

**COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION**

**In the Matter Of:**

**THE APPLICATION OF THE  
MARTIN COUNTY WATER  
DISTRICT FOR ALTERNATIVE  
RATE ADJUSTMENT**

**Case No. 2018-00017**

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**MARTIN COUNTY CONCERNED CITIZENS, INC.’S MOTION FOR AN ORDER  
REQUIRING MARTIN COUNTY WATER DISTRICT TO HIRE A GENERAL  
MANAGER**

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The Martin County Concerned Citizens, Inc. (“MCCC”) by and through counsel, hereby moves the Commission for an order requiring the Martin County Water District to hire a professional General Manager by the end of the year and allowing the district to use the management and infrastructure surcharge of \$3.16 per customer, per month set forth in the Commission’s November 5, 2018 Order in this matter to fund the position. Further, MCCC asks that the new General Manager be given the authority necessary to ensure that he or she is able to manage the district based on best professional judgment in a way that is not impeded by the board or by other outside influences.

The reasons for such relief are as follows:

1. As the Commission noted in the introduction to the hearing on October 22, the PSC urged the district in 2018 to hire a competent General Manager, but it did not do so.
2. The Commission explained that had the district found a qualified applicant who was ready and willing to take the job, the Commission would have ensured that the district had funding for that position.
3. However, Jaryd Crum testified that the board did not hire a General Manager in 2018

because they did not feel they had the funding for the position. Further, Jimmy Don Kerr testified that he was unaware that the Commission intended to ensure funding for a new general manager in 2018.

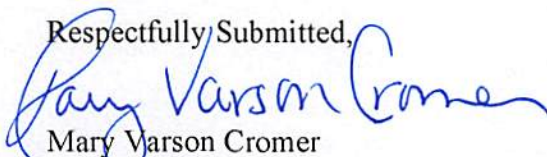
4. The district has been operating without a general manager since at least the spring of 2018, which is demonstrated by the following:
  - a. Greg Heitzman's testimony during the July 2019 Confidential Conference to the effect that the district lacks the personnel to manage it in the way necessary to bring it out of its current dilemma.
  - b. Testimony presented during the October 22, 2019 hearing demonstrating that:
    - i. The district lacks the daily oversight necessary to ensure that financial reports presented to the board and the Commission are non-erroneous;
    - ii. The district lacks the daily oversight necessary to ensure that valid water loss reports are provided to the public and the Commission; and
    - iii. The district lacks the daily oversight necessary to ensure that meters are being read, and that customers are being billed equitably based on their actual usage.
5. Furthermore, the testimony presented on October 22, 2019 demonstrates that the district is still operating in triage mode and does not have a plan for improvement of operational issues, like defective metering, failure to read meters, and failure to provide accurate financial reports and water loss reports. Likewise, the district does not have a capital improvement plan that would direct decisions like whether to buy and install used meters now, or whether to wait to install the radio-read meters that the district hopes to get soon.

6. Because of the lack of proper management of the district, the district loses revenue each month. In particular, the zero-usage data provided by the district demonstrates that the district is losing significant revenue by (1) failing to read customer meters and (2) relying on non-functioning meters. In addition, there is anecdotal evidence of a long-standing practice in the county of hooking more than one household to a single meter. These circumstances demonstrate that revenue collection in the county is unfair and inequitable. As Commissioner Cicero noted, there has not been any study to show the amount of revenue lost because of these failures.
7. Without a qualified General Manager, the district will fail.
8. The customers of the district cannot afford another rate increase. As set forth in MCCC's *Drinking Water Affordability Crisis*, based on the current typical household's water bill of \$54.37/month, drinking water is already unaffordable for 45.8% of households in Martin County. See MCCC, *Drinking Water...*, filed October 4, 2019, at 7.
9. As a way forward through this dilemma, MCCC proposes that the \$3.16 management and infrastructure surcharge be allowed to be used to hire a General Manager by the end of 2019.
10. The General Manager will then be able to correct the financial and water usage reporting issues. The General Manager will also be able to begin to correct the district's metering issues in a way that ensures that each household is fairly billed for the amount of water used, and that the district is able to bill for all customer use.
11. We anticipate that the General Manager will also work with MCCC to build trust between the district and its customers.

12. After the reporting and metering issues are resolved, the district will be in a position to determine its known and measurable revenue requirements.
13. The General Manager should meet all of the requirements set forth in the job advertisement the district ran on July 11, 2018. *See* MCWD Resp to PSC Post-Hearing RFI of 8.31.18, filed Oct. 19, 2018, CASE No. 2016-00142, Ex. 16.
14. The job advertisement should be placed in a way that reaches the maximum number of qualified applicants. At a minimum, the advertisement should be placed in the following water utility professional job boards:
  - a. American Water Works Association Career Center:  
<http://careercenter.awwa.org/>
  - b. Kentucky Rural Water jobs: <https://www.kwra.org/category/jobs>
  - c. WaterPro Career Center: <https://careers.waterprocommunity.org/>
15. The General Manager should be given the authority to make all necessary management decisions, including decisions regarding hiring and retention of personnel.
16. Nina McCoy, as the representative of MCCC, should be a voting member of the hiring committee for the General Manager position.
17. This Motion has been provided to representatives of the Martin County Water District, and they have indicated that they are unable to agree to the Motion as written.

For the reasons set forth above, MCCC respectfully moves this Commission for an Order requiring MCWD to hire a qualified General Manager by December 31, 2019.

Respectfully Submitted,



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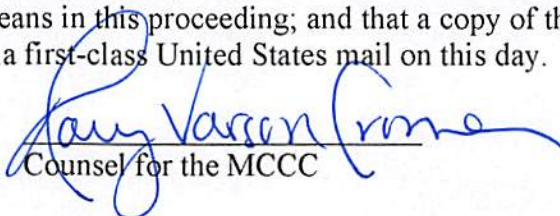
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*Counsel for MCCC*

### CERTIFICATE OF SERVICE

This is to certify that the foregoing copy of the Motion is a true and accurate copy of the document being filed in paper medium; that the electronic filing was transmitted to the Commission on October 28, 2019; that there are currently no parties that the Commission has excused from participation by electronic means in this proceeding; and that a copy of the filing in paper medium is sent to the Commission via first-class United States mail on this day.



Counsel for the MCCC