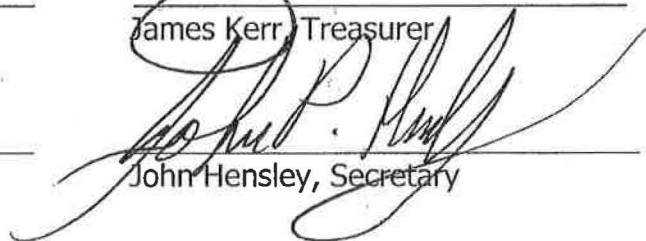
John Horn, Chairman



James Kerr, Treasurer



Rex Endicott, Board Member



John Hensley, Secretary

Jaryd Crum, Board Member

Accounts Payable

Attach #1

MARTIN COUNTY WATER DISTRICT

April

2018

Cash flow/cash budget – a prediction of future cash receipts and expenditures for a particular time period. It usually covers a period in the short-term future. The cash flow budget helps the business determine when income will be sufficient to cover expenses and when the company will need to seek outside financing

ACTUAL

- **To control resources
- **To communicate plans to various responsibility center managers.
- **To motivate managers to strive to achieve budget goals.
- **To evaluate the performance of managers
- **To provide visibility into the company's performance
- **For accountability

	BUDGET		ACTUAL	FAVORABLE/ (UNFAVORABLE)
	% of Expenses	% of Income		
Cash Receipts - Average for Jan to Sept	180,000	100.00%	159,377	(20,623)
Expenses				
Bonds & Leases	17,500	9.88%	17,500	-
School and Sales Tax	6,200	3.50%	5,880	320
Payroll Taxes	4,000	2.26%	3,616	384
Salaries & Wages	45,300	25.58%	43,773	1,527
Employee Pensions & Ben	14,000	7.91%	14,098	(98)
Purchased Water	-	0.00%	22	(22)
Purchased Power	25,250	14.26%	1,699	23,551
Chemicals TO	12,000	6.78%	20,347	(8,347)
Materials & Supplies	18,850	10.65%	38,712	(19,862)
Contractual Services	16,800	9.49%	4,602	12,199
Rental (Pumps)	-	0.00%	-	-
Rental of Bld/RI Prop CAE	650	0.37%	1,210	(560)
Transportation Expense	6,000	3.39%	4,974	1,026
Insurance	5,010	2.83%	6,200	(1,190)
Miscellaneous Expense AG	5,500	3.10%	1,715	3,785
Total Expenses	177,060	100.00%	164,346	12,714
Balance to Apply to Delinquent Aps	2,940	2%	(4,969)	

MARTIN COUNTY WATER DISTRICT
Income Statement
For the Four Months Ending April 30, 2018

	Current Month		Year to Date	
Revenues				
Interest & Dividend Income	\$ 6.03	0.00	\$ 973.82	0.15
Unmetered Water Revenues	19.60	0.01	352.93	0.05
Metered Sales To Resid Cust	114,620.80	71.92	492,652.92	75.81
Metered Sales to Comm Cust	18,268.90	11.46	94,786.28	14.59
Metered Sales to Comm Exempt	6,527.10	4.10	12,524.90	1.93
Miscellaneous Service Revenue	16,059.68	10.08	28,185.76	4.34
Other Water Revenues-Penalitie	3,854.16	2.42	20,126.57	3.10
Other Water Revenues	0.00	0.00	300.00	0.05
Other Revenues - JW	0.00	0.00	(272.40)	(0.04)
Other Revenues	0.00	0.00	100.00	0.02
Other Revenues-Vendors Comp	20.69	0.01	82.38	0.01
	<u>159,376.96</u>	<u>100.00</u>	<u>649,813.16</u>	<u>100.00</u>
Total Revenues				
Cost of Sales				
	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Total Cost of Sales				
	<u>159,376.96</u>	<u>100.00</u>	<u>649,813.16</u>	<u>100.00</u>
Gross Profit				
Expenses				
Depreciation Expense	64,441.92	40.43	257,767.68	39.67
Payroll Taxes-SS & MC	3,348.63	2.10	13,728.08	2.11
Payroll Taxes-Unemployment	100.91	0.06	737.59	0.11
Payroll Taxes-Retirement	166.24	0.10	1,864.20	0.29
Interest on Long-Term Debt	1,815.12	1.14	54,184.47	8.34
Amortization of Prem on Debt	(62.73)	(0.04)	(250.92)	(0.04)
Salaries and Wages - Emp TO	12,796.53	8.03	62,042.26	9.55
Salaries and Wages - Emp DO	7,593.97	4.76	23,022.09	3.54
Salaries and Wages - Emp DM	8,501.32	5.33	32,553.91	5.01
Salaries and Wages - Emp DM	5,217.74	3.27	23,104.66	3.56
Salaries and Wages - Emp CAE	5,269.82	3.31	19,507.03	3.00
Salaries and Wages - Emp AG	4,393.22	2.76	21,672.88	3.34
Employee Pensions & Ben TO	3,754.09	2.36	15,322.32	2.36
Employee Pensions & Ben DO	433.31	0.27	1,733.24	0.27
Employee Pensions & Ben DM	5,898.72	3.70	24,769.37	3.81
Employee Pensions & Ben CAE	2,699.36	1.69	10,746.58	1.65
Employee Pensions & Ben AG	1,312.84	0.82	5,214.28	0.80
Purchased Water SO	21.88	0.01	86,390.40	13.29
Purchased Water TO	0.00	0.00	894.14	0.14
Purchased Power SO	542.48	0.34	28,908.80	4.45
Purchased Power TO	23.63	0.01	45,100.90	6.94
Purchased Power DO	987.87	0.62	29,447.59	4.53
Purchased Power AG	144.69	0.09	1,898.56	0.29
Chemicals TO	20,346.73	12.77	68,769.56	10.58
Materials & Supplies SO	411.49	0.26	11,155.66	1.72
Materials & Supplies TO	19,020.50	11.93	36,649.26	5.64
Materials & Supplies TM	0.00	0.00	995.00	0.15
Materials & Supplies DO	3,560.79	2.23	8,575.15	1.32
Materials & Supplies DM	13,586.11	8.52	44,743.60	6.89
Materials & Supplies CAE	2,132.83	1.34	6,825.52	1.05
Contractual Ser-Acct AG	0.00	0.00	14,000.00	2.15
Contractual Ser-Leg AG	2,562.50	1.61	21,506.85	3.31
Contractual Ser-Wtr Test TO	0.00	0.00	5,231.75	0.81
Contractual Ser-Other TM	0.00	0.00	7,456.00	1.15
Contractual Ser-Other DO	0.00	0.00	451.35	0.07
Contractual Ser-Other DM	1,979.00	1.24	42,780.45	6.58

For Management Purposes Only

MARTIN COUNTY WATER DISTRICT
Income Statement
For the Four Months Ending April 30, 2018

	Current Month		Year to Date	
Contractual Ser-Other CAE	0.00	0.00	3,151.49	0.48
Contractual Ser-Other AG	60.00	0.04	680.00	0.10
Rental of Bld/RI Prop DO	0.00	0.00	499.55	0.08
Rental of Bld/RI Prop DM	500.00	0.31	500.00	0.08
Rental of Bld/RI Prop CAE	709.58	0.45	2,838.32	0.44
Rental of Equipment TO	0.00	0.00	2,500.00	0.38
Rental of Equipment DM	0.00	0.00	148.95	0.02
Transportation Expense DO	247.49	0.16	582.72	0.09
Transportation Expense DM	3,643.63	2.29	17,969.24	2.77
Transportation Expense CAE	492.58	0.31	1,477.72	0.23
Transportation Expense AG	590.18	0.37	3,513.71	0.54
Insurance-Vehicles SO	38.69	0.02	154.76	0.02
Insurance-Vehicles SM	38.69	0.02	154.76	0.02
Insurance-Vehicles TO	38.69	0.02	154.76	0.02
Insurance-Vehicles TM	38.69	0.02	154.76	0.02
Insurance-Vehicles DO	247.59	0.16	990.36	0.15
Insurance-Vehicles DM	338.13	0.21	1,352.52	0.21
Insurance-Vehicles CAE	38.69	0.02	154.76	0.02
Insurance-Vehicles AG	61.90	0.04	247.60	0.04
Insurance-Gen Liab SO	129.59	0.08	518.36	0.08
Insurance-Gen Liab SM	86.39	0.05	345.56	0.05
Insurance-Gen Liab TO	259.18	0.16	1,036.72	0.16
Insurance-Gen Liab TM	107.99	0.07	431.96	0.07
Insurance-Gen Liab DO	669.54	0.42	2,678.16	0.41
Insurance-Gen Liab DM	691.13	0.43	2,764.52	0.43
Insurance-Gen Liab CAE	86.39	0.05	345.56	0.05
Insurance-Gen Liab AG	129.59	0.08	518.36	0.08
Insurance-Workers Comp TO	1,117.48	0.70	4,469.92	0.69
Insurance-Workers Comp DO	429.81	0.27	1,719.24	0.26
Insurance-Workers Comp DM	628.51	0.39	2,514.04	0.39
Insurance-Workers Comp CAE	25.84	0.02	103.36	0.02
Insurance-Workers Comp AG	382.78	0.24	1,531.12	0.24
Insurance-Other CAE	333.31	0.21	1,333.24	0.21
Insurance-Other AG	281.79	0.18	1,127.16	0.17
Miscellaneous Expense TO	350.10	0.22	1,377.77	0.21
Miscellaneous Expense TM	0.00	0.00	245.04	0.04
Miscellaneous Expense DO	121.99	0.08	121.99	0.02
Miscellaneous Expense DM	243.98	0.15	356.48	0.05
Miscellaneous Expense CAE	223.14	0.14	1,097.18	0.17
Miscellaneous Expense CAE	0.00	0.00	757.54	0.12
Miscellaneous Expense AG	0.00	0.00	2,100.00	0.32
Miscellaneous Expense AG	775.80	0.49	4,949.85	0.76
Other Contractor -- Operations	0.00	0.00	1,077.08	0.17
Total Expenses	207,160.37	129.98	1,100,246.45	169.32
Net Income	\$ (47,783.41)	(29.98)	\$ (450,433.29)	(69.32)

For Management Purposes Only

Martin County Water District

387 East Main St., Suite 140
Inez, KY 41224
(606) 298-3885

All Books

Date Range 4/1/2018 Through 4/30/2018

<u>Date</u>	<u>Usage</u>	<u>Category</u>	<u>Billed Amount</u>
4/20/2018	12247000		
		01	\$1,096.24
		C1	\$6,282.40
		C1E	\$623.50
		C2	\$1,333.70
		C2E	\$400.20
		C3	\$360.90
		C3E	\$220.10
		C4	\$4,557.90
		C4E	\$5,283.30
		C5	\$2,692.50
		C6	\$3,041.50
		DSS	\$14,547.68
		EX	\$0.00
		Late Charge	\$3,854.16
		Meter Pull Non-Pay Service Fee	\$360.00
		Meter Pull Non-Pay Re-set Fee	\$360.00
		Meter Set Fee	\$240.00
		NSF Check Fee	\$32.00
		R1	\$114,620.80
		SC	\$4,195.64
		Service Fee	\$40.00
		4/20/2018 Total Billed:	\$164,142.52

Martin County Water District

387 East Main St., Suite 140
inez, KY 41224
(606) 298-3885

All Books

Payments Applied Between: 4/1/2018 And 4/30/2018

UnFiled

Category	Description	Amount Paid
01	Sales Tax	\$1,223.30
Bal. Forward	Tap balance	\$2,965.04
C1	Comm.. W/Tax Water	\$9,043.02
C1E	Res. N/T Water	\$1,763.60
C2	1" Meter Water	\$1,006.90
C2E	1" Meter N/T Water	\$400.20
C3	1 1/2" Com. Water	\$360.90
C3E	1 1/2" Com. N/T Water	\$220.10
C4	2" Commercial Water	\$4,697.50
C4E	2" Com. N/T Water	\$5,004.93
C5	3" Commercial Water	\$2,692.50
C6	4" Commercial Water	\$3,041.50
DSS	Debt Svc. Surcharge	\$12,042.98
Late Charge	Late Charge	\$5,536.42
Meter Pull Fee	Meter Pull NP	\$65.00
Meter Pull Non-Pay S	Meter pull non-pay	\$1,125.91
Meter Pull Non-Pay	Meter set back	\$865.09
Meter Re-set Fee	Meter Set Back	\$30.00
Meter Set Fee	Meter set	\$207.42
NSF Check Fee	RCF #203	\$20.00
R1	Res. N/Tax Water	\$127,324.09
SC	School Tax	\$4,656.76
Service Fee	Meter Set Back	\$190.00
Total Payments:		\$184,483.16

MARTIN COUNTY WATER DISTRICT

Aged Payables
As of Apr 30, 2018

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 days	Amount Due	
ANTHEM	ANTHEM BS/BC			9,618.84				9,618.84	2
AEP-03084017411	AMERICAN ELECTRIC POW		PC UNIT PUMP	121.12		137.41		258.53	4
AEP-03145493403	AMERICAN ELECTRIC POW		BONE HOLLOW RD	154.90	96.70	50.66		302.26	4
AEP-03146011204	AMERICAN ELECTRIC POW		LICK-STOCKROOM		25.89	13.18		39.07	4
AEP-03176005217	AMERICAN ELECTRIC POW		RCF TRLR	28.36	29.31	28.11		85.78	4
AEP-03186942201	KENTUCKY POWER COMP			29.08	30.43	29.45		88.96	4
AEP-03192343626	AMERICAN ELECTRIC POW		FLB-PUMPING STATION	246.07	325.02	298.82		869.91	4
AEP-03210093104	AMERICAN ELECTRIC POW		INDUSTRIAL PARK		55.38	25.63		81.01	4
AEP-03264151600	AMERICAN ELECTRIC POW		FLUTY LICK BR	28.11	28.94	28.16		85.21	4
AEP-03303415503	KENTUCKY POWER COMP	LICK BRANCH			22,242.68			22,242.68	4
AEP-03333380701	AMERICAN ELECTRIC POW		LICK BR		146.12	84.65		230.77	4
AEP-03433524133	AMERICAN ELECTRIC POW		ELI RD- MIDDLE FK RD		1,632.81	163.04		1,795.85	4
AEP-03456165400	AMERICAN ELECTRIC POW			119.89	122.88	166.42		409.19	4
AEP-03569659000	AMERICAN ELECTRIC POW			116.88	149.06	189.68		455.62	4
AEP-03589545205	AMERICAN ELECTRIC POW	LITTLE BLACKLOG ROAD			21.09			21.09	4
AEP-03593020211	AMERICAN ELECTRIC POW		BIG ELK PUMP STATION	241.69	263.31	321.55		826.55	4
AEP-03601264702	AMERICAN ELECTRIC POW		MAIN STREET		25.82			25.82	4
AEP-03620331128	AMERICAN ELECTRIC POW		TC NEW RIVER STATION	513.40	381.04		-2,958.11	-2,063.67	4
AEP-03646008916	AMERICAN ELECTRIC POW		BUCK CRK TANK	19.04	19.92			38.96	4
AEP-03661023014	AMERICAN ELECTRIC POW		STORAGE TANK CANEY H		1,060.85			1,060.85	4
AEP-03746011216	AMERICAN ELECTRIC POW		FLB-LIGHTS AT PLANT	23.63	24.81	24.36		72.80	4
AEP-03767125408	AMERICAN ELECTRIC POW		RT 3 S AIRPORT PUMP		1,111.75	210.08		1,321.83	4
AEP-03875011813	AMERICAN ELECTRIC POW		LBR-COLDWATER TANK		55.01	25.94		80.95	4
AEP-03909194403	AMERICAN ELECTRIC POW				7,181.44	3,928.83		11,110.27	4
AEP-03923020212	AMERICAN ELECTRIC POW		BIG ELK CREEK	28.69	29.44	28.48		86.61	4
AEP-03956011211	AMERICAN ELECTRIC POW		TC-PLANT OFFICE		332.26	242.99		575.25	4
AEP-03998292506	AMERICAN ELECTRIC POW		TURKEY CREEK ROAD	27.81	28.70	27.67		84.18	4
APPWIRELESS	APPALACHIAN WIRELESS			218.61	452.53			671.14	4
MCSD - 9-00706	MARTIN COUNTY SANITAT				81.68	81.68	1,722.71	1,886.07	4
PAINTSVILLEUTILITIES	PAINTSVILLE UTILITIES			21.88				21.88	4
PRESTONSBURG CITY UTIL	PRESTONSBURG CITY UTI				26,512.50	44,291.00	6,754.50	77,558.00	4
SUDDENLINK-401(PLANT	SUDDENLINK			94.95				94.95	4
SUDDENLINK-901(OFFIC	SUDDENLINK			223.14	213.56			436.70	4
SUDDENLINK-901(PLANT	SUDDENLINK			255.15	245.29			500.44	4
WALKERCOMMUNICATION	WALKER COMMUNICATION						1,602.00	1,602.00	4
APPALACHIANSTATESANA	APPALACHIAN STATES AN			1,922.25		3,309.50	6,382.50	11,614.25	5
GUTHRIESALES	GUTHRIE SALES AND SER						389.21	389.21	5
THECITHORNBURGOINC	THE C. I. THORNBURG CO			8,851.13		9,138.45	72,676.20	90,665.78	5
USABLUEBOOK	USA BLUE BOOK			1,428.91		2,261.95	151.80	3,842.66	5
SERVICEPUMP&SUPPLYIN	SERVICE PUMP & SUPPLY			3,385.50	5,805.93	1,137.77		10,329.20	7
SOLESELECTRIC	SOLES ELECTRIC OF HUN					2,215.00	18,000.00	20,215.00	7
STATE ELECTRIC	STATE ELECTRIC SUPPLY						121.20	121.20	7
ALLPUMPSSALES&SERVIC	ALL PUMPS SALES & SER					671.00	30,051.36	30,722.36	9
EVANSHARDWAREINC	EVANS HARDWARE, INC.			5,687.30	5,228.76	8,227.93	64,479.10	83,623.09	9
64SECONDS	64 SECONDS						705.00	705.00	10
ACROPRINT	ACROPRINT TIME RECORD						955.54	955.54	10
ADVANCEDAUTOPROF	ADVANCED AUTO PARTS					142.68	949.59	1,092.27	10
ALLAMERICANFIREEQUIP	ALL AMERICAN FIRE EQUI						725.00	725.00	10
AMERICANWELDING&GAS	SCOTT-GROSS CO., INC.			148.95				148.95	10
ARAMARK	ARAMARK			393.23	417.38			810.61	10
ASHLANDOFFICESUPPLY	ASHLAND OFFICE SUPPLY				262.40		84.00	346.40	10
BANKSMILLERSUPPLY	BANKS MILLER SUPPLY			940.00				940.00	10
BRENNTAG	BRENNTAG MID-SOUTH, IN						2,490.75	2,490.75	10
CDPENGINERS, INC.	CDP ENGINEERS, INC.					960.00		960.00	10

MARTIN COUNTY WATER DISTRICT

Aged Payables
As of Apr 30, 2018

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 days	Amount Due	
CHAFINS,ERIC	ERIC CHAFINS					195.00	390.00	585.00	10
CONSOLIDATEDPIPE	CONSOLIDATED PIPE & SU		FLUTY LICK BR	251.76	251.76	125.88	11,733.68	12,363.08	10
COUNTYCONCRETE	COUNTY CONCRETE						2,676.00	2,676.00	10
CUMBO,BRIAN	BRIAN CUMBO, ATTORNEY			4,207.20		11,133.40	15,603.44	30,944.04	10
DAVIS,PAUL	PAUL DAVIS						1,125.00	1,125.00	10
DELONG,PAUL	PAUL DELONG			60.00	60.00	55.00	385.00	560.00	10
EDGAR'STIRE	EDGAR'S TIRES						981.00	981.00	10
ELITEAGENCYINC	THE ELITE AGENCY INC.		1-859-264-9400				3,869.42	3,869.42	10
ELLIOTTSUPPLY&GLASS	ELLIOTT SUPPLY & GLASS					995.00		995.00	10
FASTCHANGE	FAST CHANGE		606-298-0764	386.48		102.97	4,347.95	4,837.40	10
HIGHLANDCOMMUNICATI	HIGHLAND COMMUNICATI						110.00	110.00	10
HINKLEBLACKTOP	HINKLE BLACKTOP LLC			1,947.50	850.00	175.00	5,189.10	8,161.60	10
HOLBROOKIMPLEMENT	HOLBROOK IMPLEMENT						793.97	793.97	10
HOWELLSHVAC	HOWELLS HVAC				818.58		3,166.85	3,985.43	10
HOWELLSRECYCLING	HOWELL'S RECYCLING					3,300.00	10,825.00	14,125.00	10
INEZAUTOMOTIVESUPPLY	INEZ AUTOMOTIVE SUPPL						169.95	169.95	10
IPC	IPC						38.00	38.00	10
JHTOMBLINFENCECO	JH TOMBLIN FENCE CO						422.00	422.00	10
JJKELLER	J.J. KELLER & ASSOCIATE						40.00	40.00	10
KIRK,RICHARD	RICHARD KIRK						1,700.00	1,700.00	10
KIRKLAWNSERVICE	KIRK LAWN SERVICE						100.00	100.00	10
KYRURALWATERASSOCIA	KENTUCKY RURAL WATER						1,700.00	1,700.00	10
KYTEKS	KYTEKS						155.00	155.00	10
KYUNDERGROUNDPROTE	KY UNDERGROUND PROT			31.50	19.50	93.00	1,673.60	1,817.60	10
LINDAFSUMPTERCAPASC	LINDA F. SUMPTER, CPA, P			3,500.00		7,000.00	140,000.00	150,500.00	10
MARCOMINESUPPLYINC	MARCO MINE SUPPLY INC						1,382.87	1,382.87	10
MCCOYTREESERVICE	McCOY'S TREE SERVICE						600.00	600.00	10
MOORE,CANDY	CANDY MOORE						450.00	450.00	10
MOORE,CHARLIE	CHARLIE MOORE			188.22	146.83			335.05	10
NORFOLKSOUTHERN	RAILROAD MANAGEMENT						55.00	55.00	10
POCAHONTASDEV	POCAHONTAS DEVELOPME						25.00	25.00	10
QUILLCORPORATION	QUILL CORPORATION						461.73	461.73	10
R&JBUILDINGSUPPLY	R & J BUILDING SUPPLY			209.82		104.91	9,010.59	9,325.32	10
TECH2000INC	TECH 2000, INC.				162.50	2,580.00	4,446.93	7,189.43	10
THECHAPMANPRINTINGCO	THE CHAPMAN PRINTING CO			889.20		889.20		1,778.40	10
THEHOMECITYICECO	THE HOME CITY INCE COM						399.00	399.00	10
UNITEDSYSTEMS	UNITED SYSTEMS& SOFTV						3,020.00	3,020.00	10
UNIVERSALLICENSINGSE	UNIVERSAL LICENSING SE						471.38	471.38	10
VERMEER	VERMEER HEARTLAND					1.24	38.48	39.72	10
WARFIELDSHOPRITE	WARFIELD SHOPRITE INC						12.00	12.00	10
WHAYNESUPPLY	WHAYNE SUPPLY COMPAN						7,649.86	7,649.86	10
WILDCAT TIRE	WILDCAT AUTOMOTIVE SA		606-534-4020				1,006.06	1,006.06	10
WILDCATAUTO&SERVICE	WILDCAT AUTOMOTIVE SA				1,430.85			1,430.85	10
WILSONEQUIPMENTCOMP	WILSON EQUIPMENT COM		874-8036				413.01	413.01	10
WVAELECTRIC	W.VA. ELECTRIC SUPPLY CO						908.03	908.03	10
XYLEM	XYLEM DEWATERING SOL						42,496.60	42,496.60	10
ZIPZONE(FASLANE)	ZIP ZONE, INC			7,154.00	5,010.06	13,158.15	183,906.65	209,228.86	10
Report Total				53,714.19	83,390.77	118,370.82	669,230.50	924,706.28	

\$ 21.88
 Mountain Citizen \$ 143.66
 Xpress \$ 1,837.92
 BlueWater KY \$ 1,000.00
Total: \$ 3,003.46

Management Report

Attach #2

Martin County Water District
General Manager's Report 2018

May 2018

1. Continuing with purchase order program:

- **We have changed the way we purchase supplies. Invoice is sent for consideration. Office will then affirm or deny.**
- **Sent to accounting, along with a p.o. number for payment.**
- **Then matched to a work order.**

2. Continuing fuel procedures:

- **Field workers call office with information when purchasing fuel and turn in tickets daily.**

3. Negotiated payment plans with vendors:

- **In the process of re-negotiating some plans.**
- **C.I. Thornburg**
- **All Pumps**
- **Soles Electric**
- **Service Pump**
- **Evans Hardware**
 - **Negotiated new plan on 5-7-18.**

4. Working on raw water intake problems.

Operations
Management Report

Attach #3

Martin County Water District

Manager's Report 2018

May 2018

1. Major leak repairs (month of April):

- Inez: (Quail Hollow) ¾" saddle rusted into on a 6" ac main line.
- Davella (Sawmill Hollow) 4" ductal leaking at a bell.
(Beside Zip Zone) 8" ductal with a 1" diameter hole.
- Fixed 13 other service line leaks.

2. Raw Water:

- Installed our diesel 6" portable pump at the river to pump into the wet well. It pumped for 8 hours until vfd #1 went down.
- Godwin Pumps is going to supply another vfd.
- The reservoir is getting low.

3. Davella Pump Station:

- We have been able to pump more hours to the airport than we have in the past. Sometimes we average 12 to 14 hours a day.

4. Water Plant:

- CI Thornburg is scheduled to install a new master meter in the plant. Hopefully this will help us with our water loss calculations.
- Should take around 5 hours for the installation.
- We have been cleaning up the plant for several days, and everything is ready for the visitors at the plant on Wednesday.

JUNE, 2018

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 Regular Meeting Tuesday June 12, 2018

3rd Floor Large Conference Room
Roy F. Collier Community Center

John Horn called meeting to order at 8:00 a.m.

In attendance were, Chairman John Horn, James Kerr, John Hensley, Jaryd Crum, Rex Endicott, Brian Cumbo, John Mills, Marcie Dials, and Linda & Raymond Sumpter, Big Sandy ADD, Nina McCoy

Approval of Minutes:

- Motion by James Kerr and seconded by John Hensley, to approve the Minutes as presented. **Motion Carried**

Accounts Payable:

- Linda Sumpter said that there was improvement for May.
- Motion made by James Kerr and seconded by John Hensley to approve budget.
- See attachment #1

Management Report-Greg Scott:

- General Manager's Report
- See attachment #2

Operations Report-John Mills:

- See attachment #3

ARC grant forms and agreement:

- Need letter from CPA.
- Motion made by John Hensley and seconded by James Kerr to name an advisory board. Members are Jaryd Crum, John Horn, and Jimmy Kerr. Motion carried.
- Motion made by James Kerr and seconded by Jaryd Crum to have John Hensley and John Horn's signatures authorized on an interest bearing account for the ARC grant.
- Board signed several resolutions. See attachment #4.

General Manager job description:

- Motion made by Jaryd Crum and seconded by James Kerr to post the General Manager's job. Motion carried.

Tariff review and recommended changes:

- Motion made by John Hensley and seconded by Jaryd Crum to add a re-connect and disconnect fee to the tariff and re-wording of the disconnect process. Motion carried.
- Brian Cumbo suggested the fire department penalty for not reporting usage be set at \$100.00.

Discussion of Prestonsburg City Utilities current operating agreement; possible lease and action:

- James Kerr said he had a meeting with them and a purchase is not happening. The lease is still pending. Prestonsburg asked MCWD to come up with new rates.
- Board wants to suspend the joint operating agreement, and Prestonsburg pumps only the exact amount the prison uses. MCWD will only pay for water with a purchase order.
- MCWD needs a pumping schedule.
- Jaryd Crum and James Kerr will meet with Prestonsburg again to discuss.

Water loss report:

- Kentucky Rural Water is helping with finding water loss and doing reports.

Insurance Policies:

- Earlena Duncan from Elite Insurance presented options. MCWD will keep paying 100% of the premiums, but chose Option #3. Motion made by James Kerr and seconded by John Hensley to approve pending new search. Motion approved.
- See attachment #5.

Barbi Ann Maynard clean up project:

- She will do the project on July 21st. No one can be on the dam or spillway. Brian Cumbo is preparing a waiver for participants to sign.

Establish policy for what constitutes bad debt and timeline for writing it off:

- Motion made by James Kerr and seconded by John Hensley to write off any bills older than two years and to write a policy regarding bad debt. Motion approved.

Executive Session:

- No executive session needed.

Additional Business:

- Suggestion was made to move the board meeting to the 3rd Tuesday of the month. James Kerr made motion and John Hensley seconded. Motion approved.
- Board wants to put out an RFP for other engineering firms.

Adjourn:

- No other business, a motion was made by James Kerr and seconded by John Hensley to adjourn. **Motion Carried**



John Horn, Chairman



Rex Endicott, Board Member

Jaryd Crum, Board Member



James Kerr, Treasurer



John Hensley, Secretary

Accounts Payable

Attach #1

MARTIN COUNTY WATER DISTRICT

May 2018

Cash Flow/Cash Budget--a prediction of future cash receipts and expenditures for a particular time period. It usually covers a period in the short-term future. The Cash Flow Budget helps the District determine when income will be sufficient to cover expenses and when the company will need to seek outside financing.

**To communicate plans to various responsibility center managers.
 **To motivate managers to strive to achieve budget goals.
 **To evaluate the performance of managers
 **To provide visibility into the District's performance
 **For accountability

Cash Receipts - Average for 10/17 thru 3/18

Expenses

Bonds & Leases
 School and Sales Tax
 Payroll Taxes
 Salaries & Wages
 Employee Pensions & Ben
 Purchased Water
 Purchased Power
 Chemicals TO
 Materials & Supplies
 Contractual Services
 Rental (Pumps)
 Rental of Bld/RI Prop CAE
 Transportation Expense
 Insurance
 Miscellaneous Expense AG

	BUDGET		ACTUAL	FAVORABLE/ (UNFAVORABLE)	
	% of Expenses	% of Income			
	193,875	100.00%	100%	206,131	12,256
Bonds & Leases	17,500	9.03%	9%	17,500	-
School and Sales Tax	6,950	3.58%	4%	7,098	(148)
Payroll Taxes	4,000	2.06%	2%	3,347	653
Salaries & Wages	45,300	23.37%	23%	42,843	2,457
Employee Pensions & Ben	14,200	7.32%	7%	14,067	133
Purchased Water	8,475	0.00%	0%	69	8,406
Purchased Power	25,250	13.02%	13%	21,245	4,005
Chemicals TO	17,000	8.77%	9%	10,452	6,548
Materials & Supplies	18,850	9.72%	10%	35,667	(16,817)
Contractual Services	15,000	7.74%	8%	13,389	1,612
Rental (Pumps)	2,800	0.00%	0%	-	2,800
Rental of Bld/RI Prop CAE	700	0.36%	0%	710	(10)
Transportation Expense	6,600	3.40%	3%	4,646	1,954
Insurance	6,500	3.35%	3%	5,230	1,270
Miscellaneous Expense AG	4,750	2.44%	2%	1,809	2,941
Total Expenses	193,875	94.16%	94%	178,073	15,802
Balance to Apply to Depreciation Reserve			0%	28,057	

MARTIN COUNTY WATER DISTRICT
Income Statement
For the Five Months Ending May 31, 2018

	Current Month		Year to Date	
Revenues				
Interest & Dividend Income	\$ 5.92	0.00	\$ 979.74	0.12
Unmetered Water Revenues	19.60	0.01	372.53	0.04
Metered Sales To Resid Cust	147,460.50	71.54	636,229.20	74.70
Metered Sales to Comm Cust	24,705.33	11.99	119,401.49	14.02
Metered Sales to Comm Exempt	6,983.65	3.39	19,508.55	2.29
Miscellaneous Service Revenue	5,872.00	2.85	34,017.76	3.99
Other Water Revenues-Penalitie	6,594.24	3.20	26,466.24	3.11
Other Water Revenues	0.00	0.00	300.00	0.04
Other Revenues - JW	0.00	0.00	(272.40)	(0.03)
Other Revenues	0.00	0.00	100.00	0.01
Other Revenues-Vendors Comp	21.26	0.01	103.64	0.01
Other Water Revenues-Sur Charg	14,468.07	7.02	14,463.88	1.70
Total Revenues	206,130.57	100.00	851,670.63	100.00
Cost of Sales				
Total Cost of Sales	0.00	0.00	0.00	0.00
Gross Profit	206,130.57	100.00	851,670.63	100.00
Expenses				
Depreciation Expense	64,441.92	31.26	322,209.60	37.83
Payroll Taxes-SS & MC	3,277.52	1.59	17,005.60	2.00
Payroll Taxes-Unemployment	69.91	0.03	807.50	0.09
Payroll Taxes-Retirement	0.00	0.00	1,864.20	0.22
Interest on Long-Term Debt	1,816.33	0.88	56,000.80	6.58
Amortization of Prem on Debt	(62.73)	(0.03)	(313.65)	(0.04)
Salaries and Wages - Emp TO	13,181.91	6.39	75,224.17	8.83
Salaries and Wages - Emp DO	7,416.05	3.60	30,438.14	3.57
Salaries and Wages - Emp DM	7,557.66	3.67	40,111.57	4.71
Salaries and Wages - Emp DM	5,113.89	2.48	28,218.55	3.31
Salaries and Wages - Emp CAE	5,130.33	2.49	24,637.36	2.89
Salaries and Wages - Emp AG	4,443.22	2.16	26,116.10	3.07
Employee Pensions & Ben TO	3,806.95	1.85	19,129.27	2.25
Employee Pensions & Ben DO	433.31	0.21	2,166.55	0.25
Employee Pensions & Ben DM	5,841.39	2.83	30,610.76	3.59
Employee Pensions & Ben CAE	2,672.61	1.30	13,419.19	1.58
Employee Pensions & Ben AG	1,312.84	0.64	6,527.12	0.77
Purchased Water SO	69.16	0.03	101,541.93	11.92
Purchased Water TO	0.00	0.00	894.14	0.10
Purchased Power SO	2,119.16	1.03	31,071.36	3.65
Purchased Power TO	10,172.17	4.93	55,273.07	6.49
Purchased Power DO	8,626.95	4.19	38,219.89	4.49
Purchased Power AG	327.14	0.16	2,225.70	0.26
Chemicals TO	10,451.83	5.07	79,376.39	9.32
Materials & Supplies SO	1,836.72	0.89	13,098.88	1.54
Materials & Supplies TO	5,201.64	2.52	41,850.90	4.91
Materials & Supplies TM	0.00	0.00	995.00	0.12
Materials & Supplies DO	2,496.40	1.21	11,071.55	1.30
Materials & Supplies DM	24,874.00	12.07	69,985.12	8.22
Materials & Supplies CAE	1,258.69	0.61	8,084.21	0.95
Contractual Ser-Acct AG	0.00	0.00	14,000.00	1.64
Contractual Ser-Leg AG	6,420.09	3.11	27,926.94	3.28
Contractual Ser-Wtr Test TO	0.00	0.00	6,728.00	0.79
Contractual Ser-Other TM	0.00	0.00	7,456.00	0.88
Contractual Ser-Other DO	0.00	0.00	451.35	0.05

For Management Purposes Only

MARTIN COUNTY WATER DISTRICT
Income Statement
For the Five Months Ending May 31, 2018

	Current Month		Year to Date	
Contractual Ser-Other DM	5,626.41	2.73	48,406.86	5.68
Contractual Ser-Other CAE	1,257.00	0.61	5,377.49	0.63
Contractual Ser-Other AG	60.00	0.03	740.00	0.09
Rental of Bld/RI Prop DO	0.00	0.00	499.55	0.06
Rental of Bld/RI Prop DM	0.00	0.00	500.00	0.06
Rental of Bld/RI Prop CAE	709.58	0.34	3,547.90	0.42
Rental of Equipment TO	0.00	0.00	2,500.00	0.29
Rental of Equipment DM	0.00	0.00	148.95	0.02
Transportation Expense DO	913.87	0.44	1,496.59	0.18
Transportation Expense DM	2,946.12	1.43	21,440.06	2.52
Transportation Expense CAE	492.58	0.24	1,970.30	0.23
Transportation Expense AG	293.33	0.14	3,337.05	0.39
Insurance-Vehicles SO	38.69	0.02	193.45	0.02
Insurance-Vehicles SM	38.69	0.02	193.45	0.02
Insurance-Vehicles TO	38.69	0.02	193.45	0.02
Insurance-Vehicles TM	38.69	0.02	193.45	0.02
Insurance-Vehicles DO	247.59	0.12	1,237.95	0.15
Insurance-Vehicles DM	338.13	0.16	1,690.65	0.20
Insurance-Vehicles CAE	38.69	0.02	193.45	0.02
Insurance-Vehicles AG	61.90	0.03	309.50	0.04
Insurance-Gen Liab SO	129.59	0.06	647.95	0.08
Insurance-Gen Liab SM	86.39	0.04	431.95	0.05
Insurance-Gen Liab TO	259.18	0.13	1,295.90	0.15
Insurance-Gen Liab TM	107.99	0.05	539.95	0.06
Insurance-Gen Liab DO	669.54	0.32	3,347.70	0.39
Insurance-Gen Liab DM	691.13	0.34	3,455.65	0.41
Insurance-Gen Liab CAE	86.39	0.04	431.95	0.05
Insurance-Gen Liab AG	129.59	0.06	647.95	0.08
Insurance-Workers Comp TO	1,117.48	0.54	5,587.40	0.66
Insurance-Workers Comp DO	429.81	0.21	2,149.05	0.25
Insurance-Workers Comp DM	628.51	0.30	3,142.55	0.37
Insurance-Workers Comp CAE	25.84	0.01	129.20	0.02
Insurance-Workers Comp AG	382.78	0.19	1,913.90	0.22
Insurance-Other CAE	333.31	0.16	1,666.55	0.20
Insurance-Other AG	281.79	0.14	1,408.95	0.17
Miscellaneous Expense TO	255.15	0.12	1,724.82	0.20
Miscellaneous Expense TM	0.00	0.00	245.04	0.03
Miscellaneous Expense DO	650.00	0.32	771.99	0.09
Miscellaneous Expense DM	18.09	0.01	374.57	0.04
Miscellaneous Expense CAE	223.14	0.11	1,320.32	0.16
Miscellaneous Expense CAE	0.00	0.00	757.54	0.09
Miscellaneous Expense AG	0.00	0.00	2,100.00	0.25
Miscellaneous Expense AG	662.74	0.32	5,612.59	0.66
Other Contractor -- Operations	25.00	0.01	1,102.08	0.13
	<u>220,640.46</u>	<u>107.04</u>	<u>1,339,398.91</u>	<u>157.27</u>
Total Expenses				
Net Income	\$ (14,509.89)	(7.04)	\$ (487,728.28)	(57.27)

For Management Purposes Only

MARTIN COUNTY WATER DISTRICT

Aged Payables
As of May 31, 2018

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 days	Amount Due	
64SECONDS	64 SECONDS						705.00	705.00	10
ACROPRINT	ACROPRINT TIME RECORDING						955.54	955.54	10
ADVANCEDAUTOPROF	ADVANCED AUTO PARTS						1,092.27	1,092.27	10
AEP-03084017411	AMERICAN ELECTRIC POW		PC UNIT PUMP	130.25	121.12	116.67		368.04	4
AEP-03145493403	AMERICAN ELECTRIC POW		BONE HOLLOW RD	154.13	154.90	96.70		405.73	4
AEP-03146011204	AMERICAN ELECTRIC POW		LICK-STOCKROOM	13.15	12.65	13.24		39.04	4
AEP-03176005217	AMERICAN ELECTRIC POW		RCF TRLR	29.81	28.36	29.31		87.48	4
AEP-03186942201	KENTUCKY POWER COMP			30.21	29.08	30.43		89.72	4
AEP-03192343626	AMERICAN ELECTRIC POW		FLB-PUMPING STATION	225.32	246.07	325.02		796.41	4
AEP-03210093104	AMERICAN ELECTRIC POW		INDUSTRIAL PARK	28.48	28.18	27.20		83.86	4
AEP-03264151600	AMERICAN ELECTRIC POW		FLUTY LICK BR	29.43	28.11	28.94		86.48	4
AEP-03303415503	KENTUCKY POWER COMP	LICK BRANCH		10,134.49	11,141.93			21,276.42	4
AEP-03333380701	AMERICAN ELECTRIC POW		LICK BR	70.68	74.01	72.11		216.80	4
AEP-03433524133	AMERICAN ELECTRIC POW		ELI RD- MIDDLE FK RD	1,176.02	867.12	765.69		2,808.83	4
AEP-03456165400	AMERICAN ELECTRIC POW			140.81	119.89	122.88		383.58	4
AEP-03569659000	AMERICAN ELECTRIC POW			103.90	116.88	149.06		369.84	4
AEP-03589545205	AMERICAN ELECTRIC POW	LITTLE BLACKLOG ROAD		40.69	43.40			84.09	4
AEP-03593020211	AMERICAN ELECTRIC POW		BIG ELK PUMP STATION	237.88	241.69	263.31		742.88	4
AEP-03601264702	AMERICAN ELECTRIC POW		MAIN STREET	29.92	28.68			58.60	4
AEP-03620331128	AMERICAN ELECTRIC POW		TC NEW RIVER STATION	635.52	513.40		-2,956.11	-1,809.19	4
AEP-03646008916	AMERICAN ELECTRIC POW		BUCK CRK TANK	19.87	19.04			38.91	4
AEP-03661023014	AMERICAN ELECTRIC POW		STORAGE TANK CANEY H	1,066.56	468.55			1,535.11	4
AEP-03732420900	AMERICAN ELECTRIC POW		LITTLE BLACKLOG ROAD	29.92				29.92	4
AEP-03746011216	AMERICAN ELECTRIC POW		FLB-LIGHTS AT PLANT	24.53	23.63	24.81		72.97	4
AEP-03767125408	AMERICAN ELECTRIC POW		RT 3 S AIRPORT PUMP	1,403.73	885.47	226.28		2,515.48	4
AEP-03875011813	AMERICAN ELECTRIC POW		LBR-COLDWATER TANK	28.23	27.06	27.95		83.24	4
AEP-03909194403	AMERICAN ELECTRIC POW			3,866.65	3,740.36	3,441.08		11,048.09	4
AEP-03923020212	AMERICAN ELECTRIC POW		BIG ELK CREEK	29.94	28.69	29.44		88.07	4
AEP-03956011211	AMERICAN ELECTRIC POW		TC-PLANT OFFICE	123.42	177.12	155.14		455.68	4
AEP-03998292506	AMERICAN ELECTRIC POW		TURKEY CREEK ROAD	29.14	27.81	28.70		85.65	4
ALLAMERICANFIREEQUIP	ALL AMERICAN FIRE EQUIP						725.00	725.00	10
ALLPUMPSSALES&SERVIC	ALL PUMPS SALES & SERVIC						29,722.36	29,722.36	9
AMERICANWELDING&GAS	SCOTT-GROSS CO., INC.					148.95		148.95	10
ANTHEM	ANTHEM BS/BC			19,237.68				19,237.68	2
APPALACHIANSTATESAN	APPALACHIAN STATES AN				1,496.25	1,922.25	9,692.00	13,110.50	5
APPWIRELESS	APPALACHIAN WIRELESS			274.77	218.61			493.38	4
ARAMARK	ARAMARK			549.13	393.23	523.88		1,466.24	10
ASHLANDOFFICESUPPLY	ASHLAND OFFICE SUPPLY					262.40	84.00	346.40	10
BRENNTAG	BRENNTAG MID-SOUTH, IN						2,490.75	2,490.75	10
CDPENGINERS,INC.	CDP ENGINEERS, INC.						960.00	960.00	10
CHAFINS,ERIC	ERIC CHAFINS						585.00	585.00	10
CONSOLIDATEDPIPE	CONSOLIDATED PIPE & SA		FLUTY LICK BR	251.76	125.88	251.76	11,959.56	12,488.96	10
COUNTYCONCRETE	COUNTY CONCRETE						2,676.00	2,676.00	10
CUMBO,BRIAN	BRIAN CUMBO, ATTORNEY			5,420.09	1,562.50	2,644.70	26,736.84	36,364.13	10
DAVIS,PAUL	PAUL DAVIS			75.00			1,125.00	1,200.00	10
DELONG,PAUL	PAUL DELONG			60.00	60.00	60.00	440.00	620.00	10
EDGAR'STIRE	EDGAR'S TIRES						981.00	981.00	10
ELITEAGENCYINC	THE ELITE AGENCY INC.		1-859-264-9400				3,869.42	3,869.42	10
ELLIOTTSUPPLY&GLASS	ELLIOTT SUPPLY & GLASS						995.00	995.00	10
EVANSHARDWAREINC	EVANS HARDWARE, INC.			1,984.69	2,108.51	5,228.76	72,707.03	82,028.99	9
FASTCHANGE	FAST CHANGE		606-298-0764	378.84	386.48		4,450.92	5,216.24	10
GUTHRIESALES	GUTHRIE SALES AND SER						389.21	389.21	5
HIGHLANDCOMMUNICATI	HIGHLAND COMMUNICATI						110.00	110.00	10
HINKLEBLACKTOP	HINKLE BLACKTOP LLC			1,631.60	1,947.50	850.00	5,364.10	9,793.20	10
HOLBROOKIMPLEMENT	HOLBROOK IMPLEMENT						793.97	793.97	10

MARTIN COUNTY WATER DISTRICT

Aged Payables
As of May 31, 2018

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 days	Amount Due	
HOWELLSHVAC	HOWELLS HVAC			1,432.81		818.58	3,166.85	5,418.24	10
HOWELLSRECYCLING	HOWELL'S RECYCLING						14,125.00	14,125.00	10
INEZAUTOMOTIVESUPPLY	INEZ AUTOMOTIVE SUPPLY						169.95	169.95	10
IPC	IPC						38.00	38.00	10
JHTOMBLINFENCECO	JH TOMBLIN FENCE CO						422.00	422.00	10
JJKELLER	J.J. KELLER & ASSOCIATE						40.00	40.00	10
KIRK,RICHARD	RICHARD KIRK						1,700.00	1,700.00	10
KIRKLAWNSERVICE	KIRK LAWN SERVICE						100.00	100.00	10
KYRURALWATERASSOCIATION	KENTUCKY RURAL WATER						1,700.00	1,700.00	10
KYTEKS	KYTEKS						155.00	155.00	10
KYUNDERGROUNDPROTECTORS	KY UNDERGROUND PROT			42.00	31.50	19.50	1,766.60	1,859.60	10
LINDAFSUMPTERCAPSCULPTORS	LINDA F. SUMPTER, CPA,				3,500.00	3,500.00	143,500.00	150,500.00	10
MARCOMINESUPPLYINC	MARCO MINE SUPPLY INC						1,382.87	1,382.87	10
MCCOYTREESERVICE	MCCOY'S TREE SERVICE						600.00	600.00	10
MCSO - 9-00706	MARTIN COUNTY SANITATION					81.68	1,804.39	1,886.07	4
MOORE,CANDY	CANDY MOORE						450.00	450.00	10
NORFOLKSOUTHERN	RAILROAD MANAGEMENT						55.00	55.00	10
NSRAILWAYCO	NORFOLK SOUTHERN RAILWAY			25.00				25.00	10
PAINTSVILLEUTILITIES	PAINTSVILLE UTILITIES			47.28				47.28	4
POCAHONTASDEV	POCAHONTAS DEVELOPMENT						25.00	25.00	10
PRESTONSBURGCITYUTILITIES	PRESTONSBURG CITY UTILITIES					5,936.25	77,558.00	83,494.25	4
QUILLCORPORATION	QUILL CORPORATION						461.73	461.73	10
R&JBUILDINGSUPPLY	R & J BUILDING SUPPLY			104.91	104.91	104.91	9,115.50	9,430.23	10
RFCCC	MARTIN COUNTY COMMUNITY CENTER			813.01				813.01	10
SERVICEPUMP&SUPPLYINC	SERVICE PUMP & SUPPLY			5,201.64	3,385.50	1,443.70		10,030.84	7
SOLESELECTRIC	SOLES ELECTRIC OF HUNTSVILLE						17,715.00	17,715.00	7
STATE ELECTRIC	STATE ELECTRIC SUPPLY						121.20	121.20	7
SUDDENLINK-401(PLANT)	SUDDENLINK				94.95			94.95	4
SUDDENLINK-901(OFFICE)	SUDDENLINK			223.14	223.14			446.28	4
SUDDENLINK-901(PLANT)	SUDDENLINK			255.15				510.30	4
TECH2000INC	TECH 2000, INC.			1,257.00	969.00	162.50	7,026.93	9,415.43	10
THECHAPMANPRINTINGCO	THE CHAPMAN PRINTING			889.20			889.20	1,778.40	10
THECITHORNBURGCOINC	THE C. I. THORNBURG COMPANY			19,390.53	9,849.04	-525.04	76,814.65	105,529.18	5
THEHOMECITYICECO	THE HOME CITY ICE COMPANY						399.00	399.00	10
UNITEDSYSTEMS	UNITED SYSTEMS & SOFTWARE						3,020.00	3,020.00	10
UNIVERSALLICENSINGSERVICES	UNIVERSAL LICENSING SERVICES						471.38	471.38	10
USABLUEBOOK	USA BLUE BOOK			2,738.98			2,413.75	5,152.73	5
VERMEER	VERMEER HEARTLAND						39.72	39.72	10
WALKERCOMMUNICATIONS	WALKER COMMUNICATIONS						1,602.00	1,602.00	4
WARFIELDSHOPRITE	WARFIELD SHOPRITE INC						12.00	12.00	10
WHAYNESUPPLY	WHAYNE SUPPLY COMPANY						7,649.86	7,649.86	10
WILDCAT TIRE	WILDCAT AUTOMOTIVE SUPPLY		606-534-4020				1,006.06	1,006.06	10
WILDCATAUTO&SERVICE	WILDCAT AUTOMOTIVE SUPPLY			123.34		1,430.85		1,554.19	10
WILSONEQUIPMENTCOMPANY	WILSON EQUIPMENT COMPANY		874-8036				413.01	413.01	10
WVAELECTRIC	W.VA. ELECTRIC SUPPLY						908.03	908.03	10
XYLEM	XYLEM DEWATERING SOLUTIONS						42,496.60	42,496.60	10
ZIPZONE(FASTLANE)	ZIP ZONE, INC			7,047.28	3,564.43	4,899.15	197,605.67	213,116.53	10
Report Total				89,287.51	49,469.78	35,738.74	795,491.81	969,987.84	

\$ 47.28
 Mountain Citizen \$ 24.01
 BlueWater KY \$ 1,000.00
\$ 1,071.29

Martin County Water District

387 East Main St., Suite 140
Inez, KY 41224
(606) 298-3885

All Books

Date Range 5/1/2018 Through 5/31/2018

<u>Date</u>	<u>Usage</u>	<u>Category</u>	<u>Billed Amount</u>
5/20/2018	14842000		
		01	\$1,482.58
		C1	\$7,916.60
		C1E	\$858.56
		C2	\$1,834.65
		C2E	\$611.88
		C3	\$282.36
		C3E	\$376.80
		C4	\$6,905.06
		C4E	\$5,136.41
		C5	\$3,910.58
		C6	\$3,856.08
		DSS	\$14,472.26
		EX	\$0.00
		Late Charge	\$6,732.17
		Meter Pull Non-Pay Service Fee	\$3,360.00
		Meter Pull Non-Pay Re-set Fee	\$1,440.00
		Meter Set Fee	\$200.00
		NSF Check Fee	\$32.00
		R1	\$150,443.02
		SC	\$5,457.80
		Service Fee	\$80.00
		5/20/2018 Total Billed:	\$215,388.81

Martin County Water District

387 East Main St., Suite 140
Inez, KY 41224
(606) 298-3885

All Books

Payments Applied Between: 5/1/2018 And 5/31/2018

UnFiled

Category	Description	Amount Paid
01	Sales Tax	\$1,422.30
Bal. Forward	Tap balance	\$2,883.55
C1	Comm.. W/Tax Water	\$7,293.97
C1E	Res. N/T Water	\$572.30
C2	1" Meter Water	\$1,791.76
C2E	1" Meter N/T Water	\$219.04
C3	1 1/2" Com. Water	\$282.36
C3E	1 1/2" Com. N/T Water	\$376.80
C4	2" Commercial Water	\$6,684.63
C4E	2" Com. N/T Water	\$959.82
C5	3" Commercial Water	\$3,910.58
C6	4" Commercial Water	\$3,856.08
DSS	Debt Svc. Surcharge	\$13,888.55
Late Charge	Late Charge	\$5,727.27
Meter Pull Fee	Meter Pull Fee	\$135.00
Meter Pull Non-Pay S	Meter pull non-pay	\$1,867.01
Meter Pull Non-Pay	Meter set back	\$1,022.04
Meter Set Fee	Meter set	\$160.00
NSF Check Fee	RCF	\$44.00
R1	Res. N/Tax Water	\$150,496.24
SC	School Tax	\$5,675.85
Service Fee	Meter pull non-pay	\$205.07
	Total Payments:	\$209,474.22

MARTIN COUNTY WATER DISTRICT
 FINANCIAL DISCLOSURE REPORT
 2018 BUDGET

2018 Estimates

UTILITY OPERATING INCOME

Operation Revenues	2,294,722
Operation and Maintenance	1,875,675
Depreciation Expense	773,500
Amortization Expense	1,662
Taxes Other Than Income	43,659
Net Utility Operating Expenses	2,694,496
TOTALS	(399,774)

OTHER INCOME

Net Results/Merchandising	-
Interest and Dividend Income	190
Income from Utility Plant Leased	-
Gains (Losses) from Disposition	-
Borrowed Money	-
Allowance for Funds Used During	-
Nonutility Income	-
TOTALS	190

OTHER DEDUCTIONS

Miscellaneous Nonutility Expense	-
Taxes Other than Income	-
Interest Expense	93,975
Capital Expenditures	1,300,000
Principal Loan Payments	116,442
TOTALS	1,510,417

CONTRIBUTIONS AND EXTRAORDINARY ITEMS

Income Before Contributions	(1,910,001)
Carrover from Prior Fiscal Year	82,120
Proceeds from Capital	1,300,000
Add in Depreciation	773,500
Net Extraordinary Items	245,619
CHANGE IN NET ASSETS (Cash)	245,619

Management Report

Attach #2

**Martin County Water District
General Manager's Report 2018**

June 2018

1. Raw Water:

- **Barge and pump system installed**
- **Discharge lines ordered; should be here this week and it will then be operational**
- **Twin two hundred horse motors and pumps installed**
 - **One is working and pumping**
 - **The other is timed and ready ; needs another part which is ordered**
- **When it all comes together, we will be pumping at full capacity**

2. Repair work is underway in Warfield for damage done from line work;

- **I.e. sidewalks, driveways**

3. Office controls are in place with some changes pending

- **Things seem to be running smooth internally**

Operations Management Report

Attach #3

Martin County Water District

Manager's Report 2018

June 2018

1. Major leak repairs (month of May):

- **Davella (New Rt 3) 8" ductile with a 1" diameter hole**
-Used 4' of 8' ductile iron pipe and (2) 8" hymax couplings for the repairs
- **Little Rockcastle (Little Lick) 3" PVC with a 4" split**
-Used 3' of 3" PVC and (2) 3" slip collars for repairs
- **Fixed 11 other service line leaks**

2. Old Cardinal Cleaners service line replacement:

- **Relocated 2" service line with a ¾" and moved box to the back of the property**
- **Turned the 2" old service line off at the corp**
- **Found an old ¾" service line and turned it off at the corp**
- **Found a ½" copper service line and turned it off at the corp**

3. Water Plant:

- **CI Thornburg has the parts for the new plant master meter. They are waiting on payment for the installation.**
- **The plant is shutting down at least 2 hours a day.**
- **The flow from the reservoir is good and the reservoir is holding its own.**

Big Sandy ADD

Attach #4

Big Sandy ADD-ARC Grant forms and agreements

- Adopt procurement code.
- Adopt department for local government Title 6 plan.
- Motion by John Hensley and seconded by James Kerr to approve fair housing resolution. Motion carried.
- Motion by John Horn for Marcie Dials to be named coordinator for 504 policy of non-discrimination; seconded by Jared Crum. Motion carried.
- Motion by John Hensley and seconded by James Kerr to stay within the budget resolution. Motion carried.
- Motion by John Hensley and seconded by John Horn to approve residential anti displacement and relocation program. Motion carried.
- Motion by John Hensley and seconded by James Kerr to approve Big Sandy ADD for project planning administrative services. Motion carried.
- Motion by John Hensley and seconded by Jaryd Crum to set up an account for the ARC grant. Motion carried.
- Motion by Jaryd Crum and seconded by James Kerr for John Horn and John Hensley to sign checks.

Insurance

Attach #5

	2017		2018		Opt 2		Opt3		
Work Comp	\$ 36,493.77	KLC	\$ 37,930.78	KLC	\$ 37,930.78	?	Kemi		
Package	\$ 43,709.00	PEA	\$ 39,527.87	PEA	\$ 39,527.87	?	Gov Risk		
Health	\$ 113,892.36	Anthem	\$ 111,378.60	Anthem	\$ 79,695.00	UHC			
	\$ 194,095.13		\$ 188,837.25		\$ 157,153.65				
MONTHLY PREM BASED ON 14 ENROLLEES									
			HUMANA		UNITED HEALTH CARE	Anthem		Current Plan	
MEDICAL PLAN			Plan #54		AUQT Choice Plus	2TFM		2T89	
Network			CHC					Anthem	
Coinsurance(in/out)			80/50		80/50	0		80/20	
Deductible single (in/out)			2500/7500		3500/7000	3250/6500		\$500/\$1500	
Out of pocket (in/out)			5500/16500		7350/18750	7350/14700		\$6000/\$12000	
Office Copay PCP/ Specialist			\$35/\$70		\$40/\$80	\$50/\$100		\$25/\$50	
Pharmacy			\$10/40/75/25%		\$20/45/85/250	\$15/\$50/\$90/25%		\$10/15/\$35/\$70	
EMPLOYEE PRICE			\$578.08		\$442.75	not composite			
			\$8,632.32		\$6,641.25	\$7,319.25		\$ 9,281.55	