



BRIAN CUMBO

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ADMITTED IN KY AND WV

May 23, 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 May 24, 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 May 24, 2022.



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WATER DISTRICT
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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 23rd day of May, 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, May 24, 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
 - C. Review and Consideration to Approve 2021 Audit
- 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. Dollar General Store Valve Box
 - B. Microcomm
- 10) Other New Business
 - A. Wilson Equipment Invoice
 - B. Xylem Invoice
 - C. Customer Issue Regarding Account
- 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
April 26, 2022, Meeting Minutes**

Presiding: James Kerr, Chairman
Present: Directors: Greg Crum, BJ Slone, John Hensley, Nina McCoy
Staff: Brian Cumbo (Attorney), Craig Miller (GM), Jon Ridings, (LM),
Cassandra Moore
Guests: Ed Daniels, Diana Oaks, Nora Ray, Doug Blackburn

The Regular Meeting of the Martin County Water District was held on April 26, 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 March 22, 2022, Regular Board Meeting minutes. Having no questions or further discussions, Mr. Slone motioned to accept the March 22, 2022, Regular Board Meeting minutes. Mr. Hensley seconded. All ayes. Motion carried.

Mr. Kerr inquired if there were any guest requesting to speak. Ed Daniels asked if the District was going to ask previous customers to produce a receipt for their security deposit. Mr. Kerr informed Mr. Daniels that staff would not be asking for any receipts from outstanding long-term customers that have been with the District for years. The Board will be discussing the possibility of a policy change later in the meeting to establish who is required to pay a Security Deposit when setting up an account. Mr. Daniels ask if staff or the District could publish their monthly water test report for customers to see. Mr. Miller advised that after each Board Meeting, staff will leave free copies of the monthly Board Packet containing the Water Quality Analysis, in the local library and the District billing office. Customers are free to pick up these copies or view them online at the Districts webpage. Diana Oaks addressed the Board with a billing question on her account. She spoke about an issue when her water was turned on for service. She told the Board that she asked staff to leave the water off once the meter was set, but said staff left the water on instead. Staff advised the Board that Mrs. Oaks asked them to leave it on even though it was our policy not to do so. Staff also presented the Board with the appropriate supporting documentation. Board decided to eliminate Mrs. Oaks entire bill amount except for the minimum monthly amount of \$50.01 for the months of February and March, totaling \$100.02. Mr. Hensley motioned to approve the elimination of Mrs. Oaks bill, less than the minimum. Mr. Crum seconded. All ayes. Motion carried. Nora Ray asked Mr. Miller what the time frame for repair work was involving site clean-up and restoration. Mr. Miller advised that it depended on the type of restoration needed. Any repair site that consisted of dirt or mud would have to allow time to settle. Then staff would return to make the final touch ups. Asphalt repair is only completed in the warmer months because it will not set in the winter. Mrs. Ray advised the Board of a pipe sticking up out of the ground at the Dollar General Store located at 2068 Blacklog Road that caused her tire to deflate. Mr. Miller advised that he would investigate the issue, to see if it was just sticking up or damaged in any way. He would report back to the Board about his findings. Doug

Blackburn addressed the board about his mother being asked to pay a security deposit on her account, even though years ago she stated she already paid one. The Board advised that Mrs. Blackburn did not have to pay another security deposit and staff will not be asking any other outstanding long-term customer for receipts either. The Board will be discussing the possibility of a policy change later in the meeting to establish who is required to pay a Security Deposit when setting up an account.

Mr. Kerr requested discussion on the review and consideration of the Financial Reports. Mr. Miller detailed each report as submitted. After further discussion, Mr. Hensley motioned to approve the Treasurer's report submitted. Mr. Crum seconded. All ayes. Motion carried. Other Financials were presented by Mr. Miller. After further discussion, Mr. Slone motioned to approve, Mr. Hensley seconded. All ayes. Motion carried.

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. Staff received the first payment from the CAP office LIHWAP program. This payment was for customers approved in December 2021. Staff is still assisting customers with this process and the understanding of bill amounts or credits. Construction on the river intake and water plant projects are moving long at a fast and steady rate. The monthly project progress meeting will be on April 20th, 2022. A critical hydraulic correction was made at Milo Estates. They have been fed with a 2" line for years. Now 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 correctios to our system that will satisfy customer demand and allow or system to function at a high capacity.

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 discussed the possibility of a new tank and station at Davella. Mr. Miller discussed the idea of rebuilding the Otto Brown lift station instead. If they rebuild the lift station this would allow the district to pump better to the prison and customers. Having a new Davella station would not be beneficial or needed if we couldn't pump to it from Otto Brown.

Mr. Kerr inquired if there was any Other Old Business to discuss. Mr. Miller advised the board of a predicament with the 2021 Audit. Auditors have been waiting for the Kentucky Retirement Systems GASB 68 Proportionate Share Audit Report, in order to make an opinion about the audit. However, KRS informed the auditors that they had a disagreement with their auditors about the way they were issuing their reports which resulted in them need to change the wording of a statute. It took longer to pass the statute

than they expected and was wondering if the District could get an extension on submitting their audit reports to the state for around June 30th, 2022. Mr. Miller informed the Board that he was going to reach out to the KRS to see if they could forward a documentation explaining the issue. This would allow him to apply the documentation to the PSC hopefully granting another extension. Mr. Miller will update the Board with his findings.

Mr. Kerr inquired if there was any Other New Business to discuss. Staff presented the Board with the annual Identity Theft Prevention Program (Red Flag Rule). For the period ending December 31, 2021, the District has had no identity theft incidents to report. Staff requested Board acknowledgement that this annual report has been submitted. Mr. Crum motioned to acknowledge the submission of the annual report. Mr. Slone seconded. All ayes. Motion carried. Staff presented the Board with three options for the disbursement and payment options for past due vendors. After further discussion, Mr. Hensley motioned to approve option one of paying all past due vendors in full (no interest). Mr. Crum seconded. Two nays from Mrs. McCoy and Mr. Slone. Mr. Kerr voted in favor of the motion. Motion carried. In the March 24th board meeting, staff proposed a format for Water District Rules and Regulations which was unanimously approved. In keeping with that format, staff proposed a written policy for Security Deposits. 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. After further review and discussion, Mr. Hensley motioned to approve the Security Deposit written policy. Mr. Slone seconded. All ayes. Motion carried. Staff presented the board with an extended service agreement from Microcomm for the current SCADA provided for MCWD. Microcomm would request a three-year agreement to cover cost and verify the best possible system operation. Year one would be \$12,000, and year 2 & 3 would drop to \$6,000 each. After further review and discussion, the Board decided to table the decision until a later date.

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. Hensley seconded. All ayes. Motion carried. Meeting adjourned at 8:49 p.m.

Minutes approved this _____ day of _____, 2022.

James Kerr, Chairman

Cassandra Moore, District Clerk

Martin County Water District
Balance Sheet
April 30, 2022

4/30/22

ASSETS

CURRENT ASSETS

Checking Account - Operations	\$	1,142,506.34
Revenue Fund - EFT		19,253.14
Cash on Hand		900.00
Total Cash		1,162,659.48
Accounts Receivable		313,218.71
Allowance for Doubtful Accounts		(47,637.34)
Unbilled Accounts Receivable		92,562.00
Inventory		5,557.34
Prepaid Expenses		8,971.37
Total Current Assets		1,535,331.56

PROPERTY, PLANT, & EQUIPMENT

Land	214,713.83
Water Supply & Distribution System	28,209,897.65
Buildings	500,263.89
Equipment & Furniture	6,382,256.38
Vehicles	138,773.45
Construction Work in Progress	138,144.97
Less: Accumulated Depreciation	(17,981,009.61)
Net Property, Plant, & Equipment	17,603,040.56

RESTRICTED CASH

Security Deposits	87,513.85
Grant Fund	63.07
Sinking Fund - RD	10,220.13
Regions Sinking Fund	48,284.41
KIA Sinking Fund	12,572.28
KACO Sinking Fund	1,473.51
Debt Service Surcharge Fund	1,916.64
Management Infrastructure Surcharge Fund	1,000.17
Depreciation Fund	1,022.08
Cost of Issuance Fund 2022	48,283.86
Certificate Fund - 2022 Debt Svc	64,233.54
Accrued Interest Receivable	3.00
Total Restricted Cash	276,586.54

OTHER ASSETS

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

Total Assets	\$ 19,549,917.66
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Martin County Water District
Balance Sheet
April 30, 2022

4/30/22

LIABILITIES AND DISTRICT'S EQUITY

CURRENT LIABILITIES

Accounts Payable	\$	1,276,304.36
Sales Tax Payable		1,753.61
School Tax Payable		7,294.28
Long Term Debt-Current		57,992.86
Accrued Interest Payable		18,334.00
Customer Deposits		86,600.53
<i>Total Current Liabilities</i>		1,448,279.64

LONG-TERM DEBT

Note Payable - KIA		322,438.94
Lease Payable - KACO		41,221.96
Bonds Payable - 2015 E Current Refunding		1,645,000.00
Bonds Premium - 2015 E, Net of A/Amort		17,110.31
Bonds Payable - 2022 B		1,110,000.00
Bonds Premium - 2022 B, Net of A/Amort		6,915.51
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>		4,646,091.86

Total Liabilities

6,094,371.50

DISTRICT'S EQUITY

Retained Earnings (Deficit)		13,507,653.18
YTD Net Income		(52,107.02)
<i>Total District's Equity</i>		13,455,546.16

Total Liabilities and District's Equity

\$ 19,549,917.66

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

April, 2022			YTD		Annual
Actual	Budget		Actual	Budget	Budget
		Operating Revenues			
\$ 168,746	\$ 168,104	Water Sales - Residential	\$ 674,263	\$ 672,416	\$ 2,017,245
28,902	26,330	Water Sales - Commercial	115,153	105,320	315,955
7,979	9,104	Water Sales - Public Authorities	27,657	36,416	109,247
30	4	Bulk Water Sales	30	16	50
5,796	2,202	Connection Fees - Tap	14,372	8,808	26,418
5,281	4,740	Late Charge Fees	21,954	18,960	56,874
660	3,054	Reconnect/Meter Sets/Other Fees	12,467	12,216	36,644
8,788	8,918	Debt Service Surcharge	35,193	35,672	107,015
15,771	16,078	Management Infrastructure Surcharge	63,135	64,312	192,936
30	-	Miscellaneous Income	1,112	-	-
241,982	238,534	Total Operating Revenues	965,336	954,136	2,862,384
		Operating Expenses			
-	21	Materials & Supplies	-	84	249
3	833	Water Purchased	48,814	3,332	10,000
168,507	168,507	Management & Operations Contract	674,028	674,028	2,022,084
28,971	26,667	Utilities	77,590	106,668	320,000
2,904	2,423	Insurance	11,615	9,692	29,070
(1,097)	833	Repairs & Maintenance	5,188	3,332	10,000
55	270	Outside Services	223	1,080	3,243
2,350	1,349	Legal Expenses	4,913	5,396	16,182
-	-	Accounting/Audit	-	-	7,500
4,583	4,583	Bad Debts	18,333	18,332	54,999
-	-	Bond Trustee Fees	450	675	675
227	278	Dues	907	1,112	3,330
224	279	Office Expense	459	1,116	3,344
821	-	Rent Expense	3,209	-	-
-	-	Taxes	-	-	7,553
-	808	Regulatory Assess Fees	-	3,232	9,692
-	2	Permits	-	8	23
128	-	KY 811 Services	450	-	-
45	226	Miscellaneous Expenses	228	904	2,708
7	-	Customer Deposit Interest Expense	29	-	-
207,727	207,079	Total Operating Expenses	846,436	828,991	2,500,652
34,255	31,455	Net Income B/4 Other Income (Expenses)	118,899	125,145	361,732
		Other Income (Expenses)			
3,624	-	Capital Contributions	120,687	-	-
7	-	Interest Income	34	-	-
(7,800)	(6,705)	Interest Expense	(27,581)	(26,820)	(80,458)
185	63	Amortization	374	252	753
(65,000)	(65,000)	Depreciation	(260,000)	(260,000)	(780,000)
(4,520)	-	Bond Issue Costs	(4,520)	-	-
(73,504)	(71,642)	Total Other Income (Expenses)	(171,006)	(286,568)	(859,705)
\$ (39,249)	\$ (40,187)	Net Income (Loss)	\$ (52,107)	\$ (161,423)	\$ (497,973)

**Martin County Water District
Inez, KY**

Treasury Report

Billing Charges For the Month of:	Apr-22	
Water Revenue		\$ 168,745.60
Water Revenue-Commercial		28,902.05
Water Revenue-Commercial Exempt		7,979.20
Late Charges		5,280.77
Sales Taxes		1,734.74
Debt Service Surcharge		8,787.92
School Tax		6,518.54
Management Infrastructure Surcharge		15,771.47
Returned Check		328.48
Interest on Customer Deposits		(6.85)
Connection Fees		5,795.70
Other Miscellaneous Fees		660.00
Deposits Applied		(855.00)
Refund Checks Paid		204.89
Total Billing Charges		\$ 249,847.51
		<hr/>
Gallons Billed		12,471,780
		<hr/>
Customers Billed		3,400
		<hr/>

Accounts Receivable	Apr-22	
Beginning Balance		363,113.45
Billing Charges		249,847.51
Bad Debt (Write Offs) Recoveries		-
Accounts Receivable Collections		(326,455.51)
End of Month Accounts Receivable		286,505.45
		<hr/>

Operations Account		
Beginning Balance		\$ 83,138.61
Deposits		
Accounts Receivable Collections		326,455.51
Accounts Receivable Collections - Pmts in EFT Revenue Account		(86,919.05)
Sewer Billing Collections in Water Bank Acct - Due to MCS		68,988.93
Customer Deposits Received		2,440.00
Miscellaneous Income (Tokens)		30.05
Transfers from Other District Accts		95,500.00
Loan Wire		1,000,000.00
Total Deposits		1,406,495.44
Disbursements:		
Checks Written		(200,903.25)
Pmts made to Sanitation for A/R Collections		(72,266.27)
Transfers to Other District Accts		(45,099.03)
Auto Drafted Utilities		(20,182.64)
Sales and School Tax Payments		(8,317.41)
Returned Checks		(314.11)
Bank Fees		(45.00)
End of Month Balance		\$ 1,142,506.34
		<hr/>

Cash Receipts Collected To Date in:	May-22	224,809.36
Bills Submitted for Payment in:	May-22	(249,910.38)
Available Balance	4A-4	1,117,405.32
		<hr/>

**Martin County Water District
Inez, KY
Treasury Report
Summary of Cash & Investments
April 30, 2022**

Bank Account	Beginning Balance	Deposits	Interest Earned, Net of Fees	Payments	Ending Balance
Operations Account	\$ 83,138.61	1,406,495.44	-	(347,127.71)	\$ 1,142,506.34
Revenue EFT Account	28,290.70	86,919.05	-	(95,956.61)	19,253.14
Cash on Hand	900.00	-	-	-	900.00
Total Unrestricted Cash	<u>112,329.31</u>	<u>1,493,414.49</u>	<u>-</u>	<u>(443,084.32)</u>	1,162,659.48
Restricted Cash					
Security Deposits	85,105.12	2,610.00	3.62	(204.89)	87,513.85
ARC Grant	63.07	-	-	-	63.07
Rockhouse Project	9,658.78	10,800.00	-	(10,238.65)	10,220.13
Regions Bank-KY 2015E Martin County	38,042.92	10,238.65	2.84	-	48,284.41
KIA Bond & Interest	12,447.25	5,800.00	0.15	(5,675.12)	12,572.28
KY Assoc of Counties Leasing Trust	504.25	1,200.00	0.01	(230.75)	1,473.51
Debt Service Surcharge	1,916.63	8,840.00	0.10	(8,840.09)	1,916.64
Management Infrastructure Surcharge	1,000.15	15,849.03	0.17	(15,849.18)	1,000.17
Depreciation Reserve	1,022.06	-	0.02	-	1,022.08
Cost of Issuance Fund 2022*	-	48,283.86	-	-	48,283.86
Certificate Fund - 2022 Debt Svc*	-	64,233.54	-	-	64,233.54
Total Restricted Cash	<u>149,760.23</u>	<u>167,855.08</u>	<u>6.91</u>	<u>(41,038.68)</u>	276,583.54
Total Cash & Investments	<u>\$ 262,089.54</u>	<u>1,661,269.57</u>	<u>6.91</u>	<u>(484,123.00)</u>	<u>\$ 1,439,243.02</u>

* Awaiting confirmation on the balances, but don't have April's bank statements

**Martin County Water District
Billing Summary**

Date	Billed		Gallons (000'S)	Billed # of Customers	Payments Received
	Revenue	YTD Total			
Apr-22	217,383	840,645	12,472	3,400	326,456
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

Martin County Water District

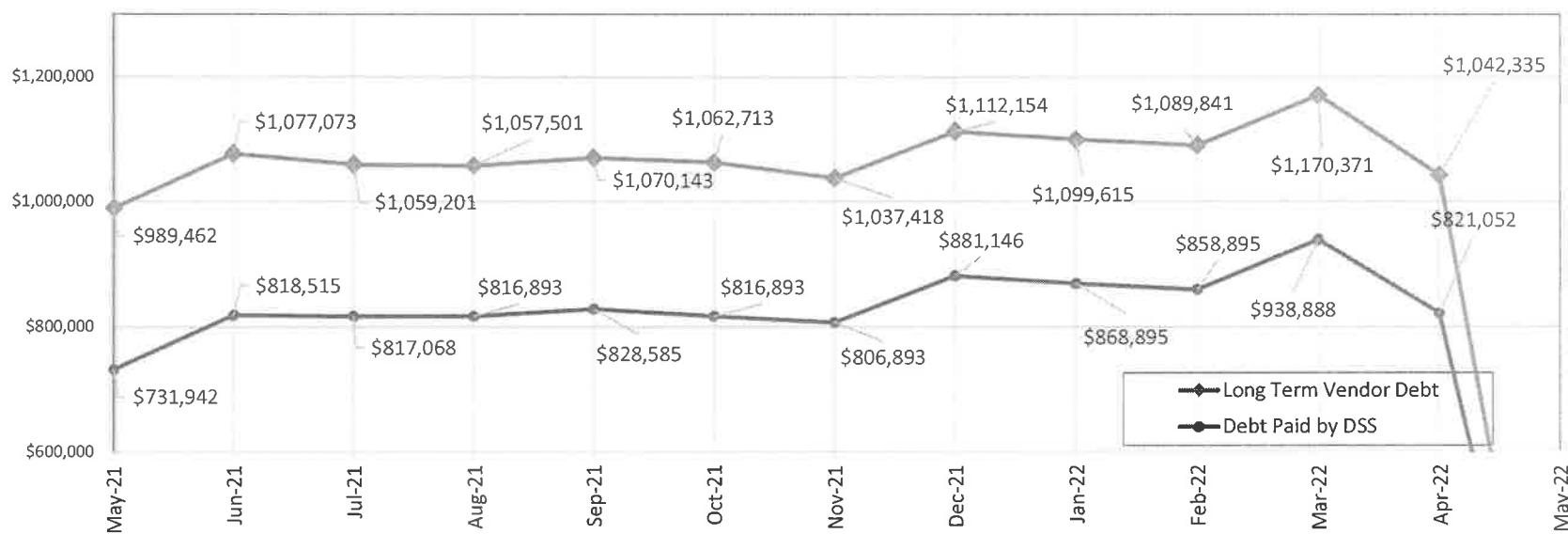
Net Income on a Cash Basis (Snapshot) EXCLUDES DEPRECIATION (format Revised 28 July 20)

	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22
REVENUE													
Customer Count	3,607	3,579	3,577	3,571	3,561	3,562	3,543	3,530	3,506	3,495	3,429	3,384	3,400
Payments Received	\$208,321	\$210,056	\$220,666	\$231,387	\$218,646	\$232,135	\$255,238	\$226,606	\$243,733	\$214,062	\$229,472	\$235,719	\$326,456
EXPENSES													
Operations Account	\$230,318	\$222,369	\$239,191	\$239,068	\$231,079	\$256,851	\$244,621	\$254,388	\$259,322	\$237,297	\$228,365	\$259,432	\$232,110
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	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
MIS EXP / (FUNDING)													
Sub total	\$248,118	\$240,169	\$256,991	\$256,868	\$248,879	\$274,651	\$262,421	\$272,188	\$277,122	\$255,097	\$246,165	\$277,232	\$249,910
NET INCOME													
Cash Basis	-\$39,797	-\$30,113	-\$36,325	-\$25,481	-\$30,233	-\$42,516	-\$7,183	-\$45,582	-\$33,389	-\$41,035	-\$16,693	-\$41,513	\$76,546

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 Operations 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



May 24th, 2022

TO: Martin County Water District
Board of Directors

INFORMATION & DECISION

FROM: Staff

RE: 2021 Audit

Staff is recommending the Board review the 2021 Audit.

Attached is the 2021 Audit from Wade Stables and P.C.

After review of the Audit, if the Board agrees, we are respectfully seeking a motion to approve the 2021 Audit.

Martin County Water District

Inez, Kentucky

Annual Financial Report

Years Ended December 31, 2021 and 2020

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Financial Section



Independent Auditor's Report

The Board of Directors
Martin County Water District
Inez, Kentucky

Qualified 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, 2021 and 2020, 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, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, 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, 2021 and 2020, and the respective changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Qualified 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 qualified opinion.

Matter Giving Rise to Qualified Opinion

As of the audit report date, updated Kentucky Retirement Systems reports were not available to present current pension information in the financial statements. Therefore, deferred inflows and outflows of resources related to pensions, net pension liability, net position, and expenses were unable to be updated to reflect the activity during the year ended December 31, 2021. Accounting principles generally accepted in the United States of America require that the net pension liability be measured based either on an actuarial valuation performed no earlier than the employer's prior fiscal year end or updated procedures to roll forward amounts from an earlier actuarial valuation. The amount by which this would affect the deferred inflows and outflows of resources related to pensions, net pension liability, net position, and expenses has not been determined.

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.

Independent Auditor's Report (Continued)

Responsibilities of Management for the Financial Statements (Concluded)

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. 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.

Independent Auditor's Report (Concluded)

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and schedule of the District's proportionate share of the net pension liability, and schedule of contributions information 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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 14, 2022, 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 14, 2022
Hannibal, Missouri

**MARTIN COUNTY WATER DISTRICT OF
INEZ, KENTUCKY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2021**

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, 2021.

OVERVIEW OF THE AUDITED FINANCIAL STATEMENTS

The financial statements presented in this report consist of the *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 2021 decreased by \$241,543 and ended the year at \$13,507,653.

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

Total assets decreased \$237,000 or 1.3% primarily due to decreases in capital assets of \$211,000 and current assets of \$30,000, offset by an increase in restricted assets of \$4,000. The decrease in capital assets is mainly due to depreciation expense of \$773,000 exceeding net asset additions of \$368,000. 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 accounts receivable of \$34,000 and cash of \$24,000, offset by an increase in unbilled revenue of \$31,000. The District collects and deposits sewer payments for Martin County Sanitation District. The decrease in cash mainly represents a reduction in the District's payable to Martin County Sanitation. The increase in restricted assets is mainly due to increases in debt service reserves for the principal payments and customer deposits. Restricted cash is discussed in detail in the restricted assets section.

Deferred outflows consist of the net difference between projected and actual earnings on pension plan investments. The Kentucky Retirement report was not available at the time this audit is issued so the 2020 numbers remain unchanged. Footnote 12 (page 20) of the audited financial statements provides additional information.

**MARTIN COUNTY WATER DISTRICT OF
INEZ, KENTUCKY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2021**

Total liabilities increased by \$5,000 or 0.01% primarily due to an increase in current liabilities of \$139,000 and decreases in long-term debt of \$134,000 related to principal payments made. Current liabilities increased mainly due to the increase in repairs and chemicals incurred by the District in 2021, an increase in customer deposits payable, and an increase in the current portion of long-term debt offset by decreases in tax liabilities and accrued interest.

Net pension liability remains unchanged because the Kentucky retirement report was unavailable. See Footnote 12 (page 20) of the audited financial statements for more information.

A summary of financial position follows:

	<u>For The Years Ended December 31</u>			<u>2021</u>	
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>Change</u>	<u>Percent Change</u>
Assets:					
Current assets	\$ 714,436	\$ 744,318	\$ 669,005	(29,882)	-4.0%
Restricted assets	131,434	127,206	118,005	4,228	3.3
Capital assets	17,715,134	17,926,113	18,387,049	(210,979)	-1.2
Total assets	<u>18,561,004</u>	<u>18,797,637</u>	<u>19,174,059</u>	<u>(236,633)</u>	-1.3
Deferred Outflows:					
Deferred outflows of resources related to pensions	\$ 134,959	\$ 134,959	\$ 286,346	-	N/A
Total deferred outflows of resources	<u>134,959</u>	<u>134,959</u>	<u>286,346</u>	<u>-</u>	N/A
Liabilities:					
Current liabilities	1,639,744	1,501,086	1,206,149	138,658	9.2
Long term debt, net	1,987,168	2,120,916	2,252,962	(133,748)	-6.3
Net pension liability	1,080,845	1,080,845	1,739,483	-	N/A
Total liabilities	<u>4,707,757</u>	<u>4,702,847</u>	<u>5,198,594</u>	<u>4,910</u>	0.1
Deferred Inflows:					
Deferred inflows of resources related to pensions	\$ 480,553	\$ 480,553	\$ 93,003	-	N/A
Total deferred inflows of resources	<u>480,553</u>	<u>480,553</u>	<u>93,003</u>	<u>-</u>	N/A
Net Position:					
Net investment in capital assets	15,594,973	15,673,916	16,009,467	(78,943)	-0.5
Restricted for debt service	105,137	99,652	85,771	5,485	5.5
Restricted for management infrastructure	6,587	1,000	12,244	5,587	558.7
Restricted for capital projects	63	93	89	(30)	-32.3
Unrestricted	(2,199,107)	(2,025,465)	(1,938,763)	(173,642)	8.6
Total net position	<u>\$ 13,507,653</u>	<u>\$13,749,196</u>	<u>\$ 14,168,808</u>	<u>(241,543)</u>	-1.8%

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

Total operating revenues increased by \$303,000 or 12.0% and totaled \$2,821,000 for the year. Water revenue and late charge fees increased \$143,000 from the prior year mainly due to a temporary rate increase in August 2021 as approved by the Public Service Commission (PSC) and

**MARTIN COUNTY WATER DISTRICT OF
INEZ, KENTUCKY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2021**

the resumption of late charges billed which was suspended during the height of the pandemic. Additionally, there was an increase of \$167,000 in miscellaneous income and other fees for adjustments of previous accruals and penalty and interest waived by vendors on outstanding balances. This was offset by a reduction of \$7,000 from the prior year in connection fees, debt and water surcharges.

Total operating expenses increased by \$334,000 or 10.4% and totaled \$3,543,000 for the year mainly due to an increase in the repairs and chemical costs, utilities, and water purchased. The Water District experienced an ice storm and flood causing a state of emergency in the county. This disaster was very costly to the District and we are still awaiting reimbursement for a majority of these expenses from FEMA. Other costs included making hydraulic corrections to the system to help combat water loss, and an increase in pricing and availability of repair parts and chemicals. Water purchased increased due to a failure at the Otto Brown booster station. This station provides water to the Airport and Davella region where there is a tie in with Prestonsburg Utilities. Prestonsburg has been pumping to the Airport and Davella region a large portion of the year costing the District between \$10,000 to \$15,000 a month. The expenses were offset mainly by reductions in bad debts, insurance, and audit costs.

Change in net position (net operating loss) in 2021 was \$242,000, an improvement of \$204,000 or 45.7% from prior year.

Non-operating expense in 2021 increased by \$1,200 mainly due to customer deposit interest expense offset by reductions in interest expense, loss on disposal of assets, and interest income.

Capital contributions totaled \$567,000 due to grants received from the Appalachian Regional Commission (ARC) for The Lovely Water Line Replacement Project. This project installed new water line from railroad bridge to Evans Hill as well as new service lines for customers and eighty-one radio read meters. This project was due to an extensive amount of water loss in the area from failing infrastructure.

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

**MARTIN COUNTY WATER DISTRICT OF
INEZ, KENTUCKY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2021**

	For The Years Ended December 31			2021	
	2021	2020	2019	Change	Percent Change
Operating Revenues:					
Water sales	\$ 2,243,478	\$ 2,146,384	\$ 2,220,203	97,094	4.5%
Connection fees	17,612	22,872	-	(5,260)	-23.0%
Late charge fees	58,575	13,416	76,437	45,159	336.6%
Debt service surcharge	107,177	107,436	152,709	(259)	-0.2%
Water surcharge (MIS)	192,369	193,180	12,244	(811)	-0.4%
Other fees	39,575	20,144	67,495	19,431	96.5%
Misc income	161,982	14,311	-	147,671	1031.9%
Total operating revenues	<u>2,820,768</u>	<u>2,517,743</u>	<u>2,529,088</u>	<u>303,025</u>	12.0%
Operating Expenses:					
Operating expenses	2,769,377	2,421,722	2,424,794	347,655	14.4
Depreciation	773,206	786,741	790,294	(13,535)	(1.7)
Total operating expenses	<u>3,542,583</u>	<u>3,208,463</u>	<u>3,215,088</u>	<u>334,120</u>	10.4
Net Operating Income	<u>(721,815)</u>	<u>(690,720)</u>	<u>(686,000)</u>	<u>(31,095)</u>	4.5
Non-operating Income (Expense)					
Interest expense	(78,302)	(80,217)	(93,472)	(1,915)	2.4
Customer deposit interest expense	(3,319)	-	-	3,319	N/A
Bond trustee fees	(450)	(450)	-	-	N/A
Gain (loss) on disposal of assets	(4,752)	(5,237)	-	485	(9.3)
Interest income	112	386	83	(274)	(71.0)
Total Non-operating income (expenses)	<u>(86,711)</u>	<u>(85,518)</u>	<u>(93,389)</u>	<u>1,193</u>	(1.4)
Change in net position before contributions	<u>(808,526)</u>	<u>(776,238)</u>	<u>(779,389)</u>	<u>(32,288)</u>	4.2
Capital grants and contributions	566,983	331,046	17,000	235,937	71.3
Change in net position	<u>(241,543)</u>	<u>(445,192)</u>	<u>(762,389)</u>	<u>203,649</u>	(45.7)
Net Position - Beginning	13,749,196	14,168,808	14,931,197	(419,612)	(3.0)
Prior Period Adjustment	-	25,580	-	(25,580)	(100.0)
Net Position - Ending	<u>\$ 13,507,653</u>	<u>\$ 13,749,196</u>	<u>\$ 14,168,808</u>	<u>(241,543)</u>	-1.80%

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 2021 with the help of the debt service surcharge and the management infrastructure surcharge. The net cash provided by operating activities by itself would not have been sufficient to pay debt service.

The District applied for a rate increase in December 2020. The PSC then approved an emergency rate increase effective in August 2021 and a permanent rate increase effective March 2022 to help the District meet its operational expenses.

**MARTIN COUNTY WATER DISTRICT OF
INEZ, KENTUCKY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2021**

RESTRICTED ASSETS

Restricted assets were \$131,434 in 2021 compared to \$127,206 in 2020. 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 \$17,715,134 on December 31, 2021, compared to \$17,926,113 on December 31, 2020, which represents a decrease of \$210,979 or 1.2%. Capital asset additions in 2021 were \$891,785 which consisted of the ARC Lovely line replacement. Additions were offset by the retirement of numerous items (including meters, hydraulics, hydrants, pumps, equipment, computer hardware and software, and vehicles which remained in the district records) and depreciation expense of \$773,206.

LONG-TERM DEBT

The District paid principal payments of \$131,281 during the fiscal year. As of December 31, 2021, the District had total long-term debt outstanding of \$2,102,799 of which \$132,993 is due in the next year.

OVERALL ANALYSIS OF FINANCIAL POSITION AND RESULTS OF OPERATIONS

The District's change in overall financial position in 2021 decreased by \$241,543 as compared to the 2020 overall decrease of \$419,612. This is an improvement in overall financial position between 2021 and 2020 with a net position increase of \$178,069. The District continually strives to improve its financial position as reflected in the District's passage of the rate increase effective in March 2022.

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, 2021 and 2020

	2021	2020
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 297,677	\$ 321,330
Accounts receivable (net)	313,736	347,314
Unbilled revenue	92,562	62,058
Prepaid expenses	4,904	9,050
Inventory	5,557	4,566
Total Current Assets	\$ 714,436	\$ 744,318
Restricted Assets		
Cash - Debt retirement	\$ 131,369	\$ 127,111
Cash - Grants	63	93
Accrued interest receivable	2	2
Total Restricted Assets	\$ 131,434	\$ 127,206
Capital Assets		
Water supply & distribution system	\$ 28,206,274	\$ 27,316,475
Buildings	500,264	500,264
Equipment & Furniture	6,369,882	6,398,523
Vehicles & Trailers	138,773	307,474
Construction in progress	6,237	331,042
Land	214,714	214,714
Less: Accumulated depreciation	(17,721,010)	(17,142,379)
Total Capital Assets	\$ 17,715,134	\$ 17,926,113
TOTAL ASSETS	\$ 18,561,004	\$ 18,797,637
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflows of resources related to pensions	\$ 134,959	\$ 134,959
TOTAL DEFERRED OUTFLOWS OF RESOURCES	\$ 134,959	\$ 134,959

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, 2021 and 2020

	2021	2020
LIABILITIES		
Current Liabilities		
Accounts payable	\$ 1,389,540	\$ 1,257,086
Accrued interest	28,151	29,378
Sales tax payable	6,951	8,896
Customer deposits	82,109	74,445
Current portion of long-term debt	132,993	131,281
Total Current Liabilities	\$ 1,639,744	\$ 1,501,086
Long-Term Liabilities		
Long-term portion of debt (net)	1,987,168	2,120,916
Net pension liability	1,080,845	1,080,845
TOTAL LIABILITIES	\$ 4,707,757	\$ 4,702,847
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows of resources related to pensions	\$ 480,553	\$ 480,553
TOTAL DEFERRED INFLOWS OF RESOURCES	480,553	480,553
NET POSITION		
Net investment in capital assets	\$ 15,594,973	\$ 15,673,916
Restricted for debt retirement	105,137	99,652
Restricted for management infrastructure	6,587	1,000
Restricted for capital projects	63	93
Unrestricted	(2,199,107)	(2,025,465)
TOTAL NET POSITION	\$ 13,507,653	\$ 13,749,196

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, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Operating Revenues		
Water sales	\$ 2,243,478	\$ 2,146,384
Connection fees	17,612	22,872
Late charge fees	58,575	13,416
Debt service surcharge	107,177	107,436
MIS Water surcharge	192,369	193,180
Other fees	39,575	20,144
Miscellaneous income	161,982	14,311
Total Operating Revenues	<u>\$ 2,820,768</u>	<u>\$ 2,517,743</u>
Operating Expenses		
Management & operations contract	\$ 2,220,673	\$ 1,985,039
Water purchased	65,763	-
Employee benefits	-	(119,701)
Utilities	362,424	320,969
Insurance	35,717	48,400
Repairs and maintenance	13,181	6,511
Outside services	755	6,831
Legal	19,612	6,975
Accounting	7,725	25,000
Bad debt	16,733	118,530
Dues & subscriptions	4,884	3,700
Office Expense	2,804	3,339
Rental	8,849	9,053
Regulatory assessment fees	-	5,983
KY 811 Services	2,451	-
Taxes	5,035	-
Depreciation	773,206	786,741
Miscellaneous	2,771	1,093
Total Operating Expenses	<u>\$ 3,542,583</u>	<u>\$ 3,208,463</u>
Operating Income (Expense)	<u>\$ (721,815)</u>	<u>\$ (690,720)</u>
Non-operating Income (Expenses)		
Interest expense	\$ (78,302)	\$ (80,217)
Customer deposit interest expense	(3,319)	-
Bond trustee fees	(450)	(450)
Gain (loss) on disposal of assets	(4,752)	(5,237)
Interest income	112	386
Total Non-operating Income (Expenses)	<u>\$ (86,711)</u>	<u>\$ (85,518)</u>
Change in Net Position Before Contributions	<u>\$ (808,526)</u>	<u>\$ (776,238)</u>
Capital grants and contributions	<u>566,983</u>	<u>331,046</u>
Change in Net Position	<u>\$ (241,543)</u>	<u>\$ (445,192)</u>
Net Position - Beginning	13,749,196	14,168,808
Prior Period Adjustment	-	25,580
Net Position - Ending	<u>\$ 13,507,653</u>	<u>\$ 13,749,196</u>

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

Martin County Water District
 Statements of Cash Flows
 Years Ended December 31, 2021 and 2020

	2021	2020
Cash Flows From Operating Activities		
Cash received from customers	\$ 2,831,506	\$ 2,561,255
Cash payments for goods and services	(2,635,713)	(2,129,876)
Cash payments for employees and benefits	-	(97,689)
Net Cash Provided by Operating Activities	\$ 195,793	\$ 333,690
Cash Flows From Capital and Related Financing Activities		
Payments for capital assets	\$ (566,980)	\$ (331,042)
Principal repayments	(131,281)	(124,620)
Interest and other charges paid	(84,052)	(86,523)
Capital grants	566,983	331,046
Net Cash Provided (Used) By Capital and Related Financing Activities	\$ (215,330)	\$ (211,139)
Cash Flows From Investing Activities		
Interest received	\$ 112	\$ 386
Net Cash Provided By Investing Activities	\$ 112	\$ 386
Net Increase (Decrease) In Cash and Cash Equivalents	\$ (19,425)	\$ 122,937
Cash and Cash Equivalents - Beginning of Year	448,534	325,597
Cash and Cash Equivalents - End of Year	\$ 429,109	\$ 448,534
 Reconciliation of Cash and Cash Equivalents		
Cash and cash equivalents	\$ 297,677	\$ 321,330
Restricted cash and cash equivalents		
Cash - Debt retirement	131,369	127,111
Cash - Grants	63	93
Total Cash and Cash Equivalents	\$ 429,109	\$ 448,534
 Reconciliation Of Operating Income To Net Cash Provided By Operating Activities		
Operating income	\$ (721,815)	\$ (690,720)
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation expense	773,206	786,741
Change in assets and liabilities:		
Accounts receivable	33,578	(225,607)
Unbilled receivables	(30,504)	255,491
Inventory	(991)	3,811
Prepaid expenses	4,146	4,730
Accounts payable	132,454	406,905
Customer deposits	7,664	13,628
Payroll liabilities	-	(97,689)
Sales tax payable	(1,945)	1,101
Other accrued liabilities	-	(5,000)
Net pension obligation	-	(119,701)
Net Cash Provided By Operating Activities	\$ 195,793	\$ 333,690

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

**Notes to the
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) Significant Accounting Policies (Continued)

As of the year ended December 31, 2021, 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 changes 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

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) 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, 2021, the carrying amount of the District's deposits was \$429,108 and the bank balances totaled \$441,947. As of December 31, 2021, \$250,000 was covered by federal depository insurance, \$91,963 was collateralized with a letter of credit in First State Bank's name for the coverage of the District's deposit balances, and \$99,984 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 Statement of Net Position and Statement of Cash Flows.

4) Accounts Receivable

The receivables are reported on the accompanying Statements of Net Position, net of an allowance for doubtful accounts, which amounted to \$28,000 and \$84,000 as of December 31, 2021 and 2020. 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 purchased vehicles and equipment by obtaining \$200,000 of funding from the Kentucky Association of Counties (KACO). Payments accrue monthly, with a maturity date of 2025 and variable rate. The base rental interest rate is 4.25%.

KRW Bond Refunding

The District initiated improvements of its water system by obtaining funding from the United States Department of Agriculture (USDA) Division of Rural Development (RD). The RD loans were refunded on May 12, 2015 from the Kentucky Rural Water Finance Corporation Public Projects.

5) Long-Term Debt (Continued)

Series 2015E Current Refunding

RD loans of \$2,008,100 were refunded on May 12, 2015 by \$2,010,000 par amount public project fund bond from the Kentucky Rural Water Finance Corporation. The new debt bears interest ranging from 2.10% – 4.10% maturing on February 1, 2045. The premium on the refunding, 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, 2021 and 2020 amounted to \$755 and \$765, respectively.

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

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

	<u>2021</u>	<u>2020</u>
Series 2015 E Revenue Bonds		
\$2,010,000 Revenue Bonds due in yearly installments of \$30,000 to \$55,000 from January 2016 through June 2045, interest rates at 2.10% to 4.10%.	\$ 1,705,000	\$ 1,765,000
Kentucky Infrastructure Authority Loan		
\$1,329,826.43 loan due in monthly installments of \$5,620.58 from 1991 through June 2027, interest rate is 3.00%.	341,577	397,858
Kentucky Association of Counties Equipment Lease		
\$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%.	<u>56,222</u>	<u>71,222</u>
Total Debt Payable	2,102,799	2,234,080
Add: Unamortized Premium	17,362	18,117
Less: Current Portion	<u>(132,993)</u>	<u>(131,281)</u>
Long-Term Portion of Debt Payable	<u>\$ 1,987,168</u>	<u>\$ 2,120,916</u>

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

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 132,993	\$ 76,244	\$ 209,237
2023	134,757	71,190	205,947
2024	141,574	65,990	207,564
2025	139,669	60,939	200,608
2026	135,377	56,709	192,086
2027-2031	413,429	236,549	649,978
2032-2036	445,000	159,612	604,612
2037-2041	345,000	78,207	423,207
2042-2046	215,000	17,935	232,935
Totals	<u>\$ 2,102,799</u>	<u>\$ 823,375</u>	<u>\$ 2,926,174</u>

Martin County Water DistrictNotes to the Financial Statements
December 31, 2021 and 2020**5) Long-Term Debt (Concluded)**

The changes in long-term debt for the years ended December 31, 2021 and 2020 are as follows:

	<u>2021</u>	<u>2020</u>
Balance, Beginning	\$ 2,234,080	\$ 2,358,700
Additions	-	-
Retirements	<u>(131,281)</u>	<u>(124,620)</u>
Balance, Ending	<u>\$ 2,102,799</u>	<u>\$ 2,234,080</u>

6) Litigation

At December 31, 2021, 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 \$131,434 and \$127,206 as of December 31, 2021 and 2020, respectively.

As of December 31, 2021, the District's Restricted Net Position consists of net investments in capital assets, restrictions on debt retirement, restrictions on management infrastructure, and restrictions on capital projects.

Net Investment in Capital Assets

	<u>2021</u>	<u>2020</u>
Total Capital Assets	\$17,715,134	\$17,926,113
Less:		
Long-term portion of debt (net)	(1,987,168)	(2,120,916)
Current portion of long-term debt	<u>(132,993)</u>	<u>(131,281)</u>
Total Net Investment in Capital Assets	<u>\$15,594,973</u>	<u>\$15,673,916</u>

Martin County Water District

Notes to the Financial Statements
December 31, 2021 and 2020

8) Restricted Assets and Net Position (Concluded)

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 as of December 31:

	<u>2021</u>	<u>2020</u>
Sinking funds	\$ 130,347	\$ 126,089
Surcharge fund	1,917	1,917
Depreciation fund	<u>1,022</u>	<u>1,022</u>
Restricted cash and investments - Debt retirement	133,286	129,028
Add: Accrued interest receivable	2	2
Less: Payable from restricted assets Accrued interest	<u>(28,151)</u>	<u>(29,378)</u>
Restricted for debt retirement	<u>\$ 105,137</u>	<u>\$ 99,652</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 as of December 31:

Management Infrastructure

	<u>2021</u>	<u>2020</u>
Management infrastructure surcharge fund	<u>\$ 6,587</u>	<u>\$ 1,000</u>
	<u>\$ 6,587</u>	<u>\$ 1,000</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 for the year ended December 31:

Capital Projects

	<u>2021</u>	<u>2020</u>
Restricted cash - Capital projects	<u>\$ 63</u>	<u>\$ 93</u>
Restricted for Capital Projects	<u>\$ 63</u>	<u>\$ 93</u>

Martin County Water DistrictNotes to the Financial Statements
December 31, 2021 and 2020**9) Capital Assets**

Capital assets during the year ended December 31, 2021 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	\$27,316,475	\$ 891,785	\$ (1,986)	\$ 28,206,274
Buildings	500,264	-	-	500,264
Equipment & Furniture	6,398,523	-	(28,641)	6,369,882
Vehicles & Trailers	307,474	-	(168,701)	138,773
	<u>34,522,736</u>	<u>891,785</u>	<u>(199,328)</u>	<u>35,215,193</u>
Accumulated Depreciation	(17,142,379)	(773,206)	194,575	(17,721,010)
Construction in Progress	331,042	566,980	(891,785)	6,237
Land	214,714	-	-	214,714
Total Capital Assets	<u>\$17,926,113</u>	<u>\$ 685,559</u>	<u>\$(896,538)</u>	<u>\$ 17,715,134</u>

Capital assets during the year ended December 31, 2020 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	\$27,328,169	\$ -	\$ (11,694)	\$ 27,316,475
Buildings	500,264	-	-	500,264
Equipment & Furniture	6,563,220	-	(164,697)	6,398,523
Vehicles & Trailers	346,665	-	(39,191)	307,474
	<u>34,738,318</u>	<u>-</u>	<u>(215,582)</u>	<u>34,522,736</u>
Accumulated Depreciation	(16,565,983)	(786,741)	210,345	(17,142,379)
Construction in Progress	-	331,042	-	331,042
Land	214,714	-	-	214,714
Total Capital Assets	<u>\$18,387,049</u>	<u>\$ (455,699)</u>	<u>\$ (5,237)</u>	<u>\$ 17,926,113</u>

Depreciation expense for the years ended December 31, 2021 and 2020 amounted to \$773,206 and \$786,741, respectively.

10) Related Party Transactions

There were no related party transactions during the year ended December 31, 2021.

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, 2021, the District has used \$991,379 of these funds.

12) Pension Plan:

An updated CERS report from the Kentucky General Assembly is not available, therefore the following notes are relevant for December 31, 2020.

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, 2020 employers were required to contribute 19.30% of the member's salary. During the year ended December 31, 2020, the District contributed \$69,664 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, 2020, the District reported a \$1,080,845 liability for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020. The total pension liability used to calculate the net pension liability was based on an actuarial valuation as of June 30, 2019. An expected total pension liability as of June 30, 2019 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, 2020. At December 31, 2020 the District's proportion was .014092%.

For the year ended December 31, 2020, the District recognized pension expense of \$(50,037) related to CERS. At December 31, 2020, 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	\$ 26,953	\$ -
Changes in assumptions	42,205	-
Net difference between projected and actual earnings on pension plan investments	46,851	19,804
Changes in proportion and differences between District contributions and proportionate share of contributions	18,950	460,749
Total	\$ 134,959	\$ 480,553

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>	
2021	\$ (161,805)
2022	(178,039)
2023	(16,613)
2024	10,863
2025	-
	<u>\$ (345,594)</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, 2020 were based on an actuarial valuation date of June 30, 2019. The total pension liability was rolled-forward from the valuation date (June 30, 2019) to the plan's fiscal year ending June 30, 2020, using generally accepted actuarial principles. There have been no changes in actuarial assumptions since June 30, 2019.

The following actuarial methods and assumptions were used to determine the actuarially determined contributions effective for fiscal year ending June 30, 2020:

Valuation Date	June 30, 2018
Experience Study	July 1, 2013 - June 30, 2018
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level percent of pay
Remaining Amortization Period	25 years, Closed
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 11.55%
Investment Rate of Return	6.25%

The mortality table used for active members is RP-2000 Combined Mortality Table projected with Scale BB to 2013 (multiplied by 50% for males and 30% for females). For healthy retired members and beneficiaries, the mortality table used is the RP-2000 Combined Mortality Table projected with Scale BB to 2013 (set-back for one year for females). For disabled members, the RP-2000 Combined Disables Mortality Table projected with Scale BB to 2013 (set-back four years for males) is used for the period after disability retirement.

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.

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Growth	62.50%	
US Equity	18.75%	4.50%
Non-US Equity	18.75%	5.25%
Private Equity	10.00%	6.65%
Specialty Credit/High Yield	15.00%	3.90%
Liquidity	14.50%	
Core Bonds	13.50%	-0.25%
Cash	1.00%	-0.75%
Diversifying Strategies	23.00%	
Real Estate	5.00%	5.30%
Opportunistic	3.00%	2.25%
Real Return	15.00%	3.95%
Expected Real Return	100.00%	3.96%
Long Term Inflation Assumption		2.30%
Expected Nominal Return for Portfolio		6.26%

Discount Rate:

The discount rate used to measure the total pension liability was 6.25%. 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 6.25%, 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 (5.25%) or 1-percentage-point higher (7.25%) than the current rate:

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
CERS	5.25%	6.25%	7.25%
District's proportionate share of net pension liability	\$ 1,332,917	\$ 1,080,845	\$ 872,120

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, 2020.

14) Commitments

The District has a full service operating agreement with Alliance Water Resources, Inc. through December 31, 2024, 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, 2022 with the compensation for the balance of the contract to be negotiated on an annual basis.

15) Prior Period Financial Statements

Certain reclassifications have been made to the prior year financial statement presentation to correspond with the current year's format. Net position and changes in net position are unchanged due to these reclassifications.

16) Subsequent Events

Subsequent events have been considered through March 14, 2022, 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, 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)
County Employee's Retirement System:						
District's proportion of the net pension liability	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	-	-	-	-	-	-
Total	<u>\$ 1,080,845</u>	<u>\$ 1,739,483</u>	<u>\$ 1,459,298</u>	<u>\$ 1,255,723</u>	<u>\$ 1,065,280</u>	<u>\$ 750,000</u>
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	311.44%	290.05%	248.08%	181.02%	179.26%	134.05%
Plan fiduciary net position as a percentage of the total pension liability	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, 2020

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
County Employee's Retirement System:							
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>
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	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



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**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 Martin County Water District (District), as of and for the year ended December 31, 2021, 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 14, 2022.

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 2021-001, 2021-002, and 2021-003.

**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 14, 2022
Hannibal, Missouri

Compliance Findings

2021-001 - 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 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 work with vendors to make payment plans where necessary and work toward making payments within 30 days as required.

2021-002 – 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 2021.

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)

2021-003 – 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
24-May-22

<u>Vendor</u>	<u>Description</u>	<u>Amount</u>
Operations Account		
1 AEP	Electric (26 bills) Estimated	\$ 26,408.21
2 Big Sandy RECC	Electric (9 bills) Estimated	\$ 2,499.45
3 Paintsville Utilities	Electric for token (03/02/22 to 04/03/22) Estimated	\$ 59.44
4 Martin County Public Library	Rent (June)	\$ 796.12
5 Martin County Water District	Sanitation (Apr)	\$ 141.67
6 Sales tax	4/2022 (estimated)	\$ 1,777.53
7 School tax	4/2022 (estimated)	\$ 6,539.88
8 Alliance Water Resources	5/1/22-5/15/22 O&M services	\$ 84,253.50
9 Alliance Water Resources	5/15/22-5/31/22 O&M services	\$ 82,222.75
10 Alliance Water Resources	5/22 Suddenlink Reimbursement (estimated)	\$ 87.39
11 Alliance Water Resources	5/22 Suddenlink Reimbursement (estimated)	\$ 35.96
12 Management Inf. Surcharge	Estimated (actual collected will be paid)	\$ 15,849.03
13 Debt Service Surcharge	Estimated (actual collected will be paid)	\$ 8,840.00
14 Walker Communications	Phone maintenance (May)	\$ 89.00
15 Brian Cumbo	Legal Fees	\$ 2,350.00
16 Nayax	Kiosk Card Reader	\$ 7.95
17 Pocahontas Royalties, LLC	Lease (05/24/2022/05/24/2023)	\$ 25.00
18 Kentucky Underground Protection	811 Services (April)	\$ 127.50
TOTAL		\$ 232,110.38
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		\$ 249,910.38

Martin County Water District, Inez KY
List of Bills for Consideration
24-May-22

<u>Vendor</u>	<u>Description</u>	<u>Amount</u>
Security Deposit Account		
Customer		
1 Claudine Sweeney	Deposit refund due to customer	\$ 4.99
2 Natalie Daniels	Deposit refund due to customer	\$ 93.80
3 Nancy Dillon	Deposit refund due to customer	\$ 62.83
4 Cassandra May	Deposit refund due to customer	\$ 56.70
5 Kimberly Martin	Deposit refund due to customer	\$ 62.36
6 Bill Maynard	Deposit refund due to customer	\$ 18.62
7 Jessica Mills Cox	Deposit refund due to customer	\$ 0.18
TOTAL		\$ 299.48



Professional Water and Wastewater Operations

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

APRIL 2022

Administrative

Staff is in the process of understanding, clarifying, and developing company policies for the District. Together, policies and procedures will provide the District a road map for day-to-day operations. It will ensure compliance with laws and regulations, give guidance for decision-making, and streamline internal processes.

Water Treatment

Construction on the river intake and water plant projects continue. The riverbank had riprap applied and the electrical building is near completion. Engineers at Xylem are working on the customized trailer for the ramp. The monthly project progress meeting will be on May 18th.

The large pump was delivered and set at the intake. After running for six days, we had to pull the pump due to the flooding of Tug Fork. We are experiencing issues with the pump that we are working with Xylem to solve. The reservoir currently has 19' of water above the sensor. Normal pool is 23'. We start experiencing flow issues at 9'.

The replacement metal for clarifier one has arrived and is currently being installed. These fabrications include the lining for the inner parameter of the clarifier, launders, and a mud valve box.

We received written confirmation that \$36,000 of pump rental charges were credited by Xylem.

Treatment chemical bid requests were sent to multiple vendors with a deadline of June 1st for submission.

A flapper was placed on the overflow for the rapid mix at MCWTP.



Distribution:

We received \$5,000 from Prestonsburg as a result of being able to pump to the prison again. We expect this amount to increase in May.

Distribution crew worked side by side with the county garage employees at the reservoir. Weeds were cut, trees trimmed, and trash was picked up.

We are waiting for approval of our application with Nayax to obtain service for the card reader at Spicy Mountain.

One employee resigned from their position inside the distribution crew. We expect to fill his position internally.

Safety:

April's safety meeting covered vehicular safety. It was held on April 5th.

Training:

Ongoing in-house training



Professional Water and Wastewater Operations

Martin County Water District

SUMMARY

Customer Service:

Staff received several compliments on the new IVR payment system. They expressed how they have been able to get in touch with the office a lot easier. Staff also had a customer thank them for their hard work and understanding of a recent leak they had and helping them to apply for their yearly leak adjustment.

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.



 WATER RESOURCES®

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 Professional Water and Wastewater Operations

Martin County Water District

Water Plant Operation

Water Pumped – APRIL	
Total Water Production (gallons)	50,441,000
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)	1.681 MGD
Maximum Daily Flow	1.767 MGD
Fluoride Used (lbs.)	380.2 LBS
Chlorine Used (lbs.)	1,314 LBS
Lab Tests	3,700 TESTS

Water Quality Analysis

Test	Routine	Special	Repeat
Bacteriological	10 (Pass)	0 (Pass)	
		Reported	Minimum Limit
Fluoride Plant Sample	30	0.74 mg/l Average	0.6 mg/l
Chlorine Distribution Sample	35 35	Low Readings Total - 0.62 mg/L Free – 0.50mg/L	0.2 mg/l

Customer Service Request and Work Orders

Meter Reads	3354
Meter Sets	33
Turn offs-Close account	17
Taps	4
Meter Changes	12
Disconnects for Non-payment	16
Boil Notices	0
Line Locates	86
Water Leaks/Breaks	33
Other/Investigates	185

Water Main Breaks & Service Lines

Date	Location	Pipe Size/Type	Estimated Water Loss (gallons)
4/6/22	57 Vineyard Valley	3 in	497,000
4/7/22	174 Rockhouse Rd	1 in	342,000
4/6/11	Riverside Apts	1 in	181,000
4/7/22	98 Beechwood Est	¾ in	635,000
4/7/22	101 Eden Ln	¾ in	635,000
4/12/22	Blacklog Rd	8 in	3,439,000
4/12/22	2075 Big Elk Rd	¾ in	1,088,000
4/14/22	80 Fitch Br	3 in	1,189,000
4/18/22	2934 Tug River Rd	¾ in	363,000
4/19/22	4104 New Rt 3	10 in	362,000



Martin County Water District

4/21/22	5866 Rockcastle Rd	6 in	363,000
4/21/22	31 Carlos Webb Rd	¾ in	994,000
4/25/22	21 Taylors Ct	¾ in	2,268,000
4/25/22	3523 Davella Rd	1 in	475,000
4/26/22	675 W Main St	1 in	2,268,000
4/26/22	4453 Hode Rd	¾ in	85,000



Professional Water and Wastewater Operations

Martin County Water District

Repair Expenses Ending March 2022

Expended	Actual YTD	Annual Budget	% Budget / Line Item
Bldg. & Grounds Maintenance	\$280	\$7,000	4%
Vehicle Maintenance	\$4,411	\$25,000	18%
Water Plant Maintenance	\$2,554	\$15,000	17%
Distribution System Maintenance	\$51,836	\$90,000	58%
Water Meter Maintenance	\$18,002	\$10,000	180%
Street Maintenance	\$0	\$8,000	0%
Totals	\$77,083	\$155,000	50%

Chemical Expenses Ending March 2022

Expended	Actual YTD	Annual Budget	% Budget / Line Item
Sodium Hydroxide	\$2,666	\$11,000	24%
Lime/Caustic Soda	\$0	\$30,000	0%
Alum (Brennfloc)	\$9,656	\$15,000	64%
Chlorine	\$5,898	\$20,000	29%
Permanganate	\$550	\$19,000	3%
Fluoride	\$1,584	\$7,000	23%
Chemicals Other - Water	\$496	\$8,000	6%
Totals	\$20,849	\$110,000	19%

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Martin County Water District

Notes:

- 1) Building & Grounds Maintenance
 - a. \$0.00

- 2) Vehicle Maintenance
 - a. Butcher's Exhaust \$250.00
 - b. Middlefork Service \$150.00
 - c. Middlefork Service \$527.32
 - d. Wilson Equipment \$ 8.43
 - e. Easykeyscom \$25.51
 - f. Advanced Auto \$28.03
 - g. Advanced Auto \$51.67
 - h. Fast Change \$79.45
 - i. Fast Change \$120.95
 - j. Fast Change \$124.76
 - k. Fast Change \$232.50

- 3) Water Plant Maintenance
 - a. Cardinal Glass \$2,438.00
 - b. Lowes \$99.04
 - c. Evan's Hardware \$16.95

- 4) Well Maintenance
 - a. \$0.00

- 5) Distribution System Maintenance
 - a. Citco \$3,623.96
 - b. Citco \$70.62
 - c. Consolidated \$148.19
 - d. Consolidated \$75.11
 - e. Consolidated \$208.29
 - f. R&J \$2.11
 - g. Consolidated \$2,224.04
 - h. Warren Pump 66.11
 - i. R&J \$143.93
 - j. Roy Kirk \$425.00
 - k. Consolidated \$2,455.44
 - l. Consolidated \$62.90
 - m. Citco \$389.87
 - n. Consolidated \$1,138.64
 - o. Consolidated \$1,162.83
 - p. Citco \$1,011.44
 - q. Consolidated \$1,552.91
 - r. Warren Pump \$909.45
 - s. Vernon Manufacturing \$1,761.00
 - t. Roy Kirk \$425.00
 - u. Consolidated \$339.20



Martin County Water District

- v. Consolidated \$106.00
- w. R&J \$164.29
- x. Warren Pump \$758.36

- 6) Meter maintenance
 - a. Consolidated \$1,651.90
 - b. Consolidated \$1,393.60
 - c. Consolidated \$1,769.83
 - d. Consolidated \$2,085.43
 - e. Consolidated \$1,078.38
 - f. Consolidated \$801.70
 - g. Consolidated \$316.35
 - h. Consolidated \$769.76
 - i. Consolidated \$259.70
 - j. Consolidated \$2,392.27

- 7) Sodium Bisulfite
 - a. Citco \$217.88

- 8) Sodium Hydroxide
 - a. Citco \$594.76
 - b. Citco \$1,182.97

- 9) Lime/Caustic Soda
 - a. \$0.00

- 10) Polymer
 - a. \$0.00

- 11) Alum
 - a. Brenntag \$5,168.00

- 12) Chlorine
 - a. Citco \$2,156.22
 - b. Citco \$1,490.12

- 13) Permanganate
 - a. \$0.00

- 14) Fluoride
 - a. Fluoride \$825.92

- 15) Chemicals Other – Water
 - a. \$0.00

PUBLIC SERVICE COMMISSION

Monthly Water Loss Report

Water Utility: Martin County Water District

For the Month of: April Year: 2022

LINE #	ITEM	GALLONS (0mft 000's)
1	WATER PRODUCED AND PURCHASED	
2	Water Produced	50,441
3	Water Purchased	
4	TOTAL PRODUCED AND PURCHASED	50,441
5		
6	WATER SALES	
7	Residential	10,072
8	Commercial	2,400
9	Industrial	
10	Bulk Loading Stations	
11	Wholesale	
12	Public Authorities	1,450
13	Other Sales (explain)	
14	TOTAL WATER SALES	13,922
15		
16	OTHER WATER USED	
17	Utility and/or Water Treatment Plant	907
18	Wastewater Plant	
19	System Flushing	
20	Fire Department	
21	Other Usage (explain)	
22	TOTAL OTHER WATER USED	907
23		
24	WATER LOSS	
25	Tank Overflows	
26	Line Breaks	
27	Line Leaks	35,612
28	Excavation Damages	
29	Theft	
30	Other Loss	
31	TOTAL WATER LOSS	35,612
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)	70.60%



MEETING AGENDA
PROGRESS MTG #34
MARTIN COUNTY WATER DISTRICT
MARTIN COUNTY, KENTUCKY
 May 10, 2022

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,D
COE 531 Partnership (25% Match)	\$1,869,718	B,C
ARC Grant	\$1,200,000	E
AMLER (2018)	<u>\$2,000,000</u>	G
TOTAL GRANT	\$8,519,718	

A. CONTRACT 113-19-01

RAW WATER INTAKE IMPROVEMENTS (PUMP PURCHASE ONLY)

1. AML provided clearance to advertise for bids on June 13, 2019.
2. Bids were opened at BSADD at 11:00 AM Wednesday July 3, 2019. Xylem Dewatering Solutions was the only bid received in the amount of \$470,286.07, compared to Bell’s opinion of cost of \$500,000.00.
3. Bell made recommendation to award to BSADD and they along with MCWD agreed to accept the bid.
4. On July 29, 2019 Bell received the AML Contractor/Subcontractor Information, Campaign Finance Law Compliance and Affidavit for Bidders Forms from Xylem. These were forwarded to AML.
5. On August 9, 2019 AML advised Xylem had cleared the AVS check and the contract could be signed. Contract documents were forwarded to Xylem.
6. Contract documents were executed by both Xylem and the BSADD. A Notice to Proceed was issued to Xylem after the contracts were executed.
7. The 2 MG pump, 4 MG pump, 2 MG variable speed drive, 4 MG variable speed drive (VFD) and the river screen are complete.

**B. CONTRACT 113-19-02
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 24th, July 1st and July 8th. The period for public comments or objections related to the project ran through July 29th. 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 13th. 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 13th 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. Defer 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)
TOTAL AWARD AMOUNT		\$ 3,473,426.00

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. The contract period is 270 days to substantial completion (July 1, 2022) and 300 days to final completion (July 31, 2022).
30. The contractor has performed the following major items of work since the last AMLER progress meeting:
 - Run electrical conduit inside Water Treatment Plant.
 - Installed piping in Vault 1.
 - Started hanging steel in Treatment Unit 1.
 - Graded river bank at Raw Water Intake.
 - Run electrical conduit for Treatment Unit 1.
 - Mounted electrical disconnect in Vault 1.
 - Backfilled around Vault 1.
 - Placed channel lining at Raw Water Intake.
 - Ran wiring for flow monitor at Raw Water Intake.
 - Completed piping in Water Treatment Plant.
 - Placed siding on building at Raw Water Intake.
 - Seeded and mulched several disturbed areas.
 - Placed gravel at Raw Water Intake.
31. Pace has submitted 46 shop drawings.
32. A change order has been circulated for signature to put the Water Treatment Plant backup generator and the roof replacement over the chemical feed room back into the contract. This change order will affect final completion time.

**C. CONTRACT 113-19-03
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 has 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 Conhurst, 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. The combined base bid for the RWI/WTP Project and Water Line Replacement in the Beauty/Lovely Project exceeds the funds available for construction activities. Given the grave condition of the Raw Water Intake and Water Treatment Plant, the MCWD is deferring construction of the Water Line Replacement. The MCWD is seeking funding for this project by working

- with Congressman Rogers office on a potential federal earmark and by seeking a portion of the \$49.5 M from the state for underfunded projects.
21. There may be funding for this project in the amount of \$1,500,000 through an earmark in the Federal Budget. The earmark will require a match. The project was discussed further with a Corps of Engineers representative during a meeting in April but no new information is available.

D. WATER SYSTEM CAPITAL IMPROVEMENT PLAN / 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.

E. CONTRACT 113-19-04

ARC WATERLINE REPLACEMENT 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 project is closed. We are maintaining it on the project list through the warranty period.
15. There is \$85,832 in unspent funds from this project. The District is looking to add 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. MCWD has executed the revised MOA and is awaiting the document to be executed and returned by the Department for Local Government.

F. CONTRACT 695-19-01

**HIGH SCHOOL WATER STORAGE TANK & BOOSTER PUMP STATION
TELEMETRY**

1. Bell received the signed contract on August 14, 2019.
2. The project was advertised for bids on August 21, 2019 and was advertised a second time on September 11, 2019.
3. Bids for the project were opened September 26, 2019 @ 5:00 p.m. at the offices of the Martin County Fiscal Court.
4. The low (and only) bid was submitted by Micro-Comm. The base bid submitted was in the amount of \$48,921.00 and included the installation of an electrically powered telemetry unit at the pumping station and a solar powered unit at the tank site. A deductive alternate of \$5,400.00 was offered if the Fiscal Court ran electric to the tank site and Micro-Comm could also use an electrically powered unit at this location. Cost would then be \$43,521.00.
5. Bell provided a letter of recommendation to the Martin County Fiscal Court concerning the award of the project to Micro-Comm.
6. Martin County Fiscal Court has awarded the project to the low bidder.
7. Contract documents have been executed by both the Contractor and Fiscal Court. The executed documents were received from the Fiscal Court on Friday, February 28, 2020. They were forwarded to the contractor along with the Notice to Proceed with construction on March 3, 2020.
8. Information from the Contractor concerning the FCC licensing process was received.
9. The Contractor has submitted shop drawings of the equipment to be used as part of the project. Bell Engineering has reviewed the equipment for conformance with the contract requirements and returned to the Contractor.
10. The transducer tap at the tank site has been completed.
11. The telemetry has been programmed and is operating.

G. USP BIG SANDY, EASTERN KENTUCKY BUSINESS PARK & BIG SANDY AIRPORT WATER 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 25th. 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 3rd, 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 has been 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 System

Proposed 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. Bell has been fielding requests and answering questions concerning the request as they come in.

- H. CONTRACT 113-20-02
WATER LINE RELOCATION HUNTER'S LANE**
1. Met on-site with Bizzack Construction, Alliance Water Resources and representatives of other utilities on May 28, 2020.
 2. A scope of work for the project is being developed.
- I. CONTRACT 113-20-02 and 113-20-03
WATER LINE RELOCATION ROCKHOUSE CREEK**
1. Met on-site with Bizzack Construction, Alliance Water Resources and representatives of other utilities on May 28, 2020.
 2. Sent preliminary relocation plans to Bizzack last month.
 3. Project will likely move forward later this spring.
- J. 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.
- K. HIGH SCHOOL PUMP STATION CHECK VALVE**
1. Met With Alliance to discuss issues.
 2. Preparing plans to add a valve vault and check value to give operations personnel more control over the direction of flow of water from the tank.
 3. Bell is working to finalize project plans.
- L. FEMA BACKUP GENERATOR PROJECT**
1. Seeking FEMA funding for 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. On April 25, 2022 Kentucky Emergency Management forwarded a request to the Disaster Implementation Branch, Mitigation Division requesting the project be funded. The total project budget is \$1,320,000 with the federal share being \$990,000 and Kentucky Emergency Management providing \$158,000. The remaining funds would be the responsibility of the Martin County Water District.

M. SPICY MOUNTAIN WATER EXTENSION

1. Reviewing options and preparing opinions of probable cost to extend water to approximately 12 households along the Martin/Johnson County line. Reviewing scenarios where water is supplied by either the Martin County Water District or the City of Paintsville to determine which is most cost effective.

N. TURKEY TANK REHABILITATION

1. Bell is finalizing an opinion of probable cost to rehabilitate the Turkey Tank.

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 is finalizing a contract for preliminary work that will be forwarded to the District and the Fiscal Court for review.



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: _____



LEXINGTON
 P.O. Box 11520
 Lexington, KY 40576
 (859) 254-6443
 1-800-432-0913

LOUISVILLE
 2050 Watterson Trail
 Louisville, KY 40299
 (502) 589-9901
 1-855-589-9901

CORBIN
 828 W. Cumberland Gap Pkwy.
 Corbin, KY 40701
 (606) 528-0700
 1-800-274-9457

ELIZABETHTOWN
 128 E. Nalls Road
 Elizabethtown, KY 42701
 (270) 360-8326

PRESTONSBURG
 2124 Watergap Road
 Prestonsburg, KY 41653
 (606) 874-8036
 1-800-955-9457

Please Remit Payment: Wilson Equipment Co. • P.O. Box 11520 • Lexington, KY 40576

www.wilsonequipment.com www.onsiterents.com

ALLIANCE WATER RESOURCES
 387 E. MAIN STREET
 INEZ KY 41224

PAGE: 1
 DATE: 04/30/22
 CUSTOMER#: ALLIA005
 BRANCH: LEXINGTON, KY

Amount Enclosed \$ _____

Detach and Return with Payment

STATEMENT

WE APPRECIATE YOUR BUSINESS. WILSON EQUIPMENT CAN NOW EMAIL INVOICES AND STATEMENTS. PLEASE CONTACT kkargel@wilsonequipment.com TO UPDATE YOUR EMAIL PREFERENCES. IF YOU HAVE QUESTIONS REGARDING YOUR STATEMENT OR NEED INVOICE COPIES, PLEASE CALL DONNA OR KIM AT (859)254-6443.

<u>INVOICE#</u>	<u>DATE</u>	<u>BR</u>	<u>Description</u>	<u>INVOICE AMOUNT</u>	<u>PREVIOUS PAYMENTS</u>	<u>CURRENT PAYMENTS</u>	<u>BALANCE DUE</u>
W12436	04/12/22	03	WORK ORDERS	4235.43			4235.43

TOTALS

PLEASE REMIT DIRECTLY TO:

WILSON EQUIPMENT
 COMPANY, LLC.
 P.O. BOX 11520
 LEXINGTON, KY 40576

CURRENT	4235.43
31-60	.00
61-90	.00
91-120	.00
OVER 120	.00
LATE CHARGES	.00
TOTAL	4235.43



Sold by:

Invoice

Branch 008
 5329 Sissonville Drive
 Charleston, WV 25312-9627
 Tel: 304-984-0200
 Fax: 304-984-0665

Remit to: Xylem Dewatering Solutions, Inc.
 26717 Network Place
 Chicago, IL 60673-1267
 Phone: 1.855.278.2248 (opt 1)

NOTE: Valued customers, please note the NEW remit address change included on this invoice.

S
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 ALLIANCE WATER RESOURCES
 387 E MAIN ST STE 140
 SUITE 140
 INEZ KY 41224-8023

S
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 ALLIANCE WATER RESOURCES
 387 E MAIN ST STE 140
 SUITE 140
 INEZ, KY 41224-8023

Cust. No.	Invoice Date	Invoice No.
00125742	04-22-2022	401163695

Page 1 of 1

Customer PO	Ordered By	Contract Date	Completed Date	W/O Number	Sales Representative	Order Taken By	Payment Terms
708013965MCWDIV07	Craig Miller	10-19-2021	04-22-2022	708013965	Chris Koontz	Chris Koontz	Net 30
ITEM	DESCRIPTION			QTY	UNIT AMOUNT	EXTENDED AMOUNT	
	Repair On: 19087834/1 HL260 10" 750HP 460V SB studs broke off in front cover and rear cover mech seal bad. to much suction in lift.						
GPHL260MSK48	HL260M Mechanical Seal Kit			1	12,435.50	12,435.50	
3506758132A	8.8 M20 x 75mm Stud			8	11.08	88.60	
3506018182A	Nut			8	1.99	15.91	
3506018762	Lockwasher 20MM			8	0.46	3.67	
LABOR	Labor Standard Rate			10.00	90.00	900.00	
ENVIRONMENTALFE	Environmental Fee			1	12.50	12.50	

10B

ALL PAST DUE INVOICES ARE SUBJECT TO 1 1/2% PER MONTH SERVICE CHARGE

Merchandise	Labor	Shipping	Misc. Charges	Taxes
\$ 12,543.68	\$ 900.00	\$ 0.00	\$ 12.50	\$ 753.37

Important Information: Due to fraud attempts any communication for changes of bank account details have to be confirmed by a call-back with your respective Xylem contact person.

Total Invoice

\$ 14,209.55

Account Management - (View)

File Edit Options Functions Consoles Help



Account Number
 Zone ** Notes **

Address
 Name

General Metered Non-Metered Financial Information Comments History Consumption History Service Orders Devices Notifications

Mailing Address

Attention

Address

Profile

Statement Bill

Statement Group

Class RESIDENTIAL

E-Mail

Exceptions

MAIN PHONE

SECOND PH#

Account Details

Status

Start Date

Bill Thru Date

Last Bill Date

Balance

Pending Activity

Credit History

Deposits

Cutoff

Contracts

Draft

Edit This Record

Clear

View amky.cmoore

Account Management - (Edit)

File Edit Options Functions Consoles Help



Account Number

Address

Zone

** Notes **

Name

General Metered Non-Metered Financial Information Comments History Consumption History Service Orders Devices Notifications

Pending Activity

Balance

Filter



Drag a column header here to group by that column

Date	Packet	Type	Receipt #	Reference	Debits	Credits	Balance
01/24/2022	002899	Memo		Excluded Cutoff			211.35
01/21/2022	002899	Late Charge			6.28		211.35
01/21/2022	002898	Adjustment		MOVE REVENUE CODE			205.07
01/14/2022	002869	Memo		Late Notice Mailed			205.07
01/11/2022	002851	Adjustment		INT ON DEP WTR		3.27	205.07
12/31/2021	002806	Adjustment		Interest Posting		0.05	208.34
12/30/2021	002797	Bill		11/17-12/15 01/20	72.01		208.39
12/27/2021	002687	Memo		Excluded Cutoff			136.38
12/21/2021	002687	Late Charge			3.73		136.38
12/15/2021	000000	Memo		Cutoff S/O			132.65
12/09/2021	002691	Payment		1043		45.00	132.65
12/09/2021	000000	Memo		Reinstate-PMT			177.65
12/08/2021	002687	Memo		Late Notice Mailed			177.65
11/30/2021	002646	Bill		10/14-11/17 12/20	45.79		177.65
11/29/2021	002626	Cutoff		Disconnect Fee	40.00		131.86

Edit This Record

Clear

View

amky.cmoort

Service Order Maintenance - (Drill Down)



File Edit Options Help



Service

Order #

Address

Job

Code Action

Date Status

Order

CHECK FOR TOW, TAKE PIC IF TOW IS FOUND

Completion

STILL LOCKED OUT
CM SD

amky.cmoor



Service

Order #

Address :

Job

Code Action

Date Status

General Metered Non-Metered Notes Charges Costs Footprint

Current Occupant

Force Out \$

Assignment

Group Issued By

Staff

Priority

New Occupant

\$

Requested By

Current Occupant

New Occupant

Other

Completion

Date

Time

Effective Date

Hours

Mileage

Clear



Service

Order #

Address

Job

Code Action

Date Status

General **Metered** Non-Metered Notes Charges Costs Footprint

Current Occupant

Force Out \$

Assignment

Group Issued By

Staff

Priority

New Occupant

\$

Requested By

Current Occupant

New Occupant

Other

Completion

Date

Time

Effective Date

Hours

Mileage

View

amky.cmoore

NAME SERVICE ADDRESS

5/19/2022 02:53 PM amky.kkenned CUSTOMER CALLED THE JUDGES OFF WANTING US TO CONTACT, WE CALLED HIM AND HE WANTED US TO TURN ON THE WATER BUT HE DOESN'T WANT TO PAY THE BILL. SAYS HE HAS PROOF THAT HE DIDN'T HAVE A LEAK, AND THE CONTRACTORS TRIED TO PUT THE NEW PIPE THROUGH HIS LEACH BED. AND HE HAD TO STOP THEM FROM DOING THAT. SAYS HE KNOWS THE BILL ISN'T WHAT IT SHOULD BE, THAT HE CUT THE TOLLET DOWN TO 1/2 AS WELL AND HE KNOWS HE KEPT THE WATER USAGE DOWN. ALSO SAID THAT HE COULD JUST TURN BACK ON THAT METER AND THEN PAY US FOR THE USAGE, AND HE WAS INFORMED THAT IT WOULD BE A THEFT OF WATER AND HE SAID THEN WE GO TO COURT, THAT HE IS GOING TO GET A LAWYER AND SUE THE HELL OUT OF US

4/12/2022 11:23 AM amky.hprocto CUSTOMER CALLED TO ASK WHEN BOARD MEETING IS; ALSO STATED HE HAD PROOF THAT HE DID NOT USE THE WATER, HE WOULD HATE TO HAVE TO GET THE WATER, HE HAS LOOKED AND NOONE WILL TAKE HIS CASE, HE STATED HE HAD PIPE AND HE CONTACTED DIVISION OF WATER OVER THE CONTRACTOR THAT RAN INTO HIS LEACH BED; NEW METER IS NOT WORKING OR THE READER DOES NOT KNOW HOW TO READ HIS METER, WELL DRILLER WILL BE THERE SOON, HE HAS USED RAIN WATER SINCE DECEMBER; HE WANTED ME TO GIVE HIM INFORMATION ON AUDREY SCOTT'S ACCOUNT, HE HAS EVERYTHING HE NEEDS IF THEY WILL MEET WITH HIM HE WILL SHOW THEM AND WE WILL CLEAR THIS UP, HE KNOWS WE GOT A RAISE BECAUSE HE WAS THERE, HE SAT AND WATCHED THEM INSTALL BIG PETERCAVE AT THE COMMUNITY CENTER WHEN THEY WERE GETTING THE RAISE, THEY TACKED ON WHAT THEY WANTED TO, EVER SINCE THEN IT HAS WENT UP, UP, UP...HE TALKED WITH GOVERNOR BESHEAR AND HE SAID EVERYONE WAS ELIGIBLE FOR WATER, THE GOVERNOR WAS SUPPOSED TO CALL THE WATER DEPARTMENT, WE WERE SUPPOSED TO UPDATE METERS AND THE PLANT; A MAN FROM FRANKFORT IS SUPPOSED TO MEET WITH HIM, HE CAN HELP THE WATER DEPARTMENT IF THEY WILL LISTEN TO HIM

12/16/2021 08:13 AM amky.hprocto FRED SENT PIC IN TO VERIFY NEW METER INFO; THE ACCOUNT HAD DID NOT HAVE THE NEW INFORMATION ENTERED SINCE THE LINE REPLACEMENT

12/10/2021 11:49 AM amky.dosborn ATTEMPTED TO CONTACT CUSTOMER FOR PENDING DISCONNECT; NO ANSWER

11/22/2021 12:36 PM amky.dosborn NO ANSWER

11/11/2021 10:28 AM amky.dosborn CALLED AND SAID HE WASN'T PAYING THE RAISE OR OLD BILL. HE SAID CRAIG WAS SUPPOSED TO FIXED THAT BILL BECAUSE HE HAD PAY IT. SAID FOR US TO COME GET THE METER BECAUSE HE WAS NOT PAYING SOMETHING HE DID NOT OWE AND WE WOULD JUST GO TO COURT OVER THIS.

10/21/2021 02:32 PM amky.kkenned CALLED FOR DISCONNECT NOTICE- NO ANSWER

9/15/2021 12:03 PM amky.kkenned CALLED AND STILL WANTS THAT PAST DUE BILL TAKEN OFF HIS ACCOUNT, SAYS HE PAID IT, AND SHOULDN'T HAVE TO PAY FOR THIS GARRAGE WATER AGAIN

06/19/2020 CX: COMM LEAK ADJ 3-30-20