



# BRIAN CUMBO

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ADMITTED IN KY AND WV

April 22, 2024

Public Service Commission  
P.O. Box 615  
Frankfort, KY 40602

RE: Martin County Water District  
PSC Case No. 2020-00154

To Whom It May Concern:

Enclosed please find Martin County Water District's Notice of Filing the information packet for the April 23, 2024 Board meeting.

Thank you for your attention to this matter.

Very truly yours,

BRIAN CUMBO

BC/ld

Enclosure

cc: Martin County Water District  
Hon. Mary Varson Cromer

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:


ELECTRONIC MARTIN COUNTY WATER )  
DISTRICT MANAGEMENT AND OPERATION )  
MONITORING PURSUANT TO KRS 278.250 )

CASE NO. 2020-00154

**NOTICE OF FILING**

\*\*\*\*\*

Comes the Martin County Water District, by counsel, and hereby gives Notice of Filing of the attached information packet for the Martin District Board meeting scheduled for April 23, 2024.

  
BRIAN CUMBO  
COUNSEL FOR MARTIN COUNTY  
WATER DISTRICT  
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INEZ, KY 41224  
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**CERTIFICATE OF SERVICE**

This will certify that a true and correct copy of the foregoing was served via electronic filing on this the 22nd day of April, 2024, to the following:

Public Service Commission  
ATTN: Nancy Vinsel  
P.O. Box 615  
Frankfort, KY 40602

Hon. Mary Varson Cromer  
Appalachian Citizens' Law Center, Inc.  
317 Main Street  
Whitesburg, KY 41858



BRIAN CUMBO

**Martin County Water District**  
**387 E. Main St.**

Phone (606) 298-3885      Inez, Kentucky 41224

**Regular Meeting, Tuesday, April 23, 2024 – 6:00 p.m.**  
**Martin County Government Center (2<sup>nd</sup> Floor)**

- 1) Call the meeting to order
- 2) Review and Consideration to Approve Minutes
- 3) Review and Consideration of Financial Reports
  - A. Review and Consideration to Approve Treasurer's Report
  - B. Review and Consideration to Approve Other Financials
  - C. Review and Consideration to Approve 2023 Audit
- 4) Review and Consideration to Approve Bills
- 5) Legal
  - A. Any Issues for Discussion with Board Attorney
- 6) Operations
  - A. Alliance Operations Report
  - B. Water Loss Report
  - C. Leak Adjustments
- 7) Capital Projects Report
  - A. Project Updates
  - B. 5 Year CIP
- 8) Other Old Business
- 9) Other New Business
  - A. Review of Bids-Water Line Replacement in the Beauty Lovely Area-Rebid
- 10) Consider Motion to Convene into Closed Executive Session
- 11) Consider Motion to Close Executive Session
- 12) Introduction of Guest-Five (5) Minute Maximum
- 13) Adjourn

Notice is hereby given that, subject to a motion duly made and adopted, the Board of Directors may hold an Executive Session subject to the laws of Kentucky.

**Martin County Water District  
Regular Meeting of the Board of Directors  
March 26, 2024, Meeting Minutes**

**Presiding:** James Kerr, Chairman  
**Present:** Directors: BJ Slone, John Hensley, Greg Crum, Nina McCoy  
Staff: Brian Cumbo (Attorney), Tony Sneed, Cassandra Moore  
**Guests:** Ronnie Fletcher, Erica Bogenpohl, Ginger Fletcher, James Moore

The Regular Meeting of the Martin County Water District was held on March 26, 2024, at the Martin County Government Center, at 42 East Main St (2<sup>nd</sup> Floor), Inez, Kentucky 41224. Mr. Kerr called the meeting to order at 6:00 p.m.

**Mr. Kerr called for review of the February 27, 2024, Regular Board Meeting minutes.**

- Mr. Hensley motioned to accept the January 23, 2024 minutes
- Mr. Slone seconded
- All ayes
- Motion carried

**Mr. Kerr requested discussion of the review and consideration of the Financial Reports.**

- Mr. Sneed detailed each report as submitted
- Mr. Slone motioned to approve the Treasurer's report submitted
- Mr. Crum seconded
- All ayes
- Motion carried
- Mr. Sneed presented Other Financials
- Mr. Hensley motioned to approve Other Financials
- Mrs. McCoy seconded
- All ayes
- Motion carried

**Mr. Kerr called for review and consideration to Approve Bills.**

- Mr. Slone motioned to approve the List of Bills
- Mr. Hensley seconded
- All ayes
- Motion carried

**Mr. Kerr asked if there were any legal issues to discuss.**

**Mr. Kerr called for review of the Operations Report.**

- Craig Miller's last day with Alliance Water Resources in Martin County will be March 28<sup>th</sup>, 2024
- A new inline chlorine analyzer was purchased for the plant lab. The old unit failed and had to be replaced for regulatory compliance
- The sludge drawdown valve for Clarifier #2 has broken in the closed position. Staff has contacted a company to do an insertion valve to replace the broken valve
- Fabtech has completed the sandblasting of Clarifier #3. Currently painters are on site painting the metal and inside of the clarifier

**Mr. Sneed presented an update of the water loss report.**

- Water loss was reported at **67.37%** for the month of January 2024

**Mr. Sneed presented the Board with the February Leak Adjustments.**

- Mr. Hensley motioned to approve the February Leak Adjustments
- Mr. Crum seconded
- All ayes
- Motion carried

**Mr. Sneed presented an update on the capital projects report.**

- Paint on Clarifier #2 will take place the week of 3/18 and is estimated to take 1-2 weeks
- Clarifier #1 is now online
- The RWI trailer was received on February 9<sup>th</sup>. Engineers have the trailer in the queue for shop drawing preparation. Pace is hopeful to receive the submittals during the week of March 18<sup>th</sup>. After shop drawing review is complete, it is anticipated the trailer fabrication will take 3-5 weeks

**Mr. Kerr inquired about the 5-year CIP**

- The Inez Water Line and valve Replacement from 645 to 645 was originally for 10 million, but they only got half of that so only half of that project will get completed now

**Mr. Kerr inquired if there was any Other Old Business to discuss.**

- Mr. Kerr spoke to the Board about the previous discussion for Ronnie Fletcher and having his meter changed from a 1" to a residential 5/8 x 3/4. The Board agreed to return the difference to the customer

- Mr. Slone motioned to refund Ronnie Fletcher
- Mr. Hensley seconded
- All ayes
- Motion carried

**Mr. Kerr inquired if there was any Other New Business to discuss.**

- Mr. Kerr advised that there is a booster station on Blacklog that has been requested multiple times for us to bring into our system. Mr. Kerr requested the district to accept the Booster Pump Station into our water system and a security light powered from the same electrical meter as the booster pump station that lights the Booster Pump Station and parking lot
- Mr. Crum motioned to accept the Booster Pump Station in our system
- Mr. Hensley seconded
- All ayes
- Motion carried

**Executive session not required.**

**Mr. Kerr inquired if there were any guest requesting to speak.**

- Ginger Fletcher stated that she doesn't live in the county or have an active account in the county, but her mother does. Staff fixed a leak at her mother's residence last year and left the driveway in poor condition. Staff returned to the site and added more gravel, but Ms. Fletcher stated that she's noticed now that it needs more. Staff will go investigate and add more gravel as needed
- Madison Mooney wanted to let Staff know the gate at the reservoir was broken the last time her and Nina McCoy went there. She also wanted to thank Craig and Erica for working with the concerned citizens and she'll be just as happy to work with the new DM
- James Moore inquired as to why when they were putting in the sewer lines up 292, they removed a tap at 115 Stepp Branch? Staff advised that no sewer lines were put up 292, it was a water line replacement and the contractors put back any active and paid for taps into the system. He also asked about one for the Lovely Mini Mart. Staff will investigate these locations, but again advised that all active/paid taps were installed back when the contractors were installing the lines. He also wanted to know what he needed to do to have the master meter at Moore's trailer park unlocked, so he could access it when he needed it. Staff advised that he needed to contact the billing office and a service order would be created for staff to unlock the meter. Once Mr. Moore was finished staff would lock the meter back. It will not be left unlocked because of potential theft based on previous occurrences.

Mr. Kerr requested a motion to adjourn.

- Mr. Crum motioned to adjourn the meeting at 7:01 p.m.
- Mr. Hensley seconded
- All ayes
- Motion Carried

Minutes approved this \_\_\_\_\_ day of \_\_\_\_\_, 2024.

\_\_\_\_\_  
James Kerr, Chairman

\_\_\_\_\_  
Cassandra Moore, District Clerk



**Martin County Water District**  
**Balance Sheet**  
**March 31, 2024**

3/31/24

**ASSETS**

**CURRENT ASSETS**

Checking Account - Operations	\$	35,190.16
Revenue Fund - EFT		5,860.39
Debt Service Surcharge Fund		1,000.06
Management Infrastructure Surcharge Fund		1,000.14
Security Deposits		97,753.79
Cash on Hand		900.00

<b>Total Cash</b>		<b>141,704.54</b>
Accounts Receivable		342,237.27
Allowance for Doubtful Accounts		(34,508.70)
Unbilled Accounts Receivable		46,933.00
Inventory		4,249.44
Prepaid Expenses		7,709.98
<b>Total Current Assets</b>		<b>508,325.53</b>

**PROPERTY, PLANT, & EQUIPMENT**

Land		214,713.83
Water Supply & Distribution System		28,451,346.09
Buildings		500,263.89
Equipment & Furniture		6,182,789.96
Vehicles		47,635.45
Construction Work in Progress		289,779.08
Leased Assets		33,934.71
Less: Accumulated Amortization - ROU leased asset		(21,307.86)
Less: Accumulated Depreciation		(19,132,987.22)
<b>Net Property, Plant, &amp; Equipment</b>		<b>16,566,167.93</b>

**RESTRICTED CASH**

Grant Fund		63.07
Sinking Fund - RD		8,667.44
Regions Sinking Fund		43,117.30
KIA Sinking Fund		13,353.43
KACO Sinking Fund		1,000.16
Depreciation Fund		1,022.54
Cost of Issuance Fund 2022		2,098.00
Accrued Interest Receivable		180.00
<b>Total Restricted Cash</b>		<b>69,501.94</b>

<b>Total Assets</b>	<b>\$</b>	<b>17,143,995.40</b>
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**Martin County Water District**  
**Balance Sheet**  
**March 31, 2024**

3/31/24

**LIABILITIES AND DISTRICT'S EQUITY**

**CURRENT LIABILITIES**

Accounts Payable	\$	324,238.62
Sales Tax Payable		2,357.92
School Tax Payable		6,344.51
Current Portion of Lease Liabilities		9,869.98
Long Term Debt-Current		50,691.96
Accrued Interest Payable		15,125.96
Customer Deposits		98,767.29
<b>Total Current Liabilities</b>		<b>507,396.24</b>

**LONG-TERM DEBT**

Lease Liability - Rent		13,564.69
Lease Payable - KACO		11,221.96
Bonds Payable - 2015 E Current Refunding		1,520,000.00
Bonds Premium - 2015 E, Net of A/Amort		15,664.00
Note Payable - KIA WMAF		1,317,990.71
Current Portion of Lease Liabilities		(9,869.98)
Less Current Portion of L-Term Debt		(50,691.96)
Other Inflow Resources - Pension		22,451.00
<b>Total Long-Term Debt</b>		<b>2,840,330.42</b>

**Total Liabilities**

**3,347,726.66**

**DISTRICT'S EQUITY**

Retained Earnings (Deficit)		14,016,387.87
YTD Net Income		(220,119.13)
<b>Total District's Equity</b>		<b>13,796,268.74</b>

**Total Liabilities and District's Equity**

**\$ 17,143,995.40**

**Martin County Water District**  
**Statement of Revenues and Expenses**  
**Fiscal Year Jan 01 to Dec 31**  
**For the Month Ending**  
**Actual vs Budget**

March, 2024			YTD		Annual Budget
Actual	Budget		Actual	Budget	Budget
		<b>Operating Revenues</b>			
\$ 158,841	\$ 175,833	Water Sales - Residential	\$ 527,089	\$ 527,499	\$ 2,110,000
31,314	29,167	Water Sales - Commercial	100,993	87,501	350,000
5,993	10,417	Water Sales - Public Authorities	17,523	31,247	125,000
35	33	Bulk Water Sales	169	103	400
2,000	2,215	Connection Fees - Tap	3,000	6,645	26,580
7,697	4,583	Late Charge Fees	21,104	13,749	55,000
3,183	1,955	Reconnect/Meter Sets/Other Fees	6,267	5,870	23,465
8,613	8,917	Debt Service Surcharge	26,168	26,751	107,000
15,457	15,673	Management Infrastructure Surcharge	46,963	47,024	188,081
<b>233,133</b>	<b>248,793</b>	<b>Total Operating Revenues</b>	<b>749,277</b>	<b>746,389</b>	<b>2,985,526</b>
		<b>Operating Expenses</b>			
13,333	2,500	Water Purchased	28,177	7,500	30,000
168,507	168,507	Management & Operations Contract	505,521	505,521	2,022,084
21,670	27,917	Utilities	66,094	83,751	335,000
1,897	2,500	Insurance	6,159	7,500	30,000
15,771	9,167	Repairs & Maintenance	112,246	27,497	110,000
-	83	Outside Services	37	253	1,000
1,275	833	Legal Expenses	2,100	2,503	10,000
8,125	8,000	Accounting/Audit	8,125	8,000	8,000
3,750	3,750	Bad Debts	11,250	11,250	45,000
-	-	Bond Trustee Fees	900	500	500
428	385	Dues	1,284	1,155	4,620
297	344	Office Expense	1,212	1,034	4,130
25	833	Rent Expense	25	2,499	10,000
144	125	KY 811 Services	413	375	1,500
-	55	Miscellaneous Expenses	1,930	165	660
4,378	5	Customer Deposit Interest Expense	4,413	16	65
<b>239,600</b>	<b>225,004</b>	<b>Total Operating Expenses</b>	<b>749,887</b>	<b>659,519</b>	<b>2,612,559</b>
<b>(6,467)</b>	<b>23,789</b>	<b>Net Income B/4 Other Income (Expenses)</b>	<b>(610)</b>	<b>86,870</b>	<b>372,967</b>
		<b>Other Income (Expenses)</b>			
157	-	Interest Income	1,007	-	-
(5,007)	(8,333)	Interest Expense	(19,167)	(24,999)	(100,000)
(726)	63	Amortization	(1,850)	189	753
(65,000)	(65,000)	Depreciation	(195,000)	(195,000)	(780,000)
(4,500)	-	Loan Issue Costs	(4,500)	-	-
<b>(75,077)</b>	<b>(73,270)</b>	<b>Total Other Income (Expenses)</b>	<b>(219,509)</b>	<b>(219,810)</b>	<b>(879,247)</b>
<b>\$ (81,544)</b>	<b>\$ (49,481)</b>	<b>Net Income (Loss)</b>	<b>\$ (220,119)</b>	<b>\$ (132,940)</b>	<b>\$ (506,280)</b>

**Martin County Water District  
Inez, KY**

**Treasury Report**

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<b>Billing Charges For the Month of:</b>	<b>Mar-24</b>	
Water Revenue		\$ 158,840.78
Water Revenue-Commercial		31,313.57
Water Revenue-Commercial Exempt		5,993.24
Late Charges		7,697.33
Sales Taxes		2,276.76
Debt Service Surcharge		8,612.89
School Tax		6,357.70
Management Infrastructure Surcharge		15,457.32
Returned Check		335.76
Interest on Customer Deposits		(4,378.16)
Connection Fees		2,000.00
Other Miscellaneous Fees		3,182.53
Deposits Applied		(1,530.00)
Refund Checks Paid		235.63
<b>Total Billing Charges</b>		<b>\$ 236,395.35</b>
		<hr/>
<b>Gallons Billed</b>		<b>11,810,890</b>
		<hr/>
<b>Customers Billed</b>		<b>3,363</b>
		<hr/>

<b>Accounts Receivable</b>	<b>Mar-24</b>	
Beginning Balance		375,897.86
Billing Charges		236,395.35
Bad Debt (Write Offs) Recoveries		2,306.64
Accounts Receivable Collections		(272,362.58)
<b>End of Month Accounts Receivable</b>		<b>342,237.27</b>

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<b>Operations Account</b>		
Beginning Balance		\$ 15,011.76
Deposits		
Accounts Receivable Collections		272,362.58
Accounts Receivable Collections - Pmts in EFT Revenue Account		(117,217.56)
Sewer Billing Collections in Water Bank Acct - Due to MCS		86,597.68
Customer Deposits Received		2,115.00
Miscellaneous Income (Tokens)		35.00
Transfers from Other District Accts		125,289.04
<b>Total Deposits</b>		<b>369,181.74</b>
Disbursements:		
Checks Written		(161,022.40)
Pmts made to Sanitation for A/R Collections		(107,044.18)
Transfers to Other District Accts		(49,159.34)
Auto Drafted Utilities		(21,540.29)
Sales and School Tax Payments		(10,237.13)
<b>End of Month Balance</b>		<b>\$ 35,190.16</b>

Cash Receipts Collected To Date in:	<b>Apr-24</b>	208,269.14
Bills Submitted for Payment in:	<b>Apr-24</b>	(246,345.10)
<b>Available Balance</b>	<b>3A-4</b>	<b>(2,885.80)</b>

**Martin County Water District  
Inez, KY  
Treasury Report  
Summary of Cash & Investments  
March 31, 2024**

<b>Bank Account</b>	<b>Beginning Balance</b>	<b>Deposits</b>	<b>Interest Earned, Net of Fees</b>	<b>Payments</b>	<b>Ending Balance</b>
Operations Account	\$ 15,011.76	369,181.74	-	(349,003.34)	\$ 35,190.16
Revenue EFT Account	4,055.59	117,217.56	-	(115,412.76)	5,860.39
Debt Service Surcharge	1,000.11	7,153.36	0.06	(7,153.47)	1,000.06
Management Infrastructure Surcharge	1,000.18	19,660.73	0.14	(19,660.91)	1,000.14
Security Deposits	107,284.04	990.00	4.42	(10,524.67)	97,753.79
Cash on Hand	900.00	-	-	-	900.00
<b>Total Unrestricted Cash</b>	<b>129,251.68</b>	<b>514,203.39</b>	<b>4.62</b>	<b>(501,755.15)</b>	<b>141,704.54</b>
<b>Restricted Cash</b>					
ARC Grant	63.07	-	-	-	63.07
Rockhouse Project	8,095.67	10,800.00	-	(10,228.23)	8,667.44
Regions Bank-KY 2015E Martin County	32,783.66	10,228.23	105.41	-	43,117.30
KIA Bond & Interest	13,185.69	5,800.00	0.18	(5,632.44)	13,353.43
KY Assoc of Counties Leasing Trust	11,401.72	4,755.25	0.16	(15,156.97)	1,000.16
Depreciation Reserve	1,022.52	-	0.02	-	1,022.54
Cost of Issuance Fund 2022	2,098.00	-	-	-	2,098.00
Certificate Fund - 2022 Debt Svc	(0.00)	-	-	-	(0.00)
Revenue Fund - 2022	-	-	-	-	-
<b>Total Restricted Cash</b>	<b>68,650.33</b>	<b>31,583.48</b>	<b>105.77</b>	<b>(31,017.64)</b>	<b>69,321.94</b>
<b>Total Cash &amp; Investments</b>	<b>\$ 197,902.01</b>	<b>545,786.87</b>	<b>110.39</b>	<b>(532,772.79)</b>	<b>\$ 211,026.48</b>

**Martin County Water District  
Billing Summary**

Date	Billed		Gallons (000'S)	Billed # of Customers	Payments Received
	Revenue	YTD Total			
Mar-24	212,057	672,233	11,811	3,363	272,363
Feb-24	248,544	460,176	14,796	3,368	242,010
Jan-24	211,632	211,632	11,527	3,363	256,105
Dec-23	220,140	2,660,623	12,672	3,382	243,624
Nov-23	217,116	2,440,483	12,236	3,387	250,247
Oct-23	222,782	2,223,367	12,887	3,377	272,249
Sep-23	239,821	2,000,585	14,662	3,372	278,720
Aug-23	225,013	1,760,764	13,057	3,369	262,899
Jul-23	222,438	1,535,751	12,869	3,363	257,785
Jun-23	222,407	1,313,313	13,007	3,367	249,254
May-23	213,098	1,090,906	12,096	3,361	254,233
Apr-23	224,371	877,808	13,427	3,346	219,648
Mar-23	193,481	653,437	9,299	3,363	249,444

## Martin County Water District

*Net Income on a Cash Basis ( Snapshot) EXCLUDES DEPRECIATION (format Revised 28 July 20)*

	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24
<b>REVENUE</b>													
Customer Count	3,363	3,346	3,361	3,367	3,363	3,369	3,372	3,377	3,387	3,382	3,363	3,368	3,363
Payments Received	\$249,444	\$219,648	\$254,233	\$249,254	\$257,785	\$262,899	\$278,720	\$272,249	\$250,247	\$243,624	\$256,105	\$242,010	\$272,363
<b>EXPENSES</b>													
Operations Account	\$261,333	\$215,701	\$221,044	\$258,758	\$254,365	\$256,010	\$246,828	\$265,539	\$253,906	\$296,095	\$302,897	\$324,316	\$246,345
Transfers for debt serv funding	\$21,800	\$17,800	\$17,800	\$17,800	\$17,800	\$17,800	\$17,800	\$17,800	\$17,800	\$17,800	\$17,800	\$21,355	\$17,800
Payment Plans	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
DSS EXP/ (FUNDING)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
MIS EXP / (FUNDING)													
Sub total	\$283,133	\$233,501	\$238,844	\$276,558	\$272,165	\$273,810	\$264,628	\$283,339	\$271,706	\$313,895	\$320,697	\$345,671	\$264,145
<b>NET INCOME</b>													
Cash Basis	-\$33,689	-\$13,853	\$15,389	-\$27,304	-\$14,380	-\$10,911	\$14,092	-\$11,090	-\$21,459	-\$70,271	-\$64,592	-\$103,661	\$8,218

**Notes:**

- 1: **Payments Received** are those received for the full month
- 2: **Expenses** are those planned and presented in the Board Packet for the referenced month, excluding estimated transfer to MIS
- 3: **Payment Plans** are payments towards outstanding debt not funded by DSS
- 4: **Operations Account Includes** the estimated DSS and MIS transfers
- 5: **MIS EXP** estimated funds applied to AWR Invoice (An Operations Account Expense) estimated DSS and MIS transfers

# **Martin County Water District**

**Inez, Kentucky**

Annual Financial Report

Years Ended December 31, 2023 and 2022



**Martin County Water District**

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December 31, 2023 and 2022

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**Financial Section**



## Independent Auditor's Report

The Board of Directors  
Martin County Water District  
Inez, Kentucky

### Opinion

We have audited the accompanying financial statements of the business-type activities of Martin County Water District, as of and for the years ended December 31, 2023 and 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of Martin County Water District, as of December 31, 2023 and 2022, and the respective changes in financial position and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Martin County Water District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Martin County Water District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists.

## Independent Auditor's Report (Continued)

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Martin County Water District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Martin County Water District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of the District's proportionate share of net pension liability, and schedule of contributions be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

## Independent Auditor's Report (Concluded)

### Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 22, 2024, on our consideration of Martin County Water District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Martin County Water District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Martin County Water District's internal control over financial reporting and compliance.

*Wade Stables P.C.*

**Wade Stables P.C.**  
*Certified Public Accountants*

March 22, 2024  
Hannibal, Missouri

**MARTIN COUNTY WATER DISTRICT OF  
INEZ, KENTUCKY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2023**

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As management of the Martin County Water District of Inez, Kentucky (the District), we offer readers of the District's audited financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended December 31, 2023.

**OVERVIEW OF THE AUDITED FINANCIAL STATEMENTS**

The financial statements presented in this report consist of statements *of net position*, the *statements of revenues, expenses, and changes in net position*, and the *statements of cash flows*. The statements of net position provide information about the nature and amounts of investments in resources (assets) and the obligations to creditors (liabilities). It also provides the basis for assessing the liquidity and financial flexibility of the District. The current year's revenues and expenses are accounted for in the statements of revenues, expenses, and changes in net position. This statement reports the revenues and expenses during the period indicated and can be used to determine whether the District has successfully recovered all its costs through user fees and other charges. The primary purpose of the statements of cash flows is to provide information about the District's cash receipts and cash payments. This statement reports cash receipts, cash payments, and net changes in cash resulting from activities related to operations, capital and related financing, noncapital financing, and investing activities.

**STATEMENT OF NET POSITION**

The District's total net position in 2023 decreased by \$74,823 and ended the year at \$14,016,388.

Net position is comprised of Assets, Deferred outflows of resources, Liabilities, and Deferred inflows of resources.

Total assets decreased \$517,000 or 2.9% primarily due to decreases in capital assets of \$391,000, current assets of \$87,000, and restricted assets of \$39,000. The decrease in capital assets is mainly due to depreciation expense of \$790,000 exceeding net asset additions of \$79,000. The District inventoried capital assets and removed assets no longer in service. Additional information regarding capital assets is discussed in the capital assets section. The decrease in current assets is primarily due to decreases in unbilled revenue of \$34,000, cash of \$51,000, and prepaid expenses of \$7,000, offset by increases in accounts receivable of \$4,000 and inventory of \$1,000. The decrease in cash is mainly the result of an increase in vendor obligations during 2023. The decrease in restricted assets is mainly due to decreases in debt service reserves that were used to meet debt service requirements. Restricted cash is discussed in detail in the restricted assets section.

Total liabilities decreased by \$91,000 or 2.6% primarily due to decreases in long-term debt of \$1,428,000, offset by an increase in current liabilities of \$1,337,000. The decrease in long-term debt is related to principal payments made during the year, with most of the decrease being the \$1,100,000 principal balance due in 2024 for the 2022 Revenue Bond. Current liabilities increased by \$1,337,000 mainly because of the increase of \$1,280,000 in current maturities, with \$1,100,000 of that amount being for the 2022 Revenue Bond payment due in 2024, along with an increase of

**MARTIN COUNTY WATER DISTRICT OF  
INEZ, KENTUCKY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2023**

\$49,000 in accounts payable due to increases in the payable to Sanitation offset by the decrease in the 2023 contract year-end billback due to Alliance Water Resources (AWR), and an increase in customer deposits of \$8,000.

Deferred inflows of resources related to pensions decreased by \$350,000. See Footnote 12 (page 20) of the audited financial statements for more information.

A summary of financial position follows:

	For The Years Ended December 31			2023	
	2023	2022	2021	Change	Percent Change
<b>Assets:</b>					
Current assets	\$ 600,316	\$ 687,050	\$ 714,436	\$ (86,734)	-12.6%
Restricted assets	158,152	196,643	131,434	(38,491)	-19.6
Capital assets	16,749,860	17,141,150	17,715,134	(391,290)	-2.3
Total assets	<u>17,508,328</u>	<u>18,024,843</u>	<u>18,561,004</u>	<u>(516,515)</u>	-2.9
<b>Deferred Outflows:</b>					
Deferred outflows of resources related to pensions	\$ -	\$ -	\$ 134,959	-	N/A
Total deferred outflows of resources	<u>-</u>	<u>-</u>	<u>134,959</u>	<u>-</u>	N/A
<b>Liabilities:</b>					
Current liabilities	1,915,984	578,845	1,639,744	1,337,139	231.0
Long term debt, net	1,547,403	2,965,937	1,987,168	(1,418,534)	-47.8
Long term lease liability	6,102	15,971	-	(9,869)	-61.8
Net pension liability	-	-	1,080,845	-	N/A
Total liabilities	<u>3,469,489</u>	<u>3,560,753</u>	<u>4,707,757</u>	<u>(91,264)</u>	-2.6
<b>Deferred Inflows:</b>					
Deferred inflows of resources related to pensions	\$ 22,451	\$ 372,879	\$ 480,553	(350,428)	-94.0
Total deferred inflows of resources	<u>22,451</u>	<u>372,879</u>	<u>480,553</u>	<u>(350,428)</u>	-94.0
<b>Net Position:</b>					
Net investment in capital assets	13,788,630	14,040,456	15,594,973	(251,826)	-1.8
Restricted for debt service	196,053	199,705	105,137	(3,652)	-1.8
Restricted for management infrastructure	1,000	9,865	6,587	(8,865)	-89.9
Restricted for capital projects	63	63	63	-	0.0
Unrestricted	30,642	(158,878)	(2,199,107)	189,520	-119.3
Total net position	<u>\$ 14,016,388</u>	<u>\$14,091,211</u>	<u>\$ 13,507,653</u>	<u>\$ (74,823)</u>	-0.5%

**MARTIN COUNTY WATER DISTRICT OF  
INEZ, KENTUCKY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2023**

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**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**

Total operating revenues increased by \$59,000 or 2.0% and totaled \$3,026,000 for the year. Water revenue and late charge fees increased \$69,000 from the prior year mainly due to the slight increase in gallons billed for 2023 as compared to 2022. Miscellaneous income increased by \$2,000 primarily due to the sale of scrap metal. This was offset by decreases in other fees of \$12,000.

Total operating expenses increased by \$286,000 or 9.5% and totaled \$3,299,000 for the year mainly due to the significant increase in repairs and maintenance of \$393,000, as well as increases in the recognition of pension expense, dues & subscriptions fees, and office expenses. This was offset by decreases in the contract year-end billback due to AWR, utilities, insurance, purchased water, legal, and bad debts.

There were more repairs on equipment in 2023 than originally budgeted. The largest contributor to the overage however was related to the delay in completing the raw water intake project. Specifically, the cart to raise and lower the intake pump has been delayed. The rental and maintenance on that pump is about \$9,000 a month. The cost of fuel to run the pump is \$4,000 per day. The costs to maintain temporary pumps to fill the reservoir was approximately \$30,000 per month in 2023.

Non-operating expenses in 2023 decreased by \$44,000 mainly due to there being no bond issue costs and an increase in interest income, offset by an increase in the loss recognized on disposed assets.

Capital contributions totaled \$311,760 and includes a reimbursement from the Big Sandy Area Development District in the amount of \$18,155 for a Variable Frequency Drive (VFD), \$289,477 for the RWI & WTP Rehabilitation Project, and \$4,128 for a Pressure Reducing Valve donated by AWR.



**MARTIN COUNTY WATER DISTRICT OF  
INEZ, KENTUCKY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2023**

A summary statement of revenues, expenses and changes in net position follows:

	For The Years Ended December 31			2023	
	2023	2022	2021	Change	Percent Change
<b>Operating Revenues:</b>					
Water sales	\$ 2,608,831	\$ 2,542,610	\$ 2,243,478	\$ 66,221	2.6%
Connection fees	26,543	28,372	17,612	(1,829)	-6.4
Late charge fees	72,576	70,236	58,575	2,340	3.3
Debt service surcharge	104,847	105,780	107,177	(933)	-0.9
Water surcharge (MIS)	188,176	189,817	192,369	(1,641)	-0.9
Other fees	22,468	29,560	39,575	(7,092)	-24.0
Misc income	2,700	395	161,982	2,305	583.5
Total operating revenues	<u>3,026,141</u>	<u>2,966,770</u>	<u>2,820,768</u>	<u>59,371</u>	2.0
<b>Operating Expenses:</b>					
Operating expenses	2,508,672	2,215,975	2,769,377	292,697	13.2
Depreciation	790,096	796,613	773,206	(6,517)	-0.8
Total operating expenses	<u>3,298,768</u>	<u>3,012,588</u>	<u>3,542,583</u>	<u>286,180</u>	9.5
<b>Net Operating Income</b>	<u>(272,627)</u>	<u>(45,818)</u>	<u>(721,815)</u>	<u>(226,809)</u>	495.0
<b>Non-operating Income (Expense)</b>					
Interest expense	(103,266)	(102,107)	(78,302)	1,159	-1.1
Customer deposit interest expense	(88)	(46)	(3,319)	42	-91.3
Bond trustee fees	(900)	(450)	(450)	450	-100.0
Bond issuance costs	-	(47,422)	-	(47,422)	100.0
Gain (loss) on disposal of assets	(14,728)	(10,432)	(4,752)	4,296	-41.2
Interest income	5,026	2,060	112	(2,966)	-144.0
Total Non-operating income (expenses)	<u>(113,956)</u>	<u>(158,397)</u>	<u>(86,711)</u>	<u>(44,441)</u>	28.1
<b>Change in net position before contributions</b>	<u>(386,583)</u>	<u>(204,215)</u>	<u>(808,526)</u>	<u>(182,368)</u>	89.3
Capital grants and contributions	<u>311,760</u>	<u>261,659</u>	<u>566,983</u>	<u>50,101</u>	19.1
<b>Change in net position</b>	<u>(74,823)</u>	<u>57,444</u>	<u>(241,543)</u>	<u>(132,267)</u>	-230.3
Net Position - Beginning	14,091,211	13,507,653	13,749,196	583,558	4.3
Prior Period Adjustment	<u>-</u>	<u>526,114</u>	<u>-</u>	<u>(526,114)</u>	-100.0
<b>Net Position - Ending</b>	<u>\$ 14,016,388</u>	<u>\$ 14,091,211</u>	<u>\$ 13,507,653</u>	<u>\$ (74,823)</u>	-0.50%

**MARTIN COUNTY WATER DISTRICT OF  
INEZ, KENTUCKY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2023**

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**STATEMENT OF CASH FLOWS**

The District's rate structure is designed to collect sufficient revenues to pay debt service and recover operating and maintenance expenses. The District successfully accomplished that objective during 2023.

**RESTRICTED ASSETS**

Restricted assets were \$158,152 in 2023 compared to \$196,643 in 2022. The District's debt covenants specify the way monies on deposit in the various restricted funds must be used. Restricted assets consist of various accounts for debt service and capital projects.

**CAPITAL ASSETS**

Capital assets, net of accumulated depreciation was \$16,749,860 on December 31, 2023, compared to \$17,141,150 on December 31, 2022, which represents a decrease of \$391,000 or 2.3%. Capital asset additions in 2023 were \$417,144 and consisted of the RWI & WTP Rehabilitation, check valve, Davella Station pump motor, VFDs, meters, and customer TAPs. Additions were offset by the retirement of numerous items (including a booster station, pumps, chlorinators, air compressors, various office furniture, vehicles, and radios) and depreciation expense of \$790,096.

**LONG-TERM DEBT**

The District paid principal payments of \$134,757 during the fiscal year. As of December 31, 2023, the District had a total long-term debt outstanding of \$2,945,049 of which \$1,413,827 is due in the next year.

**OVERALL ANALYSIS OF FINANCIAL POSITION AND RESULTS OF OPERATIONS**

The District's change in overall financial position in 2023 decreased by \$74,823 as compared to the 2022 overall increase of \$583,558. The District continually strives to improve its financial position.

**REQUEST FOR INFORMATION**

This report is designed to provide our customers, debt holders, and other interested parties with a general overview of the financial position of the District and to indicate accountability for the revenues received. Questions about this report or requests for additional information should be directed to the District Clerk (606-298-3885) at the District's office, 387 East Main Street, Inez, KY 41224.

## **Basic Financial Statements**

**Martin County Water District**  
 Statements of Net Position  
 Years Ended December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
<b>Assets</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ 225,166	\$ 276,298
Accounts receivable (net)	318,357	314,701
Unbilled revenue	46,933	80,438
Prepaid expenses	5,611	12,665
Inventory	4,249	2,948
<b>Total Current Assets</b>	<u>\$ 600,316</u>	<u>\$ 687,050</u>
<b>Restricted Assets</b>		
Cash - Debt retirement	\$ 157,522	\$ 196,119
Cash - Grants	63	63
Accrued interest receivable	567	461
<b>Total Restricted Assets</b>	<u>\$ 158,152</u>	<u>\$ 196,643</u>
<b>Capital Assets</b>		
Water supply & distribution system	\$ 28,443,640	\$ 28,399,263
Buildings	500,264	500,264
Equipment & furniture	6,176,820	6,340,341
Vehicles & trailers	47,635	138,773
Land	214,714	214,714
Construction in progress	289,779	-
ROU leased asset	33,935	33,935
	<u>\$ 35,706,787</u>	<u>\$ 35,627,290</u>
Less: Accumulated depreciation	(18,937,987)	(18,476,670)
Less: Accumulated amortization ROU leased asset	(18,940)	(9,470)
<b>Total Capital Assets</b>	<u>\$ 16,749,860</u>	<u>\$ 17,141,150</u>
<b>Total Assets</b>	<u>\$ 17,508,328</u>	<u>\$ 18,024,843</u>

The accompanying notes to financial statements are an integral part of this statement.

**Martin County Water District**  
 Statements of Net Position (Concluded)  
 Years Ended December 31, 2023 and 2022

	<b>2023</b>	<b>2022</b>
<b>Liabilities</b>		
<b>Current Liabilities</b>		
Accounts payable	\$ 338,306	\$ 289,615
Accrued interest	45,848	46,026
Accrued interest - leases	43	68
Sales tax payable	8,963	8,252
Customer deposits	99,127	90,858
Current portion of lease liability	9,870	9,269
Current portion of long-term debt	1,413,827	134,757
<b>Total Current Liabilities</b>	<b>\$ 1,915,984</b>	<b>\$ 578,845</b>
<b>Long-Term Liabilities</b>		
Long-term portion of debt (net)	\$ 1,547,403	\$ 2,965,937
Long-term portion of lease liability	6,102	15,971
<b>Total Long-Term Liabilities</b>	<b>\$ 1,553,505</b>	<b>\$ 2,981,908</b>
<b>Total Liabilities</b>	<b>\$ 3,469,489</b>	<b>\$ 3,560,753</b>
<b>Deferred Inflows of Resources</b>		
Deferred inflows of resources related to pensions	\$ 22,451	\$ 372,879
<b>Total Deferred Inflows of Resources</b>	<b>\$ 22,451</b>	<b>\$ 372,879</b>
<b>Net Position</b>		
Net investment in capital assets	\$ 13,788,630	\$ 14,040,456
Restricted for debt retirement	196,053	199,705
Restricted for management infrastructure	1,000	9,865
Restricted for capital projects	63	63
Unrestricted	30,642	(158,878)
<b>Total Net Position</b>	<b>\$ 14,016,388</b>	<b>\$ 14,091,211</b>

The accompanying notes to financial statements are an integral part of this statement.

**Martin County Water District**  
 Statements of Revenues and Expenses and Changes in Net Position  
 Years Ended December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
<b>Operating Revenues</b>		
Water sales	\$ 2,608,831	\$ 2,542,610
Connection fees	26,543	28,372
Late charge fees	72,576	70,236
Debt service surcharge	104,847	105,780
MIS Water surcharge	188,176	189,817
Other fees	22,468	29,560
Miscellaneous income	2,700	395
<b>Total Operating Revenues</b>	<u>\$ 3,026,141</u>	<u>\$ 2,966,770</u>
<b>Operating Expenses</b>		
Management & operations contract	\$ 2,071,629	\$ 2,132,734
Water purchased	30,180	74,988
Pension expense	(350,428)	(527,446)
Utilities	228,442	375,997
Insurance	21,603	34,932
Repairs and maintenance	456,205	63,171
Outside services	663	630
Legal	7,950	10,000
Accounting	7,985	7,950
Bad debt	17,669	30,948
Dues & subscriptions	4,734	3,149
Office Expense	4,233	2,676
Rental	25	25
Regulatory assessment fees	3,863	4,214
KY 811 Services	2,036	1,273
Depreciation	780,626	787,143
Amortization - ROU lease assets	9,470	9,470
Miscellaneous	1,883	734
<b>Total Operating Expenses</b>	<u>\$ 3,298,768</u>	<u>\$ 3,012,588</u>
<b>Operating Income (Expense)</b>	<u>\$ (272,627)</u>	<u>\$ (45,818)</u>
<b>Non-operating Income (Expense)</b>		
Interest expense	\$ (103,266)	\$ (102,107)
Customer deposit interest expense	(88)	(46)
Bond trustee fees	(900)	(450)
Bond issuance costs	-	(47,422)
Gain (loss) on disposal of assets	(14,728)	(10,432)
Interest income	5,026	2,060
<b>Total Non-operating Income (Expense)</b>	<u>\$ (113,956)</u>	<u>\$ (158,397)</u>
<b>Change in Net Position before Contributions</b>	<u>\$ (386,583)</u>	<u>\$ (204,215)</u>
Capital grants and contributions	311,760	261,659
<b>Change in Net Position</b>	<u>\$ (74,823)</u>	<u>\$ 57,444</u>
<b>Net Position - Beginning of Year</b>	14,091,211	13,507,653
<b>Prior Period Adjustment</b>	-	526,114
<b>Net Position - Ending of Year</b>	<u>\$ 14,016,388</u>	<u>\$ 14,091,211</u>

The accompanying notes to financial statements are an integral part of this statement.

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**Martin County Water District**  
 Statements of Cash Flows  
 Years Ended December 31, 2023 and 2022

	2023	2022
<b>Cash Flows from Operating Activities</b>		
Cash received from customers	\$ 3,064,259	\$ 2,986,678
Cash payments for goods and services	(2,803,945)	(3,847,197)
<b>Net Cash Provided (Used) by Operating Activities</b>	\$ 260,314	\$ (860,519)
<b>Cash Flows from Capital and Related Financing Activities</b>		
Payments for capital assets	\$ (417,144)	\$ (199,126)
Principal repayments	(134,757)	(132,993)
Principal payments on lease liability	(9,269)	(8,695)
Proceeds from long term debt	-	1,110,000
Interest and other charges paid	(109,164)	(81,134)
Proceeds from sale of assets	4,000	-
Expenses from sale of assets	(389)	-
Debt issuance costs paid	-	(47,422)
Capital grants	311,760	261,659
<b>Net Cash Provided (Used) by Capital and Related Financing Activities</b>	\$ (354,963)	\$ 902,289
<b>Cash Flows from Investing Activities</b>		
Interest received	\$ 4,920	\$ 1,601
<b>Net Cash Provided (Used) by Investing Activities</b>	\$ 4,920	\$ 1,601
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	\$ (89,729)	\$ 43,371
<b>Cash and Cash Equivalents - Beginning of Year</b>	472,480	429,109
<b>Cash and Cash Equivalents - End of Year</b>	\$ 382,751	\$ 472,480
 <b>Reconciliation of Cash and Cash Equivalents</b>		
Cash and cash equivalents	\$ 225,166	\$ 276,298
Restricted cash and cash equivalents		
Cash - Debt retirement	157,522	196,119
Cash - Grants	63	63
<b>Total Cash and Cash Equivalents</b>	\$ 382,751	\$ 472,480
 <b>Reconciliation of Operating Income to Net Cash Provided by Operating Activities</b>		
Operating income	\$ (272,627)	\$ (45,818)
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation and amortization expense	790,096	796,613
Change in assets and liabilities:		
Accounts receivable	(3,656)	(965)
Unbilled receivables	33,505	12,124
Inventory	(1,301)	2,609
Prepaid expenses	7,054	(7,761)
Accounts payable	48,691	(1,099,925)
Customer deposits	8,269	8,749
Sales tax payable	711	1,301
Net pension obligation	(350,428)	(527,446)
<b>Net Cash Provided (Used) by Operating Activities</b>	\$ 260,314	\$ (860,519)

The accompanying notes to financial statements are an integral part of this statement.

**Notes to  
Financial Statements**



**1) Summary of Significant Accounting Policies**

The Martin County Water District (the District) was authorized by action of the Martin County Fiscal Court. The Martin County Water District Side A was formed December 1, 1962. On August 31, 1996, the Fiscal Court, with approval of the Kentucky Public Service Commission, merged Section A and B. The District is a Special Purpose Government Entity (SPGE) recognized by the Kentucky Department of Local Government. The District is governed by the Martin County Utility Board, which is comprised of Commissioners appointed by the Martin County Fiscal Court. The District provides potable water directly to residential and commercial customers in the Martin County area.

A reporting entity is comprised of the primary government, component units, and other organizations that are included to ensure that the financial statements of the District are not misleading. The primary government consists of all funds, departments, boards and agencies that are not legally separate from the District.

Component units are legally separate organizations for which the District is financially accountable. The District is financially accountable for an organization if the District appoints a voting majority of the organization's governing board and (1) the District is able to significantly influence the programs or services performed or provided by the organization; or (2) the District is legally entitled to or can otherwise access the organization's resources; the District is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the District is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the District in that the District approves the budget, the issuance of debt, or the levying of taxes. The District has no component units.

The District's annual financial report includes all accounts of the Martin County Water District. The accounting policies of the District conform to generally accepted accounting principles. The following is a summary of such significant policies:

**A) Fund Accounting**

The accounts of the District are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of the District constitute the equivalent of an enterprise fund, and therefore, only this fund is presented. This fund consists of a separate set of self-balancing accounts that comprise its assets, liabilities, net position, revenues, and expenses.

**B) Capital Assets and Long-Term Liabilities**

All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated capital assets are valued at their estimated fair value on the date donated.

All proprietary funds are accounted for on a cost of services or "capital maintenance" measurement focus. This means that all assets and all liabilities (whether current or noncurrent) associated with their activity are included on their statements of net position. Their reported fund equity (total net position) is segregated into net investment in capital assets, restricted for customer deposits, restricted for debt retirement, restricted for capital projects, and unrestricted components. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in net position.

Depreciation of all exhaustible capital assets used by proprietary funds is charged as an expense against their operations. Accumulated depreciation is reported on proprietary fund balance sheets. Depreciation has been provided over the estimated useful lives using the straight-line method.

**1) Summary of Significant Accounting Policies (Continued)**

**B) Capital Assets and Long-Term Liabilities (Concluded)**

The District uses the midpoint of the depreciable life ranges recommended by the National Association of Regulatory Utility Commissioners. The estimated useful lives are as follows:

Cost of water/sewer system	5 - 50 years
Building	5 - 50 years
Office furniture and equipment	5 - 10 years
Vehicles	5 years

**C) Basis of Accounting**

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

All proprietary funds are accounted for using the accrual basis of accounting. Their revenues are recognized when they are earned, and their expenses are recognized when they are incurred.

**D) Budgets and Budgetary Accounting**

The District's Board of Commissioners receives and approves an annual budget from management each calendar year fulfilling the requirement to prepare an annual budget as required by all SPGE's for the Kentucky Department of Local Government.

**E) Restricted Net Position**

Net position is reported as restricted when limitations on use change the normal understanding of the availability of the related asset. Such constraints are either imposed by creditors, contributors, grantors, or laws of other governments or imposed by enabling legislation. It is the District's policy to expend restricted resources first if the restrictions are met. All other net position that does not meet the definition of "restricted" is reported as unrestricted net position.

**F) Inventory**

Inventory is priced at the lower of cost or market on a first-in, first-out (FIFO) basis or market value.

**G) Cash and Cash Equivalents**

The District considers all cash and cash equivalents to include all demand deposits as well as short-term investments with a maturity of less than three months from the date acquired by the District.

**H) Operating and Non-Operating Income and Expenses**

Operating revenues and expenses result from providing services and producing and delivering goods in connection with the fund's principal ongoing operations. All income and expenses not meeting this definition are reported as non-operating income and expenses.

**1) Summary of Significant Accounting Policies (Concluded)**

**l) Pensions**

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the County Employees' Retirement System (CERS) and additions to/deductions from CERS fiduciary net position have been determined on the same basis as they are reported by CERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments, if any, are reported at fair value.

**2) Use of Estimates in the Preparation of Financial Statements**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**3) Cash and Investments**

As of December 31, 2023, the carrying amount of the District's deposits was \$382,751 and the bank balances totaled \$536,445. As of December 31, 2023, \$250,000 was covered by federal depository insurance, \$126,660 was collateralized with a letter of credit in First State Bank's name for the coverage of the District's deposit balances, and \$159,785 was deposited in institutional liquidity funds.

The institutional liquidity funds are invested in U.S. Government Agency money market funds. Due to the nature and liquidity of the government agency money market funds, they are considered cash on the Statements of Net Position and Statements of Cash Flows.

**4) Accounts Receivable**

Receivables are reported on the accompanying Statements of Net Position, net of an allowance for doubtful accounts, which amounted to \$28,000 and \$20,000 as of December 31, 2023 and 2022, respectively. Estimated unbilled revenues are recognized at the end of each year on a pro rata basis. The estimated amount is based on billings during the month following the close of the fiscal year.

**5) Long-Term Debt**

**KIA**

The District obtained a loan in the amount of \$1,329,826 from the Kentucky Infrastructure Authority (KIA) to provide water to customers in the Martin County area. Payments accrue monthly, with a maturity date of June 2027, and interest rate of 3.00%. The collateral for the loan is service revenue.

**KACO**

The District entered into a lease agreement with Kentucky Association of Counties (KACO) for \$200,000 to purchase vehicles and equipment. Payments accrue monthly, with a maturity date of 2025, and include a variable interest rate. The base rental interest rate is 4.25%.

**5) Long-Term Debt (Continued)**

**Assistance Agreement (Loan) – KRW Series 2015E Refunding Bond**

On May 12, 2015, the District entered into an Assistance Agreement (loan) with the Kentucky Rural Water Finance Corporation to refund existing revenue bonds totaling \$2,010,000. The debt bears interest ranging from 2.10% – 4.10% maturing on January 1, 2045. The original issue premium on the loan, totaling \$22,363, is presented as an increase in the face amount of the long-term debt payable and is being amortized using the straight-line method over the term of the debt. Amortization for the years ended December 31, 2023 and 2022, amounted to \$755 each year.

The District is obligated to make payments in amounts sufficient to satisfy the debt service. The collateral for the loan is service revenue.

**Assistance Agreement (Loan) – KRW Series 2022B Revenue Bonds**

On April 20, 2022, the District entered into an Assistance Agreement (loan) with the Kentucky Rural Water Finance Corporation in the amount of \$1,110,000, to finance operations, maintenance, and improvements to the District's water system. The debt bears interest of 3.25%. No principal is due on the loan until the maturity date of February 1, 2024, at which time the principal balance is due in full. The original issue premium on the loan, totaling \$7,037, is presented as an increase in the face amount of the long-term debt payable and is being amortized using the straight-line method over the term of the debt. Amortization for the years ended December 31, 2023 and 2022, amounted to \$3,952 and \$2,756, respectively.

The following is a summary of outstanding debt as of December 31:

	<u>2023</u>	<u>2022</u>
<b>Kentucky Infrastructure Authority Loan</b>		
\$1,329,826 loan due in monthly installments of \$5,620.58 from 1991 through June 2027, interest rate is 3.00%.	\$ 223,827	\$ 283,584
<b>Kentucky Association of Counties Equipment Lease</b>		
\$200,000 variable rate lease due in annual installments of \$5,000 to \$15,000 from March 20, 2006 through 2025, base rental interest of 4.25%.	26,222	41,222
<b>Assistance Agreement (Loan) - KRW Series 2022B Revenue Bonds</b>		
\$1,110,000 loan due in four interest payments beginning on August 1, 2022, at an interest rate of 3.25%, and one principal payment due on February 1, 2024.	1,110,000	1,110,000
<b>Assistance Agreement (Loan) - KRW Series 2015E Refunding Bond</b>		
\$2,010,000 loan due in yearly installments of \$30,000 to \$55,000 from January 2016 through January 2045, interest rates at 2.10% to 4.10%.	<u>1,585,000</u>	<u>1,645,000</u>
Total Debt Payable	\$ 2,945,049	\$ 3,079,806
Add: Unamortized Premium	16,181	20,888
Less: Current Portion	<u>(1,413,827)</u>	<u>(134,757)</u>
Long-Term Portion of Debt Payable	<u>\$ 1,547,403</u>	<u>\$ 2,965,937</u>

**5) Long-Term Debt (Concluded)**

The following is a summary of long-term debt requirements as of December 31:

Year	Notes Payable		Lease Agreement	
	Principal	Interest	Principal	Interest
2024	\$ 1,398,827	\$ 89,346	\$ 15,000	\$ 1,046
2025	65,000	56,731	11,222	208
2026	70,000	54,639	-	-
2027	70,000	52,425	-	-
2028	75,000	50,040	-	-
2029-2033	405,000	207,855	-	-
2034-2038	415,000	125,729	-	-
2039-2043	310,000	51,458	-	-
2044-2045	110,000	4,511	-	-
	<u>\$ 2,918,827</u>	<u>\$ 692,734</u>	<u>\$ 26,222</u>	<u>\$ 1,254</u>

The changes in long-term debt for the years ended December 31, 2023 and 2022, are as follows:

	<u>2023</u>	<u>2022</u>
Balance, Beginning	\$ 3,079,806	\$ 2,102,799
Additions	-	1,110,000
Retirements	(134,757)	(132,993)
Balance, Ending	<u>\$ 2,945,049</u>	<u>\$ 3,079,806</u>

**6) Litigation**

At December 31, 2023, there were no claims or lawsuits pending against the District.

**7) Concentration of Credit Risk**

The District provides virtually all of its services to the residents of Martin County Water District and derives the majority of its revenues from water service to those residents. Further, the District is subject to regulation by state statutes and the Environmental Protection Agency.

**8) Restricted Assets and Net Position**

Restricted Assets consist of cash accounts required to be held in separate accounts in accordance with the District's debt covenants. Balances in the restricted cash accounts and accrued interest receivable total \$158,152 and \$196,643 as of December 31, 2023 and 2022, respectively.

As of December 31, 2023 and 2022, the District's Restricted Net Position consists of net investments in capital assets, restrictions for debt retirement, restrictions for management infrastructure, and restrictions for capital projects.

**Martin County Water District**

Notes to Financial Statements  
December 31, 2023 and 2022

**8) Restricted Assets and Net Position (Concluded)**

**Net Investment in Capital Assets**

	<u>2023</u>	<u>2022</u>
Total Capital Assets	\$ 16,749,860	\$ 17,141,150
Less:		
Long-term portion of debt (net)	(1,547,403)	(2,965,937)
Current portion of long-term debt	<u>(1,413,827)</u>	<u>(134,757)</u>
Total net investment in capital assets	<u>\$ 13,788,630</u>	<u>\$ 14,040,456</u>

The bond issues contain covenants relative to the maintenance of specific funds and the making of monthly payments to certain funds. The status of the various accounts was as follows at December 31:

**Debt Retirement**

	<u>2023</u>	<u>2022</u>
Sinking funds	\$ 150,855	\$ 189,617
Surcharge fund	89,457	54,631
Depreciation fund	<u>1,022</u>	<u>1,022</u>
Restricted cash and investments - Debt retirement	241,334	245,270
Add: Accrued interest receivable	567	461
Less: Payable from restricted assets Accrued interest	<u>(45,848)</u>	<u>(46,026)</u>
Restricted for debt retirement	<u>\$ 196,053</u>	<u>\$ 199,705</u>

A management infrastructure surcharge was authorized by the Kentucky Public Service Commission to fund payments to the District's management company. The status of the account was as follows at December 31:

**Management Infrastructure**

	<u>2023</u>	<u>2022</u>
Management infrastructure surcharge fund	<u>\$ 1,000</u>	<u>\$ 9,865</u>
Restricted for management infrastructure	<u>\$ 1,000</u>	<u>\$ 9,865</u>

Grant proceeds from the Appalachian Regional Commission are deposited into a grant fund to pay for improvements to the Martin County Water System. The status of the account was as follows at December 31:

**Capital Projects**

	<u>2023</u>	<u>2022</u>
Restricted cash - capital projects	<u>\$ 63</u>	<u>\$ 63</u>
Restricted for capital projects	<u>\$ 63</u>	<u>\$ 63</u>

**Martin County Water District**Notes to Financial Statements  
December 31, 2023 and 2022**9) Capital Assets**

Capital assets during the year ended December 31, 2023, consisted of the following:

	<u>Balance at January 1</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance at December 31</u>
Water Supply & Distribution System	\$ 28,399,263	\$ 90,353	\$ (45,976)	\$ 28,443,640
Buildings	500,264	-	-	500,264
Equipment & Furniture	6,340,341	37,012	(200,533)	6,176,820
Vehicles & Trailers	138,773	-	(91,138)	47,635
Land	214,714	-	-	214,714
Construction in Progress	-	289,779	-	289,779
ROU Leased Asset	33,935	-	-	33,935
	<u>35,627,290</u>	<u>417,144</u>	<u>(337,647)</u>	<u>35,706,787</u>
Accumulated Depreciation	(18,476,670)	(780,626)	319,309	(18,937,987)
Accumulated Amortization				
ROU Leased Asset	(9,470)	(9,470)	-	(18,940)
Total Capital Assets	<u>\$ 17,141,150</u>	<u>\$ (372,952)</u>	<u>\$ (18,338)</u>	<u>\$ 16,749,860</u>

Capital assets during the year ended December 31, 2022, consisted of the following:

	<u>Balance at January 1</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance at December 31</u>
Water Supply & Distribution System	\$ 28,206,274	\$ 192,989	\$ -	\$ 28,399,263
Buildings	500,264	-	-	500,264
Equipment & Furniture	6,369,882	12,374	(41,915)	6,340,341
Vehicles & Trailers	138,773	-	-	138,773
Land	214,714	-	-	214,714
Construction in Progress	6,237	133,986	(140,223)	-
ROU Leased Asset	-	33,935	-	33,935
	<u>35,436,144</u>	<u>373,284</u>	<u>(182,138)</u>	<u>35,627,290</u>
Accumulated Depreciation	(17,721,010)	(787,143)	31,483	(18,476,670)
Accumulated Amortization				
ROU Leased Asset	-	(9,470)	-	(9,470)
Total Capital Assets	<u>\$ 17,715,134</u>	<u>\$ (423,329)</u>	<u>\$ (150,655)</u>	<u>\$ 17,141,150</u>

Depreciation expense for the years ended December 31, 2023 and 2022, amounted to \$780,626 and \$787,143, respectively.

**10) Related Party Transactions**

There were no related party transactions during the year ended December 31, 2023 and 2022.

**11) Grants**

In August 2018, the District received a grant from the Appalachian Regional Commissioner (ARC) in the amount of \$1,200,000. The District intends to use the proceeds from this grant to improve the Martin County Water System. As of December 31, 2023, the District has used \$1,108,442 of these funds.

**12) Pension Plan:**

**Plan Description:**

Employees whose positions do not require a degree beyond a high school diploma are covered by the CERS, a cost-sharing multiple-employer defined benefit pension plan administered by the Kentucky General Assembly. The plan covers substantially all regular full-time members employed in non-hazardous duty positions of each county and school board, and any additional eligible local agencies electing to participate in the plan. The plan provides for retirement, disability and death benefits to plan members. CERS issues a publicly available financial report included in Kentucky Retirement Systems Annual Report that includes financial statements and the required supplementary information for CERS. That report may be obtained by writing to Kentucky Retirement Systems, Perimeter Park West, 1260 Louisville Road, Frankfort, Kentucky, 40601, or by calling (502) 564-4646 or at <https://kyret.ky.gov>.

**Benefits Provided:**

Benefits under the plan will vary based on final compensation, years of service and other factors as fully described in the plan documents.

**Contributions:**

Funding for CERS is provided by members, who contribute 5.00% (6.00% for employees hired after September 1, 2008) of their salary through payroll deductions, and by employers of members. For the year ending December 31, 2023, employers were required to contribute 23.52% of the member's salary. During the year ended December 31, 2023, the District contributed \$0 to the CERS pension plan. The contribution requirements of CERS are established and may be amended by the CERS Board of Trustees.

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

At December 31, 2023, the District reported a \$0 liability for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023. The total pension liability used to calculate the net pension liability was based on an actuarial valuation as of June 30, 2022. An expected total pension liability as of June 30, 2022, was determined using standard roll-forward techniques. The District's proportion of the net pension liability was based on contributions to CERS during the fiscal year ended December 31, 2023. At December 31, 2023, the District's proportion was 0.00%.

For the year ended December 31, 2023, the District recognized negative pension expense of \$(350,428) related to CERS. At December 31, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ -
Changes in assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	-	-
Changes in proportion and differences between District contributions and proportionate share of contributions	-	22,451
<b>Total</b>	<b>\$ -</b>	<b>\$ 22,451</b>



**12) Pension Plan (Continued)**

Deferred outflows and inflows related to differences between projected and actual earnings on plan investments are netted and amortized over a closed five-year period. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions are amortized over the average service life of all members. These will be recognized in pension expense as follows:

<u>Year Ended</u>	
2024	\$ (22,451)
2025	-
2026	-
2027	-
2028	-
	<u>\$ (22,451)</u>

**Actuarial Methods and Assumptions for Determining the Total Pension Liability and Net Pension Liability**

The total pension liability, net pension liability, and sensitivity information as of June 30, 2023, were based on an actuarial valuation date of June 30, 2022. The total pension liability was rolled-forward from the valuation date (June 30, 2022) to the plan's fiscal year ending June 30, 2023, using generally accepted actuarial principles. There have been no changes in actuarial assumptions since June 30, 2022.

The following actuarial methods and assumptions were used to determine the actuarially determined contributions effective for fiscal year ending June 30, 2023:

Valuation Date	June 30, 2021
Experience Study	July 1, 2018 - June 30, 2022
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level percent of pay
Remaining Amortization Period	30-year closed period at June 30, 2019 <i>Gains/losses incurring after 2019 will be amortized over separate closed 20-year amortization bases</i>
Payroll Growth Rate	2.00%
Asset Valuation Method	20% of the difference between the market value of assets and the expected actuarial value of assets is recognized
Inflation	2.30%
Salary Increase	3.30% to 10.30%, varies by service
Investment Rate of Return	6.25%

The mortality table used for active members is a PUB-2010 General Mortality table, projected with the ultimate rates from the MP-2014 mortality improvement scale using a base year of 2010. The mortality table used for healthy retired members was a system-specific mortality table based on mortality experience from 2013-2022, projected with the ultimate rates from MP-2020 mortality improvement scale using a base year of 2023. The mortality table used for the disabled members was PUB-2010 Disabled Mortality table, with rates multiplied by 150% for both male and female rates, projected with the ultimate rates from the MP-2020 mortality improvement scale using a base year of 2010.

**12) Pension Plan (Concluded)**

**Long-Term Expected Rate of Return**

The long-term expected rate of return was determined by using a building-block method in which best-estimate ranges of expected future real rate of returns are developed for each asset class. The ranges are combined by weighting the expected future real rate of return by the target asset allocation percentage. The target allocation and best estimates of arithmetic real rate of return for each major asset class are summarized in the tables below.

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
<b>Equity</b>	<b>60.00%</b>	
Public Equity	50.00%	5.90%
Private Equity	10.00%	11.73%
<b>Fixed Income</b>	<b>20.00%</b>	
Core Fixed Income	10.00%	2.45%
Specialty Credit	10.00%	3.65%
Cash	0.00%	1.39%
<b>Inflation Protected</b>	<b>20.00%</b>	
Real Estate	7.00%	4.99%
Real Return	13.00%	5.15%
<b>Expected Real Return</b>	<b>100.00%</b>	<b>5.75%</b>
<b>Long Term Inflation Assumption</b>		<b>2.50%</b>
<b>Expected Nominal Return for Portfolio</b>		<b>8.25%</b>

**Discount Rate:**

The discount rate used to measure the total pension liability was 6.50%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and employers will be made at statutory contribution rates. Projected inflows from investment earnings were calculated using the long-term assumed investment rate of return of 7.50%. The long-term assumed investment rate of return was applied to all periods of projected benefit payments to determine the total pension liability.

**Sensitivity of the Net Pension Liability to Changes in the Discount Rate:**

The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 6.50%, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.50%) or 1-percentage-point higher (7.50%) than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
	5.50%	6.50%	7.50%
CERS District's proportionate share of net pension liability	\$ -	\$ -	\$ -

**Pension Plan Fiduciary Net Position:**

Detailed information about the pension plan's fiduciary net position is available in the separately issued CERS financial report which is publicly available at <https://kyret.ky.gov>.

**Payables to the Pension Plan:**

There are no payables to CERS at December 31, 2023.

**13) Commitments**

The District has a full service operating agreement with Alliance Water Resources, Inc., through December 31, 2029, which provides for the operation of the water system. The amount to be paid under the basic agreement for operating the water system is \$2,022,084 for the year ending December 31, 2024, with the compensation for the balance of the contract to be negotiated on an annual basis.

**14) Leases (as Lessee)**

The District entered into a three year lease agreement commencing on August 1, 2020, for its office space. The lease calls for monthly rental payments ranging from \$754 to \$848. So long as the District is not in default on August 1, 2023, the lease agreement will automatically be renewed. The District intends to automatically renew the lease through August 1, 2025.

The following is a schedule of future lease payments expected under the terms of the lease:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 9,870	\$ 374	\$ 10,244
2025	6,102	67	6,169
Totals	<u>\$ 15,972</u>	<u>\$ 441</u>	<u>\$ 16,413</u>

**15) Prior Period Adjustment**

A prior period adjustment was necessary in order to properly reflect the District's deferred outflows and deferred inflows of resources related to pensions and net pension liability as a result of the Kentucky Retirement Systems reports not being available to present updated pension information in the 2021 audited financial statements. Deferred outflows of resources related to pensions was decreased by \$129,545, deferred inflows of resources related to pensions was increased by \$425,186, and net pension liability decreased by \$1,080,845 in order to adjust balances for the changes occurring during the year ended December 31, 2021. These changes resulted in a net prior period adjustment of \$526,114, which is shown in the Statement of Revenues and Expenses and Changes in Net Position.

**16) Subsequent Events**

In January 2024, the District received a new loan through Kentucky Infrastructure Authority (KIA) for the purpose of consolidating outstanding debt. The loan amount was \$1,323,623, with a maturity date of September 1, 2043, and an interest rate of 0.00%. The proceeds were used to pay off the District's previous KIA loan and KRW Series 2022B Revenue Bonds.

Subsequent events have been considered through March 22, 2024, the date the financial statements were available to be issued.

**Required Supplementary Information**

**Martin County Water District**

Required Supplementary Information  
 Schedule of the District's Proportionate Share of the Net Pension Liability  
 December 31, 2023

	Reporting Fiscal Year (Measurement Date) 2023 (2022)	Reporting Fiscal Year (Measurement Date) 2022 (2021)	Reporting Fiscal Year (Measurement Date) 2021 (2020)	Reporting Fiscal Year (Measurement Date) 2020 (2019)	Reporting Fiscal Year (Measurement Date) 2019 (2018)	Reporting Fiscal Year (Measurement Date) 2018 (2017)	Reporting Fiscal Year (Measurement Date) 2017 (2016)	Reporting Fiscal Year (Measurement Date) 2016 (2015)	Reporting Fiscal Year (Measurement Date) 2015 (2014)
<b>County Employee's Retirement System:</b>									
District's proportion of the net pension liability	0.00%	0.00%	0.00%	0.01%	0.02%	0.02%	0.03%	0.02%	0.02%
District's proportionate share of the net pension liability	\$ -	\$ -	\$ -	\$ 1,080,845	\$ 1,739,483	\$ 1,459,298	\$ 1,255,723	\$ 1,065,280	\$ 750,000
State's proportionate share of the net pension liability associated with the District	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,080,845</b>	<b>\$ 1,739,483</b>	<b>\$ 1,459,298</b>	<b>\$ 1,255,723</b>	<b>\$ 1,065,280</b>	<b>\$ 750,000</b>
District's covered-employee payroll	\$ -	\$ -	\$ -	\$ -	\$ 599,725	\$ 588,225	\$ 693,688	\$ 593,711	\$ 559,494
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	216.29%	254.98%	260.60%	311.44%	290.05%	248.08%	181.02%	179.26%	134.05%
Plan fiduciary net position as a percentage of the total pension liability	57.48%	52.42%	57.33%	47.81%	50.45%	53.54%	59.00%	59.97%	66.80%

**Note:** Schedule is intended to show information for the last 10 fiscal years. Additional years will be displayed as they become available.

**Martin County Water District**  
 Required Supplementary Information  
 Schedule of Contributions  
 December 31, 2023

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
<b>County Employee's Retirement System:</b>										
Contractually required contribution	\$ -	\$ -	\$ -	\$ 69,664	\$ 101,193	\$ 85,993	\$ 82,452	\$ 84,846	\$ 104,892	\$ 97,385
Contributions in relation to the contractually required contribution	-	-	-	69,664	101,193	85,993	82,452	84,846	104,892	97,385
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	\$ -	\$ -	\$ -	\$ -	\$ 599,725	\$ 588,225	\$ 574,250	\$ 693,688	\$ 593,711	\$ 559,494
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	N/A	N/A	N/A	N/A	16.23%	14.58%	14.36%	12.23%	17.67%	17.41%

Note: Schedule is intended to show information for the last 10 fiscal years. Additional years will be displayed as they become available.

## **Compliance Section**



100 North Sixth Street • P.O. Box 796 • Hannibal, Missouri 63401-0796 • Phone (573) 221-5998 • Fax (573) 221-2044

**Independent Auditor's Report on Internal Control Over Financial Reporting and on  
Compliance and Other Matters Based on an Audit of Financial Statements  
Performed in Accordance with *Government Auditing Standards***

To the Board of Directors  
Martin County Water District  
Inez, Kentucky

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities of Martin County Water District (District), as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated March 22, 2024.

**Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Martin County Water District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Martin County Water District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses.

**Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Martin County Water District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and responses as items 2023-001, 2023-002, and 2023-003.



**Independent Auditor's Report on Internal Control Over Financial Reporting and on  
Compliance and Other Matters Based on an Audit of Financial Statements  
Performed in Accordance with *Government Auditing Standards* (Concluded)**

**District's Response to Findings**

*Government Auditing Standards* requires the auditor to perform limited procedures on Martin County Water District's response to the findings identified in our audit and described in the accompanying schedule of findings and responses. Martin County Water District's responses were not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the responses.

**Purpose of This Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Wade Stables P.C.*

**Wade Stables P.C.**  
*Certified Public Accountants*

March 22, 2024  
Hannibal, Missouri

**Compliance Findings**

**2023-001 – Payments Remitted in Accordance with State Statutes**

***Criteria:***

Per KRS Statute 65.140, purchases must be paid within 30 days of receipt of an invoice for cities, counties and special purpose government entities.

***Condition:***

The District was not paying all bills according to KRS 65.140.

***Cause:***

The District did not have the funds available to meet their financial obligations.

***Effect:***

The District's ability to do business with vendors including those who provide parts and services for maintenance and repairs on the water system has been affected and could greatly impact the public who depend on the District's ability to provide a clean and safe water supply.

***Recommendation:***

Procedures should be implemented to ensure financial obligations are fulfilled timely.

***Views of Responsible Officials:***

Management will continue to work toward making payments within 30 days as required.

**2023-002 – Debt Service Requirements**

***Criteria:***

Per loan agreement, the District has covenanted to maintain a depreciation and replacement reserve special account and to fund it until such account is equal to five percent (5%) of the original principal amount of the loan, \$66,491, in order to ensure loan obligations can be paid.

***Condition:***

The District is not in compliance with loan covenants.

***Cause:***

The District did not deposit the required amounts into a depreciation and replacement reserve special account during 2023.

***Effect:***

The District could be deemed in default due to failure of compliance.

***Recommendation:***

Procedures should be put in place to immediately fund the full reserve requirement of \$66,491.

***Views of Responsible Officials:***

Management will make a plan to fully fund depreciation and replacement reserve account per loan covenant.

**Compliance Findings (Concluded)**

**2023-003 – Debt Service Requirements**

***Criteria:***

Per loan agreement, the District has covenanted to deposit in the Revenue Fund, promptly as received from time to time, all revenues of the system.

***Condition:***

The District is not in compliance with loan covenants.

***Cause:***

Although all revenues of the system were deposited into District bank accounts, the District did not deposit all revenues into the specified Revenue Fund.

***Effect:***

The District could be deemed in default due to failure of compliance.

***Recommendation:***

Procedures should be put in place immediately to ensure all revenues of the system are first deposited into the Revenue Fund. The District should then transfer monthly from the Revenue Fund and deposit into the Operation and Maintenance Fund sums sufficient to meet the current expenses of operating and maintaining the system.

***Views of Responsible Officials:***

Management will make a plan to deposit all revenues of the system into the specified Revenue Fund per loan covenant.

**Martin County Water District, Inez KY**  
**List of Bills for Consideration**  
**23-Apr-24**

<u>Vendor</u>	<u>Description</u>	<u>Amount</u>
<b>Operations Account</b>		
1 AEP	Electric (26 bills) Estimated	\$ 18,798.88
2 Big Sandy RECC	Electric (9 bills) Estimated	\$ 2,698.88
3 Paintsville Utilities	Electric for token (2/06/24 to 3/04/24) Estimated	\$ 41.34
4 Martin County Public Library	Rent (May)	\$ 843.38
5 Martin County Water District	Sanitation (Mar)	\$ 141.67
6 Sales tax	3/2024 (estimated)	\$ 2,780.81
7 School tax	3/2024 (estimated)	\$ 7,456.32
8 Alliance Water Resources	4/1/24-4/15/24 O&M services	\$ 84,253.50
9 Alliance Water Resources	4/16/24-4/30/24 O&M services	\$ 84,253.50
10 Alliance Water Resources	Insurance Policy Installment (4/10)	\$ 2,120.60
11 Management Inf. Surcharge	Estimated (actual collected will be paid)	\$ 19,660.73
12 Debt Service Surcharge	Estimated (actual collected will be paid)	\$ 7,153.36
13 Kentucky Underground	811 Services (Mar)	\$ 144.00
14 Brian Cumbo	Legal Fees	\$ 1,275.00
15 Estech Systems	Phone System (Mar)	\$ 218.86
16 NexBillPay	Fees (Mar)	\$ 73.00
17 Diesel Fuel Receipts	Diesel Fuel (Mar)	\$ 1,904.15
18 H&E Equipment Services	Pump Rental	\$ 739.50
19 Prestonsburg Utilities	Purchased Water	\$ 13,332.80
20 Wade Stables P.C.	Audit/Professional Services	\$ 8,125.00
21 Rain for Rent	Pump Rental	\$ 12,548.58
22 Pocahontas Royalties LLC	Lease (05/24/2024/05/24/2025)	\$ 25.00
23 Rubin & Hays	Legal Fees	\$ 4,500.00
24 Ginger Fletcher	Refund to Customer	\$ 924.36
<b>TOTAL</b>		<b>\$ 273,159.19</b>

<b>Operations Account - Debt Service Funding</b>		<b>Transfer Amounts</b>
1 KIA	Monthly funding for KIA Bond/Loan	\$ 5,800.00
2 KACo	Monthly funding for lease payment	\$ 1,200.00
3 KRW/Regions Bank	Monthly funding for loan	\$ 10,800.00
<b>TOTAL</b>		<b>\$ 17,800.00</b>

**TOTAL OPERATIONS**

**\$ 290,959.19**

**Security Deposit Account**

**Customer**

1	Derek Preece	Deposit refund due to customer	\$	32.78
2	Sandy Sheppard	Deposit refund due to customer	\$	39.38
3	Stephanie Sweeney	Deposit refund due to customer	\$	26.83
	<b>TOTAL</b>		<b>\$</b>	<b>98.99</b>

**OUR  
MISSION**

*We partner with communities to deliver the finest water and wastewater services available at a competitive price. We are committed to keeping water safe and clean while serving people and taking care of communities with improved technical operations, careful management, and financial oversight, and ensured regulatory compliance.*

**Alliance Water Resources, Inc.**

**206 S. Keene  
St. Columbia,  
MO 65201**

**(573) 874-8080**

**March 2024**

**Administrative**

Staff has completed and submitted the yearly UFR's. This keeps us up to date with all our information and records to the PSC.

**Water Treatment**

The reservoir is full and has maintained its level for almost a month. The District has plenty of supply for the water plant.

Tank levels are normal

Mike Sartin is scheduled to take his Water Treatment Operator Class IV License

We have started copper sulfate and carbon to the treatment process to improve our treatment through the summer months

**Distribution:**

Replaced 4 sections of iron ductile on New Rt 3 after major leaks erupted.

Replaced 2 3in mains on Buck Branch

Replaced air relief valve on 6in main on 645

Been going to Spicy Mountain every Friday to make sure customers are able to get water

Damien Johnson, Logan Cline, and Nathan Mullett are all signed up for water distribution certifications

Anthony Prater has signed up for Sacramento Water Courses


  
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**Martin County Water District**

**Safety**

The monthly safety meeting was held on March 26th and covered slips, trips, falls, and back injury. Key points of the training were the importance of good housekeeping practices and the use of safety harnesses when necessary.

**Project Updates**

<b>SOURCE</b>	<b>AMOUNT</b>	<b>PROJECTS</b>
AMLER-2017	\$3,450,000	A, B, C
COE 531 (25% Match)	\$1,869,718	B, C
ARC Grant	\$1,200,000	D
AMLER-2018	\$2,000,000	E
FEMA/STATE	\$1,201,000	K
COE 531 Partnership	\$1,500,00	B
<b>Total Grant</b>	<b>\$8,519,718</b>	

**Regulatory**

The Martin County Water Treatment Plant performs operational water quality monitoring to ensure compliance with all state and federal safe drinking water act requirements, including chlorine, fluoride, iron, pH, manganese, solids, turbidity, and bacteriological analysis.

**Water Plant Operation**

**March 2024**

<b>Water Pumped</b>	
Total Water Production (gallons)	44,100,000
Total Water Metered/Billed (gallons)	
Other Water Used (gallons)	269,000
Average Daily Flow (Million Gallons per Day)	1,422,581
Maximum Daily Flow (Million Gallons per Day)	1,627,000
Fluoride Used (lbs.)	418.5
Chlorine Used (lbs.)	1077
Lab Tests	3,815



### Water Quality Analysis

March 2024

Test	Routine	Special	Repeat
Bacteriological	10 (Pass)	3 (Pass)	0
		<b>Reported</b>	<b>Minimum Limit</b>
Fluoride Plant Sample	31	0.83 mg/l Average	0.6 mg/l
Chlorine Distribution Sample	Total- 35 Free- 35	<b>Low Readings</b> Total - 0.63 mg/L Free – 0.48 mg/L	0.2 mg/l

### Customer Service Request and Work Orders

Meter Reads	3328
Meter Sets	31
Turn offs-Close account	26
Taps	3
Meter Changes	22
Disconnects for Non-payment	51
Boil Notices	1
Line Locates	98
Water Leaks/Breaks	20
Other/Investigates	140


  
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**Martin County Water District**

**Water Main Breaks & Service Lines**

Date	Location	Loss (Gallons)
3/5/24	302 Little lick	393,915
3/8/24	67 Mary Dr.	315,132
3/8/24	22 Preece Rd.	945,396
3/8/24	4022 Blacklog Rd.	630,264
3/11/24	72 South Wolf creek Rd.	433,306
3/12/24	290 Preece Rd.	1,418,094
3/16/24	4406 Blacklog Rd.	630,264
3/16/24	4162 Hode Rd.	3,308,885
3/19/24	18 Shadle fletcher Ln.	2,993,753
3/21/24	4162 Hode Rd.	1,654,442
3/21/24	27 Oliver Dr.	827,221


  
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**Martin County Water District**

### Repair Expenses Ending February 2024

Expended	Actual YTD	Annual Budget	% Budget / Line Item
Bldg. & Grounds Maintenance	\$417	\$5,000	8%
Vehicle Maintenance	\$4,454.98	\$20,000	22%
Water Plant Maintenance	\$509.31	\$7,000	7%
Distribution System Maintenance	\$13,033.40	\$50,000	26 %
Water Meter Maintenance	\$3,673.78	\$10,000	38%
Street Maintenance	\$0	\$8,000	0%
<b>Totals</b>	<b>\$22,088.47</b>	<b>\$100,000</b>	<b>22%</b>

### Chemical Expenses Ending February 2024

Expended	Actual YTD	Annual Budget	% Budget / Line Item
Sodium Bisulfite	\$454		
Sodium Hydroxide		\$11,000	0%
Polymer		\$15,000	0%
Alum (DELPAC)	\$5,530.47	\$30,000	18%
Chlorine	\$2,234	\$20,000	11%
Permanganate		\$19,000	%
Fluoride		\$7,000	%
Chemicals Other - Water		\$8,000	%
<b>Totals</b>	<b>\$8,218.47</b>	<b>\$110,000</b>	<b>8%</b>

Notes:

- 1) Building & Grounds Maintenance
  - a. \$0.00
  
- 2) Vehicle Maintenance
  - a. Oil Changers \$84.57
  - b. Advance Auto \$47.25
  - c. Advance Auto \$41.53
  - d. Butcher's Garage \$1,512.26
  - e. Auto Glass of America \$200
  
- 3) Water Plant Maintenance
  - a. Family Dollar \$37.10
  - b. Advance Auto \$76.30
  - c. Adkins Fastop \$372.27
  
- 4) Well Maintenance
  - a. \$0.00
  
- 5) Distribution System Maintenance
  - a. \$0.00
  
- 6) Meter Maintenance
  - a. \$0.00
  
- 7) Sodium Bisulfite
  - a. CITCO Water \$226.94
  
- 8) Sodium Hydroxide
  - a. \$0.00
  
- 9) Lime/Caustic Soda
  - a. \$0.00
  
- 10) Polymer
  - a. \$0.00
  
- 11) Alum
  - a. \$0.00
  
- 12) Chlorine
  - a. CITCO Water \$2,230.03

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**Martin County Water District**

13) Permanganate

a. \$0.00

14) Fluoride

a. Brenntag \$1,238.40

15) Chemicals Other – Water

a. CITGO Water \$1,779.31

# PUBLIC SERVICE COMMISSION

## Monthly Water Loss Report

Water Utility: Martin County Water District

For the Month of: March Year: 2024

LINE #	ITEM	GALLONS (Omit 000's)
1	<b>WATER PRODUCED AND PURCHASED</b>	
2	Water Produced	44,100
3	Water Purchased	3,318
4	<b>TOTAL PRODUCED AND PURCHASED</b>	47,418
5		
6	<b>WATER SALES</b>	
7	Residential	9,078
8	Commercial	2,733
9	Industrial	
10	Bulk Loading Stations	
11	Wholesale	
12	Public Authorities	
13	Other Sales (explain)	
14	<b>TOTAL WATER SALES</b>	11,811
15		
16	<b>OTHER WATER USED</b>	
17	Utility and/or Water Treatment Plant	
18	Wastewater Plant	
19	System Flushing	
20	Fire Department	
21	Other Usage (explain)	
22	<b>TOTAL OTHER WATER USED</b>	-
23		
24	<b>WATER LOSS</b>	
25	Tank Overflows	
26	Line Breaks	13,550
27	Line Leaks	22,057
28	Excavation Damages	
29	Theft	
30	Other Loss	
31	<b>TOTAL WATER LOSS</b>	35,607
32		
33	<b>Note:</b> Line 14 + Line 22 + Line 31 <b>MUST</b> Equal Line 4	
34		
35	<b>WATER LOSS PERCENTAGE</b>	
36	(Line 31 divided by Line 4)	75.09%

**MARTIN COUNTY WATER & SANITATION DISTRICT**  
**LEAK ADJUSTMENT REQUESTS**  
**4/15/2024**

repaired broken line between meter and home

BILLED GALLONS/COST	28,530	319.72
BILLED GALLONS/COST	5,810	81.39
AVG GALLONS/BILL	4,000	62.40
LEAK GALLONS/PURCH COST	24,530	49.06
LEAK GALLONS/PURCH COST	1,810	3.62
<b>PAY (avg+leak cost)</b>		111.46
<b>WRITE OFF (billed-avg-purch cost)</b>		223.63
LATE PENALTIES TO ADJ		40.11
SEWER	28,530	425.91
SEWER	5,810	89.43
AVG SEWER/BILL	4,000	62.62
LEAK SWR ADJ	24,530	363.29
LEAK SWR ADJ	1,810	26.81
SWR PAY (AVG-LEAK)		125.24
SWR WRITE OFF		390.10
SWR PENALTIES TO ADJ		51.53

**705.37**

repaired broken line between meter and home

BILLED GALLONS/COST	10,360	129.12
BILLED GALLONS/COST	6,460	88.21
AVG GALLONS/BILL	4,000	62.40
LEAK GALLONS/PURCH COST	6,360	12.72
LEAK GALLONS/PURCH COST	2,460	4.92
<b>PAY (avg+leak cost)</b>		75.12
<b>WRITE OFF (billed-avg-purch cost)</b>		74.89
LATE PENALTIES TO ADJ		12.91
SEWER	10,360	156.81
SEWER	6,460	99.05
AVG SEWER/BILL	4,000	62.62
LEAK SWR ADJ	6,360	94.19
LEAK SWR ADJ	2,460	36.43
SWR PAY (AVG-LEAK)		125.24
SWR WRITE OFF		130.62
SWR PENALTIES TO ADJ		15.68

**234.10**

repaired leaking toilet

BILLED GALLONS/COST	13,230	159.22
BILLED GALLONS/COST	8,590	110.55
AVG GALLONS/BILL	4,000	62.40
LEAK GALLONS/PURCH COST	9,230	18.46
LEAK GALLONS/PURCH COST	4,590	9.18

<b>PAY (avg+leak cost)</b>		152.44
<b>WRITE OFF (billed-avg-purch cost)</b>		117.33
LATE PENALTIES TO ADJ		0.00

117.33

adj per Chairman; do not hold against customer

BILLED GALLONS/COST	23,370	265.59
BILLED GALLONS/COST	18,460	214.09
AVG GALLONS/BILL	3,000	51.91
LEAK GALLONS/PURCH COST	20,370	40.74
LEAK GALLONS/PURCH COST	15,460	30.92
<b>PAY (avg+leak cost)</b>		175.48
<b>WRITE OFF (billed-avg-purch cost)</b>		304.20
LATE PENALTIES TO ADJ		26.56

330.76

had plumber repair broken line

BILLED GALLONS/COST	102,670	1097.45
AVG GALLONS/BILL	10,000	125.34
LEAK GALLONS/PURCH COST	92,670	185.34
<b>PAY (avg+leak cost)</b>		310.68
<b>WRITE OFF (billed-avg-purch cost)</b>		786.77
LATE PENALTIES TO ADJ		0.00

786.77

repaired broken line under blacktop driveway

BILLED GALLONS/COST	10,010	125.44
AVG GALLONS/BILL	5,000	72.89
LEAK GALLONS/PURCH COST	5,010	10.02
<b>PAY (avg+leak cost)</b>		82.91
<b>WRITE OFF (billed-avg-purch cost)</b>		42.53
LATE PENALTIES TO ADJ		5.99
SEWER	10,010	151.63
AVG SEWER/BILL	5,000	77.43
LEAK SWR ADJ	5,010	74.20
SWR PAY (AVG-LEAK)		77.43
SWR WRITE OFF		74.20
SWR PENALTIES TO ADJ		7.24

116.73

no fault to customer; due to estimation

BILLED GALLONS/COST	9,000	114.85
AVG GALLONS/BILL	2,000	41.42
LEAK GALLONS/PURCH COST	7,000	14.00
<b>PAY (avg+leak cost)</b>		55.42
<b>WRITE OFF (billed-avg-purch cost)</b>		73.43
LATE PENALTIES TO ADJ		0.00

73.43

replaced broken line under church

BILLED GALLONS/COST	70,590	760.93
BILLED GALLONS/COST	8,140	105.83



AVG GALLONS/BILL	4,000	62.40
LEAK GALLONS/PURCH COST	66,590	133.18
LEAK GALLONS/PURCH COST	4,140	8.28
<b>PAY (avg+leak cost)</b>		266.26
<b>WRITE OFF (billed-avg-purch cost)</b>		600.50
LATE PENALTIES TO ADJ		76.09

676.59

no fault to customer; due to estimation

BILLED GALLONS/COST	14,370	171.18
AVG GALLONS/BILL	4,000	62.40
LEAK GALLONS/PURCH COST	10,370	20.74
<b>PAY (avg+leak cost)</b>		83.14
<b>WRITE OFF (billed-avg-purch cost)</b>		125.90
LATE PENALTIES TO ADJ		17.12

143.02

repaired broken line under the floor

BILLED GALLONS/COST	28,850	323.08
AVG GALLONS/BILL	4,000	62.40
LEAK GALLONS/PURCH COST	24,850	49.70
<b>PAY (avg+leak cost)</b>		112.10
<b>WRITE OFF (billed-avg-purch cost)</b>		210.98
LATE PENALTIES TO ADJ		0.00

210.98

replaced valve

BILLED GALLONS/COST	44,090	482.94
AVG GALLONS/BILL	3,000	51.91
LEAK GALLONS/PURCH COST	41,090	82.18
<b>PAY (avg+leak cost)</b>		134.09
<b>WRITE OFF (billed-avg-purch cost)</b>		348.85
LATE PENALTIES TO ADJ		0.00

348.85

repaired leak at meter

BILLED GALLONS/COST	15,640	184.50
BILLED GALLONS/COST	10,590	131.53
AVG GALLONS/BILL	7,000	93.87
LEAK GALLONS/PURCH COST	8,640	17.28
LEAK GALLONS/PURCH COST	3,590	7.18
<b>PAY (avg+leak cost)</b>		212.2
<b>WRITE OFF (billed-avg-purch cost)</b>		103.83
LATE PENALTIES TO ADJ		20.63

124.46

repaired leak in toilet

BILLED GALLONS/COST	9,410	119.15
AVG GALLONS/BILL	6,000	83.38
LEAK GALLONS/PURCH COST	3,410	6.82
<b>PAY (avg+leak cost)</b>		90.20
<b>WRITE OFF (billed-avg-purch cost)</b>		28.95

LATE PENALTIES TO ADJ		0.00
-----------------------	--	------

**28.95**



MEETING AGENDA  
PROGRESS MTG #54  
**MARTIN COUNTY WATER DISTRICT**  
**MARTIN COUNTY, KENTUCKY**  
**April 9, 2024**

**LOCATION:** Via Teams  
**TIME:** 3:30 PM  
**Present:** Announcement of Those Present

**SUMMARY OF PROJECT FUNDING:**

<u>Source</u>	<u>Amount</u>	<u>Associated Project(s)</u>
AMLER (2017)	\$3,450,000	A,B,C
COE 531 Partnership (25% Match)	\$1,869,718	B,C
ARC Grant	\$1,200,000	D
AMLER (2018)	\$2,000,000	E
FEMA/STATE	\$1,201,000	K
COE 531 Partnership	<u>\$1,500,000</u>	B
<b>TOTAL GRANT</b>	<b>\$11,220,718</b>	

**A. RWI&WTP IMPROVEMENTS**

1. The WTP and RWI sites were surveyed.
2. Basins were documented for condition assessment.
3. The Preliminary Engineering Report for the project was completed and distributed.
4. The Phase I Environmental Site Assessment required by the Corps of Engineers was completed and submitted.
5. Vendor proposals for replacement equipment were requested and reviewed.
6. Plans and specifications were developed.
7. Project mapping for NEPA purposes was submitted to AML on February 6, 2020.
8. Project description and Opinion of Probable Construction Costs were submitted to AML on February 17, 2020.
9. Project was submitted for DOW review on March 13, 2020. DOW Construction Permit issued on June 3, 2020.
10. Project was submitted for a COE 4345 Permit Application review on March 20, 2020. Permit was issued on June 8, 2020.
11. The AML Authorization to Proceed was granted on July 31, 2020.
12. The Project was submitted to DOW for a Permit to Construct Along or Across a Stream on April 14, 2020. The DOW requested a public notice be run in the

Mountain Citizen newspaper. The notice ran on June 24<sup>th</sup>, July 1<sup>st</sup> and July 8<sup>th</sup>. The period for public comments or objections related to the project ran through July 29<sup>th</sup>. The permit was issued on August 13, 2020.

13. Project was submitted to Corps of Engineers for Plan and Specification Review March 20, 2020. Corps provided review comments on April 28, 2020. Final plans and specifications including all electrical and structural components of the project were forwarded to the Corps of Engineers for final review during the week of July 13<sup>th</sup>. The Corps of Engineers completed its review of the final plans / specifications including the opinion of probable cost and certified the package.
14. The Corps of Engineers advertised the Draft Environmental Assessment (DEA) and Finding of No Significant Impact (FONSI) for the project on August 4, 2020 for the 30-day public comment period. KY SHPO requested further consultation. The FONSI was issued October 29, 2020.
15. Project was sent out for bidding on November 11, 2020.
16. A pre-bid meeting for interested contractors was held @ 1:00 p.m. on December 1, 2020.
17. Bids for the project were originally received on December 15, 2020 at 1:00 p.m. Only one bid was received (submitted by Pace Contracting). The project bid was in excess of the available funds.
18. The project was rebid.
19. Bids for the project rebid were opened on April 13<sup>th</sup> at 1:00 p.m. at the office of the Big Sandy Area Development District. There were four plan holders for the rebid. Only one bid was received (submitted by Pace Contracting).
20. The bid submitted by Pace was \$3,858,387.00.
21. The base bid of \$3,858,387.00 submitted compares to a base bid of \$3,396,220.00 submitted by Pace in December 2020. The difference was \$462,167.00 between the bids.
22. The combined base bids for the RWI/WTP Project and Water Line Replacement in the Beauty/Lovely Project exceeded the funds available for construction activities. Given the grave condition of the Raw Water Intake and Water Treatment Plant, the MCWD took the following actions:
  - A. Deferred the construction of the Water Line Replacement in the Beauty / Lovely area until a later date and use the funds budgeted for this project for construction of the RWI/WTP Project.
  - B. Continued submitting funding requests in an effort to obtain funding to construct the Water Line Replacement Project in the Beauty / Lovely area as soon as possible.

C. Awarded the Raw Water Intake / Water Treatment Plant Project to Pace Contracting based on the base bid received with the deletions outlined in Table 1.

TABLE 1

DESCRIPTION	PRIORITY TO ADD BACK	AMOUNT
Base Bid submitted by Pace Contracting, Inc.	N/A	\$3,858,387.00
Delete – Backup Generator	1	\$ (175,000.00)
Delete – Roof Replacement over Garage	2	\$ (31,818.00)
Delete – 60’ & 20’ Sections of 10-Inch Pipe	3	\$ (11,143.00)
Delete – Cash Allowance for Second Trailer	4	\$ (20,000.00)
Delete – Temporary Piping	N/A	\$ (10,000.00)
Change – Augur Cast Piles to Micro Piles	N/A	\$ (17,000.00)
Change – Buried Conduit from Rigid to PVC	N/A	\$ (20,000.00)
Reduce – Pace Markup	N/A	\$ (50,000.00)
Reduce – Various Unit Price Items	N/A	\$ (50,000.00)
<b>TOTAL AWARD AMOUNT</b>		<b>\$ 3,473,426.00</b>

23. A letter awarding the project to Pace under the conditions outlined in Table 1 and subject to concurrence of all the state and federal agencies was sent to Pace on July 9, 2021.
24. Authorization to Proceed was received from AML on September 1, 2021. The USACE had previously granted approval.
25. Executed contract books and bonds were received from Pace on September 8, 2021.
26. A preconstruction meeting was held on September 22, 2021 at the offices of the Big Sandy Area Development District.
27. Contract books were signed and dated by the Big Sandy Area Development District at the preconstruction meeting.
28. A Notice to Proceed (NTP) was issued at the preconstruction meeting. The contract required the contractor be given ten days from the issuance of the NTP before the contract time started.
29. The Contract time began on October 4, 2021.
30. Generator start-up and training have been performed.
31. Programming of Treatment Unit 1 has been performed.  
Since our meeting last month-----
32. Pace, Alliance and Bell are continuing to meeting weekly in an effort to get the project wrapped up as soon as possible.
33. Unit 1 continues to run and produce water. Water produced by this unit continues to be tested on a routine basis to ensure proper water quality is being achieved.

34. Unit 3 remains shut down as construction activity is now concentrated on this unit. All water is being produced by Units 1 and 2.
35. Painter is onsite and applying final brush blast/paint to Basin 3. Bell Engineering reviewed the final sandblasting prior to the start of painting.
36. Painting was delayed last week due to rain. The Contractor did work over the weekend to take advantage of the weather.
37. Alliance is reaching out to schedule replacement of the bearing in Unit 3.
38. After bearing is replaced and painting is complete, Pace will install Unit 3 Tube Settler Supports and Tube Settler Modules (should take one week to complete).
39. The executed change order for the new raw water trailer was received on February 29<sup>th</sup>. Shop drawings have been reviewed and returned to the Contractor. It is anticipated the trailer fabrication will be complete mid-May.

**B. WARFIELD AREA LINE IMPROVEMENTS**

1. Bell was able to locate several sets of As-Built Drawings of the water distribution system. Bell scanned copies of all plan sets and returned to MCWD with digital copies of plan sets for MCWD future use.
2. Bell and MCWD personnel have been in the field multiple times locating existing lines, surveying existing meters, valves and fire hydrants and determining routing of new water lines.
3. Location of features affecting alignment of the waterline have been completed.
4. The Phase I Environmental Site Assessment required by the Corps of Engineers was completed and submitted.
5. Plans and specifications have been developed.
6. Project mapping for NEPA purposes was submitted to AML on February 10, 2020.
7. Project description and Opinion of Probable Construction Costs were submitted to AML on February 17, 2020.
8. Project was submitted for DOW review on March 13, 2020. DOW Construction Permit was issued on April 27, 2020.
9. Project submitted to Corps of Engineers Plan and Specification Review March 20, 2020. Corps provided review comments on April 28, 2020. Bell responded to comments and resubmitted plans/specifications on May 7, 2020. The Corps of Engineers completed its review of the final plans / specifications including the opinion of probable cost and certified the package.
10. Project was submitted to KYTC on April 6, 2020 for review. KYTC Encroachment Permit was issued on May 13, 2020.
11. Submitted to DOW for Permit to Construct Along or Across a Stream April 14, 2020. The permit was issued on June 17, 2020.
12. The AML Authorization to Proceed was granted on July 31, 2020.

13. The Corps of Engineers advertised the Draft Environmental Assessment (DEA) and Finding of No Significant Impact (FONSI) for the project on August 4, 2020 for the 30-day public comment period. KY SHPO requested further consultation. The FONSI was issued October 29, 2020.
14. Project was sent out for bidding on November 11, 2020.
15. A pre-bid meeting for interested contractors was held @ 11:00 a.m. on December 1, 2020.
16. Bids for the project were originally received on December 15, 2020 at 11:00 a.m. Five bids were received.
17. The project was rebid.
18. Bids for the project rebid were opened on March 30 2021 at 11:00 a.m. at the office of the Big Sandy Area Development District. There were six plan holders for the rebid. Three bids were received (BP Pipeline, Buchannan Contracting, and Conkurs, LLC).
19. The low bid was submitted by Conhurst with a base bid of \$910,810.00 and a total bid with alternate of \$1,744,066.00.
20. \$1.5M in additional project funding through the Corps of Engineers is available for the project. Changes have been made to the plans in order to better align the proposed scope with available funds. The revised plans have been reviewed with representatives of Alliance.
21. Locations of new valves in the Warfield area, a tie-in of the line along Firehouse Lane to Route 282, and valving in the Groundhog Lane area on both the sideline/ mainline have been added.
22. Permission to bid the project has been received from the Corps of Engineers.
23. The project was advertised for bidding through both the local paper (December) and Lynn Imaging (November and December). A total of eight (8) Contractors picked up project plans.
24. Bids were opened on December 20, 2023. The low bid was determined by the base bid (Collins Creek). The base bid submitted by Boca Enterprises was in the amount of \$1,383,573.86 while the base bid submitted by B.P. Pipeline was \$1,567,638.00.
25. The total project budget exceeded available funds and a portion of the waterline at the beginning of the project (mouth of Collins Creek) is being deleted to bring the project into budget.
26. The bid analysis and recommendation for award has been forwarded to the District.
27. Contract books have been prepared for signature.
28. A pre-construction conference will be scheduled as soon as the project is formally awarded by the District. Construction will then begin.

**C. WATER SYSTEM HYDRAULIC MODELING**

1. Document is required by PSC
2. Bell has completed field review of RWI, WTP, Storage Tanks, Pumping Stations and PRV's.

3. Bell & UK met in Martin County on June 21, 2019 to coordinate collection of field data the week of July 8, 2019. This effort was for calibration of the Hydraulic Model.
4. UK professors and 3 students traveled to Martin County on July 8, 2019 to begin effort of collecting field data (pressures and flows) at key points throughout the water distribution system. Bell had a team of four individuals that were to join the UK team on July 10, 2019; however, MCWD had some major line breaks on July 9, 2019 and were unable to recover water supply during the week to allow flowing water from hydrants.
5. The effort to collect flow data was rescheduled for August 6 and 7, 2019, however, on August 5, 2019 MCWD has a failure of a PRV which would not allow the flowing of the hydrants.
6. The collection of the field data was rescheduled and occurred on August 14 and 15, 2019.
7. Field data has been reviewed. UK returned to the field in an effort to repeat two tests for the Hazen Williams coefficient that appeared suspect.
8. Money is in place to pay for the Hydraulic Model through AML 2017 Grant. OSM refused to allow for payment of the CIP through the 2018 Grant. The funds associated with that have been realigned toward additional waterline replacement.
9. UK delivered testing forms to Bell.
10. PRVs, tanks, lines, etc. have been input into the model.
11. Alliance Resources provided usage data and address information for each customer to effectively distribute demand throughout the system.
12. Model was calibrated using field collected data.
13. Bell has been working with UK to coordinate modeling efforts.
14. A Zoom meeting was held between the Kentucky Division of Water, University of Kentucky and Bell on July 1, 2020 to discuss the modeling. A second Zoom meeting was held on July 7, 2020 between UK and Bell to further discuss items that are needed.
15. Data has been shared between UK and Bell.
16. A trip to obtain additional field data was made in mid-July 2020.
17. The hydraulic model is operational and has been checked against previously recorded field observations. The results being output by the model are consistent with the observations obtained in the field.
18. Bell and UK are sharing model information.
19. It was discussed that the proposed Capital Improvement Plan had been deleted from the project due to OSM declining to allow funds to be used for this purpose. See Item 8 above.

**D. ARC WATERLINE REPLACEMENT/TELEMETRY PROJECT**

1. Bell received the signed contract on August 2, 2019.



2. Bell and MCWD personnel have been in the field multiple times locating existing lines, surveying existing meters, valves and fire hydrants and determining routing of new water lines.
3. Location of all features affecting alignment of the waterline has been completed including gas lines.
4. Plans and specifications have been developed.
5. Project was submitted for DOW review on March 27, 2020. DOW Construction Permit issued April 27, 2020.
6. Project was submitted to KYTC on April 6, 2020 for review. KYTC Encroachment Permit was issued April 24, 2020.
7. Bids for the project were opened on May 29, 2020. Three bids were received for the project. The low bid in the amount of \$390,725.00 was submitted by Boca Enterprises, Inc.
8. A conversation was held with DLG representative on June 8, 2020 concerning using the remaining funds to continue laying additional mainline & service lines, along with, installing new meters in the Lovely area. ARC approved allowing the funds to be used to replace additional mainline, service line and water meters.
9. Issues were resolved with the Contractor concerning contract time associated with the additional construction activities.
10. The Contract has been executed and the Contractor has submitted the required performance and payment bonds.
11. A preconstruction meeting was held on September 9, 2020 at the offices of Alliance Water Resources.
12. Project construction was completed.
13. Record Drawings have been forwarded to the MCWD. Bell received the final signed Contractor pay request, the release of liens and claims and consent of surety. This information was forwarded on to the District and Big Sandy Area Development District for execution and processing.
14. The original project is closed.
15. There is \$85,832 in unspent funds from this project. The district is adding telemetry to the KY 292 Pumping Station and KY 292 South Tank with these funds. This will allow the district to monitor tank levels and water usage remotely and respond in a timely manner to breaks in the line.
16. Bids were received for the telemetry on October 26<sup>th</sup>. The single bid received was submitted by Microcomm in the amount of \$47,246.00. Microcomm equipment is currently what the District utilizes and it was a contract requirement that the equipment supplied maintain continuity of the telemetry system.
17. Project was awarded to Microcomm.
18. The Contract for the project was executed by the District and Microcomm.
19. Microcomm is currently working on the telemetry.

**E. OTTO BROWN PUMP STATION AND LINE REPLACEMENT PROJECT**

1. Project budget was revised and sent to AML on September 19, 2019.
2. The Memorandum of Agreement between AML and BSADD was signed by BSADD on September 25<sup>th</sup>. The MOA was signed by AML on October 1, 2019.
3. A contract for engineering services has been executed by the Big Sandy Area Development District.
4. Bell and MCWD personnel went to the field to review potential tank and pump station sites.
5. The Preliminary Engineering Report for the project is complete and has been distributed.
6. Plans have been prepared for the 250,000-gallon water storage tank.
7. Bell, Alliance and MCWD coordinated with the mineral lease holder and the surface owner concerning location of the proposed tank and pump station. BSADD, Bell and Alliance representatives met with the property owner on January 30, 2020.
8. On March 3<sup>rd</sup>, the property owner advised most of the property is permitted with only a phase one bond release.
9. Bell and Alliance met on-site with the property owner on May 5, 2020 and permission to move forward was granted.
10. The site was surveyed on May 27, 2020 and topographic mapping was developed.
11. At the request of the MCWD, work on this project was previously paused.
12. A request was submitted to AML asking that the project scope be revised. Components that would remain in the project include:
  - Upgrade of the existing Davella Pumping Station
  - Construction of a Master Meter
  - Construction of a Booster Chlorination SystemProposed revised scope components:
  - Relocate the proposed Pump Station so that it replaces the existing Otto Brown Station. This station is beyond its useful life and subject to confined space constraints.
  - Replace existing waterline in the vicinity of the Otto Brown Station that is subject to leaks.
  - Provide Modifications to the Middle Fork Tank rather than construct a new tank.
13. The request was approved by OSM.
14. Replacement water lines have been designed and reviewed with Alliance. The New Otto Brown Station has been designed and reviewed with Alliance. It will be built near the existing station. New station will be above ground concrete block structure in order to eliminate confined space issues. Final

revisions are being made. A final review will be held with Alliance after the new general manager is in place and the project will be submitted to DOW.

**F. WATER LINE RELOCATION HUNTER'S LANE**

1. Met on-site with Bizzack Construction, Alliance Water Resources and representatives of other utilities.
2. A scope of work for the project has been developed.
3. Project is on hold.

**G. KY 908 GUARDRAIL PROJECT**

1. Met on-site with KYTC multiple times.
2. KYTC has advised additional funds have been requested to perform this work. They will release the project for design when those funds are approved.

**H. SESTER BRANCH UTILITY RELOCATION**

1. Plans and specifications are 100% complete. Engineering contract has been approved by KYTC and forwarded to MCWD for signature. Project to be bid as soon as KYTC has all agreements in place. KYTC is still working on the agreements. Bidding should occur this spring.

**I. REPLACE BRIDGE ON KY 40 OVER BUCK CREEK**

1. Met with KYTC to review proposed work. Both Engineering and construction related costs will be paid by KYTC.
2. Received roadway plans from KYTC in January, 2024. Currently completing roadway alignment review and existing waterline conflicts.

**J. HIGH SCHOOL PUMP STATION CHECK VALVE**

1. Project to move forward when funded. An updated project cost has been provided to Alliance.

**K. FEMA BACKUP GENERATOR PROJECT**

1. FEMA funded a project that includes the following:
  - One Generator to operate 750-HP VFD Controlled RWI Pump
  - Two Generators to operate 60-HP VFD Controlled Pumping Stations
2. The district received a letter in April from FEMA advising of award in the amount of \$1,140,300.
3. Project design is ongoing tracking toward completion when interim project funding is secured.

**L. KY 292 UTILITY RELOCATION**

1. Representatives of KYTC, Alliance and Bell Engineering met onsite to discuss the project.
2. Bell has been onsite to survey the property.
3. Bell prepared relocation plans and reviewed with Alliance.
4. An Opinion of Construction Cost, relocation plans and proposed engineering contract were all sent to KYTC.
5. KYTC sent Notice to Proceed with final design on February 2<sup>nd</sup>.
6. Project will be bid in the spring.

**M. SPICY MOUNTAIN WATER EXTENSION**

1. An opinion of probable project cost for delivery of water from the Johnsn County side of the Mountain has been prepared.

**N. TURKEY TANK REHABILITATION**

1. Bell has finalized and forwarded an opinion of probable cost to rehabilitate the Turkey Tank. An opinion of probable project cost has been prepared, entered into the KIA portal and forwarded to AML for funding consideration.

**O. INEZ UTILITY REPLACEMENT**

1. Met to discuss options for replacing the utilities in Inez. Since the streets will be torn up to replace these utilities, we are attempting to incorporate some economic development components as the streets are built back. These could include wayfinding signs, trails, parks, pavilions and streetscape improvements. Bell has finalized a contract for preliminary work that will and forwarded it to the Martin County Water District for consideration. The district has forwarded it to the City of Inez and Martin County Fiscal Court for consideration. Bell has prepared two different scopes for the project with associated opinions of probable project cost. ADD intends to prepare an AMLER grant application.

**P. 40E WATER IMPROVEMENT PROJECT**

1. Project would remove existing water connections from a waterline that is leaking and move them to a 10" parallel line. The leaking line would then be removed from service. An opinion of probable project cost has been prepared, entered into the KIA portal and forwarded to AML for funding consideration. An updated project cost was prepared at the request of AML.

**Q. COLDWATER WATER IMPROVEMENT PROJECT**

1. Project would replace the existing waterline, service line and meters in the Coldwater area. An opinion of probable project cost has been prepared, entered into the KIA portal and forwarded to AML for funding consideration.

**R. OLD ROUTE 3 WATER IMPROVEMENT PROJECT**

1. Project would replace the existing waterline, service line and meters in the Old Route 3 area of the county. An opinion of probable project cost has been prepared, entered into the KIA portal and forwarded to AML for funding consideration.

**S. WATER IMPROVEMENT PROJECT BETWEEN WTP AND TURKEY TANK**

1. Project would replace the existing waterline, service line and meters between the WTP and the Turkey Tank. An opinion of probable project cost has been prepared, entered into the KIA portal and forwarded to AML for funding consideration.

**T. COUNTYWIDE METER REPLACEMENT PROJECT**

1. Project would replace all meters (residential and commercial) in the Martin County Water District system. An opinion of probable project cost has been prepared, entered into the KIA portal and forwarded to AML for funding consideration. An updated project cost was prepared at the request of AML.

**U. PREPARED OPINION OF PROBABLE PROJECT COSTS FOR THE FOLLOWING PROJECTS**

- Inez Water Line and Valve Replacement. An updated project cost was prepared at the request of the Martin County Water District.
- Distribution Building and Pipe Yard
- 292 Booster Station and Water Line Replacement
- Big Elk Water Line Replacement and Booster Station Rehabilitation
- Buffalo Horn Water Line Replacement and Booster Pump Station Rehabilitation
- 645 Water Line Replacement and Booster Station Rehabilitation
- Wolf Creek/Pigeon Roost Water Line Replacement
- Meathouse Water Line Replacement and Booster Station Rehabilitation
- Hode Water Line Replacement
- Cassell Branch Water Line Replacement and Booster Pump Station Rehabilitation
- Creek Crossing Replacement Project
- Valve Insertion Project
- Big Lick Water Line Replacement and Booster Station Rehabilitation
- Peter Cave Water Line Replacement and Booster Pump Station Rehabilitation
- Kermit Water Line Connection

MARTIN COUNTY WATER DISTRICT 5 YEAR CAPITAL ITEMS

CAPITAL PROJECTS IN GRANT PROCESS	Pnum	PRIORITY	GRANT PORTAL YEAR	CONSTRUCTION YEAR	COST	FUNDING SOURCE	COMMENTS
RT 40E - WATER IMPROVEMENT PROJECT	WX21159019	1	2023		\$ 975,000	IN GRANT PORTAL	MOVING 50+ CUSTOMERS TO NEWER 10" LINE AND ELIMINATING OLD 6" LINE THAT IS BELIEVED TO BE LEAKING
TURKEY WATER LINE REPLACEMENT	WX21159026	2	2023		\$ 6,822,000	IN GRANT PORTAL	REPLACING LINE FROM THE WATER PLANT TO THE TURKEY TANK. THIS LINE HAS HAD MULTIPLE LEAKS OVER THE YEARS AND IS A CRITICAL POINT FOR A LARGE SERVICE AREA IN THE SYSTEM
COLDWATER LINE REPLACEMENT	WX21159023	2	2023		\$ 8,419,000	IN GRANT PORTAL	UP TO 4 WATER LINES IN THE SAME AREA WITH MANY WEAK POINTS
WATER PLANT CLARIFIER III REHAB		1	2020	2023	\$ 250,000	AML	THIS PROJECT WILL BE COMPLETED AS PART OF A LARGER PROJECT CURRENTLY UNDERWAY. RAKE DRIVE BEARING IS OUT.
TURKEY STORAGE TANK REHAB	WX21159025	1	2023		\$ 681,000	IN GRANT PORTAL	TANK IS ONE OF THE OLDEST AND IN THE WORST CONDITION IN OUR SYSTEM
Project 113-19-03 Replace Existing Mainline, Water Meters, Service Line, Valves & Hydrants in the Warfield Area	WX21159006	3	2019		\$ 1,260,658	AML	EXISTING PROJECT BIDDING SOON
Projects 113-19-05 & 113-19-06 Rehabilitation of Otto Brown Booster Station, Line replacement to Middlefork Tank, Upgrade of Davella Booster Station		1	2019 Scope changed 2022		\$ 750,000		REPLACING FAILING UNDERGROUND BOOSTER STATION IN THE SYSTEM TO ASSIST IN PROVIDING WATER TO THE AIRPORT, PRISON AND DAVELLA REGION.
FEMA BACKUP GENERATOR PROJECT	WX21159015	1	2022		\$ 1,320,000	FEMA	WILL BE GENERATOR AT 40E AND 40W BOOSTER STATIONS AND THE RAW WATER INTAKE
METER REPLACEMENT PROJECT	WX21159013	1	2023		\$ 2,000,000	IN GRANT PORTAL	REDUCE WATER LOSS EFFICIENCY IN OPERATIONS AND ELIMINATION OF HUMAN ERROR IN METER READING
HIGH SCHOOL PUMP STATION CHECK VALVE		1	2022		\$ 81,000.00		ENABLE THE DISTRICT TO USE THE HIGH SCHOOL TANK TO PROVIDE WATER TO OTHER AREAS OF THE SYSTEM BESIDES THE HIGHSCHOOL. THIS PROJECT WILL REQUIRE A PIT INSTALLED IN THE GROUND ALONG WITH THE CHECK VALVE.
OLD ROUTE 3 - WATER IMPROVEMENT PROJECT	WX21159024	1	2023		\$ 5,066,000.00	IN GRANT PORTAL - UNFUNDED	THIS PROJECT WILL REPLACE TRANSMISSION LINE, SERVICE LINE AND METERS ALONG OLD ROUTE 3. A LINE THAT TYPICALLY SEES A LOT OF LINE LEAKS. IT WILL INSTALL VALVES EVERY 500' FOR FUTURE LEAK DETECTION.
MARTIN COUNTY WATER DISTRICT - LEAD SERVICE LINE INVENTORY	WX21159018	3	2023		\$ 299,250.00	IN GRANT PORTAL - UNFUNDED	This project is for the Utility to conduct a Lead Service Line Inventory as required under 40 CFR 141.84. This project consists of a system wide Lead Service Line (LSL) Inventory. This shall include a comprehensive inventory of each service connection within the system to determine the service line material on both sides of the meter.
WATER SYSTEM CONTROLS AND RAW WATER MODIFICATIONS PHASE III	WX21159018	3	2022		\$ 2,563,852.00	IN GRANT PORTAL - UNFUNDED	1) Replacement of Treatment Unit No. 2's Sludge Collector Drive, 2) An additional 20-Foot Section of the 10-inch DR 11 HDPE 4710 Pipe and an additional 20-Foot Section of 12" DR8 HDPE Pipe, 3) Paving of the Access Road at the Raw Water Intake Site, 4) Replacement of Carbon Steel Tube Settler Supports with 304/304L Stainless Steel Supports, 5) 60-Foot and 20-Foot Sections of 10-inch DR11 HDPE 4710 Flanged Pipe, 6) A second Pump Trailer, 7) Various Unit Price Items, 8) The project will replace existing main lines, service lines, and hydrants in an area that has been a perpetual source of leaks and breaks for the MCWD. The project will replace approximately 14,500 LF of the mainline, associated service line, and appurtenances.

TOTAL | \$ 30,487,760

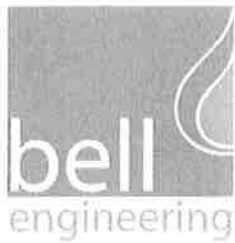
MARTIN COUNTY WATER DISTRICT CAPITAL ITEMS				
PROJECTS NOT IN GRANT PROCESS	PRIORITY	YEAR	COST	COMMENTS
INEZ WATER LINE AND VALVE REPLACEMENT	1		\$ 5,318,000.00	OLDEST SECTION OF THE SYSTEM CONSISTING OF AC LINE AND OLD SERVICES. 90% WATER LOSS
DISTRIBUTION BUILDING AND PIPE YARD	3		\$ 897,000.00	CURRENT STAFF USE THE WATER PLANT PARKING LOT FOR STORAGE OF VEHICLES AND PARTS. THE CURRENT EQUIPMENT AND VEHICLES ARE LEFT IN THE ELEMENTS WHICH CAUSE DAMAGE OVER TIME
292 BOOSTER STATION AND WATER LINE REPLACEMENT	1		\$ 9,293,000.00	BOOSTER STATION IS UNDERGROUND AND SUBJECT TO FLOODING. ONLY 1 PUMP IS OPERATIONAL. A MASTER METER NEEDS INSTALLED AT THE PUMP STATION FOR LEAK DETECTION.
BIG ELK WATER LINE REPLACEMENT AND BOOSTER STATION REHABILITATION	2		\$ 2,433,000.00	BOOSTER STATION IS UNDERGROUND AND SUBJECT TO FLOODING. ONLY 1 PUMP IS OPERATIONAL. A MASTER METER NEEDS INSTALLED AT THE PUMP STATION FOR LEAK DETECTION.
BUFFALO HORN WATER LINE REPLACEMENT AND BOOSTER STATION REHABILITATION	2		\$ 2,186,000.00	BOOSTER STATION IS UNDERGROUND AND SUBJECT TO FLOODING. ONLY 1 PUMP IS OPERATIONAL AND THE CHECK VALVES HAVE FAILED. THIS AREA CURRENTLY HAS 65% WATER LOSS AND A MASTER METER NEEDS INSTALLED AT THE PUMP STATION FOR LEAK DETECTION.
645 WATER LINE REPLACEMENT AND BOOSTER STATION REHABILITATION	3		\$ 1,255,000.00	BOOSTER STATION IS UNDERGROUND AND SUBJECT TO FLOODING. THIS STATION NEEDS EQUIPPED WITH A MASTER METER FOR LEAK DETECTION IN THIS AREA.
WOLF CREEK/PIGEON ROOST WATER LINE REPLACEMENT	2		\$ 1,315,000.00	THE WATER LINE IN THIS AREA IS SUBJECT TO MULTIPLE BREAKS EACH YEAR AND CURRENTLY HAS 80% WATER LOSS. NEW LINE IN THIS AREA WITH VALVES WILL REDUCE WATER LOSS AND AID IN LEAK DETECTION IN OTHER LARGE PORTIONS OF THE SYSTEM.
MEATHOUSE WATER LINE REPLACEMENT AND BOOSTER STATION REHABILITATION	3		\$ 7,652,000.00	THIS WATER LINE IS THE FARTHEST AWAY FROM THE SYSTEM AND AN AREA THAT HAS SHOWN POTENTIAL FOR DBP ISSUES. THE BOOSTER STATION ONLY HAS ONE OPERATIONAL PUMP THAT MUST BE MANUALLY OPERATED CAUSING OPERATIONAL ISSUES. THIS STATION IS SUBJECT TO MULTIPLE POWER OUTAGES AND HAS NOT BACKUP POWER.
HODE WATER LINE REPLACEMENT	2		\$ 5,226,000.00	THIS AREA HAS BEEN SUBJECT TO MULTIPLE LEAKS. IT CURRENTLY

CASSELL BRANCH WATER LINE REPLACEMENT AND BOOSTER STATION REHABILITATION	3		\$ 1,574,000.00	EXISTING BOOSTER STATION ONLY HAS 1 FUNCTIONAL PUMP. NO TELEMETRY TO PLANT AND NO BACK UP POWER. SEVERAL HYDRAULIC ISSUES WITH THE WATER LINES THAT HAVE LED TO LOW PRESSURE FOR CUSTOMERS AND MANY LEAKS.
CREEK CROSSING REPLACEMENT	2		\$ 1,000,000.00	STATISTICALLY CREEK CROSSINGS CAN BE A MAJOR AREA FOR WATER LOSS THAT IS DIFFICULT TO FIND. NEW CREEK CROSSINGS IN STRATEGIC AREAS WOULD HELP REDUCE WATER LOSS AND INCREASE THE LONGEVITY OF THE SYSTEM.
VALVE INSERTION	2		\$ 750,000.00	MANY VALVES IN THE SYSTEM ARE INOPERABLE AND IN NEED OF REPLACEMENT. ADDITIONALLY, VALVES ARE NEEDED FOR CONTINUED LEAK DETECTION
WATER PLANT HIGH SERVICE PUMP REPLACEMENT	1		\$ 850,000.00	BOTH PUMPS HAVE BEEN IN SERVICE FOR A LONG TIME AND ARE IN MUCH NEED OF REPLACEMENT
PASSENGER TRUCK 4X4	1	2024	\$ 60,000.00	CURRENT VEHICLES ARE INOPERABLE
1 ton 4x4 tool truck with Hoist, Generator, and Compressor	1	2023	\$ 120,000.00	CURRENT TRUCK IS OWNED BY SANITATION DISTRICT
ROAD BORE MACHINE	1		\$ 15,000.00	WOULD ALLOW THE DISTRICT TO DO ITS OWN TAPS AND BORES FOR WATER LINE INSTEAD OF CONTRACTING IT OUT.
ONLINE TURBIDIMETERS AND CONTROLLER	2		\$ 22,626.00	CURRENT TURBIDIMETERS ARE OBSOLETE
BIG LICK WATER LINE REPLACEMENT AND BOOSTER STATION REHAB	3		\$ 1,877,000.00	EXISTING BOOSTER STATION ONLY HAS 1 FUNCTIONAL PUMP. NO TELEMETRY TO PLANT AND NO BACK UP POWER. SEVERAL HYDRAULIC ISSUES WITH THE WATER LINES THAT HAVE LED TO LOW PRESSURE FOR CUSTOMERS AND MANY LEAKS.
PETER CAVE WATER LINE REPLACEMENT AND BOOSTER STATION REHAB	3		\$ 1,457,000.00	EXISTING BOOSTER STATION IS STRUCTURALLY UNSOUND AND ONLY HAS 1 FUNCTIONAL PUMP. NO TELEMETRY TO PLANT AND NO BACK UP POWER. SEVERAL HYDRAULIC ISSUES WITH THE WATER LINES THAT HAVE LED TO LOW PRESSURE FOR CUSTOMERS.
KERMIT WATER LINE CONNECTION				
TOTAL			\$ 43,300,626.00	



MARTIN COUNTY WATER DISTRICT ANNUAL CAPITAL ITEMS			
RECURRING PROJECTS	YEAR	COST	COMMENTS
10% METER REPLACEMENT	ANNUALLY	\$ 80,000.00	AS REQUIRED BY PSC
TANK INSPECTIONS/CLEANING	ANNUALLY	\$ 7,000.00	1 TANK PER YEAR SHOULD HAVE THEM INSPECTED EVERY 10 YEARS
VEHICLE REPLACEMENT	ANNUALLY	\$50,000.00	ROUTINE FLEET MAINTENANCE AND CHANGE OUT NOT EQUIPMENT EXPENSE

TOTAL	\$ 137,000.00
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March 18, 2024

Mr. Jimmy Kerr, Chairman  
Martin County Water District  
387 E. Main Street  
Suite 140  
Inez, Kentucky 41224

Subject: **Review of Bids**  
**Water Line Replacement in the Beauty Lovely Area-Rebid**  
**Inez, Martin County, Kentucky**

Dear Mr. Kerr,

We are pleased to submit our recommendation for award of the subject contract. After the bid opening on December 20, 2023 Bell Engineering reviewed, mathematically checked and tabulated all bids received. A copy of the Bid Tabulation is enclosed for your review and acceptance as desired.

**Bid Opening**

The low base bid submitted by Boca Enterprises, Inc. was in the amount of \$1,383,573.86. The bid results are tabulated in the table below:

**SUMMARY OF BID RESULTS**

<b>BIDDER RANK</b>	<b>BIDDER NAME</b>	<b>BID AMOUNT</b>
1	Boca Enterprises, Inc.	\$1,383,573.86
2	B.P. Pipeline, LLC	\$1,567,638.00

**Information Concerning the Low Bidder**

A search of information filed with the Kentucky Secretary of State indicated the low bidder, Boca Enterprises, Inc. has been in business since 1998. The listed address of business for the company is 7435 KY Route 321, Hagar Hill, Kentucky 41222.

The Contractor has performed past work for the Martin County Water District including most recently construction of the Water Line Replacement Project in the Lovely Area. The work performed on this project was acceptable in nature.

Mr. Jimmy Kerr  
March 18, 2024  
Page 2 of 2

**Funds Available for Construction**

It is our understanding based on information from the Big Sandy Area Development District that there is \$1,500,000 available for the project. In addition to construction, this must cover all ancillary project costs. In order to accomplish this, Bell would suggest the proposed construction between STA 0+00 and STA 19+85 of the project be deleted and a 6" sleeve be added to the project at STA 19+85. The awarded construction amount under after these modifications would be \$1,127,438.56. A revised project budget is as follows:

**REVISED PROJECT BUDGET**

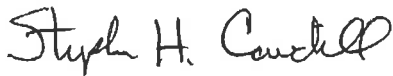
<b>ITEM</b>	<b>COST</b>
Construction	\$1,127,438.56
Corps of Engineers Administration Fee	\$75,000.00
WTP Change Order 12	\$66,293.08
Project Bidding	\$8,961.11
Construction Administration	\$16,938.81
RPR	\$56,739.00
Contingency	\$148,629.44
<b>TOTAL</b>	<b>\$1,500,000.00</b>

**Closure**

Given the information available, it is our professional opinion the Contractor is capable of performing the work at the unit prices bid. Should the District wish to award the project to BOCA, we recommend it be awarded with a construction amount of \$1,127,438.56. Any award should be contingent on funding agency concurrence.

Should you have any questions about this or any other matter, please do not hesitate to call. We may be reached at 859-278-5412.

Sincerely,  
BELL ENGINEERING



Stephen H. Caudill, P.E.  
Vice President

Enclosure

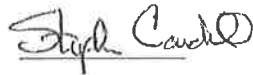
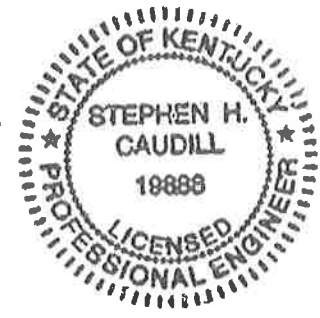
cc: Joe Jacobs, BSADD  
Craig Miller, Alliance Water Resources

CONTRACT 113-19-03  
REBID DECEMBER 2023

WATER LINE REPLACEMENT  
IN THE BEAUTY LOVELY AREA-  
REBID DECEMBER 2023  
MARTIN COUNTY WATER DISTRICT  
INEZ, KENTUCKY  
BIG SANDY AREA DEVELOPMENT DISTRICT  
PRESTONSBURG, KENTUCKY

We certify that the following is a true and complete tabulation of all bids received by the Big Sandy Area Development District, Prestonsburg, Kentucky, on December 20, 2023, for the titled project.

BELL ENGINEERING

ITEM NO.	ITEM	QUANTITY	UNIT	Boca Enterprises Inc. 7436 KY Route 321 Hager Hill, Kentucky 41222		B.P. Pipeline LLC 269 Pebbles Lane Quincy, Kentucky 41166	
				UNIT PRICE	TOTAL	UNIT PRICE	TOTAL
Method of Determining the Low Bidder: The low bidder shall be determined based on the total of the base bid of Divisions "B," "C," and "D." Bidders shall bid all Divisions ("A-Alternate 1," "A-Alternate 2," "B," "C," and "D") as set forth in the Form of Proposal to be responsive.							
<b>DIVISION A--ALTERNATE NO. 1, CITY OF WARFIELD AREA</b>							
1.	8-Inch Class C900 PVC Pipe, Furnishing, Trenching, Bedding, Laying and Backfilling, Detectable Tape, Unclassified Excavation, Complete	3,967	L.F.	\$94.60	\$375,278.20	\$94.00	\$372,898.00
2.	8-Inch Class 350 Ductile Iron Pipe, w/Petroleum Resistant Gaskets, Furnishing, Trenching, Bedding, Laying and Backfilling, Detectable Tape, Unclassified Excavation, Complete	525	L.F.	\$131.00	\$68,775.00	\$130.00	\$68,250.00
3.	3-Inch Class 350 Ductile Iron Pipe, w/Petroleum Resistant Gaskets, Furnishing, Trenching, Bedding, Laying and Backfilling, Detectable Tape, Unclassified Excavation, Complete	450	L.F.	\$151.18	\$68,031.00	\$100.00	\$45,000.00
4.	3-Inch SDR 13.5 PVC Pipe, Furnishing, Trenching, Bedding, Laying and Backfilling, Detectable Tape, Unclassified Excavation, Complete	490	L.F.	\$66.30	\$32,487.00	\$28.00	\$13,720.00
5.	8-Inch Mechanical Joint Resilient Seated Gate Valve and Box, Including Concrete Collar, Complete	15	Each	\$2,836.83	\$42,552.45	\$1,900.00	\$28,500.00
6.	6-Inch Mechanical Joint Resilient Seated Gate Valve and Box, Including Concrete Collar, Complete	1	Each	\$2,016.72	\$2,016.72	\$2,200.00 *	\$2,200.00
7.	3-Inch Mechanical Joint Resilient Seated Gate Valve and Box, Including Concrete Collar, Complete	1	Each	\$1,550.43	\$1,550.43	\$1,800.00	\$1,800.00
8.	5/8-Inch x 3/4-Inch Meter Setting, Including PRV, Meter, Meter Box, Cover, Corporation Stop, Saddle, Tap, and Touch Read Assembly, Furnish and Install, Complete	58	Each	\$2,725.35	\$158,070.30	\$2,500.00	\$145,000.00
9.	1-Inch or 2-Inch Meter Setting, Including PRV, Meter, Meter Box, Cover, Corporation Stop, Saddle, Tap, and Touch Read Assembly, Furnish and Install, Complete	1	Each	\$3,964.90	\$3,964.90	\$9,000.00	\$9,000.00
10.	3/4-Inch Polyethylene Service Pipe, Furnishing, Trenching, Bedding, Laying and Backfilling, or by Jacking, Copper Tracer Wire, Unclassified Excavation, Complete	2,910	L.F.	\$33.91	\$98,678.10	\$16.00	\$46,560.00
11.	3/4-Inch Copper Service Pipe, Furnishing, Trenching, Bedding, Laying and Backfilling, or by Jacking, Copper Tracer Wire, Unclassified Excavation, Complete	600	L.F.	\$40.88	\$24,528.00	\$23.00	\$13,800.00
12.	1-Inch Copper Service Pipe, Furnishing, Trenching, Bedding, Laying and Backfilling, or by Jacking, Copper Tracer Wire, Unclassified Excavation, Complete	150	L.F.	\$43.37	\$6,505.50	\$26.00	\$3,900.00
13.	1-Inch Corporation Stop, Furnish and Install, Complete	2	Each	\$509.95	\$1,019.90	\$600.00	\$1,200.00
14.	5/8 and 3/4 Inch Meter Reconnection, Connect New Meter Assembly to Existing Customer's Service Line, Including Service Line, Couplings, Bedding, Laying and Backfilling, Complete	58	Each	\$1,688.90	\$97,956.20	\$2,200.00	\$127,600.00
15.	1-Inch and 2-Inch Meter Reconnection, Connect New Meter Assembly to Existing Customer's Service Line, Including Service Line, Couplings, Bedding, Laying and Backfilling, Complete	1	Each	\$1,696.72	\$1,696.72	\$2,500.00	\$2,500.00

				Boca Enterprises Inc. 7436 KY Route 321 Hager Hill, Kentucky 41222		B.P. Pjpellne LLC 269 Pebbles Lane Quincy, Kentucky 41166	
ITEM NO.	ITEM	QUANTITY	UNIT	UNIT PRICE	TOTAL	UNIT PRICE	TOTAL
16.	16-Inch x 0.375-Inch Steel Cover Pipe, Including, 8-Inch Carrier Pipe, Casing Spacers and End Seals, Furnish and Install, Complete	40	L.F.	\$142.96	\$5,718.40	\$200.00	\$8,000.00
17.	Boring or Jacking for 16-Inch Steel Cover Pipe, Unclassified Excavation	40	L.F.	\$200.00	\$8,000.00	\$250.00	\$10,000.00
18.	Flushing Hydrant Assembly, Furnish and Install, Complete	8	Each	\$8,662.78	\$69,302.24	\$6,500.00	\$52,000.00
19.	3 or 4 Inch Blow-off Assembly, Furnish and Install, Complete	2	Each	\$5,770.58	\$11,541.16	\$3,500.00	\$7,000.00
20.	Fiberglass Line Marker, Furnish and Install, Complete	3	Each	\$144.00	\$432.00	\$100.00	\$300.00
21.	Crushed Rock on Trench Surface, In Place (----- L.F. x 225/2000 =----- Tons)	600	Ton	\$38.50	\$23,100.00	\$45.00	\$27,000.00
22.	2-Inch Thickness Bituminous Surface Replacement, Trench Width, On Streets, Drives and Roads, Complete	2,171	L.F.	\$13.75	\$29,851.25	\$55.00	\$119,405.00
23.	2-Inch Thickness Bituminous Surface Replacement, Full Width, Complete Per Detail, (Firehouse Lane)	960	L.F.	\$33.00	\$31,680.00	\$75.00	\$72,000.00
24.	2-Inch Thickness Bituminous Surface Replacement, Full Width, Complete Per Detail, (Harris Street)	465	L.F.	\$33.00	\$15,345.00	\$75.00	\$34,875.00
25.	2-Inch Thickness Bituminous Surface Replacement, Full Width, Complete Per Detail, (Floyd Street)	450	L.F.	\$33.00	\$14,850.00	\$75.00	\$33,750.00
26.	Concrete Surface Replacement, Match Existing Thickness Trench Width, On Streets, Parking Lots and Driveways, Complete	45	L.F.	\$110.00	\$4,950.00	\$65.00	\$2,925.00
27.	Concrete Sidewalk Replacement, Match Existing Thickness Including Formwork, Reinforcing, Finishing, Complete	110	S.Y.	\$110.00	\$12,100.00	\$200.00	\$22,000.00
28.	Concrete Steps Replacement, Match Existing Including Formwork, Reinforcing, Finishing, Complete	10	C.Y.	\$385.00	\$3,850.00	\$300.00	\$3,000.00
29.	Tie Into Existing 6-Inch Polyethylene Water Main, Complete	3	Each	\$3,134.15	\$9,402.45	\$3,000.00	\$9,000.00
30.	Cut and Tie Into Existing 8-Inch PVC, Complete	2	Each	\$3,947.92	\$7,895.84	\$5,000.00	\$10,000.00
31.	Cut/Cap Existing Water and Remove Section of Existing Line	1	Each	\$3,014.60	\$3,014.60	\$4,000.00	\$4,000.00
32.	Install D.I. MJ Plug Into Valve, Complete	2	Each	\$2,950.06	\$5,900.12	\$1,000.00	\$2,000.00
33.	Remove Existing Fire Hydrant, Including Crushed Stone Backfill, Surface Restoration Blacktop, Concrete or Grass, Complete	6	Each	\$2,750.00	\$16,500.00	\$1,000.00	\$6,000.00
34.	Extra for Crushed Rock for Trench Stabilization, Only on Order of the Engineer	50	Ton	\$38.50	\$1,925.00	\$45.00	\$2,250.00
35.	Furnish and Install Automatic Air Release Valve Assembly per Detail and Specifications, Unclassified Excavation, Complete, Only on the Order of the Engineer	1	Each	\$2,099.59	\$2,099.59	\$2,600.00	\$2,600.00
36.	Furnish and Install 6-Inch, 10-Inch, and 12-Inch SDR 41 PVC Encasement Pipe, Including Wrap-Around Boot End Seals and Stainless Steel Clamps, Complete	180	L.F.	\$259.40	\$46,692.00	\$60.00	\$10,800.00
SUBTOTAL DIVISION A--ALTERNATE NO. 1					* \$1,307,260.07		* \$1,320,833.00
DIVISION A--ALTERNATE NO. 2, CITY OF WARFIELD AREA							
1.	6-Inch Class C900 PVC Pipe, Furnishing, Trenching, Bedding, Laying and Backfilling, Detectable Tape, Unclassified Excavation, Complete	453	L.F.	\$82.58	\$37,408.74	\$60.00	\$27,180.00
2.	Cut and Tie Into Existing 6-Inch PVC, Complete	2	Each	\$4,216.72	\$8,433.44	\$3,800.00	\$7,600.00
3.	6-Inch Mechanical Joint Resilient Seated Gate Valve and Box, Including Concrete Collar, Complete	2	Each	\$2,016.72	\$4,033.44	\$2,500.00	\$5,000.00

				Boca Enterprises Inc. 7436 KY Route 321 Hager Hill, Kentucky 41222		B.P. Pipeline LLC 269 Pebbles Lane Quincy, Kentucky 41166	
ITEM NO.	ITEM	QUANTITY	UNIT	UNIT PRICE	TOTAL	UNIT PRICE	TOTAL
4.	Remove Inoperable 8-Inch Gate Valve and Furnish and Install New 8-Inch Mechanical Joint Resilient Seated Gate Valve and Box, Including Concrete Collar, Complete	1	Each	\$6,486.20	\$6,486.20	\$3,800.00	\$3,800.00
5.	Cut Into Existing 8-Inch PVC Water Line, Furnish and Install New 8-Inch Mechanical Joint Resilient Seated Gate Valve and Box, Including Concrete Collar, Complete	1	Each	\$3,947.92	\$3,947.92	\$4,000.00	\$4,000.00
6.	Cut Into Existing 3-Inch PVC Water Line, Furnish and Install New 3-Inch Mechanical Joint Resilient Seated Gate Valve and Box, Including Concrete Collar, Complete	1	Each	\$3,860.43	\$3,860.43	\$2,500.00	\$2,500.00
7.	12-Inch x 0.375-Inch Steel Cover Pipe, Including, 8-Inch Carrier Pipe, Casing Spacers and End Seals, Furnish and Install, Complete	30	L.F.	\$142.96	\$4,288.80	\$200.00	\$6,000.00
8.	Boring or Jacking for 12-Inch Steel Cover Pipe, Unclassified Excavation	30	L.F.	\$200.00	\$6,000.00	\$250.00	\$7,500.00
9.	Crushed Rock on Trench Surface, In Place (----- L.F. x 225/2000 =----- Tons)	65	Ton	\$38.50	\$2,502.50	\$45.00	\$2,925.00
10.	2-Inch Thickness Bituminous Surface Replacement, Trench Width, Complete Per Detail, (Firehouse Lane)	450	L.F.	\$13.75	\$6,187.50	\$45.00	\$20,250.00
11.	8-Inch x 6-Inch Tap, Furnish and Install Tapping Valve, Sleeve, Box and Concrete Collar, Complete (Collins Creek Road Connection)	1	Each	\$12,000.00	\$12,000.00	\$4,000.00	\$4,000.00
SUBTOTAL DIVISION A--ALTERNATE NO. 2					* \$95,148.97		\$90,755.00
DIVISION B--BASE BID, COLLINS CREEK ROAD FROM KY 292 TO THE INTERSECTION OF TOM EVANS LANE							
1.	6-Inch C900 PVC Pipe, Furnishing, Trenching, Bedding, Laying and Backfilling, Detectable Tape, Unclassified Excavation, Complete	2,416	L.F.	\$66.08	\$159,649.28	\$85.00	\$205,360.00
2.	3-Inch Mechanical Joint Resilient Seated Gate Valve and Box, Including Concrete Collar, Complete	1	Each	\$1,330.43	\$1,330.43	\$1,800.00	\$1,800.00
3.	5/8-Inch x 3/4-Inch Meter Setting, Including PRV, Meter, Meter Box, Cover, Corporation Stop, Saddle, Tap, and Touch Read Assembly, Furnish and Install, Complete	18	Each	\$2,213.75	\$39,847.50	\$2,500.00	\$45,000.00
4.	3/4-Inch Polyethylene Service Pipe, Furnishing, Trenching, Bedding, Laying and Backfilling, or by Jacking, Copper Tracer Wire, Unclassified Excavation, Complete	1,270	L.F.	\$22.90	\$29,083.00	\$16.00	\$20,320.00
5.	5/8 and 3/4 Inch Meter Reconnection, Connect New Meter Assembly to Existing Customer's Service Line, Including Service Line, Couplings, Bedding, Laying and Backfilling, Complete	18	Each	\$918.90	\$16,540.20	\$2,200.00	\$39,600.00
6.	1-Inch Polyethylene Service Pipe, Furnishing, Trenching, Bedding, Laying and Backfilling, or by Jacking, Copper Tracer Wire, Unclassified Excavation, Complete	300	L.F.	\$22.64	\$6,792.00	\$20.00	\$6,000.00
7.	1-Inch Corporation Stop, Furnish and Install, Complete	1	Each	\$399.95	\$399.95	\$350.00	\$350.00
8.	Flushing Hydrant Assembly, Furnish and Install, Complete	1	Each	\$8,112.78	\$8,112.78	\$6,500.00	\$6,500.00
9.	Fiberglass Line Marker, Furnish and Install, Complete	3	Each	\$144.00	\$432.00	\$100.00	\$300.00
10.	Crushed Rock on Trench Surface, In Place (----- L.F. x 225/2000 =----- Tons)	400	Ton	\$38.50	\$15,400.00	\$45.00	\$18,000.00
11.	2-Inch Thickness Bituminous Surface Replacement, Full Width, Complete Per Detail, (Collins Creek Road)	2,416	L.F.	\$33.00	\$79,728.00	\$50.00	\$120,800.00
12.	Tie Into 6-Inch Gate Valve, Complete	1	Each	\$2,750.00	\$2,750.00	\$2,000.00	\$2,000.00
13.	Install D.I. MJ Plug Into Valve, Complete	1	Each	\$1,850.06	\$1,850.06	\$1,000.00	\$1,000.00
14.	Remove Existing Fire Hydrant, Including Crushed Stone Backfill, Surface Restoration Blacktop, Concrete or Grass, Complete	1	Each	\$1,100.00	\$1,100.00	\$1,000.00	\$1,000.00

					Boca Enterprises Inc. 7436 KY Route 321 Hager Hill, Kentucky 41222		B.P. Pipeline LLC 269 Pebbles Lane Quincy, Kentucky 41166	
ITEM NO.	ITEM	QUANTITY	UNIT	UNIT PRICE	TOTAL	UNIT PRICE	TOTAL	
15.	Extra for Crushed Rock for Trench Stabilization, Only on Order of the Engineer	50	Ton	\$38.50	\$1,925.00	\$45.00	\$2,250.00	
16.	Furnish and Install 6-Inch, 10-Inch, and 12-Inch SDR 41 PVC Encasement Pipe, Including Wrap-Around Boot End Seals and Stainless Steel Clamps, Complete	220	L.F.	\$127.39	\$28,025.80	\$60.00	\$13,200.00	
SUBTOTAL DIVISION B--BASE BID					* \$392,966.00		\$483,480.00	
DIVISION C--BASE BID, TOM EVANS LANE								
1.	3-Inch SDR 13.5 PVC Pipe, Furnishing, Trenching, Bedding, Laying and Backfilling, Detectable Tape, Unclassified Excavation, Complete	1,733	L.F.	\$54.80	\$94,968.40	\$51.00	\$88,383.00	
2.	5/8-Inch x 3/4-Inch Meter Setting, Including PRV, Meter, Meter Box, Cover, Corporation Stop, Saddle, Tap, and Touch Read Assembly, Furnish and Install, Complete	5	Each	\$2,213.70	\$11,068.50	\$2,500.00	\$12,500.00	
3.	3/4-Inch Polyethylene Service Pipe, Furnishing, Trenching, Bedding, Laying and Backfilling, or by Jacking, Copper Tracer Wire, Unclassified Excavation, Complete	560	L.F.	\$22.90	\$12,824.00	\$16.00	\$8,960.00	
4.	5/8 and 3/4 Inch Meter Reconnection, Connect New Meter Assembly to Existing Customer's Service Line, Including Service Line, Couplings, Bedding, Laying and Backfilling, Complete	5	Each	\$918.90	\$4,594.50	\$2,200.00	\$11,000.00	
5.	Fiberglass Line Marker, Furnish and Install, Complete	3	Each	\$144.00	\$432.00	\$100.00	\$300.00	
6.	Crushed Rock on Trench Surface, In Place (_____ L.F. x 225/2000 = _____ Tons)	195	Ton	\$38.50	\$7,507.50	\$45.00	\$8,775.00	
7.	2-Inch Thickness Bituminous Surface Replacement, Full Width, Complete Per Detail, (Collins Creek Road)	557	L.F.	\$38.50	\$21,444.50	\$50.00	\$27,850.00	
8.	Tie Into 3-Inch Gate Valve, Complete	1	Each	\$2,750.00	\$2,750.00	\$1,000.00	\$1,000.00	
9.	3 or 4 Inch Blow-off Assembly, Furnish and Install, Complete	1	Each	\$5,770.58	\$5,770.58	\$3,500.00	\$3,500.00	
10.	Extra for Crushed Rock for Trench Stabilization, Only on Order of the Engineer	20	Ton	\$38.50	\$770.00	\$45.00	\$900.00	
11.	Furnish and Install 6-Inch, 10-Inch, and 12-Inch SDR 41 PVC Encasement Pipe, Including Wrap-Around Boot End Seals and Stainless Steel Clamps, Complete	160	L.F.	\$123.39	\$19,742.40	\$60.00	\$9,600.00	
SUBTOTAL DIVISION C--BASE BID					* \$181,872.38		\$172,768.00	
DIVISION D--BASE BID, INTERSECTION OF TOM EVANS LANE TO END OF COLLINS CREEK								
1.	6-Inch C900 PVC Pipe, Furnishing, Trenching, Bedding, Laying and Backfilling, Detectable Tape, Unclassified Excavation, Complete	4,097	L.F.	\$74.88	\$306,783.36	\$85.00	\$348,245.00	
2.	3-Inch SDR 13.5 PVC Pipe, Furnishing, Trenching, Bedding, Laying and Backfilling, Detectable Tape, Unclassified Excavation, Complete	815	L.F.	\$63.60	\$51,834.00	\$51.00	\$41,565.00	
3.	6-Inch Mechanical Joint Resilient Seated Gate Valve and Box, Including Concrete Collar, Complete	2	Each	\$1,686.72	\$3,373.44	\$2,500.00	\$5,000.00	
4.	3-Inch Mechanical Joint Resilient Seated Gate Valve and Box, Including Concrete Collar, Complete	1	Each	\$1,330.43	\$1,330.43	\$1,800.00	\$1,800.00	
5.	5/8-Inch x 3/4-Inch Meter Setting, Including PRV, Meter, Meter Box, Cover, Corporation Stop, Saddle, Tap, and Touch Read Assembly, Furnish and Install, Complete	33	Each	\$2,213.75	\$73,053.75	\$2,500.00	\$82,500.00	
6.	3/4-Inch Polyethylene Service Pipe, Furnishing, Trenching, Bedding, Laying and Backfilling, or by Jacking, Copper Tracer Wire, Unclassified Excavation, Complete	1,980	L.F.	\$22.90	\$45,342.00	\$16.00	\$31,680.00	

				Boca Enterprises Inc. 7436 KY Route 321 Hager Hill, Kentucky 41222		B.P. Pipeline LLC 269 Pebbles Lane Quincy, Kentucky 41166	
ITEM NO.	ITEM	QUANTITY	UNIT	UNIT PRICE	TOTAL	UNIT PRICE	TOTAL
7.	1-Inch Polyethylene Service Pipe, Furnishing, Trenching, Bedding, Laying and Backfilling, or by Jacking, Copper Tracer Wire, Unclassified Excavation, Complete	450	L.F.	\$22.64	\$10,188.00	\$20.00	\$9,000.00
8.	5/8 and 3/4 Inch Meter Reconnection, Connect New Meter Assembly to Existing Customer's Service Line, Including Service Line, Couplings, Bedding, Laying and Backfilling, Complete	33	Each	\$918.90	\$30,323.70	\$2,200.00	\$72,600.00
9.	Flushing Hydrant Assembly, Furnish and Install, Complete	3	Each	\$8,112.78	\$24,338.34	\$6,500.00	\$19,500.00
10.	Fiberglass Line Marker, Furnish and Install, Complete	6	Each	\$144.00	\$864.00	\$100.00	\$600.00
11.	Crushed Rock on Trench Surface, In Place (----- L.F. x 225/2000 =----- Tons)	550	Ton	\$38.50	\$21,175.00	\$45.00	\$24,750.00
12.	2-Inch Thickness Bituminous Surface Replacement, Full Width, Complete Per Detail, (Collins Creek Road)	4,912	L.F.	\$38.50	\$189,112.00	\$50.00	\$245,600.00
13.	Tie Into 6" Gate Valve, Complete	1	Each	\$2,750.00	\$2,750.00	\$2,000.00	\$2,000.00
14.	1-Inch Corporation Stop, Furnish and Install, Complete	2	Each	\$289.95	\$579.90	\$350.00	\$700.00
15.	3 or 4 Inch Blow-off Assembly, Furnish and Install, Complete	2	Each	\$5,770.58	\$11,541.16	\$3,500.00	\$7,000.00
16.	Remove Existing Fire Hydrant, Including Crushed Stone Backfill, Surface Restoration Blacktop, Concrete or Grass, Complete	1	Each	\$1,100.00	\$1,100.00	\$1,000.00	\$1,000.00
17.	Extra for Crushed Rock for Trench Stabilization, Only on Order of the Engineer	50	Ton	\$38.50	\$1,925.00	\$45.00	\$2,250.00
18.	Furnish and Install 6-Inch, 10-Inch, and 12-Inch SDR 41 PVC Encasement Pipe, Including Wrap-Around Boot End Seals and Stainless Steel Clamps, Complete	260	L.F.	\$127.39	\$33,121.40	\$60.00	\$15,600.00
SUBTOTAL DIVISION D--BASE BID					\$808,735.48	\$911,390.00	
<b>SUMMARY</b>							
DIVISION B--BASE BID, COLLINS CREEK ROAD FROM KY 292 TO THE INTERSECTION OF TOM EVANS LANE				*	\$392,966.00	\$483,480.00	
DIVISION C--BASE BID, TOM EVANS LANE				*	\$181,872.38	\$172,768.00	
DIVISION D--BASE BID, INTERSECTION OF TOM EVANS LANE TO END OF COLLINS CREEK					\$808,735.48	\$911,390.00	
TOTAL BASE BID, CONTRACT 113-19-03				*	\$1,383,573.86	\$1,567,638.00	
DIVISION A--ALTERNATE NO. 1, CITY OF WARFIELD AREA				*	\$1,307,260.07	\$1,320,833.00	
DIVISION A--ALTERNATE NO. 2, CITY OF WARFIELD AREA				*	\$95,148.97	\$90,755.00	

\* Corrected math errors.