

**Southern Water & Sewer District
PO Box 610
McDowell, Ky. 41647
Special Called Meeting September, 10 2018**

ATTENDANCE

Paula Johnson, Chairperson

Barry Hall, Secretary

Hayes Hamilton, Commissioner

Troy Hogge, KEG

Dean Hall, General Manager

Paula Burke, Staff

Matt Clark, USACE

Captain Roxanne Jones, USACE

**MEETING CALLED TO ORDER BY PAULA JOHNSON WITH ALL PRESENT AND
COUNTED FOR @ 2:00 PM**

Matt Clark reported about the City of Martin needing more water volume and pressure than the City of Prestonsburg can provide for fire protection. And the USACE and the City of Martin would like for Southern Water to do approximately 5500 feet of line extension from the end of SWSD's old line to the new school.

Motion made to proceed with the project with the City of Martin

Motion Made By: Barry Hall

Seconded By: Hayes Hamilton

Motion Passed

Motion made to authorize Dean, Hollie and Troy to communicate with Rural Water and First Commonwealth Bank to acquire the funds for the Martin project.

Motion Made By: Hayes Hamilton

Seconded By: Barry Hall

Motion Passed

MOTION TO ADJOURN AT 2:47 PM

Motion Made By: Barry Hall

Seconded By: Hayes Hamilton

Motion Passed

WITH THERE BEING NO FURTHER BUSINESS TO DISCUSS THE MEETING WAS
ADJOURNED AT 2:50 pm.

**Southern Water & Sewer District
PO Box 610
McDowell, Ky. 41647
Regular Called Meeting September 24, 2018**

ATTENDANCE

Paula Johnson, Chairperson

Larry Joe Osborne, Commissioner

Barry Hall, Secretary

Joe Jacobs, Commissioner

Dean Hall, General Manager

Jeff Reed, CPA

Paula Burke, Staff

Troy Hogge, KEG

**MEETING CALLED TO ORDER BY PAULA JOHNSON WITH ALL PRESENT AND
COUNTED FOR @ 5:13 PM**

MOTION TO APPROVE MINUTES FROM SEPTEMBER AND SPECIAL MEETING

Motion Made By: Larry Joe Osborne

Seconded By: Barry Hall

Motion Passed

MOTION TO APPROVE FINANCES

Motion Made By: Joe Jacobs

Seconded By: Barry Hall

Motion Passed

**MOTION MADE TO APPROVE THE EXTENSION OF THE LINE OF CREDIT AT FIRST
COMMONWEALTH BANK**

Motion Made By: Joe Jacobs

Seconded By: Barry Hall

Motion Passed

MOTION TO APPROVE SWSD STARTING DIRECT DEPOSIT OF PAYROLL CHECKS

Motion Made By: Larry Joe Osborne

Seconded By: Barry Hall

Motion Passed

Troy Hogge updated the board on the City of Martin line extension for the new school that will be paid by for the Army Corp of Engineers. Southern just needs to

secure the funding and the Army Corp will reimburse Southern all expenses incurred. Southern Water should be receiving an MOA from the Army Corp detailing the project. He also asked for the approval of paying an invoice to Kentucky Engineering Group in the amount of \$7068.69

Motion Made By: Joe Jacobs

Seconded By: Larry Joe Osborne

Motion Passed

MOTION TO ADJOURN AT 6:12 PM

Motion Made By: Barry Hall

Seconded By: Larry Joe Osborne

Motion Passed

WITH THERE BEING NO FURTHER BUSINESS TO DISCUSS THE MEETING WAS
ADJOURNED AT 6:15 pm.

PASSED BY THE SOUTHERN WATER & SEWER COMMISSIONERS ON THIS
22nd DAY OF October 2018.

APPROVED BY:

Paula Johnson, Chairman

ATTESTED BY

Barry Hall, Secretary

SOUTHERN WATER & SEWER DISTRICT

PO BOX 610

MCDOWELL, KY 41647

Regular Called Meeting August 20, 2018

AGENDA

A. CALL TO ORDER

B. APPROVAL OF JULY'S MEETING MINUTES

C. APPROVAL OF FINANCIAL STATEMENTS

D. MANAGER'S REPORT

E. OTHER

F. ADJOURNMENT

Southern Water & Sewer District
PO Box 610
McDowell, Ky. 41647
Regular Called Meeting August 23rd Meeting

ATTENDANCE

Paula Johnson, Chairperson

Joseph Jacobs, Commissioner

Larry Joe Osborne, Commissioner

Barry Hall, Secretary

Hayes Hamilton, Commissioner

Jeff Reed, CPA

Dean Hall, General Manager

Paula Burke, Staff

MEETING CALLED TO ORDER BY PAULA JOHNSON WITH ALL PRESENT AND
COUNTED FOR @ 5:18 PM

MOTION TO APPROVE MINUTES FROM LAST MEETING

Motion Made By: Larry Joe Osborne

Seconded By: Hayes Hamilton

Motion Passed

MOTION TO APPROVE FINANCES

Motion Made By: Hayes Hamilton

Seconded By: Larry Joe Osborne

Motion Approved

MANAGERS REPORT

- Dean discussed Rhonda Begley's bill with the board in which she was disputing the \$793.00 bill she received. Board agreed to do a leak adjustment leaving the balance at \$276.60/\$50 down and \$19/month plus bill
- Pikeville City Utilities is asking for a 50% rate increase on our wholesale price with them. The board countered with a 15% offer and the city declined. We are waiting further negotiation \$1.81
- Ligon Tank case is set for trial early December.

MOTION TO ADJOURN AT 6:38 PM

Motion Made By: Barry Hall

Seconded By: Hayes Hamilton

Motion Passed

WITH THERE BEING NO FURTHER BUSINESS TO DISCUSS THE MEETING WAS
ADJOURNED AT 6:21 pm.

PASSED BY THE SOUTHERN WATER & SEWER COMMISSIONERS ON THIS

 20th DAY OF August 2018.

APPROVED BY:

Paula Johnson, Chairman

ATTESTED BY

Barry Hall, Secretary

SOUTHERN WATER AND SEWER
MONTHLY FIELD CONSTRUCTION LOG
7/24/2018 TO 8/20/2018

NUMBER OF LEAKS (52)

NUMBER OF TAPS (6)

NUMBER OF DIG OUTS (4)

ESTIMATED WATER LOSS 4,000,000 gal

LINE SIZES 3/4 (32) 1 inch (5) 2 inch (0) 3 inch (0) 4 inch (2)

6 inch (1) 8 inch (1) 10 inch (0) 12 inch (0)

PARTS USED: (64) 3/4 COUPLINGS (6) 1 inch couplings (2) 1 inch ball valve

(1) 2 inch hymax's (2) 3 inch hymax's (2) 4 inch hymax's (2) 4 inch band clamp's (0) 6 inch hymax's (1) 6 inch bandclamp (2) 8 inch hymax's (0) 10 inch hymax (0) 12 inch hymax (7) SR-II meter bottoms (3) 3/4 Regulators

Right Beaver (24) Left Beaver (19) Big Mud (7) Little Mud (2)

FIELD SUPERVISOR _____ DATE _____

GENERAL MANAGER Dean M. Hill DATE 8-20-18

SOUTHERN WATER & SEWER DISTRICT

PO BOX 610

MCDOWELL, KY 41647

Board
Doug Hoff

Regular Called Meeting July 23, 2018

AGENDA

- A. CALL TO ORDER *Red - host*
- B. APPROVAL OF JUNE'S MEETING MINUTES *Black - prof*
- C. APPROVAL OF FINANCIAL STATEMENTS
- D. MANAGER'S REPORT *Pikeville city increase - no deal*
- E. OTHER *Lisa Tank - court*
- F. ADJOURNMENT

5500 - customers
1100 customers
host
4. million

no deal

*just screed out
never got kids*

16,000,000
assets

June 1
485,000

435,000 - water customers

**Southern Water & Sewer District
PO Box 610
McDowell, Ky. 41647
Regular Called Meeting June 25th 2018**

ATTENDANCE

Paula Johnson, Chairperson
Hayes Hamilton, Commissioner
Joe Jacobs, Commissioner
Larry Joe Osborne, Commissioner
Barry Hall, Commissioner

Dean Hall, General Manager
Paula Burke, Office Manager
Troy Hogge, KEG
Jeff Reed, CPA

MEETING CALLED TO ORDER BY PAULA JOHNSON WITH ALL PRESENT AND ACCOUNTED FOR @ 4:56 PM

MOTION TO APPROVE MINUTES FROM LAST MEETING

Motion Made By: Barry Hall
Seconded By: Hayes Hamilton
Motion Passed

MOTION TO APPROVE FINANCIALS STATEMENTS

Motion Made By: Larry Joe Osborne
Seconded By: Barry Hall
Motion Approved

MOTION TO APPROVE MANAGER'S REPORT

DEAN TALKED TO THE BOARD ABOUT SURPLUS PROPERTY

- 3-FORD RANGERS
- 1-1995 FORD F350 DUMP TRUCK
- 1-2009 1500 DODGE RAM
- 1.39 ACRES OF PROPERTY AT COLD WATER

BOARD SET THE RESERVES AT \$2,500 FOR EACH VEHICLE AND \$18,500.00 FOR THE PROPERTY AT COLD WATER.

DEAN ALSO ADVISED THE BOARD THAT THE LIGON TANK CASE WAS ONGOING IN FLOYD CIRCUIT COURT AND ADDITIONAL ATTORNEY FEES WILL BE REQUIRED

DEAN INFORMED THE BOARD THAT THE CITY OF PIKEVILLE OFFICIALS HAD MET AT OUR OFFICE ASKING FOR A 50% RATE INCREASE AND THE BOARD INSTRUCTED DEAN TO COUNTER OFFER WITH 15%

Motion Made By: Barry Hall

Seconded By: Larry Joe Osborne

Motion Approved

MOTION TO ADJOURN AT 5:47 PM

Made By: Barry Hall

Seconded By: Larry Joe Osborne

Motion Passed

WITH THERE BEING NO FURTHER BUSINESS TO DISCUSS THE MEETING WAS ADJOURNED AT 6:15 pm.

PASSED BY THE SOUTHERN WATER & SEWER COMMISSIONERS ON THIS

_____ DAY OF _____ 2018.

APPROVED BY:

Paula Johnson, Chairman

ATTESTED BY

Barry Hall, Secretary

SOUTHERN WATER AND SEWER
MONTHLY FILED CONSTRUCTION LOG
6/25/2018 TO 7/23/2018

NUMBER OF LEAKS (69)

NUMBER OF TAPS (4)

NUMBER OF DIG OUTS (2)

ESTIMATED WATER LOSS 5,200,000 gal

LINE SIZES $\frac{3}{4}$ (49) 1inch (9) 2inch () 3inch (1) 4inch (5)

6inch (1) 8inch (2) 10inch () 12inch (2)

PARST USED: (98) $\frac{3}{4}$ couplings (16) 1 inch couplings () 2 inch hymax,s
(2) 3 inch hymax's (10) 4 inch hymax's (3) 6 inch hymax's (4) 8 inch
hymax's () 10 inch hymax,s (4) 12inch hymaxs (5) SR-II meter bottoms
– (3) $\frac{3}{4}$ regulators

Right Beaver (35) Left Beaver (23) Big Mud (7) Little Mud (4)

FILED SUPERVISOR *Chris Rubin* DATE 7/23/2017
GENERAL MANAGER _____ DATE _____

SOUTHERN WATER & SEWER DISTRICT

PO BOX 610

MCDOWELL, KY 41647

Regular Called Meeting June 23, 2018

AGENDA

- A. CALL TO ORDER
- B. APPROVAL OF MAY'S MEETING MINUTES
- C. KENTUCKY ENGINEERING REPORT
- D. APPROVAL OF FINANCIAL STATEMENTS
- E. MANAGER'S REPORT
- F. OTHER
- G. ADJOURNMENT

1128
Public Records

Southern Water & Sewer District
PO Box 610
McDowell, Ky. 41647
Regular Called Meeting May 23rd Meeting

ATTENDANCE

Paula Johnson, Chairperson	Troy Hogge, KEG
Hayes Hamilton, Commissioner	Hollie Nicholas, KEG
Joseph Jacobs, Commissioner	Jeff Reed, CPA
Larry Joe Osborne, Commissioner	Dean Hall, General Manager
Barry Hall, Secretary	Paula Burke, Staff

MEETING CALLED TO ORDER BY PAULA JOHNSON WITH ALL PRESENT AND
CCOUNTED FOR @ 5:00 PM

MOTION TO APPROVE MINUTES FROM LAST MEETING

Motion Made By: Larry Joe Osborne
Seconded By: Hayes Hamilton
Motion Passed

MOTION TO APPROVE OPENING A NEW ACCOUNT FOR FEMA PROJECT

Motion Made By: Hayes Hamilton
Seconded By: Joe Jacobs
Motion Approved

MOTION TO APPROVE FOR DEAN TO HANDLE THE MONEY FOR FEMA

Motion Made By: Larry Joe Osborne
Seconded By: Hayes Hamilton
Motion Approved

**MOTION TO APPROVE A RATE INCREASE BY ADDING \$10 TO THE MINIMUM BILL
AND \$1.60 TO THE PER 1000 RATE WHICH IS A 31.88% INCREASE**

Motion Made By: Larry Joe Osborne
Seconded By: Joe Jacobs
All In Favor
Motion Approved

MOTION TO ADJOURN AT 6:38 PM

Motion Made By: Barry Hall

Seconded By: Larry Joe Osborne

Motion Passed

WITH THERE BEING NO FURTHER BUSINESS TO DISCUSS THE MEETING WAS
ADJOURNED AT 6:21 pm.

PASSED BY THE SOUTHERN WATER & SEWER COMMISSIONERS ON THIS

_____ DAY OF _____ 2018.

APPROVED BY:

Paula Johnson, Chairman

ATTESTED BY

Barry Hall, Secretary

MICHAEL R. SPEARS, CPA, PSC
P.O. BOX 1270
PRESTONSBURG, KY 41653

June 25, 2018

Southern Water and Sewer District
Board of Commissioners
Prestonsburg, KY 41653

RE: May 2018 Financial Statements

Dear Commissioner,

Enclosed you will find your financial statements for the period ended May 31, 2018. In this letter I am giving you some pertinent highlights as I see them.

Balance Sheet as of May 31, 2018

- Cash in Bank is (\$4,305)
- Restricted Cash is \$702,437
- Accounts Receivable – Water is \$735,782 ✓
- Accounts Receivable – Garbage is \$546,047 ✓
- Accounts Receivable – Sewer is \$133,625 ✓
- Plant in place is \$25,906,155
- Equity is \$19,704,134

Income Statement – for the month ended May 31, 2018

- Operating Revenue is \$353,439
- Operating Expenses Less Depreciation of \$71,879 is \$261,972
- Other Income (Construction Income & Interest) \$20,037
- Other Expense (\$20,702)
- Bad Debt Expense (\$0)
- Net Income/(Loss) before depreciation expense is \$90,801
- Net Income/(Loss) after depreciation expense of \$71,879 is \$18,922

I would ask that you review the financials and if you have questions please feel free to contact me at (606) 424-8040.

Sincerely,



Michael Spears

SOUTHERN WATER AND SEWER
MONTHLY FILED CONSTRUCTION LOG
5/22/2018 TO 6/25/2018

NUMBER OF LEAKS (57)

NUMBER OF TAPS (4)

NUMBER OF DIG OUTS (1)

ESTIMATED WATER LOSS 4,800,000 gal

LINE SIZES $\frac{3}{4}$ (49) 1inch (4) 2inch () 3inch () 4inch (2)

6inch () 8inch () 10inch (10) 12inch ()

PARST USED: (110) $\frac{3}{4}$ couplings (8) 1 inch couplings () 2 inch hymax,s
() 3 inch hymax's (4) 4 inch hymax's () 6 inch hymax's () 8 inch hymax's
(4) 10 inch hymax,s (3) SR-II meter bottoms – (2) $\frac{3}{4}$ regulators

Right Beaver (30) Left Beaver (21) Big Mud (5) Little Mud (1)

FILED SUPERVISOR *Life Robin* DATE 6/25/2018

GENERAL MANAGER _____ DATE _____

SOUTHERN WATER & SEWER DISTRICT

PO BOX 610

MCDOWELL, KY 41647

Regular Called Meeting May 23, 2018

AGENDA

A. CALL TO ORDER

B. APPROVAL OF APRIL'S MEETING MINUTES

C. KENTUCKY ENGINEERING REPORT

D. APPROVAL OF FINANCIAL STATEMENTS

E. KENTUCKY ENGINEERING REPORT

F. DISCUSSION OF RATE STUDY AND FILING FOR A RATE
ADJUSTMENT WITH PSC

G. MANAGER'S REPORT

H. OTHER

I. ADJOURNMENT

**Southern Water & Sewer District
PO Box 610
McDowell, Ky. 41647
Regular Called Meeting May 23rd Meeting**

ATTENDANCE

Paula Johnson, Chairperson	Troy Hogge, KEG
Hayes Hamilton, Commissioner	Hollie Nicholas, KEG
Joseph Jacobs, Commissioner	Jeff Reed, CPA
Larry Joe Osborne, Commissioner	Dean Hall, General Manager
Barry Hall, Secretary	Paula Burke, Staff

MEETING CALLED TO ORDER BY PAULA JOHNSON WITH ALL PRESENT AND
CCOUNTED FOR @ 5:00 PM

MOTION TO APPROVE MINUTES FROM LAST MEETING

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Motion Approved

MOTION TO APPROVE FOR DEAN TO HANDLE THE MONEY FOR FEMA

Motion Made By: Larry Joe Osborne
Seconded By: Hayes Hamilton
Motion Approved

**MOTION TO APPROVE A RATE INCREASE BY ADDING \$10 TO THE MINIMUM BILL
AND \$1.60 TO THE PER 1000 RATE WHICH IS A 31.88% INCREASE**

Motion Made By: Larry Joe Osborne
Seconded By: Joe Jacobs
All In Favor
Motion Approved

MOTION TO ADJOURN AT 6:38 PM

Motion Made By: Barry Hall

Seconded By: Larry Joe Osborne

Motion Passed

WITH THERE BEING NO FURTHER BUSINESS TO DISCUSS THE MEETING WAS
ADJOURNED AT 6:21 pm.

PASSED BY THE SOUTHERN WATER & SEWER COMMISSIONERS ON THIS
_____ DAY OF _____ 2018.

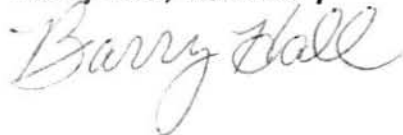
APPROVED BY:



Paula Johnson, Chairman

ATTESTED BY

Barry Hall, Secretary





May 23, 2018

Ms. Paula Johnson, Chairman & Board Members
Southern Water & Sewer District
PO Box 610
McDowell KY 41647

RE: Financial Condition of Southern, Rate Increase Application, and Project Information

Dear Ms. Johnson & Board Members:

This letter is to serve as a summary of where we are with the Alternative Rate Filing, discussion of surcharges allowed by the PSC, and the status of the two Kentucky Infrastructure Authority projects – Mink Branch water storage tank and Lackey to Wayland Water Line Replacement.

First off, the financial health of the District is in grave condition. The District is losing approximately \$60,000 per month with the release of over 1,200 customers to the City of Prestonsburg in July 2017. The only reason the District has remained solvent to date is that the City of Prestonsburg is paying Southern for the assets of the District turned over to them. Once they have paid 100 percent of the stated value of the assets, these losses will become very real, very fast to the District.

Considering the continued worsening of the District's financial condition, KY Engineering Group has prepared an Alternative Rate Filing. This is a more expedited procedure for smaller utilities to request a rate adjustment through the Public Service Commission.

As presented to the Board at the February 2018 meeting; the Alternative Rate Filing calculates a need for a 48.55 percent increase in the average bill (4,000 gallons). This includes depreciation at 100 percent. If we reduce the percentage of depreciation in the rate calculation to 50 percent, the percentage increase on the average bill drops to 35.75 percent and if depreciation is taken out entirely, then the percentage drops to 20.53 percent. However, it is not known what the PSC will do if depreciation is not in the calculations or at a less than 100 percent amount. They could require that we add it back in.

I have had two conversations with Mr. Michael Schmitt, Chairman of the Public Service Commission. These conversations were regarding the ability of the District to place a surcharge on its customers. Mr. Schmitt said that surcharges are always done as part of a rate application. There is no procedure in place currently to allow a District to institute a surcharge alone. He has asked PSC attorneys to investigate how to allow this but cautioned this would not happen fast.

Mr. Schmitt also stated that a surcharge is allowed as part of a rate application only for dealing with water loss. A very specific plan must be filed to show how the surcharge will be used to reduce water loss. Surcharges are collected and placed in a restricted account and permission must be

P.O. Box 1034
Versailles, Kentucky 40383
Phone: (859) 251.4127
Fax: (859) 251.4137
Email: info@kyengr.com
www.kyengr.com

Southern Water and Sewer District
Balance Sheet
As of May 31, 2018

Assets

Current Assets

Cash on Hand	\$ 359.32
First Guaranty - New	(6,194.58)
Cash - Community Trust Bank (SV)	1,889.57
First Guaranty - Solid Waste Account	2,178.05
Accounts Receivable - Water	735,781.89
Accounts Receivable - Garbage	546,046.92
Accounts Receivable - Sewer	133,624.57
A/R - CDBG Grant	5,000.00
Provision for Uncollectible Accounts	(230,164.38)
A/R - Former Employee	5,500.00
Materials and Supplies	68,565.35
KIA Escrow - New	138,859.04
KIA R & M Reserve - New	92,296.66
KIA R & M Reserve #3 - New	67,332.41
First Guaranty - RD Account	861.44
RD Depreciation Reserve Acct.	105,850.72
RD Escrow Acct	65,231.69
FGB - Rural Development Construction	4,562.56
FGB - Capital Improvement Account	290.82
FGB - RD Sinking Fund (New)	37,305.85
Cash - Pride on the River	459.26
Insurance Escrow Account	55,590.82
KIA R & M RESERVE A04-06	12,189.00
Construction Account	20,630.41
FGB - Customer Deposit Account	47,142.51
FGB - Health Care Reimbursement	30,781.80
FGB - Allen to Martin WTP	20,638.26
FGB-4217 PROJECT-LIGON TANK REPLACEMENT	999.70
PCUC (SEWER COLLECTIONS)	236.04

Total Current Assets 1,963,845.70

Property and Equipment

Utility Plant	35,335,242.08
Utility Plant	1,771,895.03
Utility Plant Sewer	7,865,636.26
Construction in Progress	3,820,710.69
Construction in Progress - Sewer	43,921.50
Less Accumulated Depreciation	<u>(22,931,251.04)</u>

Net Property and Equipment 25,906,154.52

Non Current Assets

Prepaid Interest	98,409.92
Accumulated Amortization	<u>(40,389.03)</u>

Total Non Current Assets 58,020.89

Total Assets \$ 27,928,021.11

Southern Water and Sewer District

Balance Sheet

As of May 31, 2018

Liabilities and Equity

Current Liabilities

Accounts Payable	\$	255,268.34
A/P - CIP		9,080.40
A/P - Mastercard		1,842.78
A/P - PCUC Sewer Revenue		28,800.60
Accounts Payable - Sewer		18,000.01
N/P - FGB LOC		237,883.96
N/P - FGB (DEAN'S TRUCK)		7,406.18
N/P - CITIZEN'S NATIONAL (EXCAVATOR)		11,912.89
Customer Deposits		204,638.50
PRIDE ON THE RIVER TAP FEE		(1,500.00)
Customer Deposits - Sewer		190.00
Accrued Fica		(400.46)
Accrued Ky WTH		2,579.22
Accrued KUI/FUTA		971.29
Accrued Sales Tax		881.36
Garnishee		(119.44)
Accrued 401-k		(952.23)
Accrued Vacation/Sick Pay		103,547.35
Accrued Interest - KIA III		81,240.56
Accrued Interest - Bonds		45,046.25
Accrued Interest - New Bond		3,895.85
Accrued Interest - Sandy Valley Bond		11,505.25
Accrued Interest - Build America Bond		0.01
A/P - Solid Waste		351,673.98

Total Current Liabilities 1,373,392.65

Long-Term Liabilities

Notes Payable Current Portion	438,942.74
N/P - CNB (5 TRUCKS)	118,249.14
Less Current Portion Notes Payable	(438,942.74)
Bonds Payable Current Portion	92,884.00
N/P - KIA I	434,100.71
N/P - KIA III	1,234,387.27
Bonds Payable	2,019,000.00
N/P - KIA A-04-06	21,102.66
Bonds Payable (New)	187,000.00
USDA (530,000)	468,000.00
N/P - USDA (ALLEN TO MARTIN)	1,726,000.00
N/P - KIA (A11-16) Harold Sewer	642,654.21
Less Current Portion Bonds Payable	(92,884.00)

Total Long-Term Liabilities 6,850,493.99

Total Liabilities 8,223,886.64

Equity

Other Equity	19,380,251.58
Retained Earnings	323,882.89

Total Equity 19,704,134.47

Total Liabilities and Equity \$ 27,928,021.11

Southern Water and Sewer District Income Statement

	1 Month Ended May 31, 2018	Percent	5 Months Ended May 31, 2018	Percent
Sales				
Metered Sales - Residential	\$ 258,277.39	73.08 %	\$ 1,092,837.20	56.38 %
Metered Sales - Business	5,741.40	1.62	36,617.20	1.89
Metered Sales - Residential Sewer	6,349.78	1.80	37,942.08	1.96
Metered Sales - Business Sewer	1,998.68	0.57	9,413.84	0.49
Sales for Resale	3,741.84	1.06	20,373.62	1.05
Penalties	4,334.77	1.23	22,867.60	1.18
Meter Service	0.00	0.00	1,285.00	0.07
Tap fees	(400.00)	(0.11)	960.00	0.05
Other Income	701.00	0.20	2,038.00	0.11
Garbage Sales Revenue	72,694.00	20.57	362,889.00	18.72
Miscellaneous Income	0.00	0.00	406.00	0.02
Gain/Loss Sale of Assets - Sewer	0.00	0.00	100,000.00	5.16
Grant Income (SRF Loan & Forgiveness)	0.00	0.00	245,196.31	12.65
Grant Income (SRF Loan & Forgiveness)	0.00	0.00	5,682.23	0.29
Total Sales	<u>353,438.86</u>	<u>100.00</u>	<u>1,938,508.08</u>	<u>100.00</u>
Gross Profit	<u>353,438.86</u>	<u>100.00</u>	<u>1,938,508.08</u>	<u>100.00</u>
Operating Expenses				
Solid Waste Payments	67,845.45	19.20	349,841.22	18.05
Water Purchases	28,599.02	8.09	143,412.19	7.40
PCUC Sewer Payments	0.00	0.00	47.15	0.00
Operations Labor - Pumping	7,575.64	2.14	48,281.84	2.49
Supplies - Pumping	0.00	0.00	5,118.01	0.26
Repairs - Pumping	0.00	0.00	17,500.00	0.90
Lab Services	573.25	0.16	7,849.25	0.40
Chemicals	9,769.49	2.76	74,791.10	3.86
Natural Gas-WTP	209.52	0.06	1,467.17	0.08
Operations Labor - T & D	41,405.42	11.72	261,527.38	13.49
Wages - Sewer	2,025.66	0.57	13,524.42	0.70
Uniform Rental - T & D	(0.01)	0.00	879.19	0.05
Supplies - T & D	7,212.45	2.04	113,517.71	5.86
Vehicle Repairs - T & D	88.41	0.03	7,314.03	0.38
Utilities - T & D	17,879.86	5.06	151,657.18	7.82
Uniform Rental - T & D	0.00	0.00	3,437.60	0.18
Fuel-Gasoline	9,644.32	2.73	39,800.63	2.05
Uniform Rental	0.00	0.00	2,880.38	0.15
Billing Postage	287.75	0.08	8,993.54	0.46
BILLING CARDS	1,473.87	0.42	8,136.91	0.42
Wages - Office	9,345.01	2.64	51,074.21	2.63
Office Supplies	42.39	0.01	3,242.09	0.17
Telephone & Utilities - Office	1,337.96	0.38	12,921.98	0.67
Bank Charges	1,444.73	0.41	4,240.91	0.22
Health Insurance	26,599.70	7.53	112,555.60	5.81
Dental Insurance	(21.63)	(0.01)	5,286.89	0.27
Workers Comp	0.00	0.00	4,542.33	0.23
Life Ins.	16.18	0.00	6,572.59	0.34
Contract Labor - Administration	200.00	0.06	1,100.00	0.06
Credit Card Payment Fees	5.00	0.00	10.00	0.00
Legal	0.00	0.00	1,500.00	0.08
Accounting	2,000.00	0.57	11,120.00	0.57
Professional Fees	0.00	0.00	380.78	0.02
Property Insurance	0.00	0.00	37,023.96	1.91
Commissioner's Bond	0.00	0.00	890.75	0.05
Commissioner's Fee	2,000.00	0.57	10,000.00	0.52
Misc. Expenses	1,617.34	0.46	19,800.22	1.02

Restricted for Management Use Only

**Southern Water and Sewer District
Income Statement**

	1 Month Ended May 31, 2018	Percent	5 Months Ended May 31, 2018	Percent
Training	251.15	0.07	1,975.36	0.10
Advertising	0.00	0.00	41.60	0.00
Depreciation Expense	63,382.08	17.93	316,910.40	16.35
Depreciation Expense	8,496.82	2.40	42,484.10	2.19
Payroll Taxes	4,966.44	1.41	32,799.13	1.69
Employer Pension Expense	1,274.88	0.36	7,128.27	0.37
Employer Pension Expense	52.50	0.01	293.97	0.02
Transfer of Funds	15,200.00	4.30	0.00	0.00
Health Care Reimbursements	1,050.50	0.30	2,027.52	0.10
Total Operating Expenses	<u>333,851.15</u>	<u>94.46</u>	<u>1,945,899.56</u>	<u>100.38</u>
Operating Income (Loss)	<u>19,587.71</u>	<u>5.54</u>	<u>(7,391.48)</u>	<u>(0.38)</u>
Other Income (Expenses)				
Fema Reimbursement	0.00	0.00	74,036.72	3.82
Gain/Loss on Sale of Assets	20,000.00	5.66	180,000.00	9.29
Interest Income - Now	36.67	0.01	145.57	0.01
Bond Interest Credit Income	0.00	0.00	1,756.06	0.09
Grant Income (Dept of Transportation)	0.00	0.00	25,452.37	1.31
USDA Grant - Allen to Martin	0.00	0.00	102,379.91	5.28
Grant Income - FEMA	0.00	0.00	62,526.02	3.23
Bad Debt Expense	0.00	0.00	(10,651.83)	(0.55)
Interest Expense - First Guaranty Bank	(54.34)	(0.02)	(1,208.04)	(0.06)
Interest Expense - LOC	(1,000.00)	(0.28)	(5,000.00)	(0.26)
Amortization of Premium	(205.02)	(0.06)	(1,025.10)	(0.05)
Interest Expense - KIA	(7,332.21)	(2.07)	(36,661.05)	(1.89)
Interest Expense - Credit Cards	(18.91)	(0.01)	(18.91)	0.00
Interest Expense - Bonds	(12,091.47)	(3.42)	(60,457.35)	(3.12)
Total Other Income (Expenses)	<u>(665.28)</u>	<u>(0.19)</u>	<u>331,274.37</u>	<u>17.09</u>
Net Income (Loss) Before Taxes	<u>18,922.43</u>	<u>5.35</u>	<u>323,882.89</u>	<u>16.71</u>
Net Income (Loss)	<u>\$ 18,922.43</u>	<u>5.35 %</u>	<u>\$ 323,882.89</u>	<u>16.71 %</u>

SOUTHERN WATER AND SEWER
NOTE PAYABLE ANALYSIS
5/31/2018

DESCRIPTION		DATE OF NOTE	ORIGINAL AMOUNT	INTEREST RATE	PAYMENT AMOUNT	NUMBER OF REMAINING PAYMENTS	CURRENT PRINCIPAL BALANCE
FIRST GUARANTY BANK	OFFICE BUILDING	5/25/2007	167,940.00	5.50 %	1,829.60	0	-
FIRST GUARANTY BANK	DEAN'S TRUCK	9/22/2014	25,018.00	5.90%	482.52	16	7,406.18
CITIZEN'S NATIONAL BANK	EXCAVATOR	6/9/2015	41,355.00	4.32%	939.61	16	11,912.89
CITIZEN'S NATIONAL BANK	5 TRUCKS	11/17/2017	125,984.00	4.32%	1,989.53	67	118,249.14
FIRST GUARANTY BANK	LINE OF CREDIT		300,000.00	5.00%	2,000.00	N/A	237,883.96
BONDS							
USDA	2,515,000 ISSUE	1/1/2003	2,515,000.00	4.50%	VARIOUS	51	2,019,000.00
USDA	225,000 ISSUE	1/1/2006	225,000.00	4.25%	VARIOUS	55	187,000.00
USDA	589,573 ISSUE	1/1/2006	589,573.00	4.75%	VARIOUS	0	-
USDA	530,000 ISSUE BLD	1/1/2011	530,000.00	2.25%	VARIOUS	64	468,000.00
USDA	1,773,000 ISSUE	1/1/2017	1,773,000.00	2.25%	VARIOUS	78	1,726,000.00
KY INFRASTRUCTURE AUTHORITY							
KIA - I		6/1/1995	1,362,870.05	3.00%	34,607.94	14	434,100.71
KIA - III		12/1/2007	2,831,354.23	3.00%	71,897.79	20	1,234,387.27
KIA - A04-06		12/1/2005	67,376.00	1.00%	1,862.64	16	-
KIA - A11-16		6/1/2014	765,900.00	1.00%	21,173.70	15	-
TOTAL LOANS DUE 5-31-2018							6,443,940.15

* - These Loans will be transferred to PCUC when approved by the Public Service Commission.

Southern Water and Sewer District

Transaction List

May 1, 2018 - May 31, 2018

Date	Reference	Account	Payee ID	Description	1099	Amount
05/01/18	1156	17817		CHRIS FRANCIS		(500.00)
05/01/18	1156	93504		CHRIS FRANCIS		500.00
05/01/18	21089	13103	TRIVA	Trivaco		(1,500.00)
05/01/18	21089	64102	TRIVA	Trivaco		1,500.00
05/03/18	15355	13103		PAULA JOHNSON		(500.00)
05/03/18	15355	73001		PAULA JOHNSON		500.00
05/03/18	15359	13103		JOE TICE		(186.01)
05/03/18	15359	75001		JOE TICE		186.01
05/04/18	15360	13103		UNIVERSAL PRINTING		(491.87)
05/04/18	15360	70303		UNIVERSAL PRINTING		491.87
05/07/18	15361	13103		ARAMARK UNIFORM		(125.87)
05/07/18	15361	64106		ARAMARK UNIFORM		125.87
05/07/18	15362	13103		BIG SANDY RECC		(1,046.85)
05/07/18	15362	72104		BIG SANDY RECC		1,046.85
05/07/18	15363	13103		MT AGGREGATES		(638.23)
05/07/18	15363	64102		MT AGGREGATES		638.23
05/08/18	21125	13103		KY STATE TREASURER		(244.44)
05/08/18	21125	23607		KY STATE TREASURER		244.44
05/09/18	15365	13103		MOORE'S TRUE VALUE		(3,155.02)
05/09/18	15365	64102		MOORE'S TRUE VALUE		3,155.02
05/09/18	15366	13103		STAPLES		(749.61)
05/09/18	15366	72103		STAPLES		749.61
05/10/18	15367	13103		CONLEY BROS TIRES		(1,628.16)
05/10/18	15367	64103		CONLEY BROS TIRES		1,628.16
05/10/18	15368	13103		RHIANNON SALISBURY		(750.00)
05/10/18	15368	47103		RHIANNON SALISBURY		750.00
05/11/18	1518	13105		SWSD		(10,000.00)
05/11/18	1518	93501		SWSD		10,000.00
05/11/18	15364	13103		RICK FRASURE		(5,000.00)
05/11/18	15364	62302		RICK FRASURE		5,000.00
05/11/18	21121	13103	ci	C.I. Thornburg		(5,555.30)
05/11/18	21121	62305	ci	C.I. Thornburg		5,555.30
05/11/18	21122	13103	ci	CHRIS FRANCIS		(1,208.28)
05/11/18	21122	64001	ci	CHRIS FRANCIS		1,208.28
05/11/18	21123	13103		Michael Spears		(2,000.00)
05/11/18	21123	72302		Michael Spears		2,000.00
05/11/18	21124	13103		CHRIS ROBINSON		(860.78)
05/11/18	21124	73003		CHRIS ROBINSON		860.78
05/13/18	1157	17817		PAULA BURKE		(342.11)
05/13/18	1157	93504		PAULA BURKE		342.11
05/13/18	1158	17817		ELIZABETH AUTON		(208.39)
05/13/18	1158	93504		ELIZABETH AUTON		208.39
05/14/18	15369	13103		USPS		(287.75)
05/14/18	15369	70301		USPS		287.75
05/15/18	15370	13103		KNOTT CO WATER AND SEWER		(4,127.70)
05/15/18	15370	60002		KNOTT CO WATER AND SEWER		4,127.70
05/15/18	15371	13103		USPS		(116.00)
05/15/18	15371	73003		USPS		116.00
05/15/18	15372	13103		KY STATE TREASURER		(531.54)
05/15/18	15372	23606		KY STATE TREASURER		531.54
05/15/18	21120	13103	TRIVA	KY STATE TREAS		(2,998.18)
05/15/18	21120	23603	TRIVA	KY STATE TREAS		2,998.18
05/16/18	15373	13103		CNB		(909.84)
05/16/18	15373	23214		CNB		909.84
05/21/18	15374	13103		XACT COMMUNICATIONS		(864.75)
05/21/18	15374	72104		XACT COMMUNICATIONS		864.75
05/21/18	15375	13103		MASTERCARD		(1,799.37)

Southern Water and Sewer District Transaction List

May 1, 2018 - May 31, 2018

Date	Reference	Account	Payee ID	Description	1099	Amount
05/21/18	15375	23116		MASTERCARD		1,799.37
05/21/18	15378	13103		ARAMARK		(1,564.52)
05/21/18	15378	64101		ARAMARK		1,564.52
05/22/18	15376	13103		MCCOY & MCCOY		(3,601.00)
05/22/18	15376	62304		MCCOY & MCCOY		3,601.00
05/22/18	15400	13103		TRESIA HALL		(200.00)
05/22/18	15400	72111		TRESIA HALL		200.00
05/23/18	15379	13103		APPALCHIAN		(1,282.50)
05/23/18	15379	64102		APPALCHIAN		1,282.50
05/23/18	15380	13103		COLONIAL LIFE		(3,704.13)
05/23/18	15380	72106		COLONIAL LIFE		3,704.13
05/23/18	15381	13103		ASSURITY		(2,324.88)
05/23/18	15381	72110		ASSURITY		2,324.88
05/23/18	15401	13103		BRUCE WALTERS		(88.41)
05/23/18	15401	64103		BRUCE WALTERS		88.41
05/23/18	15404	13103		UNIVERSAL PRINTING SOLUTIONS		(491.00)
05/23/18	15404	70303		UNIVERSAL PRINTING SOLUTIONS		491.00
05/23/18	21155	13103	TRIVA	Trivaco		(1,500.00)
05/23/18	21155	64102	TRIVA	Trivaco		1,500.00
05/24/18	1127	13106		FLOYD COUNTY SOLID WASTE		(67,592.14)
05/24/18	1127	60001		FLOYD COUNTY SOLID WASTE		67,592.14
05/24/18	1519	13105		SWSD		(24,000.00)
05/24/18	1519	93501		SWSD		24,000.00
05/24/18	15393	13103		SWSD		(40.00)
05/24/18	15393	23501		SWSD		40.00
05/25/18	1085	17816		BRANDON MOSELY		(60.00)
05/25/18	1085	23501		BRANDON MOSELY		60.00
05/25/18	15382	13103		BRANDON MOSELY		(40.00)
05/25/18	15382	23501		BRANDON MOSELY		40.00
05/25/18	15383	13103		CODY COLLINS		(16.18)
05/25/18	15383	72110		CODY COLLINS		16.18
05/25/18	21152	13103		BRIAN MEADE		(700.00)
05/25/18	21152	16101		BRIAN MEADE		700.00
05/25/18	21153	13103	ci	C.I. Thornburg		(5,718.75)
05/25/18	21153	62305	ci	C.I. Thornburg		5,718.75
05/25/18	21154	13103	KST	Kentucky State Treasurer		(238.15)
05/25/18	21154	23607	KST	Kentucky State Treasurer		238.15
Transaction Balance						<u>0.00</u>

Transaction Totals

Total Debits	<u>161,487.71</u>
Total Credits	<u>161,487.71</u>
Account Hash Total	<u>3468785.0000</u>

Transaction count = 47

Distribution count = 94

① Hooker to Warlock
② Mud Creek
③ Electric Bills

SOUTHERN WATER AND SEWER
MONTHLY FILED CONSTRUCTION LOG
4/24/2018 TO 5/21/2018

NUMBER OF LEAKS (51)
NUMBER OF TAPS (3)
NUMBER OF DIG OUTS (2)
ESTIMATED WATER LOSS 4,500,000 gal

LINE SIZES ¾ (46) 1inch (2) 2inch () 3inch (1) 4inch (2)
6inch () 8inch () 10inch () 12inch ()

PARST USED: (100) ¾ couplings (4) 1 inch couplings () 2 inch hymax,s
(2) 3 inch hymax's (4) 4 inch hymax's () 6 inch hymax's () 8 inch
hymax's () 10 inch hymax,s (5) SR-II meter bottoms – (1) ¾ regulators
Right Beaver (19) Left Beaver (26) Big Mud (7) Little Mud (2)

FILED SUPERVISOR Chir Raliv DATE 5/21/2018
GENERAL MANAGER _____ DATE _____

Next May 22 Meeting

SOUTHERN WATER & SEWER DISTRICT

PO BOX 610

MCDOWELL, KY 41647

Regular Called Meeting April 23, 2018

AGENDA

- A. CALL TO ORDER
- B. APPROVAL OF MINUTES
- C. KENTUCKY ENGINEERING REPORT
- D. APPROVAL OF FINANCIAL STATEMENTS
- E. MANAGER'S REPORT
- F. OTHER
- G. ADJOURNMENT

**Southern Water & Sewer District
PO Box 610
McDowell, Ky. 41647
Regular Called Meeting April 23th 2018**

ATTENDANCE

Paula Johnson, Chairperson
Hayes Hamilton, Commissioner
Joe Jacobs, Commissioner
Larry Joe Osborne, Commissioner
Barry Hall, Commissioner

Dean Hall, General Manager
Paula Burke, Office Manager
Troy Hogge, KEG

MEETING CALLED TO ORDER BY PAULA JOHNSON WITH ALL PRESENT AND ACCOUNTED FOR @ 5:03 PM

MOTION TO APPROVE MINUTES FROM LAST MEETING

Motion Made By: Joe Jacobs
Seconded By: Hayes Hamilton
Motion Passed

MOTION TO APPROVE TO CHANGE MEETING DATE TO WEDNESDAY MAY 23 DUE TO MEMORIAL HOLIDAY

Motion Made By: Joe Jacobs
Seconded By: Larry Joe Osborne
Motion Approved

MOTION TO APPROVE FINANCES

Motion Made By: Barry Hall
Seconded By: Larry Joe Osborne
Motion Approved

MOTION TO APPROVE TO RENEW LINE OF CREDIT AT FIRST COMMONWEALTH BANK

Motion Made By: Joe Jacobs

Seconded By: Barry Hall
Motion Approved

MANAGERS REPORT:

DEAN REPORTED TO THE BOARD ABOUT HIS AND PAULA'S MEETING WITH KIA. KIA HAS COME TO THE CONCLUSION THAT WE CAN NO LONGER ASSUME ANY MORE DEBT BECAUSE OF THE LOSS OF CASH FLOW BASED ON THE 2016 FINANCIALS.

MOTION TO ADJOURN AT 6:14 PM

Made By: Barry Hall
Seconded By: Joe Jacobs
Motion Passed

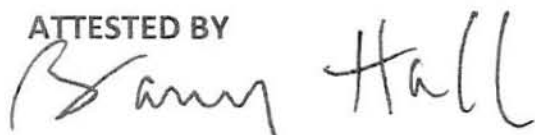
WITH THERE BEING NO FURTHER BUSINESS TO DISCUSS THE MEETING WAS ADJOURNED AT 6:15 pm.

PASSED BY THE SOUTHERN WATER & SEWER COMMISSIONERS ON THIS
23rd DAY OF April 2018.

APPROVED BY:


Paula Johnson, Chairman

ATTESTED BY


Barry Hall, Secretary

Southern Water and Sewer District
Balance Sheet
As of April 30, 2018

Assets

Current Assets

Cash on Hand	\$	359.32
First Guaranty - New		(6,906.57)
Cash - Community Trust Bank (SV)		10,174.10
First Guaranty - Solid Waste Account		3,574.27
Accounts Receivable - Water		737,600.84
Accounts Receivable - Garbage		541,738.20
Accounts Receivable - Sewer		134,445.90
A/R - CDBG Grant		5,000.00
Provision for Uncollectible Accounts		(230,164.38)
A/R - Former Employee		5,500.00
Materials and Supplies		68,565.35
KIA Escrow - New		116,348.56
KIA R & M Reserve - New		90,991.08
KIA R & M Reserve #3 - New		66,028.95
First Guaranty - RD Account		861.44
RD Depreciation Reserve Acct.		102,178.83
RD Escrow Acct		52,228.74
FGB - Rural Development Construction		4,562.47
FGB - Capital Improvement Account		290.82
FGB - RD Sinking Fund (New)		30,204.46
Cash - Pride on the River		459.26
Insurance Escrow Account		51,160.92
KIA R & M RESERVE A04-06		11,489.00
Construction Account		20,629.64
FGB - Customer Deposit Account		46,067.64
FGB - Health Care Reimbursement		26,832.30
FGB - Allen to Martin WTP		20,638.26
FGB-4217 PROJECT-LIGON TANK REPLACEMENT		999.70
PCUC (SEWER COLLECTIONS)		236.04

Total Current Assets 1,912,095.14

Property and Equipment

Utility Plant	35,336,142.08
Utility Plant	1,771,895.03
Utility Plant Sewer	7,865,636.26
Construction in Progress	3,815,028.46
Construction in Progress - Sewer	43,921.50
Less Accumulated Depreciation	<u>(22,859,372.14)</u>

Net Property and Equipment 25,973,251.19

Non Current Assets

Prepaid Interest	98,409.92
Accumulated Amortization	<u>(40,184.01)</u>

Total Non Current Assets 58,225.91

Total Assets \$ 27,943,572.24

Southern Water and Sewer District
Balance Sheet
As of April 30, 2018

Liabilities and Equity

Current Liabilities	
Accounts Payable	\$ 256,964.77
A/P - CIP	9,080.40
A/P - Mastercard	1,799.37
A/P - PCUC Sewer Revenue	28,800.60
Accounts Payable - Sewer	18,000.01
N/P - FGB LOC	237,883.96
N/P - FGB (DEAN'S TRUCK)	7,850.64
N/P - CITIZEN'S NATIONAL (EXCAVATOR)	12,806.45
Customer Deposits	203,645.50
PRIDE ON THE RIVER TAP FEE	(1,500.00)
Customer Deposits - Sewer	190.00
Accrued Fica	5,150.60
Accrued Fed WTH	2,166.92
Accrued Ky WTH	3,007.18
Accrued KUI/FUTA	447.05
Accrued Sales Tax	968.05
Garnishee	100.00
Accrued 401-k	1,226.10
Accrued Vacation/Sick Pay	103,547.35
Accrued Interest - KIA III	73,908.35
Accrued Interest - Bonds	36,035.00
Accrued Interest - New Bond	3,116.68
Accrued Interest - Sandy Valley Bond	9,204.20
Accrued Interest - Build America Bond	0.01
A/P - Solid Waste	<u>366,758.71</u>
Total Current Liabilities	<u>1,381,157.90</u>
Long-Term Liabilities	
Notes Payable Current Portion	438,942.74
N/P - CNB (5 TRUCKS)	118,249.14
Less Current Portion Notes Payable	(438,942.74)
Bonds Payable Current Portion	92,884.00
N/P - KIA I	434,100.71
N/P - KIA III	1,234,387.27
Bonds Payable	2,019,000.00
N/P - KIA A-04-06	21,102.66
Bonds Payable (New)	187,000.00
USDA (530,000)	468,000.00
N/P - USDA (ALLEN TO MARTIN)	1,726,000.00
N/P - KIA (A11-16) Harold Sewer	642,654.21
Less Current Portion Bonds Payable	<u>(92,884.00)</u>
Total Long-Term Liabilities	<u>6,850,493.99</u>
Total Liabilities	<u>8,231,651.89</u>
Equity	
Other Equity	19,354,596.68
Retained Earnings	<u>357,323.67</u>
Total Equity	<u>19,711,920.35</u>
Total Liabilities and Equity	<u><u>\$ 27,943,572.24</u></u>

Southern Water and Sewer District Income Statement

	1 Month Ended April 30, 2018	Percent	4 Months Ended April 30, 2018	Percent
Sales				
Metered Sales - Residential	\$ 239,157.04	71.43 %	\$ 870,055.06	64.90 %
Metered Sales - Business	6,715.80	2.01	30,875.80	2.30
Metered Sales - Residential Sewer	7,083.56	2.12	31,592.30	2.36
Metered Sales - Business Sewer	2,862.28	0.85	7,415.16	0.55
Sales for Resale	2,081.10	0.62	16,631.78	1.24
Penalties	3,792.11	1.13	18,532.83	1.38
Meter Service	200.00	0.06	1,285.00	0.10
Tap fees	250.00	0.07	1,360.00	0.10
Other Income	276.00	0.08	2,337.00	0.17
Garbage Sales Revenue	72,380.00	21.62	290,195.00	21.65
Miscellaneous Income	0.00	0.00	70,406.00	5.25
Total Sales	<u>334,797.89</u>	<u>100.00</u>	<u>1,340,685.93</u>	<u>100.00</u>
Gross Profit	<u>334,797.89</u>	<u>100.00</u>	<u>1,340,685.93</u>	<u>100.00</u>
Operating Expenses				
Solid Waste Payments	69,881.68	20.87	281,489.15	21.00
Water Purchases	20,071.97	6.00	114,378.63	8.53
PCUC Sewer Payments	0.00	0.00	47.15	0.00
Operations Labor - Pumping	9,075.14	2.71	40,706.20	3.04
Supplies - Pumping	0.00	0.00	5,118.01	0.38
Repairs - Pumping	5,000.00	1.49	17,500.00	1.31
Lab Services	530.80	0.16	7,276.00	0.54
Chemicals	13,782.49	4.12	63,548.24	4.74
Natural Gas-WTP	585.31	0.17	1,681.42	0.13
Operations Labor - T & D	46,914.69	14.01	220,121.96	16.42
Wages - Sewer	2,713.62	0.81	11,498.76	0.86
Uniform Rental - T & D	1,034.27	0.31	1,206.78	0.09
Supplies - T & D	21,596.59	6.45	92,756.66	6.92
Vehicle Repairs - T & D	3,210.43	0.96	7,005.05	0.52
Utilities - T & D	23,378.77	6.98	132,746.46	9.90
Uniform Rental - T & D	0.00	0.00	3,437.60	0.26
Fuel-Gasoline	6,822.84	2.04	30,156.31	2.25
Uniform Rental	0.00	0.00	2,626.40	0.20
Billing Postage	227.33	0.07	7,057.16	0.53
BILLING CARDS	981.87	0.29	6,663.04	0.50
Wages - Office	9,446.58	2.82	41,729.20	3.11
Office Supplies	2,928.34	0.87	3,199.70	0.24
Telephone & Utilities - Office	2,366.70	0.71	12,840.10	0.96
Bank Charges	606.92	0.18	2,796.18	0.21
Health Insurance	19,939.67	5.96	87,091.29	6.50
Dental Insurance	2,291.76	0.68	5,308.52	0.40
Workers Comp	0.00	0.00	3,028.22	0.23
Life Ins.	1,496.19	0.45	5,421.02	0.40
Contract Labor - Administration	300.00	0.09	900.00	0.07
Credit Card Payment Fees	0.00	0.00	5.00	0.00
Legal	0.00	0.00	1,500.00	0.11
Accounting	2,800.00	0.84	9,120.00	0.68
Professional Fees	0.00	0.00	380.78	0.03
Property Insurance	0.00	0.00	27,767.97	2.07
Commissioners Bond	0.00	0.00	890.75	0.07
Commissioner's Fee	2,000.00	0.60	8,000.00	0.60
Misc. Expenses	6,961.01	2.08	18,902.14	1.41
Training	1,049.60	0.31	1,049.60	0.08
Advertising	41.60	0.01	41.60	0.00
Depreciation Expense	63,382.08	18.93	253,528.32	18.91

Restricted for Management Use Only

Southern Water and Sewer District Income Statement

	1 Month Ended April 30, 2018	Percent	4 Months Ended April 30, 2018	Percent
Depreciation Expense	8,496.82	2.54	33,987.28	2.54
Payroll Taxes	5,588.63	1.67	27,832.69	2.08
Employer Pension Expense	1,415.58	0.42	5,697.35	0.42
Employer Pension Expense	97.21	0.03	226.14	0.02
Health Care Reimbursements	977.02	0.29	977.02	0.07
Total Operating Expenses	<u>357,993.51</u>	<u>106.93</u>	<u>1,599,241.85</u>	<u>119.29</u>
Operating Income (Loss)	<u>(23,195.62)</u>	<u>(6.93)</u>	<u>(258,555.92)</u>	<u>(19.29)</u>
Other Income (Expenses)				
Gain/Loss on Sale of Assets	40,000.00	11.95	190,000.00	14.17
Interest Income - Now	31.08	0.01	108.90	0.01
Bond Interest Credit Income	0.00	0.00	1,756.06	0.13
Grant Income (Dept of Transportation)	15,200.00	4.54	108,232.72	8.07
USDA Grant - Allen to Martin	0.00	0.00	347,576.22	25.93
Grant Income - FEMA	0.00	0.00	62,526.02	4.66
Bad Debt Expense	0.00	0.00	(10,651.83)	(0.79)
Interest Expense - First Guaranty Bank	368.85	0.11	(1,153.70)	(0.09)
Interest Expense - LOC	(1,000.00)	(0.30)	(4,000.00)	(0.30)
Amortization of Premium	(205.02)	(0.06)	(820.08)	(0.06)
Interest Expense - KIA	(7,332.21)	(2.19)	(29,328.84)	(2.19)
Interest Expense - Bonds	(12,091.47)	(3.61)	(48,365.88)	(3.61)
Total Other Income (Expenses)	<u>34,971.23</u>	<u>10.45</u>	<u>615,879.59</u>	<u>45.94</u>
Net Income (Loss) Before Taxes	<u>11,775.61</u>	<u>3.52</u>	<u>357,323.67</u>	<u>26.65</u>
Net Income (Loss)	<u>\$ 11,775.61</u>	<u>3.52%</u>	<u>\$ 357,323.67</u>	<u>26.65%</u>

SOUTHERN WATER & SEWER DISTRICT

PO BOX 610

MCDOWELL, KY 41647

Regular Called Meeting March 26, 2018

AGENDA

A. CALL TO ORDER

B. APPROVAL OF MINUTES

C. APPROVAL OF FINANCIAL STATEMENTS

D. KENTUCKY ENGINEERING REPORT $38,178.75$
 $- 5,000.00$

E. MANAGER'S REPORT

F. OTHER

G. ADJOURNMENT

JEA

2010077

**Southern Water & Sewer District
PO Box 610
McDowell, Ky. 41647
Regular Called Meeting March 26th 2018**

ATTENDANCE

Paula Johnson, Chairperson

Barry Hall, Secretary

Joe Jacobs, Commissioner

Hayes Hamilton, Commissioner

Larry Joe Osborne, Commissioner

Troy Hogge, KEG

Holly Nicholas, KEG

Dean Hall, General Manager

Paula Burke, Office Manager

Jeff Reed, CPA

MEETING CALLED TO ORDER BY PAULA JOHNSON WITH ALL PRESENT AND ACCOUNTED FOR @ 5:00 PM

MOTION TO APPROVE MINUTES FROM LAST MEETING

Motion Made By: Hayes Hamilton

Seconded By: Barry Hall

Motion Passed

MOTION TO APPROVE TO PAY 4 INVOICES PRESENTED BY TROY HOGGE IN THE AMOUNT OF \$207,017.56

Motion Made By: Larry Joe Osborne

Seconded By: Hayes Hamilton

Motion Approved

MOTION TO APPROVE FINANCES AND RENEWAL OF CONTRACT GIVEN BY JEFF REED

Motion Made By: Joe Jacobs

Seconded By: Larry Joe Osborne

Motion Approved

MOTION TO APPROVE TO APPRAISE SURPLUS PROPERTY IN COLD WATER AND REPORT BACK AT NEXT MEETING TO DECIDE WHETHER TO POST IT IN PAPER

Motion Made By: Joe Jacobs

Seconded By: Barry Hall

Motion Approved

MOTION TO ADJOURN AT 6:09 PM

Motion Made By: Hayes Hamilton

Seconded By: Joe Jacobs

Motion Passed

WITH THERE BEING NO FURTHER BUSINESS TO DISCUSS THE MEETING WAS ADJOURNED AT 6:21 pm.

PASSED BY THE SOUTHERN WATER & SEWER COMMISSIONERS ON THIS

_____ DAY OF _____ 2018.

APPROVED BY:

Paula Johnson, Chairman

ATTESTED BY

Barry Hall, Secretary

Southern Water and Sewer District
Balance Sheet
As of March 31, 2018

Liabilities and Equity

Current Liabilities	
Accounts Payable	\$ 231,471.03
A/P - CIP	9,080.40
A/P - PCUC Sewer Revenue	28,800.60
Accounts Payable - Sewer	18,000.01
N/P - FGB LOC	237,883.96
N/P - FGB (DEAN'S TRUCK)	8,291.61
N/P - CITIZEN'S NATIONAL (EXCAVATOR)	14,558.10
Customer Deposits	202,789.90
PRIDE ON THE RIVER TAP FEE	(1,500.00)
Customer Deposits - Sewer	190.00
Accrued Fica	10,050.12
Accrued Fed WTH	4,151.91
Accrued Ky WTH	4,157.60
Accrued KUI/FUTA	2,633.65
Accrued Sales Tax	785.29
Garnishee	225.00
Accrued 401-k	945.63
Accrued Vacation/Sick Pay	103,547.35
Accrued Interest - KIA III	66,576.14
Accrued Interest - Bonds	27,023.75
Accrued Interest - New Bond	2,337.51
Accrued Interest - Sandy Valley Bond	6,903.15
Accrued Interest - Build America Bond	0.01
A/P - Solid Waste	<u>386,864.25</u>
Total Current Liabilities	<u>1,365,766.97</u>
Long-Term Liabilities	
Notes Payable Current Portion	438,942.74
N/P - CNB (5 TRUCKS)	119,807.26
Less Current Portion Notes Payable	(438,942.74)
Bonds Payable Current Portion	92,884.00
N/P - KIA I	434,100.71
N/P - KIA III	1,234,387.27
Bonds Payable	2,019,000.00
N/P - KIA A-04-06	21,102.66
Bonds Payable (New)	187,000.00
USDA (530,000)	468,000.00
N/P - USDA (ALLEN TO MARTIN)	1,726,000.00
N/P - KIA (A11-16) Harold Sewer	642,654.21
Less Current Portion Bonds Payable	<u>(92,884.00)</u>
Total Long-Term Liabilities	<u>6,852,052.11</u>
Total Liabilities	<u>8,217,819.08</u>
Equity	
Other Equity	19,354,596.68
Retained Earnings	<u>332,786.18</u>
Total Equity	<u>19,687,382.86</u>
Total Liabilities and Equity	<u>\$ 27,905,201.94</u>

Restricted For Management Use Only

MICHAEL R. SPEARS, CPA, PSC
P.O. BOX 1270
PRESTONSBURG, KY 41653

March 26, 2018

Southern Water and Sewer District
Board of Commissioners
Prestonsburg, KY 41653

RE: February 2018 Financial Statements

Dear Commissioner,

Enclosed you will find your financial statements for the period ended February 28, 2018. In this letter I am giving you some pertinent highlights as I see them.

Balance Sheet as of February 28, 2018

- Cash in Bank is \$67,612
 - Restricted Cash is \$519,304
 - Accounts Receivable is \$1,498,719
 - Plant in place is \$25,758,236
 - Equity is \$19,491,145
- wants it
broken down*

Income Statement – for the month ended February 28, 2018

- Operating Revenue is \$341,009
- Operating Expenses Less Depreciation of \$71,879 is \$311,901
- Other Income (Construction Income & Interest) \$247,913
- Other Expense (\$20,736)
- Net Income/(Loss) before depreciation expense is \$79,652
- Net Income/(Loss) after depreciation expense of \$71,879 is \$8,273

I would ask that you review the financials and if you have questions please feel free to contact me at (606) 424-8040.

Sincerely,

Michael R. Spears

Michael Spears

Southern Water and Sewer District
Balance Sheet
As of February 28, 2018

Assets

Current Assets

Cash on Hand	\$	359.32
First Guaranty - New		44,800.93
Cash - Community Trust Bank (SV)		22,811.16
First Guaranty - Solid Waste Account		455.05
Accounts Receivable - Water		824,980.60
Accounts Receivable - Garbage		540,476.62
Accounts Receivable - Sewer		133,262.19
A/R - CDBG Grant		5,000.00
Provision for Uncollectible Accounts		(230,164.38)
A/R - Former Employee		6,000.00
Materials and Supplies		68,565.35
KIA Escrow - New		71,335.90
KIA R & M Reserve - New		88,380.43
KIA R & M Reserve #3 - New		63,422.47
First Guaranty - RD Account		7,317.55
RD Depreciation Reserve Acct.		94,836.54
RD Escrow Acct		26,225.37
1st Guaranty - FEMA Reimbursements		10,859.05
FGB - Rural Development Construction		4,562.30
FGB - Capital Improvement Account		290.82
FGB - RD Sinking Fund (New)		16,002.61
Cash - Pride on the River		459.26
Insurance Escrow Account		31,531.02
KIA R & M RESERVE A04-06		10,089.00
Construction Account		20,628.12
FGB - Customer Deposit Account		43,880.07
FGB - Health Care Reimbursement		27,809.32
FGB - Allen to Martin WTP		774.26
FGB-4217 PROJECT-LIGON TANK REPLACEMENT		208.89
PCUC (SEWER COLLECTIONS)		236.04

Total Current Assets 1,935,395.86

Property and Equipment

Utility Plant	35,333,142.08
Utility Plant	1,771,895.03
Utility Plant Sewer	7,865,636.26
Construction in Progress	3,459,255.34
Construction in Progress - Sewer	43,921.50
Less Accumulated Depreciation	<u>(22,715,614.34)</u>

Net Property and Equipment 25,758,235.87

Non Current Assets

Prepaid Interest	98,409.92
Accumulated Amortization	<u>(39,773.97)</u>

Total Non Current Assets 58,635.95

Total Assets \$ 27,752,267.68

**Southern Water and Sewer District
Balance Sheet
As of February 28, 2018**

Liabilities and Equity

Current Liabilities	
Accounts Payable	\$ 308,920.76
A/P - CIP	9,080.40
A/P - Mastercard	2,463.50
A/P - PCUC Sewer Revenue	28,800.60
Accounts Payable - Sewer	18,000.01
N/P - FGB LOC	237,883.96
N/P - FGB (DEAN'S TRUCK)	8,734.60
N/P - CITIZEN'S NATIONAL (EXCAVATOR)	15,467.94
Customer Deposits	201,366.84
PRIDE ON THE RIVER TAP FEE	(1,500.00)
Customer Deposits - Sewer	190.00
Accrued Ky WTH	3,018.41
Accrued KUI/FUTA	1,450.71
Accrued Sales Tax	822.39
Garnishee	150.00
Accrued 401-k	(769.70)
Accrued Vacation/Sick Pay	103,547.35
Accrued Interest - KIA III	59,243.93
Accrued Interest - Bonds	18,012.50
Accrued Interest - New Bond	1,558.34
Accrued Interest - Sandy Valley Bond	4,602.10
Accrued Interest - Build America Bond	0.01
A/P - Solid Waste	386,864.25
	<u>386,864.25</u>
Total Current Liabilities	<u>1,407,908.90</u>
Long-Term Liabilities	
Notes Payable Current Portion	438,942.74
N/P - CNB (5 TRUCKS)	120,469.07
Less Current Portion Notes Payable	(438,942.74)
Bonds Payable Current Portion	92,884.00
N/P - KIA I	434,100.71
N/P - KIA III	1,234,387.27
Bonds Payable	2,019,000.00
N/P - KIA A-04-06	21,102.66
Bonds Payable (New)	187,000.00
USDA (530,000)	468,000.00
N/P - USDA (ALLEN TO MARTIN)	1,726,000.00
N/P - KIA (A11-16) Harold Sewer	642,654.21
Less Current Portion Bonds Payable	(92,884.00)
	<u>(92,884.00)</u>
Total Long-Term Liabilities	<u>6,852,713.92</u>
Total Liabilities	<u>8,260,622.82</u>
Equity	
Other Equity	19,354,596.68
Retained Earnings	137,048.18
	<u>137,048.18</u>
Total Equity	<u>19,491,644.86</u>
Total Liabilities and Equity	<u>\$ 27,752,267.68</u>

Southern Water and Sewer District Income Statement

	1 Month Ended February 28, 2018	Percent	2 Months Ended February 28, 2018	Percent
Sales				
Metered Sales - Residential	\$ 241,698.59	58.81 %	\$ 499,453.30	64.31 %
Metered Sales - Business	6,092.40	1.48	18,412.00	2.37
Metered Sales - Residential Sewer	7,530.26	1.83	18,058.14	2.33
Metered Sales - Business Sewer	1,854.06	0.45	2,157.26	0.28
Sales for Resale	4,045.50	0.98	11,475.08	1.48
Penalties	5,922.63	1.44	9,490.38	1.22
Meter Service	640.00	0.16	1,085.00	0.14
Tap fees	370.00	0.09	690.00	0.09
Garbage Sales Revenue	72,450.00	17.63	145,379.00	18.72
Miscellaneous Income	70,406.00	17.13	70,406.00	9.07
Total Sales	<u>411,009.44</u>	<u>100.00</u>	<u>776,606.16</u>	<u>100.00</u>
Gross Profit	<u>411,009.44</u>	<u>100.00</u>	<u>776,606.16</u>	<u>100.00</u>
Operating Expenses				
Solid Waste Payments	70,228.00	17.09	141,017.63	18.16
Water Purchases	26,953.53	6.56	76,583.63	9.86
PCUC Sewer Payments	0.00	0.00	47.15	0.01
Operations Labor - Pumping	10,106.21	2.46	19,908.65	2.56
Repairs - Pumping	0.00	0.00	12,500.00	1.61
Lab Services	941.75	0.23	941.75	0.12
Chemicals	14,398.89	3.50	31,363.47	4.04
Natural Gas-WTP	170.46	0.04	525.32	0.07
Operations Labor - T & D	48,097.80	11.70	107,292.92	13.82
Wages - Sewer	2,336.88	0.57	5,460.00	0.70
Uniform Rental - T & D	32.97	0.01	98.91	0.01
Supplies - T & D	34,047.12	8.28	45,803.45	5.90
Vehicle Repairs - T & D	2,411.58	0.59	3,733.67	0.48
Utilities - T & D	12,530.21	3.05	61,387.76	7.90
Uniform Rental - T & D	2,614.75	0.64	3,128.18	0.40
Fuel-Gasoline	9,474.44	2.31	16,534.07	2.13
Billing Postage	950.16	0.23	3,066.66	0.39
BILLING CARDS	2,340.46	0.57	5,681.17	0.73
Wages - Office	9,239.58	2.25	18,480.20	2.38
Office Supplies	123.27	0.03	123.27	0.02
Telephone & Utilities - Office	6,860.18	1.67	7,792.57	1.00
Bank Charges	403.36	0.10	1,613.52	0.21
Health Insurance	23,553.47	5.73	48,125.17	6.20
Dental Insurance	995.62	0.24	3,008.49	0.39
Workers Comp	0.00	0.00	1,514.11	0.19
Life Ins.	2,269.59	0.55	3,007.11	0.39
Contract Labor - Administration	200.00	0.05	400.00	0.05
Credit Card Payment Fees	5.00	0.00	5.00	0.00
Accounting	4,320.00	1.05	4,320.00	0.56
Property Insurance	9,255.99	2.25	18,511.98	2.38
Commissioner's Fee	2,000.00	0.49	4,000.00	0.52
Misc. Expenses	7,499.74	1.82	8,551.54	1.10
Depreciation Expense	63,382.08	15.42	126,764.16	16.32
Depreciation Expense	8,496.82	2.07	16,993.64	2.19
Payroll Taxes	6,330.30	1.54	13,916.84	1.79
Employer Pension Expense	1,178.65	0.29	2,578.19	0.33
Employer Pension Expense	31.16	0.01	74.73	0.01
Total Operating Expenses	<u>383,780.02</u>	<u>93.37</u>	<u>814,854.91</u>	<u>104.93</u>
Operating Income (Loss)	<u>27,229.42</u>	<u>6.63</u>	<u>(38,248.75)</u>	<u>(4.93)</u>

Restricted for Management Use Only

**Southern Water and Sewer District
Income Statement**

	1 Month Ended February 28, 2018	Percent	2 Months Ended February 28, 2018	Percent
Other Income (Expenses)				
Gain/Loss on Sale of Assets	0.00	0.00	50,000.00	6.44
Interest Income - Now	23.07	0.01	47.64	0.01
Bond Interest Credit Income	1,756.06	0.43	1,756.06	0.23
USDA Grant - Allen to Martin	0.00	0.00	102,379.91	13.18
Grant Income - FEMA	0.00	0.00	62,526.02	8.05
Interest Expense - First Guaranty Bank	(107.17)	(0.03)	(155.30)	(0.02)
Interest Expense - LOC	(1,000.00)	(0.24)	(2,000.00)	(0.26)
Amortization of Premium	(205.02)	(0.05)	(410.04)	(0.05)
Interest Expense - KIA	(7,332.21)	(1.78)	(14,664.42)	(1.89)
Interest Expense - Bonds	(12,091.47)	(2.94)	(24,182.94)	(3.11)
Total Other Income (Expenses)	<u>(18,956.74)</u>	<u>(4.61)</u>	<u>175,296.93</u>	<u>22.57</u>
Net Income (Loss) Before Taxes	<u>8,272.68</u>	<u>2.01</u>	<u>137,048.18</u>	<u>17.65</u>
Net Income (Loss)	<u>\$ 8,272.68</u>	<u>2.01 %</u>	<u>\$ 137,048.18</u>	<u>17.65 %</u>

Southern Water & Sewer District
PO Box 610
McDowell, Ky. 41647
Regular Called Meeting March 26th 2018

ATTENDANCE

Paula Johnson, Chairperson

Hayes Hamilton, Commissioner

Joe Jacobs, Commissioner

Larry Joe Osborne, Commissioner

Barry Hall, Commissioner

Dean Hall, General Manager

Paula Burke, Office Manager

Troy Hogge, KEG

Jeff Reed, CPA

MEETING CALLED TO ORDER BY PAULA JOHNSON WITH ALL PRESENT AND ACCOUNTED FOR @ 4:58 PM

MOTION TO APPROVE MINUTES FROM LAST MEETING

Motion Made By: Hayes Hamilton

Seconded By: Larry Joe Osborne

Motion Passed

MOTION TO APPROVE TO TAKE \$38,178.75 OUT OF STEVE HOWARD'S CONTINGENCY FUND THAT LEFT A BALANCE OF \$5,000.00 IN THAT ACCOUNT SUGGESTED BY TROY HOGGE

Motion Made By: Larry Joe Osborne

Seconded By: Barry Hall

Motion Approved

MOTION TO APPROVE FINANCES GIVEN BY JEFF REED

Motion Made By: Barry Hall

Seconded By: Larry Joe Osborne

Motion Approved

MOTION TO WRITE OFF A PORTION OF ACCOUNTS RECEIVABLE STARTING WITH THE ACCOUNTS THAT WERE SOLD TO PRESTONSBURG BOOKS 90-94

Motion Made By: Joe Jacobs

Seconded By: Larry Joe Osborne

Motion Approved

MANAGERS REPORT:

DEAN HAS REPORTED TO THE BOARD SEVERAL TIMES ABOUT OUR LOSS OF REVENUE SINCE THE TRANSFER OF ASSETS WITH CITY OF PRESTONSBURG. KIA HAS REVIEWED OUR 2016 AUDIT AND PSC REPORT. BASED ON 2016 FINANCIAL STATEMENTS. KIA SUGGESTED A MEETING WITH SOUTHERN WATER MANAGEMENT ON APRIL 17, 2018 TO DISCUSS FINANCIALS.

MOTION TO ADJOURN AT 5:37 PM

Made By: Joe Jacobs

Seconded By: Barry Hall

Motion Passed

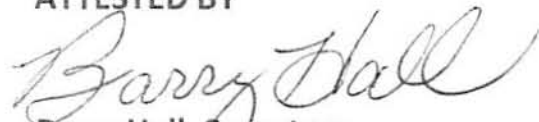
WITH THERE BEING NO FURTHER BUSINESS TO DISCUSS THE MEETING WAS ADJOURNED AT 5:41 pm.

PASSED BY THE SOUTHERN WATER & SEWER COMMISSIONERS ON THIS _____ DAY OF _____ 2018.

APPROVED BY:


Paula Johnson, Chairman

ATTESTED BY


Barry Hall, Secretary

**Certificate of Engineers
Authorization for Payment #7**

**Southern Water & Sewer District
Contract 3 - Water Treatment Plant Improvements**

The undersigned hereby certifies as follows:

1. That they have been duly employed by SOUTHERN WATER & SEWER DISTRICT to perform the engineering work in connection with the water system construction project.
2. That per the approved, attached invoices the following named contractors and/or other persons are now entitled to the sum of:

\$ 207,017.56

Payee	RD Loan Funds	RD Grant Funds	Total
Howard Engineering & Construction, Inc.	\$ -	\$ 139,284.17	\$ 139,284.17
Layne Christensen Company	\$ -	\$ 37,693.00	\$ 37,693.00
Flo Trend	\$ -	\$ 19,865.00	\$ 19,865.00
Kentucky Engineering Group, PLLC	\$ -	\$ 10,175.39	\$ 10,175.39
Total	\$ -	\$ -	\$ 207,017.56
Balance of Funds	\$ -	\$ -	\$ 101,012.81

Notes:

3. That upon said amount being loaned or advanced to Southern Water & Sewer District and/or obtained by the District from the proceeds of the loans/grants and/or other sources, the undersigned approves such expenditure and the payment of said amount(s) to said contractors and/or other persons, either directly or from amounts deposited in the project construction account in McDowell, Kentucky.

IN TESTIMONY WHEREOF, witness the signature of the undersigned Engineers this 26th day of February of 2018.

KENTUCKY ENGINEERING GROUP, PLLC

By: _____

Approved On: _____

SOUTHERN WATER & SEWER DISTRICT

By: _____

Approved On: _____

RURAL DEVELOPMENT

By:  _____

ACCEPTED BY FUNDING AGENCY: RURAL DEVELOPMENT

This review and acceptance of the estimate does not attest to the correctness of the quantities shown or that the work has been performed in accordance with the contract documents

SOUTHERN WATER & SEWER DISTRICT

PO BOX 610

MCDOWELL, KY 41647

Regular Called Meeting February 26, 2018

AGENDA

A. CALL TO ORDER ✓

B. APPROVAL OF MINUTES ✓

C. APPROVAL OF FINANCIAL STATEMENTS ✓

D. KENTUCKY ENGINEERING REPORT ✓

E. JUDGE BEN HALE/SURPLUS PROPERTY ✗

F. MANAGER'S REPORT

G. OTHER

H. ADJOURNMENT

Southern Water and Sewer District Income Statement

	1 Month Ended December 31, 2017	Percent	12 Months Ended December 31, 2017	Percent
Sales				
Metered Sales - Residential	\$ 337,366.54	73.08 %	\$ 3,091,272.43	56.95 %
Metered Sales - Business	22,313.40	4.83	85,946.84	1.58
Metered Sales - Residential Sewer	6,741.26	1.46	111,905.92	2.06
Metered Sales - Business Sewer	1,892.32	0.41	20,846.08	0.38
Sales for Resale	6,136.18	1.33	49,067.32	0.90
Penalties	4,652.87	1.01	61,851.32	1.14
Meter Service	160.00	0.03	18,216.27	0.34
Tap fees	370.00	0.08	11,160.00	0.21
Other Income	441.00	0.10	1,190.00	0.02
Garbage Sales Revenue	73,044.00	15.82	961,451.00	17.71
Gain/Loss on Sale of Assets	0.00	0.00	8,059.46	0.15
Miscellaneous Income	0.00	0.00	325.00	0.01
Sewer Revenue - PCUC	8,500.93	1.84	48,706.21	0.90
Gain/Loss Sale of Assets - Sewer	0.00	0.00	744,125.00	13.71
USDA Grant - Allen to Martin	0.00	0.00	213,903.67	3.94
Total Sales	461,618.50	100.00	5,428,026.52	100.00
Gross Profit	461,618.50	100.00	5,428,026.52	100.00
Operating Expenses				
Solid Waste Payments	67,894.66	14.71	929,649.45	17.13
Water Purchases	32,874.79	7.12	385,631.50	7.10
PCUC Sewer Payments	24,904.10	5.39	63,410.07	1.17
Contract Labor - Water	200.00	0.04	200.00	0.00
Operations Labor - Pumping	8,970.84	1.94	105,339.58	1.94
Chemicals - Sewer	0.00	0.00	14,645.60	0.27
Contract Labor	0.00	0.00	120.00	0.00
Supplies - Pumping	0.00	0.00	801.19	0.01
Repairs - Pumping	0.00	0.00	35,000.00	0.64
Telephone & Utilities - Pumping	0.00	0.00	23.75	0.00
Lab Services	2,048.00	0.44	16,937.00	0.31
Chemicals	2,240.81	0.49	97,048.80	1.79
Sewer Supplies	0.00	0.00	4,057.59	0.07
Natural Gas-WTP	590.34	0.13	3,972.81	0.07
Operations Labor - T & D	45,187.95	9.79	638,579.28	11.76
Wages - Sewer	2,058.42	0.45	30,461.34	0.56
Uniform Rental - T & D	1,484.31	0.32	20,007.49	0.37
Supplies - T & D	0.00	0.00	177,842.22	3.28
Vehicle Repairs - T & D	0.00	0.00	16,401.61	0.30
Utilities - T & D	28,045.77	6.08	389,993.41	7.18
Repairs Pump - T & D	(0.30)	0.00	44,767.00	0.82
Uniform Rental - T & D	65.94	0.01	8,439.88	0.16
Vehicle Repairs - T & D	0.00	0.00	29,428.75	0.54
Fuel-Gasoline	7,317.44	1.59	84,409.73	1.56
Equipment Rental	0.00	0.00	93.29	0.00
Billing Postage	2,091.78	0.45	22,910.78	0.42
Billing Postage	0.00	0.00	1,982.17	0.04
BILLING CARDS	767.80	0.17	22,730.42	0.42
Wages - Office	9,505.50	2.06	126,853.41	2.34
Office Postage	0.00	0.00	515.63	0.01
Office Supplies	45.00	0.01	10,328.77	0.19
Telephone & Utilities - Office	2,419.64	0.52	16,185.32	0.30
Bank Charges	1,043.97	0.23	11,269.22	0.21
Health Insurance	45,329.31	9.82	307,611.82	5.67
Dental Insurance	995.62	0.22	11,853.89	0.22
Workers Comp	3,030.04	0.66	19,948.27	0.37

Restricted for Management Use Only

Southern Water and Sewer District Income Statement

	1 Month Ended December 31, 2017	Percent	12 Months Ended December 31, 2017	Percent
Life Ins.	995.30	0.22	18,424.52	0.34
Contract Labor - Administration	3,472.50	0.75	7,755.50	0.14
Credit Card Payment Fees	0.00	0.00	20.00	0.00
Property Insurance	0.00	0.00	21,100.98	0.39
Legal	2,000.00	0.43	5,000.00	0.09
Accounting	4,816.00	1.04	47,388.00	0.87
Professional Fees	125.00	0.03	3,425.00	0.06
Legal	0.00	0.00	3,000.00	0.06
Admin. Fee - Health Insurance Reimb.	225.00	0.05	675.00	0.01
Property Insurance	15,560.64	3.37	87,469.70	1.61
Bonds	0.00	0.00	253.48	0.00
Commissioner's Bond	0.00	0.00	1,425.20	0.03
Commissioner's Fee	2,000.00	0.43	24,000.00	0.44
Misc. Expenses	1,754.87	0.38	40,934.07	0.75
Travel Reimbursement	0.00	0.00	1,554.17	0.03
Training	0.00	0.00	2,195.59	0.04
Advertising	0.00	0.00	2,741.45	0.05
Interest & Penalty Notices	0.00	0.00	217.16	0.00
Depreciation Expense	63,382.08	13.73	760,584.96	14.01
Depreciation Expense	8,496.82	1.84	101,961.84	1.88
Payroll Taxes	3,298.27	0.71	76,870.88	1.42
PSC Taxes	0.00	0.00	7,655.99	0.14
Employer Pension Expense	1,117.07	0.24	15,848.61	0.29
Taxes - Real Estate	2,563.29	0.56	2,563.29	0.05
Employer Pension Expense	28.28	0.01	474.96	0.01
Health Care Reimbursements	0.00	0.00	4,967.57	0.09
Total Operating Expenses	<u>398,946.85</u>	<u>86.42</u>	<u>4,887,958.96</u>	<u>90.05</u>
Operating Income (Loss)	<u>62,671.65</u>	<u>13.58</u>	<u>540,067.56</u>	<u>9.95</u>
Other Income (Expenses)				
Fema Reimbursement	0.00	0.00	58,128.15	1.07
Insurance Recovery	0.00	0.00	32,927.77	0.61
Interest Income - Now	31.15	0.01	530.67	0.01
Bond Interest Credit Income	0.00	0.00	3,535.67	0.07
Grant Income (Dept of Transportation)	5,000.00	1.08	244,697.22	4.51
Rural Development - Allen to Martin WTP	369,614.95	80.07	429,949.66	7.92
Interest Expense - First Guaranty Bank	(265.86)	(0.06)	(1,606.72)	(0.03)
Interest Expense - KIA	0.00	0.00	(25,939.36)	(0.48)
Interest Expense - LOC	(1,000.00)	(0.22)	(9,959.19)	(0.18)
Amortization of Premium	(205.02)	(0.04)	(2,460.24)	(0.05)
KIA Service Fees	0.00	0.00	(1,582.60)	(0.03)
Interest Expense - KIA	(5,303.05)	(1.15)	(65,565.76)	(1.21)
Interest Expense - TFB	(453.66)	(0.10)	(1,966.33)	(0.04)
Interest Expense - Credit Cards	0.00	0.00	(8.74)	0.00
Interest Expense - Bonds	1,803.10	0.39	(169,957.21)	(3.13)
Total Other Income (Expenses)	<u>369,221.61</u>	<u>79.98</u>	<u>490,722.99</u>	<u>9.04</u>
Net Income (Loss) Before Taxes	<u>431,893.26</u>	<u>93.56</u>	<u>1,030,790.55</u>	<u>18.99</u>
Net Income (Loss)	<u>\$ 431,893.26</u>	<u>93.56%</u>	<u>\$ 1,030,790.55</u>	<u>18.99%</u>

Restricted for Management Use Only

Michael R. Spears, C.P.A., P.S.C.

Certified Public Accountant

February 26, 2018

To the Board of Commissioners
Southern Water and Sewer District
McDowell, Kentucky

We are pleased to confirm our acceptance and understanding of the services we are to provide for Southern Water and Sewer District for the years ended December 31, 2018, 2019, and 2020.

You have requested that we prepare the financial statements of Southern Water and Sewer District, which comprise the annual and monthly balance sheets and the related statements of income, and retained earnings for the years then ended December 31, 2018, 2019, and 2020. These financial statements will not include statements of cash flows and related notes to the financial statements.

Our Responsibilities:

The objective of our engagement is to prepare financial statements in accordance with accounting principles generally accepted in the United States of America based on information provided by you. We will conduct our engagement in accordance with Statements on Standards for Accounting and Review Services (SSARS) promulgated by the Accounting and Review Services Committee of the AICPA and comply with the AICPA's Code of Professional Conduct, including the ethical principles of integrity, objectivity, professional competence, and due care.

We are not required to, and will not, verify the accuracy or completeness of the information you will provide to us for the engagement or otherwise gather evidence for the purpose of expressing an opinion or a conclusion. Accordingly, we will not express an opinion, a conclusion, nor provide any assurance on the financial statements.

Our engagement cannot be relied upon to identify or disclose any financial statement misstatements, including those caused by fraud or error, or to identify or disclose any wrongdoing within the District or noncompliance with laws and regulations.

Management Responsibilities:

The engagement to be performed is conducted on the basis that management acknowledges and understands that our role is the preparation of the financial statements in accordance with accounting principles generally accepted in the United States of America. Management has the following overall responsibilities that are fundamental to our undertaking the engagement to prepare your financial statements in accordance with SSAR:

1. The selection of accounting principles generally accepted in the United States of America as the financial reporting framework to be applied in the preparation of the financial statements.
2. The design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.
3. The prevention and detection of fraud.
4. To ensure that the District complies with the laws and regulations applicable to its activities.
5. The accuracy and completeness of the records, documents, explanations, and other information, including significant judgements, you provide to us for the engagement to prepare financial statements.
6. To provide us with documentation, and other related information that is relevant to the preparation and presentation of the financial statements. Additional information that may be requested for the purpose of the preparation of the financial statements, and unrestricted access to persons within the District with whom we determine it necessary to communicate.

The financial statements will not be accompanied by a report. However, you agree that the financial statements will clearly indicate that no assurance is provided on them.

We will also prepare the following:

- Your annual PSC Report after the audit is completed.
- Your bi-weekly payroll after you have accumulated employee hours.
- Your monthly accounts payable listing and bills to be paid.
- Your monthly, quarterly and annual payroll filings.
- Your monthly sales tax reports.
- Your annual budgets for your approval as required by funding sources.
- We will write your report for the annual audit.

Michael R. Spears is the engagement partner and is responsible for supervising the engagement.

We estimate that our fees for these services will be \$2,000 per month. The fee estimate is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the work performed. If significant additional time is necessary, we will discuss it with you and bill the additional time at standard hourly rates of personnel assigned. The additional work described above will be billed at standard hourly rates. Our invoices for these fees will be rendered each month as work progresses and are payable within 30 days of receipt.

You agree to hold us harmless and to release, indemnify, and defend us from any liability or costs, including attorney's fees, resulting from management's knowing misrepresentations to us.

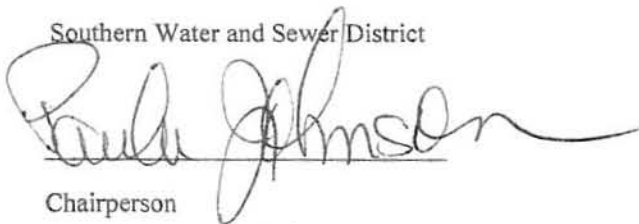
We appreciate the opportunity to be of service to you and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

Sincerely,


Michael R. Spears, CPA, PSC

Acknowledged:

Southern Water and Sewer District



Chairperson

2-26-18

Date

SOUTHERN WATER AND SEWER
NOTE PAYABLE ANALYSIS
2/28/2018

DESCRIPTION		DATE OF NOTE	ORIGINAL AMOUNT	INTEREST RATE	PAYMENT AMOUNT	NUMBER OF REMAINING PAYMENTS	CURRENT PRINCIPAL BALANCE
FIRST GUARANTY BANK	OFFICE BUILDING	5/25/2007	167,940.00	5.50 %	1,829.60	0	- *
FIRST GUARANTY BANK	DEAN'S TRUCK	9/22/2014	25,018.00	5.90%	482.52	19	8,734.60 *
CITIZEN'S NATIONAL BANK	EXCAVATOR	6/9/2015	41,355.00	4.32%	939.61	19	15,467.94 *
CITIZEN'S NATIONAL BANK	5 TRUCKS	11/17/2017	125,984.00	4.32%	1,989.53	69	121,359.78
FIRST GUARANTY BANK	LINE OF CREDIT		300,000.00	5.00%	2,000.00	N/A	237,883.96 *
BONDS							
USDA	2,515,000 ISSUE	1/1/2003	2,515,000.00	4.50%	VARIOUS	51	2,019,000.00
USDA	225,000 ISSUE	1/1/2006	225,000.00	4.25%	VARIOUS	55	187,000.00
USDA	589,573 ISSUE	1/1/2006	589,573.00	4.75%	VARIOUS	0	- *
USDA	530,000 ISSUE BLD	1/1/2011	530,000.00	2.25%	VARIOUS	64	468,000.00
USDA	1,773,000 ISSUE	1/1/2017	1,773,000.00	2.25%	VARIOUS	78	1,726,000.00
KY INFRASTRUCTURE AUTHORITY							
KIA - I		6/1/1995	1,362,870.05	3.00%	34,607.94	14	434,100.71
KIA - III		12/1/2007	2,831,354.23	3.00%	71,897.79	20	1,234,387.27
KIA - A04-06		12/1/2005	67,376.00	1.00%	1,862.64	16	- *
KIA - A11-16		6/1/2014	765,900.00	1.00%	21,173.70	15	- *
TOTAL LOANS DUE 2-28-2018							6,451,934.26

* - These Loans will be transferred to PCUC when approved by the Public Service Commission.

**Southern Water and Sewer District
Transaction List**

February 1, 2018 - February 28, 2018

Date	Reference	Account	Payee ID	Description	1099	Amount
02/02/18	15240	13103		PAULA JOHNSON		(500.00)
02/02/18	15240	73001		PAULA JOHNSON		500.00
02/02/18	20885	13103	ci	C.I. Thornburg		(5,188.70)
02/02/18	20885	62305	ci	C.I. Thornburg		5,188.70
02/02/18	20886	13103		KY Dept. of Revenue		(25.00)
02/02/18	20886	23607		KY Dept. of Revenue		25.00
02/02/18	20887	13103		KY Dept. of Revenue		(25.00)
02/02/18	20887	23607		KY Dept. of Revenue		25.00
02/02/18	20888	13103		Michael Spears, CPA		(2,000.00)
02/02/18	20888	72302		Michael Spears, CPA		2,000.00
02/02/18	20889	13103	TRIVA	Trivaco		(1,500.00)
02/02/18	20889	64102	TRIVA	Trivaco		1,500.00
02/02/18	20890	13103	KST	Kentucky State Treasurer		(3,737.74)
02/02/18	20890	23603	KST	Kentucky State Treasurer		3,737.74
02/05/18	1104	17818		HOWARD ENGINEERING		(95,408.36)
02/05/18	1104	16201		HOWARD ENGINEERING		95,408.36
02/05/18	1105	17818		KY ENGINEERING GROUP		(6,971.55)
02/05/18	1105	16201		KY ENGINEERING GROUP		6,971.55
02/05/18	15241	13103		MTN AGGREGATES		(667.29)
02/05/18	15241	64102		MTN AGGREGATES		667.29
02/06/18	15242	13103		UNIVERSAL PRINTING		(981.87)
02/06/18	15242	70303		UNIVERSAL PRINTING		981.87
02/07/18	15244	13103		COLONIAL LIFE		(9,115.72)
02/07/18	15244	72106		COLONIAL LIFE		9,115.72
02/07/18	15260	13103		XACT COMM		(815.14)
02/07/18	15260	73003		XACT COMM		815.14
02/07/18	15261	13103		ASSURITY LIFE INSURANCE		(1,011.76)
02/07/18	15261	72110		ASSURITY LIFE INSURANCE		1,011.76
02/08/18	15262	13103		APPALACHIAN WIRELESS		(555.37)
02/08/18	15262	72104		APPALACHIAN WIRELESS		555.37
02/08/18	15263	13103		CORE & MANS		(2,940.67)
02/08/18	15263	73003		CORE & MANS		2,940.67
02/08/18	15264	13103		CI THORNBURG		(5,868.28)
02/08/18	15264	62305		CI THORNBURG		5,868.28
02/08/18	15265	13103		UNITED SYSTEMS		(1,154.18)
02/08/18	15265	73003		UNITED SYSTEMS		1,154.18
02/09/18	1074	17816		TAMMY TUCKER		(60.00)
02/09/18	1074	23501		TAMMY TUCKER		60.00
02/09/18	15245	13103		CONLEY BROS TIRES		(1,756.04)
02/09/18	15245	64103		CONLEY BROS TIRES		1,756.04
02/09/18	15246	13103		MASTERCARD		(1,886.72)
02/09/18	15246	23116		MASTERCARD		1,886.72
02/09/18	15247	13103		CNB		(909.84)
02/09/18	15247	23214		CNB		909.84
02/09/18	15248	13103		BOGGS MUNICIPAL		(315.00)
02/09/18	15248	73003		BOGGS MUNICIPAL		315.00
02/09/18	15249	13103		MOORE'S TRUE VALUE		(3,119.04)
02/09/18	15249	64102		MOORE'S TRUE VALUE		3,119.04
02/09/18	15250	13103		JOHN HUNT SHERIFF		(2,563.29)
02/09/18	15250	90805		JOHN HUNT SHERIFF		2,563.29
02/09/18	15251	13103		BARRY CATRON		(172.92)
02/09/18	15251	73003		BARRY CATRON		172.92
02/09/18	15266	13103		GEARHEART COMMUNICATIONS		(420.61)
02/09/18	15266	73003		GEARHEART COMMUNICATIONS		420.61
02/09/18	15267	13103		EAST KY EXTERMINATING		(90.00)
02/09/18	15267	73003		EAST KY EXTERMINATING		90.00
02/09/18	15268	13103		MCCOY & MCCOY LABS		(15.25)

**Southern Water and Sewer District
Transaction List**

February 1, 2018 - February 28, 2018

Date	Reference	Account	Payee ID	Description	1099	Amount
02/09/18	15268	62304		MCCOY & MCCOY LABS		15.25
02/09/18	15269	13103		P & J TRAILER		(1,781.05)
02/09/18	15269	64102		P & J TRAILER		1,781.05
02/09/18	15270	13103		PEOPLES KY		(255.51)
02/09/18	15270	73003		PEOPLES KY		255.51
02/09/18	15271	13103		BIG SANDY RECC		(1,300.49)
02/09/18	15271	72104		BIG SANDY RECC		1,300.49
02/12/18	15223	13103		FREDERICK WHITMAN		(1.00)
02/12/18	15223	73003		FREDERICK WHITMAN		1.00
02/13/18	15252	13103		USPS		(459.16)
02/13/18	15252	70301		USPS		459.16
02/13/18	20918	13103	ci	C.I. Thornburg		(5,702.30)
02/13/18	20918	62305	ci	C.I. Thornburg		5,702.30
02/13/18	20919	13103		Chris Francis		(55.49)
02/13/18	20919	73003		Chris Francis		55.49
02/13/18	20920	13103		KY Dept. of Revenue		(25.00)
02/13/18	20920	23607		KY Dept. of Revenue		25.00
02/13/18	20921	13103		Michael Spears, CPA		(2,320.00)
02/13/18	20921	72302		Michael Spears, CPA		2,320.00
02/15/18	15253	13103		KNOTT COUNTY WATER		(17,576.40)
02/15/18	15253	60002		KNOTT COUNTY WATER		17,576.40
02/16/18	1075	17816		SCOTT MONTGOMERY		(19.40)
02/16/18	1075	23501		SCOTT MONTGOMERY		19.40
02/16/18	1076	17816		HOWARD HALL		(60.00)
02/16/18	1076	23501		HOWARD HALL		60.00
02/16/18	1124	13106		FLOYD COUNTY SOLID WASTE		(69,525.84)
02/16/18	1124	60001		FLOYD COUNTY SOLID WASTE		69,525.84
02/16/18	1512	13105		FCB - SOLID WASTE		(10,000.00)
02/16/18	1512	93501		FCB - SOLID WASTE		10,000.00
02/16/18	15254	13103		TRESIA HALL		(200.00)
02/16/18	15254	72111		TRESIA HALL		200.00
02/16/18	15256	13103		MT AGGREGATES		(625.82)
02/16/18	15256	64102		MT AGGREGATES		625.82
02/16/18	15257	13103		DON HARRISON		(1,280.27)
02/16/18	15257	14105		DON HARRISON		1,280.27
02/20/18	15258	13103		CHRIS ROBINSON		(411.07)
02/20/18	15258	64102		CHRIS ROBINSON		411.07
02/20/18	15259	13103		KY DEPT OF REVENUE		(492.35)
02/20/18	15259	23606		KY DEPT OF REVENUE		492.35
02/20/18	15274	13103		KELLY PRINTING		(1,255.95)
02/20/18	15274	70303		KELLY PRINTING		1,255.95
02/20/18	15275	13103		UNIVERSAL PRINTING		(491.00)
02/20/18	15275	70301		UNIVERSAL PRINTING		491.00
02/20/18	15276	13103		MTN AGGREGATES		(1,334.09)
02/20/18	15276	64102		MTN AGGREGATES		1,334.09
02/21/18	15279	13103		CNB		(1,989.53)
02/21/18	15279	23215		CNB		1,989.53
02/21/18	15280	13103		CHRIS ROBINSON		(60.01)
02/21/18	15280	73003		CHRIS ROBINSON		60.01
02/21/18	15281	13103		M & M WELDING		(138.00)
02/21/18	15281	73003		M & M WELDING		138.00
02/22/18	1090	17813		KEMI		(1,514.11)
02/22/18	1090	72109		KEMI		1,514.11
02/22/18	1091	17813		KLC		(9,255.99)
02/22/18	1091	72401		KLC		9,255.99
02/22/18	15277	13103		FRASURE ELECTRIC		(5,000.00)
02/22/18	15277	64102		FRASURE ELECTRIC		5,000.00

**Southern Water and Sewer District
Transaction List**

February 1, 2018 - February 28, 2018

Date	Reference	Account	Payee ID	Description	1099	Amount
02/22/18	15278	13103		FORTLINER		(3,000.00)
02/22/18	15278	64102		FORTLINER		3,000.00
02/22/18	15282	13103		HACH		(317.34)
02/22/18	15282	64102		HACH		317.34
02/22/18	15283	13103		TRINITY HOSE & IND SUPPLY		(876.97)
02/22/18	15283	64102		TRINITY HOSE & IND SUPPLY		876.97
02/22/18	15284	13103		UNLIMITED EQUIP RENTALS		(63.60)
02/22/18	15284	73003		UNLIMITED EQUIP RENTALS		63.60
02/22/18	15285	13103		WRIGHT LUMBER		(676.14)
02/22/18	15285	64102		WRIGHT LUMBER		676.14
02/22/18	15286	13103		ARAMARK		(32.97)
02/22/18	15286	64101		ARAMARK		32.97
02/22/18	15287	13103		ANS NORTH LOCKBOX		(602.43)
02/22/18	15287	64102		ANS NORTH LOCKBOX		602.43
02/22/18	15288	13103		HD SUPPLY WATER WORKS		(1,754.49)
02/22/18	15288	64102		HD SUPPLY WATER WORKS		1,754.49
02/22/18	15290	13103		CASH		(500.00)
02/22/18	15290	73003		CASH		500.00
02/23/18	1077	17816		ROBERTO HERNANDEZ		(60.00)
02/23/18	1077	23501		ROBERTO HERNANDEZ		60.00
02/28/18	15295	13103		HUTCH CHRYSLER		(43.59)
02/28/18	15295	73003		HUTCH CHRYSLER		43.59
Transaction Balance						0.00

Transaction Totals

Total Debits	<u>290,832.70</u>
Total Credits	<u>290,832.70</u>
Account Hash Total	<u>4934860.0000</u>

Transaction count = 68
Distribution count = 136

SOUTHERN WATER AND SEWER
MONTHLY FILED CONSTRUCTION LOG

1/22/2018 TO 2/26/2018

NUMBER OF LEAKS (57)

NUMBER OF TAPS (3)

NUMBER OF DIG OUTS (3)

ESTIMATED WATER LOSS 3,300,000 gal

LINE SIZES $\frac{3}{4}$ (54) 1inch (1) 2inch () 3inch (1) 4inch (1)

6inch () 8inch () 10inch () 12inch ()

PARST USED: (100) $\frac{3}{4}$ couplings (2) 1 inch couplings (2) 2 inch hymax,s
(2) 3 inch hymax's (2) 4 inch hymax's () 6 inch hymax's () 8 inch
hymax's () 10 inch hymax,s (22) SR-II meter bottoms – (16) $\frac{3}{4}$
regulators

Right Beaver (24) Left Beaver (27) Big Mud (4) Little Mud (2)

FILED SUPERVISOR  DATE 2/24/2018

GENERAL MANAGER _____ DATE _____

SOUTHERN WATER & SEWER DISTRICT

PO BOX 610

MCDOWELL, KY 41647

Regular Called Meeting January 22, 2018

AGENDA

A. CALL TO ORDER

B. APPROVAL OF MINUTES

C. APPROVAL OF FINANCIAL STATEMENTS

D. CANN-TECH ENGINEERING REPORT

E. KENTUCKY ENGINEERING REPORT

F. MANAGER'S REPORT

G. OTHER

H. ADJOURNMENT

**Southern Water & Sewer District
PO Box 610
McDowell, Ky. 41647
Regular Called Meeting December 18th 2017**

ATTENDANCE

Paula Johnson, Chairperson	Troy Hogge, KEG
Barry Hall, Secretary	Dean Hall, General Manager
Hayes Hamilton, Commissioner	Paula Burke, Office Manager
Joseph Jacobs, Commissioner	Jeff Reed, CPA
Larry Joe Osborne, Commissioner	Ben Hale, County Judge
Larry Cann, Cann-Tech Eng.	Troy Hogge, Ky. Engineering
Don Hall, City of Wheelwright	Ryan Hall, City of Wheelwright

MEETING CALLED TO ORDER BY JOSEPH JACOBS, ACTING CHAIRMAN WITH ALL PRESENT AND ACCOUNTED FOR @ 5:06 PM

MOTION TO APPROVE MINUTES FROM LAST MEETING

Motion Made By: Hayes Hamilton
Seconded By: Barry Hall
Motion Passed

MOTION TO APPROVE FINANCIALS GIVEN BY JEFF REED

Motion Made By: Barry Hall
Seconded By: Hayes Hamilton
Motion Approved

MOTION TO APPROVE CHRISTMAS BONUS OF \$100 FOR EMPLOYEES

Motion Made By: Barry Hall
Seconded By: Hayes Hamilton
Motion Approved

MOTION TO APPROVE MANAGER'S REPORT GIVEN BY DEAN HALL

Motion Made By: Hayes Hamilton
Seconded By: Barry Hall
Motion Approved

MOTION TO ADJOURN AT 5:17 PM

Motion Made By: Barry Hall

Seconded By: Hayes Hamilton

Motion Passed

WITH THERE BEING NO FURTHER BUSINESS TO DISCUSS THE MEETING WAS
ADJOURNED AT 6:21 pm.

PASSED BY THE SOUTHERN WATER & SEWER COMMISSIONERS ON THIS

_____ DAY OF _____ 2017.

APPROVED BY:

Paula Johnson, Chairman

ATTESTED BY

Barry Hall, Secretary

**Southern Water & Sewer District
PO Box 610
McDowell, Ky. 41647
Regular Called Meeting January 26th 2018**

ATTENDANCE

Paula Johnson, Chairperson

Barry Hall, Secretary

Hayes Hamilton, Commissioner

Larry Joe Osborne, Commissioner

Larry Joe Osborne, Commissioner

Troy Hogge, Ky. Engineering

Troy Hogge, KEG

Dean Hall, General Manager

Paula Burke, Office Manager

Jeff Reed, CPA

Gary Mullins, Customer

Linda Mullins, Customer

MEETING CALLED TO ORDER BY PAULA JOHNSON WITH ALL PRESENT AND ACCOUNTED FOR @ 5:00 PM

MOTION TO APPROVE MINUTES FROM LAST MEETING

Motion Made By: Hayes Hamilton

Seconded By: Barry Hall

Motion Passed

MOTION TO APPROVE FINANCIALS GIVEN BY JEFF REED

Motion Made By: Barry Hall

Seconded By: Hayes Hamilton

Motion Approved

MOTION TO APPROVE TO PAY KENTUCKY ENGINEERING GROUP

Motion Made By: Hayes Hamilton

Seconded By: Barry Hall

Motion Approved

MOTION TO APPROVE MANAGER'S REPORT TO BE GIVEN AT THE NEXT MEETING DUE TO NOT HAVING ANYTHING IN WRITING BECAUSE OF THE LARGE NUMBER OF PROBLEMS ARISING FROM THE WEATHER

Motion Made By: Hayes Hamilton

Seconded By: Barry Hall

Motion Approved

MOTION TO ADJOURN AT 5:45 PM

Motion Made By: Barry Hall

Seconded By: Hayes Hamilton

Motion Passed

WITH THERE BEING NO FURTHER BUSINESS TO DISCUSS THE MEETING WAS
ADJOURNED AT 6:21 pm.

PASSED BY THE SOUTHERN WATER & SEWER COMMISSIONERS ON THIS
_____ DAY OF _____ 2018.

APPROVED BY:

Paula Johnson, Chairman

ATTESTED BY

Barry Hall, Secretary