



BRIAN CUMBO

ATTORNEY AT LAW

86 W. Main St., Suite 100
P.O. Box 1844
Inez, KY 41224
(606) 298-0428
FAX: (606) 298-0316
cumbolaw@cumbolaw.com

ADMITTED IN KY AND WV

April 25, 2022

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

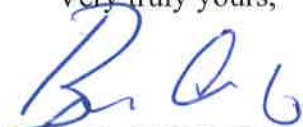
RE: Martin County Water District
PSC Case No. 2020-00154

To Whom It May Concern:

Enclosed please find Martin County Water District's Notice of Filing the information packet for the April 26, 2022 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 monthly Board meeting scheduled for April 26, 2022.


BRIAN CUMBO
COUNSEL FOR MARTIN COUNTY
WATER DISTRICT
P.O. BOX 1844
INEZ, KY 41224
TELEPHONE: (606) 298-0428
TELECOPIER: (606) 298-0316
EMAIL: cumbolaw@cumbolaw.com

CERTIFICATE OF SERVICE

This will certify that a true and correct copy of the foregoing was served via electronic filing on this the 25th day of April, 2022, 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 26, 2022 – 6:00 p.m.
Martin County Government Center (2nd Floor)

- 1) Call the meeting to order
- 2) Review and Consideration to Approve Minutes
- 3) Introduction of Guests
- 4) Review and Consideration of Financial Reports
 - A. Review and Consideration to Approve Treasurer's Report
 - B. Review and Consideration to Approve Other Financials
- 5) Review and Consideration to Approve Bills
- 6) Legal
 - A. Any Issues for Discussion with Board Attorney
- 7) Operations
 - A. Alliance Operations Report
 - B. Water Loss Report
- 8) Capital Projects Report
 - A. Project Updates
- 9) Other Old Business
 - A. Update 2021 Audit
- 10) Other New Business
 - A. Identity Theft Protection Program (Red Flag Rule)
 - B. Discussion about Order of Past Due Vendor Payments
 - C. Review and Consideration to Approve Security Deposit Policy
 - D. Review and Consideration to Approve Microcomm Extended Service Warranty Proposal
- 11) Consider Motion to Convene into Closed Executive Session
- 12) Consider Motion to Close Executive Session
- 13) Other and Informational
- 14) 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 22, 2022, Meeting Minutes**

Presiding: James Kerr, Chairman
Present: Directors: Greg Crum, BJ Slone, Lee Mueller, John Hensley
Staff: Brian Cumbo (Attorney), Craig Miller (GM), Jon Ridings, (LM)
Guests: Tammy Lewis

The Regular Meeting of the Martin County Water District was held on March 22, 2022, at the Martin County Government Center, at 42 East Main St (2nd Floor), Inez, Kentucky 41224. Mr. Kerr called the meeting to order at 6:00 p.m.

Mr. Kerr called for review of the February 22, 2022, Regular Board Meeting minutes. Having no questions or further discussions, Mr. Slone motioned to accept the February 22, 2022, Regular Board Meeting minutes. Mr. Hensley seconded. All ayes. Motion carried. Mr. Kerr called for review of the February 22, 2022, Special Board Meeting minutes. Having no questions or further discussions, Mr. Hensley motioned to accept the February 22, 2022, Special Board Meeting minutes. Mr. Slone seconded. All ayes. Motion carried.

Mr. Kerr inquired if there were any guest requesting to speak. Tammy Lewis questioned when they could expect the Spicy Mountain Kiosk machine to be fixed and back running. Staff advised that the Kiosk has been sent out to have a card reader installed. As soon as it is returned it will be installed and back operational as soon as possible. Ms. Lewis asked if the board had looked into grants or line extension. The Board stated that it was not feasible, it would cost around \$4 million to extend the line. Tammy asked if the board would be willing to assist with Johnson County Fiscal Court and/or Paintsville City Utilities to help them obtain water. Mr. Kerr stated that he would make himself available for whatever is needed. Mr. Miller stated that he would reach out to Paintsville City Utilities.

Mr. Kerr requested discussion on the review and consideration of the Financial Reports. Mr. Miller detailed each report as submitted. After further discussion, Mr. Slone motioned to approve the Treasurer's report submitted. Mr. Hensley seconded. All ayes. Motion carried. Other Financials were presented by Mr. Miller. After further discussion, Mr. Slone motioned to approve, Mr. Crum seconded. All ayes. Motion carried. Mr. Kerr requested discussion on the review and consideration to approve the 2021 Audit Draft. After further discussion, the board agreed to table the draft for a later review in two months. Staff has filed for an extension with the PSC for June 30th.

Mr. Kerr called for review and consideration to Approve Bills. After review and no further discussion, Mr. Hensley motioned to approve the list of bills as presented. Mr. Slone 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. Mr. Miller provided the Operations report. The Davella booster is up and running. Staff found the valve for Eden West, it's not ran from Marcus Wells, but fed by 645. Sonnie Gilkey completed his Sacramento water course and is now eligible to test for certification. Staff replaced numerous broken windows at the Inez Water Plant and will soon start working on repainting the tanks. This will be a major perception improvement for the plant. The clarifier should be completed by July. This will allow other clarifiers to be maintenance and cleaned out twice a year.

Mr. Miller presented an update of the water loss report.

Mr. Miller presented an update on the capital projects report. Mr. Miller met with Bell Engineering and prioritized line replacement projects. 40 E valve was shut off for hours and no one lost water. Staff believes the 10" on 40 E is not metered and the jumper needs to be removed. This is creating a big issue for the system.

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

Mr. Kerr inquired if there was any Other New Business to discuss. Staff presented the Board with the Collection Agency Service Agreement. After further review and discussion, Mr. Slone motioned to approve the Collection Agency Service Agreement. Mr. Hensley seconded. All ayes. Motion carried. Staff informed the Board that the Water and Sanitation have in their possession 10 vehicles that are either disabled or completely inoperable. The cost to repair these vehicles is much more than any of their value. It is the opinion of the staff that these vehicles should be removed from the inventory of the Districts and either sold for what little value they may hold or sent to a junk yard. Staff requests permission from the District Board of Directors to get rid of these vehicles. Additionally, staff requests what if any instructions the Board may have in how they are to be rid of and what to do with the money received from them. Mr. Miller stated that anything valued over eight hundred dollars goes to bid or junk yard if valued under eight hundred dollars. Mr. Cumbo will verify this amount. They must first be declared as surplus, then a motion to dispose of surplus property. After further review and discussion, Mr. Hensley motioned to declare the vehicles as surplus. Mr. Slone seconded. All ayes. Motion carried. Once it has been declared as surplus, then it can be a private sale or take to the junk yard. After further review and discussion, Mr. Hensley motioned to dispose of the surplus property. Mr. Crum seconded. All ayes. Motion carried.

Executive session not required.

Mr. Kerr inquired if there were any other questions before motioning to adjourn. Staff advised the Board of the \$41,000 awarded to Martin County, they had to cut the roof for the chemical room and generator at the plant. It will instead be used for a generator at raw water and the remaining be used to replace 215 zero read meters.

Having no further items for discussion, Mr. Kerr requested a motion to adjourn. Mr. Slone motioned to adjourn the meeting. Mr. Crum seconded. All ayes. Motion carried. Meeting adjourned at 7:04 p.m.

Minutes approved this _____ day of _____, 2022.

James Kerr, Chairman

Cassandra Moore, District Clerk

Martin County Water District
Balance Sheet
March 31, 2022

3/31/22

ASSETS

CURRENT ASSETS

Checking Account - Operations	\$	83,138.61
Revenue Fund - EFT		28,290.70
Cash on Hand		900.00
Total Cash		112,329.31
Accounts Receivable		410,669.81
Allowance for Doubtful Accounts		(43,054.09)
Unbilled Accounts Receivable		92,562.00
Inventory		5,557.34
Prepaid Expenses		9,398.81
Total Current Assets		587,463.18

PROPERTY, PLANT, & EQUIPMENT

Land	214,713.83
Water Supply & Distribution System	28,206,273.69
Buildings	500,263.89
Equipment & Furniture	6,382,256.38
Vehicles	138,773.45
Construction Work in Progress	138,144.97
Less: Accumulated Depreciation	(17,916,009.61)
Net Property, Plant, & Equipment	17,664,416.60

RESTRICTED CASH

Security Deposits	85,105.12
Grant Fund	63.07
Sinking Fund - RD	9,658.78
Regions Sinking Fund	38,042.92
KIA Sinking Fund	12,447.25
KACO Sinking Fund	504.25
Debt Service Surcharge Fund	1,916.63
Management Infrastructure Surcharge Fund	1,000.15
Depreciation Fund	1,022.06
Accrued Interest Receivable	3.00
Total Restricted Cash	149,763.23

OTHER ASSETS

Deferred Outflows of Resources Related to Pensions	134,959.00
Total Other Assets	134,959.00

Total Assets		\$ 18,536,602.01
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Martin County Water District
Balance Sheet
March 31, 2022

3/31/22

LIABILITIES AND DISTRICT'S EQUITY

CURRENT LIABILITIES

Accounts Payable	\$	1,366,382.31
Sales Tax Payable		1,826.01
School Tax Payable		7,315.62
Long Term Debt-Current		57,992.86
Accrued Interest Payable		11,819.84
Customer Deposits		85,015.53
<i>Total Current Liabilities</i>		1,530,352.17

LONG-TERM DEBT

Note Payable - KIA		327,241.43
Lease Payable - KACO		41,221.96
Bonds Payable - 2015 E Current Refunding		1,645,000.00
Bonds Premium - 2015 E, Net of A/Amort		17,173.23
Less Current Portion of L-Term Debt		(57,992.86)
Net Pension Liability		1,080,845.00
Other Inflow Resources - Pension		480,553.00
<i>Total Long-Term Debt</i>		3,534,041.76

Total Liabilities

5,064,393.93

DISTRICT'S EQUITY

Retained Earnings (Deficit)		13,485,066.22
YTD Net Income		(12,858.14)
<i>Total District's Equity</i>		13,472,208.08

Total Liabilities and District's Equity

\$ 18,536,602.01

Martin County Water District
Statements of Revenues and Expenses
Fiscal Year Jan 01 to Dec 31
For the Month(s) Ending
Actual vs Budget

<u>March, 2022</u>			<u>YTD</u>		<u>Annual</u>
<u>Actual</u>	<u>Budget</u>		<u>Actual</u>	<u>Budget</u>	<u>Budget</u>
		Operating Revenues			
\$ 174,214	\$ 168,104	Water Sales - Residential	\$ 505,518	\$ 504,312	\$ 2,017,245
29,490	26,330	Water Sales - Commercial	86,251	78,990	315,955
9,854	9,104	Water Sales - Public Authorities	19,678	27,312	109,247
-	4	Bulk Water Sales	-	12	50
6,576	2,202	Connection Fees - Tap	8,576	6,606	26,418
5,492	4,740	Late Charge Fees	16,674	14,220	56,874
3,531	3,054	Reconnect/Meter Sets/Other Fees	11,807	9,162	36,644
8,762	8,918	Debt Service Surcharge	26,405	26,754	107,015
15,716	16,078	Management Infrastructure Surcharge	47,364	48,234	192,936
1,082	-	Miscellaneous Income	1,082	-	-
<u>254,718</u>	<u>238,534</u>	Total Operating Revenues	<u>723,353</u>	<u>715,602</u>	<u>2,862,384</u>
		Operating Expenses			
-	21	Materials & Supplies	-	63	249
20,469	833	Water Purchased	48,811	2,499	10,000
168,507	168,507	Management & Operations Contract	505,521	505,521	2,022,084
8,921	26,667	Utilities	48,619	80,001	320,000
2,904	2,423	Insurance	8,711	7,269	29,070
6,285	833	Repairs & Maintenance	6,285	2,499	10,000
55	270	Outside Services	168	810	3,243
900	1,349	Legal Expenses	2,563	4,047	16,182
-	-	Accounting/Audit	-	-	7,500
4,583	4,583	Bad Debts	13,750	13,749	54,999
-	-	Bond Trustee Fees	450	675	675
227	278	Dues	680	834	3,330
71	279	Office Expense	235	837	3,344
796	-	Rent Expense	2,388	-	-
-	-	Taxes	-	-	7,553
-	808	Regulatory Assess Fees	-	2,424	9,692
-	2	Permits	-	6	23
134	-	KY 811 Services	323	-	-
30	226	Miscellaneous Expenses	183	678	2,708
17	-	Customer Deposit Interest Expense	22	-	-
<u>213,900</u>	<u>207,079</u>	Total Operating Expenses	<u>638,709</u>	<u>621,912</u>	<u>2,500,652</u>
<u>40,818</u>	<u>31,455</u>	Net Income B/4 Other Income (Expenses)	<u>84,644</u>	<u>93,690</u>	<u>361,732</u>
		Other Income (Expenses)			
-	-	Capital Contributions	117,063	-	-
6	-	Interest Income	27	-	-
(6,590)	(6,705)	Interest Expense	(19,781)	(20,115)	(80,458)
63	63	Amortization	189	189	753
(65,000)	(65,000)	Depreciation	(195,000)	(195,000)	(780,000)
<u>(71,521)</u>	<u>(71,642)</u>	Total Other Income (Expenses)	<u>(97,502)</u>	<u>(214,926)</u>	<u>(859,705)</u>
<u>\$ (30,702)</u>	<u>\$ (40,187)</u>	Net Income (Loss)	<u>\$ (12,858)</u>	<u>\$ (121,236)</u>	<u>\$ (497,973)</u>

**Martin County Water District
Inez, KY**

Treasury Report

Billing Charges For the Month of:	Mar-22	
Water Revenue		\$ 174,214.25
Water Revenue-Commercial		29,489.50
Water Revenue-Commercial Exempt		9,854.39
Late Charges		5,492.18
Sales Taxes		1,769.95
Debt Service Surcharge		8,762.42
School Tax		6,403.21
Management Infrastructure Surcharge		15,716.28
Returned Check		787.55
Interest on Customer Deposits		(17.09)
Connection Fees		6,576.04
Other Miscellaneous Fees		3,511.09
Deposits Applied		(1,350.00)
Refund Checks Paid		29.22
Total Billing Charges		\$ 261,238.99
		<hr/>
Gallons Billed		12,399,000
		<hr/>
Customers Billed		3,384

Accounts Receivable	Mar-22	
Beginning Balance		336,834.74
Billing Charges		261,238.99
Bad Debt (Write Offs) Recoveries		758.50
Accounts Receivable Collections		(235,718.78)
End of Month Accounts Receivable		363,113.45

Operations Account		
Beginning Balance		\$ 95,314.49
Deposits		
Accounts Receivable Collections		235,718.78
Accounts Receivable Collections - Pmts in EFT Revenue Account		(87,479.18)
Sewer Billing Collections in Water Bank Acct - Due to MCS		75,403.06
Customer Deposits Received		3,015.00
Miscellaneous Income (Barrels, Hydrant, Scrap)		1,102.00
Transfers from Other District Accts		187,142.10
Total Deposits		414,901.76
Disbursements:		
Checks Written		(274,903.57)
Pmts made to Sanitation for A/R Collections		(74,829.56)
Transfers to Other District Accts		(49,104.14)
Auto Drafted Utilities		(20,199.45)
Sales and School Tax Payments		(7,664.45)
Returned Checks		(346.47)
Bank Fees		(30.00)
End of Month Balance		\$ 83,138.61

Cash Receipts Collected To Date in:	Apr-22	227,862.27
Bills Submitted for Payment in:	Apr-22	(277,232.22)
Available Balance	4A-4	33,768.66

**Martin County Water District
Inez, KY
Treasury Report
Summary of Cash & Investments
March 31, 2022**

Bank Account	Beginning Balance	Deposits	Interest Earned, Net of Fees	Payments	Ending Balance
Operations Account	\$ 95,314.49	414,901.76	-	(427,077.64)	\$ 83,138.61
Revenue EFT Account	22,823.60	87,479.18	-	(82,012.08)	28,290.70
Cash on Hand	900.00	-	-	-	900.00
Total Unrestricted Cash	119,038.09	502,380.94	-	(509,089.72)	112,329.31
Restricted Cash					
Security Deposits	189,422.37	1,350.00	4.07	(105,671.32)	85,105.12
ARC Grant	63.07	-	-	-	63.07
Rockhouse Project	9,097.43	10,800.00	-	(10,238.65)	9,658.78
Regions Bank-KY 2015E Martin County	27,803.88	10,238.65	0.39	-	38,042.92
KIA Bond & Interest	12,323.00	5,800.00	0.17	(5,675.92)	12,447.25
KY Assoc of Counties Leasing Trust	11,620.18	4,200.00	0.13	(15,316.06)	504.25
Debt Service Surcharge	6,050.31	9,648.18	0.09	(13,781.95)	1,916.63
Management Infrastructure Surcharge	8,422.49	17,305.96	0.15	(24,728.45)	1,000.15
Depreciation Reserve	1,022.04	-	0.02	-	1,022.06
Total Restricted Cash	265,824.77	59,342.79	5.02	(175,412.35)	149,760.23
Total Cash & Investments	\$ 384,862.86	561,723.73	5.02	(684,502.07)	\$ 262,089.54

**Martin County Water District
Billing Summary**

Date	Billed		Gallons (000'S)	Billed # of Customers	Payments Received
	Revenue	YTD Total			
Mar-22	217,996	623,262	12,399	3,384	235,719
Feb-22	199,134	405,267	12,437	3,429	229,472
Jan-22	206,132	206,132	13,531	3,495	214,062
Dec-21	182,101	2,047,534	10,570	3,506	243,688
Nov-21	209,735	2,075,167	14,015	3,530	226,606
Oct-21	163,832	1,865,433	8,488	3,543	255,238
Sep-21	239,376	1,701,601	17,268	3,562	232,135
Aug-21	205,478	1,462,225	13,141	3,561	218,646
Jul-21	187,538	1,256,747	13,937	3,571	231,387
Jun-21	198,188	1,069,209	15,411	3,577	220,666
May-21	166,612	871,021	11,619	3,579	210,056
Apr-21	177,176	704,409	13,070	3,607	208,321
Mar-21	168,943	527,233	11,672	3,589	221,475

Martin County Water District

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

	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22
REVENUE													
Customer Count	3,589	3,607	3,579	3,577	3,571	3,561	3,562	3,543	3,530	3,506	3,495	3,429	3,384
Payments Received	\$221,475	\$208,321	\$210,056	\$220,666	\$231,387	\$218,646	\$232,135	\$255,238	\$226,606	\$243,733	\$214,062	\$229,472	\$235,719
EXPENSES													
Operations Account	\$216,707	\$230,318	\$222,369	\$239,191	\$239,068	\$231,079	\$256,851	\$244,621	\$254,388	\$259,322	\$237,297	\$228,365	\$249,432
Transfers for debt serv funding	\$17,800	\$17,800	\$17,800	\$17,800	\$17,800	\$17,800	\$17,800	\$17,800	\$17,800	\$17,800	\$17,800	\$17,800	\$17,800
Payment Plans	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
DSS EXP/ (FUNDING)	\$0	\$0	\$0	\$15,000	\$0	\$0	\$0	\$10,000	\$0	\$0	\$0	\$0	\$10,000
MIS EXP / (FUNDING)													
Sub total	\$234,507	\$248,118	\$240,169	\$271,991	\$256,868	\$248,879	\$274,651	\$272,421	\$272,188	\$277,122	\$255,097	\$246,165	\$277,232
NET INCOME													
Cash Basis	-\$13,032	-\$39,797	-\$30,113	-\$51,325	-\$25,481	-\$30,233	-\$42,516	-\$17,183	-\$45,582	-\$33,389	-\$41,035	-\$16,693	-\$41,513

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
- 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
- 6: MIS fund beginning balance January 2020-of \$12,244 applied to AWR fee in June
7. Balance of debt -payments to be funded with unused DSS= **\$938,888**
- 8: **Based on the requirements there will be deposits and subsequent withdrawals in DSS/MIS accounts with a likely sum of zero monthly**
- 9: \$15,000 payment made to Xylem from the DSS account not reported in the June 2021 column until the September 2021 financials.
- 10: \$10,000 payment made to Xylem from the Operations account not reported in the October 2021 column until the December 2021 financials.
- 11: \$10,000 payment made to Xylem from the Operations account in March 2022.

Martin County Water District Outstanding Vendor Debt



Vendor Balance

Period: 03/01/22..03/31/22

Martin County Water District

Amounts in \$

Only includes vendors with entries in the period

Group Totals: Vendor Posting Group

No.	Name	Ending Balance 03/31/22
DOMESTIC		
V00006	BRIAN CUMBO	-31,934.10
V00010	ALLIANCE WATER RESOURCES, INC.	-345,675.07
V00012	XYLEM	-58,739.10
V00013	ALL PUMPS SALES & SERVICES	-8,411.90
V00014	CI THORNBURG	-36,345.26
V00015	CI THORNBURG-VFD#2	-12,071.32
V00016	EVANS HARDWARE	-30,362.72
V00017	EVANS HARDWARE #2	-18,820.64
V00018	LINDA SUMPTER, CPA	-151,942.35
V00020	SERVICE PUMPS & SUPPLY	-21,282.99
V00021	SOLES ELECTRIC COMPANY	-13,300.00
V00022	UNITED RENTALS	-56,722.94
V00023	ZIP ZONE EXPRESS	-256,726.95
Total in \$		-1,042,335.34

Martin County Water District, Inez KY
List of Bills for Consideration
26-Apr-22

<u>Vendor</u>	<u>Description</u>	<u>Amount</u>
Operations Account		
1 AEP	Electric (26 bills) Estimated	\$ 17,953.37
2 Big Sandy RECC	Electric (9 bills) Estimated	\$ 2,645.07
3 Paintsville Utilities	Electric for token (02/02/22 to 03/03/22) Estimated	\$ 24.10
4 Martin County Public Library	Rent (May)	\$ 796.12
5 Martin County Water District	Sanitation (Mar)	\$ 141.67
6 Sales tax	3/2022 (estimated)	\$ 1,690.42
7 School tax	3/2022 (estimated)	\$ 5,974.03
8 Alliance Water Resources	4/1/22-4/15/22 O&M services	\$ 82,222.75
9 Alliance Water Resources	4/15/22-4/31/22 O&M services	\$ 82,222.75
10 Alliance Water Resources	4/22 Suddenlink Reimbursement (estimated)	\$ 91.35
11 Alliance Water Resources	4/22 Suddenlink Reimbursement (estimated)	\$ 36.03
12 Management Inf. Surcharge	Estimated (actual collected will be paid)	\$ 14,461.63
13 Debt Service Surcharge	Estimated (actual collected will be paid)	\$ 8,060.67
14 Walker Communications	Phone maintenance (Apr)	\$ 89.00
15 Brian Cumbo	Legal Fees	\$ 900.00
16 Prestonsburg City's Utilities	Purchased Water	\$ 8,545.70
17 M Dotson Contracting	Bore Little Lick Rd	\$ 8,545.00
18 M Dotson Contracting	Bore Little Blacklog Rd	\$ 6,237.00
19 KY Underground Protection	811 Services (March)	\$ 133.50
20 All Pumps Sales & Service	Otto Brown Pump and Motor	\$ 12,374.00
21 All Pumps Sales & Service	Otto Brown Pump and Motor Reinstalled	\$ 6,285.00
22 Mountain Water District	Purchased Water	\$ 3.06
TOTAL		\$ 259,432.22
Operations Account - Debt Service Funding		Transfer Amounts
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
TOTAL		\$ 17,800.00
TOTAL OPERATIONS		\$ 277,232.22

**Martin County Water District, Inez KY
List of Bills for Consideration
26-Apr-22**

<u>Vendor</u>	<u>Description</u>	<u>Amount</u>
PAST DUE ACCOUNTS		3/31/2022
	<u>(Based on cash availability)</u>	
1 CI Thornburg VFD # 2	VFD	\$ 12,071.32
2 Xylem	Pump rental	\$ 16,242.50
3 Service Pump & Supply	Pump service	\$ 16,935.04
4 Cumbo Law Office	Legal service	\$ 5,197.26
5 Evans Hardware #2	Parts & supplies	\$ 18,820.64
6 United Rentals	Pump Rental	\$ 56,722.94
7 Linda Sumpter CPA	Accounting Fees	\$ 4,942.35
8 Zip Zone	Fuel	\$ 81,278.39
TOTAL		\$ 212,210.44
 DSS Account		
	<u>(Based on cash availability)</u>	
1 Evans Hardware	Parts & supplies	\$ 30,362.72
2 CI Thornburg	Parts & supplies	\$ 36,345.26
3 Linda Sumpter CPA	Accounting fees	\$ 147,000.00
4 Zip Zone	Fuel	\$ 175,448.56
5 Xylem	Pump Rental	\$ 42,496.60
6 Service Pump & Supply	Pump Service	\$ 4,347.95
7 All Pumps Sales & Services	Pump Service	\$ 8,411.90
8 Cumbo Law Office	Legal Services	\$ 26,736.84
9 Soles Electric	Pump Service	\$ 13,300.00
10 Alliance Water Resources	Management	\$ 345,675.07
TOTAL		\$ 830,124.90
 Total Past Due Accounts		 \$ 1,042,335.34

Martin County Water District, Inez KY
List of Bills for Consideration
26-Apr-22

<u>Vendor</u>	<u>Description</u>	<u>Amount</u>
Security Deposit Account		
Customer		
1 Gloria Sline	Deposit refund due to customer	\$ 87.11
2 Jenna Preece	Deposit refund due to customer	\$ 37.75
3 John Goble	Deposit refund due to customer	\$ 34.30
4 Troy Dingess	Deposit refund due to customer	\$ 44.56
5 Curtis Bowen	Deposit refund due to customer	\$ 1.17
TOTAL		\$ 204.89



Martin County Water District

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 2022

Administrative

Staff received the first payment from the CAP office. This payment was for customers approved in December. Staff is still assisting customers with this process and the understanding of bill amounts or credits.

Water Treatment

Construction on the river intake and water plant projects are moving along at a fast and steady rate. The monthly project progress meeting will be on April 20th.

Concrete for columns have been set and construction of the decking around the control building has been built and the winch and pulley installed.

Temporary electric able to supply sufficient power for our large pump has been established at the intake. This is important as it assures power would not be an issue if we were to experience a draught before the intake project is complete.

Both of our intake pumps are at Xylem waiting to be repaired. The work is supposed to be completed the week of April 18th.

Nine broken glass window panels were replaced at the Martin County WTP.



Distribution:

A critical hydraulic correction was made at Milo Estates. They have been fed with a 2" line for years. No there is a 4" line crossing the creek at Milo. We also installed a valve cluster which allows us to keep more people in water if there are future issues either in Milo Estates or past Milo Estates. These are the type of corrections to our water system that will satisfy customer demand and allow our system to function at a high capacity.

A major leak was also fixed on Blacklog. An 8-inch main was leaking at a connection. The clearwells levels have increased faster and holding longer since this repair was made.

We started pumping from Davella pump station to the prison tank.

Safety:

March's safety meeting covered slips, trips and falls. It was held on March 2nd.

Training:

Ongoing in-house training



WATER RESOURCES
Alliance
 Professional Water and Wastewater Operations
Martin County Water District

SUMMARY

Customer Service:

Staff has had numerous customers use the new IVR for payments. This has allowed customers with emergencies or leak information the ability to contact the office easier and faster.

Project Updates

SOURCE	AMOUNT	PROJECTS
AML Pilot Nexus Grant-2017	\$3,450,000	A, B, C, D
COE 531 (25% Match)	\$1,869,718	B, C
ARC Grant	\$1,200,000	F
AML Pilot Nexus Grant-2018	\$2,000,000	I
Total Grant	\$8,519,718	

Regulatory

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



Professional Water and Wastewater Operations

Martin County Water District

Water Plant Operation

Water Pumped – MARCH	
Total Water Production (gallons)	52,034,000
Total Water Metered/Billed (gallons)	10,295 ,000
Other Water Used (gallons)	879,000
Total Water Loss (gallons)	37,532,000
Portion of TWL due to Main Breaks (gallons)	
Average Daily Flow (Million Gallons per Day)	1.679 MGD
Maximum Daily Flow	1.776 MGD
Fluoride Used (lbs.)	400.3 LBS
Chlorine Used (lbs.)	1,229 LBS
Lab Tests	3,807 TESTS

Water Quality Analysis

Test	Routine	Special	Repeat
Bacteriological	10 (Pass)	9 (Pass)	
		Reported	Minimum Limit
Fluoride Plant Sample	31	0.71 mg/l Average	0.6 mg/l
Chlorine Distribution Sample	37 37	Low Readings Total - 0.76 mg/L Free – 0.62mg/L	0.2 mg/l

Customer Service Request and Work Orders

Meter Reads	3341
Meter Sets	41
Turn offs-Close account	21
Taps	10
Meter Changes	18
Disconnects for Non-payment	31
Boil Notices	3
Line Locates	97
Water Leaks/Breaks	37
Other/Investigates	188

Water Main Breaks & Service Lines

Date	Location	Pipe Size/Type	Estimated Water Loss (gallons)
3/1/22	749 E Main St	¾ in	86,000
3/1/22	5310 Blacklog Rd	¾ in	171,000
3/3/22	58 Haven Pl	¾ in	513,000
3/3/22	4962 Rockhouse Rd	¾ in	769,000
3/3/22	88 Saltwell Rd	¾ in	510,000
3/4/22	171 Little Laurel	¾ in	170,000
3/7/22	699 Collins Creek	¾ in	680,000
3/7/22	4214 Hode Rd	1 in	680,000
3/8/22	1476 Riverfront Rd	¾ in	850,000
3/8/22	2487 Tomahawk Rd	¾ in	1,451,000



Professional Water and Wastewater Operations

Martin County Water District

3/8/22	9098 Beauty Rd	¾ in	1,908,000
3/11/22	330 Moore Br	¾ in	1,869,000
3/14/22	21 Rockhouse Rd	¾ in	1,889,000
3/15/22	77 Quail Hollow	4 in	2,177,000
3/16/22	773 Turkey Cr	¾ in	2,718,000
3/21/22	Davis Branch	¾ in	1,019,000
3/24/22	722 Long Branch	¾ in	1,189,000

Repair Expenses Ending February 2022

Expended	Actual YTD	Annual Budget	% Budget / Line Item
Bldg. & Grounds Maintenance	\$280	\$7,000	4%
Vehicle Maintenance	\$2,675	\$25,000	11%
Water Plant Maintenance	\$0	\$15,000	0%
Distribution System Maintenance	\$29,728	\$90,000	33%
Water Meter Maintenance	\$5,483	\$10,000	55%
Street Maintenance	\$0	\$8,000	0%
Totals	\$38,166	\$155,000	25%

Chemical Expenses Ending February 2022

Expended	Actual YTD	Annual Budget	% Budget / Line Item
Sodium Hydroxide	\$888	\$11,000	8%
Lime/Caustic Soda	\$0	\$30,000	0%
Alum (Brennfloc)	\$4,488	\$15,000	30%
Chlorine	\$2,251	\$20,000	11%
Permanganate	\$550	\$19,000	3%
Fluoride	\$758	\$7,000	11%
Chemicals Other - Water	\$278	\$8,000	3%
Totals	\$9,213	\$110,000	8%


Professional Water and Wastewater Operations
Martin County Water District

Notes:

- 1) Building & Grounds Maintenance
 - a. Walmart \$242.74
 - b. Family Dollar \$37.31
- 2) Vehicle Maintenance
 - a. Advanced Auto Parts \$63.47
 - b. Advanced Auto Parts \$29.23
 - c. Advanced Auto Parts \$19.07
 - d. Advanced Auto Parts \$23.31
 - e. Advanced Auto Parts \$81.60
 - f. Advanced Auto Parts \$56.63
 - g. Advanced Auto Parts \$26.80
 - h. Advanced Auto Parts \$113.94
 - i. Advanced Auto Parts \$30.72
 - j. Advanced Auto Parts \$46.62
 - k. Advanced Auto Parts \$38.14
 - l. Advanced Auto Parts \$201.39
 - m. Advanced Auto Parts \$21.19
 - n. Advanced Auto Parts \$5.29
 - o. Advanced Auto Parts \$34.44
 - p. Advanced Auto Parts \$26.49
 - q. Fast Change Lube and Oil \$63.58
 - r. Advanced Auto Parts (\$21.19)
 - s. Middlefork Service Center \$185.50
 - t. Fast Change Lube and Oil \$109.13
 - u. Cincinnati Insurance (\$1,621.22)
 - v. Fast Change Lube and Oil \$157.50
 - w. Fast Change Lube and Oil \$62.50
 - x. Middlefork Service Center \$125.00
 - y. Middlefork Service Center \$324.42
 - z. Advanced Auto Parts \$253.31
 - aa. Advanced Auto Parts \$9.00
 - bb. Advanced Auto Parts \$55.11
 - cc. Roy Kirk \$240.00
 - dd. Fast Change Lube and Oil \$213.00
 - ee. Advanced Auto Parts \$40.25
 - ff. Advanced Auto Parts \$36.51
 - gg. Advanced Auto Parts \$7.73
- 3) Water Plant Maintenance
 - a. \$0.00
- 4) Well Maintenance
 - a. \$0.00
- 5) Distribution System Maintenance
 - a. Consolidated \$655.61

Martin County Water District

- b. Xylem \$556.50
 - c. Grainger \$372.36
 - d. Citco \$184.80
 - e. Warren Pump \$66.11
 - f. Warren Pump \$843.34
 - g. Lawrence County Sand and Stone \$765.12
 - h. Consolidated \$546.62
 - i. Consolidated \$58.22
 - j. Evan's Hardware \$8.47
 - k. Evan's Hardware \$32.30
 - l. Roy Kirk \$480.00
 - m. Consolidated \$1,186.61
 - n. Consolidated \$575.88
 - o. Consolidated \$2,139.63
 - p. Consolidated \$1,364.82
 - q. Consolidated \$2,266.15
 - r. Roy Kirk \$215.00
 - s. R&J \$125.86
 - t. Consolidated \$340.26
 - u. Roy Kirk \$525.00
 - v. Citco Water \$982.47
- 6) Meter aintenance
- a. Consolidated \$3,675.38
 - b. Consolidated \$780.63
 - c. Consolidated \$1,026.72
- 7) Sodium Bisulfite
- a. Citco \$277.80
- 8) Sodium Hydroxide
- a. Citco \$887.80
- 9) Lime/Caustic Soda
- a. \$0.00
- 10) Polymer
- a. \$ 0.00
- 11) Alum
- a. \$0.00
- 12) Chlorine
- a. Citco \$2,251.16
- 13) Permanganate
- a. \$0.00
- 14) Fluoride



Martin County Water District

a. \$0.00

15) Chemicals Other – Water

a. \$0.00

PUBLIC SERVICE COMMISSION

Monthly Water Loss Report

Water Utility: Martin County Water District

For the Month of: March Year: 2022

LINE #	ITEM	GALLONS (Omit 000's)
1	WATER PRODUCED AND PURCHASED	
2	Water Produced	52,034
3	Water Purchased	2,136
4	TOTAL PRODUCED AND PURCHASED	54,170
5		
6	WATER SALES	
7	Residential	9,712
8	Commercial	2,687
9	Industrial	
10	Bulk Loading Stations	
11	Wholesale	
12	Public Authorities	
13	Other Sales (explain)	
14	TOTAL WATER SALES	12,399
15		
16	OTHER WATER USED	
17	Utility and/or Water Treatment Plant	944
18	Wastewater Plant	
19	System Flushing	
20	Fire Department	17
21	Other Usage (explain)	
22	TOTAL OTHER WATER USED	961
23		
24	WATER LOSS	
25	Tank Overflows	
26	Line Breaks	
27	Line Leaks	40,810
28	Excavation Damages	
29	Theft	
30	Other Loss	
31	TOTAL WATER LOSS	40,810
32		
33	Note: Line 14 + Line 22 + Line 31 MUST Equal Line 4	
34		
35	WATER LOSS PERCENTAGE	
36	(Line 31 divided by Line 4)	75.34%

April 26th, 2022

TO: Martin County Water District
Board of Directors

Memorandum

FROM: Staff

RE: Identity Theft Prevention Program

In compliance with the Identity Theft Prevention Program (Red Flag Rule) adopted by the Board April 29, 2020, a report should be prepared annually and submitted to the Board of Directors.

For the period ending December 31, 2021, the District has had no identity theft incidents to report. After review of the Identity Theft Protection Program, staff recommends no revisions are necessary to the current program at this time.

Staff remains diligent in protecting sensitive customer information in our files and watchful of anyone suspected of fraudulent use of a customer or potential customer's identity. Security measures are in place to ensure that sensitive information is shared only with the correct customer.

Staff requests your acknowledgement that this annual report has been submitted.

April 26, 2022

Martin County Water District
Inez, KY

Identity Theft Prevention Program

Martin County Water District

Identity Theft Prevention Program

For

Martin County Water District

387 E Main Street, Suite 140

Inez, KY 41224

Effective April 29th, 2020

Martin County Water District
Identity Theft Prevention Program

This Program is intended to identify red flags that will alert our employees when new or existing accounts are opened using false information, protect against the establishment of false accounts, provide methods to ensure existing accounts were not opened using false information, and provide measures to respond to such events.

Contact Information:

The Senior Management Person responsible for this program is:

Title: Local Manager

Phone number: 606-298-3885

Risk Assessment

Martin County Water District (the “Water District”) has conducted an internal risk assessment to evaluate how at risk the current procedures are at allowing customers to create a fraudulent account and evaluate if current (existing) accounts are being manipulated. This risk assessment evaluated how new accounts were opened and the methods used to access the account information. Using this information, the Water District was able to identify red flags that were appropriate to prevent identity theft. Current policies/practices include:

- All customers opening a new account, moving to a new address, or reinstating service must complete the Martin County Utility Board Utilities Service Application Form (copy attached) and supply a copy of their driver’s license which can be supplied In Person, Email or Fax
 - Account information can be accessed In Person
 - Account information can be accessed via Telephone (Person)
-

Detection (Red Flags):

The Water District adopts the following red flags to detect potential fraud. These are not intended to be all-inclusive and other suspicious activity may be investigated as necessary.

- Inconsistent activity patterns indicated by consumer report such as:
 - Recent and significant increase in volume of inquiries
 - Accounts closed for cause or abuse
- Identification documents appear to be altered or inconsistent
- Photo and physical description do not match appearance of applicant
- Other information is inconsistent with information provided by applicant
- Other information provided by applicant is inconsistent with information on file
- Application appears altered or destroyed and reassembled
- Information provided is associated with known fraudulent activity (e.g., address or phone number provided is same as that of a fraudulent application)
- Information commonly associated with fraudulent activity is provided by applicant (e.g., address that is a mail drop or prison, non-working phone number or associated with answering service/pager)
- SS#, address, or telephone # is the same as that of other customer at utility
- Customer fails to provide all information requested
- Personal information provided is inconsistent with information on file for a customer
- Applicant cannot provide information requested beyond what could commonly be found in a purse or wallet
- Identity theft is reported or discovered

Response

Any Alliance Water Resources (“Alliance”) employee that may suspect fraud or detect a red flag will implement the following response as applicable. All detections or suspicious red flags shall be reported to the senior management official.

- Ask applicant for additional documentation
 - Any Alliance employee who becomes aware of a suspected or actual fraudulent use of a customer or potential customer’s identity must notify the Office Manager or the Local Manager if the Office Manager is not available; the Office Manager is responsible for notifying the Local Manager
 - Do not open/activate the account
 - Do not attempt to collect against the account but notify authorities
-

Personal Information Security Procedures:

The Water District adopts the following security procedures:

1. Computer monitors will not be left visible to visitors with sensitive customer information
 2. If Alliance employees leave their desks, they must clear out of sensitive customer files
 3. Alliance employees will secure sensitive files when leaving their work areas
 4. Visitors who must enter work areas where sensitive files are kept must be escorted by an Alliance employee at all times
 5. No visitors will be given any entry codes or allowed unescorted access to the office
 6. Access to sensitive information will be controlled using passwords. Passwords will consist of a mix of letters and numbers. User names and passwords will be different
 7. Passwords will not be shared or posted near workstations
 8. Anti-virus and anti-spyware programs will be run on incoming and outgoing data transmissions
 9. When sensitive data is received or transmitted, secure connections will be used and/or password protected files will be utilized
 10. The computer network will have a firewall where it connects to the Internet
 11. Any wireless network in use is secured
 12. Alliance will check references and conduct background checks before hiring employees that will have access to sensitive data
 13. Access to customer's personal identity information is limited to Alliance employees with a need to know
 14. Procedures exist for making sure that workers who leave employment or transfer to another part of Alliance no longer have access to sensitive information
 15. Alliance employees are required to notify the Office Manager and Local Manager immediately if there is a potential security breach, such as a lost or stolen laptop, etc.
 16. Alliance employees who violate security policy are subject to discipline, up to and including dismissal
 17. Sensitive paper records will be shredded before being placed into the trash
 18. Any data storage media will be disposed of by shredding, punching holes in or incineration
-

Identity Theft Prevention Program Review and Approval

This plan has been reviewed and adopted by the Water District Board of Directors. Appropriate Alliance employees have been trained on the contents and procedures of this Identity Theft Prevention Program.

Signatures:

1. Jimmy Kerr _____ Date _____
2. John Hensley _____ Date _____
3. Greg Crum _____ Date _____
4. Brian Slone _____ Date _____
5. Lee Mueller _____ Date _____

A report will be prepared annually and submitted to the governing body to include matters related to the program, the effectiveness of the policies and procedures, the oversight and effectiveness of any third-party billing and account establishment entities, a summary of any identify theft incidents and the response to the incident, and recommendations for substantial changes to the program, if any.

April 26th, 2022

TO: Martin County Water District
Board of Directors

INFORMATION & DECISION

FROM: Staff

RE: Disbursement and Payment Options for Past Due Vendors

The consolidation loan for past due vendors has been closed. Now that the funds have been made available (\$1,000,000.00), staff would like to provide options to the Board of Directors for disbursement of funds to past due vendors. PSC case number 2018-00017 itemized specific vendors that were due to be paid by the current DSS. Nine of those vendors are listed on your list of bills under past due accounts and DSS Account.

Option 1

Pay all past due vendors in full (no interest). (\$1,042,335.34)

Option 2

Attempt to negotiate a settlement with all vendors. (\$ Undetermined)

Option 3

Pay all past debt post 2018 and negotiate settlement for debt prior to PSC order 20181016 (DSS Authorized). (\$557,885.51) & (\$ Undetermined)

DSS AND PAST DUE VENDORS

PAST DUE ACCOUNTS	<u>(Based on cash availabilty)</u>	3/31/2022
1 CI Thornburg VFD # 2	VFD	\$ 12,071.32
2 Xylem*	Pump rental	\$ 16,242.50
3 Service Pump & Supply*	Pump service	\$ 16,935.04
4 Cumbo Law Office	Legal service	\$ 5,197.26
5 Evans Hardware #2	Parts & supplies	\$ 18,820.64
6 United Rentals	Pump Rental	\$ 56,722.94
7 Linda Sumpter CPA	Accounting Fees	\$ 4,942.35
8 Zip Zone	Fuel	\$ 81,278.39
TOTAL		\$ 212,210.44

DSS Account	<u>(Based on cash availabilty)</u>	
1 Evans Hardware	Parts & supplies	\$ 30,362.72
2 CI Thornburg	Parts & supplies	\$ 36,345.26
3 Linda Sumpter CPA	Accounting fees	\$ 147,000.00
4 Zip Zone	Fuel	\$ 175,448.56
5 Xylem*	Pump Rental	\$ 42,496.60
6 Service Pump & Supply*	Pump Service	\$ 4,347.95
7 All Pumps Sales & Services	Pump Service	\$ 8,411.90
8 Cumbo Law Office	Legal Services	\$ 26,736.84
9 Soles Electric*	Pump Service	\$ 13,300.00
10 Alliance Water Resources	Management	\$ 345,675.07
TOTAL		\$ 830,124.90

Total Past Due Accounts **\$ 1,042,335.34**

* Vendors that have filed suit or have discussed the possibilty of a lawsuit.

April 26th, 2022

TO: Martin County Water District
Board of Directors

INFORMATION & DECISION

FROM: Staff

RE: Security Deposit Written Policy

In the March 24th, 2020 board meeting. Staff proposed a format for Water District Rules and Regulations which was unanimously approved. In keeping with that format, staff is proposing the following written policy for Security Deposits.

The formal written policy complies with the Tariff approved by the Public Service Commission. Where the PSC uses the word SHALL, Water District Staff would like to create a written policy. The written policy will establish who is required to pay a Security Deposit when setting up an account. The requirement will be for new customers, residency changes with poor payment history, and finalized accounts with poor payment history. This policy also states, what is to be done with all customer deposits.

Staff is requesting that after discussion, the Board of Directors make a motion to adopt this policy.

MARTIN COUNTY WATER DISTRICT RULES AND REGULATIONS

Rule #5 Security Deposits

- A. Security deposits for water service in the District shall be as follows per approved District Tariff Sheet #5 issued October 8, 2015:

5/8" X 3/4" Meter	\$90.00
1 Inch Meter	\$95.00
1 1/2 Inch Meter	\$160.00
2 Inch Meter	\$295.00
3 Inch Meter	\$430.00
4 Inch Meter	\$700.00

- B. Security deposits shall be paid prior to the initiation and start of service.
- C. Security deposits shall be required for all NEW customers, residency changes made by customer with a poor payment history and finalized accounts with poor payment history.
- D. Security deposits shall be held with interest. Interest shall be added to customer's account annually. Deposits shall be credited to the customer's final bill and any credit balance returned to customer.
- E. Security Deposits, at the request of the customer and upon subsequent approval by the District, may be transferred from a customer's previous account to that customer's new account. Security deposits are not transferable from one customer to another customer in any way unless otherwise agreed to and approved by the District.
- F. The owner of any multi-unit building (residential or commercial) containing two or more units, shall be considered the user of water furnished to the building and is liable for payment of security deposit and service bills, unless the owner installs or causes to be installed separate water meters for each and every unit. Only if separate water meters are installed are the tenants allowed to be the customers for water and/or sewer service. In all other cases the owner shall be deemed the customer by the District.
- G. Security deposits are set by the Public Service Commission in the approved District Tariff.

Approved _____ Date Approved: 4/26/2022 Date Effective: 04/26/2022

April 26th, 2022

TO: Martin County Water District
Board of Directors

INFORMATION & DECISION

FROM: Staff

RE: Microcomm Extended Service Warranty

Attached is a service agreement from Microcomm. Microcomm is the current SCADA provided for MCWD.

Microcomm agreed to upgrade the system to the current specifications and coverage on warranty repairs including equipment failures or equipment damaged by lightning. These repairs will include part replacement, phone support, and yearly system checkout trips.

Microcomm would request a three-year agreement to cover costs and verify the best possible system operation. Year one would be \$12,000, and year 2 & 3 would drop to \$6,000 each.

SCADA is essential for operations and remote monitoring of our tanks and booster stations. Staff believes this is the best available option for Scada upgrade and management for our system.

Staff is requesting permission to allow Craig Miller, Division Manager to sign agreement and make first support payment.



4/13/2022

Attn Craig Miller
Martin County Water District
387 E Main St. Ste 140
Inez KY 41224

15895 S. Pflumm Rd.
Olathe, KS 66062
(913) 390-4500
FAX: (913) 390-4550
www.micro-comm-inc.com

Extended Service Warranty Proposal

Dear Craig:

According to our records, your Micro-Comm telemetry system service agreement #SC0356 which provided extended part coverage for Job's 03-162, 09005, 10075, 10077 expired 4/1/2012. For the amount of \$12,000 per year which includes damage caused by lightning, Micro Comm will provide part replacement, phone support, yearly system checkout trip, and as technicians are working in eastern Kentucky they will be available to stop in for hard to solve problems. Proposed plan will cover service trip, on site electrician, parts, and labor as spelled out in attached documents. Micro-Comm Inc. would request a three-year agreement to cover costs and verify best possible system operation. Year 1 listed above, years 2 & 3 drop to \$6000 per year.

Please read and review the following:

Terms and Conditions of the Service Plan:

1. Micro-Comm, Inc. shall be liable only for the cost or repair of any Micro-Comm manufactured equipment including radio, power supply, batteries, RTU and CTU Battery backup units, relays, phone dialers; light bulbs, external modems, MC L5A and Keller Well Transducers, Minco sensors, relays, and associated equipment required for system operation as designed (see below #6).
2. In the event of equipment failures or equipment damaged by lightning. Micro-Comm will supply troubleshooting, using phone and internet log in to determine parts necessary to complete repairs and return system to previous level of operation. Parts will be shipped by the quickest method available to job site. Customer shall supply labor for removal and installation of equipment at customer's premises. Return of defective equipment to Micro-Comm is customer responsibility.
3. In the event exact replacement parts are no longer available, Micro-Comm will (at its discretion) replace the existing equipment or components with similar or "current production" materials in order to restore the control system back to its original level of operation. Prior to replacement, Micro-Comm will identify the materials to be used, estimate labor to update software, records, drawings and software documentation. Update labor rate of \$90 hour will apply, any new or additional features that are available with this replacement equipment will be offered to the customer for an additional expense, parts plus labor to be quoted upon request.
4. This plan is void and does not apply if damage to equipment is caused by: flooding, high winds, tornado, hurricanes, freezing, fire, chemical damage, vandalism, improper installation, improper maintenance, accident, alteration, abuse, or misuse, (by other than Micro-Comm, Inc. or it's designates).
5. Micro-Comm's sole obligation in case of its equipment failure will be to provide the service specified above. Micro-Comm will not be liable for any consequential or incidental damage to any other manufacturer's equipment arising from Micro-Comm system failures. Micro-Comm will not be liable for downtime, i.e. Overtime labor and travel to and from sites.

6. The plan is for Micro-Comm manufactured parts only. The following list is an example of Items; not covered: Non-Micro Comm PLC's, VFD's, BW probes, Omega sensors, chart recorders, chart pens, and paper, phase monitors, pump alternators. Flow meters, flow sensors, chemical feed and chemical monitoring equipment., computers, keyboards, monitors, Computer Battery, backup units, printers, routers, switches, external wiring, and cabling.
- 7 The Service Plan coverage provided by Micro-Comm, Inc. begins when current system warranty ends and provides coverage for one calendar year from warranty end date. Warranty end date will be extended when a signed copy of Service Plan and payment are received. Non-Warranty Customer warranty date will be assigned when a signed copy of Service Plan and payment has been received.

Micro-Comm's normal service rates are \$125/hour with a four-hour minimum on site service, plus \$50/hour travel time to and from job site, expenses (airfare, car rental, parking + 10%), \$200 overnight (meals and lodging), or \$50-day meals and expenses charge.

Software changes and remote site modifications can be purchased for \$750 per modification, plus \$125 per hour to bring drawings, records, and software up to date for requested changes, quotes will be supplied for requested changes. System upgrades and expansion work can be requested through our sales department.

Under the terms of this service plan, a reduced service rate is provided as part of coverage. \$90/hour with a four-hour minimum, plus \$40/hour travel time, expenses (airfare, car rental, parking + 10%), and \$200 overnight (meals and lodging), or \$50-day meals and expenses charge for onsite service. ISP router assistance, internet configuration, network router/switch assistance, and new or backup computer setup of equipment not provided by Micro-Comm will be billed at \$90/hour with a four-hour minimum will apply.

Software changes (adding outputs, inputs, flow meter change out, chemical pumps, control group modifications, station type changes) and remote site modifications will be included as part of service contract coverage. Customer will be charged \$90 per hour (4-hour minimum) to bring drawings, records, and software up to date for requested changes. Service Contract customers will receive a discount on new computers, software additions, and same version software updates completed by a Micro-Comm technician.

System upgrades and expansion work will receive a 10% cost savings through system service contract coverage. Discussion of these options and all service matters is available by contacting Mark Stockton, Service Manager, Micro-Comm, Inc. or our sales department at any time, convenient for you.

Should you choose to purchase/renew this service plan YOU MUST complete the form below, and return this letter to us with a check payable to Micro-Comm, Inc.

Customers that require an invoice number, please indicate requirement on the returned proposal with a P.O. Number and you will be invoiced as requested. Please write Service Plan number on your check and P.O. If you have any questions, feel free to contact me at any time.

Sincerely,

MICRO-COMM, INC.



Mark Stockton
Service Manager

15895 S. Pflumm Rd.
Olathe, Kansas 66062
913-390-4500 office
913-909-3195 cell
mstockton@mc-mail.com

Enclosure

I have read and fully understand the terms and conditions of the Service Plan as stated above.

Accepted by: _____

Date: ____ / ____ / ____

Amount of Check Enclosed: _____

Optional, P.O. Number: _____