

SOUTHERN WATER & SEWER DISTRICT

PO BOX 610

MCDOWELL, KY 41647

**REGULAR MONTHLY MEETING NOVEMBER 21, 2016**

AGENDA

A. CALL TO ORDER ✓

B. APPROVAL OF MINUTES ✓

C. APPROVAL OF FINANCIAL STATEMENTS ✓

D. KENTUCKY ENGINEERING REPORT ✓

E. MANAGERS REPORT

- Employee Gift Cards for Thanks giving ✓  
- Boots and Coats

F. OTHER

G. ADJOURNMENT

Next meeting - 12-19-16 3<sup>rd</sup> Monday

SOUTHERN WATER AND SEWER  
MONTHLY FILED CONSTRUCTION LOG  
10/25/2016 TO 11/20/2016

NUMBER OF LEAKS (51)

NUMBER OF TAPS (2)

NUMBER OF DIG OUTS (2)

ESTIMATED WATER LOSS 2,800,000 gal

LINE SIZES  $\frac{3}{4}$  (41) 1inch (6) 2inch ( ) 3inch ( ) 4inch (2)-

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

PARST USED: (75)  $\frac{3}{4}$  couplings (12) 1 inch couplings ( ) 2 inch hymax,s  
( ) 3 inch hymax's (4) 4 inch hymax's ( ) 6 inch hymax's ( ) 8 inch hymax's  
( ) 10 inch hymax,s (2) SR-II meter bottoms - ( )  $\frac{3}{4}$  regulators

Right Beaver (24) Left Beaver (21) Big Mud (3) Little Mud (1) Sandy  
Valley (2)

FILED SUPERVISOR Chris Polusaw DATE 11/21/16

GENERAL MANAGER Joan M Hall DATE \_\_\_\_\_

**Southern Water & Sewer Dist.**  
**PO BOX 610**  
**MCDOWELL, KY 41647**  
**REGULAR CALLED MEETING NOVEMBER 21<sup>ST</sup> @5PM**

**ATTENDANCE:**

PAULA JOHNSON, CHAIRMAN  
JOSEPH JACOBS, COMMISSIONER  
LARRY OSBORNE, COMMISSIONER  
BARRY HALL, COMMISSIONER  
PAULA BURKE, STAFF

JEFF REED, SPEARS CPA  
HAYES HAMILTON, COMMISSIONER  
TROY HOGGE, KY ENG. GROUP  
DEAN HALL, GENERAL MANAGER

**CALLED TO ORDER BY PAULA JOHNSON @5:04 PM**

MOTION TO APPROVE MINUTES  
MOTION MADE BY: HAYES HAMILTON  
SECONDED BY: BARRY HALL  
MOTION PASSED

**MOTION TO APPROVE FINANCIAL REPORT GIVEN BY JEFF REED  
THROUGH SEPTEMBER 2016**

MOTION MADE BY: LARRY JOE OSBORNE  
SECONDED BY: HAYES HAMILTON  
MOTION PASSED

**MOTION TO APPROVE PAY INCREASE FOR THE EXCAVATOR  
OPERATORS, LOGAN CROWDER AND JUSTIN CONLEY**

MOTION TO APPROVE MADE BY: BARRY HALL  
SECONDED BY : HAYES HAMILTON  
MOTION PASSED

**MOTION TO ADJOURN AT 5:47 PM**

MOTION MADE BY: BARRY HALL  
SECONDED BY: JOE JACOBS

WITH THERE BEING NO FURTHER BUSINESS TO DISCUSS THE MEETING  
WAS ADJOURNED AT 6:01 PM Passed by the Southern Water & Sewer  
Commissioners on this \_\_\_\_\_ day of \_\_\_\_\_ 2016

**APPROVED BY:**

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

November 21, 2016

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

RE: October 2016 Financial Statements

Dear Commissioner,

Enclosed you will find your financial statements for the period ended October 31, 2016. In this letter I am giving you some pertinent highlights as I see them.

Balance Sheet as of October 31, 2016

- Cash in Bank is \$52,953
- Restricted Cash is \$707,607
- Accounts Receivable is \$1,394,398
- Plant in place is \$25,498,292
- Equity is \$18,728,696

Income Statement – for the month ended October 31, 2016

- Operating Revenue is \$374,690
- Operating Expenses Less Depreciation of \$71,879 is \$252,207
- Other Income (Construction Income & Interest) \$56,237
- Other Expense (\$20,979)
- Net Income/(Loss) before depreciation expense is \$157,741
- Net Income/(Loss) after depreciation expense of \$71,879 is \$85,861

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 District**  
**BALANCE SHEET**  
**As of October 31, 2016**

**ASSETS**

**CURRENT ASSETS**

|                                      |    |                     |
|--------------------------------------|----|---------------------|
| Cash on Hand                         | \$ | 460.00              |
| Cash Operations                      |    | 460.00              |
| First Guaranty - New                 |    | (10,557.60)         |
| Cash - Community Trust Bank (SV)     |    | 63,511.05           |
| First Guaranty - Solid Waste Account |    | 69,067.20           |
| Accounts Receivable - Water          |    | 765,138.67          |
| Accounts Receivable - Garbage        |    | 504,632.70          |
| Accounts Receivable - Sewer          |    | 124,627.05          |
| A/R - CDBG Grant                     |    | 5,000.00            |
| Provision for Uncollectible Accounts |    | (235,324.66)        |
| A/R - Former Employee                |    | 16,500.00           |
| Materials and Supplies               |    | 101,231.80          |
| KIA Escrow - New                     |    | 115,294.64          |
| KIA R & M Reserve - New              |    | 67,488.75           |
| KIA R & M Reserve #3 - New           |    | 42,563.95           |
| First Guaranty - RD Account          |    | 909.11              |
| RD Depreciation Reserve Acct.        |    | 55,105.36           |
| RD Escrow Acct                       |    | 121,072.38          |
| 1st Guaranty - FEMA Reimbursements   |    | 21,351.78           |
| FGB - Rural Development Construction |    | 4,557.89            |
| FGB - Capital Improvement Account    |    | 12,101.93           |
| FGB - RD Sinking Fund (New)          |    | 28,678.20           |
| Cash - Pride on the River            |    | 965.26              |
| FEMA - 1976 - DR - KY                |    | 65,673.98           |
| Insurance Escrow Account             |    | 31,343.06           |
| KIA R & M RESERVE A04-06             |    | 39,895.00           |
| Construction Account                 |    | 19,255.89           |
| FGB - Customer Deposit Account       |    | 32,003.55           |
| FGB - Health Care Reimbursement      |    | 8,177.91            |
| FGB - Allen to Martin WTP            |    | 779.26              |
| <b>Total Current Assets</b>          |    | <u>2,071,964.11</u> |

**PROPERTY AND EQUIPMENT**

|                                   |                        |
|-----------------------------------|------------------------|
| Utility Plant                     | 34,843,909.96          |
| Utility Plant                     | 1,766,340.49           |
| Utility Plant Sewer               | 7,865,636.26           |
| Construction in Progress          | 2,351,078.65           |
| Construction in Progress - Sewer  | 43,921.50              |
| Less: Accumulated Depreciation    | <u>(21,372,594.39)</u> |
| <b>Net Property and Equipment</b> | <u>25,498,292.47</u>   |

**OTHER ASSETS**

|                           |                    |
|---------------------------|--------------------|
| Prepaid Interest          | 98,409.92          |
| Accumulated Amortization  | <u>(36,493.65)</u> |
| <b>Total Other Assets</b> | <u>61,916.27</u>   |

**Southern Water and Sewer District**  
**BALANCE SHEET**  
**As of October 31, 2016**

|              |                         |
|--------------|-------------------------|
| TOTAL ASSETS | \$ <u>27,632,172.85</u> |
|--------------|-------------------------|

**Southern Water and Sewer District**  
**BALANCE SHEET**  
**As of October 31, 2016**

**LIABILITIES AND STOCKHOLDERS' EQUITY**

**CURRENT LIABILITIES**

|                                       |               |
|---------------------------------------|---------------|
| Accounts Payable                      | \$ 104,185.96 |
| A/P - CIP                             | 2,673.84      |
| N/P - FGB LOC                         | 219,000.00    |
| First Guaranty - Office Building      | 11,492.67     |
| N/P - FGB (DEAN'S TRUCK)              | 15,480.44     |
| N/P - CITIZEN'S NATIONAL (EXCAVAT     | 28,353.81     |
| Customer Deposits                     | 201,478.83    |
| Customer Deposits - Sewer             | 190.00        |
| Accrued Fed WTH                       | 7,383.24      |
| Accrued Ky WTH                        | 1,598.65      |
| Accrued KUI/FUTA                      | 2,123.94      |
| Accrued School Tax                    | 9.83          |
| Accrued Sales Tax                     | 748.68        |
| Garnishee                             | 2,108.10      |
| Accrued 401-k                         | 11,998.37     |
| Accrued Vacation/Sick Pay             | 67,054.08     |
| Accrued Interest - KIA III            | 68,569.16     |
| Accrued Interest - Bonds              | 38,722.50     |
| Accrued Interest - New Bond           | 3,329.21      |
| Accrued Interest - Sandy Valley Bond  | 10,657.26     |
| Accrued Interest - Build America Bond | 1,090.33      |
| A/P - Solid Waste                     | 432,333.87    |

**Total Current Liabilities** 1,230,582.77

**LONG-TERM LIABILITIES**

|                                    |              |
|------------------------------------|--------------|
| Notes Payable Current Portion      | 476,322.31   |
| Less Current Portion Notes Payable | (476,322.31) |
| Bonds Payable Current Portion      | 66,981.00    |
| N/P - KIA I                        | 542,395.07   |
| N/P - KIA III                      | 1,307,868.53 |
| Bonds Payable                      | 2,109,000.00 |
| N/P - KIA A-04-06                  | 34,019.07    |
| Bonds Payable (New)                | 195,000.00   |
| RD Note - Sandy Valley 589573      | 501,509.00   |
| USDA (530,000)                     | 487,000.00   |
| N/P - USDA (ALLEN TO MARTIN)       | 1,773,000.00 |
| N/P - Regions Bank Other           | 27,101.27    |
| N/P - KIA (A11-16) Harold Sewer    | 696,001.13   |
| Less Current Portion Bonds Payable | (66,981.00)  |

**Total Long-Term Liabilities** 7,672,894.07

**Total Liabilities** 8,903,476.84

**CAPITAL**

|                                 |               |
|---------------------------------|---------------|
| Invested in Capital Assets      | 17,705,548.00 |
| Restricted for Capital Projects | 30,110.00     |
| Restricted for Maintenance      | 120,145.00    |

**Southern Water and Sewer District**  
**BALANCE SHEET**  
**As of October 31, 2016**

|   |                         |
|---|-------------------------|
| Restricted for Debt Services                          | 144,655.00              |
| Unrestricted Net Assets                               | 514,136.86              |
| Restricted for Deposits                               | 175,189.00              |
| Current Earnings                                      | 395,218.72              |
| Retained Earnings                                     | <u>(356,306.57)</u>     |
| <b>Total Stockholders' Equity</b>                     | <u>18,728,696.01</u>    |
| <b>TOTAL LIABILITIES AND<br/>STOCKHOLDERS' EQUITY</b> | <u>\$ 27,632,172.85</u> |

**Southern Water and Sewer District**  
**INCOME STATEMENT - CONSOLIDATED**  
**For the 1 Month and 10 Months Ended October 31, 2016**

|                                   | 1 Month Ended<br>October 31, 2016 | %             | 10 Months Ended<br>October 31, 2016 | %             |
|-----------------------------------|-----------------------------------|---------------|-------------------------------------|---------------|
| <b>Sales</b>                      |                                   |               |                                     |               |
| Metered Sales - Residential       | \$ 260,599.40                     | 69.55         | \$ 2,791,961.91                     | 68.00         |
| Metered Sales - Business          | 8,763.60                          | 2.34          | 83,361.91                           | 2.03          |
| Metered Sales - Residential Sewer | 14,541.24                         | 3.88          | 137,459.03                          | 3.35          |
| Metered Sales - Business Sewer    | 1,074.14                          | 0.29          | 10,576.01                           | 0.26          |
| Sales for Resale                  | 2,809.98                          | 0.75          | 39,101.03                           | 0.95          |
| Penalties                         | 4,745.45                          | 1.27          | 67,757.34                           | 1.65          |
| Meter Service                     | 2,685.03                          | 0.72          | 42,059.86                           | 1.02          |
| Tap fees                          | 1,460.00                          | 0.39          | 14,020.77                           | 0.34          |
| Sewer Tap Fees                    | 0.00                              | 0.00          | (500.00)                            | (0.01)        |
| Other Income                      | 0.00                              | 0.00          | 6,550.00                            | 0.16          |
| Garbage Sales Revenue             | 78,011.25                         | 20.82         | 777,850.00                          | 18.94         |
| Miscellaneous Income              | 0.00                              | 0.00          | 135,654.72                          | 3.30          |
| Less Returns & Allowances         | 0.00                              | 0.00          | 0.00                                | 0.00          |
| <b>Total Sales</b>                | <b>374,690.09</b>                 | <b>100.00</b> | <b>4,105,852.58</b>                 | <b>100.00</b> |
| <b>Gross Profit</b>               | <b>374,690.09</b>                 | <b>100.00</b> | <b>4,105,852.58</b>                 | <b>100.00</b> |
| <b>Operating Expenses</b>         |                                   |               |                                     |               |
| Solid Waste Payments              | 75,670.91                         | 20.20         | 754,514.50                          | 18.38         |
| Water Purchases                   | 14,233.33                         | 3.80          | 368,862.80                          | 8.98          |
| Contract Labor - Water            | 0.00                              | 0.00          | 400.00                              | 0.01          |
| Operations Labor - Pumping        | 7,378.40                          | 1.97          | 82,999.72                           | 2.02          |
| Chemicals - Sewer                 | 5,668.90                          | 1.51          | 31,551.46                           | 0.77          |
| Contract Labor                    | 0.00                              | 0.00          | 6,000.00                            | 0.15          |
| Chemicals - Sewer                 | 0.00                              | 0.00          | 4,610.38                            | 0.11          |
| Supplies - Pumping                | 0.00                              | 0.00          | 2,888.24                            | 0.07          |
| Repairs - Pumping                 | 0.00                              | 0.00          | 30,220.42                           | 0.74          |
| Telephone & Utilities - Pumping   | 0.00                              | 0.00          | 1,564.51                            | 0.04          |
| Lab Services                      | 0.00                              | 0.00          | 4,750.00                            | 0.12          |
| Chemicals                         | 0.00                              | 0.00          | 81,292.65                           | 1.98          |
| Sewer Supplies                    | 0.00                              | 0.00          | 5,550.85                            | 0.14          |
| LAB-SEWER                         | 0.00                              | 0.00          | 7,693.00                            | 0.19          |
| Supplies                          | 0.00                              | 0.00          | 502.55                              | 0.01          |
| Natural Gas-WTP                   | 491.80                            | 0.13          | 2,703.95                            | 0.07          |
| Operations Labor - T & D          | 46,764.68                         | 12.48         | 512,478.18                          | 12.48         |
| Wages - Sewer                     | 0.00                              | 0.00          | 6,000.00                            | 0.15          |
| Wages - Sewer                     | 1,995.00                          | 0.53          | 21,542.25                           | 0.52          |
| Uniform Rental - T & D            | 0.00                              | 0.00          | 5,723.08                            | 0.14          |
| Supplies - T & D                  | 5,220.29                          | 1.39          | 119,121.68                          | 2.90          |
| Vehicle Repairs - T & D           | 0.00                              | 0.00          | 14,755.98                           | 0.36          |
| Utilities - T & D                 | 31,080.86                         | 8.30          | 335,647.31                          | 8.17          |
| Repairs Pump - T & D              | 0.00                              | 0.00          | 25,599.83                           | 0.62          |
| Uniform Rental - T & D            | 0.00                              | 0.00          | 7,258.25                            | 0.18          |
| Vehicle Repairs - T & D           | 0.00                              | 0.00          | 21,420.72                           | 0.52          |
| Repairs - T & D                   | 0.00                              | 0.00          | 15,102.00                           | 0.37          |
| Fuel-Gasoline                     | 5,563.71                          | 1.48          | 55,767.71                           | 1.36          |

Restricted For Management Use Only



**Southern Water and Sewer District**  
**INCOME STATEMENT - CONSOLIDATED**  
For the 1 Month and 10 Months Ended October 31, 2016

|  | 1 Month Ended<br>October 31, 2016 | %            | 10 Months Ended<br>October 31, 2016 | %            |
|--|-----------------------------------|--------------|-------------------------------------|--------------|
| Lab Services - Distribution            | 0.00                              | 0.00         | 38,932.80                           | 0.95         |
| Utilities - Sewer                      | 0.00                              | 0.00         | 2,464.47                            | 0.06         |
| Uniform Rental                         | 3,767.88                          | 1.01         | 6,775.18                            | 0.17         |
| Utilities                              | 0.00                              | 0.00         | 27,637.74                           | 0.67         |
| Repairs - Sewer                        | 0.00                              | 0.00         | 6,442.18                            | 0.16         |
| Repairs-Sewer                          | 0.00                              | 0.00         | 375.00                              | 0.01         |
| Safety supplies                        | 0.00                              | 0.00         | 973.14                              | 0.02         |
| Billing Postage                        | 2,190.12                          | 0.58         | 21,006.38                           | 0.51         |
| BILLING CARDS                          | 0.00                              | 0.00         | 1,978.25                            | 0.05         |
| Wages - Office                         | 10,483.58                         | 2.80         | 117,950.37                          | 2.87         |
| Office Postage                         | 0.00                              | 0.00         | 4,697.19                            | 0.11         |
| Office Supplies                        | 179.92                            | 0.05         | 11,265.40                           | 0.27         |
| Telephone & Utilities - Office         | 1,178.47                          | 0.31         | 14,719.97                           | 0.36         |
| Bank Charges                           | 2,000.83                          | 0.53         | 15,197.28                           | 0.37         |
| Health Insurance                       | 1,721.61                          | 0.46         | 207,545.91                          | 5.05         |
| Shipping                               | 0.00                              | 0.00         | 22.00                               | 0.00         |
| Dental Insurance                       | 901.03                            | 0.24         | 8,565.03                            | 0.21         |
| Workers Comp                           | 1,443.92                          | 0.39         | 29,972.33                           | 0.73         |
| Life Ins.                              | 8,214.18                          | 2.19         | 26,515.94                           | 0.65         |
| Contract Labor - Administration        | 210.00                            | 0.06         | 410.00                              | 0.01         |
| Credit Card Payment Fees               | 0.00                              | 0.00         | 5.95                                | 0.00         |
| Worker's Compensation                  | 0.00                              | 0.00         | 5,488.59                            | 0.13         |
| Property Insurance                     | 5,693.82                          | 1.52         | 55,413.47                           | 1.35         |
| Legal                                  | 0.00                              | 0.00         | 5,000.00                            | 0.12         |
| Accounting                             | 10,200.00                         | 2.72         | 35,999.00                           | 0.88         |
| Professional Fees                      | 0.00                              | 0.00         | 9,291.29                            | 0.23         |
| Property Insurance                     | 0.00                              | 0.00         | 55,477.37                           | 1.35         |
| Commissioners Bond                     | 0.00                              | 0.00         | 3,741.15                            | 0.09         |
| Commissioner's Fee                     | 2,000.00                          | 0.53         | 19,500.00                           | 0.47         |
| Misc. Expenses                         | 1,385.54                          | 0.37         | 18,507.69                           | 0.45         |
| Training                               | 0.00                              | 0.00         | 3,277.29                            | 0.08         |
| Advertising                            | 0.00                              | 0.00         | 507.18                              | 0.01         |
| Interest & Penalty Notices             | 0.00                              | 0.00         | 198.93                              | 0.00         |
| Depreciation Expense                   | 63,382.08                         | 16.92        | 633,820.80                          | 15.44        |
| Depreciation Expense                   | 8,496.82                          | 2.27         | 84,968.20                           | 2.07         |
| Payroll Taxes                          | 5,314.63                          | 1.42         | 69,190.70                           | 1.69         |
| PSC Taxes                              | 0.00                              | 0.00         | 8,948.42                            | 0.22         |
| Employer Pension Expense               | 1,253.78                          | 0.33         | 14,649.92                           | 0.36         |
| Health Care Reimbursements             | 0.00                              | 0.00         | 2,561.61                            | 0.06         |
| <b>Total Operating Expenses</b>        | <b>324,086.09</b>                 | <b>86.49</b> | <b>4,096,516.14</b>                 | <b>99.77</b> |
| <b>Operating Income (Loss)</b>         | <b>50,604.00</b>                  | <b>13.51</b> | <b>9,336.44</b>                     | <b>0.23</b>  |
| <b>Other Income (Expense)</b>          |                                   |              |                                     |              |
| Interest Expense - First Guaranty Bank | (1,350.76)                        | 0.36         | (4,694.63)                          | 0.11         |
| Interest Expense - LOC                 | 0.00                              | 0.00         | (12,336.49)                         | 0.30         |
| Amortization of Premium                | (205.02)                          | 0.05         | (2,050.20)                          | 0.05         |
| Interest Expense - KIA                 | (7,332.21)                        | 1.96         | (63,004.75)                         | 1.53         |

Restricted For Management Use Only

**Southern Water and Sewer District**  
**INCOME STATEMENT - CONSOLIDATED**  
**For the 1 Month and 10 Months Ended October 31, 2016**

|                                       | 1 Month Ended<br>October 31, 2016 | %            | 10 Months Ended<br>October 31, 2016 | %           |
|---------------------------------------|-----------------------------------|--------------|-------------------------------------|-------------|
| Interest Expense - Bonds              | (12,091.47)                       | 3.23         | (122,102.43)                        | 2.97        |
| Interest Income - Now                 | 58.31                             | 0.02         | 521.29                              | 0.01        |
| Bond Interest Credit Income           | 0.00                              | 0.00         | 1,787.17                            | 0.04        |
| Grant Income (Dept of Transportation) | 56,178.90                         | 14.99        | 407,482.15                          | 9.92        |
| Rural Development - Allen to Martin W | 0.00                              | 0.00         | 184,460.17                          | 4.49        |
| <b>Total Other Income (Expense)</b>   | <b>35,257.75</b>                  | <b>9.41</b>  | <b>390,062.28</b>                   | <b>9.50</b> |
| <b>Net Income (Loss) Before Taxes</b> | <b>85,861.75</b>                  | <b>22.92</b> | <b>399,398.72</b>                   | <b>9.73</b> |
| <b>Net Income (Loss)</b>              | <b>\$ 85,861.75</b>               | <b>22.92</b> | <b>\$ 399,398.72</b>                | <b>9.73</b> |

**Southern Water and Sewer District**  
**INCOME STATEMENT - WATER**  
**For the 1 Month and 10 Months Ended October 31, 2016**

|                                 | 1 Month Ended<br>October 31, 2016 | %            | 10 Months Ended<br>October 31, 2016 | %            |
|---------------------------------|-----------------------------------|--------------|-------------------------------------|--------------|
| <b>Sales</b>                    |                                   |              |                                     |              |
| Metered Sales - Residential     | \$ 260,599.40                     | 69.55        | \$ 2,791,961.91                     | 68.00        |
| Metered Sales - Business        | 8,763.60                          | 2.34         | 83,361.91                           | 2.03         |
| Sales for Resale                | 2,809.98                          | 0.75         | 39,101.03                           | 0.95         |
| Penalties                       | 4,745.45                          | 1.27         | 67,757.34                           | 1.65         |
| Meter Service                   | 2,685.03                          | 0.72         | 42,059.86                           | 1.02         |
| Tap fees                        | 1,460.00                          | 0.39         | 14,020.77                           | 0.34         |
| Other Income                    | 0.00                              | 0.00         | 6,550.00                            | 0.16         |
| Garbage Sales Revenue           | 78,011.25                         | 20.82        | 777,850.00                          | 18.94        |
| Miscellaneous Income            | 0.00                              | 0.00         | 135,654.72                          | 3.30         |
| Less Returns & Allowances       | 0.00                              | 0.00         | 0.00                                | 0.00         |
| <b>Total Sales</b>              | <b>359,074.71</b>                 | <b>95.83</b> | <b>3,958,317.54</b>                 | <b>96.41</b> |
| <b>Gross Profit</b>             | <b>359,074.71</b>                 | <b>95.83</b> | <b>3,958,317.54</b>                 | <b>96.41</b> |
| <b>Operating Expenses</b>       |                                   |              |                                     |              |
| Solid Waste Payments            | 75,670.91                         | 20.20        | 754,514.50                          | 18.38        |
| Water Purchases                 | 14,233.33                         | 3.80         | 368,862.80                          | 8.98         |
| Contract Labor - Water          | 0.00                              | 0.00         | 400.00                              | 0.01         |
| Operations Labor - Pumping      | 7,378.40                          | 1.97         | 82,999.72                           | 2.02         |
| Supplies - Pumping              | 0.00                              | 0.00         | 2,888.24                            | 0.07         |
| Repairs - Pumping               | 0.00                              | 0.00         | 30,220.42                           | 0.74         |
| Telephone & Utilities - Pumping | 0.00                              | 0.00         | 1,564.51                            | 0.04         |
| Lab Services                    | 0.00                              | 0.00         | 4,750.00                            | 0.12         |
| Chemicals                       | 0.00                              | 0.00         | 81,292.65                           | 1.98         |
| Natural Gas-WTP                 | 491.80                            | 0.13         | 2,703.95                            | 0.07         |
| Operations Labor - T & D        | 46,764.68                         | 12.48        | 512,478.18                          | 12.48        |
| Uniform Rental - T & D          | 0.00                              | 0.00         | 5,723.08                            | 0.14         |
| Supplies - T & D                | 5,220.29                          | 1.39         | 119,121.68                          | 2.90         |
| Vehicle Repairs - T & D         | 0.00                              | 0.00         | 14,755.98                           | 0.36         |
| Utilities - T & D               | 31,080.86                         | 8.30         | 335,647.31                          | 8.17         |
| Repairs Pump - T & D            | 0.00                              | 0.00         | 25,599.83                           | 0.62         |
| Uniform Rental - T & D          | 0.00                              | 0.00         | 7,258.25                            | 0.18         |
| Vehicle Repairs - T & D         | 0.00                              | 0.00         | 21,420.72                           | 0.52         |
| Repairs - T & D                 | 0.00                              | 0.00         | 15,102.00                           | 0.37         |
| Fuel-Gasoline                   | 5,563.71                          | 1.48         | 55,767.71                           | 1.36         |
| Lab Services - Distribution     | 0.00                              | 0.00         | 38,932.80                           | 0.95         |
| Safety supplies                 | 0.00                              | 0.00         | 973.14                              | 0.02         |
| Billing Postage                 | 2,190.12                          | 0.58         | 21,006.38                           | 0.51         |
| BILLING CARDS                   | 0.00                              | 0.00         | 1,978.25                            | 0.05         |
| Wages - Office                  | 10,483.58                         | 2.80         | 117,950.37                          | 2.87         |
| Office Postage                  | 0.00                              | 0.00         | 4,697.19                            | 0.11         |
| Office Supplies                 | 179.92                            | 0.05         | 11,265.40                           | 0.27         |
| Telephone & Utilities - Office  | 1,178.47                          | 0.31         | 14,719.97                           | 0.36         |
| Bank Charges                    | 2,000.83                          | 0.53         | 15,197.28                           | 0.37         |
| Health Insurance                | 1,721.61                          | 0.46         | 207,545.91                          | 5.05         |

Restricted For Management Use Only



**Southern Water and Sewer District**  
**INCOME STATEMENT - WATER**  
**For the 1 Month and 10 Months Ended October 31, 2016**

|  | 1 Month Ended<br>October 31, 2016 | %            | 10 Months Ended<br>October 31, 2016 | %            |
|--|-----------------------------------|--------------|-------------------------------------|--------------|
| Shipping                               | 0.00                              | 0.00         | 22.00                               | 0.00         |
| Dental Insurance                       | 901.03                            | 0.24         | 8,565.03                            | 0.21         |
| Workers Comp                           | 1,443.92                          | 0.39         | 29,972.33                           | 0.73         |
| Life Ins.                              | 8,214.18                          | 2.19         | 26,515.94                           | 0.65         |
| Contract Labor - Administration        | 210.00                            | 0.06         | 410.00                              | 0.01         |
| Credit Card Payment Fees               | 0.00                              | 0.00         | 5.95                                | 0.00         |
| Legal                                  | 0.00                              | 0.00         | 5,000.00                            | 0.12         |
| Accounting                             | 10,200.00                         | 2.72         | 35,999.00                           | 0.88         |
| Professional Fees                      | 0.00                              | 0.00         | 9,291.29                            | 0.23         |
| Property Insurance                     | 0.00                              | 0.00         | 55,477.37                           | 1.35         |
| Commissioners Bond                     | 0.00                              | 0.00         | 3,741.15                            | 0.09         |
| Commissioner's Fee                     | 2,000.00                          | 0.53         | 19,500.00                           | 0.47         |
| Misc. Expenses                         | 1,385.54                          | 0.37         | 18,507.69                           | 0.45         |
| Training                               | 0.00                              | 0.00         | 3,277.29                            | 0.08         |
| Advertising                            | 0.00                              | 0.00         | 507.18                              | 0.01         |
| Interest & Penalty Notices             | 0.00                              | 0.00         | 198.93                              | 0.00         |
| Depreciation Expense                   | 63,382.08                         | 16.92        | 633,820.80                          | 15.44        |
| Depreciation Expense                   | 8,496.82                          | 2.27         | 84,968.20                           | 2.07         |
| Payroll Taxes                          | 5,314.63                          | 1.42         | 69,190.70                           | 1.69         |
| PSC Taxes                              | 0.00                              | 0.00         | 8,948.42                            | 0.22         |
| Employer Pension Expense               | 1,253.78                          | 0.33         | 14,649.92                           | 0.36         |
| Health Care Reimbursements             | 0.00                              | 0.00         | 2,561.61                            | 0.06         |
| <b>Total Operating Expenses</b>        | <b>306,960.49</b>                 | <b>81.92</b> | <b>3,908,469.02</b>                 | <b>95.19</b> |
| <b>Operating Income (Loss)</b>         | <b>52,114.22</b>                  | <b>13.91</b> | <b>49,848.52</b>                    | <b>1.21</b>  |
| <b>Other Income (Expense)</b>          |                                   |              |                                     |              |
| Interest Expense - First Guaranty Bank | (1,350.76)                        | 0.36         | (4,694.63)                          | 0.11         |
| Interest Expense - LOC                 | 0.00                              | 0.00         | (12,336.49)                         | 0.30         |
| Amortization of Premium                | (205.02)                          | 0.05         | (2,050.20)                          | 0.05         |
| Interest Expense - KIA                 | (7,332.21)                        | 1.96         | (63,004.75)                         | 1.53         |
| Interest Expense - Bonds               | (12,091.47)                       | 3.23         | (122,102.43)                        | 2.97         |
| Interest Income - Now                  | 58.31                             | 0.02         | 521.29                              | 0.01         |
| Bond Interest Credit Income            | 0.00                              | 0.00         | 1,787.17                            | 0.04         |
| Grant Income (Dept of Transportation)  | 56,178.90                         | 14.99        | 407,482.15                          | 9.92         |
| Rural Development - Allen to Martin W  | 0.00                              | 0.00         | 184,460.17                          | 4.49         |
| <b>Total Other Income (Expense)</b>    | <b>35,257.75</b>                  | <b>9.41</b>  | <b>390,062.28</b>                   | <b>9.50</b>  |
| <b>Net Income (Loss) Before Taxes</b>  | <b>87,371.97</b>                  | <b>23.32</b> | <b>439,910.80</b>                   | <b>10.71</b> |
| <b>Net Income (Loss)</b>               | <b>\$ 87,371.97</b>               | <b>23.32</b> | <b>\$ 439,910.80</b>                | <b>10.71</b> |

**Southern Water and Sewer District**  
**INCOME STATEMENT - SEWER**  
**For the 1 Month and 10 Months Ended October 31, 2016**

|                                       | 1 Month Ended<br>October 31, 2016 | %             | 10 Months Ended<br>October 31, 2016 | %             |
|---------------------------------------|-----------------------------------|---------------|-------------------------------------|---------------|
| <b>Sales</b>                          |                                   |               |                                     |               |
| Metered Sales - Residential Sewer     | \$ 14,541.24                      | 3.88          | \$ 137,459.03                       | 3.35          |
| Metered Sales - Business Sewer        | 1,074.14                          | 0.29          | 10,576.01                           | 0.26          |
| Sewer Tap Fees                        | 0.00                              | 0.00          | (500.00)                            | (0.01)        |
| Less Returns & Allowances             | 0.00                              | 0.00          | 0.00                                | 0.00          |
| <b>Total Sales</b>                    | <b>15,615.38</b>                  | <b>4.17</b>   | <b>147,535.04</b>                   | <b>3.59</b>   |
| <b>Gross Profit</b>                   | <b>15,615.38</b>                  | <b>4.17</b>   | <b>147,535.04</b>                   | <b>3.59</b>   |
| <b>Operating Expenses</b>             |                                   |               |                                     |               |
| Chemicals - Sewer                     | 5,668.90                          | 1.51          | 31,551.46                           | 0.77          |
| Contract Labor                        | 0.00                              | 0.00          | 6,000.00                            | 0.15          |
| Chemicals - Sewer                     | 0.00                              | 0.00          | 4,610.38                            | 0.11          |
| Sewer Supplies                        | 0.00                              | 0.00          | 5,550.85                            | 0.14          |
| LAB-SEWER                             | 0.00                              | 0.00          | 7,693.00                            | 0.19          |
| Supplies                              | 0.00                              | 0.00          | 502.55                              | 0.01          |
| Wages - Sewer                         | 0.00                              | 0.00          | 6,000.00                            | 0.15          |
| Wages - Sewer                         | 1,995.00                          | 0.53          | 21,542.25                           | 0.52          |
| Utilities - Sewer                     | 0.00                              | 0.00          | 2,464.47                            | 0.06          |
| Uniform Rental                        | 3,767.88                          | 1.01          | 6,775.18                            | 0.17          |
| Utilities                             | 0.00                              | 0.00          | 27,637.74                           | 0.67          |
| Repairs - Sewer                       | 0.00                              | 0.00          | 6,442.18                            | 0.16          |
| Repairs-Sewer                         | 0.00                              | 0.00          | 375.00                              | 0.01          |
| Worker's Compensation                 | 0.00                              | 0.00          | 5,488.59                            | 0.13          |
| Property Insurance                    | 5,693.82                          | 1.52          | 55,413.47                           | 1.35          |
| <b>Total Operating Expenses</b>       | <b>17,125.60</b>                  | <b>4.57</b>   | <b>188,047.12</b>                   | <b>4.58</b>   |
| <b>Operating Income (Loss)</b>        | <b>(1,510.22)</b>                 | <b>(0.40)</b> | <b>(40,512.08)</b>                  | <b>(0.99)</b> |
| <b>Other Income (Expense)</b>         |                                   |               |                                     |               |
| <b>Net Income (Loss) Before Taxes</b> | <b>(1,510.22)</b>                 | <b>(0.40)</b> | <b>(40,512.08)</b>                  | <b>(0.99)</b> |
| <b>Net Income (Loss)</b>              | <b>\$ (1,510.22)</b>              | <b>(0.40)</b> | <b>\$ (40,512.08)</b>               | <b>(0.99)</b> |

SOUTHERN WATER AND SEWER  
NOTE PAYABLE ANALYSIS  
10/31/2016

| 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       | 7                            | 11,492.67                 |
| FIRST GUARANTY BANK                | DEAN'S TRUCK      | 9/22/2014    | 25,018.00       | 5.90%         | 482.52         | 35                           | 15,480.44                 |
| CITIZEN'S NATIONAL BANK            | EXCAVATOR         | 6/9/2015     | 41,355.00       | 4.32%         | 939.61         | 33                           | 28,353.81                 |
| FIRST GUARANTY BANK                | LINE OF CREDIT    |              | 300,000.00      | 6.25%         | 2,000.00       | N/A                          | 219,000.00                |
| <b>BONDS</b>                       |                   |              |                 |               |                |                              |                           |
| USDA                               | 2,515,000 ISSUE   | 1/1/2003     | 2,515,000.00    | 4.50%         | VARIOUS        | 53                           | 2,109,000.00              |
| USDA                               | 225,000 ISSUE     | 1/1/2006     | 225,000.00      | 4.25%         | VARIOUS        | 57                           | 195,000.00                |
| USDA                               | 589,573 ISSUE     | 1/1/2006     | 589,573.00      | 4.75%         | VARIOUS        | 49                           | 501,509.00                |
| USDA                               | 530,000 ISSUE BLD | 1/1/2011     | 530,000.00      | 2.25%         | VARIOUS        | 66                           | 487,000.00                |
| USDA                               | 1,773,000 ISSUE   | 1/1/2017     | 1,773,000.00    | 2.25%         | VARIOUS        | 80                           | 1,773,000.00              |
| <b>KY INFRASTRUCTURE AUTHORITY</b> |                   |              |                 |               |                |                              |                           |
| KIA - I                            |                   | 6/1/1995     | 1,362,870.05    | 3.00%         | 34,607.94      | 17                           | 515,923.14                |
| KIA - III                          |                   | 12/1/2007    | 2,831,354.23    | 3.00%         | 71,897.79      | 23                           | 1,389,846.28              |
| KIA - A04-06                       |                   | 12/1/2005    | 67,376.00       | 1.00%         | 1,862.64       | 18                           | 31,986.72                 |
| KIA - A11-16                       |                   | 6/1/2014     | 765,900.00      | 1.00%         | 21,173.70      | 17                           | 678,307.44                |
| <b>TOTAL LOANS DUE 10-31-2016</b>  |                   |              |                 |               |                |                              | <b>7,955,899.50</b>       |

**Southern Water and Sewer District  
Transaction Listing**

| Date     | Reference | Account | Account Description             | Description              | Amount    | Reference Total |
|----------|-----------|---------|---------------------------------|--------------------------|-----------|-----------------|
| 10/13/16 | 1001      | 16201   | Construction in Progress        | CANN-TECH                | 11,640.00 | 11,640.00       |
| 10/13/16 | 1043      | 23501   | Customer Deposits               | JAMES BRANHAM            | 21.65     | 21.65           |
| 10/13/16 | 1044      | 93501   | Transfer of Funds               | SWSD                     | 180.00    | 180.00          |
| 10/13/16 | 1062      | 72109   | Workers Comp                    | KEMI                     | 1,443.92  | 1,443.92        |
| 10/13/16 | 1063      | 72155   | Property Insurance              | KY LEAGUE OF CITIES      | 5,693.82  | 5,693.82        |
| 10/14/16 | 1064      | 72110   | Life Ins.                       | COLONIAL LIFE INSURANCE  | 8,282.60  | 8,282.60        |
| 10/27/16 | 1106      | 60001   | Solid Waste Payments            | FLOYD COUNTY SOLID WASTE | 72,329.08 | 72,329.08       |
| 10/25/16 | 1480      | 93501   | Transfer of Funds               | TRANSFER TO SOLID WASTE  | 15,169.13 | 15,169.13       |
| 10/01/16 | 14239     | 23607   | Garnishee                       | KY STATE TREASURER       | 25.00     | 25.00           |
| 10/01/16 | 14240     | 62501   | Natural Gas-WTP                 | WASTE CONNECTIONS        | 491.80    | 491.80          |
| 10/01/16 | 14241     | 64102   | Supplies - T & D                | AUTOMATIC CONTROLS INC   | 270.00    | 270.00          |
| 10/01/16 | 14242     | 64102   | Supplies - T & D                | HAYES PIPE SUPPLY INC    | 1,649.69  | 1,649.69        |
| 10/01/16 | 14243     | 64102   | Supplies - T & D                | BOCA ENTERPRISES         | 1,850.00  | 1,850.00        |
| 10/25/16 | 14244     | 72302   | Accounting                      | RICHARD PAULMANN         | 7,500.00  | 7,500.00        |
| 10/01/16 | 14294     | 70301   | Billing Postage                 | US POSTAL SERVICE        | 1,873.99  | 1,873.99        |
| 10/01/16 | 14295     | 73001   | Commissioner's Fee              | BARRY HALL               | 500.00    | 500.00          |
| 10/01/16 | 14296     | 73001   | Commissioner's Fee              | PAULA JOHNSON            | 500.00    | 500.00          |
| 10/05/16 | 14297     | 13102   | Cash Operations                 | CASH                     | 460.00    | 460.00          |
| 10/06/16 | 14298     | 72103   | Office Supplies                 | STAPLES                  | 179.92    | 179.92          |
| 10/06/16 | 14299     | 72111   | Contract Labor - Administration | TRESIA HALL              | 210.00    | 210.00          |
| 10/11/16 | 14300     | 23501   | Customer Deposits               | REALTY ZONE              | 180.00    | 180.00          |
| 10/14/16 | 14301     | 64150   | Uniform Rental                  | ARAMARK                  | 3,767.88  | 3,767.88        |
| 10/14/16 | 14302     | 23607   | Garnishee                       | DEPT OF REVENUE          | 25.00     | 25.00           |
| 10/14/16 | 14303     | 70301   | Billing Postage                 | USPS                     | 316.13    | 316.13          |
| 10/18/16 | 14304     | 23606   | Accrued Sales Tax               | KY STATE TREASURER       | 842.39    | 842.39          |
| 10/18/16 | 14305     | 73003   | Misc. Expenses                  | GREEN'S LAWN             | 670.94    | 670.94          |
| 10/19/16 | 14306     | 46101   | Metered Sales - Residential     | LORETTA CLINE            | 271.78    | 271.78          |
| 10/14/16 | 14311     | Payroll |                                 | OSBORNE, LARRY J         | 424.15    | 424.15          |
| 10/14/16 | 14312     | Payroll |                                 | JACOBS, JOSEPH G         | 455.40    | 455.40          |
| 10/14/16 | 14313     | Payroll |                                 | HALL, BARRY              | 0.00      |                 |
| 10/14/16 | 14314     | Payroll |                                 | BURKE, PAULA             | 1,154.91  | 1,154.91        |
| 10/14/16 | 14315     | Payroll |                                 | ROBINSON, AMBER          | 717.74    | 717.74          |
| 10/14/16 | 14316     | Payroll |                                 | ALLEN, TEDDI             | 820.53    | 820.53          |
| 10/14/16 | 14317     | Payroll |                                 | AUTON, ELIZABETH         | 809.90    | 809.90          |
| 10/14/16 | 14318     | Payroll |                                 | HAMILTON, HAYES          | 383.77    | 383.77          |
| 10/14/16 | 14319     | Payroll |                                 | HUNTER, EVERETT R        | 917.98    | 917.98          |
| 10/14/16 | 14320     | Payroll |                                 | HALL, GEORGE             | 990.03    | 990.03          |
| 10/14/16 | 14321     | Payroll |                                 | HALL, DEAN M             | 1,771.04  | 1,771.04        |
| 10/14/16 | 14322     | Payroll |                                 | HARRISON, DON E          | 1,165.60  | 1,165.60        |
| 10/14/16 | 14323     | Payroll |                                 | ADKINS, CHRISTOPHER O    | 812.66    | 812.66          |
| 10/14/16 | 14324     | Payroll |                                 | JUSTICE, DUSTIN R        | 736.88    | 736.88          |
| 10/14/16 | 14325     | Payroll |                                 | SALYER, REECE            | 1,426.12  | 1,426.12        |
| 10/14/16 | 14326     | Payroll |                                 | CONLEY, JUSTIN           | 690.60    | 690.60          |
| 10/14/16 | 14327     | Payroll |                                 | TICE, JOSEPH             | 674.25    | 674.25          |
| 10/14/16 | 14328     | Payroll |                                 | JOHNSON, RICHARD         | 719.06    | 719.06          |
| 10/14/16 | 14329     | Payroll |                                 | CROWDER, LOGAN M         | 762.49    | 762.49          |
| 10/14/16 | 14330     | Payroll |                                 | SALISBURY, ANTHONY E. B  | 697.28    | 697.28          |
| 10/14/16 | 14331     | Payroll |                                 | ADKINS, RAY V            | 730.69    | 730.69          |
| 10/14/16 | 14332     | Payroll |                                 | HORNE, DAVID R           | 794.75    | 794.75          |
| 10/14/16 | 14333     | Payroll |                                 | COLLINS, CODY            | 639.14    | 639.14          |

**Southern Water and Sewer District  
Transaction Listing**

| Date     | Reference | Account | Account Description                     | Description                        | Amount    | Reference Total |
|----------|-----------|---------|---|------------------------------------|-----------|-----------------|
| 10/14/16 | 14334     | Payroll |   | COMPTON, JOSEPH T                  | 650.18    | 650.18          |
| 10/14/16 | 14335     | Payroll |   | HALL, SHANNON L                    | 682.05    | 682.05          |
| 10/14/16 | 14336     | Payroll |   | CATRON, BARRY                      | 679.28    | 679.28          |
| 10/14/16 | 14337     | Payroll |   | ADAMS, BRIAN                       | 761.96    | 761.96          |
| 10/14/16 | 14338     | Payroll |   | ROBINSON,<br>CHRISTOPHER           | 1,085.46  | 1,085.46        |
| 10/14/16 | 14339     | Payroll |   | HACKWORTH,<br>KENDALL W            | 732.20    | 732.20          |
| 10/14/16 | 14340     | Payroll |   | BOLEN, PRESTON L                   | 884.21    | 884.21          |
| 10/14/16 | 14341     | Payroll |   | FRANCIS, CHRIS                     | 1,097.07  | 1,097.07        |
| 10/14/16 | 14342     | 72110   | Life Ins.                               | Aflac                              | 774.24    | 774.24          |
| 10/14/16 | 14343     | 72110   | Life Ins.                               | ASSURITY LIFE<br>INSURANCE COMP    | 1,842.20  | 1,842.20        |
| 10/14/16 | 14344     | 64104   | Utilities - T & D                       | Big Sandy RECC                     | 2,689.59  | 2,689.59        |
| 10/14/16 | 14345     | 62020   | Chemicals - Sewer                       | C.I. Thornburg                     | 5,668.90  | 5,668.90        |
| 10/14/16 | 14346     | 73003   | Misc. Expenses                          | Chris Francis                      | 472.70    | 472.70          |
| 10/14/16 | 14347     | 23214   | N/P - CITIZEN'S NATIONAL<br>(EXCAVATOR) | CITIZENS BANK OF<br>KY             | 939.61    | 939.61          |
| 10/14/16 | 14348     | 60002   | Water Purchases                         | City Of Pikeville                  | 21,517.59 | 21,517.59       |
| 10/14/16 | 14349     | 72402   | Commissioners Bond                      | CNA Surety                         | 712.60    | 712.60          |
| 10/14/16 | 14350     | 72402   | Commissioners Bond                      | CNA Surety                         | 712.60    | 712.60          |
| 10/14/16 | 14351     | 73003   | Misc. Expenses                          | Home City Ice                      | 714.60    | 714.60          |
| 10/14/16 | 14352     | 23603   | Accrued Ky WTH                          | Kentucky State<br>Treasurer        | 5,020.14  | 5,020.14        |
| 10/14/16 | 14353     | 72302   | Accounting                              | Michael Spears                     | 2,500.00  | 2,500.00        |
| 10/14/16 | 14354     | 60002   | Water Purchases                         | Prestonsburg City<br>Utilities     | 22,031.99 | 22,031.99       |
| 10/14/16 | 14355     | 23604   | Accrued KUI/FUTA                        | Treasurere KY Unempl.<br>Ins. Fund | 813.79    | 813.79          |
| 10/14/16 | 14356     | 23604   | Accrued KUI/FUTA                        | Treasurere KY Unempl.<br>Ins. Fund | 21.07     | 21.07           |
| 10/14/16 | 14357     | 72301   | Legal                                   | TYLER GREEN                        | 2,000.00  | 2,000.00        |
| 10/14/16 | 14358     | 23601   | Accrued Fica                            | United States Treasury             | 210.56    | 210.56          |
| 10/14/16 | 14359     | 64109   | Fuel-Gasoline                           | WEX BANK                           | 6,280.35  | 6,280.35        |
| 10/27/16 | 14360     | 64102   | Supplies - T & D                        | MT AGGREGATES                      | 1,184.40  | 1,184.40        |
| 10/28/16 | 14375     | Payroll |   | BURKE, PAULA                       | 1,176.48  | 1,176.48        |
| 10/28/16 | 14376     | Payroll |   | ROBINSON, AMBER                    | 846.53    | 846.53          |
| 10/28/16 | 14377     | Payroll |   | ALLEN, TEDDI                       | 889.87    | 889.87          |
| 10/28/16 | 14378     | Payroll |   | AUTON, ELIZABETH                   | 857.15    | 857.15          |
| 10/28/16 | 14379     | Payroll |   | HUNTER, EVERETT R                  | 790.30    | 790.30          |
| 10/28/16 | 14380     | Payroll |   | HALL, GEORGE                       | 990.03    | 990.03          |
| 10/28/16 | 14381     | Payroll |   | HALL, DEAN M                       | 1,771.05  | 1,771.05        |
| 10/28/16 | 14382     | Payroll |   | HARRISON, DON E                    | 1,264.93  | 1,264.93        |
| 10/28/16 | 14383     | Payroll |   | ADKINS,<br>CHRISTOPHER O           | 827.11    | 827.11          |
| 10/28/16 | 14384     | Payroll |   | JUSTICE, DUSTIN R                  | 660.64    | 660.64          |
| 10/28/16 | 14385     | Payroll |   | SALYER, REECE                      | 1,369.55  | 1,369.55        |
| 10/28/16 | 14386     | Payroll |   | CONLEY, JUSTIN                     | 1,211.26  | 1,211.26        |
| 10/28/16 | 14387     | Payroll |   | TICE, JOSEPH                       | 708.41    | 708.41          |
| 10/28/16 | 14388     | Payroll |   | JOHNSON, RICHARD                   | 675.49    | 675.49          |
| 10/28/16 | 14389     | Payroll |   | CROWDER, LOGAN M                   | 1,277.43  | 1,277.43        |
| 10/28/16 | 14390     | Payroll |   | SALISBURY,<br>ANTHONY E. B         | 740.86    | 740.86          |
| 10/28/16 | 14391     | Payroll |   | ADKINS, RAY V                      | 1,007.82  | 1,007.82        |
| 10/28/16 | 14392     | Payroll |   | HORNE, DAVID R                     | 915.31    | 915.31          |
| 10/28/16 | 14393     | Payroll |   | COLLINS, CODY                      | 703.54    | 703.54          |
| 10/28/16 | 14394     | Payroll |   | COMPTON, JOSEPH T                  | 730.57    | 730.57          |
| 10/28/16 | 14395     | Payroll |   | HALL, SHANNON L                    | 637.64    | 637.64          |
| 10/28/16 | 14396     | Payroll |   | CATRON, BARRY                      | 627.61    | 627.61          |
| 10/28/16 | 14397     | Payroll |   | ADAMS, BRIAN                       | 648.27    | 648.27          |
| 10/28/16 | 14398     | Payroll |   | ROBINSON,<br>CHRISTOPHER           | 1,578.32  | 1,578.32        |

**Southern Water and Sewer District  
Transaction Listing**

| <u>Date</u> | <u>Reference</u> | <u>Account</u> | <u>Account Description</u> | <u>Description</u>          | <u>Amount</u>   | <u>Reference Total</u> |
|-------------|------------------|----------------|----------------------------|-----------------------------|-----------------|------------------------|
| 10/28/16    | 14399            | Payroll        |                            | HACKWORTH,<br>KENDALL W     | 689.27          | 689.27                 |
| 10/28/16    | 14400            | Payroll        |                            | BOLEN, PRESTON L            | 884.20          | 884.20                 |
| 10/28/16    | 14401            | Payroll        |                            | FRANCIS, CHRIS              | 1,097.07        | 1,097.07               |
| 10/28/16    | 14402            | 64102          | Supplies - T & D           | Chris Francis               | 266.20          | 266.20                 |
| 10/28/16    | 14403            | 23603          | Accrued Ky WTH             | Kentucky State<br>Treasurer | 3,072.83        | 3,072.83               |
|             |                  |                |                            |                             | Total of Checks | <u>266,234.77</u>      |

Total Debits 266,234.77      Total Credits 0.00  
 Number of Transactions      106



SOUTHERN WATER & SEWER DISTRICT

PO BOX 610

MCDOWELL, KY 41647

REGULAR MONTHLY MEETING DECEMBER 19, 2016

AGENDA

A. CALL TO ORDER ✓

B. APPROVAL OF MINUTES ✓

C. APPROVAL OF FINANCIAL STATEMENTS ✓

~~D. RESOLUTION WITH PRESTONSBURG CITY UTILITIES COMMISSION ON THE ASSET PURCHASE AGREEMENT~~

E. KENTUCKY ENGINEERING REPORT

F. SUMMIT ENGINEERING REPORT (HAROLD SEWER) ✓

G. MANAGERS REPORT

H. OTHER

I. ADJOURNMENT

Pre Construction  
meetings  
with  
R.C.V.C.  
&  
Boza  
in second

week  
of

Jan

about  
Phase III

~~Need meeting with Judge & Eddie  
ASAP~~ ~~about Resolution~~

Jody Sward  
week long FH

**SOUTHERN WATER AND SEWER  
MONTHLY FILED CONSTRUCTION LOG  
11/22/2016 TO 12/19/2016**

NUMBER OF LEAKS (48)

NUMBER OF TAPS (4)

NUMBER OF DIG OUTS (3)

ESTIMATED WATER LOSS 2,900,000 gal

LINE SIZES  $\frac{3}{4}$  (39) 1inch (4) 2inch (1) 3inch ( ) 4inch (2)

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

PARST USED: (69)  $\frac{3}{4}$  couplings (8) 1 inch couplings (2) 2 inch hymax,s  
( ) 3 inch hymax's (4) 4 inch hymax's (4) 6 inch hymax's ( ) 8 inch  
hymax's ( ) 10 inch hymax,s (5) SR-II meter bottoms – (4)  $\frac{3}{4}$  regulators

Right Beaver (18) Left Beaver (20) Big Mud (6) Little Mud (2) Sandy  
Valley (2)

FILED SUPERVISOR *Chin Robin* DATE *12/19/16*  
GENERAL MANAGER *Dean M. Hall* DATE *12-19-16*



D. 5.0

SOUTHERN WATER & SEWER DISTRICT  
P.O. BOX 610  
MCDOWELL, KY 41647

REGULAR MONTHLY MEETING SEPTEMBER 29, 2016

AGENDA

- A. Call to Order ✓
- B. Approval of Minutes ✓
- C. Approval of Financial Statements ✓
- ~~D. 2015 Audit~~ ✓
- D E. Kentucky Engineering Report ✓
- ~~F. Summit Engineering~~ ✓
- E G. Managers Report ✓
- F Other ✓
- G Adjournment

**Southern Water & Sewer Dist.**  
**PO BOX 610**  
**MCDOWELL, KY 41647**  
**REGULAR CALLED MEETING AUGUST 29<sup>TH</sup> @5PM**

**ATTENDANCE:**

PAULA JOHNSON, CHAIRMAN  
JOSEPH JACOBS, COMMISSIONER  
LARRY OSBORNE, COMMISSIONER  
HAYES HAMILTON, COMMISSIONER  
BARRY HALL, COMMISSIONER  
PAULA BURKE, STAFF

JEFF REED, SPEARS CPA  
BRENDA POWERS, BIG SANDY ADD  
MATT CURTIS, KY. ENG. GROUP  
DERRICK MOTCH, SUMMITT ENG.  
DEAN HALL, GENERAL MANAGER

**CALLED TO ORDER BY PAULA JOHNSON @5:04 PM**

MOTION TO APPROVE MINUTES  
MOTION MADE BY: JOE JACOBS  
SECONDED BY: LARRY JOE OSBORNE  
MOTION PASSED

**MOTION TO APPROVE FINANCIAL REPORT GIVEN BY JEFF REED  
THROUGH AUGUST 2016**

MOTION MADE BY: HAYES HAMILTON  
SECONDED BY: BARRY HALL  
MOTION PASSED

**MOTION TO APPROVE \$235,000.00 HAROLD PROJECT PHASE III,  
PRESTONSBURG CITY UTILITIES WILL PROVIDE INSPECTOR FOR  
PROJECT IN WHICH ALL GRANT MONEY WILL FLOW THROUGH FISCAL  
COURT WITH SOUTHERN WATER BORROWING NO FUNDS FROM  
KENTUCKY INFRASTRUCTURE ON THIS PROJECT.**

MOTION TO APPROVE MADE BY: BARRY HALL  
SECONDED BY LARRY JOE OSBORNE  
MOTION PASSED

**MOTION TO SELL TRUCK TO CITY OF HINDMAN FOR \$1000**

MOTION TO APPROVE MADE BY: JOE JACOBS  
SECONDED BY: LARRY JOE OSBORNE  
MOTION PASSED

**MOTION FOR JOE TO SPEAK WITH P.D. GEARHEART ABOUT ISSUES  
WITH PAYMENT CENTER, HE WILL UPDATE ON NEXT MEETING**

MOTION TO APPROVE MADE BY: BARRY HALL  
SECONDED BY: JOE JACOBS  
MOTION PASSED

**MOTION TO ADJOURN AT 6:01 PM**  
MOTION MADE BY: HAYES HAMILTON  
SECONDED BY: LARRY JOE OSBORNE

WITH THERE BEING NO FURTHER BUSINESS TO DISCUSS THE MEETING  
WAS ADJOURNED AT 6:01 PM Passed by the Southern Water & Sewer  
Commissioners on this \_\_\_\_\_ day of \_\_\_\_\_ 2016  
**APPROVED BY:**

\_\_\_\_\_  
PAULA JOHNSON, CHAIRMAN

ATTESTED BY

\_\_\_\_\_  
BARRY HALL, SECRETARY

SOUTHERN WATER AND SEWER  
NOTE PAYABLE ANALYSIS  
9/30/2016

| 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       | 8                            | 13,261.49                 |
| FIRST GUARANTY BANK                | TRUCKS            | 9/25/2013    | 63,097.10       | 7.99%         | 1,976.82       | 0                            | -                         |
| FIRST GUARANTY BANK                | DEAN'S TRUCK      | 9/22/2014    | 25,018.00       | 5.90%         | 482.52         | 36                           | 15,885.92                 |
| CITIZEN'S NATIONAL BANK            | EXCAVATOR         | 6/9/2015     | 41,355.00       | 4.32%         | 939.61         | 34                           | 29,188.45                 |
| FIRST GUARANTY BANK                | LINE OF CREDIT    |              | 300,000.00      | 6.25%         | 2,000.00       | N/A                          | 220,000.00                |
| <b>BONDS</b>                       |                   |              |                 |               |                |                              |                           |
| USDA                               | 2,515,000 ISSUE   | 1/1/2003     | 2,515,000.00    | 4.50%         | VARIOUS        | 53                           | 2,109,000.00              |
| USDA                               | 225,000 ISSUE     | 1/1/2006     | 225,000.00      | 4.25%         | VARIOUS        | 57                           | 195,000.00                |
| USDA                               | 589,573 ISSUE     | 1/1/2006     | 589,573.00      | 4.75%         | VARIOUS        | 49                           | 501,509.00                |
| USDA                               | 530,000 ISSUE BLD | 1/1/2011     | 530,000.00      | 2.25%         | VARIOUS        | 66                           | 487,000.00                |
| <b>KY INFRASTRUCTURE AUTHORITY</b> |                   |              |                 |               |                |                              |                           |
| KIA - I                            |                   | 6/1/1995     | 1,362,870.05    | 3.00%         | 34,607.94      | 17                           | 515,923.14                |
| KIA - III                          |                   | 12/1/2007    | 2,831,354.23    | 3.00%         | 71,897.79      | 23                           | 1,389,846.28              |
| KIA - A04-06                       |                   | 12/1/2005    | 67,376.00       | 1.00%         | 1,862.64       | 18                           | 31,986.72                 |
| KIA - A11-16                       |                   | 6/1/2014     | 765,900.00      | 1.00%         | 21,173.70      | 17                           | 678,307.44                |
| <b>TOTAL LOANS DUE 9-30-2016</b>   |                   |              |                 |               |                |                              | <b>6,186,908.44</b>       |

**Southern Water and Sewer District  
Transaction Listing**

| Date     | Reference | Account | Account Description        | Description       | Amount    | Reference Total |
|----------|-----------|---------|----------------------------|-------------------|-----------|-----------------|
| 09/26/16 | 1061      | 72155   | Property Insurance         | KLC PREMIUM       |           |                 |
|          |           |         |                            | FINANCE           | 22,875.48 | 22,875.48       |
| 09/19/16 | 1105      | 60001   | Solid Waste Payments       | FLOYD COUNTY      |           |                 |
|          |           |         |                            | SOLID WASTE       | 73,271.08 | 73,271.08       |
| 09/03/16 | 1124      | 93504   | Health Care Reimbursements | JOE TICE          | 100.00    | 100.00          |
| 09/03/16 | 1125      | 93504   | Health Care Reimbursements | JOE TICE          | 152.64    | 152.64          |
| 09/03/16 | 1126      | 93504   | Health Care Reimbursements | JOE TICE          | 198.81    | 198.81          |
| 09/30/16 | 1127      | 93504   | Health Care Reimbursements | DEAN HALL         | 102.00    | 102.00          |
| 09/30/16 | 1128      | 93504   | Health Care Reimbursements | VOID              | 0.00      |                 |
| 09/15/16 | 1129      | 93504   | Health Care Reimbursements | CLAUDE WEBB II    | 88.65     | 88.65           |
| 09/01/16 | 1474      | 64104   | Utilities - T & D          | KY POWER CO       | 16,977.86 | 16,977.86       |
| 09/23/16 | 1475      | 72110   | Life Ins.                  | AMERICAN          |           |                 |
|          |           |         |                            | GENERAL LIFE      | 115.00    | 115.00          |
| 09/14/16 | 1478      | 93501   | Transfer of Funds          | SWSD              | 20,000.00 | 20,000.00       |
| 09/19/16 | 1479      | 93501   | Transfer of Funds          | SWSD              | 4,000.00  | 4,000.00        |
| 09/02/16 | 13791     | 64102   | Supplies - T & D           | FORTLINE, INC     | 1,292.90  | 1,292.90        |
| 09/02/16 | 13792     | 23603   | Accrued Ky WTH             | Kentucky State    |           |                 |
|          |           |         |                            | Treasurer         | 3,223.91  | 3,223.91        |
| 09/02/16 | 13793     | 23607   | Garnishee                  | Kentucky State    |           |                 |
|          |           |         |                            | Treasurer         | 25.00     | 25.00           |
| 09/06/16 | 14140     | 64102   | Supplies - T & D           | SURPLUS INC       | 720.87    | 720.87          |
| 09/09/16 | 14141     | 73003   | Misc. Expenses             | JIMMY ADKINS      | 500.00    | 500.00          |
| 09/16/16 | 14142     | 62302   | Repairs - Pumping          | FRASURE ELECTRIC  | 5,000.00  | 5,000.00        |
| 09/19/16 | 14143     | 23606   | Accrued Sales Tax          | KY STATE          |           |                 |
|          |           |         |                            | TREASURER         | 599.14    | 599.14          |
| 09/20/16 | 14144     | 64104   | Utilities - T & D          | KY POWER CO       | 17,991.88 | 17,991.88       |
| 09/21/16 | 14145     | 72103   | Office Supplies            | STAPLES           | 205.02    | 205.02          |
| 09/29/16 | 14146     | 70301   | Billing Postage            | US POSTAL SERVICE | 1,877.08  | 1,877.08        |
| 09/29/16 | 14147     | 72304   | Professional Fees          | ECLIPSE DATA      |           |                 |
|          |           |         |                            | SOLUTIONS         | 271.29    | 271.29          |
| 09/01/16 | 14149     | 62000   | Contract Labor - Water     | RANDY HALL        | 400.00    | 400.00          |
| 09/01/16 | 14150     | 73003   | Misc. Expenses             | ????              | 45.80     | 45.80           |
| 09/01/16 | 14151     | 64104   | Utilities - T & D          | KY POWER CO       | 21,408.73 | 21,408.73       |
| 09/01/16 | 14153     | 62302   | Repairs - Pumping          | RICK FRASURE      | 5,000.00  | 5,000.00        |
| 09/02/16 | 14154     | 64101   | Uniform Rental - T & D     | ARAMARK           | 1,872.59  | 1,872.59        |
| 09/02/16 | 14155     | 64102   | Supplies - T & D           | MT AGGREGATES     | 572.03    | 572.03          |
| 09/07/16 | 14156     | 62320   | LAB-SEWER                  | MCCOY & MCCOY     | 7,693.00  | 7,693.00        |
| 09/09/16 | 14157     | 64104   | Utilities - T & D          | WILSON EQUIPMENT  | 110.32    | 110.32          |
| 09/12/16 | 14158     | 73003   | Misc. Expenses             | CHAMPS REST       | 150.00    | 150.00          |
| 09/13/16 | 14159     | 64103   | Vehicle Repairs - T & D    | TIM SHORT         | 646.80    | 646.80          |
| 09/14/16 | 14160     | 70301   | Billing Postage            | USPS              | 1,084.10  | 1,084.10        |
| 09/02/16 | 14161     | Payroll |                            | WEBB, MARIBETH    | 1,205.67  | 1,205.67        |
| 09/02/16 | 14162     | Payroll |                            | OSBORNE, LARRY J  | 424.15    | 424.15          |
| 09/02/16 | 14163     | Payroll |                            | JACOBS, JOSEPH G  | 455.40    | 455.40          |
| 09/02/16 | 14164     | Payroll |                            | HALL, BARRY       | 424.15    | 424.15          |
| 09/02/16 | 14165     | Payroll |                            | BURKE, PAULA      | 913.91    | 913.91          |
| 09/02/16 | 14166     | Payroll |                            | ROBINSON, AMBER   | 707.00    | 707.00          |
| 09/02/16 | 14167     | Payroll |                            | ALLEN, TEDDI      | 807.92    | 807.92          |
| 09/02/16 | 14168     | Payroll |                            | AUTON, ELIZABETH  | 766.20    | 766.20          |
| 09/02/16 | 14169     | Payroll |                            | HAMILTON, HAYES   | 383.77    | 383.77          |
| 09/02/16 | 14170     | Payroll |                            | HUNTER, EVERETT R | 956.28    | 956.28          |
| 09/02/16 | 14171     | Payroll |                            | HALL, GEORGE      | 1,175.03  | 1,175.03        |
| 09/02/16 | 14172     | Payroll |                            | HALL, DEAN M      | 1,771.05  | 1,771.05        |
| 09/02/16 | 14173     | Payroll |                            | HARRISON, DON E   | 1,198.85  | 1,198.85        |
| 09/02/16 | 14174     | Payroll |                            | ADKINS,           |           |                 |
|          |           |         |                            | CHRISTOPHER O     | 942.58    | 942.58          |
| 09/02/16 | 14175     | Payroll |                            | JUSTICE, DUSTIN R | 769.55    | 769.55          |
| 09/02/16 | 14176     | Payroll |                            | SALYER, REECE     | 1,444.96  | 1,444.96        |
| 09/02/16 | 14177     | Payroll |                            | CONLEY, JUSTIN    | 1,185.10  | 1,185.10        |
| 09/02/16 | 14178     | Payroll |                            | TICE, JOSEPH      | 719.80    | 719.80          |
| 09/02/16 | 14179     | Payroll |                            | JOHNSON, RICHARD  | 653.69    | 653.69          |
| 09/02/16 | 14180     | Payroll |                            | CROWDER, LOGAN M  | 1,246.99  | 1,246.99        |

**Southern Water and Sewer District  
Transaction Listing**

| Date     | Reference | Account | Account Description                     | Description                        | Amount    | Reference Total |
|----------|-----------|---------|---|------------------------------------|-----------|-----------------|
| 09/02/16 | 14181     | Payroll |   | SALISBURY,<br>ANTHONY E. B         | 675.48    | 675.48          |
| 09/02/16 | 14182     | Payroll |   | ADKINS, RAY V                      | 1,030.36  | 1,030.36        |
| 09/02/16 | 14183     | Payroll |   | HORNE, DAVID R                     | 963.53    | 963.53          |
| 09/02/16 | 14184     | Payroll |   | COLLINS, CODY                      | 660.61    | 660.61          |
| 09/02/16 | 14185     | Payroll |   | COMPTON, JOSEPH T                  | 787.98    | 787.98          |
| 09/02/16 | 14186     | Payroll |   | HALL, SHANNON L                    | 931.11    | 931.11          |
| 09/02/16 | 14187     | Payroll |   | CATRON, BARRY                      | 648.28    | 648.28          |
| 09/02/16 | 14188     | Payroll |   | ADAMS, BRIAN                       | 606.94    | 606.94          |
| 09/02/16 | 14189     | Payroll |   | ROBINSON,<br>CHRISTOPHER           | 1,381.18  | 1,381.18        |
| 09/02/16 | 14190     | Payroll |   | HACKWORTH,<br>KENDALL W            | 893.18    | 893.18          |
| 09/02/16 | 14191     | Payroll |   | BOLEN, PRESTON L                   | 872.72    | 872.72          |
| 09/02/16 | 14192     | Payroll |   | FRANCIS, CHRIS                     | 1,097.07  | 1,097.07        |
| 09/02/16 | 14193     | 72302   | Accounting                              | Michael Spears                     | 1,800.00  | 1,800.00        |
| 09/02/16 | 14194     | 73001   | Commissioner's Fee                      | Paula Johnson                      | 500.00    | 500.00          |
| 09/02/16 | 14195     | 72302   | Accounting                              | Richard F. Paulmann,<br>CPA        | 7,500.00  | 7,500.00        |
| 09/16/16 | 14196     | Payroll |   | WEBB, MARIBETH                     | 3,261.91  | 3,261.91        |
| 09/16/16 | 14197     | Payroll |   | BURKE, PAULA                       | 866.01    | 866.01          |
| 09/16/16 | 14198     | Payroll |   | ROBINSON, AMBER                    | 696.28    | 696.28          |
| 09/16/16 | 14199     | Payroll |   | ALLEN, TEDDI                       | 795.31    | 795.31          |
| 09/16/16 | 14200     | Payroll |   | AUTON, ELIZABETH                   | 784.92    | 784.92          |
| 09/16/16 | 14201     | Payroll |   | HUNTER, EVERETT R                  | 764.77    | 764.77          |
| 09/16/16 | 14202     | Payroll |   | HALL, GEORGE                       | 1,344.63  | 1,344.63        |
| 09/16/16 | 14203     | Payroll |   | HALL, DEAN M                       | 1,771.04  | 1,771.04        |
| 09/16/16 | 14204     | Payroll |   | HARRISON, DON E                    | 1,165.60  | 1,165.60        |
| 09/16/16 | 14205     | Payroll |   | ADKINS,<br>CHRISTOPHER O           | 870.40    | 870.40          |
| 09/16/16 | 14206     | Payroll |   | JUSTICE, DUSTIN R                  | 813.12    | 813.12          |
| 09/16/16 | 14207     | Payroll |   | SALYER, REECE                      | 1,369.55  | 1,369.55        |
| 09/16/16 | 14208     | Payroll |   | CONLEY, JUSTIN                     | 702.01    | 702.01          |
| 09/16/16 | 14209     | Payroll |   | TICE, JOSEPH                       | 640.10    | 640.10          |
| 09/16/16 | 14210     | Payroll |   | JOHNSON, RICHARD                   | 653.69    | 653.69          |
| 09/16/16 | 14211     | Payroll |   | CROWDER, LOGAN M                   | 835.78    | 835.78          |
| 09/16/16 | 14212     | Payroll |   | SALISBURY,<br>ANTHONY E. B         | 631.91    | 631.91          |
| 09/16/16 | 14213     | Payroll |   | ADKINS, RAY V                      | 730.69    | 730.69          |
| 09/16/16 | 14214     | Payroll |   | HORNE, DAVID R                     | 951.49    | 951.49          |
| 09/16/16 | 14215     | Payroll |   | COLLINS, CODY                      | 639.14    | 639.14          |
| 09/16/16 | 14216     | Payroll |   | COMPTON, JOSEPH T                  | 845.25    | 845.25          |
| 09/16/16 | 14217     | Payroll |   | HALL, SHANNON L                    | 759.77    | 759.77          |
| 09/16/16 | 14218     | Payroll |   | CATRON, BARRY                      | 679.27    | 679.27          |
| 09/16/16 | 14219     | Payroll |   | ADAMS, BRIAN                       | 606.93    | 606.93          |
| 09/16/16 | 14220     | Payroll |   | ROBINSON,<br>CHRISTOPHER           | 1,243.17  | 1,243.17        |
| 09/16/16 | 14221     | Payroll |   | HACKWORTH,<br>KENDALL W            | 614.14    | 614.14          |
| 09/16/16 | 14222     | Payroll |   | BOLEN, PRESTON L                   | 826.79    | 826.79          |
| 09/16/16 | 14223     | Payroll |   | FRANCIS, CHRIS                     | 1,097.07  | 1,097.07        |
| 09/16/16 | 14224     | 62305   | Chemicals                               | C.I. Thornburg                     | 4,051.91  | 4,051.91        |
| 09/16/16 | 14225     | 73003   | Misc. Expenses                          | Chris Francis                      | 615.05    | 615.05          |
| 09/16/16 | 14226     | 23214   | N/P - CITIZEN'S NATIONAL<br>(EXCAVATOR) | CITIZENS BANK OF<br>KY             | 939.61    | 939.61          |
| 09/16/16 | 14227     | 60002   | Water Purchases                         | City Of Pikeville                  | 24,214.16 | 24,214.16       |
| 09/16/16 | 14228     | 73003   | Misc. Expenses                          | Green Dragon<br>Environmental, Ltd | 353.98    | 353.98          |
| 09/16/16 | 14229     | 72302   | Accounting                              | Michael Spears                     | 1,200.00  | 1,200.00        |
| 09/16/16 | 14231     | 64109   | Fuel-Gasoline                           | WEX BANK                           | 6,482.80  | 6,482.80        |
| 09/16/16 | 14232     | 76003   | Interest & Penalty Notices              | Kentucky State<br>Treasurer        | 161.52    | 161.52          |



**Southern Water and Sewer District  
Transaction Listing**

| Date            | Reference | Account | Account Description            | Description            | Amount    | Reference Total   |
|-----------------|-----------|---------|--------------------------------|------------------------|-----------|-------------------|
| 09/16/16        | 14233     | 23607   | Garnishee                      | Kentucky State         |           |                   |
|                 |           |         |                                | Treasurer              | 25.00     | 25.00             |
| 09/15/16        | 14234     | 23501   | Customer Deposits              | CHARLOTTE COOK         | 19.09     | 19.09             |
| 09/15/16        | 14235     | 73003   | Misc. Expenses                 | DEAN HALL              | 94.01     | 94.01             |
| 09/15/16        | 14236     | 60001   | Solid Waste Payments           | PRESTONSBURG           |           |                   |
|                 |           |         |                                | CITY UTILITIES         | 19,113.17 | 19,113.17         |
| 09/26/16        | 14237     | 64102   | Supplies - T & D               | MTN AGGREGATE          | 507.98    | 507.98            |
| 09/28/16        | 14238     | 72103   | Office Supplies                | DOLLAR GENERAL         | 39.00     | 39.00             |
| 09/30/16        | 14248     | Payroll |                                | BURKE, PAULA           | 900.22    | 900.22            |
| 09/30/16        | 14249     | Payroll |                                | ROBINSON, AMBER        | 717.73    | 717.73            |
| 09/30/16        | 14250     | Payroll |                                | ALLEN, TEDDI           | 801.62    | 801.62            |
| 09/30/16        | 14251     | Payroll |                                | AUTON, ELIZABETH       | 791.16    | 791.16            |
| 09/30/16        | 14252     | Payroll |                                | HUNTER, EVERETT R      | 1,020.15  | 1,020.15          |
| 09/30/16        | 14253     | Payroll |                                | HALL, GEORGE           | 943.79    | 943.79            |
| 09/30/16        | 14254     | Payroll |                                | HALL, DEAN M           | 1,771.05  | 1,771.05          |
| 09/30/16        | 14255     | Payroll |                                | HARRISON, DON E        | 1,379.42  | 1,379.42          |
| 09/30/16        | 14256     | Payroll |                                | ADKINS,                |           |                   |
|                 |           |         |                                | CHRISTOPHER O          | 769.37    | 769.37            |
| 09/30/16        | 14257     | Payroll |                                | JUSTICE, DUSTIN R      | 780.45    | 780.45            |
| 09/30/16        | 14258     | Payroll |                                | SALYER, REECE          | 1,537.21  | 1,537.21          |
| 09/30/16        | 14259     | Payroll |                                | CONLEY, JUSTIN         | 1,010.20  | 1,010.20          |
| 09/30/16        | 14260     | Payroll |                                | TICE, JOSEPH           | 833.65    | 833.65            |
| 09/30/16        | 14261     | Payroll |                                | JOHNSON, RICHARD       | 610.12    | 610.12            |
| 09/30/16        | 14262     | Payroll |                                | CROWDER, LOGAN M       | 1,064.39  | 1,064.39          |
| 09/30/16        | 14263     | Payroll |                                | SALISBURY,             |           |                   |
|                 |           |         |                                | ANTHONY E. B           | 642.81    | 642.81            |
| 09/30/16        | 14264     | Payroll |                                | ADKINS, RAY V          | 962.76    | 962.76            |
| 09/30/16        | 14265     | Payroll |                                | HORNE, DAVID R         | 951.48    | 951.48            |
| 09/30/16        | 14266     | Payroll |                                | COLLINS, CODY          | 703.53    | 703.53            |
| 09/30/16        | 14267     | Payroll |                                | COMPTON, JOSEPH T      | 833.91    | 833.91            |
| 09/30/16        | 14268     | Payroll |                                | HALL, SHANNON L        | 920.74    | 920.74            |
| 09/30/16        | 14269     | Payroll |                                | CATRON, BARRY          | 720.62    | 720.62            |
| 09/30/16        | 14270     | Payroll |                                | ADAMS, BRIAN           | 720.62    | 720.62            |
| 09/30/16        | 14271     | Payroll |                                | ROBINSON,              |           |                   |
|                 |           |         |                                | CHRISTOPHER            | 1,243.17  | 1,243.17          |
| 09/30/16        | 14272     | Payroll |                                | HACKWORTH,             |           |                   |
|                 |           |         |                                | KENDALL W              | 828.79    | 828.79            |
| 09/30/16        | 14273     | Payroll |                                | BOLEN, PRESTON L       | 780.86    | 780.86            |
| 09/30/16        | 14274     | Payroll |                                | FRANCIS, CHRIS         | 1,097.07  | 1,097.07          |
| 09/30/16        | 14275     | 72104   | Telephone & Utilities - Office | Appalachian Wireless   | 768.18    | 768.18            |
| 09/30/16        | 14276     | 72110   | Life Ins.                      | ASSURITY LIFE          |           |                   |
|                 |           |         |                                | INSURANCE COMP         | 959.66    | 959.66            |
| 09/30/16        | 14277     | 64104   | Utilities - T & D              | Big Sandy RECC         | 1,501.11  | 1,501.11          |
| 09/30/16        | 14278     | 62305   | Chemicals                      | C.I. Thornburg         | 290.62    | 290.62            |
| 09/30/16        | 14279     | 64102   | Supplies - T & D               | C.I. Thornburg         | 5,309.08  | 5,309.08          |
| 09/30/16        | 14280     | 75001   | Training                       | Chris Francis          | 751.51    | 751.51            |
| 09/30/16        | 14281     | 72103   | Office Supplies                | CJ BUSINESS FORMS      | 1,137.90  | 1,137.90          |
| 09/30/16        | 14282     | 73003   | Misc. Expenses                 | East Ky Exterminating  | 45.00     | 45.00             |
| 09/30/16        | 14283     | 64102   | Supplies - T & D               | FORTLINE, INC          | 8,233.00  | 8,233.00          |
| 09/30/16        | 14284     | 62302   | Repairs - Pumping              | FRASURE ELECTRIC       | 5,000.00  | 5,000.00          |
| 09/30/16        | 14285     | 73003   | Misc. Expenses                 | Hi Tech Security       | 24.99     | 24.99             |
| 09/30/16        | 14286     | 73003   | Misc. Expenses                 | Home City Ice          | 950.60    | 950.60            |
| 09/30/16        | 14287     | 62501   | Natural Gas-WTP                | Kentucky Frontier Gas  | 25.59     | 25.59             |
| 09/30/16        | 14288     | 64104   | Utilities - T & D              | KY Power Co.           | 12,002.94 | 12,002.94         |
| 09/30/16        | 14289     | 64102   | Supplies - T & D               | Moore's Hardware       | 2,412.94  | 2,412.94          |
| 09/30/16        | 14290     | 64103   | Vehicle Repairs - T & D        | Parts City of McDowell | 2,100.84  | 2,100.84          |
| 09/30/16        | 14291     | 64103   | Vehicle Repairs - T & D        | Twin Bridge Auto Parts | 402.10    | 402.10            |
| 09/30/16        | 14292     | 73003   | Misc. Expenses                 | USA BLUEBOOK           | 922.20    | 922.20            |
| 09/30/16        | 14293     | 64102   | Supplies - T & D               | Wright Lumber          | 2,703.74  | 2,703.74          |
| Total of Checks |           |         |                                |                        |           | <u>402,729.38</u> |

Southern Water and Sewer District  
Transaction Listing

| Date                   | Reference         | Account       | Account Description | Description | Amount | Reference Total |
|------------------------|-------------------|---------------|---------------------|-------------|--------|-----------------|
| Total Debits           | <u>402,729.38</u> | Total Credits | <u>0.00</u>         |             |        |                 |
| Number of Transactions |                   | 157           |                     |             |        |                 |



Southern Water & Sewer Dist.  
P.O. Box 610  
McDowell, Ky 41647  
Regular Called Meeting September 29<sup>th</sup> @5pm

**Attendance:**

**Paula Johnson, Chairman**  
**Joseph Jacobs, Commissioner**  
**Dean Hall, General Manager**  
**Larry Osborne, Commissioner**  
**Kevin Howard, Summitt Eng.**

**Jeff Reed, Spears CPA**  
**Richard Paulman, Auditor**  
**Hayes Hamilton, Commissioner**  
**Troy Hogge, Ky. Eng. Group**  
**Paula Burke, Staff**

Called To Order By Paula Johnson @ 5:03  
Motion To Approve Minutes  
Motion Made By: Joe Jacobs  
Seconded By: Larry Joe Osborne  
Motion Passed

Richard Paulman presented 2015 Audit to Board for approval  
Jeff Reed presented September Financials  
Motion Made By: Larry Joe Osborne  
Seconded By: Hayes Hamilton  
Motion Passed

Motion to approve pay raise for Paula Burke  
Motion Made By: Hayes Hamilton  
Seconded By: Joe Jacobs  
Motion Passed

Motion to Adjourn at 6:21 pm  
Motion made by: Joe Jacobs  
Seconded by: Barry Hall

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    2016  
**Approved by:**

Paula Johnson, Chairman

Attested By

Barry Hall, Secretary

SOUTHERN WATER AND SEWER  
MONTHLY FILED CONSTRUCTION LOG  
8/27/2016 TO 9/29/2016

NUMBER OF LEAKS (76)

NUMBER OF TAPS (4)

NUMBER OF DIG OUTS (6)

ESTIMATED WATER LOSS 4,100,000 gal

LINE SIZES  $\frac{3}{4}$  (56) 1inch (7) 2inch (2) 3inch (2) 4inch (4)

6inch ( ) 8inch (5) 10inch ( ) 12inch ( )

PARST USED: (109)  $\frac{3}{4}$  couplings (14) 1 inch couplings (4) 2 inch hymax,s  
(4) 3 inch hymax's (8) 4 inch hymax's ( ) 6 inch hymax's (10) 8 inch  
hymax's ( ) 10 inch hymax,s (3) SR-II meter bottoms – (2)  $\frac{3}{4}$  regulators

Right Beaver (27) Left Beaver (25) Big Mud (12) Little Mud (6) Sandy  
Valley (6)

FILED SUPERVISOR *Ch Rata* DATE *9/29/16*  
GENERAL MANAGER *Dean m Hall* DATE *9-29-16*

SOUTHERN WATER AND SEWER  
NOTE PAYABLE ANALYSIS  
8/31/2016

| 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       | 9                            | 15,022.24                 |                     |
| FIRST GUARANTY BANK                | TRUCKS            | 9/25/2013    | 63,097.10       | 7.99%         | 1,976.82       | 1                            | 1,963.61                  |                     |
| FIRST GUARANTY BANK                | DEAN'S TRUCK      | 9/22/2014    | 25,018.00       | 5.90%         | 482.52         | 37                           | 16,286.83                 |                     |
| CITIZEN'S NATIONAL BANK            | EXCAVATOR         | 6/9/2015     | 41,355.00       | 4.32%         | 939.61         | 35                           | 30,020.09                 |                     |
| FIRST GUARANTY BANK                | LINE OF CREDIT    |              | 300,000.00      | 6.25%         | 2,000.00       | N/A                          | 221,000.00                |                     |
| <b>BONDS</b>                       |                   |              |                 |               |                |                              |                           |                     |
| USDA                               | 2,515,000 ISSUE   | 1/1/2003     | 2,515,000.00    | 4.50%         | VARIOUS        | 53                           | 2,109,000.00              |                     |
| USDA                               | 225,000 ISSUE     | 1/1/2006     | 225,000.00      | 4.25%         | VARIOUS        | 57                           | 195,000.00                |                     |
| USDA                               | 589,573 ISSUE     | 1/1/2006     | 589,573.00      | 4.75%         | VARIOUS        | 49                           | 501,509.00                |                     |
| USDA                               | 530,000 ISSUE BLD | 1/1/2011     | 530,000.00      | 2.25%         | VARIOUS        | 66                           | 487,000.00                |                     |
| <b>KY INFRASTRUCTURE AUTHORITY</b> |                   |              |                 |               |                |                              |                           |                     |
| KIA - I                            |                   | 6/1/1995     | 1,362,870.05    | 3.00%         | 34,607.94      | 17                           | 515,923.14                |                     |
| KIA - III                          |                   | 12/1/2007    | 2,831,354.23    | 3.00%         | 71,897.79      | 23                           | 1,389,846.28              |                     |
| KIA - A04-06                       |                   | 12/1/2005    | 67,376.00       | 1.00%         | 1,862.64       | 18                           | 31,986.72                 |                     |
| KIA - A11-16                       |                   | 6/1/2014     | 765,900.00      | 1.00%         | 21,173.70      | 17                           | 678,307.44                |                     |
| <b>TOTAL LOANS DUE 8-31-2106</b>   |                   |              |                 |               |                |                              |                           | <b>6,192,865.35</b> |

**Southern Water and Sewer District  
Transaction Listing**

| Date     | Reference | Account | Account Description                     | Description        | Amount    | Reference Total |
|----------|-----------|---------|---|--------------------|-----------|-----------------|
| 08/05/16 | 1471      | 60002   | Water Purchases                         | PRESTONSBURG       |           |                 |
|          |           |         |   | CITY UTILITIES     | 20,726.77 | 20,726.77       |
| 08/05/16 | 1472      | 60002   | Water Purchases                         | CITY OF PIKEVILLE  | 19,322.48 | 19,322.48       |
| 08/22/16 | 1473      | 64104   | Utilities - T & D                       | KY POWER CO.       | 31,795.38 | 31,795.38       |
| 08/01/16 | 13766     | 73003   | Misc. Expenses                          | USA BLUEBOOK       | 922.20    | 922.20          |
| 08/01/16 | 13775     | 70301   | Billing Postage                         | USPS               | 1,879.89  | 1,879.89        |
| 08/01/16 | 13933     | 73003   | Misc. Expenses                          | KY STATE           |           |                 |
|          |           |         |   | TREASURER          | 450.00    | 450.00          |
| 08/01/16 | 14018     | 23214   | N/P - CITIZEN'S NATIONAL<br>(EXCAVATOR) | CITIZENS BANK      |           |                 |
|          |           |         |   |                    | 986.59    | 986.59          |
| 08/01/16 | 14019     | 64102   | Supplies - T & D                        | FORTLINER          | 5,505.07  | 5,505.07        |
| 08/02/16 | 14020     | 73001   | Commissioner's Fee                      | PAULA JOHNSON      | 500.00    | 500.00          |
| 08/02/16 | 14021     | 73003   | Misc. Expenses                          | PETTY CASH         | 500.00    | 500.00          |
| 08/04/16 | 14022     | 62302   | Repairs - Pumping                       | FRASURE ELECTRIC   | 5,000.00  | 5,000.00        |
| 08/05/16 | 14023     | Payroll |   | WEBB, MARIBETH     | 1,205.67  | 1,205.67        |
| 08/05/16 | 14024     | Payroll |   | OSBORNE, LARRY J   | 424.15    | 424.15          |
| 08/05/16 | 14025     | Payroll |   | JACOBS, JOSEPH G   | 455.40    | 455.40          |
| 08/05/16 | 14026     | Payroll |   | HALL, BARRY        | 424.15    | 424.15          |
| 08/05/16 | 14027     | Payroll |   | BURKE, PAULA       | 859.16    | 859.16          |
| 08/05/16 | 14028     | Payroll |   | ROBINSON, AMBER    | 669.44    | 669.44          |
| 08/05/16 | 14029     | Payroll |   | ALLEN, TEDDI       | 364.48    | 364.48          |
| 08/05/16 | 14030     | Payroll |   | AUTON, ELIZABETH   | 778.68    | 778.68          |
| 08/05/16 | 14031     | Payroll |   | HAMILTON, HAYES    | 383.77    | 383.77          |
| 08/05/16 | 14032     | Payroll |   | HUNTER, EVERETT R  | 841.37    | 841.37          |
| 08/05/16 | 14033     | Payroll |   | HALL, GEORGE       | 928.36    | 928.36          |
| 08/05/16 | 14034     | Payroll |   | HARRISON, DON E    | 1,264.93  | 1,264.93        |
| 08/05/16 | 14035     | Payroll |   | ADKINS,            |           |                 |
|          |           |         |   | CHRISTOPHER O      | 827.10    | 827.10          |
| 08/05/16 | 14036     | Payroll |   | JUSTICE, DUSTIN R  | 834.90    | 834.90          |
| 08/05/16 | 14037     | Payroll |   | SALYER, REECE      | 1,331.85  | 1,331.85        |
| 08/05/16 | 14038     | Payroll |   | CONLEY, JUSTIN     | 816.16    | 816.16          |
| 08/05/16 | 14039     | Payroll |   | TICE, JOSEPH       | 845.03    | 845.03          |
| 08/05/16 | 14040     | Payroll |   | JOHNSON, RICHARD   | 751.75    | 751.75          |
| 08/05/16 | 14041     | Payroll |   | CROWDER, LOGAN M   | 893.16    | 893.16          |
| 08/05/16 | 14042     | Payroll |   | SALISBURY,         |           |                 |
|          |           |         |   | ANTHONY E. B       | 729.96    | 729.96          |
| 08/05/16 | 14043     | Payroll |   | ADKINS, RAY V      | 883.85    | 883.85          |
| 08/05/16 | 14044     | Payroll |   | HORNE, DAVID R     | 842.97    | 842.97          |
| 08/05/16 | 14045     | Payroll |   | COLLINS, CODY      | 639.14    | 639.14          |
| 08/05/16 | 14046     | Payroll |   | COMPTON, JOSEPH T  | 765.01    | 765.01          |
| 08/05/16 | 14047     | Payroll |   | HALL, SHANNON L    | 737.58    | 737.58          |
| 08/05/16 | 14048     | Payroll |   | CATRON, BARRY      | 617.27    | 617.27          |
| 08/05/16 | 14049     | Payroll |   | ROBINSON,          |           |                 |
|          |           |         |   | CHRISTOPHER        | 1,243.17  | 1,243.17        |
| 08/05/16 | 14050     | Payroll |   | HACKWORTH,         |           |                 |
|          |           |         |   | KENDALL W          | 864.52    | 864.52          |
| 08/05/16 | 14051     | Payroll |   | BOLEN, PRESTON L   | 792.35    | 792.35          |
| 08/05/16 | 14052     | Payroll |   | FRANCIS, CHRIS     | 1,097.07  | 1,097.07        |
| 08/05/16 | 14053     | Payroll |   | HALL, DEAN M       | 1,771.05  | 1,771.05        |
| 08/05/16 | 14054     | 62305   | Chemicals                               | C.I. Thornburg     | 4,815.60  | 4,815.60        |
| 08/05/16 | 14055     | 73003   | Misc. Expenses                          | Chris Francis      | 279.08    | 279.08          |
| 08/05/16 | 14056     | 73003   | Misc. Expenses                          | DEAN HALL          | 85.00     | 85.00           |
| 08/05/16 | 14057     | 23501   | Customer Deposits                       | Jackie King        | 7.98      | 7.98            |
| 08/05/16 | 14058     | 23603   | Accrued Ky WTH                          | Kentucky State     |           |                 |
|          |           |         |   | Treasurer          | 3,219.65  | 3,219.65        |
| 08/05/16 | 14059     | 62350   | Lab Services                            | McCoy & McCoy      |           |                 |
|          |           |         |   | Laboratories       | 4,750.00  | 4,750.00        |
| 08/05/16 | 14060     | 72302   | Accounting                              | Michael Spears     | 1,800.00  | 1,800.00        |
| 08/05/16 | 14061     | 73003   | Misc. Expenses                          | Reece Salyers      | 18.55     | 18.55           |
| 08/04/16 | 14062     | 64102   | Supplies - T & D                        | MT AGGREGATES      | 570.43    | 570.43          |
| 08/05/16 | 14063     | 75001   | Training                                | DEAN HALL          | 116.69    | 116.69          |
| 08/08/16 | 14064     | 23214   | N/P - CITIZEN'S NATIONAL                | CITIZEN'S NATIONAL |           |                 |

**Southern Water and Sewer District  
Transaction Listing**

| Date     | Reference | Account | Account Description     | Description       | Amount   | Reference Total |
|----------|-----------|---------|-------------------------|-------------------|----------|-----------------|
| 08/09/16 | 14065     | 64103   | (EXCAVATOR)             | BANK              | 939.61   | 939.61          |
| 08/15/16 | 14066     | 70301   | Vehicle Repairs - T & D | BILLY HUTCHINSON  | 200.00   | 200.00          |
| 08/19/16 | 14067     | Payroll | Billing Postage         | US POSTAL SERVICE | 871.67   | 871.67          |
| 08/18/16 | 14068     | 72110   | Life Ins.               | ADAMS, BRIAN      | 535.32   | 535.32          |
| 08/08/16 | 14069     | 72109   | Workers Comp            | ASSURITY LIFE     |          |                 |
| 08/08/16 | 14070     | 72155   | Property Insurance      | INSURANCE         | 2,399.15 | 2,399.15        |
|          |           |         |                         | KEMI              | 4,328.29 | 4,328.29        |
| 08/08/16 | 14071     | 64102   | Supplies - T & D        | KY LEAGUE OF      |          |                 |
| 08/08/16 | 14072     | 76001   | Advertising             | CITIES            | 567.39   | 567.39          |
|          |           |         |                         | WASCON INC        | 1,875.38 | 1,875.38        |
| 08/08/16 | 14073     | 73003   | Misc. Expenses          | FLOYD COUNTY      |          |                 |
| 08/08/16 | 14074     | 62501   | Natural Gas-WTP         | TIMES             | 279.90   | 279.90          |
| 08/08/16 | 14075     | 64107   | Vehicle Repairs - T & D | HITECH SECURITY   | 24.99    | 24.99           |
| 08/08/16 | 14076     | 64108   | Repairs - T & D         | KY FRONTIER GAS   | 24.90    | 24.90           |
| 08/08/16 | 14077     | 73003   | Misc. Expenses          | CONLEY BROS TIRE  | 590.00   | 590.00          |
|          |           |         |                         | ALLEN'S HARDWARE  | 17.97    | 17.97           |
| 08/08/16 | 14078     | 64107   | Vehicle Repairs - T & D | EAST KY           |          |                 |
|          |           |         |                         | EXTERMINATING     | 45.00    | 45.00           |
| 08/08/16 | 14079     | 73003   | Misc. Expenses          | PARTS CITY OF     |          |                 |
| 08/08/16 | 14080     | 64102   | Supplies - T & D        | MCDOWELL          | 1,155.64 | 1,155.64        |
|          |           |         |                         | MARTIN A/R        | 300.39   | 300.39          |
| 08/08/16 | 14081     | 64102   | Supplies - T & D        | HAYES PIPE &      |          |                 |
|          |           |         |                         | SUPPLY            | 151.90   | 151.90          |
| 08/08/16 | 14082     | 64104   | Utilities - T & D       | MOORE'S TRUE      |          |                 |
| 08/08/16 | 14083     | 64107   | Vehicle Repairs - T & D | VALUE             | 1,105.57 | 1,105.57        |
|          |           |         |                         | BIG SANDY RECC    | 941.77   | 941.77          |
| 08/08/16 | 14084     | 72110   | Life Ins.               | EVAN'S WRECKER    |          |                 |
| 08/08/16 | 14085     | 72103   | Office Supplies         | SERVICE           | 5,354.30 | 5,354.30        |
| 08/08/16 | 14086     | 73003   | Misc. Expenses          | AFLAC             | 1,161.36 | 1,161.36        |
|          |           |         |                         | STATE WIDE PRESS  | 234.48   | 234.48          |
| 08/08/16 | 14087     | 64104   | Utilities - T & D       | SOFTWARE          |          |                 |
|          |           |         |                         | SOLUTIONS         | 400.00   | 400.00          |
| 08/19/16 | 14088     | Payroll |                         | APPALACHIAN       |          |                 |
| 08/19/16 | 14089     | Payroll |                         | WIRELESS          | 76.35    | 76.35           |
| 08/19/16 | 14090     | Payroll |                         | WEBB, MARIBETH    | 1,205.67 | 1,205.67        |
| 08/19/16 | 14091     | Payroll |                         | BURKE, PAULA      | 831.80   | 831.80          |
| 08/19/16 | 14092     | Payroll |                         | ROBINSON, AMBER   | 696.28   | 696.28          |
| 08/19/16 | 14093     | Payroll |                         | ALLEN, TEDDI      | 795.31   | 795.31          |
| 08/19/16 | 14094     | Payroll |                         | AUTON, ELIZABETH  | 784.93   | 784.93          |
| 08/19/16 | 14095     | Payroll |                         | HUNTER, EVERETT R | 854.15   | 854.15          |
| 08/19/16 | 14096     | Payroll |                         | HALL, GEORGE      | 866.69   | 866.69          |
| 08/19/16 | 14097     | Payroll |                         | HALL, DEAN M      | 1,771.04 | 1,771.04        |
| 08/19/16 | 14098     | Payroll |                         | HARRISON, DON E   | 1,594.08 | 1,594.08        |
| 08/19/16 | 14099     | Payroll |                         | ADKINS,           |          |                 |
| 08/19/16 | 14100     | Payroll |                         | CHRISTOPHER O     | 870.41   | 870.41          |
| 08/19/16 | 14101     | Payroll |                         | JUSTICE, DUSTIN R | 922.04   | 922.04          |
| 08/19/16 | 14102     | Payroll |                         | SALYER, REECE     | 1,554.82 | 1,554.82        |
| 08/19/16 | 14103     | Payroll |                         | CONLEY, JUSTIN    | 1,010.19 | 1,010.19        |
| 08/19/16 | 14104     | Payroll |                         | TICE, JOSEPH      | 640.09   | 640.09          |
| 08/19/16 | 14105     | Payroll |                         | JOHNSON, RICHARD  | 610.13   | 610.13          |
| 08/19/16 | 14106     | Payroll |                         | CROWDER, LOGAN M  | 1,110.04 | 1,110.04        |
| 08/19/16 | 14107     | Payroll |                         | SALISBURY,        |          |                 |
| 08/19/16 | 14108     | Payroll |                         | ANTHONY E. B      | 838.92   | 838.92          |
| 08/19/16 | 14109     | Payroll |                         | ADKINS, RAY V     | 1,210.67 | 1,210.67        |
| 08/19/16 | 14110     | Payroll |                         | HORNE, DAVID R    | 794.75   | 794.75          |
| 08/19/16 | 14111     | Payroll |                         | COLLINS, CODY     | 853.79   | 853.79          |
| 08/19/16 | 14112     | Payroll |                         | COMPTON, JOSEPH T | 707.60   | 707.60          |
|          |           |         |                         | HALL, SHANNON L   | 826.40   | 826.40          |
|          |           |         |                         | CATRON, BARRY     | 751.62   | 751.62          |
|          |           |         |                         | ROBINSON,         |          |                 |
|          |           |         |                         | CHRISTOPHER       | 1,519.18 | 1,519.18        |
|          |           |         |                         | HACKWORTH,        |          |                 |

**Southern Water and Sewer District  
Transaction Listing**

| Date     | Reference | Account | Account Description     | Description         | Amount    | Reference Total |
|----------|-----------|---------|-------------------------|---------------------|-----------|-----------------|
| 08/19/16 | 14113     | Payroll |                         | KENDALL W           | 832.33    | 832.33          |
| 08/19/16 | 14114     | Payroll |                         | BOLEN, PRESTON L    | 953.09    | 953.09          |
| 08/17/16 | 14115     | 23606   | Accrued Sales Tax       | FRANCIS, CHRIS      | 1,097.07  | 1,097.07        |
|          |           |         |                         | Kentucky State      |           |                 |
|          |           |         |                         | Treasurer           | 775.54    | 775.54          |
| 08/17/16 | 14116     | 64104   | Utilities - T & D       | KY Power Co.        | 4,606.97  | 4,606.97        |
| 08/19/16 | 14117     | 62305   | Chemicals               | C.I. Thornburg      | 6,221.30  | 6,221.30        |
| 08/19/16 | 14119     | 73003   | Misc. Expenses          | Teresa Hall         | 400.00    | 400.00          |
| 08/19/16 | 14121     | 64103   | Vehicle Repairs - T & D | JR ANDERSON         | 472.18    | 472.18          |
| 08/19/16 | 14122     | 64102   | Supplies - T & D        | MOORE'S TRUE        |           |                 |
|          |           |         |                         | VALUE               | 579.80    | 579.80          |
| 08/19/16 | 14124     | 73003   | Misc. Expenses          | PEOPLES - KY        | 63.48     | 63.48           |
| 08/19/16 | 14125     | 64102   | Supplies - T & D        | FORTLINE INC        | 9,195.58  | 9,195.58        |
| 08/19/16 | 14126     | 72106   | Health Insurance        | AMERICAN            |           |                 |
|          |           |         |                         | GENERAL LIFE        | 886.62    | 886.62          |
| 08/19/16 | 14127     | 64103   | Vehicle Repairs - T & D | P & J TRAILER SALES | 1,373.49  | 1,373.49        |
| 08/19/16 | 14128     | 73003   | Misc. Expenses          | PRESTONSBURG        |           |                 |
|          |           |         |                         | FLORAL & GIFTS      | 90.09     | 90.09           |
| 08/19/16 | 14129     | 72106   | Health Insurance        | COLONIAL LIFE       | 17,014.88 | 17,014.88       |
| 08/25/16 | 14130     | 60001   | Solid Waste Payments    | FLOYD COUNTY        |           |                 |
|          |           |         |                         | SOLID WASTE         | 76,219.19 | 76,219.19       |
| 08/23/16 | 14131     | 23501   | Customer Deposits       | MERIDETH A          |           |                 |
|          |           |         |                         | TURNER              | 37.94     | 37.94           |
| 08/23/16 | 14132     | 72103   | Office Supplies         | STAPLES             | 987.59    | 987.59          |
| 08/26/16 | 14133     | 64101   | Uniform Rental - T & D  | AARMARK             | 1,133.35  | 1,133.35        |
| 08/25/16 | 14134     | 23501   | Customer Deposits       | CHRIS HAMILTON      | 250.00    | 250.00          |
| 08/26/16 | 14136     | 75001   | Training                | DEAN HALL           | 1,219.52  | 1,219.52        |

Total of Checks 300,746.75

Total Debits 300,746.75      Total Credits 0.00

Number of Transactions      121

**SOUTHERN WATER AND SEWER  
AGENDA  
REGULAR MONTHLY MEETING AUG. 29,  
2016 @5:00**

- ✓ A CALL TO ORDER *Q 5:00 PM*
- ✓ B APPROVAL OF MINUTES *JEFF JUNE, JULY FINANCIALS*
- ✓ C SUMMIT ENGINEERING HAROLD SEWER *III Phase BSC cost to operate*
- ✓ D BIG SANDY ADD (BRENDA POWERS)
- ✓ E KY. ENGINEERING 1-ALLEN TO MARTIN *1.1 million Reimburse for permit*  
2-LACKEY TO WAYLAND *99% Complete*  
3-MINK BR. TANK -SRF LOAN .25% loan
- ✓ F MANAGERS REPORT
- G OTHER
- H ADJOURN



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

August 29, 2016

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

RE: July 2016 Financial Statements

Dear Commissioner,

Enclosed you will find your financial statements for the period ended July 31, 2016. In this letter I am giving you some pertinent highlights as I see them.

Balance Sheet as of July 31, 2016 ✓

- Cash in Bank is \$39,129 ✓
- Restricted Cash is \$581,712
- Accounts Receivable is \$1,417,899 ✓
- Plant in place is \$25,682,134 ✓
- Equity is \$18,688,603 ✓

Income Statement – for the month ended July 31, 2016

- Operating Revenue is \$439,240 ✓
  - Operating Expenses Less Depreciation of \$71,879 is \$339,665 ✓
  - Other Income (Construction Income & Interest) \$333,951
  - Other Expense (\$22,712)
  - Net Income/(Loss) before depreciation expense is \$410,814 ✓
  - Net Income/(Loss) after depreciation expense of \$71,879 is \$338,935 ✓
- 51000

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 July 31, 2016**  
**ASSETS**

**CURRENT ASSETS**

|                                      |    |              |
|--------------------------------------|----|--------------|
| Cash on Hand                         | \$ | 460.00       |
| First Guaranty - New                 |    | (7,035.28)   |
| Cash - Community Trust Bank (SV)     |    | 46,164.25    |
| First Guaranty - Solid Waste Account |    | 8,893.90     |
| Accounts Receivable - Water          |    | 798,284.95   |
| Accounts Receivable - Garbage        |    | 496,977.01   |
| Accounts Receivable - Sewer          |    | 122,637.20   |
| A/R - CDBG Grant                     |    | 5,000.00     |
| Provision for Uncollectible Accounts |    | (235,324.66) |
| Materials and Supplies               |    | 101,231.80   |
| KIA Escrow - New                     |    | 47,773.22    |
| KIA R & M Reserve - New              |    | 63,572.16    |
| KIA R & M Reserve #3 - New           |    | 61,649.49    |
| First Guaranty - RD Account          |    | 21,062.00    |
| RD Depreciation Reserve Acct.        |    | 44,099.07    |
| RD Escrow Acct                       |    | 73,047.39    |
| 1st Guaranty - FEMA Reimbursements   |    | 21,346.41    |
| FGB - Rural Development Construction |    | 4,556.74     |
| FGB - Capital Improvement Account    |    | 51,073.60    |
| FGB - RD Sinking Fund (New)          |    | 23,571.55    |
| Cash - Pride on the River            |    | 965.26       |
| FEMA - 1976 - DR - KY                |    | 21,171.94    |
| Insurance Escrow Account             |    | 24,038.88    |
| KIA R & M RESERVE A04-06             |    | 37,795.00    |
| Construction Account                 |    | 19,253.28    |
| FGB - Customer Deposit Account       |    | 28,233.03    |
| FGB - Health Care Reimbursement      |    | 28,820.01    |
| FGB - Allen to Martin WTP            |    | 789.26       |

**Total Current Assets** 1,910,107.46

**PROPERTY AND EQUIPMENT**

|                                  |                        |
|----------------------------------|------------------------|
| Utility Plant                    | 34,843,909.96          |
| Utility Plant                    | 1,766,340.49           |
| Utility Plant Sewer              | 7,865,636.26           |
| Construction in Progress         | 2,319,283.93           |
| Construction in Progress - Sewer | 43,921.50              |
| Less: Accumulated Depreciation   | <u>(21,156,957.69)</u> |

**Net Property and Equipment** 25,682,134.45

**OTHER ASSETS**

|                          |                    |
|--------------------------|--------------------|
| Prepaid Interest         | 98,409.92          |
| Accumulated Amortization | <u>(35,878.59)</u> |

**Total Other Assets** 62,531.33

**TOTAL ASSETS** \$ 27,654,773.24

**Southern Water and Sewer District**  
**BALANCE SHEET**  
**As of July 31, 2016**

**LIABILITIES AND STOCKHOLDERS' EQUITY**

|                                       |                     |
|---------------------------------------|---------------------|
| <b>CURRENT LIABILITIES</b>            |                     |
| Accounts Payable                      | \$ 136,056.89       |
| A/P - CIP                             | 2,673.84            |
| N/P - FGB LOC                         | 222,000.00          |
| First Guaranty - Office Building      | 16,774.95           |
| N/P - FIRST GUARANTY (TRUCKS)         | 3,913.87            |
| N/P - FGB (DEAN'S TRUCK)              | 16,685.74           |
| N/P - CITIZEN'S NATIONAL (EXCAVATO    | 31,674.45           |
| Customer Deposits                     | 197,865.49          |
| Customer Deposits - Sewer             | 190.00              |
| Accrued Fica                          | (848.59)            |
| Accrued Ky WTH                        | 4,812.30            |
| Accrued KUI/FUTA                      | 2,041.15            |
| Accrued School Tax                    | 8.43                |
| Accrued Sales Tax                     | 857.16              |
| Garnishee                             | 2,083.10            |
| Accrued 401-k                         | (283.24)            |
| Accrued Vacation/Sick Pay             | 67,054.08           |
| Accrued Interest - KIA III            | 48,636.00           |
| Accrued Interest - Bonds              | 12,476.25           |
| Accrued Interest - New Bond           | 1,055.45            |
| Accrued Interest - Sandy Valley Bond  | 3,979.13            |
| Accrued Interest - Build America Bond | 151.89              |
| A/P - Solid Waste                     | 523,417.38          |
|                                       | <hr/>               |
| <b>Total Current Liabilities</b>      | <b>1,293,275.72</b> |
| <b>LONG-TERM LIABILITIES</b>          |                     |
| Notes Payable Current Portion         | 476,322.31          |
| Less Current Portion Notes Payable    | (476,322.31)        |
| Bonds Payable Current Portion         | 66,981.00           |
| N/P - KIA I                           | 542,395.07          |
| N/P - KIA III                         | 1,307,868.53        |
| Bonds Payable                         | 2,109,000.00        |
| N/P - KIA A-04-06                     | 34,019.07           |
| Bonds Payable (New)                   | 195,000.00          |
| RD Note - Sandy Valley 589573         | 501,509.00          |
| USDA (530,000)                        | 487,000.00          |
| N/P - USDA (ALLEN TO MARTIN)          | 1,773,000.00        |
| N/P - Regions Bank Other              | 27,101.27           |
| N/P - KIA (A11-16) Harold Sewer       | 696,001.13          |
| Less Current Portion Bonds Payable    | (66,981.00)         |
|                                       | <hr/>               |
| <b>Total Long-Term Liabilities</b>    | <b>7,672,894.07</b> |
|                                       | <hr/>               |
| <b>Total Liabilities</b>              | <b>8,966,169.79</b> |
| <b>CAPITAL</b>                        |                     |
| Invested in Capital Assets            | 17,705,548.00       |
| Restricted for Capital Projects       | 30,110.00           |
| Restricted for Maintenance            | 120,145.00          |
| Restricted for Debt Services          | 144,655.00          |
| Unrestricted Net Assets               | 514,136.86          |

**Southern Water and Sewer District**

**BALANCE SHEET**

**As of July 31, 2016**

|                         |                     |
|-------------------------|---------------------|
| Restricted for Deposits | 175,189.00          |
| Current Earnings        | 373,126.16          |
| Retained Earnings       | <u>(374,306.57)</u> |

|                                   |                      |
|-----------------------------------|----------------------|
| <b>Total Stockholders' Equity</b> | <u>18,688,603.45</u> |
|-----------------------------------|----------------------|

|   |                         |
|---|-------------------------|
| <b>TOTAL LIABILITIES AND<br/>STOCKHOLDERS' EQUITY</b> | <u>\$ 27,654,773.24</u> |
|---|-------------------------|

**Southern Water and Sewer District**  
**INCOME STATEMENT - CONSOLIDATED**  
**For the 1 Month and 7 Months Ended July 31, 2016**

|                                   | 1 Month Ended<br>July 31, 2016 | %             | 7 Months Ended<br>July 31, 2016 | %             |
|-----------------------------------|--------------------------------|---------------|---------------------------------|---------------|
| <b>Sales</b>                      |                                |               |                                 |               |
| Metered Sales - Residential       | \$ 295,816.77                  | 67.35         | \$ 1,986,072.49                 | 67.57         |
| Metered Sales - Business          | 7,713.00                       | 1.76          | 54,653.03                       | 1.86          |
| Metered Sales - Residential Sewer | 13,723.60                      | 3.12          | 93,519.35                       | 3.18          |
| Metered Sales - Business Sewer    | 1,016.48                       | 0.23          | 6,459.79                        | 0.22          |
| Sales for Resale                  | 4,112.74                       | 0.94          | 29,842.97                       | 1.02          |
| Penalties                         | 7,839.70                       | 1.78          | 48,826.88                       | 1.66          |
| Meter Service                     | 5,795.15                       | 1.32          | 28,709.83                       | 0.98          |
| Tap fees                          | 1,373.12                       | 0.31          | 4,871.48                        | 0.17          |
| Sewer Tap Fees                    | 0.00                           | 0.00          | (500.00)                        | (0.02)        |
| Other Income                      | 4,050.00                       | 0.92          | 6,550.00                        | 0.22          |
| Garbage Sales Revenue             | 77,644.88                      | 17.68         | 544,790.00                      | 18.53         |
| Miscellaneous Income              | 20,154.72                      | 4.59          | 135,654.72                      | 4.61          |
| Less Returns & Allowances         | 0.00                           | 0.00          | 0.00                            | 0.00          |
| <b>Total Sales</b>                | <b>439,240.16</b>              | <b>100.00</b> | <b>2,939,450.54</b>             | <b>100.00</b> |
| <b>Gross Profit</b>               | <b>439,240.16</b>              | <b>100.00</b> | <b>2,939,450.54</b>             | <b>100.00</b> |
| <b>Operating Expenses</b>         |                                |               |                                 |               |
| Solid Waste Payments              | 75,533.06                      | 17.20         | 604,665.49                      | 20.57         |
| Water Purchases                   | 40,049.25                      | 9.12          | 262,974.26                      | 8.95          |
| Operations Labor - Pumping        | 7,768.40                       | 1.77          | 56,830.32                       | 1.93          |
| Chemicals - Sewer                 | 5,048.60                       | 1.15          | 25,882.56                       | 0.88          |
| Contract Labor                    | 3,000.00                       | 0.68          | 6,000.00                        | 0.20          |
| Chemicals - Sewer                 | 0.00                           | 0.00          | 4,610.38                        | 0.16          |
| Supplies - Pumping                | 0.00                           | 0.00          | 2,888.24                        | 0.10          |
| Repairs - Pumping                 | 220.42                         | 0.05          | 10,220.42                       | 0.35          |
| Telephone & Utilities - Pumping   | 0.00                           | 0.00          | 1,564.51                        | 0.05          |
| Lab Services                      | 4,750.00                       | 1.08          | 4,750.00                        | 0.16          |
| Chemicals                         | 10,903.20                      | 2.48          | 59,910.62                       | 2.04          |
| Sewer Supplies                    | 0.00                           | 0.00          | 5,550.85                        | 0.19          |
| Supplies                          | 0.00                           | 0.00          | 502.55                          | 0.02          |
| Natural Gas-WTP                   | 251.30                         | 0.06          | 2,161.66                        | 0.07          |
| Operations Labor - T & D          | 49,453.04                      | 11.26         | 343,842.13                      | 11.70         |
| Wages - Sewer                     | 0.00                           | 0.00          | 6,000.00                        | 0.20          |
| Wages - Sewer                     | 1,869.00                       | 0.43          | 14,670.00                       | 0.50          |
| Uniform Rental - T & D            | 0.00                           | 0.00          | 2,717.14                        | 0.09          |
| Supplies - T & D                  | 19,943.15                      | 4.54          | 76,716.50                       | 2.61          |
| Vehicle Repairs - T & D           | 3,130.41                       | 0.71          | 9,560.57                        | 0.33          |
| Utilities - T & D                 | 28,199.24                      | 6.42          | 237,763.52                      | 8.09          |
| Repairs Pump - T & D              | 0.00                           | 0.00          | 25,599.83                       | 0.87          |
| Uniform Rental - T & D            | 0.00                           | 0.00          | 7,258.25                        | 0.25          |
| Vehicle Repairs - T & D           | 6,509.94                       | 1.48          | 20,830.72                       | 0.71          |
| Repairs - T & D                   | 4,293.00                       | 0.98          | 15,084.03                       | 0.51          |
| Fuel-Gasoline                     | 6,035.98                       | 1.37          | 37,440.85                       | 1.27          |
| Lab Services - Distribution       | 0.00                           | 0.00          | 38,932.80                       | 1.32          |
| Utilities - Sewer                 | 0.00                           | 0.00          | 2,464.47                        | 0.08          |
| Uniform Rental                    | 0.00                           | 0.00          | 3,007.30                        | 0.10          |
| Utilities                         | 0.00                           | 0.00          | 27,637.74                       | 0.94          |
| Repairs - Sewer                   | 625.00                         | 0.14          | 6,442.18                        | 0.22          |
| Repairs-Sewer                     | 0.00                           | 0.00          | 375.00                          | 0.01          |

Restricted For Management Use Only



**Southern Water and Sewer District**  
**INCOME STATEMENT - CONSOLIDATED**  
**For the 1 Month and 7 Months Ended July 31, 2016**

|  | 1 Month Ended<br>July 31, 2016 | %            | 7 Months Ended<br>July 31, 2016 | %             |
|--|--------------------------------|--------------|---------------------------------|---------------|
| Safety supplies                        | 0.00                           | 0.00         | 973.14                          | 0.03          |
| Billing Postage                        | 1,146.01                       | 0.26         | 13,103.52                       | 0.45          |
| BILLING CARDS                          | 0.00                           | 0.00         | 1,978.25                        | 0.07          |
| Wages - Office                         | 10,338.75                      | 2.35         | 75,374.62                       | 2.56          |
| Office Postage                         | 36.23                          | 0.01         | 4,684.38                        | 0.16          |
| Office Supplies                        | 1,064.81                       | 0.24         | 8,481.49                        | 0.29          |
| Telephone & Utilities - Office         | 764.40                         | 0.17         | 10,644.63                       | 0.36          |
| Bank Charges                           | 1,804.17                       | 0.41         | 9,247.05                        | 0.31          |
| Health Insurance                       | 37,688.03                      | 8.58         | 153,826.18                      | 5.23          |
| Shipping                               | 0.00                           | 0.00         | 22.00                           | 0.00          |
| Dental Insurance                       | 863.09                         | 0.20         | 5,815.01                        | 0.20          |
| Workers Comp                           | 2,525.29                       | 0.57         | 24,200.12                       | 0.82          |
| Life Ins.                              | 3,135.35                       | 0.71         | 13,822.08                       | 0.47          |
| Contract Labor - Administration        | 0.00                           | 0.00         | 200.00                          | 0.01          |
| Credit Card Payment Fees               | 0.00                           | 0.00         | 5.95                            | 0.00          |
| Worker's Compensation                  | 0.00                           | 0.00         | 5,488.59                        | 0.19          |
| Property Insurance                     | 965.59                         | 0.22         | 26,844.17                       | 0.91          |
| Legal                                  | 0.00                           | 0.00         | 3,000.00                        | 0.10          |
| Accounting                             | 1,800.00                       | 0.41         | 12,799.00                       | 0.44          |
| Professional Fees                      | 0.00                           | 0.00         | 9,020.00                        | 0.31          |
| Property Insurance                     | 0.00                           | 0.00         | 55,477.37                       | 1.89          |
| Commissioners Bond                     | 0.00                           | 0.00         | 2,315.95                        | 0.08          |
| Commissioner's Fee                     | 2,000.00                       | 0.46         | 13,500.00                       | 0.46          |
| Misc. Expenses                         | 547.05                         | 0.12         | 9,751.67                        | 0.33          |
| Training                               | 116.69                         | 0.03         | 1,306.26                        | 0.04          |
| Advertising                            | 279.90                         | 0.06         | 507.18                          | 0.02          |
| Interest & Penalty Notices             | 0.00                           | 0.00         | 37.41                           | 0.00          |
| Depreciation Expense                   | 63,382.08                      | 14.43        | 443,674.56                      | 15.09         |
| Depreciation Expense                   | 8,496.82                       | 1.93         | 59,477.74                       | 2.02          |
| Payroll Taxes                          | 5,674.29                       | 1.29         | 49,437.62                       | 1.68          |
| PSC Taxes                              | 0.00                           | 0.00         | 8,948.42                        | 0.30          |
| Employer Pension Expense               | 1,332.57                       | 0.30         | 9,967.76                        | 0.34          |
| Health Care Reimbursements             | 0.00                           | 0.00         | 1,919.51                        | 0.07          |
| <b>Total Operating Expenses</b>        | <b>411,544.11</b>              | <b>93.69</b> | <b>2,960,706.52</b>             | <b>100.72</b> |
| <b>Operating Income (Loss)</b>         | <b>27,696.05</b>               | <b>6.31</b>  | <b>(21,255.98)</b>              | <b>(0.72)</b> |
| <b>Other Income (Expense)</b>          |                                |              |                                 |               |
| Interest Expense - First Guaranty Bank | (206.16)                       | 0.05         | (2,721.30)                      | 0.09          |
| Interest Expense - LOC                 | (1,000.00)                     | 0.23         | (10,336.49)                     | 0.35          |
| Amortization of Premium                | (205.02)                       | 0.05         | (1,435.14)                      | 0.05          |
| Interest Expense - KIA                 | (7,332.21)                     | 1.67         | (43,071.59)                     | 1.47          |
| Interest Expense - Bonds               | (13,968.35)                    | 3.18         | (85,965.85)                     | 2.92          |
| Interest Income - Now                  | 49.02                          | 0.01         | 361.92                          | 0.01          |
| Bond Interest Credit Income            | 0.00                           | 0.00         | 1,787.17                        | 0.06          |
| Grant Income (Dept of Transportation)  | 149,441.72                     | 34.02        | 351,303.25                      | 11.95         |
| Rural Development - Allen to Martin WT | 184,460.17                     | 42.00        | 184,460.17                      | 6.28          |
| <b>Total Other Income (Expense)</b>    | <b>311,239.17</b>              | <b>70.86</b> | <b>394,382.14</b>               | <b>13.42</b>  |
| <b>Net Income (Loss) Before Taxes</b>  | <b>338,935.22</b>              | <b>77.16</b> | <b>373,126.16</b>               | <b>12.69</b>  |

Restricted For Management Use Only

**Southern Water and Sewer District**  
**INCOME STATEMENT - CONSOLIDATED**  
**For the 1 Month and 7 Months Ended July 31, 2016**

|                   | 1 Month Ended<br>July 31, 2016 | %     | 7 Months Ended<br>July 31, 2016 | %     |
|-------------------|--------------------------------|-------|---------------------------------|-------|
| Net Income (Loss) | \$ 338,935.22                  | 77.16 | \$ 373,126.16                   | 12.69 |



**Southern Water and Sewer District**  
**INCOME STATEMENT - WATER**  
**For the 1 Month and 7 Months Ended July 31, 2016**

|                                 | 1 Month Ended<br>July 31, 2016 | %            | 7 Months Ended<br>July 31, 2016 | %            |
|---------------------------------|--------------------------------|--------------|---------------------------------|--------------|
| <b>Sales</b>                    |                                |              |                                 |              |
| Metered Sales - Residential     | \$ 295,816.77                  | 67.35        | \$ 1,986,072.49                 | 67.57        |
| Metered Sales - Business        | 7,713.00                       | 1.76         | 54,653.03                       | 1.86         |
| Sales for Resale                | 4,112.74                       | 0.94         | 29,842.97                       | 1.02         |
| Penalties                       | 7,839.70                       | 1.78         | 48,826.88                       | 1.66         |
| Meter Service                   | 5,795.15                       | 1.32         | 28,709.83                       | 0.98         |
| Tap fees                        | 1,373.12                       | 0.31         | 4,871.48                        | 0.17         |
| Other Income                    | 4,050.00                       | 0.92         | 6,550.00                        | 0.22         |
| Garbage Sales Revenue           | 77,644.88                      | 17.68        | 544,790.00                      | 18.53        |
| Miscellaneous Income            | 20,154.72                      | 4.59         | 135,654.72                      | 4.61         |
| Less Returns & Allowances       | 0.00                           | 0.00         | 0.00                            | 0.00         |
| <b>Total Sales</b>              | <b>424,500.08</b>              | <b>96.64</b> | <b>2,839,971.40</b>             | <b>96.62</b> |
| <b>Gross Profit</b>             | <b>424,500.08</b>              | <b>96.64</b> | <b>2,839,971.40</b>             | <b>96.62</b> |
| <b>Operating Expenses</b>       |                                |              |                                 |              |
| Solid Waste Payments            | 75,533.06                      | 17.20        | 604,665.49                      | 20.57        |
| Water Purchases                 | 40,049.25                      | 9.12         | 262,974.26                      | 8.95         |
| Operations Labor - Pumping      | 7,768.40                       | 1.77         | 56,830.32                       | 1.93         |
| Supplies - Pumping              | 0.00                           | 0.00         | 2,888.24                        | 0.10         |
| Repairs - Pumping               | 220.42                         | 0.05         | 10,220.42                       | 0.35         |
| Telephone & Utilities - Pumping | 0.00                           | 0.00         | 1,564.51                        | 0.05         |
| Lab Services                    | 4,750.00                       | 1.08         | 4,750.00                        | 0.16         |
| Chemicals                       | 10,903.20                      | 2.48         | 59,910.62                       | 2.04         |
| Natural Gas-WTP                 | 251.30                         | 0.06         | 2,161.66                        | 0.07         |
| Operations Labor - T & D        | 49,453.04                      | 11.26        | 343,842.13                      | 11.70        |
| Uniform Rental - T & D          | 0.00                           | 0.00         | 2,717.14                        | 0.09         |
| Supplies - T & D                | 19,943.15                      | 4.54         | 76,716.50                       | 2.61         |
| Vehicle Repairs - T & D         | 3,130.41                       | 0.71         | 9,560.57                        | 0.33         |
| Utilities - T & D               | 28,199.24                      | 6.42         | 237,763.52                      | 8.09         |
| Repairs Pump - T & D            | 0.00                           | 0.00         | 25,599.83                       | 0.87         |
| Uniform Rental - T & D          | 0.00                           | 0.00         | 7,258.25                        | 0.25         |
| Vehicle Repairs - T & D         | 6,509.94                       | 1.48         | 20,830.72                       | 0.71         |
| Repairs - T & D                 | 4,293.00                       | 0.98         | 15,084.03                       | 0.51         |
| Fuel-Gasoline                   | 6,035.98                       | 1.37         | 37,440.85                       | 1.27         |
| Lab Services - Distribution     | 0.00                           | 0.00         | 38,932.80                       | 1.32         |
| Safety supplies                 | 0.00                           | 0.00         | 973.14                          | 0.03         |
| Billing Postage                 | 1,146.01                       | 0.26         | 13,103.52                       | 0.45         |
| BILLING CARDS                   | 0.00                           | 0.00         | 1,978.25                        | 0.07         |
| Wages - Office                  | 10,338.75                      | 2.35         | 75,374.62                       | 2.56         |
| Office Postage                  | 36.23                          | 0.01         | 4,684.38                        | 0.16         |
| Office Supplies                 | 1,064.81                       | 0.24         | 8,481.49                        | 0.29         |
| Telephone & Utilities - Office  | 764.40                         | 0.17         | 10,644.63                       | 0.36         |
| Bank Charges                    | 1,804.17                       | 0.41         | 9,247.05                        | 0.31         |
| Health Insurance                | 37,688.03                      | 8.58         | 153,826.18                      | 5.23         |
| Shipping                        | 0.00                           | 0.00         | 22.00                           | 0.00         |
| Dental Insurance                | 863.09                         | 0.20         | 5,815.01                        | 0.20         |
| Workers Comp                    | 2,525.29                       | 0.57         | 24,200.12                       | 0.82         |
| Life Ins.                       | 3,135.35                       | 0.71         | 13,822.08                       | 0.47         |
| Contract Labor - Administration | 0.00                           | 0.00         | 200.00                          | 0.01         |
| Credit Card Payment Fees        | 0.00                           | 0.00         | 5.95                            | 0.00         |

Restricted For Management Use Only

**Southern Water and Sewer District  
Transaction Listing**

| Date     | Reference | Account | Account Description      | Description                        | Amount     | Reference Total |
|----------|-----------|---------|--------------------------|------------------------------------|------------|-----------------|
| 07/06/16 | 1017      | 16201   | Construction in Progress | KY ENGINEERING<br>GROUP            | 8,042.87   | 8,042.87        |
| 07/06/16 | 1018      | 16201   | Construction in Progress | BOCA ENTERPRISES                   | 113,574.48 | 113,574.48      |
| 07/27/16 | 1051      | 16201   | Construction in Progress | BOCA ENTERPRISES                   | 79,894.36  | 79,894.36       |
| 07/27/16 | 1054      | 16201   | Construction in Progress | KY ENGINEERING<br>GROUP            | 5,657.78   | 5,657.78        |
| 07/27/16 | 1055      | 16201   | Construction in Progress | RALPH STEVENS                      | 2,096.25   | 2,096.25        |
| 07/27/16 | 1056      | 16201   | Construction in Progress | KY ENGINEERING<br>GROUP            | 4,938.37   | 4,938.37        |
| 07/27/16 | 1057      | 16201   | Construction in Progress | RUBIN & HAYES                      | 6,649.98   | 6,649.98        |
| 07/14/16 | 1059      | 72155   | Property Insurance       | KLC INSURANCE<br>SERVICES          | 369.59     | 369.59          |
| 07/21/16 | 1103      | 60001   | Solid Waste Payments     | FLOYD COUNTY<br>SOLID WASTE        | 76,227.23  | 76,227.23       |
| 07/14/16 | 1465      | 93501   | Transfer of Funds        | SWSD                               | 30,000.00  | 30,000.00       |
| 07/18/16 | 1466      | 72103   | Office Supplies          | DEAN HALL                          | 82.41      | 82.41           |
| 07/20/16 | 1467      | 70301   | Billing Postage          | US POSTAL SERVICE                  | 259.45     | 259.45          |
| 07/21/16 | 1468      | 93501   | Transfer of Funds        | SWSD                               | 22,000.00  | 22,000.00       |
| 07/21/16 | 1469      | 64104   | Utilities - T & D        | AMERICAN<br>ELECTRIC POWER         | 21,279.60  | 21,279.60       |
| 07/15/16 | 13764     | 16201   | Construction in Progress | BOCA ENTERPRISES                   | 137,598.00 | 137,598.00      |
| 07/15/16 | 13765     | 16201   | Construction in Progress | KY ENGINEERING<br>GROUP            | 11,843.72  | 11,843.72       |
| 07/14/16 | 13767     | 60002   | Water Purchases          | CITY OF PIKEVILLE                  | 18,359.80  | 18,359.80       |
| 07/15/16 | 13768     | 64108   | Repairs - T & D          | JIMMY ADKINS                       | 1,600.00   | 1,600.00        |
| 07/15/16 | 13769     | 73003   | Misc. Expenses           | TERESA HALL                        | 200.00     | 200.00          |
| 07/15/16 | 13770     | 70301   | Billing Postage          | USPS                               | 886.56     | 886.56          |
| 07/18/16 | 13771     | 64104   | Utilities - T & D        | BIG SANDY RECC                     | 3,499.62   | 3,499.62        |
| 07/22/16 | 13772     | 62305   | Chemicals                | C.I. THORNBURG                     | 6,087.60   | 6,087.60        |
| 07/22/16 | 13773     | 73003   | Misc. Expenses           | CHRIS FRANCIS                      | 39.07      | 39.07           |
| 07/29/16 | 13776     | 62020   | Chemicals - Sewer        | C.I. THORNBURG                     | 5,048.60   | 5,048.60        |
| 07/29/16 | 13777     | 64103   | Vehicle Repairs - T & D  | JONES BODY SHOP                    | 60.00      | 60.00           |
| 07/18/16 | 13778     | 64102   | Supplies - T & D         | FORTLINE INC                       | 8,666.85   | 8,666.85        |
| 07/18/16 | 13779     | 64102   | Supplies - T & D         | HAYES PIPE SUPPLY                  | 2,983.46   | 2,983.46        |
| 07/18/16 | 13780     | 73003   | Misc. Expenses           | HI TECH SECURITY                   | 24.99      | 24.99           |
| 07/18/16 | 13781     | 62501   | Natural Gas-WTP          | KY FRONTIER GAS                    | 9.74       | 9.74            |
| 07/18/16 | 13782     | 64154   | Repairs - Sewer          | MCKINNEY'S SEPTIC<br>SERVICE       | 625.00     | 625.00          |
| 07/18/16 | 13783     | 62302   | Repairs - Pumping        | MICRO COMM, INC.                   | 220.42     | 220.42          |
| 07/18/16 | 13784     | 64102   | Supplies - T & D         | MOORE'S<br>HARDWARE                | 3,076.43   | 3,076.43        |
| 07/18/16 | 13785     | 64102   | Supplies - T & D         | P & J TRAILERS                     | 715.84     | 715.84          |
| 07/18/16 | 13786     | 60002   | Water Purchases          | PRESTONSBURG<br>CITY UTILITIES     | 18,839.61  | 18,839.61       |
| 07/18/16 | 13787     | 64103   | Vehicle Repairs - T & D  | TWIN BRIDGE AUTO<br>PARTS          | 1,162.36   | 1,162.36        |
| 07/18/16 | 13788     | 64108   | Repairs - T & D          | VERMEER SALES &<br>SERVICES        | 4,293.00   | 4,293.00        |
| 07/18/16 | 13789     | 64103   | Vehicle Repairs - T & D  | WILDCAT TIRES                      | 1,408.05   | 1,408.05        |
| 07/18/16 | 13790     | 72155   | Property Insurance       | WRIGHT NATIONAL<br>FLOOD INSURANCE | 596.00     | 596.00          |
| 07/01/16 | 13931     | 62050   | Contract Labor           | C & L<br>CONSTRUCTION              | 3,000.00   | 3,000.00        |
| 07/01/16 | 13932     | 23501   | Customer Deposits        | TIMOTHY ANGELA<br>SMITH            | 117.77     | 117.77          |
| 07/01/16 | 13936     | 72103   | Office Supplies          | WALMART                            | 326.20     | 326.20          |
| 07/01/16 | 13941     | 73001   | Commissioner's Fee       | PAULA JOHNSON                      | 500.00     | 500.00          |
| 07/08/16 | 13942     | 64108   | Repairs - T & D          | FRASURE ELECTRIC                   | 5,000.00   | 5,000.00        |
| 07/01/16 | 13943     | 70301   | Billing Postage          | MCDOWELL<br>POSTMASTER             | 1,890.29   | 1,890.29        |
| 07/05/16 | 13944     | 72103   | Office Supplies          | STAPLES                            | 656.20     | 656.20          |
| 07/06/16 | 13945     | 64108   | Repairs - T & D          | MidWest Equipment                  |            |                 |



**Southern Water and Sewer District  
Transaction Listing**

| Date     | Reference | Account | Account Description     | Description            | Amount   | Reference Total |
|----------|-----------|---------|-------------------------|------------------------|----------|-----------------|
|          |           |         |                         | Sales                  | 1,688.94 | 1,688.94        |
| 07/06/16 | 13946     | 64108   | Repairs - T & D         | Mountain Aggregates    | 551.75   | 551.75          |
| 07/09/16 | 13947     | 64103   | Vehicle Repairs - T & D | CONLEY TIRE            | 500.00   | 500.00          |
| 07/08/16 | 13948     | 62305   | Chemicals               | C.I. THORNBURG         | 4,815.60 | 4,815.60        |
| 07/07/16 | 13949     | 64102   | Supplies - T & D        | MID WEST               |          |                 |
|          |           |         |                         | EQUIPMENT SALES        | 1,527.69 | 1,527.69        |
| 07/08/16 | 13950     | 62301   | Supplies - Pumping      | CHRIS FRANCIS          | 866.59   | 866.59          |
| 07/08/16 | 13951     | 62301   | Supplies - Pumping      | CONTINENTAL            |          |                 |
|          |           |         |                         | HYDRODYNE              | 171.00   | 171.00          |
| 07/08/16 | 13952     | Payroll |                         | WEBB, MARIBETH         | 1,297.78 | 1,297.78        |
| 07/08/16 | 13953     | Payroll |                         | OSBORNE, LARRY J       | 424.15   | 424.15          |
| 07/08/16 | 13954     | Payroll |                         | JACOBS, JOSEPH G       | 455.40   | 455.40          |
| 07/08/16 | 13955     | Payroll |                         | HALL, BARRY            | 424.15   | 424.15          |
| 07/08/16 | 13956     | Payroll |                         | BURKE, PAULA           | 859.16   | 859.16          |
| 07/08/16 | 13957     | Payroll |                         | ROBINSON, AMBER        | 664.08   | 664.08          |
| 07/08/16 | 13958     | Payroll |                         | AUTON, ELIZABETH       | 747.49   | 747.49          |
| 07/08/16 | 13959     | Payroll |                         | HAMILTON, HAYES        | 383.77   | 383.77          |
| 07/08/16 | 13960     | Payroll |                         | HUNTER, EVERETT R      | 726.46   | 726.46          |
| 07/08/16 | 13961     | Payroll |                         | HALL, GEORGE           | 990.03   | 990.03          |
| 07/08/16 | 13962     | Payroll |                         | HALL, DEAN M           | 1,771.05 | 1,771.05        |
| 07/08/16 | 13963     | Payroll |                         | HARRISON, DON E        | 1,408.05 | 1,408.05        |
| 07/08/16 | 13964     | Payroll |                         | ADKINS,                |          |                 |
|          |           |         |                         | CHRISTOPHER O          | 1,070.39 | 1,070.39        |
| 07/08/16 | 13965     | Payroll |                         | JUSTICE, DUSTIN R      | 932.92   | 932.92          |
| 07/08/16 | 13966     | Payroll |                         | WILKS, ROBERT S        | 803.45   | 803.45          |
| 07/08/16 | 13967     | Payroll |                         | SALYER, REECE          | 1,444.96 | 1,444.96        |
| 07/08/16 | 13968     | Payroll |                         | CONLEY, JUSTIN         | 861.81   | 861.81          |
| 07/08/16 | 13969     | Payroll |                         | TICE, JOSEPH           | 640.09   | 640.09          |
| 07/08/16 | 13970     | Payroll |                         | JOHNSON, RICHARD       | 860.70   | 860.70          |
| 07/08/16 | 13971     | Payroll |                         | CROWDER, LOGAN M       | 961.65   | 961.65          |
| 07/08/16 | 13972     | Payroll |                         | SALISBURY,             |          |                 |
|          |           |         |                         | ANTHONY E. B           | 675.48   | 675.48          |
| 07/08/16 | 13973     | Payroll |                         | ADKINS, RAY V          | 815.08   | 815.08          |
| 07/08/16 | 13974     | Payroll |                         | HORNE, DAVID R         | 1,351.29 | 1,351.29        |
| 07/08/16 | 13975     | Payroll |                         | COLLINS, CODY          | 885.99   | 885.99          |
| 07/08/16 | 13976     | Payroll |                         | COMPTON, JOSEPH T      | 765.01   | 765.01          |
| 07/08/16 | 13977     | Payroll |                         | HALL, SHANNON L        | 804.20   | 804.20          |
| 07/08/16 | 13978     | Payroll |                         | CATRON, BARRY          | 637.94   | 637.94          |
| 07/08/16 | 13979     | Payroll |                         | ROBINSON,              |          |                 |
|          |           |         |                         | CHRISTOPHER            | 1,420.61 | 1,420.61        |
| 07/08/16 | 13980     | Payroll |                         | HACKWORTH,             |          |                 |
|          |           |         |                         | KENDALL W              | 853.79   | 853.79          |
| 07/08/16 | 13981     | Payroll |                         | BOLEN, PRESTON L       | 734.93   | 734.93          |
| 07/08/16 | 13982     | Payroll |                         | FRANCIS, CHRIS         | 1,097.07 | 1,097.07        |
| 07/08/16 | 13983     | 23607   | Garnishee               | Child Support          |          |                 |
|          |           |         |                         | Enforcement            | 320.53   | 320.53          |
| 07/08/16 | 13984     | 23603   | Accrued Ky WTH          | KY State Treasurer     | 3,009.14 | 3,009.14        |
| 07/08/16 | 13985     | 72302   | Accounting              | Michael Spears         | 1,800.00 | 1,800.00        |
| 07/08/16 | 13986     | 23604   | Accrued KUI/FUTA        | Treasurere KY Unempl.  |          |                 |
|          |           |         |                         | Ins. Fund              | 2,991.47 | 2,991.47        |
| 07/08/16 | 13987     | 23601   | Accrued Fica            | United States Treasury | 98.69    | 98.69           |
| 07/22/16 | 13988     | Payroll |                         | WEBB, MARIBETH         | 1,277.31 | 1,277.31        |
| 07/22/16 | 13989     | Payroll |                         | BURKE, PAULA           | 831.80   | 831.80          |
| 07/22/16 | 13990     | Payroll |                         | ROBINSON, AMBER        | 669.44   | 669.44          |
| 07/22/16 | 13991     | Payroll |                         | AUTON, ELIZABETH       | 753.73   | 753.73          |
| 07/22/16 | 13992     | Payroll |                         | HUNTER, EVERETT R      | 726.45   | 726.45          |
| 07/22/16 | 13993     | Payroll |                         | HALL, GEORGE           | 1,467.96 | 1,467.96        |
| 07/22/16 | 13994     | Payroll |                         | HALL, DEAN M           | 1,771.04 | 1,771.04        |
| 07/22/16 | 13995     | Payroll |                         | HARRISON, DON E        | 1,465.29 | 1,465.29        |
| 07/22/16 | 13996     | Payroll |                         | ADKINS,                |          |                 |
|          |           |         |                         | CHRISTOPHER O          | 812.66   | 812.66          |
| 07/22/16 | 13997     | Payroll |                         | JUSTICE, DUSTIN R      | 736.88   | 736.88          |



**Southern Water and Sewer District  
Transaction Listing**

| Date                   | Reference | Account | Account Description | Description                 | Amount   | Reference         |
|------------------------|-----------|---------|---------------------|-----------------------------|----------|-------------------|
|                        |           |         |                     |                             |          | Total             |
| 07/22/16               | 13998     | Payroll |                     | WILKS, ROBERT S             | 301.52   | 301.52            |
| 07/22/16               | 13999     | Payroll |                     | SALYER, REECE               | 1,350.69 | 1,350.69          |
| 07/22/16               | 14000     | Payroll |                     | CONLEY, JUSTIN              | 747.68   | 747.68            |
| 07/22/16               | 14001     | Payroll |                     | TICE, JOSEPH                | 640.10   | 640.10            |
| 07/22/16               | 14002     | Payroll |                     | JOHNSON, RICHARD            | 631.92   | 631.92            |
| 07/22/16               | 14003     | Payroll |                     | CROWDER, LOGAN M            | 811.35   | 811.35            |
| 07/22/16               | 14004     | Payroll |                     | SALISBURY,<br>ANTHONY E. B  | 675.48   | 675.48            |
| 07/22/16               | 14005     | Payroll |                     | ADKINS, RAY V               | 718.63   | 718.63            |
| 07/22/16               | 14006     | Payroll |                     | HORNE, DAVID R              | 770.63   | 770.63            |
| 07/22/16               | 14007     | Payroll |                     | COLLINS, CODY               | 692.80   | 692.80            |
| 07/22/16               | 14008     | Payroll |                     | COMPTON, JOSEPH T           | 787.97   | 787.97            |
| 07/22/16               | 14009     | Payroll |                     | HALL, SHANNON L             | 715.36   | 715.36            |
| 07/22/16               | 14010     | Payroll |                     | CATRON, BARRY               | 679.28   | 679.28            |
| 07/22/16               | 14011     | Payroll |                     | ROBINSON,<br>CHRISTOPHER    | 1,243.17 | 1,243.17          |
| 07/22/16               | 14012     | Payroll |                     | HACKWORTH,<br>KENDALL W     | 950.38   | 950.38            |
| 07/22/16               | 14013     | Payroll |                     | BOLEN, PRESTON L            | 976.06   | 976.06            |
| 07/22/16               | 14014     | Payroll |                     | FRANCIS, CHRIS              | 1,097.06 | 1,097.06          |
| 07/19/16               | 14015     | 23606   | Accrued Sales Tax   | Kentucky State<br>Treasurer | 655.69   | 655.69            |
| 07/19/16               | 14016     | 23606   | Accrued Sales Tax   | Kentucky State<br>Treasurer | 620.93   | 620.93            |
| <b>Total of Checks</b> |           |         |                     |                             |          | <b>682,097.14</b> |

Total Debits 682,097.14 Total Credits 0.00

Number of Transactions 117

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

July 25, 2016

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

RE: June 2016 Financial Statements

Dear Commissioner,

Enclosed you will find your financial statements for the period ended June 30, 2016. In this letter I am giving you some pertinent highlights as I see them.

Balance Sheet as of June 30, 2016


- Cash in Bank is \$65,438
- Restricted Cash is \$662,024
- Accounts Receivable is \$1,416,077
- Plant in place is \$25,163,917
- Equity is \$20,016,551

Income Statement – for the month ended June 30, 2016

- Operating Revenue is \$528,126 (Including \$115,000 from PCUC)
- Operating Expenses Less Depreciation of \$71,879 is \$431,453
- Other Income (Construction Income & Interest) \$27,666
- Other Expense (\$24,315)
- Net Income/(Loss) before depreciation expense is \$100,023
- Net Income/(Loss) after depreciation expense of \$71,879 is \$28,144

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 District**  
**BALANCE SHEET**  
**As of June 30, 2016**  
**ASSETS**

**CURRENT ASSETS**

|                                      |              |
|--------------------------------------|--------------|
| Cash on Hand                         | \$ 460.00    |
| First Guaranty - New                 | (4,350.32)   |
| Cash - Community Trust Bank (SV)     | 69,788.11    |
| First Guaranty - Solid Waste Account | 761.47       |
| Accounts Receivable - Water          | 798,626.73   |
| Accounts Receivable - Garbage        | 495,722.77   |
| Accounts Receivable - Sewer          | 121,727.21   |
| A/R - CDBG Grant                     | 5,000.00     |
| Provision for Uncollectible Accounts | (235,324.66) |
| Materials and Supplies               | 101,231.80   |
| KIA Escrow - New                     | 25,269.78    |
| KIA R & M Reserve - New              | 62,266.80    |
| KIA R & M Reserve #3 - New           | 60,344.29    |
| First Guaranty - RD Account          | 906.82       |
| RD Depreciation Reserve Acct.        | 40,430.43    |
| RD Escrow Acct                       | 120,207.50   |
| 1st Guaranty - FEMA Reimbursements   | 21,344.60    |
| FGB - Rural Development Construction | 4,556.35     |
| FGB - Capital Improvement Account    | 52,728.78    |
| FGB - RD Sinking Fund (New)          | 27,348.34    |
| Cash - Pride on the River            | 970.26       |
| FEMA - 1976 - DR - KY                | 21,170.14    |
| Insurance Escrow Account             | 35,087.05    |
| KIA R & M RESERVE A04-06             | 37,095.00    |
| Construction Account                 | 45,077.94    |
| FGB - Customer Deposit Account       | 26,910.68    |
| FGB - Health Care Reimbursement      | 23,820.01    |
| FGB - Allen to Martin WTP            | 55,727.63    |

**Total Current Assets** 2,014,905.51

**PROPERTY AND EQUIPMENT**

|                                  |                        |
|----------------------------------|------------------------|
| Utility Plant                    | 34,843,909.96          |
| Utility Plant                    | 1,766,340.49           |
| Utility Plant Sewer              | 7,865,636.26           |
| Construction in Progress         | 1,729,187.45           |
| Construction in Progress - Sewer | 43,921.50              |
| Less: Accumulated Depreciation   | <u>(21,085,078.79)</u> |

**Net Property and Equipment** 25,163,916.87

**OTHER ASSETS**

|                          |                    |
|--------------------------|--------------------|
| Prepaid Interest         | 98,409.92          |
| Accumulated Amortization | <u>(35,673.57)</u> |

**Total Other Assets** 62,736.35

**TOTAL ASSETS** \$ 27,241,558.73



**Southern Water and Sewer District**  
**BALANCE SHEET**  
**As of June 30, 2016**

**LIABILITIES AND STOCKHOLDERS' EQUITY**

**CURRENT LIABILITIES**

|                                       |    |                     |
|---------------------------------------|----|---------------------|
| Accounts Payable                      | \$ | 132,986.25          |
| A/P - CIP                             |    | 2,673.84            |
| N/P - FGB LOC                         |    | 223,000.00          |
| First Guaranty - Office Building      |    | 18,519.67           |
| N/P - FIRST GUARANTY (TRUCKS)         |    | 5,852.26            |
| N/P - FGB (DEAN'S TRUCK)              |    | 17,085.41           |
| N/P - CITIZEN'S NATIONAL (EXCAVATO    |    | 31,674.45           |
| Customer Deposits                     |    | 196,663.26          |
| Customer Deposits - Sewer             |    | 190.00              |
| Accrued Fed WTH                       |    | (749.90)            |
| Accrued Ky WTH                        |    | 4,598.79            |
| Accrued KUI/FUTA                      |    | 4,738.93            |
| Accrued School Tax                    |    | 7.73                |
| Accrued Sales Tax                     |    | 1,344.43            |
| Garnishee                             |    | 1,762.57            |
| Accrued 401-k                         |    | 6,858.13            |
| Accrued Vacation/Sick Pay             |    | 67,054.08           |
| Accrued Interest - KIA III            |    | 41,303.79           |
| Accrued Interest - Bonds              |    | 50,917.50           |
| Accrued Interest - New Bond           |    | 4,420.03            |
| Accrued Interest - Sandy Valley Bond  |    | 13,247.57           |
| Accrued Interest - Build America Bond |    | 3,753.76            |
| A/P - Solid Waste                     |    | 524,312.68          |
|                                       |    | <hr/>               |
| <b>Total Current Liabilities</b>      |    | <b>1,352,215.23</b> |

**LONG-TERM LIABILITIES**

|                                    |                     |
|------------------------------------|---------------------|
| Notes Payable Current Portion      | 476,322.31          |
| Less Current Portion Notes Payable | (476,322.31)        |
| Bonds Payable Current Portion      | 66,981.00           |
| N/P - KIA I                        | 542,395.07          |
| N/P - KIA III                      | 1,307,868.53        |
| Bonds Payable                      | 2,109,000.00        |
| N/P - KIA A-04-06                  | 34,019.07           |
| Bonds Payable (New)                | 195,000.00          |
| RD Note - Sandy Valley 589573      | 501,509.00          |
| USDA (530,000)                     | 487,000.00          |
| N/P - KIA (A11-16) Harold Sewer    | 696,001.13          |
| Less Current Portion Bonds Payable | (66,981.00)         |
|                                    | <hr/>               |
| <b>Total Long-Term Liabilities</b> | <b>5,872,792.80</b> |
|                                    | <hr/>               |
| <b>Total Liabilities</b>           | <b>7,225,008.03</b> |

**CAPITAL**

|                                 |               |
|---------------------------------|---------------|
| Invested in Capital Assets      | 17,705,548.00 |
| Restricted for Capital Projects | 30,110.00     |
| Restricted for Maintenance      | 120,145.00    |
| Restricted for Debt Services    | 144,655.00    |
| Unrestricted Net Assets         | 514,136.86    |
| Restricted for Deposits         | 175,189.00    |
| Current Earnings                | 168,490.31    |



**Southern Water and Sewer District**  
**BALANCE SHEET**  
**As of June 30, 2016**

|   |                         |
|---|-------------------------|
| Retained Earnings                                     | <u>1,158,276.53</u>     |
| <b>Total Stockholders' Equity</b>                     | <u>20,016,550.70</u>    |
| <b>TOTAL LIABILITIES AND<br/>STOCKHOLDERS' EQUITY</b> | <u>\$ 27,241,558.73</u> |

**Southern Water and Sewer District**  
**INCOME STATEMENT - CONSOLIDATED**  
**For the 1 Month and 6 Months Ended June 30, 2016**

|                                   | 1 Month Ended<br>June 30, 2016 | %             | 6 Months Ended<br>June 30, 2016 | %             |
|-----------------------------------|--------------------------------|---------------|---------------------------------|---------------|
| <b>Sales</b>                      |                                |               |                                 |               |
| Metered Sales - Residential       | \$ 293,355.95                  | 55.55         | \$ 1,690,255.72                 | 67.60         |
| Metered Sales - Business          | 8,880.00                       | 1.68          | 46,940.03                       | 1.88          |
| Metered Sales - Residential Sewer | 13,656.60                      | 2.59          | 79,795.75                       | 3.19          |
| Metered Sales - Business Sewer    | 836.14                         | 0.16          | 5,443.31                        | 0.22          |
| Sales for Resale                  | 4,146.12                       | 0.79          | 25,730.23                       | 1.03          |
| Penalties                         | 6,557.01                       | 1.24          | 40,987.18                       | 1.64          |
| Meter Service                     | 7,668.68                       | 1.45          | 22,914.68                       | 0.92          |
| Tap fees                          | 627.49                         | 0.12          | 3,498.36                        | 0.14          |
| Sewer Tap Fees                    | 0.00                           | 0.00          | (500.00)                        | (0.02)        |
| Other Income                      | 500.00                         | 0.09          | 2,500.00                        | 0.10          |
| Garbage Sales Revenue             | 76,897.62                      | 14.56         | 467,145.12                      | 18.68         |
| Miscellaneous Income              | 115,000.00                     | 21.78         | 115,500.00                      | 4.62          |
| Less Returns & Allowances         | 0.00                           | 0.00          | 0.00                            | 0.00          |
| <b>Total Sales</b>                | <b>528,125.61</b>              | <b>100.00</b> | <b>2,500,210.38</b>             | <b>100.00</b> |
| <b>Gross Profit</b>               | <b>528,125.61</b>              | <b>100.00</b> | <b>2,500,210.38</b>             | <b>100.00</b> |
| <b>Operating Expenses</b>         |                                |               |                                 |               |
| Solid Waste Payments              | 150,592.36                     | 28.51         | 529,132.43                      | 21.16         |
| Water Purchases                   | 37,199.41                      | 7.04          | 222,925.01                      | 8.92          |
| Operations Labor - Pumping        | 8,122.04                       | 1.54          | 49,061.92                       | 1.96          |
| Chemicals - Sewer                 | 0.00                           | 0.00          | 20,833.96                       | 0.83          |
| Contract Labor                    | 0.00                           | 0.00          | 3,000.00                        | 0.12          |
| Chemicals - Sewer                 | 0.00                           | 0.00          | 4,610.38                        | 0.18          |
| Supplies - Pumping                | 1,534.09                       | 0.29          | 2,888.24                        | 0.12          |
| Repairs - Pumping                 | 5,000.00                       | 0.95          | 10,000.00                       | 0.40          |
| Telephone & Utilities - Pumping   | 0.00                           | 0.00          | 1,564.51                        | 0.06          |
| Chemicals                         | 10,706.79                      | 2.03          | 49,007.42                       | 1.96          |
| Sewer Supplies                    | 0.00                           | 0.00          | 5,550.85                        | 0.22          |
| Supplies                          | 0.00                           | 0.00          | 502.55                          | 0.02          |
| Natural Gas-WTP                   | 483.12                         | 0.09          | 1,910.36                        | 0.08          |
| Operations Labor - T & D          | 45,805.13                      | 8.67          | 294,389.09                      | 11.77         |
| Wages - Sewer                     | 0.00                           | 0.00          | 6,000.00                        | 0.24          |
| Wages - Sewer                     | 1,963.50                       | 0.37          | 12,801.00                       | 0.51          |
| Uniform Rental - T & D            | 0.00                           | 0.00          | 2,717.14                        | 0.11          |
| Supplies - T & D                  | 948.70                         | 0.18          | 56,773.35                       | 2.27          |
| Vehicle Repairs - T & D           | 0.00                           | 0.00          | 6,430.16                        | 0.26          |
| Utilities - T & D                 | 59,854.01                      | 11.33         | 209,564.28                      | 8.38          |
| Repairs Pump - T & D              | 0.00                           | 0.00          | 25,599.83                       | 1.02          |
| Uniform Rental - T & D            | 2,476.75                       | 0.47          | 7,258.25                        | 0.29          |
| Vehicle Repairs - T & D           | 5,051.02                       | 0.96          | 14,320.78                       | 0.57          |
| Repairs - T & D                   | 8,840.69                       | 1.67          | 10,791.03                       | 0.43          |
| Fuel-Gasoline                     | 8,237.57                       | 1.56          | 31,404.87                       | 1.26          |
| Lab Services - Distribution       | 7,788.00                       | 1.47          | 38,932.80                       | 1.56          |
| Utilities - Sewer                 | 0.00                           | 0.00          | 2,464.47                        | 0.10          |
| Uniform Rental                    | 0.00                           | 0.00          | 3,007.30                        | 0.12          |
| Utilities                         | 3,076.09                       | 0.58          | 27,637.74                       | 1.11          |
| Repairs - Sewer                   | 0.00                           | 0.00          | 5,817.18                        | 0.23          |
| Repairs-Sewer                     | 0.00                           | 0.00          | 375.00                          | 0.01          |
| Safety supplies                   | 0.00                           | 0.00          | 973.14                          | 0.04          |

Restricted For Management Use Only

**Southern Water and Sewer District**  
**INCOME STATEMENT - CONSOLIDATED**  
**For the 1 Month and 6 Months Ended June 30, 2016**

|  | 1 Month Ended<br>June 30, 2016 | %            | 6 Months Ended<br>June 30, 2016 | %             |
|--|--------------------------------|--------------|---------------------------------|---------------|
| Billing Postage                        | 4,563.73                       | 0.86         | 11,957.51                       | 0.48          |
| BILLING CARDS                          | 0.00                           | 0.00         | 1,978.25                        | 0.08          |
| Wages - Office                         | 9,659.17                       | 1.83         | 65,035.87                       | 2.60          |
| Office Postage                         | 0.00                           | 0.00         | 4,648.15                        | 0.19          |
| Office Supplies                        | 111.48                         | 0.02         | 7,416.68                        | 0.30          |
| Telephone & Utilities - Office         | 1,059.55                       | 0.20         | 9,880.23                        | 0.40          |
| Bank Charges                           | 1,201.75                       | 0.23         | 7,442.88                        | 0.30          |
| Health Insurance                       | 21,606.89                      | 4.09         | 116,138.15                      | 4.65          |
| Shipping                               | 22.00                          | 0.00         | 22.00                           | 0.00          |
| Dental Insurance                       | 863.09                         | 0.16         | 4,951.92                        | 0.20          |
| Workers Comp                           | 0.00                           | 0.00         | 21,674.83                       | 0.87          |
| Life Ins.                              | 1,309.98                       | 0.25         | 10,686.73                       | 0.43          |
| Contract Labor - Administration        | 0.00                           | 0.00         | 200.00                          | 0.01          |
| Credit Card Payment Fees               | 0.00                           | 0.00         | 5.95                            | 0.00          |
| Worker's Compensation                  | 5,488.59                       | 1.04         | 5,488.59                        | 0.22          |
| Legal                                  | 1,000.00                       | 0.19         | 3,000.00                        | 0.12          |
| Accounting                             | 1,800.00                       | 0.34         | 10,999.00                       | 0.44          |
| Professional Fees                      | 0.00                           | 0.00         | 9,020.00                        | 0.36          |
| Property Insurance                     | 0.00                           | 0.00         | 55,477.37                       | 2.22          |
| Commissioners Bond                     | 0.00                           | 0.00         | 2,315.95                        | 0.09          |
| Commissioner's Fee                     | 2,000.00                       | 0.38         | 11,500.00                       | 0.46          |
| Misc. Expenses                         | 6,754.82                       | 1.28         | 9,204.62                        | 0.37          |
| Training                               | 154.50                         | 0.03         | 1,189.57                        | 0.05          |
| Advertising                            | 0.00                           | 0.00         | 227.28                          | 0.01          |
| Interest & Penalty Notices             | 0.00                           | 0.00         | 37.41                           | 0.00          |
| Depreciation Expense                   | 63,382.08                      | 12.00        | 380,292.48                      | 15.21         |
| Depreciation Expense                   | 8,496.82                       | 1.61         | 50,980.92                       | 2.04          |
| Payroll Taxes                          | 5,916.88                       | 1.12         | 43,763.33                       | 1.75          |
| PSC Taxes                              | 8,948.42                       | 1.69         | 8,948.42                        | 0.36          |
| Employer Pension Expense               | 1,312.67                       | 0.25         | 8,635.19                        | 0.35          |
| Health Care Reimbursements             | 0.00                           | 0.00         | 1,919.51                        | 0.08          |
| <b>Total Operating Expenses</b>        | <b>503,331.69</b>              | <b>95.31</b> | <b>2,523,283.83</b>             | <b>100.92</b> |
| <b>Operating Income (Loss)</b>         | <b>24,793.92</b>               | <b>4.69</b>  | <b>(23,073.45)</b>              | <b>(0.92)</b> |
| <b>Other Income (Expense)</b>          |                                |              |                                 |               |
| Interest Expense - First Guaranty Bank | (350.07)                       | 0.07         | (2,515.14)                      | 0.10          |
| Interest Expense - LOC                 | (4,336.49)                     | 0.82         | (9,336.49)                      | 0.37          |
| Amortization of Premium                | (205.02)                       | 0.04         | (1,230.12)                      | 0.05          |
| Interest Expense - KIA                 | (7,332.21)                     | 1.39         | (35,739.38)                     | 1.43          |
| Interest Expense - Bonds               | (12,091.47)                    | 2.29         | (71,997.50)                     | 2.88          |
| Interest Income - Now                  | 52.70                          | 0.01         | 312.90                          | 0.01          |
| Bond Interest Credit Income            | 1,787.17                       | 0.34         | 1,787.17                        | 0.07          |
| Grant Income (Dept of Transportation)  | 25,825.68                      | 4.89         | 201,861.53                      | 8.07          |
| Rural Development - Allen to Martin WT | 0.00                           | 0.00         | 108,420.79                      | 4.34          |
| <b>Total Other Income (Expense)</b>    | <b>3,350.29</b>                | <b>0.63</b>  | <b>191,563.76</b>               | <b>7.66</b>   |
| <b>Net Income (Loss) Before Taxes</b>  | <b>28,144.21</b>               | <b>5.33</b>  | <b>168,490.31</b>               | <b>6.74</b>   |
| <b>Net Income (Loss)</b>               | <b>\$ 28,144.21</b>            | <b>5.33</b>  | <b>\$ 168,490.31</b>            | <b>6.74</b>   |

Restricted For Management Use Only



**Southern Water and Sewer District**  
**INCOME STATEMENT - WATER**  
**For the 1 Month and 6 Months Ended June 30, 2016**

|                                 | 1 Month Ended<br>June 30, 2016 | %            | 6 Months Ended<br>June 30, 2016 | %            |
|---------------------------------|--------------------------------|--------------|---------------------------------|--------------|
| <b>Sales</b>                    |                                |              |                                 |              |
| Metered Sales - Residential     | \$ 293,355.95                  | 55.55        | \$ 1,690,255.72                 | 67.60        |
| Metered Sales - Business        | 8,880.00                       | 1.68         | 46,940.03                       | 1.88         |
| Sales for Resale                | 4,146.12                       | 0.79         | 25,730.23                       | 1.03         |
| Penalties                       | 6,557.01                       | 1.24         | 40,987.18                       | 1.64         |
| Meter Service                   | 7,668.68                       | 1.45         | 22,914.68                       | 0.92         |
| Tap fees                        | 627.49                         | 0.12         | 3,498.36                        | 0.14         |
| Other Income                    | 500.00                         | 0.09         | 2,500.00                        | 0.10         |
| Garbage Sales Revenue           | 76,897.62                      | 14.56        | 467,145.12                      | 18.68        |
| Miscellaneous Income            | 115,000.00                     | 21.78        | 115,500.00                      | 4.62         |
| Less Returns & Allowances       | 0.00                           | 0.00         | 0.00                            | 0.00         |
| <b>Total Sales</b>              | <b>513,632.87</b>              | <b>97.26</b> | <b>2,415,471.32</b>             | <b>96.61</b> |
| <b>Gross Profit</b>             | <b>513,632.87</b>              | <b>97.26</b> | <b>2,415,471.32</b>             | <b>96.61</b> |
| <b>Operating Expenses</b>       |                                |              |                                 |              |
| Solid Waste Payments            | 150,592.36                     | 28.51        | 529,132.43                      | 21.16        |
| Water Purchases                 | 37,199.41                      | 7.04         | 222,925.01                      | 8.92         |
| Operations Labor - Pumping      | 8,122.04                       | 1.54         | 49,061.92                       | 1.96         |
| Supplies - Pumping              | 1,534.09                       | 0.29         | 2,888.24                        | 0.12         |
| Repairs - Pumping               | 5,000.00                       | 0.95         | 10,000.00                       | 0.40         |
| Telephone & Utilities - Pumping | 0.00                           | 0.00         | 1,564.51                        | 0.06         |
| Chemicals                       | 10,706.79                      | 2.03         | 49,007.42                       | 1.96         |
| Natural Gas-WTP                 | 483.12                         | 0.09         | 1,910.36                        | 0.08         |
| Operations Labor - T & D        | 45,805.13                      | 8.67         | 294,389.09                      | 11.77        |
| Uniform Rental - T & D          | 0.00                           | 0.00         | 2,717.14                        | 0.11         |
| Supplies - T & D                | 948.70                         | 0.18         | 56,773.35                       | 2.27         |
| Vehicle Repairs - T & D         | 0.00                           | 0.00         | 6,430.16                        | 0.26         |
| Utilities - T & D               | 59,854.01                      | 11.33        | 209,564.28                      | 8.38         |
| Repairs Pump - T & D            | 0.00                           | 0.00         | 25,599.83                       | 1.02         |
| Uniform Rental - T & D          | 2,476.75                       | 0.47         | 7,258.25                        | 0.29         |
| Vehicle Repairs - T & D         | 5,051.02                       | 0.96         | 14,320.78                       | 0.57         |
| Repairs - T & D                 | 8,840.69                       | 1.67         | 10,791.03                       | 0.43         |
| Fuel-Gasoline                   | 8,237.57                       | 1.56         | 31,404.87                       | 1.26         |
| Lab Services - Distribution     | 7,788.00                       | 1.47         | 38,932.80                       | 1.56         |
| Safety supplies                 | 0.00                           | 0.00         | 973.14                          | 0.04         |
| Billing Postage                 | 4,563.73                       | 0.86         | 11,957.51                       | 0.48         |
| BILLING CARDS                   | 0.00                           | 0.00         | 1,978.25                        | 0.08         |
| Wages - Office                  | 9,659.17                       | 1.83         | 65,035.87                       | 2.60         |
| Office Postage                  | 0.00                           | 0.00         | 4,648.15                        | 0.19         |
| Office Supplies                 | 111.48                         | 0.02         | 7,416.68                        | 0.30         |
| Telephone & Utilities - Office  | 1,059.55                       | 0.20         | 9,880.23                        | 0.40         |
| Bank Charges                    | 1,201.75                       | 0.23         | 7,442.88                        | 0.30         |
| Health Insurance                | 21,606.89                      | 4.09         | 116,138.15                      | 4.65         |
| Shipping                        | 22.00                          | 0.00         | 22.00                           | 0.00         |
| Dental Insurance                | 863.09                         | 0.16         | 4,951.92                        | 0.20         |
| Workers Comp                    | 0.00                           | 0.00         | 21,674.83                       | 0.87         |
| Life Ins.                       | 1,309.98                       | 0.25         | 10,686.73                       | 0.43         |
| Contract Labor - Administration | 0.00                           | 0.00         | 200.00                          | 0.01         |
| Credit Card Payment Fees        | 0.00                           | 0.00         | 5.95                            | 0.00         |
| Legal                           | 1,000.00                       | 0.19         | 3,000.00                        | 0.12         |

Restricted For Management Use Only

**Southern Water and Sewer District**  
**INCOME STATEMENT - WATER**  
**For the 1 Month and 6 Months Ended June 30, 2016**

|  | 1 Month Ended<br>June 30, 2016 | %             | 6 Months Ended<br>June 30, 2016 | %             |
|--|--------------------------------|---------------|---------------------------------|---------------|
| Accounting                             | 1,800.00                       | 0.34          | 10,999.00                       | 0.44          |
| Professional Fees                      | 0.00                           | 0.00          | 9,020.00                        | 0.36          |
| Property Insurance                     | 0.00                           | 0.00          | 55,477.37                       | 2.22          |
| Commissioners Bond                     | 0.00                           | 0.00          | 2,315.95                        | 0.09          |
| Commissioner's Fee                     | 2,000.00                       | 0.38          | 11,500.00                       | 0.46          |
| Misc. Expenses                         | 6,754.82                       | 1.28          | 9,204.62                        | 0.37          |
| Training                               | 154.50                         | 0.03          | 1,189.57                        | 0.05          |
| Advertising                            | 0.00                           | 0.00          | 227.28                          | 0.01          |
| Interest & Penalty Notices             | 0.00                           | 0.00          | 37.41                           | 0.00          |
| Depreciation Expense                   | 63,382.08                      | 12.00         | 380,292.48                      | 15.21         |
| Depreciation Expense                   | 8,496.82                       | 1.61          | 50,980.92                       | 2.04          |
| Payroll Taxes                          | 5,916.88                       | 1.12          | 43,763.33                       | 1.75          |
| PSC Taxes                              | 8,948.42                       | 1.69          | 8,948.42                        | 0.36          |
| Employer Pension Expense               | 1,312.67                       | 0.25          | 8,635.19                        | 0.35          |
| Health Care Reimbursements             | 0.00                           | 0.00          | 1,919.51                        | 0.08          |
| <b>Total Operating Expenses</b>        | <b>492,803.51</b>              | <b>93.31</b>  | <b>2,425,194.81</b>             | <b>97.00</b>  |
| <b>Operating Income (Loss)</b>         | <b>20,829.36</b>               | <b>3.94</b>   | <b>(9,723.49)</b>               | <b>(0.39)</b> |
| <b>Other Income (Expense)</b>          |                                |               |                                 |               |
| Interest Expense - First Guaranty Bank | (350.07)                       | 0.07          | (2,515.14)                      | 0.10          |
| Interest Expense - LOC                 | (4,336.49)                     | 0.82          | (9,336.49)                      | 0.37          |
| Amortization of Premium                | (205.02)                       | 0.04          | (1,230.12)                      | 0.05          |
| Interest Expense - KIA                 | (7,332.21)                     | 1.39          | (35,739.38)                     | 1.43          |
| Interest Expense - Bonds               | (12,091.47)                    | 2.29          | (71,997.50)                     | 2.88          |
| Interest Income - Now                  | 52.70                          | 0.01          | 312.90                          | 0.01          |
| Bond Interest Credit Income            | 1,787.17                       | 0.34          | 1,787.17                        | 0.07          |
| Rural Development - Allen to Martin WT | 0.00                           | 0.00          | 108,420.79                      | 4.34          |
| <b>Total Other Income (Expense)</b>    | <b>(22,475.39)</b>             | <b>(4.26)</b> | <b>(10,297.77)</b>              | <b>(0.41)</b> |
| <b>Net Income (Loss) Before Taxes</b>  | <b>(1,646.03)</b>              | <b>(0.31)</b> | <b>(20,021.26)</b>              | <b>(0.80)</b> |
| <b>Net Income (Loss)</b>               | <b>\$ (1,646.03)</b>           | <b>(0.31)</b> | <b>\$ (20,021.26)</b>           | <b>(0.80)</b> |

**Southern Water and Sewer District**  
**INCOME STATEMENT - SEWER**  
**For the 1 Month and 6 Months Ended June 30, 2016**

|                                       | 1 Month Ended<br>June 30, 2016 | %           | 6 Months Ended<br>June 30, 2016 | %             |
|---------------------------------------|--------------------------------|-------------|---------------------------------|---------------|
| <b>Sales</b>                          |                                |             |                                 |               |
| Metered Sales - Residential Sewer     | \$ 13,656.60                   | 2.59        | \$ 79,795.75                    | 3.19          |
| Metered Sales - Business Sewer        | 836.14                         | 0.16        | 5,443.31                        | 0.22          |
| Sewer Tap Fees                        | 0.00                           | 0.00        | (500.00)                        | (0.02)        |
| Less Returns & Allowances             | 0.00                           | 0.00        | 0.00                            | 0.00          |
| <b>Total Sales</b>                    | <b>14,492.74</b>               | <b>2.74</b> | <b>84,739.06</b>                | <b>3.39</b>   |
| <b>Gross Profit</b>                   | <b>14,492.74</b>               | <b>2.74</b> | <b>84,739.06</b>                | <b>3.39</b>   |
| <b>Operating Expenses</b>             |                                |             |                                 |               |
| Chemicals - Sewer                     | 0.00                           | 0.00        | 20,833.96                       | 0.83          |
| Contract Labor                        | 0.00                           | 0.00        | 3,000.00                        | 0.12          |
| Chemicals - Sewer                     | 0.00                           | 0.00        | 4,610.38                        | 0.18          |
| Sewer Supplies                        | 0.00                           | 0.00        | 5,550.85                        | 0.22          |
| Supplies                              | 0.00                           | 0.00        | 502.55                          | 0.02          |
| Wages - Sewer                         | 0.00                           | 0.00        | 6,000.00                        | 0.24          |
| Wages - Sewer                         | 1,963.50                       | 0.37        | 12,801.00                       | 0.51          |
| Utilities - Sewer                     | 0.00                           | 0.00        | 2,464.47                        | 0.10          |
| Uniform Rental                        | 0.00                           | 0.00        | 3,007.30                        | 0.12          |
| Utilities                             | 3,076.09                       | 0.58        | 27,637.74                       | 1.11          |
| Repairs - Sewer                       | 0.00                           | 0.00        | 5,817.18                        | 0.23          |
| Repairs-Sewer                         | 0.00                           | 0.00        | 375.00                          | 0.01          |
| Worker's Compensation                 | 5,488.59                       | 1.04        | 5,488.59                        | 0.22          |
| <b>Total Operating Expenses</b>       | <b>10,528.18</b>               | <b>1.99</b> | <b>98,089.02</b>                | <b>3.92</b>   |
| <b>Operating Income (Loss)</b>        | <b>3,964.56</b>                | <b>0.75</b> | <b>(13,349.96)</b>              | <b>(0.53)</b> |
| <b>Other Income (Expense)</b>         |                                |             |                                 |               |
| Grant Income (Dept of Transportation) | 25,825.68                      | 4.89        | 201,861.53                      | 8.07          |
| <b>Total Other Income (Expense)</b>   | <b>25,825.68</b>               | <b>4.89</b> | <b>201,861.53</b>               | <b>8.07</b>   |
| <b>Net Income (Loss) Before Taxes</b> | <b>29,790.24</b>               | <b>5.64</b> | <b>188,511.57</b>               | <b>7.54</b>   |
| <b>Net Income (Loss)</b>              | <b>\$ 29,790.24</b>            | <b>5.64</b> | <b>\$ 188,511.57</b>            | <b>7.54</b>   |

SOUTHERN WATER AND SEWER  
NOTE PAYABLE ANALYSIS  
6/30/2016

| 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       | 11                           | 18,519.67                 |
| FIRST GUARANTY BANK                | TRUCKS            | 9/25/2013    | 63,097.10       | 7.99%         | 1,976.82       | 3                            | 5,852.26                  |
| FIRST GUARANTY BANK                | DEAN'S TRUCK      | 9/22/2014    | 25,018.00       | 5.90%         | 482.52         | 39                           | 17,085.41                 |
| CITIZEN'S NATIONAL BANK            | EXCAVATOR         | 6/9/2015     | 41,355.00       | 4.32%         | 939.61         | 36                           | 31,674.45                 |
| FIRST GUARANTY BANK                | LINE OF CREDIT    |              | 300,000.00      | 6.25%         | 2,000.00       | N/A                          | 223,000.00                |
| <b>BONDS</b>                       |                   |              |                 |               |                |                              |                           |
| USDA                               | 2,515,000 ISSUE   | 1/1/2003     | 2,515,000.00    | 4.50%         | VARIOUS        | 53                           | 2,109,000.00              |
| USDA                               | 225,000 ISSUE     | 1/1/2006     | 225,000.00      | 4.25%         | VARIOUS        | 57                           | 195,000.00                |
| USDA                               | 589,573 ISSUE     | 1/1/2006     | 589,573.00      | 4.75%         | VARIOUS        | 49                           | 501,509.00                |
| USDA                               | 530,000 ISSUE BLD | 1/1/2011     | 530,000.00      | 2.25%         | VARIOUS        | 66                           | 487,000.00                |
| <b>KY INFRASTRUCTURE AUTHORITY</b> |                   |              |                 |               |                |                              |                           |
| KIA - I                            |                   | 6/1/1995     | 1,362,870.05    | 3.00%         | 34,607.94      | 18                           | 542,395.15                |
| KIA - III                          |                   | 12/1/2007    | 2,831,354.23    | 3.00%         | 71,897.79      | 24                           | 1,440,141.86              |
| KIA - A04-06                       |                   | 12/1/2005    | 67,376.00       | 1.00%         | 1,862.64       | 19                           | 34,019.07                 |
| KIA - A11-16                       |                   | 6/1/2014     | 765,900.00      | 1.00%         | 21,173.70      | 18                           | 696,001.13                |
| <b>TOTAL LOANS DUE 6-30-2106</b>   |                   |              |                 |               |                |                              | <b>6,301,198.00</b>       |



**Southern Water and Sewer District  
Transaction Listing**

| Date     | Reference | Account | Account Description                  | Description                 | Amount     | Reference Total |
|----------|-----------|---------|--------------------------------------|-----------------------------|------------|-----------------|
| 06/01/16 | 1015      | 16201   | Construction in Progress             | KY ENGINEERING GROUP        | 9,868.31   | 9,868.31        |
| 06/01/16 | 1016      | 16201   | Construction in Progress             | BOCA ENTERPRISES            | 139,351.77 | 139,351.77      |
| 06/28/16 | 1058      | 72153   | Worker's Compensation                | KACO WORKERS COMP           | 5,488.59   | 5,488.59        |
| 06/01/16 | 1101      | 60001   | Solid Waste Payments                 | FLOYD COUNTY SOLID WASTE    | 75,827.59  | 75,827.59       |
| 06/23/16 | 1102      | 60001   | Solid Waste Payments                 | FLOYD COUNTY SOLID WASTE    | 74,764.77  | 74,764.77       |
| 06/16/16 | 1463      | 70301   | Billing Postage                      | USPS                        | 782.31     | 782.31          |
| 06/17/16 | 1464      | 73003   | Misc. Expenses                       | LESLIE EQUIPMENT            | 204.44     | 204.44          |
| 06/01/16 | 13728     | 70301   | Billing Postage                      | UPS                         | 1,891.13   | 1,891.13        |
| 06/10/16 | 13730     | 62302   | Repairs - Pumping                    | FRASURE ELECTRIC            | 5,000.00   | 5,000.00        |
| 06/01/16 | 13837     | 72110   | Life Ins.                            | AGLA                        | 1,957.76   | 1,957.76        |
| 06/01/16 | 13838     | 64102   | Supplies - T & D                     | Allens Hardware             | 88.15      | 88.15           |
| 06/01/16 | 13839     | 64104   | Utilities - T & D                    | American Electric Power     | 28,273.86  |                 |
| 06/01/16 | 13839     | 64120   | Utilities - Sewer                    | POWER-SEWER                 | 1,981.35   | 30,255.21       |
| 06/01/16 | 13840     | 64104   | Utilities - T & D                    | Appalachian Wireless        | 600.39     | 600.39          |
| 06/01/16 | 13841     | 64150   | Uniform Rental                       | Aramark Uniform Services    | 3,007.30   | 3,007.30        |
| 06/01/16 | 13842     | 23214   | N/P - CITIZEN'S NATIONAL (EXCAVATOR) | CITIZEN'S NATIONAL BANK     | 939.61     | 939.61          |
| 06/01/16 | 13843     | 72104   | Telephone & Utilities - Office       | East Ky Exterminating       | 45.00      | 45.00           |
| 06/01/16 | 13844     | 64102   | Supplies - T & D                     | FORTLINE, INC               | 7,805.80   | 7,805.80        |
| 06/01/16 | 13845     | 73003   | Misc. Expenses                       | Hi Tech Security            | 24.99      | 24.99           |
| 06/01/16 | 13846     | 23607   | Garnishee                            | Lloyd & McDaniel, PLC       | 90.08      | 90.08           |
| 06/01/16 | 13847     | 73001   | Commissioner's Fee                   | Paula Johnson               | 500.00     | 500.00          |
| 06/01/16 | 13848     | 62501   | Natural Gas-WTP                      | PEOPLES                     | 68.11      | 68.11           |
| 06/01/16 | 13849     | 72304   | Professional Fees                    | Thoroughbred Business Group | 450.00     | 450.00          |
| 06/01/16 | 13850     | 72107   | Shipping                             | UPS                         | 22.00      | 22.00           |
| 06/01/16 | 13851     | 64102   | Supplies - T & D                     | Wright Lumber               | 199.00     | 199.00          |
| 06/01/16 | 13852     | 72103   | Office Supplies                      | DEAN HALL                   | 413.39     | 413.39          |
| 06/10/16 | 13853     | Payroll |                                      | WEBB, MARIBETH              | 1,190.20   | 1,190.20        |
| 06/10/16 | 13854     | Payroll |                                      | OSBORNE, LARRY J            | 424.15     | 424.15          |
| 06/10/16 | 13855     | Payroll |                                      | JACOBS, JOSEPH G            | 455.40     | 455.40          |
| 06/10/16 | 13856     | Payroll |                                      | HALL, BARRY                 | 424.15     | 424.15          |
| 06/10/16 | 13857     | Payroll |                                      | BURKE, PAULA                | 763.36     | 763.36          |
| 06/10/16 | 13858     | Payroll |                                      | ROBINSON, AMBER             | 558.54     | 558.54          |
| 06/10/16 | 13859     | Payroll |                                      | AUTON, ELIZABETH            | 691.33     | 691.33          |
| 06/10/16 | 13860     | Payroll |                                      | HAMILTON, HAYES             | 383.77     | 383.77          |
| 06/10/16 | 13861     | Payroll |                                      | HUNTER, EVERETT R           | 726.45     | 726.45          |
| 06/10/16 | 13862     | Payroll |                                      | HALL, GEORGE                | 1,435.00   | 1,435.00        |
| 06/10/16 | 13863     | Payroll |                                      | HALL, DEAN M                | 1,754.79   | 1,754.79        |
| 06/10/16 | 13864     | Payroll |                                      | HARRISON, DON E             | 982.60     | 982.60          |
| 06/10/16 | 13865     | Payroll |                                      | ADKINS, CHRISTOPHER O       | 758.68     | 758.68          |
| 06/10/16 | 13866     | Payroll |                                      | JUSTICE, DUSTIN R           | 712.15     | 712.15          |
| 06/10/16 | 13867     | Payroll |                                      | WILKS, ROBERT S             | 396.45     | 396.45          |
| 06/10/16 | 13868     | Payroll |                                      | SALYER, REECE               | 1,315.87   | 1,315.87        |
| 06/10/16 | 13869     | Payroll |                                      | CONLEY, JUSTIN              | 781.93     | 781.93          |
| 06/10/16 | 13870     | Payroll |                                      | TICE, JOSEPH                | 640.09     | 640.09          |
| 06/10/16 | 13871     | Payroll |                                      | JOHNSON, RICHARD            | 610.12     | 610.12          |
| 06/10/16 | 13872     | Payroll |                                      | CROWDER, LOGAN M            | 816.67     | 816.67          |
| 06/10/16 | 13873     | Payroll |                                      | SALISBURY, ANTHONY E. B     | 667.15     | 667.15          |
| 06/10/16 | 13874     | Payroll |                                      | ADKINS, RAY V               | 895.13     | 895.13          |
| 06/10/16 | 13875     | Payroll |                                      | HORNE, DAVID R              | 855.03     | 855.03          |
| 06/10/16 | 13876     | Payroll |                                      | COLLINS, CODY               | 757.19     | 757.19          |
| 06/10/16 | 13877     | Payroll |                                      | COMPTON, JOSEPH T           | 650.19     | 650.19          |
| 06/10/16 | 13878     | Payroll |                                      | HALL, SHANNON L             | 715.37     | 715.37          |
| 06/10/16 | 13879     | Payroll |                                      | ROBINSON,                   |            |                 |

**Southern Water and Sewer District  
Transaction Listing**

| Date     | Reference | Account | Account Description            | Description            | Amount    | Reference Total |
|----------|-----------|---------|--------------------------------|------------------------|-----------|-----------------|
|          |           |         |                                | CHRISTOPHER            | 1,453.04  | 1,453.04        |
| 06/10/16 | 13880     | Payroll |                                | HACKWORTH,             |           |                 |
|          |           |         |                                | KENDALL W              | 810.86    | 810.86          |
| 06/10/16 | 13881     | Payroll |                                | BOLEN, PRESTON L       | 953.09    | 953.09          |
| 06/10/16 | 13882     | Payroll |                                | FRANCIS, CHRIS         | 1,083.65  | 1,083.65        |
| 06/10/16 | 13883     | 23501   | Customer Deposits              | Blake Roberts          | 21.65     | 21.65           |
| 06/10/16 | 13884     | 62305   | Chemicals                      | C.I. Thornburg         | 5,117.60  | 5,117.60        |
| 06/10/16 | 13885     | 23607   | Garnishee                      | Child Support          |           |                 |
|          |           |         |                                | Enforcement            | 320.53    | 320.53          |
| 06/10/16 | 13886     | 64102   | Supplies - T & D               | Chris Francis          | 342.68    | 342.68          |
| 06/10/16 | 13887     | 60002   | Water Purchases                | City Of Pikeville      | 20,848.12 | 20,848.12       |
| 06/10/16 | 13888     | 23606   | Accrued Sales Tax              | Kentucky State         |           |                 |
|          |           |         |                                | Treasurer              | 610.36    | 610.36          |
| 06/10/16 | 13889     | 72302   | Accounting                     | Michael Spears         | 1,800.00  | 1,800.00        |
| 06/10/16 | 13890     | 60002   | Water Purchases                | Prestonsburg City      |           |                 |
|          |           |         |                                | Utilities              | 12,678.61 | 12,678.61       |
| 06/10/16 | 13891     | 23501   | Customer Deposits              | VANDERBILT             |           |                 |
|          |           |         |                                | MORTGAGE               | 40.00     | 40.00           |
| 06/10/16 | 13892     | 73003   | Misc. Expenses                 | DEAN HALL              | 989.02    | 989.02          |
| 06/24/16 | 13893     | Payroll |                                | WEBB, MARIBETH         | 1,226.13  | 1,226.13        |
| 06/24/16 | 13894     | Payroll |                                | BURKE, PAULA           | 831.80    | 831.80          |
| 06/24/16 | 13895     | Payroll |                                | ROBINSON, AMBER        | 606.84    | 606.84          |
| 06/24/16 | 13896     | Payroll |                                | AUTON, ELIZABETH       | 753.73    | 753.73          |
| 06/24/16 | 13897     | Payroll |                                | HUNTER, EVERETT R      | 866.91    | 866.91          |
| 06/24/16 | 13898     | Payroll |                                | HALL, GEORGE           | 990.03    | 990.03          |
| 06/24/16 | 13899     | Payroll |                                | HALL, DEAN M           | 1,771.04  | 1,771.04        |
| 06/24/16 | 13900     | Payroll |                                | HARRISON, DON E        | 1,165.59  | 1,165.59        |
| 06/24/16 | 13901     | Payroll |                                | ADKINS,                |           |                 |
|          |           |         |                                | CHRISTOPHER O          | 971.46    | 971.46          |
| 06/24/16 | 13902     | Payroll |                                | JUSTICE, DUSTIN R      | 725.99    | 725.99          |
| 06/24/16 | 13903     | Payroll |                                | WILKS, ROBERT S        | 371.46    | 371.46          |
| 06/24/16 | 13904     | Payroll |                                | SALYER, REECE          | 1,350.70  | 1,350.70        |
| 06/24/16 | 13905     | Payroll |                                | CONLEY, JUSTIN         | 804.75    | 804.75          |
| 06/24/16 | 13906     | Payroll |                                | TICE, JOSEPH           | 845.04    | 845.04          |
| 06/24/16 | 13907     | Payroll |                                | JOHNSON, RICHARD       | 610.12    | 610.12          |
| 06/24/16 | 13908     | Payroll |                                | CROWDER, LOGAN M       | 858.93    | 858.93          |
| 06/24/16 | 13909     | Payroll |                                | SALISBURY,             |           |                 |
|          |           |         |                                | ANTHONY E. B           | 740.85    | 740.85          |
| 06/24/16 | 13910     | Payroll |                                | ADKINS, RAY V          | 803.03    | 803.03          |
| 06/24/16 | 13911     | Payroll |                                | HORNE, DAVID R         | 903.26    | 903.26          |
| 06/24/16 | 13912     | Payroll |                                | COLLINS, CODY          | 639.14    | 639.14          |
| 06/24/16 | 13913     | Payroll |                                | COMPTON, JOSEPH T      | 810.94    | 810.94          |
| 06/24/16 | 13914     | Payroll |                                | HALL, SHANNON L        | 781.99    | 781.99          |
| 06/24/16 | 13915     | Payroll |                                | CATRON, BARRY          | 558.54    | 558.54          |
| 06/24/16 | 13916     | Payroll |                                | ROBINSON,              |           |                 |
|          |           |         |                                | CHRISTOPHER            | 1,282.60  | 1,282.60        |
| 06/24/16 | 13917     | Payroll |                                | HACKWORTH,             |           |                 |
|          |           |         |                                | KENDALL W              | 939.65    | 939.65          |
| 06/24/16 | 13918     | Payroll |                                | BOLEN, PRESTON L       | 907.17    | 907.17          |
| 06/24/16 | 13919     | Payroll |                                | FRANCIS, CHRIS         | 1,229.56  | 1,229.56        |
| 06/24/16 | 13920     | 23607   | Garnishee                      | Child Support          |           |                 |
|          |           |         |                                | Enforcement            | 320.53    | 320.53          |
| 06/24/16 | 13921     | 90801   | Payroll Taxes                  | United States Treasury | 457.64    | 457.64          |
| 06/24/16 | 13922     | 62305   | Chemicals                      | C.I. Thornburg         | 5,589.19  | 5,589.19        |
| 06/24/16 | 13923     | 75001   | Training                       | Chris Francis          | 154.50    | 154.50          |
| 06/24/16 | 13924     | 72103   | Office Supplies                | DEAN HALL              | 111.48    | 111.48          |
| 06/24/16 | 13925     | 73003   | Misc. Expenses                 | Floyd County Clerk     | 45.00     | 45.00           |
| 06/24/16 | 13926     | 64109   | Fuel-Gasoline                  | Richard Johnson        | 34.35     | 34.35           |
| 06/24/16 | 13927     | 64107   | Vehicle Repairs - T & D        | Roger Jones            | 934.00    | 934.00          |
| 06/24/16 | 13928     | 73003   | Misc. Expenses                 | Southern Water & Sewer | 433.25    | 433.25          |
| 06/24/16 | 13929     | 72104   | Telephone & Utilities - Office | Teresa Hall            | 200.00    | 200.00          |
| 06/24/16 | 13930     | 72301   | Legal                          | TYLER GREEN            | 1,000.00  | 1,000.00        |



Southern Water and Sewer District  
Transaction Listing

| Date     | Reference | Account | Account Description         | Description                  | Amount          | Reference Total   |
|----------|-----------|---------|-----------------------------|------------------------------|-----------------|-------------------|
| 06/29/16 | 13934     | 64107   | Vehicle Repairs - T & D     | Parts City of McDowell       | 4,117.02        | 4,117.02          |
| 06/29/16 | 13935     | 64102   | Supplies - T & D            | USA BLUEBOOK                 | 948.70          | 948.70            |
| 06/27/16 | 13937     | 16101   | Utility Plant               | TIM SHORT AUTO               | 804.58          | 804.58            |
| 06/30/16 | 13938     | 64106   | Uniform Rental - T & D      | Aramark Uniform Services     | 2,476.75        | 2,476.75          |
| 06/30/16 | 13939     | 64110   | Lab Services - Distribution | McCoy & McCoy Laboratories   | 7,788.00        | 7,788.00          |
| 06/30/16 | 13940     | 62301   | Supplies - Pumping          | Metropolitan Compounds, Inc. | 496.50          | 496.50            |
|          |           |         |                             |                              | Total of Checks | <u>477,335.41</u> |

Total Debits 477,335.41 Total Credits 0.00

Number of Transactions 110

SOUTHERN WATER & SEWER DISTRICT

PO BOX 610

MCDOWELL, KY 41647

REGULAR CALLED MEETING JUNE 27TH @5PM

ATTENDANCE

PAULA JOHNSON, CHAIRMAN

TROY HOGGE, KY. ENG. GROUP

JOSEPH JACOBS, COMMISSIONER

JEFF REED, SPEARS CPA

LARRY OSBORNE, COMMISSIONER

KEVIN HOWARD, SUMMITT ENGIN.

HAYES HAMILTON, COMMISSIONER

DEAN M. HALL, STAFF

BRENDA POWERS, BIG SANDY ADD

PAULA BURKE, STAFF

Meeting was called to order by PAULA JOHNSON @ 5:04 PM

**MOTION TO APPROVE MINUTES**

MOTION MADE BY: HAYES HAMILTON

SECONDED BY: LARRY JOE OSBORNE

MOTION PASSED

**MOTION TO START BILL BACK FOR ROBERT & PATRICIA ELLIOTT**

MOTION MADE BY: LARRY JOE OSBORNE

SECONDED BY: HAYES HAMILTON

MOTION PASSED

**MOTION TO SIGN COMMITMENT LETTER PERTAINING TO HAROLD SEWER PROJECT PRESENTED BY BRENDA POWERS WITH BIG SANDY ADD**

MOTION MADE BY: JOE JACOBS

SECONDED BY: HAYES HAMILTON

MOTION PASSED

**MOTION TO PAY SUMMITT ENGINEERING INVOICE IN THE AMOUNT OF \$48,698.50**

MOTION MADE BY: JOE JACOBS

SECONDED BY: LARRY JOE OSBORNE

**MOTION FOR RANDY JONES TO PROCEED WITH PSC FILINGS**

MOTION MADE BY: JOE JACOBS

SECONDED BY: HAYES HAMILTON

MOTION PASSED

**MOTION FOR PAULA JOHNSON AND BARRY HALL TO SIGN LOAN CLOSING**

MOTION MADE BY: LARRY JOE OSBORNE

SECONDED BY: HAYES HAMILTON

MOTION PASSED

**MOTION TO ACCEPT LETTER OF INTENT FOR OPERATING & MAINTAINING THE 3 SEWER PLANTS**

\$3000.00 PER MONTH

MOTION MADE BY: LARRY JOE OSBORNE

SECONDED BY: JOE JACOBS

MOTION PASSED

**MOTION TO ACCEPT KIA LOANS INVITATION W/NO OBLIGATIONS FOR HAROLD PHASE IV,  
MELLOWBROOK EXTENSION, WAYLAND WWTP AND WAYLAND LINE PLACEMENT ARRANGEMENT**

MOTION MADE BY: LARRY JOE OSBORNE

SECONDED BY: HAYES HAMILTON

**MOTION TO ADJOURN**

MOTION MADE BY: HAYES HAMILTON

MOTION SECONDED BY: LARRY JOE OSBORNE

MOTION PASSED

With there being no further information to discuss this meeting was adjourned at 6:02 p.m. Passed by the Southern Water & Sewer Commissioners on this \_\_\_\_\_ day of \_\_\_\_\_ 2016.

\_\_\_\_\_

**PAULA JOHNSON**, Chairman

\_\_\_\_\_

**Barry Hall**, Secretary

SOUTHERN WATER AND SEWER  
MONTHLY FILED CONSTRUCTION LOG  
6/28/2016 TO 7/22/2016

NUMBER OF LEAKS (58)

NUMBER OF TAPS (3)

NUMBER OF DIG OUTS (3)

ESTIMATED WATER LOSS 2,900,000 gal

LINE SIZES ¾ (43) 1inch (6) 2inch (2) 3inch (2) 4inch (4)

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

PARST USED: (71) ¾ couplings (11) 1 inch couplings (4) 2 inch hymax,s  
(2) 3 inch hymax's (8) 4 inch hymax's ( ) 6 inch hymax's ( ) 8 inch  
hymax's (2) 10 inch hymax,s (3) SR-II meter bottoms – (8) ¾ regulators

Right Beaver (26) Left Beaver (13) Big Mud (7) Little Mud (9) Sandy  
Valley ("" 3)

FILED SUPERVISOR Chino Rabi DATE 7/22/16

GENERAL MANAGER \_\_\_\_\_ DATE \_\_\_\_\_



SOUTHERN WATER AND SEWER  
NOTE PAYABLE ANALYSIS  
6/30/2016

| 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       | 11                           | 18,519.67                 |
| FIRST GUARANTY BANK                | TRUCKS            | 9/25/2013    | 63,097.10       | 7.99%         | 1,976.82       | 3                            | 5,852.26                  |
| FIRST GUARANTY BANK                | DEAN'S TRUCK      | 9/22/2014    | 25,018.00       | 5.90%         | 482.52         | 39                           | 17,085.41                 |
| CITIZEN'S NATIONAL BANK            | EXCAVATOR         | 6/9/2015     | 41,355.00       | 4.32%         | 939.61         | 36                           | 31,674.45                 |
| FIRST GUARANTY BANK                | LINE OF CREDIT    |              | 300,000.00      | 6.25%         | 2,000.00       | N/A                          | 223,000.00                |
| <b>BONDS</b>                       |                   |              |                 |               |                |                              |                           |
| USDA                               | 2,515,000 ISSUE   | 1/1/2003     | 2,515,000.00    | 4.50%         | VARIOUS        | 53                           | 2,109,000.00              |
| USDA                               | 225,000 ISSUE     | 1/1/2006     | 225,000.00      | 4.25%         | VARIOUS        | 57                           | 195,000.00                |
| USDA                               | 589,573 ISSUE     | 1/1/2006     | 589,573.00      | 4.75%         | VARIOUS        | 49                           | 501,509.00                |
| USDA                               | 530,000 ISSUE BLD | 1/1/2011     | 530,000.00      | 2.25%         | VARIOUS        | 66                           | 487,000.00                |
| <b>KY INFRASTRUCTURE AUTHORITY</b> |                   |              |                 |               |                |                              |                           |
| KIA - I                            |                   | 6/1/1995     | 1,362,870.05    | 3.00%         | 34,607.94      | 18                           | 542,395.15                |
| KIA - III                          |                   | 12/1/2007    | 2,831,354.23    | 3.00%         | 71,897.79      | 24                           | 1,440,141.86              |
| KIA - A04-06                       |                   | 12/1/2005    | 67,376.00       | 1.00%         | 1,862.64       | 19                           | 34,019.07                 |
| KIA - A11-16                       |                   | 6/1/2014     | 765,900.00      | 1.00%         | 21,173.70      | 18                           | 696,001.13                |
| <b>TOTAL LOANS DUE 6-30-2106</b>   |                   |              |                 |               |                |                              | <b>6,301,198.00</b>       |

**Southern Water and Sewer District  
Transaction Listing**

| Date     | Reference | Account | Account Description                  | Description                 | Amount     | Reference Total |
|----------|-----------|---------|--------------------------------------|-----------------------------|------------|-----------------|
| 06/01/16 | 1015      | 16201   | Construction in Progress             | KY ENGINEERING GROUP        | 9,868.31   | 9,868.31        |
| 06/01/16 | 1016      | 16201   | Construction in Progress             | BOCA ENTERPRISES            | 139,351.77 | 139,351.77      |
| 06/28/16 | 1058      | 72153   | Worker's Compensation                | KACO WORKERS COMP           | 5,488.59   | 5,488.59        |
| 06/01/16 | 1101      | 60001   | Solid Waste Payments                 | FLOYD COUNTY SOLID WASTE    | 75,827.59  | 75,827.59       |
| 06/23/16 | 1102      | 60001   | Solid Waste Payments                 | FLOYD COUNTY SOLID WASTE    | 74,764.77  | 74,764.77       |
| 06/16/16 | 1463      | 70301   | Billing Postage                      | USPS                        | 782.31     | 782.31          |
| 06/17/16 | 1464      | 73003   | Misc. Expenses                       | LESLIE EQUIPMENT            | 204.44     | 204.44          |
| 06/01/16 | 13728     | 70301   | Billing Postage                      | UPS                         | 1,891.13   | 1,891.13        |
| 06/10/16 | 13730     | 62302   | Repairs - Pumping                    | FRASURE ELECTRIC            | 5,000.00   | 5,000.00        |
| 06/01/16 | 13837     | 72110   | Life Ins.                            | AGLA                        | 1,957.76   | 1,957.76        |
| 06/01/16 | 13838     | 64102   | Supplies - T & D                     | Allens Hardware             | 88.15      | 88.15           |
| 06/01/16 | 13839     | 64104   | Utilities - T & D                    | American Electric Power     | 28,273.86  |                 |
| 06/01/16 | 13839     | 64120   | Utilities - Sewer                    | POWER-SEWER                 | 1,981.35   | 30,255.21       |
| 06/01/16 | 13840     | 64104   | Utilities - T & D                    | Appalachian Wireless        | 600.39     | 600.39          |
| 06/01/16 | 13841     | 64150   | Uniform Rental                       | Aramark Uniform Services    | 3,007.30   | 3,007.30        |
| 06/01/16 | 13842     | 23214   | N/P - CITIZEN'S NATIONAL (EXCAVATOR) | CITIZEN'S NATIONAL BANK     | 939.61     | 939.61          |
| 06/01/16 | 13843     | 72104   | Telephone & Utilities - Office       | East Ky Exterminating       | 45.00      | 45.00           |
| 06/01/16 | 13844     | 64102   | Supplies - T & D                     | FORTLINE, INC               | 7,805.80   | 7,805.80        |
| 06/01/16 | 13845     | 73003   | Misc. Expenses                       | Hi Tech Security            | 24.99      | 24.99           |
| 06/01/16 | 13846     | 23607   | Garnishee                            | Lloyd & McDaniel, PLC       | 90.08      | 90.08           |
| 06/01/16 | 13847     | 73001   | Commissioner's Fee                   | Paula Johnson               | 500.00     | 500.00          |
| 06/01/16 | 13848     | 62501   | Natural Gas-WTP                      | PEOPLES                     | 68.11      | 68.11           |
| 06/01/16 | 13849     | 72304   | Professional Fees                    | Thoroughbred Business Group | 450.00     | 450.00          |
| 06/01/16 | 13850     | 72107   | Shipping                             | UPS                         | 22.00      | 22.00           |
| 06/01/16 | 13851     | 64102   | Supplies - T & D                     | Wright Lumber               | 199.00     | 199.00          |
| 06/01/16 | 13852     | 72103   | Office Supplies                      | DEAN HALL                   | 413.39     | 413.39          |
| 06/10/16 | 13853     | Payroll |                                      | WEBB, MARIBETH              | 1,190.20   | 1,190.20        |
| 06/10/16 | 13854     | Payroll |                                      | OSBORNE, LARRY J            | 424.15     | 424.15          |
| 06/10/16 | 13855     | Payroll |                                      | JACOBS, JOSEPH G            | 455.40     | 455.40          |
| 06/10/16 | 13856     | Payroll |                                      | HALL, BARRY                 | 424.15     | 424.15          |
| 06/10/16 | 13857     | Payroll |                                      | BURKE, PAULA                | 763.36     | 763.36          |
| 06/10/16 | 13858     | Payroll |                                      | ROBINSON, AMBER             | 558.54     | 558.54          |
| 06/10/16 | 13859     | Payroll |                                      | AUTON, ELIZABETH            | 691.33     | 691.33          |
| 06/10/16 | 13860     | Payroll |                                      | HAMILTON, HAYES             | 383.77     | 383.77          |
| 06/10/16 | 13861     | Payroll |                                      | HUNTER, EVERETT R           | 726.45     | 726.45          |
| 06/10/16 | 13862     | Payroll |                                      | HALL, GEORGE                | 1,435.00   | 1,435.00        |
| 06/10/16 | 13863     | Payroll |                                      | HALL, DEAN M                | 1,754.79   | 1,754.79        |
| 06/10/16 | 13864     | Payroll |                                      | HARRISON, DON E             | 982.60     | 982.60          |
| 06/10/16 | 13865     | Payroll |                                      | ADKINS, CHRISTOPHER O       | 758.68     | 758.68          |
| 06/10/16 | 13866     | Payroll |                                      | JUSTICE, DUSTIN R           | 712.15     | 712.15          |
| 06/10/16 | 13867     | Payroll |                                      | WILKS, ROBERT S             | 396.45     | 396.45          |
| 06/10/16 | 13868     | Payroll |                                      | SALYER, REECE               | 1,315.87   | 1,315.87        |
| 06/10/16 | 13869     | Payroll |                                      | CONLEY, JUSTIN              | 781.93     | 781.93          |
| 06/10/16 | 13870     | Payroll |                                      | TICE, JOSEPH                | 640.09     | 640.09          |
| 06/10/16 | 13871     | Payroll |                                      | JOHNSON, RICHARD            | 610.12     | 610.12          |
| 06/10/16 | 13872     | Payroll |                                      | CROWDER, LOGAN M            | 816.67     | 816.67          |
| 06/10/16 | 13873     | Payroll |                                      | SALISBURY, ANTHONY E. B     | 667.15     | 667.15          |
| 06/10/16 | 13874     | Payroll |                                      | ADKINS, RAY V               | 895.13     | 895.13          |
| 06/10/16 | 13875     | Payroll |                                      | HORNE, DAVID R              | 855.03     | 855.03          |
| 06/10/16 | 13876     | Payroll |                                      | COLLINS, CODY               | 757.19     | 757.19          |
| 06/10/16 | 13877     | Payroll |                                      | COMPTON, JOSEPH T           | 650.19     | 650.19          |
| 06/10/16 | 13878     | Payroll |                                      | HALL, SHANNON L             | 715.37     | 715.37          |
| 06/10/16 | 13879     | Payroll |                                      | ROBINSON,                   |            |                 |

**Southern Water and Sewer District  
Transaction Listing**

| Date     | Reference | Account | Account Description            | Description                 | Amount    | Reference Total |
|----------|-----------|---------|--------------------------------|-----------------------------|-----------|-----------------|
| 06/10/16 | 13880     | Payroll |                                | CHRISTOPHER HACKWORTH,      | 1,453.04  | 1,453.04        |
|          |           |         |                                | KENDALL W                   | 810.86    | 810.86          |
| 06/10/16 | 13881     | Payroll |                                | BOLEN, PRESTON L            | 953.09    | 953.09          |
| 06/10/16 | 13882     | Payroll |                                | FRANCIS, CHRIS              | 1,083.65  | 1,083.65        |
| 06/10/16 | 13883     | 23501   | Customer Deposits              | Blake Roberts               | 21.65     | 21.65           |
| 06/10/16 | 13884     | 62305   | Chemicals                      | C.I. Thornburg              | 5,117.60  | 5,117.60        |
| 06/10/16 | 13885     | 23607   | Garnishee                      | Child Support Enforcement   | 320.53    | 320.53          |
| 06/10/16 | 13886     | 64102   | Supplies - T & D               | Chris Francis               | 342.68    | 342.68          |
| 06/10/16 | 13887     | 60002   | Water Purchases                | City Of Pikeville           | 20,848.12 | 20,848.12       |
| 06/10/16 | 13888     | 23606   | Accrued Sales Tax              | Kentucky State Treasurer    | 610.36    | 610.36          |
| 06/10/16 | 13889     | 72302   | Accounting                     | Michael Spears              | 1,800.00  | 1,800.00        |
| 06/10/16 | 13890     | 60002   | Water Purchases                | Prestonsburg City Utilities | 12,678.61 | 12,678.61       |
| 06/10/16 | 13891     | 23501   | Customer Deposits              | VANDERBILT MORTGAGE         | 40.00     | 40.00           |
| 06/10/16 | 13892     | 73003   | Misc. Expenses                 | DEAN HALL                   | 989.02    | 989.02          |
| 06/24/16 | 13893     | Payroll |                                | WEBB, MARIBETH              | 1,226.13  | 1,226.13        |
| 06/24/16 | 13894     | Payroll |                                | BURKE, PAULA                | 831.80    | 831.80          |
| 06/24/16 | 13895     | Payroll |                                | ROBINSON, AMBER             | 606.84    | 606.84          |
| 06/24/16 | 13896     | Payroll |                                | AUTON, ELIZABETH            | 753.73    | 753.73          |
| 06/24/16 | 13897     | Payroll |                                | HUNTER, EVERETT R           | 866.91    | 866.91          |
| 06/24/16 | 13898     | Payroll |                                | HALL, GEORGE                | 990.03    | 990.03          |
| 06/24/16 | 13899     | Payroll |                                | HALL, DEAN M                | 1,771.04  | 1,771.04        |
| 06/24/16 | 13900     | Payroll |                                | HARRISON, DON E             | 1,165.59  | 1,165.59        |
| 06/24/16 | 13901     | Payroll |                                | ADKINS, CHRISTOPHER O       | 971.46    | 971.46          |
| 06/24/16 | 13902     | Payroll |                                | JUSTICE, DUSTIN R           | 725.99    | 725.99          |
| 06/24/16 | 13903     | Payroll |                                | WILKS, ROBERT S             | 371.46    | 371.46          |
| 06/24/16 | 13904     | Payroll |                                | SALYER, REECE               | 1,350.70  | 1,350.70        |
| 06/24/16 | 13905     | Payroll |                                | CONLEY, JUSTIN              | 804.75    | 804.75          |
| 06/24/16 | 13906     | Payroll |                                | TICE, JOSEPH                | 845.04    | 845.04          |
| 06/24/16 | 13907     | Payroll |                                | JOHNSON, RICHARD            | 610.12    | 610.12          |
| 06/24/16 | 13908     | Payroll |                                | CROWDER, LOGAN M            | 858.93    | 858.93          |
| 06/24/16 | 13909     | Payroll |                                | SALISBURY, ANTHONY E. B     | 740.85    | 740.85          |
| 06/24/16 | 13910     | Payroll |                                | ADKINS, RAY V               | 803.03    | 803.03          |
| 06/24/16 | 13911     | Payroll |                                | HORNE, DAVID R              | 903.26    | 903.26          |
| 06/24/16 | 13912     | Payroll |                                | COLLINS, CODY               | 639.14    | 639.14          |
| 06/24/16 | 13913     | Payroll |                                | COMPTON, JOSEPH T           | 810.94    | 810.94          |
| 06/24/16 | 13914     | Payroll |                                | HALL, SHANNON L             | 781.99    | 781.99          |
| 06/24/16 | 13915     | Payroll |                                | CATRON, BARRY               | 558.54    | 558.54          |
| 06/24/16 | 13916     | Payroll |                                | ROBINSON, CHRISTOPHER       | 1,282.60  | 1,282.60        |
| 06/24/16 | 13917     | Payroll |                                | HACKWORTH, KENDALL W        | 939.65    | 939.65          |
| 06/24/16 | 13918     | Payroll |                                | BOLEN, PRESTON L            | 907.17    | 907.17          |
| 06/24/16 | 13919     | Payroll |                                | FRANCIS, CHRIS              | 1,229.56  | 1,229.56        |
| 06/24/16 | 13920     | 23607   | Garnishee                      | Child Support Enforcement   | 320.53    | 320.53          |
| 06/24/16 | 13921     | 90801   | Payroll Taxes                  | United States Treasury      | 457.64    | 457.64          |
| 06/24/16 | 13922     | 62305   | Chemicals                      | C.I. Thornburg              | 5,589.19  | 5,589.19        |
| 06/24/16 | 13923     | 75001   | Training                       | Chris Francis               | 154.50    | 154.50          |
| 06/24/16 | 13924     | 72103   | Office Supplies                | DEAN HALL                   | 111.48    | 111.48          |
| 06/24/16 | 13925     | 73003   | Misc. Expenses                 | Floyd County Clerk          | 45.00     | 45.00           |
| 06/24/16 | 13926     | 64109   | Fuel-Gasoline                  | Richard Johnson             | 34.35     | 34.35           |
| 06/24/16 | 13927     | 64107   | Vehicle Repairs - T & D        | Roger Jones                 | 934.00    | 934.00          |
| 06/24/16 | 13928     | 73003   | Misc. Expenses                 | Southern Water & Sewer      | 433.25    | 433.25          |
| 06/24/16 | 13929     | 72104   | Telephone & Utilities - Office | Teresa Hall                 | 200.00    | 200.00          |
| 06/24/16 | 13930     | 72301   | Legal                          | TYLER GREEN                 | 1,000.00  | 1,000.00        |

**Southern Water and Sewer District  
Transaction Listing**

| Date     | Reference | Account | Account Description         | Description                  | Amount                 | Reference                |
|----------|-----------|---------|-----------------------------|------------------------------|------------------------|--------------------------|
|          |           |         |                             |                              |                        | Total                    |
| 06/29/16 | 13934     | 64107   | Vehicle Repairs - T & D     | Parts City of McDowell       | 4,117.02               | 4,117.02                 |
| 06/29/16 | 13935     | 64102   | Supplies - T & D            | USA BLUEBOOK                 | 948.70                 | 948.70                   |
| 06/27/16 | 13937     | 16101   | Utility Plant               | TIM SHORT AUTO               | 804.58                 | 804.58                   |
| 06/30/16 | 13938     | 64106   | Uniform Rental - T & D      | Aramark Uniform Services     | 2,476.75               | 2,476.75                 |
| 06/30/16 | 13939     | 64110   | Lab Services - Distribution | McCoy & McCoy Laboratories   | 7,788.00               | 7,788.00                 |
| 06/30/16 | 13940     | 62301   | Supplies - Pumping          | Metropolitan Compounds, Inc. | 496.50                 | 496.50                   |
|          |           |         |                             |                              | <b>Total of Checks</b> | <b><u>477,335.41</u></b> |

Total Debits 477,335.41      Total Credits 0.00

Number of Transactions      110

SOUTHERN WATER & SEWER DISTRICT  
P.O. BOX 610  
MCDOWELL, KY 41647

REGULAR MONTHLY MEETING MAY 23 2016

AGENDA

- A. Call to Order
- B. Approval of Minutes
- C. Approval of Financial Statements
- D. Resolution with Prestonsburg City Utilities-Operating Agreement
- E. Resolution to Award Harold Phase III (Tentatively)
- F. Managers Report
- G. Allen to Martin
- H. Harold Phase III
- I. Other
- J. Adjournment

***SOUTHERN WATER & SEWER DISTRICT  
REGULAR MONTHLY MEETING  
MAY 23, 2016 @ 5:00 P.M.***

ATTENDANCE:

PAULA JOHNSON, CHAIRMAN

BARRY HALL, SECERTARY

LARRY JOE OSBORN, TREASURER

HAYES HAMILTON, COMMISSIONER

JOE JACOBS, COMMISSIONER

BEN HALE, CO. JUDGE EXECUTIVE

DEAN HALL, S.W.S.D MANAGER

MARIBETH WEBB, OFFICE MGR.

KEVIN HOWARD, SUMMIT ENG.

MATT CURTIS, K.E.G.

JEFF REED, CPA

PATTY ELLIOTT, CUSTOMER

RANDY DAVIS, MAGISTRATE DIST. 2

Chairman Paula Johnson called the meeting to order at 5:00 P.M.

**MOTON TO APPROVE MINUTES DATED 4/25/16 AND 5/11/16**

MOTION MADE BY: BARRY HALL

MOTION SECONDED BY: LARRY JOE JACOBS

MOTION PASSED



**MOTION TO TABLE THE BIDS FOR THE HAROLD SEWER PROJECT**

MOTION MADE BY: JOE JACOBS

MOTION SECONDED BY: BARRY HALL

MOTION PASSED

**MOTION TO SUSPEND ROBERT/PATTY ELLIOTT'S WATER BILL UNTIL THE PRESSURE PROBLEM IS RESOLVED IN FINANCE HOLLOW**

MOTION MADE BY: JOE JACOBS

MOTION SECONDED BY: LARRY JOE JACOBS

MOTION PASSED

**MOTION TO PAY PAY REQUEST FOR BOCA AND KY ENGINEERING GROUP**

MOTION MADE BY: HAYES HAMILTON

MOTION SECONDED BY: BARRY HALL

MOTION PASSED

**MOTION TO APPROVE THE FINANCIAL STATEMENT FOR APRIL 2016**

MOTION MADE BY: LARRY JOE JACOBS

MOTION SECONDED BY: BARRY HALL

MOTION PASSED

**MOTION TO ACCEPT THE RESOLUTION WITH PRESTONSBURG CITY UTILITY COMMISSION**

MOTION MADE BY: BARRY HALL

MOTION SECONDED BY: JOE JACOBS

MOTION PASSED

**MOTION TO ADJOURN**

MOTION MADE BY: BARRY HALL

MOTION SECONDED BY: LARRY JOE JACOBS

MOTION PASSED

With there being no further business to discuss, this meeting was adjourned at 6:15 p.m. passed by Southern Water & Sewer District Commissioners on this \_\_\_\_ day of \_\_\_\_\_, 2016.

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**Paula Johnson, Chairman**

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**Barry Hall, Secretary**

SOUTHERN WATER AND SEWER  
MONTHLY FILED CONSTRUCTION LOG  
5/24/2016 TO 6/27/2016

NUMBER OF LEAKS (51)

NUMBER OF TAPS (0)

NUMBER OF DIG OUTS (6)

ESTIMATED WATER LOSS 2,400,000 gal

LINE SIZES  $\frac{3}{4}$  (38) 1inch (6) 2inch ( ) 3inch (1) 4inch (2)

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

PARST USED: (52)  $\frac{3}{4}$  couplings (11) 1 inch couplings ( ) 2 inch hymax,s  
(2) 3 inch hymax's (4) 4 inch hymax's (4) 6 inch hymax's (4) 8 inch  
hymax's ( ) 12 inch hymax,s (1) SR-II meter bottoms – (1)  $\frac{3}{4}$  regulators

Right Beaver (23) Left Beaver (9) Big Mud (11) Little Mud (6) Sandy  
Valley (2)

FILED SUPERVISOR *Ch Roberson* DATE 6/27/16  
GENERAL MANAGER \_\_\_\_\_ DATE \_\_\_\_\_

**SOUTHERN WATER AND SEWER DISTRICT  
SPECIAL CALLED MEETING  
MAY 11, 2016 @ 10:00 A.M.**

**ATTENDANCE:**

**PAULA JOHNSON, CHAIRMAN**

**HAYES HAMILTON, COMMISSIONER**

**BARRY HALL, SECRETARY (VIA PHONE)**

**DEAN HALL, MANAGER SWSD**

**JEFF REED, CPA**

**MARIBETH WEBB, OFFICE MGR. SWSD**

This meeting was called to order @ 10:00 A.M. by Chairman, Paula Johnson to discuss renewing the **Line of Credit at First Guaranty Bank.**

**MOTION TO RENEW THE LINE OF CREDIT WITH FIRST GUARANTY BANK**

MOTION MADE BY: BARRY HALL

MOTION SECONDED BY: HAYES HAMILTON

MOTION PASSED

**MOTION TO ADJOURN**

MOTION MADE BY: BARRY HALL

MOTION SECONDED BY: HAYES HAMILTON

With there being no further business to discuss, this meeting was adjourned at 10:45 a.m. passed by Southern Water & Sewer District Commissioners on this \_\_\_\_\_ day of \_\_\_\_\_, 2016.

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**Paula Johnson, Chairman**

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**Barry Hall, Secretary**

SOUTHERN WATER AND SEWER  
NOTE PAYABLE ANALYSIS  
4/30/2016

| 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       | 13                           | 21,985.27                 |                     |
| FIRST GUARANTY BANK                | TRUCKS            | 9/25/2013    | 63,097.10       | 7.99%         | 1,976.82       | 6                            | 11,587.69                 |                     |
| FIRST GUARANTY BANK                | DEAN'S TRUCK      | 9/22/2014    | 25,018.00       | 5.90%         | 482.52         | 41                           | 17,876.17                 |                     |
| CITIZEN'S NATIONAL BANK            | EXCAVATOR         | 6/9/2015     | 41,355.00       | 4.32%         | 939.61         | 39                           | 34,133.83                 |                     |
| FIRST GUARANTY BANK                | LINE OF CREDIT    |              | 300,000.00      | 6.25%         | 2,000.00       | N/A                          | 226,000.00                |                     |
| <b>BONDS</b>                       |                   |              |                 |               |                |                              |                           |                     |
| USDA                               | 2,515,000 ISSUE   | 1/1/2003     | 2,515,000.00    | 4.50%         | VARIOUS        | 53                           | 2,109,000.00              |                     |
| USDA                               | 225,000 ISSUE     | 1/1/2006     | 225,000.00      | 4.25%         | VARIOUS        | 57                           | 195,000.00                |                     |
| USDA                               | 589,573 ISSUE     | 1/1/2006     | 589,573.00      | 4.75%         | VARIOUS        | 49                           | 501,509.00                |                     |
| USDA                               | 530,000 ISSUE BLD | 1/1/2011     | 530,000.00      | 2.25%         | VARIOUS        | 66                           | 487,000.00                |                     |
| <b>KY INFRASTRUCTURE AUTHORITY</b> |                   |              |                 |               |                |                              |                           |                     |
| KIA - I                            |                   | 6/1/1995     | 1,362,870.05    | 3.00%         | 34,607.94      | 18                           | 542,395.15                |                     |
| KIA - III                          |                   | 12/1/2007    | 2,831,354.23    | 3.00%         | 71,897.79      | 24                           | 1,440,141.86              |                     |
| KIA - A04-06                       |                   | 12/1/2005    | 67,376.00       | 1.00%         | 1,862.64       | 19                           | 34,019.07                 |                     |
| KIA - A11-16                       |                   | 6/1/2014     | 765,900.00      | 1.00%         | 21,173.70      | 18                           | 696,001.13                |                     |
| <b>TOTAL LOANS DUE 4-30-2106</b>   |                   |              |                 |               |                |                              |                           | <b>6,316,649.17</b> |

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

May 23, 2016

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

RE: April 2016 Financial Statements

Dear Commissioner,

Enclosed you will find your financial statements for the period ended April 30, 2016. In this letter I am giving you some pertinent highlights as I see them.

Balance Sheet as of April 30, 2016

- Cash in Bank is (\$29,894)
- Restricted Cash is \$694,936
- Accounts Receivable is \$1,395,671 -
- Plant in place is \$25,405,270 -
- Equity is \$20,115,431 -

Income Statement - for the month ended April 30, 2016

- Operating Revenue is \$390,668 ✓
- Operating Expenses Less Depreciation of \$71,789 is \$353,222 ✓
- Other Income (Construction Income & Interest) \$52 ✓
- Other Expense (\$18,628)
- Net Income/(Loss) before depreciation expense is \$18,870 ✓
- Net Income/(Loss) after depreciation expense of \$71,879 is (\$52,919) ✓

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 District**  
**BALANCE SHEET**  
**As of April 30, 2016**  
**ASSETS**

**CURRENT ASSETS**

|                                      |    |              |
|--------------------------------------|----|--------------|
| Cash on Hand                         | \$ | 460.00       |
| First Guaranty - New                 |    | (48,588.97)  |
| Cash - Community Trust Bank (SV)     |    | 18,695.20    |
| First Guaranty - Solid Waste Account |    | 3,365.46     |
| Accounts Receivable - Water          |    | 778,747.14   |
| Accounts Receivable - Garbage        |    | 494,960.22   |
| Accounts Receivable - Sewer          |    | 121,964.19   |
| A/R - CDBG Grant                     |    | 5,000.00     |
| Provision for Uncollectible Accounts |    | (235,324.66) |
| Materials and Supplies               |    | 88,784.89    |
| KIA Escrow - New                     |    | 112,526.20   |
| KIA R & M Reserve - New              |    | 59,656.56    |
| KIA R & M Reserve #3 - New           |    | 57,734.37    |
| First Guaranty - RD Account          |    | 906.67       |
| RD Depreciation Reserve Acct.        |    | 33,094.15    |
| RD Escrow Acct                       |    | 88,189.52    |
| 1st Guaranty - FEMA Reimbursements   |    | 21,341.04    |
| FGB - Rural Development Construction |    | 4,555.59     |
| FGB - Capital Improvement Account    |    | 105,361.98   |
| FGB - RD Sinking Fund (New)          |    | 22,157.00    |
| Cash - Pride on the River            |    | 980.26       |
| FEMA - 1976 - DR - KY                |    | 21,166.60    |
| Insurance Escrow Account             |    | 15,200.95    |
| KIA R & M RESERVE A04-06             |    | 35,695.00    |
| Construction Account                 |    | 19,250.29    |
| FGB - Customer Deposit Account       |    | 24,206.40    |
| FGB - Health Care Reimbursement      |    | 13,820.01    |
| FGB - Allen to Martin WTP            |    | 55,727.63    |

**Total Current Assets** 1,919,633.69

**PROPERTY AND EQUIPMENT**

|                                  |                 |
|----------------------------------|-----------------|
| Utility Plant                    | 33,728,965.83   |
| Utility Plant                    | 1,766,340.49    |
| Utility Plant Sewer              | 7,864,392.19    |
| Construction in Progress         | 2,777,442.87    |
| Construction in Progress - Sewer | 43,921.50       |
| Less: Accumulated Depreciation   | (20,775,793.34) |

**Net Property and Equipment** 25,405,269.54

**OTHER ASSETS**

|                          |             |
|--------------------------|-------------|
| Prepaid Interest         | 98,409.92   |
| Accumulated Amortization | (35,263.53) |

**Total Other Assets** 63,146.39

**TOTAL ASSETS** \$ 27,388,049.62

**Southern Water and Sewer District**  
**BALANCE SHEET**  
**As of April 30, 2016**

**LIABILITIES AND STOCKHOLDERS' EQUITY**

**CURRENT LIABILITIES**

|                                       |               |
|---------------------------------------|---------------|
| Accounts Payable                      | \$ 104,930.51 |
| A/P - CIP                             | 47,041.44     |
| N/P - FGB LOC                         | 226,000.00    |
| First Guaranty - Office Building      | 21,985.27     |
| N/P - FIRST GUARANTY (TRUCKS)         | 11,587.69     |
| N/P - FGB (DEAN'S TRUCK)              | 17,876.17     |
| N/P - CITIZEN'S NATIONAL (EXCAVATO    | 33,194.22     |
| Customer Deposits                     | 194,035.31    |
| Customer Deposits - Sewer             | 190.00        |
| Accrued Fed WTH                       | 7,297.27      |
| Accrued Ky WTH                        | 1,583.65      |
| Accrued KUI/FUTA                      | 3,572.44      |
| Accrued School Tax                    | 6.33          |
| Accrued Sales Tax                     | 1,296.85      |
| Garnishee                             | 2,032.63      |
| Accrued 401-k                         | (126.10)      |
| Accrued Vacation/Sick Pay             | 67,054.08     |
| Accrued Interest - KIA III            | 25,639.76     |
| Accrued Interest - Bonds              | 37,102.50     |
| Accrued Interest - New Bond           | 3,201.73      |
| Accrued Interest - Sandy Valley Bond  | 10,548.58     |
| Accrued Interest - Build America Bond | 2,916.59      |
| A/P - Solid Waste                     | 448,586.00    |

**Total Current Liabilities** 1,267,552.92

**LONG-TERM LIABILITIES**

|                                    |              |
|------------------------------------|--------------|
| Notes Payable Current Portion      | 475,320.09   |
| Less Current Portion Notes Payable | (475,320.09) |
| Bonds Payable Current Portion      | 64,981.00    |
| N/P - KIA I                        | 542,395.07   |
| N/P - KIA III                      | 1,440,141.86 |
| Bonds Payable                      | 2,109,000.00 |
| N/P - KIA A-04-06                  | 34,019.07    |
| Bonds Payable (New)                | 195,000.00   |
| RD Note - Sandy Valley 589573      | 501,509.00   |
| USDA (530,000)                     | 487,000.00   |
| N/P - KIA (A11-16) Harold Sewer    | 696,001.13   |
| Less Current Portion Bonds Payable | (64,981.00)  |

**Total Long-Term Liabilities** 6,005,066.13

**Total Liabilities** 7,272,619.05

**CAPITAL**

|                                 |               |
|---------------------------------|---------------|
| Invested in Capital Assets      | 17,604,992.00 |
| Restricted for Capital Projects | 46,457.00     |
| Restricted for Maintenance      | 100,453.00    |
| Restricted for Debt Services    | 283,254.00    |
| Unrestricted Net Assets         | 411,476.35    |
| Restricted for Deposits         | 153,021.00    |
| Current Earnings                | 119,453.31    |

Restricted For Management Use Only

**Southern Water and Sewer District**  
**BALANCE SHEET**  
**As of April 30, 2016**

|   |           |                      |
|---|-----------|----------------------|
| Retained Earnings                                     |           | 1,396,323 91         |
| Total Stockholders' Equity                            |           | 20,115,430 57        |
| <b>TOTAL LIABILITIES AND<br/>STOCKHOLDERS' EQUITY</b> | <b>\$</b> | <b>27,388,049 62</b> |

**Southern Water and Sewer District**  
**INCOME STATEMENT - CONSOLIDATED**  
**For the 1 Month and 4 Months Ended April 30, 2016**

|                                   | 1 Month Ended<br>April 30, 2016 | %             | 4 Months Ended<br>April 30, 2016 | %             |
|-----------------------------------|---------------------------------|---------------|----------------------------------|---------------|
| <b>Sales</b>                      |                                 |               |                                  |               |
| Metered Sales - Residential       | \$ 275,753.93                   | 70.59         | \$ 1,119,182.23                  | 70.83         |
| Metered Sales - Business          | 8,592.00                        | 2.20          | 30,860.03                        | 1.95          |
| Metered Sales - Residential Sewer | 13,856.60                       | 3.50          | 52,644.03                        | 3.33          |
| Metered Sales - Business Sewer    | 978.40                          | 0.25          | 3,495.49                         | 0.22          |
| Sales for Resale                  | 4,374.66                        | 1.12          | 17,398.57                        | 1.10          |
| Penalties                         | 5,593.25                        | 1.43          | 27,873.16                        | 1.76          |
| Meter Service                     | 2,560.00                        | 0.66          | 12,700.00                        | 0.80          |
| Tap fees                          | 609.12                          | 0.16          | 2,261.00                         | 0.14          |
| Sewer Tap Fees                    | 0.00                            | 0.00          | (500.00)                         | (0.03)        |
| Other Income                      | 500.00                          | 0.13          | 2,000.00                         | 0.13          |
| Garbage Sales Revenue             | 78,050.00                       | 19.98         | 312,178.75                       | 19.76         |
| Less Returns & Allowances         | 0.00                            | 0.00          | 0.00                             | 0.00          |
| <b>Total Sales</b>                | <b>390,667.96</b>               | <b>100.00</b> | <b>1,580,093.26</b>              | <b>100.00</b> |
| <b>Gross Profit</b>               | <b>390,667.96</b>               | <b>100.00</b> | <b>1,580,093.26</b>              | <b>100.00</b> |
| <b>Operating Expenses</b>         |                                 |               |                                  |               |
| Solid Waste Payments              | 73,274.82                       | 18.76         | 302,813.39                       | 19.16         |
| Water Purchases                   | 38,616.96                       | 9.88          | 152,198.87                       | 9.63          |
| Operations Labor - Pumping        | 10,543.35                       | 2.70          | 33,636.48                        | 2.13          |
| Chemicals - Sewer                 | 0.00                            | 0.00          | 20,833.96                        | 1.32          |
| Supplies - Pumping                | 0.00                            | 0.00          | 691.80                           | 0.04          |
| Telephone & Utilities - Pumping   | 1,564.51                        | 0.40          | 1,564.51                         | 0.10          |
| Chemicals                         | 4,948.60                        | 1.27          | 29,670.13                        | 1.88          |
| Sewer Supplies                    | 0.00                            | 0.00          | 3,740.60                         | 0.24          |
| Supplies                          | 119.91                          | 0.03          | 502.55                           | 0.03          |
| Natural Gas-WTP                   | 0.00                            | 0.00          | 1,271.93                         | 0.08          |
| Operations Labor - T & D          | 69,513.12                       | 17.79         | 202,181.37                       | 12.80         |
| Wages - Sewer                     | 3,000.00                        | 0.77          | 6,000.00                         | 0.38          |
| Wages - Sewer                     | 2,677.50                        | 0.69          | 9,015.75                         | 0.57          |
| Uniform Rental - T & D            | 0.00                            | 0.00          | 2,717.14                         | 0.17          |
| Supplies - T & D                  | 24,940.23                       | 6.38          | 33,757.27                        | 2.14          |
| Vehicle Repairs - T & D           | 0.00                            | 0.00          | 5,639.61                         | 0.36          |
| Utilities - T & D                 | 39,531.04                       | 10.12         | 141,405.20                       | 8.95          |
| Repairs Pump - T & D              | 10,000.00                       | 2.56          | 25,000.00                        | 1.58          |
| Uniform Rental - T & D            | 0.00                            | 0.00          | 4,781.50                         | 0.30          |
| Vehicle Repairs - T & D           | 5,748.96                        | 1.47          | 8,082.23                         | 0.51          |
| Repairs - T & D                   | 0.00                            | 0.00          | 1,950.34                         | 0.12          |
| Fuel-Gasoline                     | 5,872.13                        | 1.50          | 22,469.67                        | 1.42          |
| Lab Services - Distribution       | 0.00                            | 0.00          | 31,144.80                        | 1.97          |
| Utilities - Sewer                 | 2,222.91                        | 0.57          | 2,464.47                         | 0.16          |
| Utilities                         | 0.00                            | 0.00          | 23,139.43                        | 1.46          |
| Repairs - Sewer                   | 0.00                            | 0.00          | 5,817.18                         | 0.37          |
| Safety supplies                   | 0.00                            | 0.00          | 973.14                           | 0.06          |
| Billing Postage                   | 0.00                            | 0.00          | 4,616.65                         | 0.29          |
| Wages - Office                    | 15,403.88                       | 3.94          | 45,524.51                        | 2.88          |
| Office Postage                    | 990.92                          | 0.25          | 4,648.15                         | 0.29          |
| Office Supplies                   | 606.60                          | 0.16          | 5,823.62                         | 0.37          |
| Telephone & Utilities - Office    | 1,123.69                        | 0.29          | 7,622.80                         | 0.48          |
| Bank Charges                      | 1,515.30                        | 0.39          | 4,559.90                         | 0.29          |

Restricted For Management Use Only

**Southern Water and Sewer District**  
**INCOME STATEMENT - CONSOLIDATED**  
**For the 1 Month and 4 Months Ended April 30, 2016**

|  | 1 Month Ended<br>April 30, 2016 | %              | 4 Months Ended<br>April 30, 2016 | %             |
|--|---------------------------------|----------------|----------------------------------|---------------|
| Health Insurance                       | 2,329.70                        | 0.60           | 77,561.37                        | 4.91          |
| Dental Insurance                       | 961.43                          | 0.25           | 3,225.74                         | 0.20          |
| Workers Comp                           | 5,025.31                        | 1.29           | 16,649.52                        | 1.05          |
| Life Ins.                              | 85.42                           | 0.02           | 7,857.95                         | 0.50          |
| Contract Labor - Administration        | 0.00                            | 0.00           | 200.00                           | 0.01          |
| Health Insurance                       | 20.00                           | 0.01           | 0.00                             | 0.00          |
| Legal                                  | 2,000.00                        | 0.51           | 2,000.00                         | 0.13          |
| Accounting                             | 1,800.00                        | 0.46           | 7,399.00                         | 0.47          |
| Professional Fees                      | 0.00                            | 0.00           | 8,570.00                         | 0.54          |
| Property Insurance                     | 11,287.49                       | 2.89           | 55,477.37                        | 3.51          |
| Commissioners Bond                     | 0.00                            | 0.00           | 2,315.95                         | 0.15          |
| Commissioner's Fee                     | 2,000.00                        | 0.51           | 7,500.00                         | 0.47          |
| Misc. Expenses                         | 2,629.54                        | 0.67           | 6,324.74                         | 0.40          |
| Training                               | 206.00                          | 0.05           | 963.91                           | 0.06          |
| Advertising                            | 227.28                          | 0.06           | 227.28                           | 0.01          |
| Interest & Penalty Notices             | 0.00                            | 0.00           | 37.41                            | 0.00          |
| Depreciation Expense                   | 63,382.08                       | 16.22          | 253,528.32                       | 16.05         |
| Depreciation Expense                   | 8,496.82                        | 2.17           | 33,987.28                        | 2.15          |
| Payroll Taxes                          | 9,629.23                        | 2.46           | 31,983.01                        | 2.02          |
| Employer Pension Expense               | 1,935.50                        | 0.50           | 6,010.29                         | 0.38          |
| Health Care Reimbursements             | 780.79                          | 0.20           | 1,919.51                         | 0.12          |
| <b>Total Operating Expenses</b>        | <b>425,011.02</b>               | <b>108.79</b>  | <b>1,669,997.60</b>              | <b>105.69</b> |
| <b>Operating Income (Loss)</b>         | <b>(34,343.06)</b>              | <b>(8.79)</b>  | <b>(89,904.34)</b>               | <b>(5.69)</b> |
| <b>Other Income (Expense)</b>          |                                 |                |                                  |               |
| Interest Expense - First Guaranty Bank | (200.20)                        | 0.05           | (1,592.78)                       | 0.10          |
| Interest Expense - LOC                 | (1,000.00)                      | 0.26           | (4,000.00)                       | 0.25          |
| Amortization of Premium                | (205.02)                        | 0.05           | (820.08)                         | 0.05          |
| Interest Expense - KIA                 | (5,268.74)                      | 1.35           | (21,074.96)                      | 1.33          |
| Interest Expense - Bonds               | (11,953.64)                     | 3.06           | (47,814.56)                      | 3.03          |
| Interest Income - Now                  | 52.04                           | 0.01           | 203.39                           | 0.01          |
| Grant Income (Dept of Transportation)  | 0.00                            | 0.00           | 176,035.85                       | 11.14         |
| Rural Development - Allen to Martin WT | 0.00                            | 0.00           | 108,420.79                       | 6.86          |
| <b>Total Other Income (Expense)</b>    | <b>(18,575.56)</b>              | <b>(4.75)</b>  | <b>209,357.65</b>                | <b>13.25</b>  |
| <b>Net Income (Loss) Before Taxes</b>  | <b>(52,918.62)</b>              | <b>(13.55)</b> | <b>119,453.31</b>                | <b>7.56</b>   |
| <b>Net Income (Loss)</b>               | <b>\$ (52,918.62)</b>           | <b>(13.55)</b> | <b>\$ 119,453.31</b>             | <b>7.56</b>   |

Restricted For Management Use Only

**Southern Water and Sewer District**  
**INCOME STATEMENT - WATER**  
**For the 1 Month and 4 Months Ended April 30, 2016**

|                                 | 1 Month Ended<br>April 30, 2016 | %            | 4 Months Ended<br>April 30, 2016 | %            |
|---------------------------------|---------------------------------|--------------|----------------------------------|--------------|
| <b>Sales</b>                    |                                 |              |                                  |              |
| Metered Sales - Residential     | \$ 275,753.93                   | 70.59        | \$ 1,119,182.23                  | 70.83        |
| Metered Sales - Business        | 8,592.00                        | 2.20         | 30,860.03                        | 1.95         |
| Sales for Resale                | 4,374.66                        | 1.12         | 17,398.57                        | 1.10         |
| Penalties                       | 5,593.25                        | 1.43         | 27,873.16                        | 1.76         |
| Meter Service                   | 2,560.00                        | 0.66         | 12,700.00                        | 0.80         |
| Tap fees                        | 609.12                          | 0.16         | 2,261.00                         | 0.14         |
| Other Income                    | 500.00                          | 0.13         | 2,000.00                         | 0.13         |
| Garbage Sales Revenue           | 78,050.00                       | 19.98        | 312,178.75                       | 19.76        |
| Less Returns & Allowances       | 0.00                            | 0.00         | 0.00                             | 0.00         |
| <b>Total Sales</b>              | <b>376,032.96</b>               | <b>96.25</b> | <b>1,524,453.74</b>              | <b>96.48</b> |
| <b>Gross Profit</b>             | <b>376,032.96</b>               | <b>96.25</b> | <b>1,524,453.74</b>              | <b>96.48</b> |
| <b>Operating Expenses</b>       |                                 |              |                                  |              |
| Solid Waste Payments            | 73,274.82                       | 18.76        | 302,813.39                       | 19.16        |
| Water Purchases                 | 38,616.96                       | 9.88         | 152,198.87                       | 9.63         |
| Operations Labor - Pumping      | 10,543.35                       | 2.70         | 33,636.48                        | 2.13         |
| Supplies - Pumping              | 0.00                            | 0.00         | 691.80                           | 0.04         |
| Telephone & Utilities - Pumping | 1,564.51                        | 0.40         | 1,564.51                         | 0.10         |
| Chemicals                       | 4,948.60                        | 1.27         | 29,670.13                        | 1.88         |
| Natural Gas-WTP                 | 0.00                            | 0.00         | 1,271.93                         | 0.08         |
| Operations Labor - T & D        | 69,513.12                       | 17.79        | 202,181.37                       | 12.80        |
| Uniform Rental - T & D          | 0.00                            | 0.00         | 2,717.14                         | 0.17         |
| Supplies - T & D                | 24,940.23                       | 6.38         | 33,757.27                        | 2.14         |
| Vehicle Repairs - T & D         | 0.00                            | 0.00         | 5,639.61                         | 0.36         |
| Utilities - T & D               | 39,531.04                       | 10.12        | 141,405.20                       | 8.95         |
| Repairs Pump - T & D            | 10,000.00                       | 2.56         | 25,000.00                        | 1.58         |
| Uniform Rental - T & D          | 0.00                            | 0.00         | 4,781.50                         | 0.30         |
| Vehicle Repairs - T & D         | 5,748.96                        | 1.47         | 8,082.23                         | 0.51         |
| Repairs - T & D                 | 0.00                            | 0.00         | 1,950.34                         | 0.12         |
| Fuel-Gasoline                   | 5,872.13                        | 1.50         | 22,469.67                        | 1.42         |
| Lab Services - Distribution     | 0.00                            | 0.00         | 31,144.80                        | 1.97         |
| Safety supplies                 | 0.00                            | 0.00         | 973.14                           | 0.06         |
| Billing Postage                 | 0.00                            | 0.00         | 4,616.65                         | 0.29         |
| Wages - Office                  | 15,403.88                       | 3.94         | 45,524.51                        | 2.88         |
| Office Postage                  | 990.92                          | 0.25         | 4,648.15                         | 0.29         |
| Office Supplies                 | 606.60                          | 0.16         | 5,823.62                         | 0.37         |
| Telephone & Utilities - Office  | 1,123.69                        | 0.29         | 7,622.80                         | 0.48         |
| Bank Charges                    | 1,515.30                        | 0.39         | 4,559.90                         | 0.29         |
| Health Insurance                | 2,329.70                        | 0.60         | 77,561.37                        | 4.91         |
| Dental Insurance                | 961.43                          | 0.25         | 3,225.74                         | 0.20         |
| Workers Comp                    | 5,025.31                        | 1.29         | 16,649.52                        | 1.05         |
| Life Ins.                       | 85.42                           | 0.02         | 7,857.95                         | 0.50         |
| Contract Labor - Administration | 0.00                            | 0.00         | 200.00                           | 0.01         |
| Legal                           | 2,000.00                        | 0.51         | 2,000.00                         | 0.13         |
| Accounting                      | 1,800.00                        | 0.46         | 7,399.00                         | 0.47         |
| Professional Fees               | 0.00                            | 0.00         | 8,570.00                         | 0.54         |
| Property Insurance              | 11,287.49                       | 2.89         | 55,477.37                        | 3.51         |
| Commissioners Bond              | 0.00                            | 0.00         | 2,315.95                         | 0.15         |
| Commissioner's Fee              | 2,000.00                        | 0.51         | 7,500.00                         | 0.47         |

Restricted For Management Use Only



**Southern Water and Sewer District**  
**INCOME STATEMENT - WATER**  
**For the 1 Month and 4 Months Ended April 30, 2016**

|  | 1 Month Ended<br>April 30, 2016 | %              | 4 Months Ended<br>April 30, 2016 | %             |
|--|---------------------------------|----------------|----------------------------------|---------------|
| Misc. Expenses                         | 2,629.54                        | 0.67           | 6,324.74                         | 0.40          |
| Training                               | 206.00                          | 0.05           | 963.91                           | 0.06          |
| Advertising                            | 227.28                          | 0.06           | 227.28                           | 0.01          |
| Interest & Penalty Notices             | 0.00                            | 0.00           | 37.41                            | 0.00          |
| Depreciation Expense                   | 63,382.08                       | 16.22          | 253,528.32                       | 16.05         |
| Depreciation Expense                   | 8,496.82                        | 2.17           | 33,987.28                        | 2.15          |
| Payroll Taxes                          | 9,629.23                        | 2.46           | 31,983.01                        | 2.02          |
| Employer Pension Expense               | 1,935.50                        | 0.50           | 6,010.29                         | 0.38          |
| Health Care Reimbursements             | 780.79                          | 0.20           | 1,919.51                         | 0.12          |
| <b>Total Operating Expenses</b>        | <b>416,970.70</b>               | <b>106.73</b>  | <b>1,598,483.66</b>              | <b>101.16</b> |
| <b>Operating Income (Loss)</b>         | <b>(40,937.74)</b>              | <b>(10.48)</b> | <b>(74,029.92)</b>               | <b>(4.69)</b> |
| <b>Other Income (Expense)</b>          |                                 |                |                                  |               |
| Interest Expense - First Guaranty Bank | (200.20)                        | 0.05           | (1,592.78)                       | 0.10          |
| Interest Expense - LOC                 | (1,000.00)                      | 0.26           | (4,000.00)                       | 0.25          |
| Amortization of Premium                | (205.02)                        | 0.05           | (820.08)                         | 0.05          |
| Interest Expense - KIA                 | (5,268.74)                      | 1.35           | (21,074.96)                      | 1.33          |
| Interest Expense - Bonds               | (11,953.64)                     | 3.06           | (47,814.56)                      | 3.03          |
| Interest Income - Now                  | 52.04                           | 0.01           | 203.39                           | 0.01          |
| Rural Development - Allen to Martin WT | 0.00                            | 0.00           | 108,420.79                       | 6.86          |
| <b>Total Other Income (Expense)</b>    | <b>(18,575.56)</b>              | <b>(4.75)</b>  | <b>33,321.80</b>                 | <b>2.11</b>   |
| <b>Net Income (Loss) Before Taxes</b>  | <b>(59,513.30)</b>              | <b>(15.23)</b> | <b>(40,708.12)</b>               | <b>(2.58)</b> |
| <b>Net Income (Loss)</b>               | <b>\$ (59,513.30)</b>           | <b>(15.23)</b> | <b>\$ (40,708.12)</b>            | <b>(2.58)</b> |

Restricted For Management Use Only

**Southern Water and Sewer District**  
**INCOME STATEMENT - SEWER**  
**For the 1 Month and 4 Months Ended April 30, 2016**

|                                       | 1 Month Ended<br>April 30, 2016 | %           | 4 Months Ended<br>April 30, 2016 | %             |
|---------------------------------------|---------------------------------|-------------|----------------------------------|---------------|
| <b>Sales</b>                          |                                 |             |                                  |               |
| Metered Sales - Residential Sewer     | \$ 13,656.60                    | 3.50        | \$ 52,644.03                     | 3.33          |
| Metered Sales - Business Sewer        | 978.40                          | 0.25        | 3,495.49                         | 0.22          |
| Sewer Tap Fees                        | 0.00                            | 0.00        | (500.00)                         | (0.03)        |
| Less Returns & Allowances             | 0.00                            | 0.00        | 0.00                             | 0.00          |
| <b>Total Sales</b>                    | <b>14,635.00</b>                | <b>3.75</b> | <b>55,639.52</b>                 | <b>3.52</b>   |
| <b>Gross Profit</b>                   | <b>14,635.00</b>                | <b>3.75</b> | <b>55,639.52</b>                 | <b>3.52</b>   |
| <b>Operating Expenses</b>             |                                 |             |                                  |               |
| Chemicals - Sewer                     | 0.00                            | 0.00        | 20,833.96                        | 1.32          |
| Sewer Supplies                        | 0.00                            | 0.00        | 3,740.60                         | 0.24          |
| Supplies                              | 119.91                          | 0.03        | 502.55                           | 0.03          |
| Wages - Sewer                         | 3,000.00                        | 0.77        | 6,000.00                         | 0.38          |
| Wages - Sewer                         | 2,677.50                        | 0.69        | 9,015.75                         | 0.57          |
| Utilities - Sewer                     | 2,222.91                        | 0.57        | 2,464.47                         | 0.16          |
| Utilities                             | 0.00                            | 0.00        | 23,139.43                        | 1.46          |
| Repairs - Sewer                       | 0.00                            | 0.00        | 5,817.18                         | 0.37          |
| Health Insurance                      | 20.00                           | 0.01        | 0.00                             | 0.00          |
| <b>Total Operating Expenses</b>       | <b>8,040.32</b>                 | <b>2.08</b> | <b>71,513.94</b>                 | <b>4.53</b>   |
| <b>Operating Income (Loss)</b>        | <b>6,594.68</b>                 | <b>1.69</b> | <b>(15,874.42)</b>               | <b>(1.00)</b> |
| <b>Other Income (Expense)</b>         |                                 |             |                                  |               |
| Grant Income (Dept of Transportation) | 0.00                            | 0.00        | 176,035.85                       | 11.14         |
| <b>Total Other Income (Expense)</b>   | <b>0.00</b>                     | <b>0.00</b> | <b>176,035.85</b>                | <b>11.14</b>  |
| <b>Net Income (Loss) Before Taxes</b> | <b>6,594.68</b>                 | <b>1.69</b> | <b>160,161.43</b>                | <b>10.14</b>  |
| <b>Net Income (Loss)</b>              | <b>\$ 6,594.68</b>              | <b>1.69</b> | <b>\$ 160,161.43</b>             | <b>10.14</b>  |

**Southern Water and Sewer District  
Transaction Listing**

| Date     | Reference | Account | Account Description         | Description       | Amount    | Reference Total |
|----------|-----------|---------|-----------------------------|-------------------|-----------|-----------------|
| 04/01/16 | 1036      | 23501   | Customer Deposits           | KAITLIN & COREY   |           |                 |
|          |           |         |                             | TERRY             | 60.00     | 60.00           |
| 04/07/16 | 1050      | 72109   | Workers Comp                | KEMI              | 2,525.31  | 2,525.31        |
| 04/07/16 | 1051      | 72401   | Property Insurance          | KLC PREMIUM       |           |                 |
|          |           |         |                             | FINANCE           | 11,287.49 | 11,287.49       |
| 04/07/16 | 1052      | 72109   | Workers Comp                | KACO              | 2,500.00  | 2,500.00        |
| 04/22/16 | 1100      | 60001   | Solid Waste Payments        | FLOYD COUNTY      |           |                 |
|          |           |         |                             | SOLID WASTE       | 73,357.41 | 73,357.41       |
| 04/12/16 | 1121      | 93504   | Health Care Reimbursements  | DEAN HALL         | 483.01    | 483.01          |
| 04/13/16 | 1122      | 93504   | Health Care Reimbursements  | GEORGE HALL       | 297.78    | 297.78          |
| 04/07/16 | 1451      | 64105   | Repairs Pump - T & D        | FRASURE ELECTRIC  | 5,000.00  | 5,000.00        |
| 04/11/16 | 1452      | 60002   | Water Purchases             | PIKEVILLE CITY    |           |                 |
|          |           |         |                             | UTILITIES         | 21,183.61 | 21,183.61       |
| 04/15/16 | 1453      | 72102   | Office Postage              | MCDOWELL          |           |                 |
|          |           |         |                             | POSTMASTER        | 941.92    | 941.92          |
| 04/21/16 | 1454      | 64104   | Utilities - T & D           | AMERICAN          |           |                 |
|          |           |         |                             | ELECTRIC POWER    | 10,000.00 | 10,000.00       |
| 04/29/16 | 1455      | 93501   | Transfer of Funds           | TRANSFER          | 8,000.00  | 8,000.00        |
| 04/25/16 | 1456      | 93501   | Transfer of Funds           | SWSD REIMB        |           |                 |
|          |           |         |                             | GARBAGE           | 10,802.75 | 10,802.75       |
| 04/01/16 | 13292     | 64001   | Operations Labor - T & D    | RAY V ADKINS      | 838.84    | 838.84          |
| 04/01/16 | 13554     | 73003   | Misc. Expenses              | April Isaac       | 331.22    | 331.22          |
| 04/01/16 | 13555     | 23501   | Customer Deposits           | Leslie Cooley     | 21.65     | 21.65           |
| 04/01/16 | 13556     | 73003   | Misc. Expenses              | MARGARET KING     | 593.83    | 593.83          |
| 04/01/16 | 13557     | 72102   | Office Postage              | McDOWELL          |           |                 |
|          |           |         |                             | POSTMASTER        | 49.00     | 49.00           |
| 04/01/16 | 13558     | 73001   | Commissioner's Fee          | Paula Johnson     | 500.00    | 500.00          |
| 04/04/16 | 13559     | 64110   | Lab Services - Distribution | McCoy & McCoy     |           |                 |
|          |           |         |                             | Laboratories      | 5,173.13  | 5,173.13        |
| 04/04/16 | 13560     | 72103   | Office Supplies             | STAPLES           | 566.70    | 566.70          |
| 04/01/16 | 13571     | Payroll |                             | WEBB, MARIBETH    | 1,292.30  | 1,292.30        |
| 04/01/16 | 13572     | Payroll |                             | OSBORNE, LARRY J  | 424.52    | 424.52          |
| 04/01/16 | 13573     | Payroll |                             | JACOBS, JOSEPH G  | 455.35    | 455.35          |
| 04/01/16 | 13574     | Payroll |                             | HALL, BARRY       | 424.52    | 424.52          |
| 04/01/16 | 13575     | Payroll |                             | BURKE, PAULA      | 804.55    | 804.55          |
| 04/01/16 | 13576     | Payroll |                             | ALLEN, TEDDI      | 700.91    | 700.91          |
| 04/01/16 | 13577     | Payroll |                             | AUTON, ELIZABETH  | 728.92    | 728.92          |
| 04/01/16 | 13578     | Payroll |                             | HAMILTON, HAYES   | 383.72    | 383.72          |
| 04/01/16 | 13579     | Payroll |                             | HUNTER, EVERETT R | 879.44    | 879.44          |
| 04/01/16 | 13580     | Payroll |                             | HALL, GEORGE      | 1,142.12  | 1,142.12        |
| 04/01/16 | 13581     | Payroll |                             | HALL, DEAN M      | 1,754.84  | 1,754.84        |
| 04/01/16 | 13582     | Payroll |                             | HARRISON, DON E   | 982.45    | 982.45          |
| 04/01/16 | 13583     | Payroll |                             | ADKINS,           |           |                 |
|          |           |         |                             | CHRISTOPHER O     | 758.45    | 758.45          |
| 04/01/16 | 13584     | Payroll |                             | JUSTICE, DUSTIN R | 690.52    | 690.52          |
| 04/01/16 | 13585     | Payroll |                             | WILKS, ROBERT S   | 445.98    | 445.98          |
| 04/01/16 | 13586     | Payroll |                             | SALYER, REECE     | 1,258.49  | 1,258.49        |
| 04/01/16 | 13587     | Payroll |                             | CONLEY, JUSTIN    | 0.00      |                 |
| 04/01/16 | 13587     | 64001   | Operations Labor - T & D    | JUSTIN CONLEY     | 667.93    | 667.93          |
| 04/01/16 | 13588     | Payroll |                             | TICE, JOSEPH      | 651.62    | 651.62          |
| 04/01/16 | 13589     | Payroll |                             | JOHNSON, RICHARD  | 642.95    | 642.95          |
| 04/01/16 | 13590     | Payroll |                             | CROWDER, LOGAN M  | 682.93    | 682.93          |
| 04/01/16 | 13591     | Payroll |                             | SALISBURY,        |           |                 |
|          |           |         |                             | ANTHONY E. B      | 601.92    | 601.92          |
| 04/01/16 | 13592     | Payroll |                             | ADKINS, RAY V     | 838.84    | 838.84          |
| 04/01/16 | 13593     | Payroll |                             | HORNE, DAVID R    | 782.25    | 782.25          |
| 04/01/16 | 13594     | Payroll |                             | COLLINS, CODY     | 885.86    | 885.86          |
| 04/01/16 | 13595     | Payroll |                             | COMPTON, JOSEPH T | 669.10    | 669.10          |
| 04/01/16 | 13596     | Payroll |                             | HALL, SHANNON L   | 499.46    | 499.46          |
| 04/01/16 | 13597     | Payroll |                             | ROBINSON,         |           |                 |
|          |           |         |                             | CHRISTOPHER       | 1,039.09  | 1,039.09        |
| 04/01/16 | 13598     | Payroll |                             | HACKWORTH,        |           |                 |

**Southern Water and Sewer District  
Transaction Listing**

| Date     | Reference | Account | Account Description                     | Description                | Amount    | Reference |
|----------|-----------|---------|---|----------------------------|-----------|-----------|
|          |           |         |   |                            |           | Total     |
|          |           |         |   | KENDALL W                  | 912.68    | 912.68    |
| 04/01/16 | 13599     | Payroll |   | BOLEN, PRESTON L           | 689.77    | 689.77    |
| 04/01/16 | 13600     | Payroll |   | FRANCIS, CHRIS             | 1,083.23  | 1,083.23  |
| 04/01/16 | 13601     | Payroll |   | ALLEN, TEDDI               | 633.65    | 633.65    |
| 04/01/16 | 13602     | 23607   | Garnishee                               | Child Support              |           |           |
|          |           |         |   | Enforcement                | 179.98    | 179.98    |
| 04/01/16 | 13603     | 23607   | Garnishee                               | Child Support              |           |           |
|          |           |         |   | Enforcement                | 320.53    | 320.53    |
| 04/01/16 | 13604     | 23603   | Accrued Ky WTH                          | Kentucky State             |           |           |
|          |           |         |   | Treasurer                  | 2,766.49  | 2,766.49  |
| 04/01/16 | 13605     | 72302   | Accounting                              | Michael Spears             | 1,800.00  | 1,800.00  |
| 04/11/16 | 13607     | 62305   | Chemicals                               | C.I. Thornburg             | 4,660.56  | 4,660.56  |
| 04/11/16 | 13608     | 60002   | Water Purchases                         | Prestonsburg City          |           |           |
|          |           |         |   | Utilities                  | 19,594.53 | 19,594.53 |
| 04/14/16 | 13609     | 72103   | Office Supplies                         | IGA                        | 39.90     | 39.90     |
| 04/12/16 | 13610     | 73003   | Misc. Expenses                          | Teresa Hall                | 200.00    | 200.00    |
| 04/14/16 | 13611     | 64020   | Wages - Sewer                           | C & L CONSULTANTS          | 3,000.00  | 3,000.00  |
| 04/15/16 | 13612     | 72301   | Legal                                   | TYLER GREEN                | 2,000.00  | 2,000.00  |
| 04/19/16 | 13613     | 64105   | Repairs Pump - T & D                    | FRASURE ELECTRIC           | 5,000.00  | 5,000.00  |
| 04/21/16 | 13614     | 73003   | Misc. Expenses                          | LOWES                      | 236.07    | 236.07    |
| 04/21/16 | 13615     | 64104   | Utilities - T & D                       | AMERICAN                   |           |           |
|          |           |         |   | ELECTRIC POWER             | 36,813.57 | 36,813.57 |
| 04/21/16 | 13616     | 64102   | Supplies - T & D                        | HAYES PIPE SUPPLY,         |           |           |
|          |           |         |   | INC.                       | 4,294.40  | 4,294.40  |
| 04/07/16 | 13617     | 72110   | Life Ins.                               | AGLA                       | 1,980.34  | 1,980.34  |
| 04/07/16 | 13618     | 64104   | Utilities - T & D                       | Appalachian Wireless       | 65.18     | 65.18     |
| 04/07/16 | 13619     | 23214   | N/P - CITIZEN'S NATIONAL<br>(EXCAVATOR) | CITIZEN'S NATIONAL<br>BANK | 939.61    | 939.61    |
| 04/07/16 | 13620     | 72103   | Office Supplies                         | East Ky Exterminating      | 45.00     | 45.00     |
| 04/07/16 | 13621     | 64102   | Supplies - T & D                        | FORTLINE, INC              | 11,082.01 | 11,082.01 |
| 04/07/16 | 13622     | 73003   | Misc. Expenses                          | Hi Tech Security           | 74.97     | 74.97     |
| 04/07/16 | 13623     | 64102   | Supplies - T & D                        | Home City Ice              | 87.50     | 87.50     |
| 04/07/16 | 13624     | 60002   | Water Purchases                         | KNOTT COUNTY               |           |           |
|          |           |         |   | WATER                      | 10.80     | 10.80     |
| 04/07/16 | 13625     | 72104   | Telephone & Utilities - Office          | PEOPLES                    | 245.61    | 245.61    |
| 04/07/16 | 13626     | 72103   | Office Supplies                         | State Wide Press           | 93.28     | 93.28     |
| 04/07/16 | 13627     | 64102   | Supplies - T & D                        | Wright Lumber              | 467.69    | 467.69    |
| 04/15/16 | 13628     | Payroll |   | WEBB, MARIBETH             | 1,292.31  | 1,292.31  |
| 04/15/16 | 13629     | Payroll |   | BURKE, PAULA               | 804.56    | 804.56    |
| 04/15/16 | 13630     | Payroll |   | ROBINSON, AMBER            | 381.59    | 381.59    |
| 04/15/16 | 13631     | Payroll |   | AUTON, ELIZABETH           | 728.92    | 728.92    |
| 04/15/16 | 13632     | Payroll |   | HUNTER, EVERETT R          | 904.98    | 904.98    |
| 04/15/16 | 13633     | Payroll |   | HALL, GEORGE               | 864.63    | 864.63    |
| 04/15/16 | 13634     | Payroll |   | HALL, DEAN M               | 1,754.85  | 1,754.85  |
| 04/15/16 | 13635     | Payroll |   | HARRISON, DON E            | 1,049.00  | 1,049.00  |
| 04/15/16 | 13636     | Payroll |   | ADKINS,                    |           |           |
|          |           |         |   | CHRISTOPHER O              | 830.60    | 830.60    |
| 04/15/16 | 13637     | Payroll |   | JUSTICE, DUSTIN R          | 766.75    | 766.75    |
| 04/15/16 | 13638     | Payroll |   | WILKS, ROBERT S            | 445.97    | 445.97    |
| 04/15/16 | 13639     | Payroll |   | SALYER, REECE              | 1,239.63  | 1,239.63  |
| 04/15/16 | 13640     | Payroll |   | CONLEY, JUSTIN             | 724.99    | 724.99    |
| 04/15/16 | 13641     | Payroll |   | TICE, JOSEPH               | 754.10    | 754.10    |
| 04/15/16 | 13642     | Payroll |   | JOHNSON, RICHARD           | 719.21    | 719.21    |
| 04/15/16 | 13643     | Payroll |   | CROWDER, LOGAN M           | 850.95    | 850.95    |
| 04/15/16 | 13644     | Payroll |   | SALISBURY,                 |           |           |
|          |           |         |   | ANTHONY E. B               | 699.99    | 699.99    |
| 04/15/16 | 13645     | Payroll |   | ADKINS, RAY V              | 803.17    | 803.17    |
| 04/15/16 | 13646     | Payroll |   | HORNE, DAVID R             | 734.04    | 734.04    |
| 04/15/16 | 13647     | Payroll |   | COLLINS, CODY              | 671.21    | 671.21    |
| 04/15/16 | 13648     | Payroll |   | COMPTON, JOSEPH T          | 715.41    | 715.41    |
| 04/15/16 | 13649     | Payroll |   | HALL, SHANNON L            | 0.00      |           |
| 04/15/16 | 13650     | Payroll |   | ROBINSON,                  |           |           |



**Southern Water and Sewer District  
Transaction Listing**

| Date     | Reference | Account | Account Description             | Description                     | Amount   | Reference Total |
|----------|-----------|---------|---------------------------------|---------------------------------|----------|-----------------|
| 04/15/16 | 13651     | Payroll |                                 | CHRISTOPHER HACKWORTH,          | 1,275.66 | 1,275.66        |
| 04/15/16 | 13652     | Payroll |                                 | KENDALL W BOLEN, PRESTON L      | 735.60   | 735.60          |
| 04/15/16 | 13653     | Payroll |                                 | FRANCIS, CHRIS                  | 596.76   | 596.76          |
| 04/15/16 | 13654     | 23607   | Garnishee                       | Child Support Enforcement       | 1,083.23 | 1,083.23        |
| 04/15/16 | 13656     | Payroll |                                 | HALL, SHANNON L                 | 320.53   | 320.53          |
| 04/29/16 | 13657     | Payroll |                                 | WEBB, MARIBETH                  | 782.13   | 782.13          |
| 04/29/16 | 13658     | Payroll |                                 | BURKE, PAULA                    | 1,272.07 | 1,272.07        |
| 04/29/16 | 13659     | Payroll |                                 | ROBINSON, AMBER                 | 790.73   | 790.73          |
| 04/29/16 | 13660     | Payroll |                                 | AUTON, ELIZABETH                | 577.87   | 577.87          |
| 04/29/16 | 13661     | Payroll |                                 | HUNTER, EVERETT R               | 716.30   | 716.30          |
| 04/29/16 | 13662     | Payroll |                                 | HALL, GEORGE                    | 739.22   | 739.22          |
| 04/29/16 | 13663     | Payroll |                                 | HALL, DEAN M                    | 1,034.16 | 1,034.16        |
| 04/29/16 | 13664     | Payroll |                                 | HARRISON, DON E                 | 1,754.78 | 1,754.78        |
| 04/29/16 | 13665     | Payroll |                                 | ADKINS, CHRISTOPHER O           | 1,264.93 | 1,264.93        |
| 04/29/16 | 13666     | Payroll |                                 | JUSTICE, DUSTIN R               | 801.97   | 801.97          |
| 04/29/16 | 13667     | Payroll |                                 | WILKS, ROBERT S                 | 733.94   | 733.94          |
| 04/29/16 | 13668     | Payroll |                                 | SALYER, REECE                   | 825.35   | 825.35          |
| 04/29/16 | 13669     | Payroll |                                 | CONLEY, JUSTIN                  | 1,447.85 | 1,447.85        |
| 04/29/16 | 13670     | Payroll |                                 | TICE, JOSEPH                    | 896.05   | 896.05          |
| 04/29/16 | 13671     | Payroll |                                 | JOHNSON, RICHARD                | 640.09   | 640.09          |
| 04/29/16 | 13672     | Payroll |                                 | CROWDER, LOGAN M                | 740.85   | 740.85          |
| 04/29/16 | 13673     | Payroll |                                 | SALISBURY, ANTHONY E. B         | 930.81   | 930.81          |
| 04/29/16 | 13674     | Payroll |                                 | ADKINS, RAY V                   | 612.67   | 612.67          |
| 04/29/16 | 13675     | Payroll |                                 | HORNE, DAVID R                  | 951.48   | 951.48          |
| 04/29/16 | 13676     | Payroll |                                 | COLLINS, CODY                   | 1,216.06 | 1,216.06        |
| 04/29/16 | 13677     | Payroll |                                 | COMPTON, JOSEPH T               | 864.52   | 864.52          |
| 04/29/16 | 13678     | Payroll |                                 | HALL, SHANNON L                 | 657.84   | 657.84          |
| 04/29/16 | 13679     | Payroll |                                 | ROBINSON, CHRISTOPHER           | 770.88   | 770.88          |
| 04/29/16 | 13680     | Payroll |                                 | HACKWORTH, KENDALL W            | 1,453.04 | 1,453.04        |
| 04/29/16 | 13681     | Payroll |                                 | BOLEN, PRESTON L                | 714.27   | 714.27          |
| 04/29/16 | 13682     | Payroll |                                 | FRANCIS, CHRIS                  | 705.12   | 705.12          |
| 04/29/16 | 13683     | 23607   | Garnishee                       | Child Support Enforcement       | 1,083.64 | 1,083.64        |
| 04/29/16 | 13684     | 23603   | Accrued Ky WTH                  | Kentucky State Treasurer        | 320.53   | 320.53          |
| 04/29/16 | 13685     | 23604   | Accrued KUI/FUTA                | Treasurere KY Unempl. Ins. Fund | 2,860.30 | 2,860.30        |
| 04/29/16 | 13686     | 23601   | Accrued Fica                    | United States Treasury          | 5,997.96 | 5,997.96        |
| 04/29/16 | 13687     | Payroll |                                 | CONLEY, JUSTIN                  | 24.24    | 24.24           |
| 04/27/16 | 13688     | 23501   | Customer Deposits               | Steve Clark                     | 896.06   | 896.06          |
| 04/27/16 | 13689     | 62305   | Chemicals                       | C.I. Thornburg                  | 40.00    | 40.00           |
| 04/14/16 | 13691     | 62303   | Telephone & Utilities - Pumping | BIG SANDY RECC                  | 4,948.60 | 4,948.60        |
| 04/14/16 | 13692     | 16201   | Construction in Progress        | KY ENGINEERING GROUP            | 1,564.51 | 1,564.51        |
| 04/14/16 | 13693     | 64102   | Supplies - T & D                | MOORE'S HARDWARE                | 7,570.56 | 7,570.56        |
| 04/14/16 | 13694     | 73003   | Misc. Expenses                  | S. RAY SLONE                    | 1,956.67 | 1,956.67        |
| 04/14/16 | 13695     | 64107   | Vehicle Repairs - T & D         | TWIN BRIDGE AUTO PARTS          | 685.17   | 685.17          |
| 04/14/16 | 13696     | 73003   | Misc. Expenses                  | VERNON KELLY SLONE              | 819.29   | 819.29          |
| 04/25/16 | 13697     | 23104   | A/P - CIP                       | KY ENGINEERING GROUP            | 583.25   | 583.25          |
| 04/25/16 | 13698     | 64107   | Vehicle Repairs - T & D         | XTREME AUTO & PERFORMANCE       | 6,406.54 | 6,406.54        |
|          |           |         |                                 |                                 | 2,690.04 | 2,690.04        |



**Southern Water and Sewer District  
Transaction Listing**

| Date                   | Reference         | Account       | Account Description | Description | Amount | Reference Total   |
|------------------------|-------------------|---------------|---------------------|-------------|--------|-------------------|
| Total of Checks        |                   |               |                     |             |        | <u>359,011.01</u> |
| Total Debits           | <u>359,011.01</u> | Total Credits | <u>0.00</u>         |             |        |                   |
| Number of Transactions | 147               |               |                     |             |        |                   |

**Southern Water and Sewer District  
Transaction Listing**

| Date     | Reference | Account | Account Description         | Description       | Amount    | Reference Total |
|----------|-----------|---------|-----------------------------|-------------------|-----------|-----------------|
| 04/01/16 | 1036      | 23501   | Customer Deposits           | KAITLIN & COREY   |           |                 |
|          |           |         |                             | TERRY             | 60.00     | 60.00           |
| 04/07/16 | 1050      | 72109   | Workers Comp                | KEMI              | 2,525.31  | 2,525.31        |
| 04/07/16 | 1051      | 72401   | Property Insurance          | KLC PREMIUM       |           |                 |
|          |           |         |                             | FINANCE           | 11,287.49 | 11,287.49       |
| 04/07/16 | 1052      | 72109   | Workers Comp                | KACO              | 2,500.00  | 2,500.00        |
| 04/22/16 | 1100      | 60001   | Solid Waste Payments        | FLOYD COUNTY      |           |                 |
|          |           |         |                             | SOLID WASTE       | 73,357.41 | 73,357.41       |
| 04/12/16 | 1121      | 93504   | Health Care Reimbursements  | DEAN HALL         | 483.01    | 483.01          |
| 04/13/16 | 1122      | 93504   | Health Care Reimbursements  | GEORGE HALL       | 297.78    | 297.78          |
| 04/07/16 | 1451      | 64105   | Repairs Pump - T & D        | FRASURE ELECTRIC  | 5,000.00  | 5,000.00        |
| 04/11/16 | 1452      | 60002   | Water Purchases             | PIKEVILLE CITY    |           |                 |
|          |           |         |                             | UTILITIES         | 21,183.61 | 21,183.61       |
| 04/15/16 | 1453      | 72102   | Office Postage              | MCDOWELL          |           |                 |
|          |           |         |                             | POSTMASTER        | 941.92    | 941.92          |
| 04/21/16 | 1454      | 64104   | Utilities - T & D           | AMERICAN          |           |                 |
|          |           |         |                             | ELECTRIC POWER    | 10,000.00 | 10,000.00       |
| 04/29/16 | 1455      | 93501   | Transfer of Funds           | TRANSFER          | 8,000.00  | 8,000.00        |
| 04/25/16 | 1456      | 93501   | Transfer of Funds           | SWSD REIMB        |           |                 |
|          |           |         |                             | GARBAGE           | 10,802.75 | 10,802.75       |
| 04/01/16 | 13292     | 64001   | Operations Labor - T & D    | RAY V ADKINS      | 838.84    | 838.84          |
| 04/01/16 | 13554     | 73003   | Misc. Expenses              | April Isaac       | 331.22    | 331.22          |
| 04/01/16 | 13555     | 23501   | Customer Deposits           | Leslie Cooley     | 21.65     | 21.65           |
| 04/01/16 | 13556     | 73003   | Misc. Expenses              | MARGARET KING     | 593.83    | 593.83          |
| 04/01/16 | 13557     | 72102   | Office Postage              | McDOWELL          |           |                 |
|          |           |         |                             | POSTMASTER        | 49.00     | 49.00           |
| 04/01/16 | 13558     | 73001   | Commissioner's Fee          | Paula Johnson     | 500.00    | 500.00          |
| 04/04/16 | 13559     | 64110   | Lab Services - Distribution | McCoy & McCoy     |           |                 |
|          |           |         |                             | Laboratories      | 5,173.13  | 5,173.13        |
| 04/04/16 | 13560     | 72103   | Office Supplies             | STAPLES           | 566.70    | 566.70          |
| 04/01/16 | 13571     | Payroll |                             | WEBB, MARIBETH    | 1,292.30  | 1,292.30        |
| 04/01/16 | 13572     | Payroll |                             | OSBORNE, LARRY J  | 424.52    | 424.52          |
| 04/01/16 | 13573     | Payroll |                             | JACOBS, JOSEPH G  | 455.35    | 455.35          |
| 04/01/16 | 13574     | Payroll |                             | HALL, BARRY       | 424.52    | 424.52          |
| 04/01/16 | 13575     | Payroll |                             | BURKE, PAULA      | 804.55    | 804.55          |
| 04/01/16 | 13576     | Payroll |                             | ALLEN, TEDDI      | 700.91    | 700.91          |
| 04/01/16 | 13577     | Payroll |                             | AUTON, ELIZABETH  | 728.92    | 728.92          |
| 04/01/16 | 13578     | Payroll |                             | HAMILTON, HAYES   | 383.72    | 383.72          |
| 04/01/16 | 13579     | Payroll |                             | HUNTER, EVERETT R | 879.44    | 879.44          |
| 04/01/16 | 13580     | Payroll |                             | HALL, GEORGE      | 1,142.12  | 1,142.12        |
| 04/01/16 | 13581     | Payroll |                             | HALL, DEAN M      | 1,754.84  | 1,754.84        |
| 04/01/16 | 13582     | Payroll |                             | HARRISON, DON E   | 982.45    | 982.45          |
| 04/01/16 | 13583     | Payroll |                             | ADKINS,           |           |                 |
|          |           |         |                             | CHRISTOPHER O     | 758.45    | 758.45          |
| 04/01/16 | 13584     | Payroll |                             | JUSTICE, DUSTIN R | 690.52    | 690.52          |
| 04/01/16 | 13585     | Payroll |                             | WILKS, ROBERT S   | 445.98    | 445.98          |
| 04/01/16 | 13586     | Payroll |                             | SALYER, REECE     | 1,258.49  | 1,258.49        |
| 04/01/16 | 13587     | Payroll |                             | CONLEY, JUSTIN    | 0.00      |                 |
| 04/01/16 | 13587     | 64001   | Operations Labor - T & D    | JUSTIN CONLEY     | 667.93    | 667.93          |
| 04/01/16 | 13588     | Payroll |                             | TICE, JOSEPH      | 651.62    | 651.62          |
| 04/01/16 | 13589     | Payroll |                             | JOHNSON, RICHARD  | 642.95    | 642.95          |
| 04/01/16 | 13590     | Payroll |                             | CROWDER, LOGAN M  | 682.93    | 682.93          |
| 04/01/16 | 13591     | Payroll |                             | SALISBURY,        |           |                 |
|          |           |         |                             | ANTHONY E. B      | 601.92    | 601.92          |
| 04/01/16 | 13592     | Payroll |                             | ADKINS, RAY V     | 838.84    | 838.84          |
| 04/01/16 | 13593     | Payroll |                             | HORNE, DAVID R    | 782.25    | 782.25          |
| 04/01/16 | 13594     | Payroll |                             | COLLINS, CODY     | 885.86    | 885.86          |
| 04/01/16 | 13595     | Payroll |                             | COMPTON, JOSEPH T | 669.10    | 669.10          |
| 04/01/16 | 13596     | Payroll |                             | HALL, SHANNON L   | 499.46    | 499.46          |
| 04/01/16 | 13597     | Payroll |                             | ROBINSON,         |           |                 |
|          |           |         |                             | CHRISTOPHER       | 1,039.09  | 1,039.09        |
| 04/01/16 | 13598     | Payroll |                             | HACKWORTH,        |           |                 |



**Southern Water and Sewer District  
Transaction Listing**

| Date     | Reference | Account | Account Description                     | Description                | Amount    | Reference Total |
|----------|-----------|---------|---|----------------------------|-----------|-----------------|
|          |           |         |   | KENDALL W                  | 912.68    | 912.68          |
| 04/01/16 | 13599     | Payroll |   | BOLEN, PRESTON L           | 689.77    | 689.77          |
| 04/01/16 | 13600     | Payroll |   | FRANCIS, CHRIS             | 1,083.23  | 1,083.23        |
| 04/01/16 | 13601     | Payroll |   | ALLEN, TEDDI               | 633.65    | 633.65          |
| 04/01/16 | 13602     | 23607   | Garnishee                               | Child Support              |           |                 |
|          |           |         |   | Enforcement                | 179.98    | 179.98          |
| 04/01/16 | 13603     | 23607   | Garnishee                               | Child Support              |           |                 |
|          |           |         |   | Enforcement                | 320.53    | 320.53          |
| 04/01/16 | 13604     | 23603   | Accrued Ky WTH                          | Kentucky State             |           |                 |
|          |           |         |   | Treasurer                  | 2,766.49  | 2,766.49        |
| 04/01/16 | 13605     | 72302   | Accounting                              | Michael Spears             | 1,800.00  | 1,800.00        |
| 04/11/16 | 13607     | 62305   | Chemicals                               | C.I. Thornburg             | 4,660.56  | 4,660.56        |
| 04/11/16 | 13608     | 60002   | Water Purchases                         | Prestonsburg City          |           |                 |
|          |           |         |   | Utilities                  | 19,594.53 | 19,594.53       |
| 04/14/16 | 13609     | 72103   | Office Supplies                         | IGA                        | 39.90     | 39.90           |
| 04/12/16 | 13610     | 73003   | Misc. Expenses                          | Teresa Hall                | 200.00    | 200.00          |
| 04/14/16 | 13611     | 64020   | Wages - Sewer                           | C & L CONSULTANTS          | 3,000.00  | 3,000.00        |
| 04/15/16 | 13612     | 72301   | Legal                                   | TYLER GREEN                | 2,000.00  | 2,000.00        |
| 04/19/16 | 13613     | 64105   | Repairs Pump - T & D                    | FRASURE ELECTRIC           | 5,000.00  | 5,000.00        |
| 04/21/16 | 13614     | 73003   | Misc. Expenses                          | LOWES                      | 236.07    | 236.07          |
| 04/21/16 | 13615     | 64104   | Utilities - T & D                       | AMERICAN                   |           |                 |
|          |           |         |   | ELECTRIC POWER             | 36,813.57 | 36,813.57       |
| 04/21/16 | 13616     | 64102   | Supplies - T & D                        | HAYES PIPE SUPPLY,<br>INC. | 4,294.40  | 4,294.40        |
| 04/07/16 | 13617     | 72110   | Life Ins.                               | AGLA                       | 1,980.34  | 1,980.34        |
| 04/07/16 | 13618     | 64104   | Utilities - T & D                       | Appalachian Wireless       | 65.18     | 65.18           |
| 04/07/16 | 13619     | 23214   | N/P - CITIZEN'S NATIONAL<br>(EXCAVATOR) | CITIZEN'S NATIONAL<br>BANK | 939.61    | 939.61          |
| 04/07/16 | 13620     | 72103   | Office Supplies                         | East Ky Exterminating      | 45.00     | 45.00           |
| 04/07/16 | 13621     | 64102   | Supplies - T & D                        | FORTLINE, INC              | 11,082.01 | 11,082.01       |
| 04/07/16 | 13622     | 73003   | Misc. Expenses                          | Hi Tech Security           | 74.97     | 74.97           |
| 04/07/16 | 13623     | 64102   | Supplies - T & D                        | Home City Ice              | 87.50     | 87.50           |
| 04/07/16 | 13624     | 60002   | Water Purchases                         | KNOTT COUNTY               |           |                 |
|          |           |         |   | WATER                      | 10.80     | 10.80           |
| 04/07/16 | 13625     | 72104   | Telephone & Utilities - Office          | PEOPLES                    | 245.61    | 245.61          |
| 04/07/16 | 13626     | 72103   | Office Supplies                         | State Wide Press           | 93.28     | 93.28           |
| 04/07/16 | 13627     | 64102   | Supplies - T & D                        | Wright Lumber              | 467.69    | 467.69          |
| 04/15/16 | 13628     | Payroll |   | WEBB, MARIBETH             | 1,292.31  | 1,292.31        |
| 04/15/16 | 13629     | Payroll |   | BURKE, PAULA               | 804.56    | 804.56          |
| 04/15/16 | 13630     | Payroll |   | ROBINSON, AMBER            | 381.59    | 381.59          |
| 04/15/16 | 13631     | Payroll |   | AUTON, ELIZABETH           | 728.92    | 728.92          |
| 04/15/16 | 13632     | Payroll |   | HUNTER, EVERETT R          | 904.98    | 904.98          |
| 04/15/16 | 13633     | Payroll |   | HALL, GEORGE               | 864.63    | 864.63          |
| 04/15/16 | 13634     | Payroll |   | HALL, DEAN M               | 1,754.85  | 1,754.85        |
| 04/15/16 | 13635     | Payroll |   | HARRISON, DON E            | 1,049.00  | 1,049.00        |
| 04/15/16 | 13636     | Payroll |   | ADKINS,<br>CHRISTOPHER O   | 830.60    | 830.60          |
| 04/15/16 | 13637     | Payroll |   | JUSTICE, DUSTIN R          | 766.75    | 766.75          |
| 04/15/16 | 13638     | Payroll |   | WILKS, ROBERT S            | 445.97    | 445.97          |
| 04/15/16 | 13639     | Payroll |   | SALYER, REECE              | 1,239.63  | 1,239.63        |
| 04/15/16 | 13640     | Payroll |   | CONLEY, JUSTIN             | 724.99    | 724.99          |
| 04/15/16 | 13641     | Payroll |   | TICE, JOSEPH               | 754.10    | 754.10          |
| 04/15/16 | 13642     | Payroll |   | JOHNSON, RICHARD           | 719.21    | 719.21          |
| 04/15/16 | 13643     | Payroll |   | CROWDER, LOGAN M           | 850.95    | 850.95          |
| 04/15/16 | 13644     | Payroll |   | SALISBURY,<br>ANTHONY E. B | 699.99    | 699.99          |
| 04/15/16 | 13645     | Payroll |   | ADKINS, RAY V              | 803.17    | 803.17          |
| 04/15/16 | 13646     | Payroll |   | HORNE, DAVID R             | 734.04    | 734.04          |
| 04/15/16 | 13647     | Payroll |   | COLLINS, CODY              | 671.21    | 671.21          |
| 04/15/16 | 13648     | Payroll |   | COMPTON, JOSEPH T          | 715.41    | 715.41          |
| 04/15/16 | 13649     | Payroll |   | HALL, SHANNON L            | 0.00      |                 |
| 04/15/16 | 13650     | Payroll |   | ROBINSON,                  |           |                 |

**Southern Water and Sewer District  
Transaction Listing**

| Date     | Reference | Account | Account Description             | Description                        | Amount   | Reference Total |
|----------|-----------|---------|---------------------------------|------------------------------------|----------|-----------------|
|          |           |         |                                 | CHRISTOPHER                        | 1,275.66 | 1,275.66        |
| 04/15/16 | 13651     | Payroll |                                 | HACKWORTH,<br>KENDALL W            | 735.60   | 735.60          |
| 04/15/16 | 13652     | Payroll |                                 | BOLEN, PRESTON L                   | 596.76   | 596.76          |
| 04/15/16 | 13653     | Payroll |                                 | FRANCIS, CHRIS                     | 1,083.23 | 1,083.23        |
| 04/15/16 | 13654     | 23607   | Garnishee                       | Child Support<br>Enforcement       | 320.53   | 320.53          |
| 04/15/16 | 13656     | Payroll |                                 | HALL, SHANNON L                    | 782.13   | 782.13          |
| 04/29/16 | 13657     | Payroll |                                 | WEBB, MARIBETH                     | 1,272.07 | 1,272.07        |
| 04/29/16 | 13658     | Payroll |                                 | BURKE, PAULA                       | 790.73   | 790.73          |
| 04/29/16 | 13659     | Payroll |                                 | ROBINSON, AMBER                    | 577.87   | 577.87          |
| 04/29/16 | 13660     | Payroll |                                 | AUTON, ELIZABETH                   | 716.30   | 716.30          |
| 04/29/16 | 13661     | Payroll |                                 | HUNTER, EVERETT R                  | 739.22   | 739.22          |
| 04/29/16 | 13662     | Payroll |                                 | HALL, GEORGE                       | 1,034.16 | 1,034.16        |
| 04/29/16 | 13663     | Payroll |                                 | HALL, DEAN M                       | 1,754.78 | 1,754.78        |
| 04/29/16 | 13664     | Payroll |                                 | HARRISON, DON E                    | 1,264.93 | 1,264.93        |
| 04/29/16 | 13665     | Payroll |                                 | ADKINS,<br>CHRISTOPHER O           | 801.97   | 801.97          |
| 04/29/16 | 13666     | Payroll |                                 | JUSTICE, DUSTIN R                  | 733.94   | 733.94          |
| 04/29/16 | 13667     | Payroll |                                 | WILKS, ROBERT S                    | 825.35   | 825.35          |
| 04/29/16 | 13668     | Payroll |                                 | SALYER, REECE                      | 1,447.85 | 1,447.85        |
| 04/29/16 | 13669     | Payroll |                                 | CONLEY, JUSTIN                     | 896.05   | 896.05          |
| 04/29/16 | 13670     | Payroll |                                 | TICE, JOSEPH                       | 640.09   | 640.09          |
| 04/29/16 | 13671     | Payroll |                                 | JOHNSON, RICHARD                   | 740.85   | 740.85          |
| 04/29/16 | 13672     | Payroll |                                 | CROWDER, LOGAN M                   | 930.81   | 930.81          |
| 04/29/16 | 13673     | Payroll |                                 | SALISBURY,<br>ANTHONY E. B         | 612.67   | 612.67          |
| 04/29/16 | 13674     | Payroll |                                 | ADKINS, RAY V                      | 951.48   | 951.48          |
| 04/29/16 | 13675     | Payroll |                                 | HORNE, DAVID R                     | 1,216.06 | 1,216.06        |
| 04/29/16 | 13676     | Payroll |                                 | COLLINS, CODY                      | 864.52   | 864.52          |
| 04/29/16 | 13677     | Payroll |                                 | COMPTON, JOSEPH T                  | 657.84   | 657.84          |
| 04/29/16 | 13678     | Payroll |                                 | HALL, SHANNON L                    | 770.88   | 770.88          |
| 04/29/16 | 13679     | Payroll |                                 | ROBINSON,<br>CHRISTOPHER           | 1,453.04 | 1,453.04        |
| 04/29/16 | 13680     | Payroll |                                 | HACKWORTH,<br>KENDALL W            | 714.27   | 714.27          |
| 04/29/16 | 13681     | Payroll |                                 | BOLEN, PRESTON L                   | 705.12   | 705.12          |
| 04/29/16 | 13682     | Payroll |                                 | FRANCIS, CHRIS                     | 1,083.64 | 1,083.64        |
| 04/29/16 | 13683     | 23607   | Garnishee                       | Child Support<br>Enforcement       | 320.53   | 320.53          |
| 04/29/16 | 13684     | 23603   | Accrued Ky WTH                  | Kentucky State<br>Treasurer        | 2,860.30 | 2,860.30        |
| 04/29/16 | 13685     | 23604   | Accrued KUI/FUTA                | Treasurere KY Unempl.<br>Ins. Fund | 5,997.96 | 5,997.96        |
| 04/29/16 | 13686     | 23601   | Accrued Fica                    | United States Treasury             | 24.24    | 24.24           |
| 04/29/16 | 13687     | Payroll |                                 | CONLEY, JUSTIN                     | 896.06   | 896.06          |
| 04/27/16 | 13688     | 23501   | Customer Deposits               | Steve Clark                        | 40.00    | 40.00           |
| 04/27/16 | 13689     | 62305   | Chemicals                       | C.I. Thornburg                     | 4,948.60 | 4,948.60        |
| 04/14/16 | 13691     | 62303   | Telephone & Utilities - Pumping | BIG SANDY RECC                     | 1,564.51 | 1,564.51        |
| 04/14/16 | 13692     | 16201   | Construction in Progress        | KY ENGINEERING<br>GROUP            | 7,570.56 | 7,570.56        |
| 04/14/16 | 13693     | 64102   | Supplies - T & D                | MOORE'S<br>HARDWARE                | 1,956.67 | 1,956.67        |
| 04/14/16 | 13694     | 73003   | Misc. Expenses                  | S. RAY SLONE                       | 685.17   | 685.17          |
| 04/14/16 | 13695     | 64107   | Vehicle Repairs - T & D         | TWIN BRIDGE AUTO<br>PARTS          | 819.29   | 819.29          |
| 04/14/16 | 13696     | 73003   | Misc. Expenses                  | VERNON KELLY<br>SLONE              | 583.25   | 583.25          |
| 04/25/16 | 13697     | 23104   | A/P - CIP                       | KY ENGINEERING<br>GROUP            | 6,406.54 | 6,406.54        |
| 04/25/16 | 13698     | 64107   | Vehicle Repairs - T & D         | XTREME AUTO &<br>PERFORMANCE       | 2,690.04 | 2,690.04        |



### Southern Water and Sewer District Transaction Listing

| Date                   | Reference         | Account       | Account Description | Description | Amount | Reference Total   |
|------------------------|-------------------|---------------|---------------------|-------------|--------|-------------------|
| Total of Checks        |                   |               |                     |             |        | <u>359,011.01</u> |
| Total Debits           | <u>359,011.01</u> | Total Credits | <u>0.00</u>         |             |        |                   |
| Number of Transactions | 147               |               |                     |             |        |                   |



*SOUTHERN WATER AND SEWER DISTRICT  
REGULAR MONTHLY MEETING  
APRIL 25, 2016 @ 5:00 P.M.*

**ATTENDANCE:**

**PAULA JOHNSON, CHAIRMAN**

**HAYES HAMILTON, COMMISSIONER**

**BARRY HALL, SECRETARY**

**LARRY JOE OSBORNE, TREASURER**

**JOE JACOBS, COMMISSONER**

**JEFF REED, CPA**

**MATT CURTIS, KEG ENG.**

**KEVIN HOWARD, SUMMIT ENG.**

**DEAN HALL, MANAGER SWSD**

**MARIBETH WEBB, OFFICE MGR. SWSD**

Chairman Paula Johnson called the meeting to order at 5:00 P.M.

**MOTION TO APPROVE MINUTES DATED 3/28/16**

MOTION MADE BY: JOE JACOBS

MOTION SECONDED BY: HAYES HAMILTON

MOTION PASSED

**MOTION TO APPROVE MINUTES DATED 4/11/16**

MOTION MADE BY: BARRY HALL

MOTION SECONDED BY: JOE JACOBS

MOTION PASSED

**MOTION TO APPROVE THE FINANCIAL STATEMENT FOR MARCH 2016**

MOTION MADE BY: BARRY HALL

MOTION SECONDED BY: HAYES HAMILTON

MOTION PASSED

Discussion with Matt Curtis from KY Engineering concerning the Allen-Martin Line relocation. Matt also informed the board that Boca Enterprises was the low bidder on the state relocation project, with a bid of \$56,970.00.

**MOTION TO ACCEPT THE LOW BIDDER, BOCA ENTERPRISES**

MOTION MADE BY: JOE JACOBS

MOTION SECONDED BY: HAYES HAMILTON

MOTION PASSED

**MOTION TO ADJOURN**

MOTION MADE BY: HAYES HAMILTON

MOTION SECONDED BY: BARRY HALL

MOTION PASSED

With there being no further business to discuss, this meeting was adjourned at 6:15 p.m. passed by Southern Water & Sewer District Commissioners on this \_\_\_\_ day of \_\_\_\_\_, 2016.

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Paula Johnson, Chairman

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Barry Hall, Secretary

SOUTHERN WATER AND SEWER  
MONTHLY FILED CONSTRUCTION LOG  
4/25/2016 TO 5/23/2016

NUMBER OF LEAKS (35)

NUMBER OF TAPS (4)

NUMBER OF DIG OUTS (6)

ESTIMATED WATER LOSS 1,200,000 gal

LINE SIZES  $\frac{3}{4}$  (27) 1inch (1) 2inch ( ) 3inch ( ) 4inch (4)

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

PARST USED: (27)  $\frac{3}{4}$  couplings (2) 1 inch couplings ( ) 2 inch hymax's ( )  
3 inch hymax's (4) 4 inch hymax's (4) 6 inch hymax's ( ) 8 inch hymax's  
(2) 10 inch hymax's ( ) 12 inch hymax's (2) SR-II meter bottoms - ( )  $\frac{3}{4}$   
regulators

Right Beaver (9) Left Beaver (14) Big Mud (5) Little Mud (3) Sandy Valley  
(4)

FILED SUPERVISOR *Ch Rh* DATE *5/23/16*

GENERAL MANAGER *Dennis Hall* DATE *5-23-16*

**SOUTHERN WATER & SEWER DISTRICT  
P.O. BOX 610  
MCDOWELL, KY 41647**

**REGULAR MONTHLY MEETING MARCH 28, 2016**

**AGENDA**

- A. Call to Order**
- B. Approval of Minutes**
- C. Approval of Financial Statements**
- D. Managers Report**
- E. Other**
- F. Adjournment**

*Southern Water & Sewer District  
Regular Monthly Meeting  
February 22, 2016 @ 5:00 P.M.*

**Attendance:**

**Paula Johnson, Chairman**

**Kevin Howard, Summit Eng.**

**Larry Joe Osborne, Treasurer**

**Troy Hogge, KEG Eng.**

**Barry Hall, Secretary**

**Denise Thomas, Big Sandy ADD**

**Joe Jacobs, Commissioner**

**Randy Davis, Magistrate Dist. 2**

**Hayes Hamilton, Commissioner**

**Dean Hall, Manager**

**Jeff Reed, CPA**

**Ben Hale, Floyd Co. Judge Exec.**

*Chairman, Paula Johnson called the meeting to order at 5:00 P.M.*

**MOTION TO APPROVE MINUTES DATED FEBRUARY 1, 2016**

**MOTION MADE BY: BARRY HALL**

**MOTION SECONDED BY: HAYES HAMILTON**

**MOTION PASSED**

**MOTION TO APPROVE THE FINANCIAL STATEMENT FOR JANUARY 2016**

**MOTION MADE BY: HAYES HAMILTON**

**MOTION SECONDED BY: LARRY JOE OSBORNE**

**MOTION PASSED**



**MOTION TO APPROVE CHANGE ORDER FOR BOCA ENTERPRISES TO STOP WORK DURING WINTER MONTHS**

**MOTION MADE BY: BARRYHALL**

**MOTION SECONDED BY: LARRY JOE OSBORNE**

**MOTION PASSED**

**MOTION TO APPROVE LEAGALLY BINDING AGREEMENT ON PHASE III SEWER PROJECT AS PRESENTED BY DENISE THOMAS**

**MOTION MADE BY: JOE JACOBS**

**MOTION SECONDED BY: HAYES HAMILTON**

**MOTION PASSED**

*Floyd County Judge Executive, Ben Hale swore in Hayes Hamilton and Barry Hall as Commissioners for Southern Water & Sewer District, with terms of 12/15/15 thru 12/14/2019.*

**MOTION FOR SOUTHERN WATER & SEWER DISTRICT TO ASK THE BOARD AND MANAGEMENT OF THE PRESTONSBURG CITY'S UTILITIES COMMISSION TO JOIN US IN A JOINT APPLICATION TO BE SUBMITTED TO THE KENTUCKY PUBLIC SERVICE COMMISSION FOR THE TRANSFER OF THE DISTRICT'S CUSTOMERS AND THE WATER LINES OF THE AREA FORMLY SERVED BY THE SANDY VALLEY WATER DISTRICT; THE DISTRICT'S CUSTOMERS AND WATER LINES LOCATED ALONG KY ROUTE 850 FROM THE TOP OF HIPPO MOUNTAIN ON ROUTE 850 TO WHERE THE VALVE WITH PRESTONSBURG IS LOCATED NEAR KY ROUTE 404, INCLUDING THE STORAGE TAKN ON TOP OF HIPPO MOUNTAIN; THE NEW SEWER PLANT AND COLLECTION LINES AND SEWER CUSTOMERS IN THE BETSY LAYNE AND HAROLD AREA; AND THE TRANSFER OF THE OPERATIONS AND MAINTENANCE RESPONSIBILITIES OF THE SEWER LINES AND SEWER PLANTS AT WAYLAND AND EASTERN.**

**MOTION MADE BY: JOE JACOBS**

**MOTION SECONDED BY: LARRY JOE OSBORNE**

**MOTION PASSED**

SOUTHERN WATER AND SEWER  
NOTE PAYABLE ANALYSIS  
2/29/2016

| 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       | 15                           | 25,419.31                 |
| FIRST GUARANTY BANK                | TRUCKS            | 9/25/2013    | 63,097.10       | 7.99%         | 1,976.82       | 7                            | 13,478.94                 |
| FIRST GUARANTY BANK                | DEAN'S TRUCK      | 9/22/2014    | 25,018.00       | 5.90%         | 482.52         | 43                           | 18,662.19                 |
| CITIZEN'S NATIONAL BANK            | EXCAVATOR         | 6/9/2015     | 41,355.00       | 4.32%         | 939.61         | 40                           | 34,947.75                 |
| <b>BONDS</b>                       |                   |              |                 |               |                |                              |                           |
| USDA                               | 2,515,000 ISSUE   | 1/1/2003     | 2,515,000.00    | 4.50%         | VARIOUS        | 53                           | 2,109,000.00              |
| USDA                               | 225,000 ISSUE     | 1/1/2006     | 225,000.00      | 4.25%         | VARIOUS        | 57                           | 195,000.00                |
| USDA                               | 589,573 ISSUE     | 1/1/2006     | 589,573.00      | 4.75%         | VARIOUS        | 49                           | 501,509.00                |
| USDA                               | 530,000 ISSUE BLD | 1/1/2011     | 530,000.00      | 2.25%         | VARIOUS        | 66                           | 487,000.00                |
| <b>KY INFRASTRUCTURE AUTHORITY</b> |                   |              |                 |               |                |                              |                           |
| KIA - I                            |                   | 6/1/1995     | 1,362,870.05    | 3.00%         | 34,607.94      | 18                           | 542,395.15                |
| KIA - III                          |                   | 12/1/2007    | 2,831,354.23    | 3.00%         | 71,897.79      | 24                           | 1,440,141.86              |
| KIA - A04-06                       |                   | 12/1/2005    | 67,376.00       | 1.00%         | 1,862.64       | 19                           | 34,019.07                 |
| KIA - A11-16                       |                   | 6/1/2014     | 765,900.00      | 1.00%         | 21,173.70      | 18                           | 696,001.13                |
| <b>TOTAL LOANS DUE 2-29-2106</b>   |                   |              |                 |               |                |                              | <b>6,097,574.40</b>       |

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

March 28, 2016

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

RE: February 2016 Financial Statements

Dear Commissioner,

Enclosed you will find your financial statements for the period ended February 29, 2016. In this letter I am giving you some pertinent highlights as I see them.

**Balance Sheet as of February 29, 2016**

- Cash in Bank is \$52,309
- Restricted Cash is \$754,797
- Accounts Receivable is \$1,365,195
- Plant in place is \$25,462,824
- Equity is \$20,152,226
- 

**Income Statement – for the month ended February 29, 2016**

- Operating Revenue is \$407,266
- Operating Expenses Less Depreciation of \$71,789 is \$402,799
- Other Income (Construction Income & Interest) \$260,752
- Other Expense (\$19,058)
- Net Income/(Loss) before depreciation expense is \$246,251
- Net Income/(Loss) after depreciation expense of \$71,879 is \$174,372

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 District**  
**BALANCE SHEET**  
**As of February 29, 2016**  
**ASSETS**

**CURRENT ASSETS**

|                                      |                     |
|--------------------------------------|---------------------|
| Cash on Hand                         | \$ 460.00           |
| First Guaranty - New                 | 18,922.56           |
| Cash - Community Trust Bank (SV)     | 33,386.35           |
| First Guaranty - Solid Waste Account | 79,533.46           |
| Accounts Receivable - Water          | 750,266.67          |
| Accounts Receivable - Garbage        | 494,129.73          |
| Accounts Receivable - Sewer          | 120,798.81          |
| A/R - CDBG Grant                     | 5,000.00            |
| Provision for Uncollectible Accounts | (235,324.66)        |
| Prepaid Insurance - KACO             | 2,500.00            |
| Materials and Supplies               | 58,087.76           |
| KIA Escrow - New                     | 67,510.54           |
| KIA R & M Reserve - New              | 57,046.76           |
| KIA R & M Reserve #3 - New           | 55,124.90           |
| First Guaranty - RD Account          | 906.52              |
| RD Depreciation Reserve Acct.        | 80,634.16           |
| RD Escrow Acct                       | 56,177.24           |
| 1st Guaranty - FEMA Reimbursements   | 21,337.48           |
| FGB - Rural Development Construction | 4,554.83            |
| FGB - Capital Improvement Account    | 110,362.19          |
| FGB - RD Sinking Fund (New)          | 18,753.53           |
| Cash - Pride on the River            | 990.26              |
| FEMA - 1976 - DR - KY                | 21,163.06           |
| Insurance Escrow Account             | 2,621.55            |
| KIA R & M RESERVE A04-06             | 34,295.00           |
| Construction Account                 | 43,004.25           |
| FGB - Customer Deposit Account       | 21,572.52           |
| FGB - Health Care Reimbursement      | 23,480.80           |
| FGB - Allen to Martin WTP            | 55,727.63           |
| <b>Total Current Assets</b>          | <b>2,003,023.90</b> |

**PROPERTY AND EQUIPMENT**

|                                   |                      |
|-----------------------------------|----------------------|
| Utility Plant                     | 33,674,088.83        |
| Utility Plant                     | 1,766,340.49         |
| Utility Plant Sewer               | 7,864,392.19         |
| Construction in Progress          | 2,746,116.43         |
| Construction in Progress - Sewer  | 43,921.50            |
| Less: Accumulated Depreciation    | (20,632,035.54)      |
| <b>Net Property and Equipment</b> | <b>25,462,823.90</b> |

**OTHER ASSETS**

|                           |                  |
|---------------------------|------------------|
| Prepaid Interest          | 98,409.92        |
| Accumulated Amortization  | (34,853.49)      |
| <b>Total Other Assets</b> | <b>63,556.43</b> |

**TOTAL ASSETS** **\$ 27,529,404.23**

**Southern Water and Sewer District**  
**BALANCE SHEET**  
**As of February 29, 2016**

**LIABILITIES AND STOCKHOLDERS' EQUITY**

|                                       |                     |
|---------------------------------------|---------------------|
| <b>CURRENT LIABILITIES</b>            |                     |
| Accounts Payable                      | \$ 159,276.87       |
| A/P - CIP                             | 53,447.98           |
| N/P - FGB LOC                         | 228,000.00          |
| First Guaranty - Office Building      | 25,419.31           |
| N/P - FIRST GUARANTY (TRUCKS)         | 13,478.94           |
| N/P - FGB (DEAN'S TRUCK)              | 18,662.19           |
| N/P - CITIZEN'S NATIONAL (EXCAVATO    | 34,947.75           |
| Customer Deposits                     | 191,466.96          |
| Customer Deposits - Sewer             | 190.00              |
| Accrued Fed WTH                       | (824.35)            |
| Accrued Ky WTH                        | 3,242.25            |
| Accrued KUI/FUTA                      | 5,351.56            |
| Accrued School Tax                    | 4.93                |
| Accrued Sales Tax                     | 714.91              |
| Garnishee                             | 2,032.63            |
| Accrued 401-k                         | 3,674.33            |
| Accrued Vacation/Sick Pay             | 67,054.08           |
| Accrued Interest - KIA III            | 15,102.28           |
| Accrued Interest - Bonds              | 20,655.00           |
| Accrued Interest - New Bond           | 1,770.89            |
| Accrued Interest - Sandy Valley Bond  | 6,396.52            |
| Accrued Interest - Build America Bond | 1,039.71            |
| A/P - Solid Waste                     | 521,007.43          |
| <b>Total Current Liabilities</b>      | <b>1,372,112.17</b> |
| <b>LONG-TERM LIABILITIES</b>          |                     |
| Notes Payable Current Portion         | 475,320.09          |
| Less Current Portion Notes Payable    | (475,320.09)        |
| Bonds Payable Current Portion         | 64,981.00           |
| N/P - KIA I                           | 542,395.07          |
| N/P - KIA III                         | 1,440,141.86        |
| Bonds Payable                         | 2,109,000.00        |
| N/P - KIA A-04-06                     | 34,019.07           |
| Bonds Payable (New)                   | 195,000.00          |
| RD Note - Sandy Valley 589573         | 501,509.00          |
| USDA (530,000)                        | 487,000.00          |
| N/P - KIA (A11-16) Harold Sewer       | 696,001.13          |
| Less Current Portion Bonds Payable    | (64,981.00)         |
| <b>Total Long-Term Liabilities</b>    | <b>6,005,066.13</b> |
| <b>Total Liabilities</b>              | <b>7,377,178.30</b> |
| <b>CAPITAL</b>                        |                     |
| Invested in Capital Assets            | 17,604,992.00       |
| Restricted for Capital Projects       | 46,457.00           |
| Restricted for Maintenance            | 100,453.00          |
| Restricted for Debt Services          | 283,254.00          |
| Unrestricted Net Assets               | 411,476.35          |
| Restricted for Deposits               | 153,021.00          |
| Current Earnings                      | 165,600.53          |

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**Southern Water and Sewer District**  
**BALANCE SHEET**  
**As of February 29, 2016**

|   |                                |
|---|--------------------------------|
| Retained Earnings                                     | <u>1,386,972.05</u>            |
| <b>Total Stockholders' Equity</b>                     | <u>20,152,225.93</u>           |
| <b>TOTAL LIABILITIES AND<br/>STOCKHOLDERS' EQUITY</b> | <b>\$ <u>27,529,404.23</u></b> |

**Southern Water and Sewer District**  
**INCOME STATEMENT - CONSOLIDATED**  
**For the 1 Month and 2 Months Ended February 29, 2016**

|                                   | 1 Month Ended<br>February 29, 2016 | %             | 2 Months Ended<br>February 29, 2016 | %             |
|-----------------------------------|------------------------------------|---------------|-------------------------------------|---------------|
| <b>Sales</b>                      |                                    |               |                                     |               |
| Metered Sales - Residential       | \$ 292,579.49                      | 71.84         | \$ 564,401.94                       | 70.94         |
| Metered Sales - Business          | 7,602.60                           | 1.87          | 15,275.73                           | 1.92          |
| Metered Sales - Residential Sewer | 13,237.00                          | 3.25          | 26,555.32                           | 3.34          |
| Metered Sales - Business Sewer    | 835.60                             | 0.21          | 1,732.86                            | 0.22          |
| Sales for Resale                  | 3,274.44                           | 0.80          | 7,257.63                            | 0.91          |
| Penalties                         | 6,753.66                           | 1.66          | 15,068.35                           | 1.89          |
| Meter Service                     | 4,180.00                           | 1.03          | 6,720.00                            | 0.84          |
| Tap fees                          | 738.58                             | 0.18          | 2,032.15                            | 0.26          |
| Sewer Tap Fees                    | (500.00)                           | (0.12)        | (500.00)                            | (0.06)        |
| Other Income                      | 500.00                             | 0.12          | 1,000.00                            | 0.13          |
| Garbage Sales Revenue             | 78,065.00                          | 19.17         | 156,053.75                          | 19.61         |
| Less Returns & Allowances         | 0.00                               | 0.00          | 0.00                                | 0.00          |
| <b>Total Sales</b>                | <b>407,266.37</b>                  | <b>100.00</b> | <b>795,597.73</b>                   | <b>100.00</b> |
| <b>Gross Profit</b>               | <b>407,266.37</b>                  | <b>100.00</b> | <b>795,597.73</b>                   | <b>100.00</b> |
| <b>Operating Expenses</b>         |                                    |               |                                     |               |
| Solid Waste Payments              | 75,723.05                          | 18.59         | 151,372.14                          | 19.03         |
| Water Purchases                   | 48,553.19                          | 11.92         | 86,593.63                           | 10.88         |
| Operations Labor - Pumping        | 8,050.08                           | 1.98          | 16,531.73                           | 2.08          |
| Chemicals - Sewer                 | 7,628.78                           | 1.87          | 15,776.36                           | 1.98          |
| Supplies - Pumping                | 217.03                             | 0.05          | 217.03                              | 0.03          |
| Chemicals                         | 9,072.77                           | 2.23          | 15,003.37                           | 1.89          |
| Supplies                          | 0.00                               | 0.00          | 382.64                              | 0.05          |
| Natural Gas-WTP                   | 321.17                             | 0.08          | 321.17                              | 0.04          |
| Operations Labor - T & D          | 48,889.94                          | 12.00         | 91,245.21                           | 11.47         |
| Wages - Sewer                     | 1,963.50                           | 0.48          | 4,485.00                            | 0.56          |
| Supplies - T & D                  | 5,339.62                           | 1.31          | 5,589.62                            | 0.70          |
| Vehicle Repairs - T & D           | 5,414.61                           | 1.33          | 5,639.61                            | 0.71          |
| Utilities - T & D                 | 44,463.36                          | 10.92         | 88,053.79                           | 11.07         |
| Repairs Pump - T & D              | 5,000.00                           | 1.23          | 10,000.00                           | 1.26          |
| Uniform Rental - T & D            | 4,781.50                           | 1.17          | 4,781.50                            | 0.60          |
| Vehicle Repairs - T & D           | 87.97                              | 0.02          | 87.97                               | 0.01          |
| Repairs - T & D                   | 1,229.11                           | 0.30          | 1,509.11                            | 0.19          |
| Fuel-Gasoline                     | 5,893.07                           | 1.45          | 11,508.59                           | 1.45          |
| Lab Services - Distribution       | 14,139.42                          | 3.47          | 18,639.42                           | 2.34          |
| Utilities - Sewer                 | 4,782.60                           | 1.17          | 0.00                                | 0.00          |
| Utilities                         | 10,551.18                          | 2.59          | 18,433.96                           | 2.32          |
| Repairs - Sewer                   | 5,817.18                           | 1.43          | 5,817.18                            | 0.73          |
| Safety supplies                   | 973.14                             | 0.24          | 973.14                              | 0.12          |
| Billing Postage                   | 1,910.06                           | 0.47          | 2,712.82                            | 0.34          |
| Wages - Office                    | 10,160.35                          | 2.49          | 19,989.45                           | 2.51          |
| Office Postage                    | 2,806.92                           | 0.69          | 2,806.92                            | 0.35          |
| Office Supplies                   | 3,335.09                           | 0.82          | 4,205.35                            | 0.53          |
| Telephone & Utilities - Office    | 1,259.42                           | 0.31          | 2,128.10                            | 0.27          |
| Bank Charges                      | 1,124.04                           | 0.28          | 1,889.83                            | 0.24          |
| Health Insurance                  | 20,261.16                          | 4.97          | 59,455.10                           | 7.47          |
| Dental Insurance                  | 754.77                             | 0.19          | 1,509.54                            | 0.19          |
| Workers Comp                      | 5,025.31                           | 1.23          | 9,098.90                            | 1.14          |
| Life Ins.                         | 3,450.18                           | 0.85          | 4,374.89                            | 0.55          |

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**Southern Water and Sewer District**  
**INCOME STATEMENT - CONSOLIDATED**  
**For the 1 Month and 2 Months Ended February 29, 2016**

|  | 1 Month Ended<br>February 29, 2016 | %              | 2 Months Ended<br>February 29, 2016 | %              |
|--|------------------------------------|----------------|-------------------------------------|----------------|
| Contract Labor - Administration        | 0.00                               | 0.00           | 200.00                              | 0.03           |
| Accounting                             | 1,800.00                           | 0.44           | 3,799.00                            | 0.48           |
| Professional Fees                      | 8,570.00                           | 2.10           | 8,570.00                            | 1.08           |
| Property Insurance                     | 19,114.90                          | 4.69           | 30,402.39                           | 3.82           |
| Commissioners Bond                     | 890.75                             | 0.22           | 2,315.95                            | 0.29           |
| Commissioner's Fee                     | 1,500.00                           | 0.37           | 3,500.00                            | 0.44           |
| Misc. Expenses                         | 1,696.40                           | 0.42           | 2,890.40                            | 0.36           |
| Training                               | 580.36                             | 0.14           | 580.36                              | 0.07           |
| Depreciation Expense                   | 63,382.08                          | 15.56          | 126,764.16                          | 15.93          |
| Depreciation Expense                   | 8,496.82                           | 2.09           | 16,993.64                           | 2.14           |
| Payroll Taxes                          | 8,131.95                           | 2.00           | 15,607.31                           | 1.96           |
| Employer Pension Expense               | 1,444.71                           | 0.35           | 2,825.94                            | 0.36           |
| Health Care Reimbursements             | 0.00                               | 0.00           | 1,138.72                            | 0.14           |
| <b>Total Operating Expenses</b>        | <b>474,587.54</b>                  | <b>116.53</b>  | <b>876,720.94</b>                   | <b>110.20</b>  |
| <b>Operating Income (Loss)</b>         | <b>(67,321.17)</b>                 | <b>(16.53)</b> | <b>(81,123.21)</b>                  | <b>(10.20)</b> |
| <b>Other Income (Expense)</b>          |                                    |                |                                     |                |
| Interest Expense - First Guaranty Bank | (631.06)                           | 0.15           | (977.34)                            | 0.12           |
| Interest Expense - LOC                 | (1,000.00)                         | 0.25           | (2,000.00)                          | 0.25           |
| Amortization of Premium                | (205.02)                           | 0.05           | (410.04)                            | 0.05           |
| Interest Expense - KIA                 | (5,268.74)                         | 1.29           | (10,537.48)                         | 1.32           |
| Interest Expense - Bonds               | (11,953.64)                        | 2.94           | (23,907.28)                         | 3.00           |
| Interest Income - Now                  | 51.18                              | 0.01           | 99.24                               | 0.01           |
| Grant Income (Dept of Transportation)  | 152,279.97                         | 37.39          | 176,035.85                          | 22.13          |
| Rural Development - Allen to Martin WT | 108,420.79                         | 26.62          | 108,420.79                          | 13.63          |
| <b>Total Other Income (Expense)</b>    | <b>241,693.48</b>                  | <b>59.35</b>   | <b>246,723.74</b>                   | <b>31.01</b>   |
| <b>Net Income (Loss) Before Taxes</b>  | <b>174,372.31</b>                  | <b>42.82</b>   | <b>165,600.53</b>                   | <b>20.81</b>   |
| <b>Net Income (Loss)</b>               | <b>\$ 174,372.31</b>               | <b>42.82</b>   | <b>\$ 165,600.53</b>                | <b>20.81</b>   |

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**Southern Water and Sewer District**  
**INCOME STATEMENT - WATER**  
**For the 1 Month and 2 Months Ended February 29, 2016**

|                                 | 1 Month Ended<br>February 29, 2016 |                   | %            | 2 Months Ended<br>February 29, 2016 |                   | %            |
|---------------------------------|------------------------------------|-------------------|--------------|-------------------------------------|-------------------|--------------|
| <b>Sales</b>                    |                                    |                   |              |                                     |                   |              |
| Metered Sales - Residential     | \$                                 | 292,579.49        | 71.84        | \$                                  | 564,401.94        | 70.94        |
| Metered Sales - Business        |                                    | 7,602.60          | 1.87         |                                     | 15,275.73         | 1.92         |
| Sales for Resale                |                                    | 3,274.44          | 0.80         |                                     | 7,257.63          | 0.91         |
| Penalties                       |                                    | 6,753.66          | 1.66         |                                     | 15,068.35         | 1.89         |
| Meter Service                   |                                    | 4,180.00          | 1.03         |                                     | 6,720.00          | 0.84         |
| Tap fees                        |                                    | 738.58            | 0.18         |                                     | 2,032.15          | 0.26         |
| Other Income                    |                                    | 500.00            | 0.12         |                                     | 1,000.00          | 0.13         |
| Garbage Sales Revenue           |                                    | 78,065.00         | 19.17        |                                     | 156,053.75        | 19.61        |
| Less Returns & Allowances       |                                    | 0.00              | 0.00         |                                     | 0.00              | 0.00         |
| <b>Total Sales</b>              |                                    | <b>393,693.77</b> | <b>96.67</b> |                                     | <b>767,809.55</b> | <b>96.51</b> |
| <b>Gross Profit</b>             |                                    | <b>393,693.77</b> | <b>96.67</b> |                                     | <b>767,809.55</b> | <b>96.51</b> |
| <b>Operating Expenses</b>       |                                    |                   |              |                                     |                   |              |
| Solid Waste Payments            |                                    | 75,723.05         | 18.59        |                                     | 151,372.14        | 19.03        |
| Water Purchases                 |                                    | 48,553.19         | 11.92        |                                     | 86,593.63         | 10.88        |
| Operations Labor - Pumping      |                                    | 8,050.08          | 1.98         |                                     | 16,531.73         | 2.08         |
| Supplies - Pumping              |                                    | 217.03            | 0.05         |                                     | 217.03            | 0.03         |
| Chemicals                       |                                    | 9,072.77          | 2.23         |                                     | 15,003.37         | 1.89         |
| Natural Gas-WTP                 |                                    | 321.17            | 0.08         |                                     | 321.17            | 0.04         |
| Operations Labor - T & D        |                                    | 48,889.94         | 12.00        |                                     | 91,245.21         | 11.47        |
| Supplies - T & D                |                                    | 5,339.62          | 1.31         |                                     | 5,589.62          | 0.70         |
| Vehicle Repairs - T & D         |                                    | 5,414.61          | 1.33         |                                     | 5,639.61          | 0.71         |
| Utilities - T & D               |                                    | 44,463.36         | 10.92        |                                     | 88,053.79         | 11.07        |
| Repairs Pump - T & D            |                                    | 5,000.00          | 1.23         |                                     | 10,000.00         | 1.26         |
| Uniform Rental - T & D          |                                    | 4,781.50          | 1.17         |                                     | 4,781.50          | 0.60         |
| Vehicle Repairs - T & D         |                                    | 87.97             | 0.02         |                                     | 87.97             | 0.01         |
| Repairs - T & D                 |                                    | 1,229.11          | 0.30         |                                     | 1,509.11          | 0.19         |
| Fuel-Gasoline                   |                                    | 5,893.07          | 1.45         |                                     | 11,508.59         | 1.45         |
| Lab Services - Distribution     |                                    | 14,139.42         | 3.47         |                                     | 18,639.42         | 2.34         |
| Safety supplies                 |                                    | 973.14            | 0.24         |                                     | 973.14            | 0.12         |
| Billing Postage                 |                                    | 1,910.06          | 0.47         |                                     | 2,712.82          | 0.34         |
| Wages - Office                  |                                    | 10,160.35         | 2.49         |                                     | 19,989.45         | 2.51         |
| Office Postage                  |                                    | 2,806.92          | 0.69         |                                     | 2,806.92          | 0.35         |
| Office Supplies                 |                                    | 3,335.09          | 0.82         |                                     | 4,205.35          | 0.53         |
| Telephone & Utilities - Office  |                                    | 1,259.42          | 0.31         |                                     | 2,128.10          | 0.27         |
| Bank Charges                    |                                    | 1,124.04          | 0.28         |                                     | 1,889.83          | 0.24         |
| Health Insurance                |                                    | 20,261.16         | 4.97         |                                     | 59,455.10         | 7.47         |
| Dental Insurance                |                                    | 754.77            | 0.19         |                                     | 1,509.54          | 0.19         |
| Workers Comp                    |                                    | 5,025.31          | 1.23         |                                     | 9,098.90          | 1.14         |
| Life Ins.                       |                                    | 3,450.18          | 0.85         |                                     | 4,374.89          | 0.55         |
| Contract Labor - Administration |                                    | 0.00              | 0.00         |                                     | 200.00            | 0.03         |
| Accounting                      |                                    | 1,800.00          | 0.44         |                                     | 3,799.00          | 0.48         |
| Professional Fees               |                                    | 8,570.00          | 2.10         |                                     | 8,570.00          | 1.08         |
| Property Insurance              |                                    | 19,114.90         | 4.69         |                                     | 30,402.39         | 3.82         |
| Commissioners Bond              |                                    | 890.75            | 0.22         |                                     | 2,315.95          | 0.29         |
| Commissioner's Fee              |                                    | 1,500.00          | 0.37         |                                     | 3,500.00          | 0.44         |
| Misc. Expenses                  |                                    | 1,696.40          | 0.42         |                                     | 2,890.40          | 0.36         |
| Training                        |                                    | 580.36            | 0.14         |                                     | 580.36            | 0.07         |
| Depreciation Expense            |                                    | 63,382.08         | 15.56        |                                     | 126,764.16        | 15.93        |

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**Southern Water and Sewer District**  
**INCOME STATEMENT - WATER**  
**For the 1 Month and 2 Months Ended February 29, 2016**

|  | 1 Month Ended<br>February 29, 2016 | %              | 2 Months Ended<br>February 29, 2016 | %             |
|--|------------------------------------|----------------|-------------------------------------|---------------|
| Depreciation Expense                   | 8,496.82                           | 2.09           | 16,993.64                           | 2.14          |
| Payroll Taxes                          | 8,131.95                           | 2.00           | 15,607.31                           | 1.96          |
| Employer Pension Expense               | 1,444.71                           | 0.35           | 2,825.94                            | 0.36          |
| Health Care Reimbursements             | 0.00                               | 0.00           | 1,138.72                            | 0.14          |
| <b>Total Operating Expenses</b>        | <b>443,844.30</b>                  | <b>108.98</b>  | <b>831,825.80</b>                   | <b>104.55</b> |
| <b>Operating Income (Loss)</b>         | <b>(50,150.53)</b>                 | <b>(12.31)</b> | <b>(64,016.25)</b>                  | <b>(8.05)</b> |
| <b>Other Income (Expense)</b>          |                                    |                |                                     |               |
| Interest Expense - First Guaranty Bank | (631.06)                           | 0.15           | (977.34)                            | 0.12          |
| Interest Expense - LOC                 | (1,000.00)                         | 0.25           | (2,000.00)                          | 0.25          |
| Amortization of Premium                | (205.02)                           | 0.05           | (410.04)                            | 0.05          |
| Interest Expense - KIA                 | (5,268.74)                         | 1.29           | (10,537.48)                         | 1.32          |
| Interest Expense - Bonds               | (11,953.64)                        | 2.94           | (23,907.28)                         | 3.00          |
| Interest Income - Now                  | 51.18                              | 0.01           | 99.24                               | 0.01          |
| Rural Development - Allen to Martin WT | 108,420.79                         | 26.62          | 108,420.79                          | 13.63         |
| <b>Total Other Income (Expense)</b>    | <b>89,413.51</b>                   | <b>21.95</b>   | <b>70,687.89</b>                    | <b>8.88</b>   |
| <b>Net Income (Loss) Before Taxes</b>  | <b>39,262.98</b>                   | <b>9.64</b>    | <b>6,671.64</b>                     | <b>0.84</b>   |
| <b>Net Income (Loss)</b>               | <b>\$ 39,262.98</b>                | <b>9.64</b>    | <b>\$ 6,671.64</b>                  | <b>0.84</b>   |

Restricted For Management Use Only



**Southern Water and Sewer District**  
**INCOME STATEMENT - SEWER**  
**For the 1 Month and 2 Months Ended February 29, 2016**

|                                       | 1 Month Ended<br>February 29, 2016 | %             | 2 Months Ended<br>February 29, 2016 | %             |
|---------------------------------------|------------------------------------|---------------|-------------------------------------|---------------|
| <b>Sales</b>                          |                                    |               |                                     |               |
| Metered Sales - Residential Sewer     | \$ 13,237.00                       | 3.25          | \$ 26,555.32                        | 3.34          |
| Metered Sales - Business Sewer        | 835.60                             | 0.21          | 1,732.86                            | 0.22          |
| Sewer Tap Fees                        | (500.00)                           | (0.12)        | (500.00)                            | (0.06)        |
| Less Returns & Allowances             | 0.00                               | 0.00          | 0.00                                | 0.00          |
| <b>Total Sales</b>                    | <b>13,572.60</b>                   | <b>3.33</b>   | <b>27,788.18</b>                    | <b>3.49</b>   |
| <b>Gross Profit</b>                   | <b>13,572.60</b>                   | <b>3.33</b>   | <b>27,788.18</b>                    | <b>3.49</b>   |
| <b>Operating Expenses</b>             |                                    |               |                                     |               |
| Chemicals - Sewer                     | 7,628.78                           | 1.87          | 15,776.36                           | 1.98          |
| Supplies                              | 0.00                               | 0.00          | 382.64                              | 0.05          |
| Wages - Sewer                         | 1,963.50                           | 0.48          | 4,485.00                            | 0.56          |
| Utilities - Sewer                     | 4,782.60                           | 1.17          | 0.00                                | 0.00          |
| Utilities                             | 10,551.18                          | 2.59          | 18,433.96                           | 2.32          |
| Repairs - Sewer                       | 5,817.18                           | 1.43          | 5,817.18                            | 0.73          |
| <b>Total Operating Expenses</b>       | <b>30,743.24</b>                   | <b>7.55</b>   | <b>44,895.14</b>                    | <b>5.64</b>   |
| <b>Operating Income (Loss)</b>        | <b>(17,170.64)</b>                 | <b>(4.22)</b> | <b>(17,106.96)</b>                  | <b>(2.15)</b> |
| <b>Other Income (Expense)</b>         |                                    |               |                                     |               |
| Grant Income (Dept of Transportation) | 152,279.97                         | 37.39         | 176,035.85                          | 22.13         |
| <b>Total Other Income (Expense)</b>   | <b>152,279.97</b>                  | <b>37.39</b>  | <b>176,035.85</b>                   | <b>22.13</b>  |
| <b>Net Income (Loss) Before Taxes</b> | <b>135,109.33</b>                  | <b>33.17</b>  | <b>158,928.89</b>                   | <b>19.98</b>  |
| <b>Net Income (Loss)</b>              | <b>\$ 135,109.33</b>               | <b>33.17</b>  | <b>\$ 158,928.89</b>                | <b>19.98</b>  |

**Southern Water and Sewer District**  
**INCOME STATEMENT**  
**Actual vs. Budget**

|                                   | 1 Month Ended<br>February 29, 2016<br>Actual | 1 Month Ended<br>February 29, 2016<br>Budget | 2 Months Ended<br>February 29, 2016<br>Actual | 2 Months Ended<br>February 29, 2016<br>Budget |
|-----------------------------------|--|--|---|---|
| <b>Sales</b>                      |  |  |   |   |
| Metered Sales - Residential       | \$ 292,579.49                                | \$ 0.00                                      | \$ 564,401.94                                 | \$ 0.00                                       |
| Metered Sales - Business          | 7,602.60                                     | 0.00   | 15,275.73                                     | 0.00  |
| Metered Sales - Residential Sewer | 13,237.00                                    | 0.00   | 26,555.32                                     | 0.00  |
| Metered Sales - Business Sewer    | 835.60                                       | 0.00   | 1,732.86                                      | 0.00  |
| Sales for Resale                  | 3,274.44                                     | 0.00   | 7,257.63                                      | 0.00  |
| Penalties                         | 6,753.66                                     | 0.00   | 15,068.35                                     | 0.00  |
| Meter Service                     | 4,180.00                                     | 0.00   | 6,720.00                                      | 0.00  |
| Tap fees                          | 738.58                                       | 0.00   | 2,032.15                                      | 0.00  |
| Sewer Tap Fees                    | (500.00)                                     | 0.00   | (500.00)                                      | 0.00  |
| Other Income                      | 500.00                                       | 0.00   | 1,000.00                                      | 0.00  |
| Garbage Sales Revenue             | 78,065.00                                    | 0.00   | 156,053.75                                    | 0.00  |
| Less Returns & Allowances         | 0.00   | 0.00   | 0.00  | 0.00  |
| <b>Total Sales</b>                | <b>407,266.37</b>                            | <b>0.00</b>                                  | <b>795,597.73</b>                             | <b>0.00</b>                                   |
| <b>Gross Profit</b>               | <b>407,266.37</b>                            | <b>0.00</b>                                  | <b>795,597.73</b>                             | <b>0.00</b>                                   |
| <b>Operating Expenses</b>         |  |  |   |   |
| Solid Waste Payments              | 75,723.05                                    | 0.00   | 151,372.14                                    | 0.00  |
| Water Purchases                   | 48,553.19                                    | 0.00   | 86,593.63                                     | 0.00  |
| Operations Labor - Pumping        | 8,050.08                                     | 0.00   | 16,531.73                                     | 0.00  |
| Chemicals - Sewer                 | 7,628.78                                     | 0.00   | 15,776.36                                     | 0.00  |
| Supplies - Pumping                | 217.03                                       | 0.00   | 217.03  | 0.00  |
| Chemicals                         | 9,072.77                                     | 0.00   | 15,003.37                                     | 0.00  |
| Supplies                          | 0.00   | 0.00   | 382.64  | 0.00  |
| Natural Gas-WTP                   | 321.17                                       | 0.00   | 321.17  | 0.00  |
| Operations Labor - T & D          | 48,889.94                                    | 0.00   | 91,245.21                                     | 0.00  |
| Wages - Sewer                     | 1,963.50                                     | 0.00   | 4,485.00                                      | 0.00  |
| Supplies - T & D                  | 5,339.62                                     | 0.00   | 5,589.62                                      | 0.00  |
| Vehicle Repairs - T & D           | 5,414.61                                     | 0.00   | 5,639.61                                      | 0.00  |
| Utilities - T & D                 | 44,463.36                                    | 0.00   | 88,053.79                                     | 0.00  |
| Repairs Pump - T & D              | 5,000.00                                     | 0.00   | 10,000.00                                     | 0.00  |
| Uniform Rental - T & D            | 4,781.50                                     | 0.00   | 4,781.50                                      | 0.00  |
| Vehicle Repairs - T & D           | 87.97  | 0.00   | 87.97   | 0.00  |
| Repairs - T & D                   | 1,229.11                                     | 0.00   | 1,509.11                                      | 0.00  |
| Fuel-Gasoline                     | 5,893.07                                     | 0.00   | 11,508.59                                     | 0.00  |
| Lab Services - Distribution       | 14,139.42                                    | 0.00   | 18,639.42                                     | 0.00  |
| Utilities - Sewer                 | 4,762.60                                     | 0.00   | 0.00  | 0.00  |
| Utilities                         | 10,551.18                                    | 0.00   | 18,433.96                                     | 0.00  |
| Repairs - Sewer                   | 5,817.18                                     | 0.00   | 5,817.18                                      | 0.00  |
| Safety supplies                   | 973.14                                       | 0.00   | 973.14  | 0.00  |
| Billing Postage                   | 1,910.06                                     | 0.00   | 2,712.82                                      | 0.00  |
| Wages - Office                    | 10,160.35                                    | 0.00   | 19,989.45                                     | 0.00  |
| Office Postage                    | 2,806.92                                     | 0.00   | 2,806.92                                      | 0.00  |
| Office Supplies                   | 3,335.09                                     | 0.00   | 4,205.35                                      | 0.00  |
| Telephone & Utilities - Office    | 1,259.42                                     | 0.00   | 2,128.10                                      | 0.00  |
| Bank Charges                      | 1,124.04                                     | 0.00   | 1,889.83                                      | 0.00  |
| Health Insurance                  | 20,261.16                                    | 0.00   | 59,455.10                                     | 0.00  |
| Dental Insurance                  | 754.77                                       | 0.00   | 1,509.54                                      | 0.00  |
| Workers Comp                      | 5,025.31                                     | 0.00   | 9,098.90                                      | 0.00  |
| Life Ins.                         | 3,450.18                                     | 0.00   | 4,374.89                                      | 0.00  |

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**Southern Water and Sewer District**  
**INCOME STATEMENT**  
**Actual vs. Budget**

|  | 1 Month Ended<br>February 29, 2016<br>Actual | 1 Month Ended<br>February 29, 2016<br>Budget | 2 Months Ended<br>February 29, 2016<br>Actual | 2 Months Ended<br>February 29, 2016<br>Budget |
|--|--|--|---|---|
| Contract Labor - Administration        | 0.00   | 0.00   | 200.00  | 0.00  |
| Accounting                             | 1,800.00                                     | 0.00   | 3,799.00                                      | 0.00  |
| Professional Fees                      | 8,570.00                                     | 0.00   | 8,570.00                                      | 0.00  |
| Property Insurance                     | 19,114.90                                    | 0.00   | 30,402.39                                     | 0.00  |
| Commissioners Bond                     | 890.75                                       | 0.00   | 2,315.95                                      | 0.00  |
| Commissioner's Fee                     | 1,500.00                                     | 0.00   | 3,500.00                                      | 0.00  |
| Misc. Expenses                         | 1,695.40                                     | 0.00   | 2,890.40                                      | 0.00  |
| Training                               | 580.36                                       | 0.00   | 580.36  | 0.00  |
| Depreciation Expense                   | 63,382.08                                    | 0.00   | 126,764.16                                    | 0.00  |
| Depreciation Expense                   | 8,496.82                                     | 0.00   | 16,993.64                                     | 0.00  |
| Payroll Taxes                          | 8,131.95                                     | 0.00   | 15,607.31                                     | 0.00  |
| Employer Pension Expense               | 1,444.71                                     | 0.00   | 2,825.94                                      | 0.00  |
| Health Care Reimbursements             | 0.00   | 0.00   | 1,138.72                                      | 0.00  |
| <b>Total Operating Expenses</b>        | <b>474,587.54</b>                            | <b>0.00</b>                                  | <b>876,720.94</b>                             | <b>0.00</b>                                   |
| <b>Operating Income (Loss)</b>         | <b>(67,321.17)</b>                           | <b>0.00</b>                                  | <b>(81,123.21)</b>                            | <b>0.00</b>                                   |
| <b>Other Income (Expense)</b>          |  |  |   |   |
| Interest Income - Now                  | 51.18  | 0.00   | 99.24   | 0.00  |
| Rural Development - Allen to Martin WT | 108,420.79                                   | 0.00   | 108,420.79                                    | 0.00  |
| Interest Expense - First Guaranty Bank | (631.06)                                     | 0.00   | (977.34)                                      | 0.00  |
| Interest Expense - LOC                 | (1,000.00)                                   | 0.00   | (2,000.00)                                    | 0.00  |
| Amortization of Premium                | (205.02)                                     | 0.00   | (410.04)                                      | 0.00  |
| Interest Expense - KIA                 | (5,268.74)                                   | 0.00   | (10,537.48)                                   | 0.00  |
| Interest Expense - Bonds               | (11,953.64)                                  | 0.00   | (23,907.28)                                   | 0.00  |
| <b>Total Other Income (Expense)</b>    | <b>89,413.51</b>                             | <b>0.00</b>                                  | <b>70,687.89</b>                              | <b>0.00</b>                                   |
| <b>Net Income (Loss) Before Taxes</b>  | <b>22,092.34</b>                             | <b>0.00</b>                                  | <b>(10,435.32)</b>                            | <b>0.00</b>                                   |
| <b>Net Income (Loss)</b>               | <b>\$ 22,092.34</b>                          | <b>\$ 0.00</b>                               | <b>\$ (10,435.32)</b>                         | <b>\$ 0.00</b>                                |

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SOUTHERN WATER AND SEWER  
NOTE PAYABLE ANALYSIS  
2/29/2016

| 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       | 15                           | 25,419.31                 |
| FIRST GUARANTY BANK                | TRUCKS            | 9/25/2013    | 63,097.10       | 7.99%         | 1,976.82       | 7                            | 13,478.94                 |
| FIRST GUARANTY BANK                | DEAN'S TRUCK      | 9/22/2014    | 25,018.00       | 5.90%         | 482.52         | 43                           | 18,662.19                 |
| CITIZEN'S NATIONAL BANK            | EXCAVATOR         | 6/9/2015     | 41,355.00       | 4.32%         | 939.61         | 40                           | 34,947.75                 |
| <b>BONDS</b>                       |                   |              |                 |               |                |                              |                           |
| USDA                               | 2,515,000 ISSUE   | 1/1/2003     | 2,515,000.00    | 4.50%         | VARIOUS        | 53                           | 2,109,000.00              |
| USDA                               | 225,000 ISSUE     | 1/1/2006     | 225,000.00      | 4.25%         | VARIOUS        | 57                           | 195,000.00                |
| USDA                               | 589,573 ISSUE     | 1/1/2006     | 589,573.00      | 4.75%         | VARIOUS        | 49                           | 501,509.00                |
| USDA                               | 530,000 ISSUE BLD | 1/1/2011     | 530,000.00      | 2.25%         | VARIOUS        | 66                           | 487,000.00                |
| <b>KY INFRASTRUCTURE AUTHORITY</b> |                   |              |                 |               |                |                              |                           |
| KIA - I                            |                   | 6/1/1995     | 1,362,870.05    | 3.00%         | 34,607.94      | 18                           | 542,395.15                |
| KIA - III                          |                   | 12/1/2007    | 2,831,354.23    | 3.00%         | 71,897.79      | 24                           | 1,440,141.86              |
| KIA - A04-06                       |                   | 12/1/2005    | 67,376.00       | 1.00%         | 1,862.64       | 19                           | 34,019.07                 |
| KIA - A11-16                       |                   | 6/1/2014     | 765,900.00      | 1.00%         | 21,173.70      | 18                           | 696,001.13                |
| <b>TOTAL LOANS DUE 2-29-2106</b>   |                   |              |                 |               |                |                              | <b>6,097,574.40</b>       |

SOUTHERN WATER AND SEWER  
MONTHLY FILED CONSTRUCTION LOG  
2/22/2016 TO 3/28/2016

NUMBER OF LEAKS (28)

NUMBER OF TAPS (2)

NUMBER OF DIG OUTS (1)

ESTIMATED WATER LOSS 504,000 gal

LINE SIZES  $\frac{3}{4}$  (25) 1inch (1) 3inch ( ) 4inch (2)

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

PARST USED: (49)  $\frac{3}{4}$  couplings – (2) 1 inch couplings – ( ) 3 inch  
hymax's – (4) 4 inch hymax's ( ) 6 inch hymax's ( )- 8 inch hymax's ( )- 12  
inch hymax,s (10) SR-II meter bottoms – (4)  $\frac{3}{4}$  regulators

Right Beaver (8) Left Beaver (11) Big Mud (2) Little Mud (2) Sandy Valley  
(5)

FILED SUPERVISOR Chris Rehn DATE 3/28/16

GENERAL MANAGER \_\_\_\_\_ DATE \_\_\_\_\_



## 1.0 Pricing and Finance Options

|   |  |  |  |
|---|--|--|--|
| Southern Water and Sewer, Drive-By System Proposal (Pricing Good for 90 Days) |  |  |  |
|---|--|--|--|

|      |   |                |                       |
|------|---|----------------|-----------------------|
| 7000 | 5/8"x3/4" PD Meters with Tesla T-4 Registers  | \$155.00 ea    | \$1,085,000.00        |
| 1    | Panasonic Toughbooks, Transceivers, Route Software and 3-Onsight Trainings Over 90 days | \$12,500.00 ea | \$12,500.00           |
|      |   | <b>Total</b>   | <b>\$1,097,500.00</b> |

### Proposed Product Quick Facts Per AMR Meter Specifications

- Tesla T-4 has NO WIRES protruding from the register to the AMR end point
- The Tesla T-4 can profile individual customers with hourly readings up to 120 days
- The Tesla T-4 warranty is 25 years, 12 years full replacement and 13 years prorated replacement
- All Product is Made in the United States

### Financing Option Based on \$1,097,500.00

|                 |   |              |              |              |
|-----------------|---|--------------|--------------|--------------|
| Term:           | 5 Year                                      | 7 Years      | 10 Years     | 12 Years     |
| Payment Amount: | \$239,704.95                                | \$176,162.39 | \$128,866.28 | \$111,333.61 |
| Interest Rate:  | 2.260%                                      | 2.414%       | 2.849%       | 2.989%       |
| Payments Due    | One year from Signing & Annually thereafter |              |              |              |



SOUTHERN WATER AND SEWER  
MONTHLY FILED CONSTRUCTION LOG  
2/22/2016 TO 3/28/2016

NUMBER OF LEAKS (28)

NUMBER OF TAPS (2)

NUMBER OF DIG OUTS (1)

ESTIMATED WATER LOSS 504,000 gal

LINE SIZES  $\frac{3}{4}$  (25) 1inch (1) 3inch ( ) 4inch (2)

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

PARST USED: (49)  $\frac{3}{4}$  couplings – (2) 1 inch couplings – ( ) 3 inch  
hymax's – (4) 4 inch hymax's ( ) 6 inch hymax's ( )-8 inch hymax's ( )- 12  
inch hymax,s (10) SR-II meter bottoms – (4)  $\frac{3}{4}$  regulators

Right Beaver (8) Left Beaver (11) Big Mud (2) Little Mud (2) Sandy Valley  
(5)

FILED SUPERVISOR Chris Robin DATE 3/28/16

GENERAL MANAGER \_\_\_\_\_ DATE \_\_\_\_\_



MATTHEW G. BEVIN  
GOVERNOR

CHARLES G. SNAVELY  
SECRETARY

ENERGY AND ENVIRONMENT CABINET  
DEPARTMENT FOR ENVIRONMENTAL PROTECTION  
DIVISION OF ENFORCEMENT  
300 FAIR OAKS LANE  
FRANKFORT KENTUCKY 40301  
www.kentucky.gov

March 10, 2016

CERTIFIED MAIL No. 7014 1200 0000 3893 9621

Return Receipt Requested

Mr. Dean Hall, Utility Manager  
Southern Water and Sewer District  
PO Box 610  
McDowell, KY 41647

Re: AI Names: Eastern, Harold, and Wayland WWTP  
AI Nos. 97144, 110746, 35761  
Case Nos. DOW 150522, DOW 150525, DOW 150261  
Activity No. ERF20150001  
KPDES Permits: KY0109258, KY0109258, KY0105228  
Floyd County

Dear Mr. Hall:

An Administrative Conference between Southern Water and Sewer District and the Division of Enforcement is scheduled for April 6, 2016, beginning at 10:30 AM Eastern Time. The meeting will be held at the Division of Enforcement, 300 Fair Oaks Lane, Frankfort, Kentucky 40601. The purpose of the Administrative Conference will be to discuss the violations that were cited at all three facilities listed above.

Please find the enclosed map to assist you in locating the conference. When you arrive at 300 Fair Oaks Lane, enter the front of the building and ask for Corey Craft. The receptionist will contact me and I will escort you to the conference room. Since the Administrative Conference is informal, legal representation is not required. If you feel a legal representative is needed, please contact me at least five (5) working days prior to the meeting.

If you are unable to resolve your case in the Division of Enforcement, it may be necessary to refer your case for formal legal action. Should you have any questions regarding this correspondence, please contact me at (502) 564-2150, extension 3286.

Respectfully,

Corey Craft  
Environmental Enforcement Specialist  
Division of Enforcement

Enclosure



An Equal Opportunity Employer M/F/D

SOUTHERN WATER & SEWER DISTRICT

PO BOX 610

MCDOWELL, KY 41647

REGULAR MEETING FEBRUARY 22, 2016 @5PM

AGENDA

- CALL TO ORDER @ 5:00 pm
- ✓ • APPROVAL OF MINUTES
- ✓ • FINANCIAL STATEMENT
- ✓ • KENTUCKY ENGINEERING GROUP
- ✓ • SUMMIT ENGINEERING
- ✓ • NEW FLOYD COUNTY CENTRAL SCHOOL CONTRACT
- ✓ • LEGALLY BINDING AGREEMENT WITH FLOYD COUNTY FISCAL COURT
- ✓ • TRUCK BIDS
- ✓ • MANAGERS REPORT
- OTHER wayland Sewer <sup>①</sup> approve Eng <sup>②</sup> seek money
- ADJOURN

***SOUTHERN WATER & SEWER DISTRICT  
REGULAR MONTHLY MEETING  
MONDAY, FEBRUARY 1, 2016 @ 5:00 P.M.***

**ATTENDANCE:**

PAULA JOHNSON, CHAIRMAN

LARRY JOE OSBORNE, TREASURER

BARRY HALL, SECRETARY

HAYES HAMILTON, COMMISSONER

DEAN HALL, MANAGER

TROY HOGGE, KEG ENG.

KEVIN HOWARD, SUMMIT ENG.

JEFF REED, CPA

***Chairman, Paula Johnson called the meeting to order at 5:00 P.M.***

**MOTION TO APPROVE JANUARY 2016 MINUTES**

**MOTION MADE BY: HAYES HAMILTON**

**MOTION SECONDED BY: LARRY JOE OSBORNE**

**MOTION PASSED**

**MOTION TO APPROVE JANUARY 2016 FINANCIAL STATEMENT**

**MOTION MADE BY: BARRY HALL**

**MOTION SECONDED BY: HAYES HAMILTON**

**MOTION PASSED**



**MOTION TO AUTHORIZE DEAN HALL TO PROCEED WITH  
ADVERTISING FOR HAROLD PHASE III**

**MOTION MADE BY: HAYES HAMILTON**

**MOTION SECONDED BY: LARRY JOE OSBORNE**

**MOTION PASSED**

**MOTION TO ACCEPT \$25,000.00 AS PAYMENT IN FULL FROM  
THE CITY OF HINDMAN**

**MOTION MADE BY: BARRY HALL**

**MOTION SECONDED BY: LARRY JOE OSBORNE**

**MOTION PASSED**

**MOTION TO PROCEED WITH RIVER CROSSING @ JUSTELL**

**MOTION MADE BY: BARRY HALL**

**MOTION SECONDED BY: HAYES HAMILTON**

**MOTION PASSED**

**MOTION TO GIVE EMPLOYEEES A FIFTY CENT RAISE**

**MOTION MADE BY: BARRY HALL**

**MOTION SECONDED BY: HAYES HAMILTON**

**MOTION PASSED**

**MOTION TO ADVERTISE FOR TRUCK BIDS**

**MOTION MADE BY: BARRY HALL**

**MOTION SECONDED BY: HAYES HAMILTON**

**MOTION TO ADJOURN**

**MOTION MADE BY: BARRY HALL**

**MOTION SECONDED BY: LARRY JOE OSBORNE**

With there being no further business to discuss, this meeting was adjourned at 7:15 p.m. passed by Southern Water & Sewer District Commissioners on this \_\_\_\_\_ day of \_\_\_\_\_, 2015.

\_\_\_\_\_  
PAULA JOHNSON, CHAIRMAN

\_\_\_\_\_  
BARRY HALL, SECRETARY

**Southern Water and Sewer District**  
**BALANCE SHEET**  
**As of January 31, 2016**  
**ASSETS**

|                                      |           |                      |
|--------------------------------------|-----------|----------------------|
| <b>CURRENT ASSETS</b>                |           |                      |
| Cash on Hand                         | \$        | 460.00               |
| First Guaranty - New                 |           | 8,491.70             |
| Cash - Community Trust Bank (SV)     |           | 19,625.44            |
| First Guaranty - Solid Waste Account |           | 12,623.66            |
| Accounts Receivable - Water          |           | 784,825.46           |
| Accounts Receivable - Garbage        |           | 497,415.56           |
| Accounts Receivable - Sewer          |           | 122,350.50           |
| A/R - CDBG Grant                     |           | 5,000.00             |
| Provision for Uncollectible Accounts |           | (235,324.66)         |
| Prepaid Insurance - KACO             |           | 2,500.00             |
| Materials and Supplies               |           | 58,087.76            |
| KIA Escrow - New                     |           | 45,005.79            |
| KIA R & M Reserve - New              |           | 55,742.26            |
| KIA R & M Reserve #3 - New           |           | 53,820.55            |
| First Guaranty - RD Account          |           | 906.45               |
| RD Depreciation Reserve Acct.        |           | 76,962.83            |
| RD Escrow Acct                       |           | 40,173.17            |
| 1st Guaranty - FEMA Reimbursements   |           | 21,335.78            |
| FGB - Rural Development Construction |           | 4,554.47             |
| FGB - Capital Improvement Account    |           | 102,013.60           |
| FGB - RD Sinking Fund (New)          |           | 17,052.08            |
| Cash - Pride on the River            |           | 995.26               |
| FEMA - 1976 - DR - KY                |           | 2,069.07             |
| Insurance Escrow Account             |           | 1,307.90             |
| KIA R & M RESERVE A04-06             |           | 33,595.00            |
| Construction Account                 |           | 43,000.94            |
| FGB - Customer Deposit Account       |           | 19,877.87            |
| FGB - Health Care Reimbursement      |           | 28,485.39            |
| FGB - Allen to Martin WTP            |           | 50,788.76            |
| <b>Total Current Assets</b>          |           | <b>1,873,742.59</b>  |
| <b>PROPERTY AND EQUIPMENT</b>        |           |                      |
| Utility Plant                        |           | 33,674,088.83        |
| Utility Plant                        |           | 1,766,340.49         |
| Utility Plant Sewer                  |           | 7,884,392.19         |
| Construction in Progress             |           | 2,511,858.83         |
| Construction in Progress - Sewer     |           | 43,921.50            |
| Less: Accumulated Depreciation       |           | (20,560,156.64)      |
| <b>Net Property and Equipment</b>    |           | <b>25,300,445.20</b> |
| <b>OTHER ASSETS</b>                  |           |                      |
| Prepaid Interest                     |           | 98,409.92            |
| Accumulated Amortization             |           | (34,648.47)          |
| <b>Total Other Assets</b>            |           | <b>63,761.45</b>     |
| <b>TOTAL ASSETS</b>                  | <b>\$</b> | <b>27,237,949.24</b> |

Restricted For Management Use Only

**Southern Water and Sewer District**  
**BALANCE SHEET**  
**As of January 31, 2016**

**LIABILITIES AND STOCKHOLDERS' EQUITY**

**CURRENT LIABILITIES**

|                                       |    |            |
|---------------------------------------|----|------------|
| Accounts Payable                      | \$ | 131,964.13 |
| A/P - CIP                             |    | 53,447.98  |
| N/P - FGB LOC                         |    | 229,000.00 |
| First Guaranty - Office Building      |    | 27,124.59  |
| N/P - FIRST GUARANTY (TRUCKS)         |    | 15,351.58  |
| N/P - FGB (DEAN'S TRUCK)              |    | 19,049.25  |
| N/P - CITIZEN'S NATIONAL (EXCAVATO    |    | 35,627.24  |
| Customer Deposits                     |    | 189,838.15 |
| Customer Deposits - Sewer             |    | 190.00     |
| Accrued Fed WTH                       |    | (1,299.20) |
| Accrued Ky WTH                        |    | 2,900.73   |
| Accrued KUI/FUTA                      |    | 2,573.03   |
| Accrued School Tax                    |    | 2.55       |
| Accrued Sales Tax                     |    | 608.59     |
| Garnishee                             |    | 2,482.63   |
| Accrued 401-k                         |    | 3,675.94   |
| Accrued Vacation/Sick Pay             |    | 67,054.08  |
| Accrued Interest - KIA III            |    | 9,833.54   |
| Accrued Interest - Bonds              |    | 12,431.25  |
| Accrued Interest - New Bond           |    | 1,055.47   |
| Accrued Interest - Sandy Valley Bond  |    | 4,320.49   |
| Accrued Interest - Build America Bond |    | 101.27     |
| A/P - Solid Waste                     |    | 445,284.38 |

**Total Current Liabilities** 1,252,617.67

**LONG-TERM LIABILITIES**

|                                    |              |
|------------------------------------|--------------|
| Notes Payable Current Portion      | 475,320.09   |
| Less Current Portion Notes Payable | (475,320.09) |
| Bonds Payable Current Portion      | 64,981.00    |
| N/P - KIA I                        | 542,395.07   |
| N/P - KIA III                      | 1,440,141.86 |
| Bonds Payable                      | 2,109,000.00 |
| N/P - KIA A-04-06                  | 34,019.07    |
| Bonds Payable (New)                | 195,000.00   |
| RD Note - Sandy Valley 589573      | 501,509.00   |
| USDA (530,000)                     | 487,000.00   |
| N/P - KIA (A11-16) Harold Sewer    | 696,001.13   |
| Less Current Portion Bonds Payable | (64,981.00)  |

**Total Long-Term Liabilities** 6,005,066.13

**Total Liabilities** 7,257,683.80

**CAPITAL**

|                                 |               |
|---------------------------------|---------------|
| Invested in Capital Assets      | 17,604,992.00 |
| Restricted for Capital Projects | 46,457.00     |
| Restricted for Maintenance      | 100,453.00    |
| Restricted for Debt Services    | 283,254.00    |
| Unrestricted Net Assets         | 411,476.35    |
| Restricted for Deposits         | 153,021.00    |
| Current Earnings                | (6,359.96)    |

**Southern Water and Sewer District  
BALANCE SHEET**

**As of January 31, 2016**

|   |                                |
|---|--------------------------------|
| Retained Earnings                                     | <u>1,386,972.05</u>            |
| <b>Total Stockholders' Equity</b>                     | <u>19,980,265.44</u>           |
| <b>TOTAL LIABILITIES AND<br/>STOCKHOLDERS' EQUITY</b> | <b>\$ <u>27,237,949.24</u></b> |



**Southern Water and Sewer District**  
**INCOME STATEMENT - CONSOLIDATED**  
**For the 1 Month and 1 Month Ended January 31, 2016**

|                                   | 1 Month Ended<br>January 31, 2016 | %             | 1 Month Ended<br>January 31, 2016 | %             |
|-----------------------------------|-----------------------------------|---------------|-----------------------------------|---------------|
| <b>Sales</b>                      |                                   |               |                                   |               |
| Metered Sales - Residential       | \$ 271,822.45                     | 70.00         | \$ 271,822.45                     | 70.00         |
| Metered Sales - Business          | 7,673.13                          | 1.98          | 7,673.13                          | 1.98          |
| Metered Sales - Residential Sewer | 13,318.32                         | 3.43          | 13,318.32                         | 3.43          |
| Metered Sales - Business Sewer    | 897.26                            | 0.23          | 897.26                            | 0.23          |
| Sales for Resale                  | 3,983.19                          | 1.03          | 3,983.19                          | 1.03          |
| Penalties                         | 8,314.69                          | 2.14          | 8,314.69                          | 2.14          |
| Meter Service                     | 2,540.00                          | 0.65          | 2,540.00                          | 0.65          |
| Tap fees                          | 1,293.57                          | 0.33          | 1,293.57                          | 0.33          |
| Other Income                      | 500.00                            | 0.13          | 500.00                            | 0.13          |
| Garbage Sales Revenue             | 77,988.75                         | 20.08         | 77,988.75                         | 20.08         |
| Less Returns & Allowances         | 0.00                              | 0.00          | 0.00                              | 0.00          |
| <b>Total Sales</b>                | <b>388,331.36</b>                 | <b>100.00</b> | <b>388,331.36</b>                 | <b>100.00</b> |
| <b>Gross Profit</b>               | <b>388,331.36</b>                 | <b>100.00</b> | <b>388,331.36</b>                 | <b>100.00</b> |
| <b>Operating Expenses</b>         |                                   |               |                                   |               |
| Solid Waste Payments              | 75,649.09                         | 19.48         | 75,649.09                         | 19.48         |
| Water Purchases                   | 38,040.44                         | 9.80          | 38,040.44                         | 9.80          |
| Operations Labor - Pumping        | 8,481.55                          | 2.18          | 8,481.65                          | 2.18          |
| Chemicals - Sewer                 | 8,147.58                          | 2.10          | 8,147.58                          | 2.10          |
| Chemicals                         | 5,930.60                          | 1.53          | 5,930.60                          | 1.53          |
| Supplies                          | 382.64                            | 0.10          | 382.64                            | 0.10          |
| Operations Labor - T & D          | 42,355.27                         | 10.91         | 42,355.27                         | 10.91         |
| Wages - Sewer                     | 2,521.50                          | 0.65          | 2,521.50                          | 0.65          |
| Supplies - T & D                  | 250.00                            | 0.06          | 250.00                            | 0.06          |
| Vehicle Repairs - T & D           | 225.00                            | 0.06          | 225.00                            | 0.06          |
| Utilities - T & D                 | 43,590.43                         | 11.23         | 43,590.43                         | 11.23         |
| Repairs Pump - T & D              | 5,000.00                          | 1.29          | 5,000.00                          | 1.29          |
| Repairs - T & D                   | 280.00                            | 0.07          | 280.00                            | 0.07          |
| Fuel-Gasoline                     | 5,615.52                          | 1.45          | 5,615.52                          | 1.45          |
| Lab Services - Distribution       | 4,500.00                          | 1.16          | 4,500.00                          | 1.16          |
| Utilities                         | 3,100.18                          | 0.80          | 3,100.18                          | 0.80          |
| Billing Postage                   | 802.76                            | 0.21          | 802.76                            | 0.21          |
| Wages - Office                    | 9,829.10                          | 2.53          | 9,829.10                          | 2.53          |
| Office Supplies                   | 870.26                            | 0.22          | 870.26                            | 0.22          |
| Telephone & Utilities - Office    | 868.68                            | 0.22          | 868.68                            | 0.22          |
| Bank Charges                      | 765.79                            | 0.20          | 765.79                            | 0.20          |
| Health Insurance                  | 39,193.94                         | 10.09         | 39,193.94                         | 10.09         |
| Dental Insurance                  | 754.77                            | 0.19          | 754.77                            | 0.19          |
| Workers Comp                      | 4,073.59                          | 1.05          | 4,073.59                          | 1.05          |
| Life Ins.                         | 924.71                            | 0.24          | 924.71                            | 0.24          |
| Contract Labor - Administration   | 200.00                            | 0.05          | 200.00                            | 0.05          |
| Accounting                        | 1,999.00                          | 0.51          | 1,999.00                          | 0.51          |
| Property Insurance                | 11,287.49                         | 2.91          | 11,287.49                         | 2.91          |
| Commissioners Bond                | 1,425.20                          | 0.37          | 1,425.20                          | 0.37          |
| Commissioner's Fee                | 2,000.00                          | 0.52          | 2,000.00                          | 0.52          |
| Misc. Expenses                    | 1,194.00                          | 0.31          | 1,194.00                          | 0.31          |
| Depreciation Expense              | 63,382.08                         | 16.32         | 63,382.08                         | 16.32         |
| Depreciation Expense              | 8,496.82                          | 2.19          | 8,496.82                          | 2.19          |
| Payroll Taxes                     | 7,475.36                          | 1.92          | 7,475.36                          | 1.92          |

Restricted For Management Use Only

**Southern Water and Sewer District**  
**INCOME STATEMENT - CONSOLIDATED**  
**For the 1 Month and 1 Month Ended January 31, 2016**

|  | 1 Month Ended<br>January 31, 2016 | %             | 1 Month Ended<br>January 31, 2016 | %             |
|--|-----------------------------------|---------------|-----------------------------------|---------------|
| Employer Pension Expense               | 1,381.23                          | 0.36          | 1,381.23                          | 0.36          |
| Health Care Reimbursements             | 1,138.72                          | 0.29          | 1,138.72                          | 0.29          |
| <b>Total Operating Expenses</b>        | <b>402,133.40</b>                 | <b>103.55</b> | <b>402,133.40</b>                 | <b>103.55</b> |
| <b>Operating Income (Loss)</b>         | <b>(13,802.04)</b>                | <b>(3.55)</b> | <b>(13,802.04)</b>                | <b>(3.55)</b> |
| <b>Other Income (Expense)</b>          |                                   |               |                                   |               |
| Interest Expense - First Guaranty Bank | (346.28)                          | 0.09          | (346.28)                          | 0.09          |
| Interest Expense - LOC                 | (1,000.00)                        | 0.26          | (1,000.00)                        | 0.26          |
| Amortization of Premium                | (205.02)                          | 0.05          | (205.02)                          | 0.05          |
| Interest Expense - KIA                 | (5,268.74)                        | 1.36          | (5,268.74)                        | 1.36          |
| Interest Expense - Bonds               | (11,953.64)                       | 3.08          | (11,953.64)                       | 3.08          |
| Interest Income - Now                  | 48.06                             | 0.01          | 48.06                             | 0.01          |
| Grant Income (Dept of Transportation)  | 23,755.88                         | 6.12          | 23,755.88                         | 6.12          |
| Rural Development - Allen to Marlin WT | 2,411.82                          | 0.62          | 2,411.82                          | 0.62          |
| <b>Total Other Income (Expense)</b>    | <b>7,442.08</b>                   | <b>1.92</b>   | <b>7,442.08</b>                   | <b>1.92</b>   |
| <b>Net Income (Loss) Before Taxes</b>  | <b>(6,359.96)</b>                 | <b>(1.64)</b> | <b>(6,359.96)</b>                 | <b>(1.64)</b> |
| <b>Net Income (Loss)</b>               | <b>\$ (6,359.96)</b>              | <b>(1.64)</b> | <b>\$ (6,359.96)</b>              | <b>(1.64)</b> |

Restricted For Management Use Only

**Southern Water and Sewer District**  
**INCOME STATEMENT - WATER**  
**For the 1 Month and 1 Month Ended January 31, 2016**

|                                 | 1 Month Ended<br>January 31, 2016 |                    | %             | 1 Month Ended<br>January 31, 2016 |                    | %             |
|---------------------------------|-----------------------------------|--------------------|---------------|-----------------------------------|--------------------|---------------|
| <b>Sales</b>                    |                                   |                    |               |                                   |                    |               |
| Metered Sales - Residential     | \$                                | 271,822.45         | 70.00         | \$                                | 271,822.45         | 70.00         |
| Metered Sales - Business        |                                   | 7,673.13           | 1.98          |                                   | 7,673.13           | 1.98          |
| Sales for Resale                |                                   | 3,983.19           | 1.03          |                                   | 3,983.19           | 1.03          |
| Penalties                       |                                   | 8,314.69           | 2.14          |                                   | 8,314.69           | 2.14          |
| Water Service                   |                                   | 2,540.00           | 0.65          |                                   | 2,540.00           | 0.65          |
| Tap fees                        |                                   | 1,293.57           | 0.33          |                                   | 1,293.57           | 0.33          |
| Other income                    |                                   | 500.00             | 0.13          |                                   | 500.00             | 0.13          |
| Garbage Sales Revenue           |                                   | 77,988.75          | 20.08         |                                   | 77,988.75          | 20.08         |
| Less Returns & Allowances       |                                   | 0.00               | 0.00          |                                   | 0.00               | 0.00          |
| <b>Total Sales</b>              |                                   | <b>374,115.78</b>  | <b>96.34</b>  |                                   | <b>374,115.78</b>  | <b>96.34</b>  |
| <b>Gross Profit</b>             |                                   | <b>374,115.78</b>  | <b>96.34</b>  |                                   | <b>374,115.78</b>  | <b>96.34</b>  |
| <b>Operating Expenses</b>       |                                   |                    |               |                                   |                    |               |
| Solid Waste Payments            |                                   | 75,649.09          | 19.48         |                                   | 75,649.09          | 19.48         |
| Water Purchases                 |                                   | 38,040.44          | 9.80          |                                   | 38,040.44          | 9.80          |
| Operations Labor - Pumping      |                                   | 8,481.65           | 2.18          |                                   | 8,481.65           | 2.18          |
| Chemicals                       |                                   | 5,930.60           | 1.53          |                                   | 5,930.60           | 1.53          |
| Operations Labor - T & D        |                                   | 42,355.27          | 10.91         |                                   | 42,355.27          | 10.91         |
| Supplies - T & D                |                                   | 250.00             | 0.06          |                                   | 250.00             | 0.06          |
| Vehicle Repairs - T & D         |                                   | 225.00             | 0.06          |                                   | 225.00             | 0.06          |
| Utilities - T & D               |                                   | 43,590.43          | 11.23         |                                   | 43,590.43          | 11.23         |
| Repairs Pump - T & D            |                                   | 5,000.00           | 1.29          |                                   | 5,000.00           | 1.29          |
| Repairs - T & D                 |                                   | 280.00             | 0.07          |                                   | 280.00             | 0.07          |
| Fuel-Gasoline                   |                                   | 5,615.52           | 1.45          |                                   | 5,615.52           | 1.45          |
| Lab Services - Distribution     |                                   | 4,500.00           | 1.16          |                                   | 4,500.00           | 1.16          |
| Billing Postage                 |                                   | 802.76             | 0.21          |                                   | 802.76             | 0.21          |
| Wages - Office                  |                                   | 9,829.10           | 2.53          |                                   | 9,829.10           | 2.53          |
| Office Supplies                 |                                   | 870.26             | 0.22          |                                   | 870.26             | 0.22          |
| Telephone & Utilities - Office  |                                   | 868.68             | 0.22          |                                   | 868.68             | 0.22          |
| Bank Charges                    |                                   | 765.79             | 0.20          |                                   | 765.79             | 0.20          |
| Health Insurance                |                                   | 39,193.94          | 10.09         |                                   | 39,193.94          | 10.09         |
| Dental Insurance                |                                   | 754.77             | 0.19          |                                   | 754.77             | 0.19          |
| Workers Comp                    |                                   | 4,073.59           | 1.05          |                                   | 4,073.59           | 1.05          |
| Life Ins.                       |                                   | 924.71             | 0.24          |                                   | 924.71             | 0.24          |
| Contract Labor - Administration |                                   | 200.00             | 0.05          |                                   | 200.00             | 0.05          |
| Accounting                      |                                   | 1,999.00           | 0.51          |                                   | 1,999.00           | 0.51          |
| Property Insurance              |                                   | 11,287.49          | 2.91          |                                   | 11,287.49          | 2.91          |
| Commissioners Bond              |                                   | 1,425.20           | 0.37          |                                   | 1,425.20           | 0.37          |
| Commissioner's Fee              |                                   | 2,000.00           | 0.52          |                                   | 2,000.00           | 0.52          |
| Misc. Expenses                  |                                   | 1,194.00           | 0.31          |                                   | 1,194.00           | 0.31          |
| Depreciation Expense            |                                   | 63,382.08          | 16.32         |                                   | 63,382.08          | 16.32         |
| Depreciation Expense            |                                   | 8,496.82           | 2.19          |                                   | 8,496.82           | 2.19          |
| Payroll Taxes                   |                                   | 7,475.36           | 1.92          |                                   | 7,475.36           | 1.92          |
| Employer Pension Expense        |                                   | 1,381.23           | 0.36          |                                   | 1,381.23           | 0.36          |
| Health Care Reimbursements      |                                   | 1,138.72           | 0.29          |                                   | 1,138.72           | 0.29          |
| <b>Total Operating Expenses</b> |                                   | <b>387,981.50</b>  | <b>99.91</b>  |                                   | <b>387,981.50</b>  | <b>99.91</b>  |
| <b>Operating Income (Loss)</b>  |                                   | <b>(13,865.72)</b> | <b>(3.57)</b> |                                   | <b>(13,865.72)</b> | <b>(3.57)</b> |

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**Southern Water and Sewer District**  
**INCOME STATEMENT - WATER**  
**For the 1 Month and 1 Month Ended January 31, 2016**

|  | 1 Month Ended<br>January 31, 2016 | %             | 1 Month Ended<br>January 31, 2016 | %             |
|--|-----------------------------------|---------------|-----------------------------------|---------------|
| <b>Other Income (Expense)</b>          |                                   |               |                                   |               |
| Interest Expense - First Guaranty Bank | (346.28)                          | 0.09          | (346.28)                          | 0.09          |
| Interest Expense - LOC                 | (1,000.00)                        | 0.26          | (1,000.00)                        | 0.26          |
| Amortization of Premium                | (205.02)                          | 0.05          | (205.02)                          | 0.05          |
| Interest Expense - KIA                 | (5,268.74)                        | 1.36          | (5,268.74)                        | 1.36          |
| Interest Expense - Bonds               | (11,953.64)                       | 3.08          | (11,953.64)                       | 3.08          |
| Interest Income - Now                  | 48.06                             | 0.01          | 48.06                             | 0.01          |
| Rural Development - Allen to Martin WT | 2,411.82                          | 0.62          | 2,411.82                          | 0.62          |
| <b>Total Other Income (Expense)</b>    | <b>(16,313.80)</b>                | <b>(4.20)</b> | <b>(16,313.80)</b>                | <b>(4.20)</b> |
| <b>Net Income (Loss) Before Taxes</b>  | <b>(30,179.52)</b>                | <b>(7.77)</b> | <b>(30,179.52)</b>                | <b>(7.77)</b> |
| <b>Net Income (Loss)</b>               | <b>\$ (30,179.52)</b>             | <b>(7.77)</b> | <b>\$ (30,179.52)</b>             | <b>(7.77)</b> |

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**Southern Water and Sewer District**  
**INCOME STATEMENT - SEWER**  
**For the 1 Month and 1 Month Ended January 31, 2016**

|                                       | 1 Month Ended<br>January 31, 2016 | %           | 1 Month Ended<br>January 31, 2016 | %           |
|---------------------------------------|-----------------------------------|-------------|-----------------------------------|-------------|
| <b>Sales</b>                          |                                   |             |                                   |             |
| Metered Sales - Residential Sewer     | \$ 13,318.32                      | 3.43        | \$ 13,318.32                      | 3.43        |
| Metered Sales - Business Sewer        | 897.26                            | 0.23        | 897.26                            | 0.23        |
| Less Returns & Allowances             | 0.00                              | 0.00        | 0.00                              | 0.00        |
| <b>Total Sales</b>                    | <b>14,215.58</b>                  | <b>3.66</b> | <b>14,215.58</b>                  | <b>3.66</b> |
| <b>Gross Profit</b>                   | <b>14,215.58</b>                  | <b>3.66</b> | <b>14,215.58</b>                  | <b>3.66</b> |
| <b>Operating Expenses</b>             |                                   |             |                                   |             |
| Chemicals - Sewer                     | 8,147.58                          | 2.10        | 8,147.58                          | 2.10        |
| Supplies                              | 382.64                            | 0.10        | 382.64                            | 0.10        |
| Wages - Sewer                         | 2,521.50                          | 0.65        | 2,521.50                          | 0.65        |
| Utilities                             | 3,100.18                          | 0.80        | 3,100.18                          | 0.80        |
| <b>Total Operating Expenses</b>       | <b>14,151.90</b>                  | <b>3.64</b> | <b>14,151.90</b>                  | <b>3.64</b> |
| <b>Operating Income (Loss)</b>        | <b>63.68</b>                      | <b>0.02</b> | <b>63.68</b>                      | <b>0.02</b> |
| <b>Other Income (Expense)</b>         |                                   |             |                                   |             |
| Grant Income (Dept of Transportation) | 23,755.88                         | 6.12        | 23,755.88                         | 6.12        |
| <b>Total Other Income (Expense)</b>   | <b>23,755.88</b>                  | <b>6.12</b> | <b>23,755.88</b>                  | <b>6.12</b> |
| <b>Net Income (Loss) Before Taxes</b> | <b>23,819.56</b>                  | <b>6.13</b> | <b>23,819.56</b>                  | <b>6.13</b> |
| <b>Net Income (Loss)</b>              | <b>\$ 23,819.56</b>               | <b>6.13</b> | <b>\$ 23,819.56</b>               | <b>6.13</b> |

Restricted For Management Use Only



## LEGALLY BINDING AGREEMENT

This agreement entered into this \_\_\_\_\_ day of February, 2016, by and between the **Floyd County Fiscal Court**, hereinafter referred to as the **Recipient**, and the **Southern Water and Sewer District**, hereinafter called the **Participating Party**. This agreement is being executed in two original contracts, each of which is deemed an original.

WHEREAS, the Recipient has entered into a Grant Agreement with the Commonwealth of Kentucky, Department of Local Government (DLG), and

WHEREAS, the payment of funds to the Recipient under the terms of the Grant Agreement is contingent upon the Participating Party contracting to undertake certain responsibilities, and

WHEREAS, the funds made available under the terms of the Grant Agreement will directly benefit the Participating Party,

NOW, THEREFORE, for and in consideration of the sum of ONE DOLLAR (\$1.00) paid to the Participating Party, and in further consideration of the mutual promises and covenants hereinafter contained, IT IS AGREED BY AND BETWEEN THE PARTIES AS FOLLOWS:

The **Recipient and Participating Party** do hereby agree to carry out and perform all of the activities required of it under the terms and conditions of the Grant Agreement, which agreement is incorporated herein by reference as if copied in full.

### **The Recipient agrees as follows:**

- a) To perform project activities as enumerated in Exhibit B of the Grant Agreement as enumerated below:
  - i. The Recipient shall design and construct approximately 19,370 LF of various sized sewer fore main (1.25" service lines to 10" main lines), encasements, gate valves, 13 6 residential grinder pumps and a lift station to provide first

- time sewer service to the Harold/Betsy Layne area of southern Floyd County.
- ii. The Recipient will provide the necessary engineering design, surveying, inspection services and start-up services.
  - iii. The Recipient will provide necessary administration of the project by a certified CDBG grant administrator to assure compliance with all applicable state, federal and local statutes, as set forth in the KCDBG Statement of Assurances signed by former Judge-Executive R. D. Marshall on July 25, 2014 and submitted on or about that date as part of the project application.
  - iv. The Recipient will expend no more than \$29,300 in CDBG funds to cover the planning and administrative costs of the project.
  - v. The Recipient will have the project advertised for bid within six (6) months of the date of the fully executed grant agreement and completed by December 30, 2017.
  - vi. The Recipient assures that Davis-Bacon and state wage rates will be incorporated into all construction contracts where they are applicable.
  - vii. The Recipient will include in the bid document a requirement that the contractor erect a project sign according to CDBG specifications.
  - viii. The Recipient is currently using an accounting system that meets the requirements of the Kentucky Uniform System of Accounting.
  - ix. The Recipient will provide other funds for the project as listed below:
 

|                                 |           |
|---------------------------------|-----------|
| i. ARC                          | \$390,000 |
| ii. HB 265 Coal Severance Grant | \$200,000 |
| iii. KIA – SRF                  | \$235,000 |
  - x. The Recipient will be responsible for determining the objectives of each activity and measuring the outcomes of each activity funded with CDBG funds utilizing a performance measurement system provided by DLG. This data shall be reported to DLG at project closeout.
  - xi. The Recipient will ensure compliance with the Uniform Relocation Assistance and Real Property Acquisition Policies Act (URA) and all applicable regulations in the acquisition of any easement required by project activities such as service lines.

- b) To maintain for a period of five years following project closeout all financial records and documents relative to disbursement of any CDBG or other funds identified in and required by the Grant Agreement. Such records include, but are not limited to, ledgers, bank statements, contracts, invoices and reports.
- c) To grant access to inspect, copy, audit and examine at all reasonable times employment and financial records to any duly authorized representative of the Commonwealth, HUD, Inspector General and General Accounting Office of the United States, for a period up to five years following completion of closeout procedures.
- d) To comply with all State and Federal laws and regulations pertinent to the project.

**The Participating Party agrees as follows:**

- a) To perform project activities as enumerated in Exhibit B of the Grant Agreement as enumerated below:
  - i. The Participating Party will own and ensure the maintenance of the facilities for the benefit of at least 51 percent low and moderate-income persons, thereby meeting the National Objective of low and moderate-income (LMI) benefit. The project shall provide improved service to approximately 136 customers.
- b) To perform project activities as enumerated in Exhibit D of the Grant Agreement as enumerated below:
  - i. Cost overruns will be borne by the Participating Party.
  - ii. The Participating Party will employ a properly trained and certified Collection System II Operator to operate the sewer system.

The **Participating Party** further agrees to the following terms and conditions:

- a) That no transfer of grant funds by the Recipient to the Participating Party shall be or be deemed an assignment of grant funds, and that the Participating Party shall neither succeed to any rights, benefits, or advantages of the Recipient under the terms of the hereinabove described Grant Agreement nor attain any rights, privileges, authorities or interest in or under the said agreement.
- b) That the Participating Party acknowledges nothing contained in the said agreement, nor in any contract between the parties hereto, nor

any act of the Commonwealth, the Recipient or any other party shall be deemed or construed to create any relationship or third-party beneficiary, principal and agent, limited or general partnership, or joint venture, or of any association or relationship involving the Commonwealth.

- c) That the Recipient shall not be liable to the Participating Party or any party except the Commonwealth, for the completion of, or the failure to complete, any activities which are a part of the project herein contemplated, except those specified in Exhibit B, of the said Grant Agreement.
- d) None of the Participating Party's designees, agents, members, officers or employees, has or shall have any interest, direct or indirect, in any contract or subcontract or the proceeds thereof, for work to be performed in connection with the project herein contemplated at any time during or after such person's tenure with the Nonprofit (and/or) Participating Party.
- e) The obligations of the parties are totally contingent upon the obtaining of a Release of Funds from the Department for Local Government and no project activities other than environmentally exempt activities may occur until the release is achieved.
- f) Recipient and Participating Party agree and accept that all applicable provisions of the Grant Agreement are incorporated into and made a part of this Legally Binding Agreement.

**County  
Legally Binding Agreement**

This Agreement being formally adopted this \_\_\_\_\_ day of February, 2016:

**Recipient: Floyd Co. Fiscal Court      Examined as to form and legality:**

\_\_\_\_\_  
Judge-Executive Ben Hale

\_\_\_\_\_  
Recipient Attorney

State of Kentucky  
County of Floyd

Subscribed, sworn to and acknowledged before me by  
\_\_\_\_\_, \_\_\_\_\_ (Title) \_\_\_\_\_ by and through its resolution,  
on this \_\_\_\_\_ day of \_\_\_\_\_, 2016.

My Commission expires:

\_\_\_\_\_  
Notary Public

**Water and Sewer District  
Legally Binding Agreement**

**Participating Party: Southern Water and Sewer District**

\_\_\_\_\_  
(President/Chairman)

State of Kentucky  
County of \_\_\_\_\_

Subscribed, sworn to and acknowledged before me by  
\_\_\_\_\_, \_\_\_\_\_ (Title) \_\_\_\_\_ by and through its resolution,  
on this \_\_\_\_\_ day of \_\_\_\_\_, 2016.

My Commission expires:

\_\_\_\_\_  
Notary Public



# SOUTHERN WATER & SEWER DISTRICT

P.O. Box 610  
245 KY Rt. 680  
McDowell, KY 41647

Ph. (606) 377-9296

Fax. (606) 377-9286

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Date: January 25, 2016

Mr. Douglas Hoff, Area Specialist  
USDA Rural Development  
200 West First Street  
Morehead, Kentucky 40351

RE: Allen to Martin Water Transmission Main  
Stop Work due to Winter Weather

Doug,

The Contractor, BOCA Enterprises has requested to have the contract time to be stopped due to the inability to work on and/or along the Kentucky Highway 1428 due to weather.

We concur that this is a valid claim and agree to stop the contract time as of January 22, 2016. As of this date of work stoppage 154 calendar work days have expired and only 71 calendar work days remain. We expect BOCA to begin work back on approximately March 21, 2016, if weather allows.

Please feel free to contact me if you have any questions or need additional information.

Sincerely,



Mr. Dean Hall, Manager  
Southern Water and Sewer District

Pc: Kentucky Engineering Group, PLLC  
BOCA Enterprises  
File

# SOUTHERN WATER & SEWER DISTRICT

P.O. Box 610  
245 KY Rt. 680  
McDowell, KY 41647

Ph. (606) 377-9296

Fax. (606) 377-9286

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|-------------------------------------|--------------------------|
| Original Contract Start Date:       | August 20, 2015          |
| Contract Time:                      | <u>180 Calendar Days</u> |
| Original Contract Completion:       | February 16, 2016        |
| Change Order No.1 <b>Increase</b> : | <u>90 Calendar Days</u>  |
| Revised Contract Completion:        | May 16, 2016             |
| Change Order No.2 <b>Decrease</b> : | <u>45 Calendar Days</u>  |
| Revised Contract Completion:        | April 1, 2016            |
| Change Order No.3 <b>Increase</b> : | <u>71 Calendar Days</u>  |
| Revised Contract Completion:        | June 11, 2016            |