

**COMMONWEALTH OF KENTUCKY**  
**BEFORE THE PUBLIC SERVICE COMMISSION**

**IN THE MATTER OF:**

<b>ELECTRONIC APPLICATION OF MORGAN</b>	)	
<b>COUNTY WATER DISTRICT FOR RATE ADJUSTMENT</b>	)	<b>CASE NO.</b>
<b>PURSUANT TO 807 KAR 5:076</b>	)	<b>2024-00010</b>

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**MORGAN COUNTY WATER DISTRICT’S VERIFID POST-HEARING BRIEF**

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Comes Morgan County Water District (“Morgan District”), by and through counsel, pursuant to the Kentucky Public Service Commission’s (“Commission”) May 10, 2024 Order in this proceeding setting forth the post-hearing procedural schedule and the deadline for submitting a brief in this matter, and respectfully states as follows:

**I. INTRODUCTION**

The Commission accepted the application as filed on March 22, 2024 in this alternative rate filing proceeding. Morgan District filed its Motion for Emergency Interim Rates on March 22, 2024 citing KRS 278.190(2), proposing a phased in approach and seeking approval to put a 25.3% first phase increase of rates into effect at the earliest date possible subject to refund to meet the debt service requirements of its lenders in the interim while the Commission considers Morgan District’s application for rate adjustment. Mr. Robert Miller of Straightline Kentucky, LLC testified that 25.3% is the lowest amount that could be put in place in order to continue operations and avoid default on its outstanding debt.<sup>1</sup> Based upon information confirmed after the May 2,

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<sup>1</sup> May 2, 2024 Hearing Video Transcript (“HVT”) Miller 27:30.

2024 hearing, Morgan District has worked with Mr. Mark Frost, independent consultant to propose a revised requested rate increase that removes the charitable donations, employee dinners, and additional positions, consisting of two excel spreadsheets uploaded in the electric filing system, entitled “Morgan Dist Worksheet Revised 5 Emp”, Exhibit 1-A, and “Morgan Dist Worksheet Revised 3 Emp” Exhibit MF-1-B, however the 25.3% requested amount has not changed for purposes of this interim rate request,<sup>2</sup> and Morgan District respectfully provides additional information for the record for consideration of this request.

## **II. BACKGROUND**

On January 18, 2024, Morgan District, filed a notice of intent to file an application for an alternative rate adjustment (“ARF”) using electronic filing procedures. Morgan District, filed its ARF application on March 15, 2024 and cured deficiencies on March 22, 2024. Morgan District filed its Verified Motion for Emergency Interim Rate Increase on March 22, 2024 (“Verified Motion”) and filed a supplement to the motion on March 27, 2024 to include profits and losses for 2024 to that date. The Commission issued an Order scheduling a hearing for May 2, 2024 to take evidence on the Verified Motion and issuing deadlines for preparation for the May 2, 2024 hearing on April 8, 2024. Morgan District filed a notice of vacancy on April 9, 2024, and a notice of the appointment of two Commissioners for Morgan County Water District’s Board of Commissioners on April 15, 2024. The Commission issued a procedural order which contained its first requests for information on April 12, 2024, and Morgan District, filed responses to those requests on April 26, 2024. The hearing on the Verified Motion was held in this matter on May 2, 2024 where testimony was provided by Robert Miller of Straightline Kentucky, LLC, Alexis

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<sup>2</sup> May 2, 2024 HVT Miller at 8:25-9:05.

Franklin, Brian Wells, and Shannon Elam all of Morgan District. Commission Staff issued its second request for information and post-hearing request for information on May 10, 2024. The procedural schedule in the Commission's May 10, 2024 Order set the deadline for a post-hearing brief to be filed on or before May 17, 2024. Responses to Commission Staff's Second Request for information are due on May 24, 2024.

The responses filed into the record of this matter, the 2022 annual report, and the testimony given at the hearing provided information regarding the reasons why Morgan District will not be able to meet its debt service obligations and will be materially damaged if the emergency interim rate increase is not granted.<sup>3</sup>

### **III. KRS 278.190**

KRS 278.190(2) states:

(2) Pending the hearing and the decision thereon, and after notice to the utility, the commission may, at any time before the schedule becomes effective, suspend the operation of the schedule and defer the use of the rate, charge, classification, or service, but not for a longer period than five (5) months beyond the time when it would otherwise go into effect if an historical test period is used, or longer than six (6) months if a forward-looking test period is used, pursuant to KRS 278.192; and after such hearing, either completed before or after the rate, charge, classification, or service goes into effect, the commission may make those orders with reference thereto as it deems proper in the matter. If the proceeding has not been concluded and an order made at the expiration of five (5) months, or six (6) months, as appropriate, the utility may place the proposed change of rate, charge, classification, or service in effect at the end of that period after notifying the commission, in writing, of its intention so to do. Where increased rates or charges are thus made effective, the commission may, by order, require the interested utility or utilities to maintain their records in a manner as will enable them, or the commission, or any of its customers, to determine the amounts to be refunded and to whom due in the event a refund is ordered, and upon

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<sup>3</sup> *Id.* at 8:25-9:05, Franklin at 2:02:16; 2:28:57, Wells at 3:00:30, Elam at 3:65:53; 4:14:16-4:14:58.

completion of the hearing and decision may, by further order, require such utility or utilities to refund to the persons in whose behalf the amounts were paid that portion of the increased rates or charges as by its decision shall be found unreasonable. *Provided, however, if the commission, at any time, during the suspension period, finds that the company's credit or operations will be materially impaired or damaged by the failure to permit the rates to become effective during the period, the commission may, after any hearing or hearings, permit all or a portion of the rates to become effective under terms and conditions as the commission may, by order, prescribe.*

#### IV. ARGUMENT

Morgan District, its commissioners and its general manager admit to the poor state of its financial records and have taken steps to remedy the issues by seeking assistance from professional consultants. Its rate study filed in this matter was performed by independent consultants for Kentucky Rural Water Association (“KRWA”), but the test year was 2022 and the consultants have a specific scope of work that uses the utility’s most recently filed annual report as the basis to perform the rate study.<sup>4</sup> While an adjusted general balance and trial balance are occasionally used to verify and “tie-back” numbers, that could not be performed in this matter.<sup>5</sup> The state of the utility’s general ledger was not such that the consulting professionals could utilize the records. The rate study consultant could not reconcile the general ledger or trial balance to the annual report.<sup>6</sup> Additionally, there were expenses included in the rate study that should not have been included as allowable expenses eligible for recovery through rates. While it is a possibility that those expenses would not have been included if the records had been

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<sup>4</sup> May 2, 2024 HVT Miller 1:03:40-1:05:04; Contract at Exhibit 2.

<sup>5</sup> *Id.* Miller at 27:24-27:41.

<sup>6</sup> Morgan District sought out their auditor following the May 2, 2024 hearing, she expressed that no documents exist that she has not provided because she did not prepare any such documents. The suggested audit adjustments were the only adjustments to the Morgan County records she created and those were provided to Morgan District. Morgan District provided those as an attachment to its Response to Commission Staff’s First Information Requests, Response 4(c) filed Apr. 26, 2024 in this matter.

in better order, removing charitable donations, employee dinner costs, and additional positions, is not part of the scope of their review.<sup>7</sup>

### Golf Tournament Exclusion

Additionally, the rate consultant could not determine the specific amounts related to those events and activities without the aid of members of Morgan County, including the expenses related to the fundraising golf tournament in August of 2022. Following the hearing on May 2, 2024, those expenses have been listed below and removed from the revenue requirement of this matter as shown in Exhibit 1-A and 1-B:

09/01/22- "Hole In One Insurance" Isons Insurance ck12803 \$181.00  
09/06/22- Boosting Facebook post for tournament \$10.00  
09/08/22- "Green Fees" Pleasant Valley Country Club ck12817 \$2000.00  
09/08/22- "Hole prizes" G. Prater ck12818 \$2500.00  
09/08/22- "Prize Money" Gary Prater ck12819 \$2250.00  
09/14/22- Boosting Facebook post for tournament \$20.97  
(Reno's Roadhouse- described as Green Fees for Golf Tournament-\$444)  
Total: \$7,656

A good faith belief was held by Morgan District, its commissioners and its general manager that it would be good community outreach to partner with Citco + One Foundation with the goal of helping rural communities access water. The Board minutes reflect that it was first brought up to the Morgan District Board of Commissioners in April 2022 at the Morgan District Board Meeting and a fundraising golf tournament was proposed but not voted upon.<sup>8</sup> The event

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<sup>7</sup> *Supra*, ft. nt. 4.

<sup>8</sup> Responses to Staff's First Information Requests, April 15, 2024, at Response 2, April 2022 Board Minutes.

was held on September 10, 2022 and reported upon at the September 12, 2022 Morgan District Board Meeting as raising \$12,000. At that meeting it was proposed that money be donated to the July 2022 flood victims in Jackson, Kentucky.<sup>9</sup> After a review of the records, Morgan District employees found the amounts listed above relating to the expenses paid for the event and did not find any monies paid into Morgan District's account to make them whole from the expended funds for the event. Morgan District employees applied for a tourism grant planning to cover the expenses for the fundraising event that was denied, the documentation for this event is attached at Exhibit 3. The expenses related to this event have been removed from the rate study calculation. This event was in the test year of 2022 and the amount spent is approximately 0.03% of the operations and maintenance expenditures for 2022.

#### Additional Exclusions

Additional amounts have been removed after review and discussion with the rate consultant, including the expenses identified as river clean up, dinners for employee appreciation and items purchased for bereavement. These are noted in Exhibit 1-A and Exhibit 1-B.

#### Gateway Grant Program

Five field technician positions were added through a program with Gateway Area Development District ("Gateway") in October of 2023 that was funded through grants to Gateway. The probation start dates and hiring dates are included below for those positions.

#### Gateway Employees:

JA: Probation Start Date 10/18/23: Full Hire Date: 2/5/24: 10/10/23 hired for GIS.

NS: Probation Start Date 10/18/23: Full Hire Date: 2/5/24: 10/17/23 hired for field operations

RG: 11/06/23 hired for valve/flushing maintenance

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<sup>9</sup> *Id.* Response 2, September 2022 Board Minutes.

JF: Probation Start Date 10/18/23: Full Hire Date: 2/5/24: 10/16/23 hired for leak detection

JK: 12/11/23 hired for field operations

Additionally, the Morgan District employees that left in 2023 are listed below:

MK: Hired on 10/25/21 as our valve/flushing maintenance worker. Last day: 04/01/23.

GL: Hired on 08/16/22 as our GIS person. Last day: 08/23/22.

DS: Hired on 12/12/22 to fill the vacant GIS position. Last day: 05/19/23.

AM: Hired on 02/22/22 as an office clerk. Last day: 02/12/23.

Based upon the loss of two established positions, the rate study has been revised to show the difference to the over-all rate revenue requirement if the five positions are removed and if three positions are removed.<sup>10</sup> Based upon the understanding of General Manager, Shannon Elam after discussion with the rate consultant, at the end of the 480 hours paid for through the Gateway program, Morgan District hired the five employees on February 5, 2024. The positions were needed to combat water loss and that is why the positions were added.<sup>11</sup> The duties of the positions hired and progress achieved is included at Exhibit 4.

#### Gateway Loan

The documents, and terms of the Gateway loan are provided at Exhibit 5. It was a 2-year term that Morgan District expects to renew. The intent is that it will be rolled into a project in the line for grant funding or a USDA/RD project.<sup>12</sup> Additional detail and explanation will be included to respond to Commission Staff's Second Request for Information and Post Hearing Request for Information due May 24, 2024.

#### Construction Updates

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<sup>10</sup> Exhibit 1-A and 1-B.

<sup>11</sup> May 2, 2024 HVT Wells at 3:04:56; and 3:06:41-3:08:43.

<sup>12</sup> May 2, 2024 HVT Elam at 4:16:40.

Case No. 2021-00146,<sup>13</sup> and Case No. 2022-00245<sup>14</sup>, were brought up as delinquent at the May 2, 2024 hearing as the progress on construction updates had not been filed. Morgan District contacted the engineers and project managers thought to be providing those updates and have provided the proof of filing construction dates for both projects and filed in each case at Exhibit 6.

#### Amazon and Apple.com Charges in January, February, March, April of 2024

The multiple listings for Amazon office supply purchases in the February 2024 bank statements were addressed at the Morgan District Board meeting on March 11, 2024 and the Board advised the bookkeeper to take requests for purchases for office supplies and make only one or two purchases from Amazon a month.<sup>15</sup> The March and April 2024 bank statements reflect the change in policy.<sup>16</sup> The charges were not included in the test year for the rate study in this matter. The budget and purchasing policy in place is attached at Exhibit 7. There are Apple.com charges in the bank statements related to additional storage purchases for the employees' cell phones in order to allow them to run the GIS mapping technology.<sup>17</sup> The receipts for the office supplies purchased from Amazon are listed in Exhibit 8, and will be further discussed in the Responses to Commission Staff's Second Request for Information and Post Hearing Information Requests due May 24, 2024.

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<sup>13</sup> Case No. 2021-00146, *Electronic Application of Morgan County Water District for the Issuance of a Certificate of Public Convenience and Necessity to Construct a Water System Improvements Project and an Order Authorizing a Change in Rates and Authorizing the Issuance of Securities Pursuant to KRS 278.023*, (Ky PSC Apr. 26, 2021).

<sup>14</sup> Case No. 2022-00245, *Electronic Application of Morgan County Water District for the Issuance of a Certificate of Public Convenience and Necessity to Construct a Water System Improvements Project and an Order Authorizing the Issuance of Securities Pursuant to the Provisions of KRS 278.020, KRS 278.300, and 807 KAR 5:001*, (Ky PSC Dec. 20, 2022).

<sup>15</sup> Responses to Staff's First Information Requests, April 15, 2024, at Response 2, March 11, 2024 Board Minutes. May 2, 2024, HVT Franklin, 1:44:38-1:44:47.

<sup>16</sup> Exhibits 1 and 2 from the May 2, 2024 hearing in this matter.

<sup>17</sup> May 2, 2024 HVT, Franklin 1:45:07-1:45:44.



## Billing Software

The current billing software expires or become obsolete in December of this year.

Morgan District has reviewed their current system regarding a possible upgrade and received quotes from vendors for the available options to upgrade the current system or change billing software. The alternatives, discussion, and recommendation is in the March and April 2024 Board minutes. The Board chose Ampstun because it was local and recommended after staff tried the options. Pending this rate case, and the cash deficit, the issue was tabled. Exhibit 9 contains the quotes and the expense was added to the rate study as a known and measurable expense at Exhibit 1-A and 1-B.

## **CONCLUSION**

Morgan District, its commissioners and its general manager have presented the utility records that exist and that were provided to the rate consultant, with the knowledge that those records are substandard. Upon the realization that the records were not up to standard, its commissioners and its general manager reassigned duties to try to organize the information of the utility, consulted with its independent auditor to provide training on QuickBooks, and hired rate consultants, however the base data was substandard and missing critical explanation. Additionally, decisions were made without seeking advice regarding charitable donations, employee dinners, and bereavement gifts, and the expenses related to those events have been removed from the rate study. The scope of the rate consultant and the scope of independent auditor currently used, does not provide the guidance needed to repair or initiate new internal controls to produce verifiable records. The testimony from Morgan District's representatives and an independent consultant at the hearing on May 2, 2024, the most recent annual report filed for Morgan District, in addition to the information filed in the record shows that Morgan District will be materially impaired or damaged by the failure of the Commission to permit a 25.3% increase in current

rates subject to refund while the Commission considers the other aspects of this rate case. The Commission has precedent for situations where the records are unreliable or substandard, and still finding that emergency interim rates are appropriate.<sup>18</sup> We request the Commission find that Morgan District will be materially impaired or damaged by the failure to permit the 25.3% rates to become effective during the interim period while the Commission considers the rate adjustment filing and permit the rates to become effective under terms and conditions as the Commission may prescribe to restrict and to support the calculations necessary should the Commission determine that a refund is necessary after the final Order has been determined. Additional detail will be provided for the Commission's consideration in Morgan District's Responses to Commission Staff's Second Request for Information in this matter due May 24, 2024. To the extent that this brief contains facts relied upon which are not in the record yet due to the timing of this brief and additional information requests, a signed verification has been attached to this brief.

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<sup>18</sup> Case No. 2018-00017, *Electronic Application of Martin County Water District for an Alternative Rate Adjustment* (Ky PSC Mar. 16, 2018), where the Commission used the most recent annual report to find that an emergency existed and held that Martin District's credit or operations would be materially impaired unless an interim rate increase was granted prior to the final Order of the Commission in that proceeding; Case No. 2019-00131, *Application of Southern Water and Sewer District for an Alternative Rate Adjustment* (Ky PSC Nov. 7, 2019) the Commission found the records were not credible in Case No. 2018-00230 and dismissed that case for the utility to apply again in Case No. 2019-00131 where the Commission applied a flat rate and implemented a surcharge to aid in meter replacement. The Commission cited *South Central Bell Telephone Co. v. Utility Regulatory Commission*, 637 S.W. 2d 649 (Ky 1982) in rejecting measures that would be punitive in nature in response to poor management choices.

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

IN THE MATTER OF:

ELECTRONIC APPLICATION OF	)	
MORGAN COUNTY WATER DISTRICT	)	CASE NO.
FOR RATE ADJUSTMENT PURSUANT TO	)	2024-00010
807 KAR 5:076	)	

VERIFICATION OF SHANNON ELAM

COMMONWEALTH OF KENTUCKY )  
 )  
 COUNTY OF MORGAN )

Shannon Elam, General Manager for Morgan County Water District, being duly sworn, states that he has provided the facts and supervised the preparation of the post hearing brief in the above-referenced case and that the matters and things set forth therein are true and accurate to the best of his knowledge, information and belief, formed after reasonable inquiry.

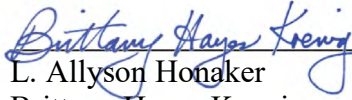
*Shannon Elam*  
 Shannon Elam

The foregoing Verification was signed, acknowledged and sworn to before me this 17<sup>th</sup> day of May, 2024, by Shannon Elam.

*Ashlee Mason*  
 Commission expiration: 10-23-2027



Respectfully submitted,



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Brittany Hayes Koenig  
Heather S. Temple  
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*Counsel for Morgan County Water District*

**CERTIFICATE OF SERVICE**

This is to certify that foregoing was submitted electronically to the Commission on May 17, 2024 and that there are no parties that have been excused from electronic filing. Pursuant to prior Commission orders, no paper copies of this filing will be submitted.

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*Counsel for Morgan County Water District*

## **EXHIBITS**

- Exhibit 1-A : Excel Spreadsheet uploaded separately in the electronic filing system:  
“Morgan Dist Worksheet Revised 5 Emp”
- Exhibit 1-B: Excel Spreadsheet uploaded separately in the electronic filing system:  
“Morgan Dist Worksheet Revised 3 Emp”
- Exhibit 2: KRWA Contract
- Exhibit 3: Documents related to the Golf Tournament Exclusion
- Exhibit 4: Job Descriptions, Organizational Chart, Progress update, Water Loss April 2024.
- Exhibit 5: Gateway Loan Documents
- Exhibit 6: Construction Updates Filed for Case No. 2021-00146, *Electronic Application of Morgan County Water District for the Issuance of a Certificate of Public Convenience and Necessity to Construct a Water System Improvements Project and an Order Authorizing a Change in Rates and Authorizing the Issuance of Securities Pursuant to KRS 278.023*, (Ky PSC Apr. 26, 2021); and Case No. 2022-00245, *Electronic Application of Morgan County Water District for the Issuance of a Certificate of Public Convenience and Necessity to Construct a Water System Improvements Project and an Order Authorizing the Issuance of Securities Pursuant to the Provisions of KRS 278.020, KRS 278.300, and 807 KAR 5:001*, (Ky PSC Dec. 20, 2022).
- Exhibit 7: 2024 Budget and Purchasing Policy
- Exhibit 8: Amazon receipts for office supplies
- Exhibit 9: Billing Software information.

**Exhibit 1-A : Excel Spreadsheet uploaded separately in the electronic filing system:**

**“Morgan Dist Worksheet Revised 5 Emp”**

ATTACHMENT  
IS EXCEL  
SPREADSHEET  
AND UPLOADED  
SEPARATELY

**Exhibit 1-B: Excel Spreadsheet uploaded separately in the electronic filing system:**

**“Morgan Dist Worksheet Revised 3 Emp”**



ATTACHMENT  
IS EXCEL  
SPREADSHEET  
AND UPLOADED  
SEPARATELY

**Exhibit 2: KRWA Contract**



# Rate Study Proposal

Morgan County Water District

Prepared by: **Kentucky Rural Water Association**  
**November 2022**

Kentucky Rural Water Association (KRWA) will perform a water rate study for Morgan County Water District using methodologies acceptable to Kentucky Public Service Commission (KY PSC) upon acceptance of this proposal.

### Scope of Work

This work will include completing the following items:

- ✓ Preparation of Schedule of Adjusted Operations, Revenue Requirement Calculations, Proposed Rate Schedules, and Billing Analyses.
- ✓ Preparation of a written summary report.
- ✓ Attendance at one meeting with Board of Commissioners for presentation of report.
- ✓ Submission of Alternative Rate Filing Application to KY PSC.
- ✓ Coordination and submission of responses to KY PSC Staff Requests for Information.
- ✓ Preparation of response to KY PSC Staff Report.
- ✓ Preparation of updated Tariff sheets.

This proposal does not include attendance at public hearings and other meetings.

### Qualifications

The rate study will be performed by an experienced contractor selected by KRWA.

### Estimated Start and Completion Times

The rate study will begin within approximately 90 days of acceptance of this proposal. Completion time is determined by KY PSC but is typically within 270 days of acceptance of this proposal.

### Proposed Cost

The rate study will be subsidized through a grant from the Kentucky Division of Water.

Estimated research, analysis, and PSC filings	\$7,500
<b>Total</b>	<b>\$7,500</b>
<b>DOW Grant</b>	<b>-\$7,500</b>
<b>Morgan County WD</b>	<b>\$0</b>

Accepted by: Brian C. Wells Date: 12/12/22

**Exhibit 3: Documents related to the Golf Tournament Exclusion**

Denied



To whom it may concern,

The Morgan County Water District has partnered with CITCO +One Foundation in concordance with our community outreach and stewardship program.

The Citco Foundation is a corporate charitable foundation whose goal is to provide sustainable clean water infrastructure to rural parts of West Virginia, Kentucky, and Tennessee. Our goal is to bring safe, drinking water to our parts of Eastern Kentucky by hosting a fundraising golf tournament at Pleasant Valley Country Club on September 10<sup>th</sup>.

One recent example of how the CITCO foundation has helped is in 2019, they were able to bring safe, reliable drinking water to a small, rural town in WV that had been on a boil water advisory for nearly 20 years. What CITCO exemplifies through this foundation is what the Morgan County Water Districts believes in, SAFE DRINKING WATER FOR ALL.

Thank you for the consideration!

## MCWD Charity Golf Scramble

### Project Summary:

1. The scramble will be played at Pleasant Valley Country Club.
2. MCWD along with the CITCO-One Foundation will partner with PVCC to organize the scramble. CITCO-One Foundation is charitable foundation whose goal is to provide sustainable, clean drinking water to those in rural communities like ours. The goal of this partnership is to help those in Morgan County whom either can't afford or has no way to receive clean drinking water (county roads with no accessible water lines, wells that have went bad, etc.). All three organizations are committed to helping our own county residents succeed.
3. Golfers wishing to attend will be notified through advertisements about the scramble via: MCWD Facebook page, CITCO-One Facebook page (which reaches other rural communities in KY, TN, and WV), newspaper announcements, PVCC Facebook page, the marquee signs at Commercial Bank and BOTM, and a local reporter with WYMT will be contacted.
4. The scramble will be bringing in lots of officials from different states that partner with the CITCO-One foundation. We anticipate over 30 people coming from West Virginia, they will need hotel accommodations, food, and gas. From there they will increase the flow of traffic and will get to see what a beautiful town West Liberty truly is.
5. The organizers of the foundation have asked MCWD to partner with them from here on out and host a charitable golf tournament annually. This partnership will increase economic benefit for local companies, the golf course, and restaurants in the future.
6. MCWD will coordinate the event with volunteers from the business and other volunteers with the CITCO-One foundation.
7. CITCO-One will bring their own media production team to get arial footage of the golf course and professional photography for the event (with the permission of PVCC).
8. The benefit of this scramble is directly for the citizens of Morgan County. Those who do not have the means of obtaining clean drinking water. The

foundation that has graciously partnered with the Morgan County Water District has the means of helping our citizens with this unfortunate problem.

WEST LIBERTY TOURISM COMMISSION

565 MAIN STREET

WEST LIBERTY, KY 41472

FUNDING REQUEST

The purpose of the West Liberty Tourism Commission is to fund projects which will have a lasting effect on the community and to be a partner in the creation of the facilities and sponsorships of events, which will attract tourists from outside of Morgan County.

Names of Organization MCWD Date: 8/1/22

Contact Person: Ashlee Ferguson / Shannon Elam Phone Number: 606-743-1204

Address 1009 Hwy 172 Project Title MCWD Charity Golf Scramble

Start Date of Project 9/10/22 Completion Date: 9/10/22

Amount Requested \_\_\_\_\_ Total Cost of Project \_\_\_\_\_

Date Funds Needed 9/10/22 Nonprofit Status \_\_\_\_\_

Number of Outside Visitors Expected 80

Will matching funds or in-kind services be used? If so what is the source, amount and description of these services?

See Attachment

Person requesting funds Shannon Elam Title: Gm Date: 8/1/22

THIS FORM MUST BE RECEIVED BY THE COMMISSION 60 DAYS BEFORE ITS REGULAR MEETING.

Date form received \_\_\_\_\_

Approved: \_\_\_\_\_ Amount Approved \_\_\_\_\_ Disapproved \_\_\_\_\_

Chairperson's Signature \_\_\_\_\_ Date: \_\_\_\_\_

Funds will be dispensed by the City of West Liberty as needed to fit the projects phases of completion. Multiple disbursements can be made as the project's phases are completed and receipts are submitted by the recipient organization.



### BUDGET SUMMARY

List Specific Steps of Project Include all materials to be purchased	Estimated Completion Date	Tourism Funds	In-Kind	Other Resources	Totals
<b>COST SUMMARY</b>					

**PROJECT SUMMARY**  
**Describe the Project in Detail**  
**(Not to exceed two pages)**

- I. Exhibits ability to increase Tourism
- II. Uses Existing Community Resources
- III. Demonstrates Organizational Ability to Complete Plan
- IV. Displays Community Support and Collaboration with other Organizations
- V. Provides Economic Benefit to the Community
- VI. Shows matching and/or in-kind funds/services
- VII. Demonstrates lasting effect for the Community

Project Summary:

**Budget Summary**

Materials Needed	Completion Date	Tourism Funds	Funds Spent	In Kind	Other Resources	Total
Prize Money	9/10/2022	2250				2250
Hole-in-one Insurance	9/10/2022	200				200
Advertising	9/10/2022	150				150
Swag bags	9/10/2022		2500			2500
T-Shirts	9/10/2022	1000				1000
Hole Prizes	9/10/2022	2500				2500
Trail Fee	9/10/2022	1150				1150
Green Fee	9/10/2022	2100				2100
Volunters Hours				200 hous @ \$20		4000
Registration and Monitoring						0
Organizing the Event						
		9350		4000		15850

Internal Revenue Service  
District Director

Department of the Treasury

P. O. Box 2508  
Cincinnati, OH 45201

Foundation For The Tri State  
Community, Inc.  
P.O. Box 2096  
Ashland KY 41105-2096

Person to Contact:  
Dotti Downing  
Contact Telephone Number:  
513-684-3957  
Federal Identification Number:  
61-0729266  
Date:  
July 11, 1990

Dear Sir or Madam:

Thank you for submitting the information shown below. We have made it part of your file.

The changes indicated do not adversely affect your exempt status and the exemption letter issued to you continues in effect.

Please let us know about any future change in the character, purpose, method of operation, name or address of your organization. This is a requirement for retaining your exempt status.

Thank you for your cooperation.

Sincerely yours,



Taxpayer Service Representative

Item Changed: Articles of Amendment to the Articles of Incorporation  
Filed January 19, 1990 changing name

From: Greater Ashland Agricultural & Economic Development  
Foundation, Inc.

To: Foundation For The Tri-State Community, Inc

Internal Revenue Service  
District Director

Department of the Treasury

Date: MAY 2 1978

Our Letter Dated:  
September 28, 1972  
Person to Contact:  
Dale A. Fepper  
Contact Telephone Number:  
513-684-3578

Greater Ashland Area Cultural  
and Economic Development  
Foundation, Inc.  
1304 Winchester Avenue  
Ashland, Kentucky 41101

CIN: EC: 78 0 9 8 4

Gentlemen:

This modifies our letter of the above date in which we stated that you would be treated as an organization which is not a private foundation until the expiration of your advance ruling period.

Based on the information you submitted, we have determined that you are not a private foundation within the meaning of section 509(a) of the Internal Revenue Code, because you are an organization of the type described in section 509(a)(1)\*. Your exempt status under section 501(c)(3) of the code is still in effect.

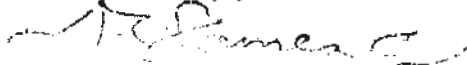
Grantors and contributors may rely on this determination until the Internal Revenue Service publishes notice to the contrary. However, a grantor or a contributor may not rely on this determination if he or she was in part responsible for, or was aware of, the act or failure to act that resulted in your loss of section 509(a)(1)\* status, or acquired knowledge that the Internal Revenue Service had given notice that you would be removed from classification as a section 509(a)(1)\* organization.

Because this letter could help resolve any questions about your private foundation status, please keep it in your permanent records.

If you have any questions, please contact the person whose name and telephone number are shown above.

\* s 170(b)(1)(A)(vi)

Sincerely yours,



D. L. James, Jr.  
District Director

This supersedes our letter of January 30, 1978, whereby you were held to be a private foundation.

Address any reply to: P.O. Box 476, Cincinnati, Ohio 45201

Department of the Treasury

District Director

Internal Revenue Service

Date: SEP 28 1972 In reply refer to: 72-22181-11

CIN:EO:72: 2

Greater Ashland Area Cultural and Economic Development Foundation, 1304 Winchester Ave. Ashland, KY 41101



Your Second Tax Year Ends: 12-31-73

Gentlemen:

Based on information supplied, and assuming your operations will be as stated in your application for recognition of exemption, we have determined you are exempt from Federal income tax under Section 501 (c) (3) of the Internal Revenue Code.

We have further determined you can reasonably be expected to be an organization of the type described in sections 170 (b) (1) (A) (vi) and 509 (a) (1). Accordingly, for your first two tax years, you will be treated as an organization which is not a private foundation.

At the end of your first two tax years, however, you must establish with the Internal Revenue Service that for such two years you were in fact an organization of the type described in section 170 (b) (1) (A) (vi). If you establish this test with the Service, you will be classified as a section 509 (a) (1) organization for all purposes beginning with the first day of your third tax year and you must normally meet the requirements of section 170 (b) (1) (A) (vi) thereafter. If, however, you do not so establish your status at the end of your first two tax years, you will be classified as a private foundation on the first day of your third tax year. Furthermore, you will be treated as a private foundation as of the first day of your first tax year for purposes of sections 170 (b) (1) (A) (vi).

Grantors and donors may rely on the determination that you are not a private foundation for your first two tax years, unless notice that you will no longer be treated as such a 509 (a) (1) organization is published in the Internal Revenue Bulletin. However, a grantor or donor may not rely on such information if he was in a position to be made aware of the notice in Bulletin or if that individual had knowledge, at the time of grant or donation, or acquired knowledge that the Internal Revenue Service was aware of the fact that you should be removed from classification as a section 509 (a) (1) organization.

Very truly yours, [Signature]

Enclosed are three copies of the Internal Revenue Manual, Section 170 (b) (1) (A) (vi), and one copy of the Internal Revenue Manual, Section 509 (a) (1).

Donors may deduct contributions to you as provided in section 170 of the Code. Bequests, legacies, devises, transfers, or gifts to you or for your use are deductible under sections 2055, 2106, and 2522 of the Code.

If your sources of support, or your purposes, character, or method of operation is changed you must let us know so we can consider the effect of the change on your status. Also, you must inform us of all changes in your name or address.

If your gross receipts each year are normally more than \$5,000, you are required to file Form 990, Return of Organization Exempt From Income Tax, by the 15th day of the fifth month after the end of your annual accounting period. The law imposes a penalty of \$10 a day, up to a maximum of \$5,000, for failure to file a return on time.

You are not required to file Federal income tax returns unless you are subject to the tax on unrelated business income under section 511 of the Code. If you are subject to this tax, you must file an income tax return on Form 990-T. In this letter we are not determining whether any of your present or proposed activities are unrelated trade or business as defined in section 513 of the Code.

You need an employer identification number even if you have no employees. If an employer identification number was not entered on your application, a number will be assigned to you and you will be advised of it. Please use that number on all returns you file and in all correspondence with the Internal Revenue Service.

Please keep this determination letter in your permanent records.

Sincerely yours,

  
District Director

# *West Liberty Tourism*

Ashlee Ferguson & Shannon Elam  
Morgan County Water District  
1009 Highway 172  
West Liberty, Kentucky 41472

Ashlee or Shannon:

Thank you very much for your submission for grant funding through the West Liberty Tourism Commission. While the Committee was impressed with your application, and support the mission CITCO-One Foundation, we must decline funding at this time.

The Committee requires applications to be turned in 60 days prior to the event for it to be considered. Even so, after discussion and careful review it was decided that this did not qualify for Tourism funding. Tourism funding is to be used to draw in tourists to promote the City of West Liberty and help support the local community.

If you have any questions, please call.

Sincerely,

West Liberty Tourism Committee



# MORGAN COUNTY WATER DISTR

## Transaction List by Date

September 2022

Sep 22

Type	Date	Num	Name	Memo	Account	Ctr	Split	Amount
Check	09/01/2022	12803	Ison's Insurance Agency, Inc.	Hole In One Insurance	- O&M Checking	√	659 - Insurance Other	-181.00
Check	09/01/2022			2 Returned Check Fees	Water Revenue Account	√	671 - Bank Charge	-24.00
Check	09/01/2022			Charge Back - Rick or Debra Browning	Water Revenue Account	√	461.1 - Residential Meter Sales	-47.43
Check	09/01/2022			Charge Back - William or Cyrthia Lyons	Water Revenue Account	√	461.1 - Residential Meter Sales	-540.29
Check	09/01/2022			Bank Correction on William Dulin Amount	Water Revenue Account	√	671 - Bank Charge	-3.00
Check	09/02/2022	12804	Anthem Blue Cross	Group #	O&M Checking	√	604 - Employee Pensions and Benefit	-8,262.82
Check	09/02/2022	12805	Uni First Corp.	Customer #	O&M Checking	√	604.4 - Uniforms/ Boots	-732.18
Check	09/02/2022	12806	Consolidated Pipe & Supply Co., Inc.	ACCT:	O&M Checking	√	620 - Materials and Supplies	-4,370.46
Check	09/02/2022	12807	Advance Auto Parts	Customer #	O&M Checking	√	650.2.1 - Advanced Auto	-178.46
Check	09/02/2022	12808	Morgan Tire Center		O&M Checking	√	650.2 - Auto Service and Repair	-1,694.89
Check	09/02/2022	12809	Frederick & May Lumber	ACCT:	O&M Checking	√	620 - Materials and Supplies	-305.74
Check	09/02/2022	12810	Utility Solutions, LLC	June Invoices	O&M Checking	√	620 - Materials and Supplies	-2,124.29
Check	09/02/2022	12811	Kaco All Lines Fund	, 3rd payment	O&M Checking	√	657 - General Liability	-3,274.50
Check	09/02/2022	12812	Kaco Workers Compensation Fund	, 3rd payment	O&M Checking	√	658.1 - Workers' Compensation	-908.33
Check	09/02/2022	12813	Gateway community Action	Refund on Traci Shackelford and Jeff Literal	O&M Checking	√	-SPLIT-	-318.87
Check	09/02/2022		Authnet Gateway Billing	Authnet Gateway Billing	O&M Checking	√	671 - Bank Charge	-24.00
Check	09/02/2022			Merchant Service Merch Fee	Credit Card Account	√	671 - Bank Charge	-304.09
Check	09/06/2022			ACH File Origination Fee	Water Revenue Account	√	671 - Bank Charge	-8.00
Check	09/06/2022		Face Book	Boosting Facebook Post for the Golf Tournament	O&M Checking	√	660 - Advertising	-10.00
Check	09/07/2022	12814	Tractor Supply	3 Tool Boxes for new Trucks	O&M Checking	√	620 - Materials and Supplies	-899.97
Check	09/07/2022	12816	Payroll Account	Pay Period 08/22 - 09/04	O&M Checking	√	3030938 - Payroll Account	-12,863.79
Check	09/08/2022		Amazon	Desk Trays and Dividers	O&M Checking	√	620.1 - Office Supplies	-81.65
Check	09/08/2022	12817	Pleasant Valley County Club	Greens Fees for Golf Tournament	O&M Checking	√	6999 - Uncategorized Expenses	-2,000.00
Check	09/08/2022	12818	Gary Prater	Hole Prises for Golf Tournament	O&M Checking	√	6999 - Uncategorized Expenses	-2,500.00
Check	09/08/2022	12819	Gary Prater	Prize Money for Golf Tournament	O&M Checking	√	6999 - Uncategorized Expenses	-2,250.00
Check	09/08/2022	12820	West Liberty Waterworks		O&M Checking	√	610.2 - West Liberty Waterworks	-36,334.76
Check	09/08/2022	12821	Mountain Telephone	Account #	O&M Checking	√	615.3 - Telephone	-617.42
Check	09/08/2022	12822	American Electric Power		O&M Checking	√	615.1.1 - American Electric Power	-1,513.94
Check	09/08/2022	12823	Licking Valley R.E.C.C	Consumption thru 8/12	O&M Checking	√	615.1.2 - Licking Valley RECC	-1,676.11
Check	09/08/2022	12824	Appalachian Wireless	Acct:	O&M Checking	√	615.2 - Cellular	-922.23
Check	09/08/2022	12825	Waste Management		O&M Checking	√	615.4 - Trash Disposal	-133.13
Check	09/08/2022	12815	Tractor Supply	1 Tool Box for new Truck	O&M Checking	√	620 - Materials and Supplies	-299.99
Check	09/08/2022			3 ACH Returned ACH Fees	Water Revenue Account	√	671 - Bank Charge	-30.00
Check	09/08/2022			Charge Back - Norman Elam	Water Revenue Account	√	461.1 - Residential Meter Sales	-53.87
Check	09/08/2022			Charge Back - Michael Wager	Water Revenue Account	√	461.1 - Residential Meter Sales	-38.72
Check	09/08/2022			Charge Back - Hershall Adkins	Water Revenue Account	√	461.1 - Residential Meter Sales	-38.72

MORGAN COUNTY WATER DISTR  
Transaction List by Date  
September 2022

Type	Date	Num	Name	Memo	Account	Ctr	Split	Amount
Check	09/13/2022		Amazon	Office Supplies for Alexis	- O&M Checking	√	620.1 - Office Supplies	-117.84
Check	09/13/2022	12826	U.S Postal Service	500 x .44 , 100 x .60 Stamps	O&M Checking	√	620.2 - Postage	-280.00
Check	09/13/2022		Payroll Taxes Payable	County Employees Retirement	- Payroll Account	√	604.2 - CERS	-11,595.67
Check	09/13/2022			Signapay LTD PCI Fees	- Credit Card Account	√	671 - Bank Charge	-39.95
Check	09/13/2022			Signapay LTD PCI Fees	- Credit Card Account	√	671 - Bank Charge	-39.95
Check	09/14/2022		Tractor Supply	2 Tool Boxes for new Mike's Truck	- O&M Checking	√	620 - Materials and Supplies	-635.98
Check	09/14/2022		Face Book	Boosting Facebook Post for the Golf Tournament	- O&M Checking	√	660 - Advertising	-20.97
Check	09/15/2022	12827	Bird Dog's Shirts -N- More	Company Shirts for Girls and River Clean up	- O&M Checking	√	620.5 - Safety Supplies	-1,446.91
Check	09/15/2022	12828	Signature of Heaven	Lights for Mike's Truck	- O&M Checking	√	650.2.1 - Advanced Auto	-527.00
Check	09/15/2022		Vista Print	Business Cards for Ashlee	O&M Checking	√	620 - Materials and Supplies	-77.37
Check	09/16/2022		Factory Outlet Store.com	two way radios	O&M Checking	√	620 - Materials and Supplies	-79.49
Check	09/19/2022		Amazon	Office Supplies for Alexis	O&M Checking	√	620.1 - Office Supplies	-1.61
Check	09/20/2022	12829	Payroll Account	VOID: Pay Period 09/05 - 09/18	O&M Checking	√	3030938 - Payroll Account	0.00
Check	09/20/2022	12830	Payroll Account	Pay Period 09/05 - 09/18	- O&M Checking	√	3030938 - Payroll Account	-13,176.96
Check	09/20/2022		KRWA Loans - Regions Trust	Loan Payment	- Region Bond Account	√	Bonds Payable - KRWA 2016	-8,205.21
Check	09/20/2022		Commonwealth of Kentucky	Utility Tax, Payment	- O&M Checking	√	680.4 - Gross Utility Tax	-4,522.37
Check	09/20/2022		Kentucky State Treasurer	Sales & Use Tax, August	- O&M Checking	√	680.5 - Sales & Use Tax	-744.66
Check	09/21/2022		Payroll Taxes Payable	Federal Tax Deposit	- Payroll Account	√	680.1 - 941 Federal Payroll Tax	-4,192.88
Check	09/22/2022	4964	Chermell Holbrook	9/05/22 - 9/19/22	- Payroll Account	√	600.1 - Salaries & Wages- Employees	-1,169.36
Check	09/22/2022	4965	Donna S. Bailey		- Payroll Account	√	600.1 - Salaries & Wages- Employees	-1,021.13
Check	09/22/2022	4966	Andy Legg		- Payroll Account	√	600.1 - Salaries & Wages- Employees	-1,463.45
Check	09/22/2022	4967	John Coffey		- Payroll Account	√	600.1 - Salaries & Wages- Employees	-970.38
Check	09/22/2022	4968	Tim Carver		- Payroll Account	√	600.1 - Salaries & Wages- Employees	-1,131.73
Check	09/22/2022	4969	Ashlee Mason		- Payroll Account	√	600.1 - Salaries & Wages- Employees	-1,020.46
Check	09/22/2022	4970	Shannon Elam		- Payroll Account	√	600.1 - Salaries & Wages- Employees	-1,663.47
Check	09/22/2022	4971	Drayton Kendrick		- Payroll Account	√	600.1 - Salaries & Wages- Employees	-1,100.15
Check	09/22/2022	4972	Lowell Kennard		- Payroll Account	√	600.1 - Salaries & Wages- Employees	-976.10
Check	09/22/2022	4973	Mike Kelsey		- Payroll Account	√	600.1 - Salaries & Wages- Employees	-770.84
Check	09/22/2022	4974	Amanda Myers		- Payroll Account	√	600.1 - Salaries & Wages- Employees	-747.22
Check	09/22/2022	4975	Anaslusia Adkins		- Payroll Account	√	600.1 - Salaries & Wages- Employees	-700.56
Check	09/22/2022	4976	Alexis M. Branscum		- Payroll Account	√	600.1 - Salaries & Wages- Employees	-422.11
Check	09/22/2022			Over draft Fees	- Payroll Account	√	671 - Bank Charge	-23.50
Check	09/23/2022			Overdraft Fees	- Credit Card Account	√	671 - Bank Charge	-23.50
Check	09/26/2022	12831	Aflac Insurance	Inv. #	- O&M Checking	√	604 - Employee Pensions and Benefit	-177.58
Check	09/26/2022	12832	Colonial Life	VOID: BCN - E5441324	O&M Checking	√	604 - Employee Pensions and Benefit	0.00
Check	09/26/2022	12833	Colonial Life	BCN	- O&M Checking	√	604 - Employee Pensions and Benefit	-44.00
Check	09/26/2022	12834	Enterprise FM Trust		- O&M Checking	√	650.1 - Enterprise	-2,704.78
Check	09/26/2022	12835	United Systems Software	Inv. #	- O&M Checking	√	620.1 - Office Supplies	-207.00
Check	09/26/2022	12836	U.S Postal Service	Bulk Mailing	- O&M Checking	√	620.2 - Postage	-1,135.72
Check	09/28/2022		Payroll Taxes Payable	Federal Tax Deposit	- Payroll Account	√	680.1 - 941 Federal Payroll Tax	-4,367.83
Check	09/30/2022			Minimum Balance Fee	- Hwy 191 Replacement Project	√	671 - Bank Charge	-7.95

**MORGAN COUNTY WATER DISTR**  
**Transaction List by Date**  
September 2022

<u>Type</u>	<u>Date</u>	<u>Num</u>	<u>Name</u>	<u>Memo</u>	<u>Account</u>	<u>Cir</u>	<u>Split</u>	<u>Amount</u>
Check	09/30/2022			Returned Check Fee	████████ · Water Revenue Account	√	671 · Bank Charge	-12.00
Check	09/30/2022			Charge Back - Randa Henderson	████████ · Water Revenue Account	√	461.1 · Residential Meter Sales	-83.20

Sep 22

**Exhibit 4: Job Descriptions, Organizational Chart, Progress update,  
Water Loss April 2024.**

# MORGAN COUNTY WATER DISTRICT

## DISTRICT OPERATIONS

	DEPARTMENT	Title	Job Duties	
OFFICE OPERATIONS	<b>Administration</b>			
		Shannon Elam	General Manager, Class III	Oversee Daily Operations, Engineering Contracts, Gateway Ad Projects, Strategic Planning, Capital Improvement Project Planning, <b>Six Sigma Black Belt</b>
		[REDACTED]	Compliance/HR Officer	DOW/PSC/DLG/KRWA Compliance, Human Resources, Employee Benefits, Public Relations, Employee Training, Operator Recertification, Collections, Internal Auditor, Office & Benefit Contractors, IT and Cyber Security, <b>Six Sigma Yellow Belt</b>
		[REDACTED]	Finance/Purchasing Officer	Bookkeeping, Payroll, Annual Finance Audit, Rate Case Admin, Accounts Payable, Accounts Receivable, Purchasing, Bidding, Quotes, Project Procurement, Inventory
	<b>Customer Experience</b>			
		[REDACTED]	Customer Experience Supervisor	Oversee Customer Experience, Chief Meter & Work Order Controller, Internal Auditor, <b>Six Sigma Yellow Belt</b>
	[REDACTED]	Customer Experience Specialist	Customer Interaction, Phones, Customer Billing, Collect Payments, Process Payments, Issue Work Orders, Mail	
	[REDACTED]	Customer Experience Representative	Customer Interaction, Phones, Customer Billing, Collect Payments, Process Payments, Issue Work Orders, Mail	

FIELD OPERATIONS	<b>Field Operations</b>			
		[REDACTED] S [REDACTED]	Field Operations Supervisor, Class	Oversee Field Operations, Chief Excavator Operator, Call 811, System, Leak Detection, Project & Engineering Contractors, <b>Six Sigma Yellow Belt</b>
		[REDACTED] W [REDACTED]	Field Operations Operator, Class I	Meter Settings, Fix Leaks, Experience Work Orders, Meter Install, Replacement, Locate
		[REDACTED] S [REDACTED]	Field Operations Technician	Meter Settings, Fix Leaks, Experience Work Orders, Meter Install, Replacement, Locate
	<b>Field Compliance</b>			
		OPEN	Field Compliance Supervisor , Class II	Oversee Field Compliance, Chief DOW/PSC Audits, Lab and Compliance Contractors, All Water Sampling, Warehouse Inventory, Meter Reading
		[REDACTED] C [REDACTED]	Field Compliance Operator, Class I	<b>Water Samples, Call 811 Locates, Chlorine Maintenance, Auto Flusher Maintenance,</b> Compliance Flushing, Issue Boil Water Advisories, Warehouse Inventory
		[REDACTED] A [REDACTED]	Field Compliance Technician	<b>Meter Reader, Meter Re-Reads, GIS Mapping &amp; ARC PRO, Warehouse Inventory,</b> Water Samples, Call 811 Locates, Chlorine Maintenance, Auto Flusher Maintenance, Compliance Flushing
	<b>Field Maintenance</b>			
		[REDACTED] K [REDACTED]	Field Maintenance Supervisor, Class II	Oversee Asset Management & Field Maintenance, Chief Asset & Vehicle Maintenance & Leak Detection, Maintenance Contractors, Internal Auditor, <b>Six Sigma Yellow Belt</b>
		[REDACTED] F [REDACTED]	Field Maintenance Technician	<b>Leak Detection Lead , Safety Program and Training,</b> Risk Management, Quality Management System, ISO 9001 Audits, <b>Six Sigma Green Belt,</b> Chief Internal Auditor, Emergency Preparedness
		[REDACTED] C [REDACTED]	Field Maintenance Technician	<b>System Flushing, Valve Exercise, Leak Detection,</b> Vehicle & Equipment Preventive Maintenance, Meter Repair
	[REDACTED] H [REDACTED]	Field Maintenance Technician	<b>Meter Testing &amp; PSC Reporting, Leak Detection,</b> Vehicle & Equipment Preventive Maintenance, Meter Repair, System Flushing, Valve Exercise	

(3) Field Levels  
 Field Labor (Probation)  
 Field Technician (Full Time)  
 Filed Operator (Class I, II, III Certification)

(3) Office Levels  
 Customer Experience Clerk (Probation)  
 Customer Experience Representative (Full Time)  
 Customer Experience Specialist (10 Years)

Field Supervisors required to have Class II  
 All Supervisors required to have Training

All Employees Six Sigma White Belt  
 All Employees HR Videos (Annual)

Performance Improvement Team (Quarterly) - Shannon, [REDACTED], [REDACTED], [REDACTED]  
 Safety Committee (Monthly) - Shannon, [REDACTED], [REDACTED], [REDACTED]  
 Leadership Meeting (Monthly) - Shannon, [REDACTED], [REDACTED], [REDACTED]  
 Management Review (Annual) - Shannon, [REDACTED], Board of Commissioners  
 Leadership Training (Monthly) - Shannon, [REDACTED], [REDACTED], [REDACTED], [REDACTED]

**J [REDACTED] A [REDACTED] – GIS Mapping and Meter Reader**

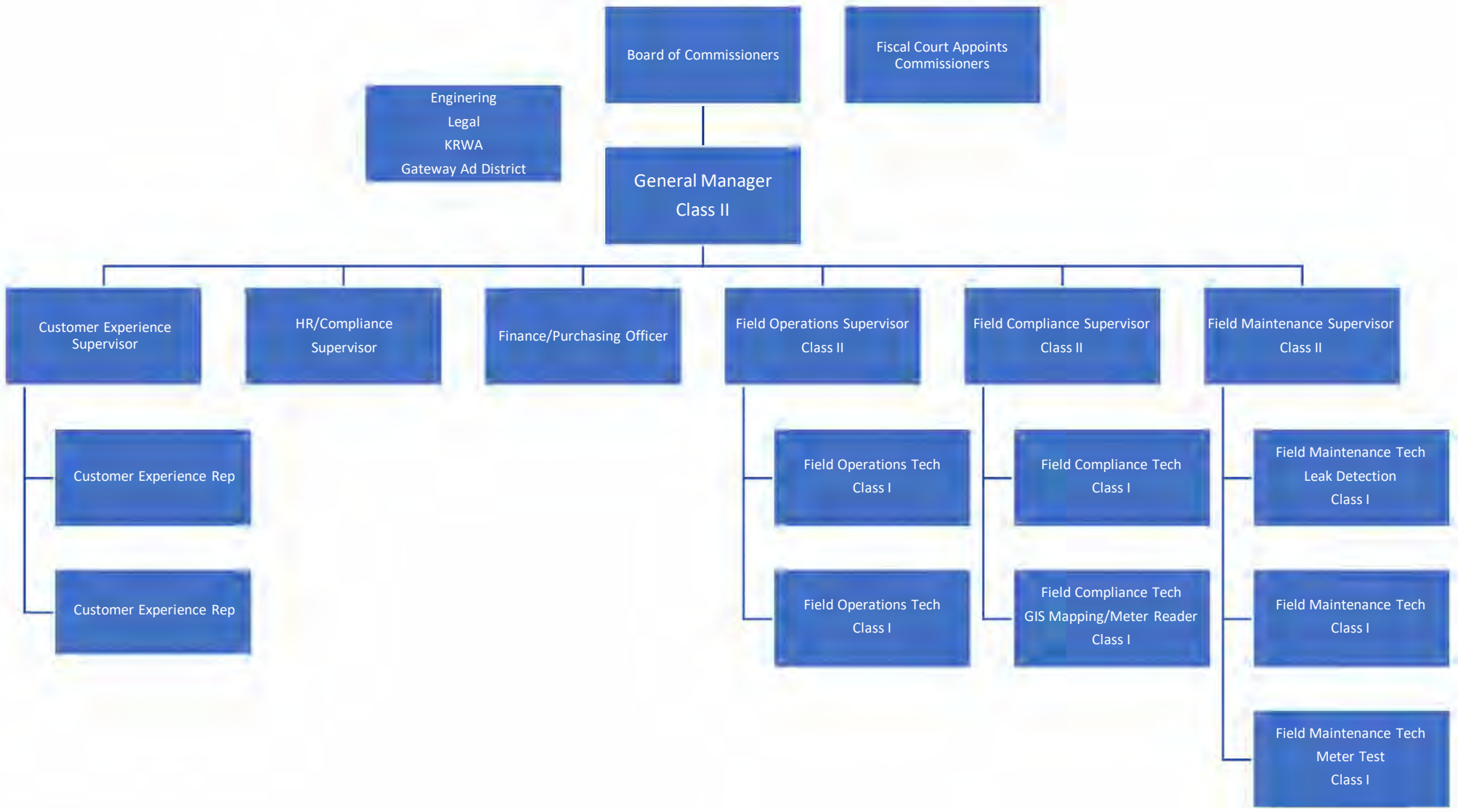
**J [REDACTED] has been mapping all the customer meters and service line to meet the DOW compliance Lead and Copper Deadline of 10/16/24. He is also reading customer meters each week. He also is our floater and can help with the dig crew in setting meter and fixing leaks. He is currently enrolled in the apprentice program and will be able to test for his class 1 license by the end of the summer.**

**N [REDACTED] S [REDACTED] – Field Operations**

**N [REDACTED] is working on the dig crew and has been trained to tap customer meters, fix leaks, and handle customer work orders. He is also being trained as a backup to the excavator digging**



# Organizational Chart





# Morgan County Water District

## Monthly Leak and Valve exercising report

Prepared By Dean Kennard

Month: *NOVEMBER*

### Main Line \ Service Line Leaks

- 1- Hwy 1081 6" mainline
- 2- Spaws Crk 6" Mian Line
- 3- Spaws Crk Pressure Relief Valve Leak
- 4- Walnut Street 4" Main Line
- 5- Hwy 1000 Service Line
- 6- Hwy 460 East Service Line
- 7- Asa Kemplin Rd Service Line
- 8- Stinson Br Service Line

### Acoustic logger Placements, Portable Flow Meter

J ■■■ F ■■■

- 1- 92 Acoustic Logger Placements This month.
- 2- 3 leaks found on our side of the meter base
- 3- 4 leaks found on customer side of Meter base



- 4-** Roadways covered in this deployment cycle were: 460 East, Jones Crk, Hwy 1081, Spring Br and Hwy 1162

**Valves Exercised with adjustments**

**R [REDACTED] G [REDACTED]**

- 1-** 136 Valves Exercised with numerous valve found that need to be either replaced or worked on to be considered usable for breaks and Leak Detection



# **MCWD**

## **Morgan County Water District**

### **Monthly Leak and Valve Exercising Report**

**Prepared By: Dean Kennard**

**Month: December 2023**

**Last Board Meeting we had leaks totaling 20 gpm on Hwy 364 and 80 gpm on Hwy 460 East.**

**We have found 20gpm on Hwy 364 with 5gpm still to be found and 30gpm on Hwy 460 E with 50gpm still to be found.**

#### **Main Line\ Service Line Leaks**

- 1- Jones Creek Road 6"**
- 2- Meeting House Rd, 460East Service line**
- 3- Highway 437 Service line**
- 4- Jones Crk Service line**
- 5- Lykins Loop RD service line**
- 6- 2 Meter Bottoms, 4 PRV and 3 S-Tubes leaking**

#### **Acoustic Logger Placement and Portable Flow Meter Utilizations**

**J [REDACTED] F [REDACTED]**

- 1- 95 Data Logger placements**
- 2- 5 our side service line leaks found and fixed**
- 3- 0 customer side leaks**

**Roadways covered with Data Loggers were Hwy 364, Lacy Crk, Hwy 3333,  
Finishing up Hwy's 364 and Jones Crk rd.**

**Valves exercised and adjustments**

**R [REDACTED] G [REDACTED]**

- 1- 99 Valves exercised this month**
- 2- 10 valve that were repaired and able to be used for Leak Detection and Repairing Leaks.**
- 3- Flushing on Hwy 191 and all side roads several times due to air being in the lines.**

**Meter Testing and Maintaince**

**J [REDACTED] K [REDACTED]**

- 1- Waiting to be trained in testing meters. Will be trained in the coming weeks. He is learning to work in all aspects of the water district day to day operations.**
- 2- He has helped change out 2" meters at Ezel Elementary, East Valley Elementary and Rod & Staff Publishing. There are 4 more Meters to be replaced in the system that he will be helping to replace.**



# Morgan County Water District

## Monthly Leak and Valve Exercising Report

Prepared By: Dean Kennard

Month: January 2024

### Main Line \ Service Line Leaks

- 1- 14 Meter Bottoms, 5 PRV and 3 S-Tubes leaking
- 2- 6 inch Main line leak on Hwy 20S

### Acoustic Logger Placement and Portable Flow Meter Utilizations

J ■■■ F ■■■

- 1- 25 Data Logger placements
- 2- 1 our side service line leaks found and fixed
- 3- 4 weekly Apprenticeship classes
- 4- 1 Leaking shut off fixed
- 5- Worked on paperwork to use in his 2 safety meetings
- 6- Conducted safety audits on all Chlorine rooms at pump stations.
- 7- Helped with meter rereads

Roadways covered with Data Loggers were Hwy 650

### Valves exercised and adjustments

R ■■■ G ■■■

- 1- 154 Valves exercised this month

- 2- 5 valve that were repaired and able to be used for Leak Detection and Repairing Leaks.**
- 3- Assisted with work orders and meter change outs.**
- 4- Helped with meter rereads for billing**

**J [REDACTED] K [REDACTED]**

- 1- Assists on a daily basis with work orders and all other things that need to be done.**
- 2- Assisted me with working on SCADA by changing coax cable, Antenna**
- 3- Still waiting for the scale company to come and certify our Meter Testing Bench.**



# Morgan County Water District

**Monthly Leak, Valve Exercising and Meter testing report**

**Prepared By: Dean Kennard**

**Month: March 2024**

**\*\*23 gpm\993,600 gallons per month leak found on Hwy 1000 with the Portable Flow Meter\*\***

### Main Line\ Service Line Leaks

- 1- Service line Hwy 1000 (23 gpm)
- 2- Service Line Chalmer Benton Rd
- 3- Valve on Declar Rd in Cannel City
- 4- Numerous Meter bottoms and Pressure Relief Valves

### Acoustic Logger Placement and Portable Flow Meter Utilizations

**J ■■■■ F ■■■■**

- 1- 102 Data Logger placements
- 2- 1 our side service line leaks found and fixed
- 3- 1 customer side leaks

**Hwy 172 was the focus of Data Logger deployments this month and will be for the next few weeks.**

### **Valves exercising and Adjustments**

**R [REDACTED] G [REDACTED]**

- 1- 109 Valves exercised this month**
- 2- 4 valve that were repaired and able to be used for Leak Detection and Repairing Leaks.**
- 3- Assisted with turning off customers who failed to pay their bill for February.**
- 4- Assisted with Leak Detection on hwy 1000, work orders and several other special projects during the month.**

### **Meter Testing\ General Maintaince**

**J [REDACTED] K [REDACTED]**

- 1- Still waiting to get Meter Test Bench certified by scale company. Special Scales have to be made before they can come and certify the bench.**
- 2- He has been working in all aspect of the water district. He has done work orders, assisted in fixing leak on service lines, leak detection on Hwy 1000 and several other special projects during the month.**
- 3- He has handled turning on Adele Pump station each day to fill the Morris Cemetery Tank 7 days a week. He watches SCADA to see when it needs to be turned on or off.**



**Monthly Leak, Valve Exercising and Meter testing report**

**Prepared By: Dean Kennard**

**Month: April 2024**

**4 gallons per minute leak found on Highway 460 East across from the Transfer Station. Waiting to fix due to having to close down one lane of the road to fix.**

**Main Line \ Service Line Leaks**

- 1- Service line Hwy 1000 (23 gpm)**
- 2- Service Line Chalmer Benton Rd**
- 3- Valve on Declar Rd in Cannel City**
- 4- Numerous Meter bottoms and Pressure Relief Valves**

**Acoustic Logger Placement and Portable Flow Meter Utilizations**

**J ■■■ F ■■■**

- 1- 102 Data Logger placements**
- 2- 1 our side service line leaks found and fixed**
- 3- 1 customer side leaks**

**Hwy 172 was the focus of Data Logger deployments this month and will be for the next few weeks.**



### Valves exercising and Adjustments

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- 1- 109 Valves exercised this month
- 2- 4 valve that were repaired and able to be used for Leak Detection and Repairing Leaks.
- 3- Assisted with turning off customers who failed to pay their bill for February.
- 4- Assisted with Leak Detection on hwy 1000, work orders and several other special projects during the month.

### Meter Testing\ General Maintaince

J [REDACTED] K [REDACTED]

- 1- Still waiting to get Meter Test Bench certified by scale company. Special Scales have to be made before they can come and certify the bench.
- 2- He has been working in all aspect of the water district. He has done work orders, assisted in fixing leak on service lines, leak detection on Hwy 1000 and several other special projects during the month.
- 3- He has handled turning on Adele Pump station each day to fill the Morris Cemetery Tank 7 days a week. He watches SCADA to see when it needs to be turned on or off.

# PUBLIC SERVICE COMMISSION

## Monthly Water Loss Report

Water Utility:

For the Month of:  Year:

LINE #	ITEM	GALLONS (Omit 000's)
1	<b>WATER PRODUCED AND PURCHASED</b>	
2	Water Produced	
3	Water Purchased	17,858
4	<b>TOTAL PRODUCED AND PURCHASED</b>	<b>17,858</b>
5		
6	<b>WATER SALES</b>	
7	Residential	8,888
8	Commercial	1,462
9	Industrial	
10	Bulk Loading Stations	
11	Wholesale	1,667
12	Public Authorities	
13	Other Sales (explain)	
14	<b>TOTAL WATER SALES</b>	<b>12,017</b>
15		
16	<b>OTHER WATER USED</b>	
17	Utility and/or Water Treatment Plant	
18	Wastewater Plant	
19	System Flushing	799
20	Fire Department	7
21	Other Usage (explain)	
22	<b>TOTAL OTHER WATER USED</b>	<b>806</b>
23		
24	<b>WATER LOSS</b>	
25	Tank Overflows	
26	Line Breaks	
27	Line Leaks	5,035
28	Excavation Damages	
29	Theft	
30	Other Loss (explain)	
31	<b>TOTAL WATER LOSS</b>	<b>5,035</b>
32		
33	<b>Note: Line 14 + Line 22 + Line 31 MUST Equal Line 4</b>	
34		
35	<b>WATER LOSS PERCENTAGE</b>	
36	(Line 31 divided by Line 4)	<b>28.19%</b>

**Exhibit 5: Gateway Loan Documents**

## Project Number: **WX21175046**

AWMPC: **GWADD**

Funding Status: **Not Funded**

Date Approved by AWMPC: **11.30.2023**

Project Status: **Approve**

### **Phase III System Wide Improvement Project**

The Morgan County Water District (MCWD) proposes the construction of a new Business Office and Maintenance Facility, while also implementing various improvements, waterline replacements, and relocations of infrastructure in the District's water distribution system. **The proposed scope of the work includes line replacements and 200 Sensus meters and radios, along with the payoff of a \$150,000 note owed to Gateway Area Development District.**

The project will purchase land and develop a 6,320 square foot new Business Office and Maintenance Facility for the MCWD. The District currently rents their existing office space which is technologically outdated and unable to meet the needs of the District and its' consumers. The Water District will also need to purchase furniture for the new office space.

The proposed project will replace existing waterlines in 7 branch lines off of HWY 191 and appurtenances.

The locations of the branch lines are as follows:

- Barker Branch
- KY 1162 (4-inch Pipe)
- Stinson Branch (4-inch Pipe)
- Morris Cemetery Rd (6-inch Pipe)
- Morris Cemetery Rd (5-inch Pipe)
- Rail Road Fork (4-inch Pipe)
- Big Staff Branch (3-inch Pipe)

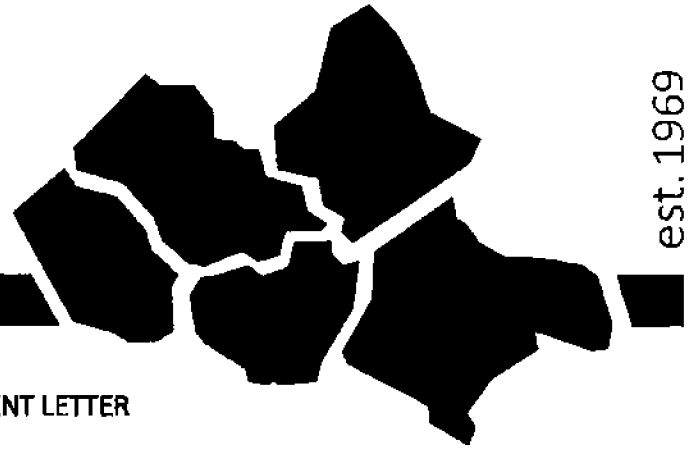
The Morgan County Water District will also buy 200 Sensus meters and Radios to replace existing water meters in various locations through out the system. Some of the proposed lines will replace lines that have been inaccessible since 2015 when relocated by a transportation project.

The proposed project will have a positive impact on the Morgan County Water District who currently has a directly serviceable population of approximately 8,851, or 4,103 households, while indirectly servicing approximately 22,794, or 11,521 households.

# GATEWAY

## AREA DEVELOPMENT DISTRICT

Bath | Menifee | Montgomery | Morgan | Rowan



### LOAN COMMITMENT LETTER

December 1, 2020

Shannon Elam, General Manager  
Morgan County Water District  
1009 Hwy 172  
West Liberty, KY 41472

Dear Mr. Elam:

*Will finalize & change  
if paid on within 1<sup>st</sup> year*

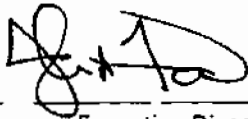
I am pleased to inform you that the Gateway Area Development District Board of Directors has approved your application for financing, under the EDA funded Economic Recovery Revolving Loan Fund program, subject to the following terms and conditions:

1. **Borrower:** Morgan County Water District
2. **Amount of Loan:** \$150,000.00
3. **Purpose of Loan:** Loan proceeds will be used for working capital and to purchase equipment
4. **Interest Rate, Term, and Repayment:** This loan shall bear interest at two percent (2.0%) per annum. The term of the loan shall be for two (2) years. Interest only payments of \$1,500.00 each shall be paid semi-annually with the first payment waived, and the principal balance repaid at maturity.
5. **Security:** Borrower shall grant to Lender as security for the loan:
  - a. Uniform Commercial Code (UCC) filing on all inventory, machinery, fixtures, equipment, accounts receivable, and general intangibles owned by the business.
  - b. Name the Lender as first loss payee on insurance coverage on the real property located at 1009 Hwy 172, West Liberty, KY 41472.
6. **Disbursement of Loan Proceeds:** Loan proceeds shall be disbursed at closing.
7. **Borrower's Warranties:** In order to induce Lender to make the loan provided for in this Commitment Letter, Borrower makes the following Representation and Warranties which shall survive the execution and delivery of the Promissory Note:
  - a. Borrower duly exists and is in good standing under the laws of the State of Kentucky and Borrower through a named individual has been validly authorized by all necessary action to execute and deliver the loan documents;
  - b. At the time of closing, there shall be no outstanding suits, trusteeships, bankruptcies or court actions pending or threatened against the Borrower or any corporate officer;
  - c. Borrower is unable to acquire funds on terms and conditions comparable to those negotiated with Lender and without these funds the Borrower could not proceed with its business plans;
  - d. The principals of the Borrower will not permit without the prior written permission of the Lender any material change in the ownership structure, control, or operation of the Borrower;

- e. Borrower has determined the site where the equipment will be located is free of all hazardous and/or toxic waste, substances or materials and that such substances or material do not exist in any quantities which would require monitoring, reporting, abatement, remedial, or responsive action, permitted and/or licensed under Federal, State, or local law.
- 8. **Covenants of the Loan:** The Loan Agreement shall contain other items provisions obligating the Borrower to:
  - a. Maintain its form and existence; pay all its taxes; and maintain its property in good repair;
  - b. Maintain, fire, hazard, extended coverage insurance;
  - c. Maintain proper business and accounting records; authorize the Lender's access to the records;
  - d. Allow the Lender to conduct on-site visits at least once each year where the borrower will provide Lender with financial statements including profit and loss statement and balance sheet prepared by management and employment verifications listing current employees, date of hire, gender, and employment status.
  - e. Comply with applicable federal regulations regarding conflicts of interest, political activities, and hiring of personnel; federal, state, and local laws, regulations, and ordinances; as well as with terms of the other financing agreements entered into in conjunction with Lender's investment;
  - f. Use the funds for purposes represented to Lender in the loan request;
- 9. **Prepayment:** Borrower shall have the right to repay the outstanding balance in full at any time during the course of the loan without prepayment penalty.
- 10. **Closing:** The loan committed hereby will be closed at the office of the Lender's attorney, White, Peck, Carrington, LLP, 26 Broadway, Mt. Sterling, KY 40353 within ninety (90) days of the date hereof, unless said date is extended in writing by the Lender at its sole option.
- 11. **Commitment Expiration:** This commitment shall expire unless accepted within ten business days of the date hereof and return executed.

To the extent that the terms and conditions stated herein are not incorporated into the loan documents, this commitment letter shall survive the loan closing and will govern our relationship for so long as the loan committed hereby, together with interest and fees, remain outstanding; provided however, that in the event of inconsistencies between this commitment letter and the loan documents the loan documents shall control.

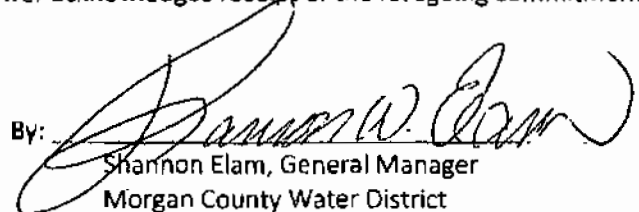
Sincerely,



Joshua A. Farrow, Executive Director

Intending to be legally bound, the Borrower acknowledges receipt of the foregoing commitment and acceptance of and agreement to its terms and conditions.

Dated: 12/4/20

By:   
Shannon Elam, General Manager  
Morgan County Water District



**GWADD Note**

G & W Construction	Creek Bore @ Caskey Fork (FLOOD)	\$	22,680.00
Blue Tank & Pump Rental	Generator Rentals for Pump Stations (Ice Storm)	\$	8,753.11
Consolidated Pipe and Supply	Water System Parts	\$	6,905.71
United Systems	Computers for Office Staff (Old Computers Microsoft Security Expired)	\$	13,525.00
USA Blue Book	Water System Parts	\$	2,375.22
Utility Solutions	Water System Parts	\$	33,000.00
Bear Traxx	Creek Bore @ Hwy 437 and War Creek (Flood)	\$	58,300.00
Piercy Mullins Electric	SCADA parts for Tanks and Pump Stations	\$	4,360.00
		\$	<u>149,899.04</u>

MORGAN COUNTY WATER DISTRICT  
1009 HWY 172 (606) 743-1204  
WEST LIBERTY, KY 41472

12182  
73-175/421

DATE 5/15/21

PAY TO THE  
ORDER OF

G & W Construction

\$ 22,680.00

Twenty two thousand six hundred eighty and no/100

DOLLARS  Security features included. Details on back.



MEMO Road Bore Caskey Fork

Raymond E. Churnell  
Raymond E. Churnell

⑈012182⑈



MORGAN COUNTY WATER DISTRICT  
1009 HWY 172 (606) 743-1204  
WEST LIBERTY, KY 41472

12183  
73-175/421

DATE 3/5/21


PAY TO THE  
ORDER OF

Blue Tank & Pump Rental

\$ 8753.11

Eight thousand seven hundred fifty three and 11/100

DOLLARS

 Security features included. Details on back.

  
WEST LIBERTY, KENTUCKY 41472

MEMO Inv # 105842

Cherrell Nathwood

MP

⑈012183⑈ 

MORGAN COUNTY WATER DISTRICT  
1009 HWY 172 (606) 743-1204  
WEST LIBERTY, KY 41472

12186  
73-175/421

DATE 5/5/21

PAY TO THE  
ORDER OF

Consolidated Pipe & Supply Co. Inc. \$ 6905.71

Six thousand nine hundred five and 71/100

DOLLARS

Security features  
included.  
Details on back.

  
WEST LIBERTY, KENTUCKY 41472

MEMO Amis 8/21/20 - 3/31/21

Raymond W. E. Burnett  
Raymond W. E. Burnett

MP

⑈012186⑈



**MORGAN COUNTY WATER DISTRICT**

1009 HWY 172 (606) 743-1204  
WEST LIBERTY, KY 41472

12185  
73-175/421

DATE 5/5/21

PAY TO THE ORDER OF United Systems & Software, Inc. \$ 13,525.00  
Thirteen thousand five hundred twenty five and 00/100 DOLLARS

Security features included. Details on back



*[Signature]*  
Counsel Network

MEMO dmr 80360

⑈012185⑈



**MORGAN COUNTY WATER DISTRICT**

1009 HWY 172 (606) 743-1204  
WEST LIBERTY, KY 41472

12171  
73-175/421

DATE 4-15-21


PAY TO THE  
ORDER OF

USA Blue Book

\$ 2375.22

Two thousand three hundred seventy five and 22/100

DOLLARS

 Security features included. Details on back.



MEMO On Account

*Chunell Stithcock*

MP

⑈ 0 1 2 1 7 1 ⑈



**MORGAN COUNTY WATER DISTRICT**

1009 HWY 172 (606) 743-1204  
WEST LIBERTY, KY 41472

**12187**  
73-175/421

DATE 5/5/21

PAY TO THE  
ORDER OF

Utility Solutions

\$ 33,000.<sup>00</sup>

Thirty three thousand and no/100

DOLLARS  Security features included. Details on back.



Ramon W. E. Churchill  
Churchill Melhook

MEMO An Acct.

MP

⑈012187⑈



MORGAN COUNTY WATER DISTRICT  
1009 HWY 172 (606) 743-1204  
WEST LIBERTY, KY 41472

12181  
73-175/421

DATE 5/15/21

PAY TO THE  
ORDER OF

Bear Traxx Inc.

\$ 58,300.00

Fifty eight thousand three hundred and 00/100

DOLLARS

 Security features included. Details on back.

  
WEST LIBERTY, KENTUCKY 41472

Raymond W. E. Chamell  
Chamell Method

MEMO Inv # 1040, MCW D001

⑈012181⑈



MORGAN COUNTY WATER DISTRICT  
1009 HWY 172 (606) 743-1204  
WEST LIBERTY, KY 41472

12184  
73-175/421

DATE 5/15/21

PAY TO THE  
ORDER OF

Percy Mullins Electric

\$ 4360.00

Four thousand three hundred sixty and no/100

DOLLARS

Security features  
included.  
Details on back.



Raymond W. E.  
Chancellor

MEMO 153153, 151683

⑈012184⑈



**Exhibit 6: Construction Updates Filed for Case No. 2021-00146, *Electronic Application of Morgan County Water District for the Issuance of a Certificate of Public Convenience and Necessity to Construct a Water System Improvements Project and an Order Authorizing a Change in Rates and Authorizing the Issuance of Securities Pursuant to KRS 278.023, (Ky PSC Apr. 26, 2021); and Case No. 2022-00245, Electronic Application of Morgan County Water District for the Issuance of a Certificate of Public Convenience and Necessity to Construct a Water System Improvements Project and an Order Authorizing the Issuance of Securities Pursuant to the Provisions of KRS 278.020, KRS 278.300, and 807 KAR 5:001, (Ky PSC Dec. 20, 2022).***



**Morgan County Water District**  
**PSC - Project Construction Dates**

**C**

<b>PSC Case #</b>	<b>Description</b>	<b>Start Date</b>	<b>50% Complete</b>
2021-00146	KY 172	5/17/2021	9/10/2021
2022-00245	KY 191	1/23/2023	6/15/2023

<b>100 % Complete</b>
2/17/2022
3/27/2024

**Exhibit 7: 2024 Budget and Purchasing Policy**

# MORGAN COUNTY WATER DISTRICT

## 2024 ANNUAL OPERATING BUDGET

### General Revenue

	<b>CODE</b>				
	<b>461</b>	<b>Water Revenue</b>			
1	461.1	Resident Meter Sales	\$1,950,000		
2	461.2	Commercial Meter Sales	\$214,000		
3	461.3	Bulk Loading Station	\$1,000		
4	464	Wholesale	\$120,000		
			\$ 2,285,000		
		<b>Non Water Revenue</b>			
5	470	Fortified Discounts - Late Payments	\$24,000		
6	471	Utility Service Fee	\$36,000		
7	472	Interest Income	\$1,000		
8	473	Tap On Fees	\$30,000		
9	474	Reimbursements / Grants	\$0		
			\$91,000		
				<b>\$2,376,000</b>	\$0

### General Expenses

		<b>Employee Payroll</b>		Percent of Budget	
10	601	Salaries and Wages - Employee	\$230,000		
11	603	Salaries and Wages - Officers & Commissioners	\$145,000		
			\$375,000	15.78%	
	<b>604</b>	<b>Employee Pensions and Benefits</b>			
12	604.1	Health & Supplemental Insurance	\$150,000		
13	604.2	CERS	\$75,000		
14	604.3	KY Comp	\$0		
15	604.4	Uniforms / Boots	\$5,000		
16	604.5	Training / Conference / Expo	\$8,000		
17	604.6	License/Certification	\$2,000		
18	604.7	Incentive Pay	\$25,000		
19	604.8	Employee Benefit - Other	\$2,000		
			\$267,000	11.24%	27.02% <b>2</b> \$642,000
	<b>610</b>	<b>Purchased Water</b>			
20	610.1	City of WL	\$360,000		
21	610.2	Cave Run	\$340,000		
			\$700,000	29.46%	<b>1</b>
	<b>615</b>	<b>Utilities</b>			
22	615.1	Purchased Power	\$40,000		
23	615.2	Cellular	\$12,000		
24	615.3	Telephone	\$8,000		
25	615.4	Trash Disposal	\$2,000		
			\$62,000	2.61%	
	<b>620</b>	<b>Materials and Supplies</b>			
26	620.1	Office Supplies	\$30,000		
27	620.2	Postage	\$15,000		
28	620.3	Water System Parts/Supplies	\$125,000		
29	620.4	Chlorine Chemicals	\$4,000		
30	620.5	Safety Supplies	\$8,000		
31	620.6	Office Subscriptions	\$4,000		
32	620.7	Water Sample Supplies	\$2,000		
33	620.8	Water Meters	\$80,000		
			\$268,000	11.28%	<b>4</b>
		<b>Contractual Services</b>			
34	631	Contractual Services - Engineering	\$5,000		
35	632	Contractual Services - Accounting	\$10,000		
36	633	Contractual Services - Legal	\$3,000		
37	634	Contractual Services - Office	\$5,000		

38	635	Contractual Service - Water Testing Lab	\$2,000		
39	636	Contractual Services - Field	\$75,000		
				\$100,000	4.21%
	<b>650</b>	<b>Transportation Expense</b>			
40	650.1	Fleet Lease	\$60,000		
41	650.2	Auto Service/Repair	\$10,000		
42	650.3	Fuel	\$30,000		
				\$100,000	4.21%
		<b>Insurance</b>			
43	657	Insurance - General Liability	\$28,000		
44	658	Insurance - Workers' Compensation	\$8,000		
45	658	Insurance - Payroll Audit	\$2,000		
46	659	Insurance - Bond on Officers	\$2,000		
				\$40,000	1.68%
		<b>Misc.</b>			
47	660	Advertising	\$2,000		
48	665	Membership Dues	\$5,000		
49	666	Utility Reg-(PSC)Assessment Fee	\$3,000		
50	670	Bad Debt - Collections	\$2,000		
51	671	Bank Charges	\$500		
52	675	Non-Budget Items	\$2,500		
				\$15,000	0.63%
	<b>680</b>	<b>Taxes</b>			
53	680.1	Federal Payroll Tax	\$30,000		
54	680.2	KY State Payroll Tax	\$0		
55	680.3	County Payroll Tax	\$0		
56	680.4	Gross Utility Tax	\$60,000		
57	680.5	Sales & Use Tax	\$10,000		
58	680.6	Tax Penalty	\$0		
				\$100,000	4.21%
	<b>690</b>	<b>Travel Expense</b>			
59	690.1	Meals	\$4,000		
60	690.2	Mileage	\$1,000		
61	690.3	Lodging	\$8,000		
				\$13,000	0.55%
	<b>695</b>	<b>Cash Reserve</b>			
62	695.1	Depreciation	\$5,000		
63	695.2	Emergency	\$5,000		
64	695.3	Short-Lived Assets	\$5,000		
65	695.4	Capital Improvement	\$5,000		
66	695.5	Contributions in Aid of Construction	\$0 (Surcharge)		
				\$20,000	0.84%
	<b>699</b>	<b>Debt Service (Bonds &amp; Notes)</b>			
67	699.1	Sinking Fund - USDA Bond	\$165,000		
68	699.2	KIA Bond	\$12,000		
69	699.3	KRWA Bond	\$100,000		
70	699.4	GWAD (Note)	\$14,000	Short Term	
71	699.5	BOM (Note)	\$25,000	Short Term	
				\$316,000	13.30%
				<b>\$2,376,000</b>	

3

Accepted by the Board of Directors on the \_\_\_\_\_ day of January 2024

Brian Wells, Chairman

Zachary Engle, Secretary/Treasurer

Document ID <b>SOP1200</b>	Title <b>Purchasing and Procurement Standard</b>	Print Date
Revision Number <b>Original</b>	Prepared By <b>Shannon Elam</b>	Date Prepared <b>12/22/22</b>
Effective Date <b>2/13/23</b>	Reviewed By <b>MCWD Board</b>	Date Reviewed <b>2/10/23</b>
ISO 9001:2015 <b>Standard Operating Procedure</b>	Approved By <b>MCWD Board</b>	Date Approved <b>3/13/23</b>

**Policy:**

It shall be the procurement policy of the District to obtain all supplies, equipment and services at the lowest cost to the District that meet or exceed the District's specifications for performance, quality and availability at the time of purchase.

**Purpose:**

The District is committed to transparency and accountability and will strive to make businesses aware of all contracting opportunities available to them.

**Scope:**

- Conduct our business to the highest standards of ethics, integrity and compliance.
- Provide outstanding customer service.
- Be proactive and listen to the needs of our customers and vendors.
- Provide expert knowledge and advice of procurement policies, and processes.

**Responsibility:**

It is the obligation and the responsibility of every procurement decision-maker to represent the District in a professional and ethical manner. Any procurement related matter shall be handled in a professional manner with the interest of the District taking precedent. As a procurement decision maker, you must:

- Follow the lawful instructions, policies, and procedures of the District, Board of Commissioners, General Manager, supervisor or any person in a higher-level position of authority within your organization.
- Obtain the maximum benefit for funds spent as Supervisor for the District.
- Refrain from engaging in any procurement activity in which you have a personal or indirect financial interest.
- Avoid engaging in personal business with any company that is a supplier to the District.
- Avoid lending money to or borrowing money from any supplier.

Document ID <b>SOP1200</b>	Title <b>Purchasing and Procurement Standard</b>	Print Date
Revision Number <b>Original</b>	Prepared By <b>Shannon Elam</b>	Date Prepared <b>12/22/22</b>
Effective Date <b>2/13/23</b>	Reviewed By <b>MCWD Board</b>	Date Reviewed <b>2/10/23</b>
ISO 9001:2015 <b>Standard Operating Procedure</b>	Approved By <b>MCWD Board</b>	Date Approved <b>3/13/23</b>

### **Vendor/District Employee Relationships**

To avoid any real or perceived conflict of interest, all proposals or contracts for professional services should, to the extent possible, identify any relative of the contractor or his/her employees who are presently employed by the District.

- In an effort to avoid any real or perceived conflict of interest, all proposal and contractual language for professional services shall include a clause requiring prospective and/or current vendors to notify the District of any such relationship between the vendor and the District.
- Upon notification, the manager or responsible party of Purchasing shall notify the Chief Financial Officer or General Manager of the District for further review and action, as deemed appropriate.
- Notification of the relationship between the vendor and any District employee shall be placed in the Purchasing contract file for future reference, as deemed necessary.

### **Contracts with District Employees or Family of District Employees**

No contracts shall be entered into between the District, including all Departments thereof, and any employee or officer of the District who is paid for working for the District. No employee or officer shall directly or indirectly solicit any contract between him or herself and the District.

- In the event that a District employee enters into a contractual agreement, in violation of this policy, the person or persons having obtained knowledge that a contractual relationship exists between the District and a District employee shall make immediate notification to the manager or responsible party of Purchasing.
- The manager or responsible party of Purchasing shall make immediate notification to the Chief Financial Officer, Assistant General Manager, or General Manager as well as the director of Human Resources for action as deemed appropriate.

No contracts shall be entered into between the District, including all Departments thereof, and any family member of an employee or officer of the District without disclosure of the relationship to the General Manager, Assistant General Manager, and Chief Financial Officer AND written approval by the General Manager.

Document ID <b>SOP1200</b>	Title <b>Purchasing and Procurement Standard</b>	Print Date
Revision Number <b>Original</b>	Prepared By <b>Shannon Elam</b>	Date Prepared <b>12/22/22</b>
Effective Date <b>2/13/23</b>	Reviewed By <b>MCWD Board</b>	Date Reviewed <b>2/10/23</b>
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### **Professional Service Contracts with Former District Employees**

To avoid the potential for conflict of interest, or any appearance thereof, the District requires that all requests for entering into professional service contracts with former employees be approved by the Board of Commissioners.

- Any professional services contracts to be awarded to former employees shall first be forwarded to the Morgan County Water District Board of Commissioners for review and approval.
- Under emergency circumstances, the Finance Committee is authorized to give preliminary approval to such contractual arrangements and report such preliminary approval to the Board of Commissioners for final approval or denial at their next scheduled meeting.
- All Purchasing Division policies and procedures, or portions thereof, related to the administration of professional services contracts, and not conflicting with this resolution, shall remain in effect.
- All contracts shall contain language that states that the contract is contingent upon final approval by the Board of Commissioners.

### **1.0 PROCUREMENT POLICY**

In accordance with the policies adopted by the Board of Commissioners of the Morgan County Water District ("District"), all purchases, regardless of sources of funds will be governed by the Kentucky Government KRS Code Section 45A 343-460 as referenced below:

*"Every local agency shall adopt policies and procedures, including bidding regulations, governing purchases of supplies and equipment by the local agency. Purchases of supplies and equipment by the local agency shall be in accordance with said duly adopted policies and in accordance with all provisions of law governing same. No policy, procedure, or regulation shall be adopted which is inconsistent or in conflict with statute."*

It shall be the procurement policy of the District to obtain all supplies, equipment and services at the lowest cost to the District that meet or exceed the District's specifications for performance, quality and availability at the time of purchase. In conforming to this policy, the capability, capacity and historical performance of the supplier will be considered and weighed in the decision process. Sourcing decisions will also be tempered by supplier diversity and the environmental impact considerations. Competitive bids or pricing will be solicited, unless sole source provider is specified, in compliance with all applicable Federal and State regulations, Kentucky Government Code and District policies.



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### 1.1 PURPOSE AND OBJECTIVES

The responsibility for the purchase of all products, materials, supplies, furniture, equipment, vehicles and services is divided among the Administration, Operations and Maintenance, Engineering, Human Resources/Risk Management, Customer Service, Information Technologies, Accounting, Billing, and Departments. Although assigned different responsibilities, all core systems, methods, policies and procedures remain common. Shared responsibilities include overseeing the professional relationships between Morgan County Water District and its vendors and contractors and insuring the highest ethical and professional standards.

The purpose of the Procurement/Purchasing policy is to:

- Support management in cooperatively developing and executing sourcing strategies with the District's Departments for products and services that meet or exceed the District's requirements and to perform these services to the highest ethical and professional standards.
- Provide leadership through contract negotiation, and vendor management.
- Promote the use of small, disadvantaged and minority-owned businesses when possible.
- Support the District's commitment to environmental responsibility.
- Support the District's commitment to the local business community by supporting use of local businesses when possible.
- Assist Departments involved in Federal and State grant agreements in maintaining compliance to applicable regulations.
- Assist Departments in maintaining compliance to all District policies regarding contracting and purchasing.

### 2.0 DELEGATION OF AUTHORITY

The General Manager has been granted the authority and the responsibility of procurement of all materials, equipment, supplies, and services necessary for day-to-day operation of the District. The General Manager has delegated specific authority and further delegate authority to others prior to the execution of all contracts and agreements for procurement of all materials, equipment, supplies and services necessary for the day-today operations of the District.

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The Authorization Table outlines who may approve and sign contracts and legally binding agreements with external parties that obligate the District.

## Morgan County Water District

## Authorization Table

Purchase Amount	Procurement	Contract Type	Approval Level
\$0 - \$500	N/A	N/A	Purchasing
\$501 - \$1,000	2 Verbal or Written Quotes	Purchase Order	Purchasing
\$1001 - \$5,000	3 Written Quotes (If possible)	Purchase Order	General Manager
\$5001 - \$10,000	3 Written Quotes (If possible)	Purchase Order	General Manager
\$10,001 - \$40,000	3 Request for Qualifications/Proposals	Purchase Order & Short Form Contract	Board of Commissioners
over \$40,001	3 Request for Qualifications/Proposals/Bids	Advertised Sealed Bids, Professional Service Agreement/Advertised Sealed Technical Proposal for Service, Purchase Order and Contract	Board of Commissioners

**2.1 NOTES AND EXCEPTIONS**

In the absence of the approver for a given request, authorization will be obtained by his/her appointee or the next highest authority in accordance with the Authorization Table.

At no time can purchases be "split" or otherwise billed separately to circumvent the spending authority.

With the exception of Board of Commissioners authorized procurements, increases to previously authorized procurements are permitted if the increased procurements remain within the approver's limit. Freight and sales tax are a cost of doing business and shall be included in the total cost of the procurement.

Exceptions to standard purchasing methods and spending authorities are specifically limited to the following:

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- a) Utility bills (phone, gas, electric, etc.)
- b) Payroll disbursements, payroll checks, deductions, deposits and tax payments that are supported by a payroll report
- c) Gasoline credit card purchases (should be issued a blanket Purchase Order)
- d) Insurance premiums (workers compensation, general liability, etc.)
- e) General Agency Legal Counsel
- f) Software license maintenance
- g) Payments to Department of Water Resources and related expenses (State Water Contractors, Inc., and so forth)
- h) Permitting and other regulatory fees (construction permits, LAFCO payment, etc.)

The Authorization Table shall apply to all purchases, including Capital Projects and Professional Services Contracts. Capital Projects shall employ competitive bidding and all capital procurements that exceed the General Manager's authorization level must be approved by the Board of Commissioners. Professional Services Contracts shall employ competitive proposals solicited by the Request For Proposal (RFP) process, whenever possible, but is not mandatory. At times, acquiring 3 written quotes may be a challenge depending on vendor type and availability. Staff will provide justification when 3 quotes cannot be obtained. Modifications to Professional Services Contracts and Capital Projects shall follow guidelines in Section 2.2.

## **2.2 MODIFICATIONS TO PROFESSIONAL SERVICES AND CAPITAL PROJECTS**

All Change Orders for existing contracts for both professional services and construction, entered into by the District in an amount greater than \$25,000.00, shall be subject to the modification procedures contained in this policy. All Change Order approvals shall be in writing.

### **Contracts between \$25,000.00 - \$50,000.00**

1. The General Manager may approve modifications to the plans and specifications and contract documents by means of a Change Order if the cost or estimated costs of such Change Order does not exceed \$10,000.00 or 25% of the original contract, whichever is less.
2. Any Change Order in excess of \$10,000.00 or 25%, whichever is less, shall require Board approval.

### **Contracts between \$50,000.00 - \$250,000.00**

1. The General Manager may approve modifications to the plans and specifications and contract documents by means of a Change Order if the cost or estimated costs of such Change Order does not exceed \$25,000.00 or 25% of the original contract, whichever is less.
2. Any Change Order in excess of \$25,000.00 or 25%, whichever is less, shall require Board approval.

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#### Contracts greater than \$250,000.00

1. The General Manager may approve modifications to the plans and specifications and contract documents by means of a Change Order if the cost or estimated costs of such Change Order does not exceed \$25,000.00, plus 2% of the original contract cost in excess of \$250,000.00. In no event can the General Manager approve a Change Order greater than \$50,000.00.
2. Any Change Order in excess of \$25,000.00, plus 2% of the original contract cost in excess of \$250,000.00, and all Change Orders greater than \$50,000.00, shall require Board approval.

The General Manager's authorized representative, (Resident Engineer or Engineering Manager) may approve Plan Changes (but not Extra Work items) up to \$10,000.00. The representative would authorize work in writing to the contractor. All recommended plan changes must be reviewed and approved by the Assistant General Manager or General Manager. Contractor would proceed with work and identify percent complete in the next partial payment. Payment would be identified as pending Board approval, however the amount of work completed would be included in the partial payment total.

#### Cumulative Change Orders

In no event can the General Manager approve Change Orders on any existing contract, which in the cumulative exceed 30% for extra work items of the original contract, or \$100,000.00, whichever is less. Change Orders which in the cumulative exceed 30% of the original contract or \$100,000.00, no matter what the amount of the Change Order, must be approved by the Board.

#### Report to the Board of Commissioners

The General Manager, or his designated representative, shall make a monthly written report to the Board of Commissioners as to all Change Orders approved by the General Manager during the month, and of all possible future Change Orders which may appear probable prior to the next monthly report. At a minimum, the General Manager shall provide the Board with the name and nature of the contract, all Change Orders approved during that month, the reason for the Change Orders, the cumulative amount of the Change Orders for that contract, and any additional information the Board requests.

#### Authorization:

The authority contained in this policy binds the Board of Commissioners, and it is recognized that subsequent Board refusal to ratify a change order would subject the District to damage claims.

#### Definitions:

**Extra Work:** Additional work that is unrelated to or significantly adds to the design intent and/or functionality of the original plans and specifications. This work is not necessary to complete the project and is typically requested by staff.

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**Plan Changes:**

Work differing from the scope of work which is set forth in the plans and specifications which is necessary to complete the project. The intent of the additional work is to

- 1) facilitate ongoing work when differing site conditions occur; or
- 2) conformance with the original design intent; or
- 3) take advantage of construction cost efficiencies.

**Emergency Work:**

Work that is determined to be beyond the scope of work set forth in the plans and specifications which is necessary and essential to proceed with to avoid project delays, delay claims or potential additional costs if work is not commenced as soon as practical. Authorization must come from the owner's construction management representative and the General Manager or his/her designee. Authorization will be reported to the Board at their next regularly scheduled meeting.

**2.3 PURCHASING SUPERVISOR**

While the services performed vary, the following is a partial list of services and responsibilities assigned to the Purchasing Supervisor:

- Review and process Purchase Requisitions
- Review, process and issue Purchase Orders (PO)
- Prepare and issue PO change orders
- Reconcile PO invoice discrepancies
- Prepare and issue Requests for Proposals (RFP)
- Prepare and issue Requests for Bids (RFB)
- Manage the District's on-line procurement software system
- Manage all Capital Projects during the bid and award phase
- Manage all public works contract bids during bidding including job walks, responding to RFI's, due diligence reviews of bidders, conduct public bid opening meetings and determination of lowest responsive, responsible bidder
- Develop staff reports for award of contracts for consideration by Board committee and Board of Director's meetings
- Determine optimal ordering methods to meet requirements at lowest possible cost
- Support the deployment and use of field inventory, office supplies and equipment
- Assist with evaluating and selecting suppliers and vendors
- Negotiate and review contracts
- Assist with negotiation and execution of vehicle equipment leases for District vehicle fleet program
- Schedule purchases and deliveries
- Negotiate adjustments with vendors and suppliers

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- Operate and maintain a centralized warehouse to efficiently manage commonly used supplies and materials
- Assist in audits and reviews

The Purchasing Supervisor reports directly to the Chief Financial Officer of the District.

### 3.0 PURCHASE REQUISITIONS

Purchase Requisitions are required for all purchases over \$500.00 and used by the Departments to request services, order supplies and/or equipment. Vendor information, budget general ledger account number and approval are required to create and issue Purchase Requisitions to vendors/contractors. Upon receipt of a properly prepared requisition by Purchasing Supervisor, a requisition will normally be processed and completed within 10 business days for routine and 15 business days for complex acquisitions. It is the responsibility of the requisitioning Department to adequately plan in advance for their procurement needs and/or requirements.

#### CANCELLATION OF REQUISITION

The cancellation of a Departmental requisition shall require Department's notification to Purchasing.

- Cancellation by the Department: Cancellation of a requisition by the Department should be on the basis of a written cancellation notice. Verbal cancellation may be accepted by Purchasing in order to suspend the purchasing process but should be followed up by written cancellation notice from the Department.
- Cancellation by Purchasing: Cancellation of a requisition initiated by Purchasing requires the written notification and concurrence of the Department.
- Cancellation by Purchasing as a "last resort": A last resort example would be the failure of Department to respond to an inquiry for additional information in a timely manner (failure to obtain a response after multiple attempts). Last resort cancellations do not require the Department's concurrence.
- Cancellation from the bid solicitation: When a requisition is cancelled during or after a bid solicitation process, Purchasing must cancel the items from the bid and indicate the reason(s) for the cancellation.
- In most instances, the District uses the following methods of bidding:
  - ♣ Email/Fax/ or Letter Bids - known as an "Informal Bid."
  - ♣ Request for Quotation (RFQ) – also known as an "Informal Bid."
  - ♣ Request for Bids (RFB) – also known as a "Formal Bid". This is the preferred method of bidding and must be a Sealed Bid if over project is expected to exceed \$30,000.
  - ♣ Request for Proposal (RFP) – may be used for bidding of services or combination of services and supplies and must be a Sealed Proposal if project is expected to exceed \$30,000.
  - ♣ Request for Qualifications (RFQ's) – may be used for bidding to pre-qualify a contractors or vendors for various disciplines and/or supplies and must be a Sealed Proposal.

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### 3.1 PURCHASE ORDERS

Purchase Orders (PO) are contractual documents and are required for all purchases over \$500. Once sent to and accepted by a vendor bind the performance of both parties to the transaction. POs created from requisitions are processed using the District's accounting software. Once a PO has been approved, it is transmitted either by secure electronic means or by email or fax to the vendor.

### 3.2 BLANKET PURCHASE ORDERS

Blanket Purchase Orders (BPO) are contractual documents and should be issued for recurring purchases, such as office supplies, not valid for longer than one year, and shall always expire at the end of the fiscal year in which they were initiated.

Blanket purchase orders are used for the acquisition of assorted commodities or services from a known vendor for Departments that have predictable but varied program needs. The range of commodities or services covered by the blanket purchase order should be defined as narrowly as possible. Blanket purchase orders may not be used for the acquisition of equipment or appliances.

Blanket purchase orders are established with a maximum commitment dollar value. Requests for modification of this amount must be made in writing using the "Request to Increase the Dollar Amount of a Standard or Blanket Purchase Order" Form. Note that requests for increases will be reviewed by Purchasing and by the Chief Finance Officer, Assistant General Manager, or General Manager, as appropriate to ensure that funds are available before approval for the increase will be given.

### 3.3 PURCHASE ORDER CHANGES

Requests for modification of contract documents must be approved by the Department head based on the amounts indicated in the Authorization Table. A Request to Increase the Dollar Amount of a Standard or Blanket Purchase Order Form or Change Order must state the reason for the change, as well as, refer to the PO/FPO number and the vendor/contractor involved. This policy particularly applies to those circumstances where increase in the dollar amount of the order is required. Revised POs/FPOs will be issued to the vendor/contractor to confirm the authorized changes.

### 3.4 EMERGENCY ORDERS

An emergency purchase includes any immediate need for supplies or services wherein following normal procurement procedures could threaten District operations, property, or public health and safety.

Emergency purchases shall be subject to the approval of the General Manager, or his designee. Board of Commissioners approval and/or notification on the Agenda Consent Calendar will be within 30 days of an emergency expenditure that exceeds the General Manager's approval limit of \$25,000.

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In many cases, emergency orders may be made using either Online Purchasing or the Procurement Card methods.

#### **4.0 RECEIVING PROCESS**

Delivery of requested products or services marks a transition in the purchase-to-pay process from a purchasing activity to a payable's activity. All purchases must be "received" to release payment to the vendor. The "receiving" staff must determine if the products or services received are acceptable and conform to the District's requirements. At all times, the purchasing staff member receiving the delivery shall not be the purchasing staff who entered the requisition. The entire receiving process consists of the following:

##### **4.1 SIGNING FOR DELIVERIES**

Whenever possible, the person receiving the product should sign the receiving documents provided by the vendor or shipping company. The person receiving the delivery shall inspect the delivery before signing the delivery receipt and should also initial the packing list. Then, submit the packing list to the appropriate person for financial reconciliation.

##### **4.2 REFUSING DELIVERIES**

Whenever possible, the person receiving the delivery should refuse to accept shipments if they are unable to confirm that the order was placed by their Department, if the packaging appears sufficiently damaged to warrant concern or does not meet the required specification.

##### **4.3 RECORD RETENTION**

During the receiving process, the Department takes physical possession and legal ownership of the shipment. Therefore, it is important for the vendor to provide the District with a packing list for all shipments delivered to the District. If the vendor fails to provide the packing list, the Department should contact the vendor to request that copies be sent for its files. The need for saving receiving documents is particularly important when accepting any partial or staggered deliveries over a period of time.

##### **4.4 INSPECTING THE SHIPMENT**

Persons receiving shipments should, upon acknowledging receipt of an order, conduct an inspection to verify the following minimum conditions:

1. The products conform to the PO/FPO/BPO requirements and other relevant documents (for example: correct model number, description, size, type, color, ratings, etc.)
2. The quantity ordered against the quantity shipped or delivered.
3. There is no damage or breakage



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4. The unit of measurement count is correct (e.g., if the unit of measurement on the purchase order is one dozen, there should be 12 in the package).

5. Delivery documentation (packing list, certifications, etc.) is acceptable. Products are operable or functional.

#### **4.5 MATCHING THE PACKING LIST TO THE PURCHASE ORDER OR FIELD PURCHASE ORDER**

During the inspection process, the Department should compare the vendor's packing list to the purchase order to determine if there are any discrepancies between the documents. At a minimum, the following information should be the same on both the packing list and purchase order:

1. PO/FPO number
2. Item or Manufacturer's part number
3. Quantity and unit of measure
4. Description of the products

Once the invoice has been entered by the Department representative, the Department should determine if the invoice charges are correct. In case of any invoice discrepancies, the Accounting Department should be notified to place a "hold" on the invoice until further notified.

#### **4.6 PRODUCT SUBSTITUTIONS AND OVER-SHIPMENTS**

Vendors are not allowed to substitute products or deliver more than the amount ordered without prior approval from either the Department representative.

#### **4.7 FAILED INSPECTIONS**

All District Departments are advised to notify in writing any failed inspection results discovered during inspection and provide the results to the vendor and the Accounting Department for appropriate action. When receiving items from freight companies, the number of packages received should match exactly the number on the freight bill. If not, the Department should require the driver to write the number of packages received on the bill before signing. Inspect all packages for damage to the outside container. Any visual damage should also be noted on the freight bill before signing. In cases of concealed damage, a report should be made by the Department immediately to the delivering carrier. The report should include the following information: Freight Bill Number, PO/FPO/BPO number, the date of delivery, supplier, and the extent of damage or shortage. In the event of damage, it is essential that the Department retain all the original shipping cartons for inspection by a claims adjuster.

#### **4.8 ACCEPTANCE DETERMINING**

Departments are required to contact the vendor in a timely manner when rejecting products that are over-shipments, defective or for any other non-conformance. Failure to notify the vendor in a timely manner will mean the shipment will be considered "accepted."

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#### **4.9 PRODUCT RETURNS FOR CREDIT/REFUND**

When a vendor has shipped items as specified on a purchase order, they have legally complied with their part of the contract and are under no obligation to accept returned items for credit or refund. When a product is damaged, or is rejected for failing acceptance testing or is not as specified on the PO/FPO/BPO, the Department should request a Return Authorization Number from the vendor. The shipping label on the returned package must be marked with the Return Authorization Number. Other identifying information should be placed on the outside of the returned package for easy identification.

#### **5.0 COMPETITIVE SOURCING**

It is the policy of Morgan County Water District to obtain competitive pricing, proposals or quotations on all products and services over \$500 used by the District. All proposals and quotations received will be evaluated on the basis of quality, service, compliance to specifications and price. All awards will be made in the best interest of the District. Any or all proposals may be rejected at the discretion of Morgan County Water District's Board of Commissioners.

The competitive sourcing process is required where the product or service can be obtained from more than one source. Unless approved for sole source procurement or otherwise covered under existing contracts, all requisitioned products or services totaling \$500 or more individually, or as a system including multiple components, will be competitively sourced.

While participation in the competitive sourcing process by as many qualified vendors as possible, at least two proposals are required for purchases exceeding \$500 and three proposals are required for purchases over \$1,000.

It is the policy of Morgan County Water District to use whenever possible and practical, local, women-owned, minority-owned, disadvantaged, and small business vendors which are able to provide products and services of required quality on a timely basis at competitive prices. Each Department maintains a list of qualified small business and diversity vendors.

Formal, written Requests For Proposal (RFP) should be used for most competitive sourcing projects. Sealed, hardcopy bids will be used when required by law, government contractual requirements, or at the discretion of the General Manager.

#### **5.1 COMPETITIVE SOURCING METHODS**

Competitive sourcing may be conducted using the following methods, the choice of which is primarily determined by the estimated dollar value of the product or service:

- ♣ Email/Fax/ or Letter Bids - known as an "Informal Bid."
- ♣ Request for Quotation (RFQ) – also known as an "Informal Bid."

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- ♣ Request for Bids (RFB) – also known as a “Formal Bid”. This is the preferred method of bidding and must be a Sealed Bid if over project is expected to exceed \$25,000.
- ♣ Request for Proposal (RFP) – may be used for bidding of services or combination of services and supplies and must be a Sealed Proposal if project is expected to exceed \$25,000.
- ♣ Request for Qualifications (RFQ’s) – may be used for bidding to pre-qualify a contractors or vendors for various disciplines and/or supplies and must be a Sealed Proposal.

1. Informal bids – Informal bids may be solicited verbally, by email or by letter. This process may be used at the discretion of the Department for items estimated to cost more than \$500 but less than \$10,000. Departments must request written confirmation of verbal bids from suppliers.

2. Formal Request For Proposals (RFPs) should be issued for all items estimated to cost \$10,000 or more where clear specifications are available for comparative products or services. RFPs may be issued for projects of any dollar amount where subjective services and/or vendor skill levels are an important component to a timely and successful completion of the project or for any sourcing project at the Department’s discretion.

3. Each RFP should contain a clearly defined set of criteria to be used to evaluate the proposals. Departments are encouraged to modify or augment the standard criteria to meet their specific requirements.

4. RFP Formats – RFPs are generally issued to the approved list of vendors and contractors. Proposals may be accepted electronically, in hardcopy form or a combination of both. The standard RFP contains instructions to the vendors regarding proper proposal formatting and submittal requirements.

5. After the proposals are received and evaluated, the contract(s) should be awarded to the contractor/supplier(s) presenting the best combination of price, delivery, compliance to specifications, capacity to perform, and quality of service.

## 5.2 EXCEPTIONS TO COMPETITIVE SOURCING

There are circumstances when competitive sourcing is not required or practical. Examples of such situations are:

1. Emergency situations endangering the health and safety of District staff and its customers.
2. Purchases that meet sole source procurement requirements.
3. Requisitions for products or services less than \$500.

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### **5.3 NON-COMPETITIVE (Sole Source) PROCUREMENT**

The purchasing of materials, equipment, supplies and services costing \$500 or more individually or in aggregate should be by competitive sourcing regardless of the funding source. However, circumstances may dictate forgoing the competitive sourcing process and purchasing from one unique vendor for certain products or services. Such situations require documented justification, explaining the exceptional circumstances of the purchase. The documentation must show that an equitable evaluation has been made and that rejection of alternative vendors or solutions is based on objective and relevant criteria.

The General Manager has the final responsibility for determining whether a Sole Source requisition meets the requirements of this policy.

Special signature approvals are required from the Department for all sole source requisitions prior to review and approval by the General Manager.

Instances when sole source purchasing may be applicable include the following:

1. Property or services can be obtained only from a specific vendor (i.e., materials or equipment; one-of-a-kind items, etc.).
2. Competitive sourcing is precluded because of the existence of patents, copyrights, and special processes, control of raw materials by vendors or similar circumstances.
3. Procurement of water or other utility services where it would not be practical or feasible to allow other vendors to provide such services.
4. Procurement of support services in connection with the assembly, installation or servicing of equipment or software of a highly technical or specialized nature.
5. Procurement of parts or components to be used as replacements in support of equipment manufactured by a particular supplier.
6. Procurement involving construction where a contractor is already at work on the site and it would not be practical to engage another contractor.
7. Procurement where only a single supplier in a market is licensed or authorized to service or sell a specific product line.
8. Procurement of compatible additions to existing equipment where a different manufacturer's equipment would be impractical for the specific need.

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9. The supplier or products are specified and required by the funding agency of a grant or Federal/State contract.

#### **5.4 COMPETITIVE SEALED BIDDING**

The Board of Commissioners must approve contract, professional or consultant services contracts over \$40,000. All projects estimated to meet or exceed \$40,000 must go through the competitive sealed bid process.

##### **Definition**

Competitive sealed bidding is a method of procurement that requires:

(a) Issuance of an Invitation for Bids with a purchase description including acceptance criteria and all contractual terms and conditions applicable to the procurement, which can be advertised in local newspaper or a contracted public bidding website when warranted; a. Advertisement must include Department of Industrial Relations and Contractor's State License Board minimum requirements of registration and active licensure, etc.;

(b) Public opening of bids at a pre-designated time and place when warranted;

(c) Unconditional acceptance of a bid without alteration or correction except as authorized in this manual or the Public Contract Code; and

(d) Award to the responsive and responsible bidder who has submitted the lowest or most reasonable bid that meets the requirements and criteria set forth in the Invitation for Bids.

##### **Public Notice**

Adequate public notice of the Invitation for Bids shall be made in sufficient time, but not less than ten (10) calendar days prior to the opening of bids, by posting a copy of each Invitation for Bids on the bid calendar and website, contracted public bidding website, or in the newspaper when warranted.

If this information is used, the public notice must specify the place (if plans or specifications are not included in the solicitation) where plans and specifications are on file, and the time and place for receipt of bids.

##### **Specifications**

(a) Preparation of Specifications

(1) Should not be prepared to exclude all but one type or kind, except were permitted by law.

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(2) Should be clear, definite and concise to enable prospective suppliers a basis on which to submit bids.

(3) Should call only for features or for a level of quality required for the intended use, except in cases where such features or the level of quality are essential for some future consideration or result in an overall economic advantage to the District.

(4) Should preferably describe the performance requirements, rather than its formulation, description or design.

(5) Should be framed to permit free and full competition as is reasonably possible under the attendant circumstances.

Direct supplier involvement in the specification process at the Department level is prohibited without prior approval by the General Manager. Departments may use Purchasing for assistance in the development of specifications.

(b) **Restrictive Specifications** Some latitude is permissible in specifying features of certain items. While it is not necessary to prepare specifications in a manner that every conceivable manufacturer could competitively bid, the District must be able to demonstrate a clear reason for any restrictive specifications.

(c) **Other Considerations** Specifications must state whether items other than cost will be considered in awarding the contract, e.g., results of product testing, length and terms of warranty provisions, reliability and maintenance costs, repurchase value, or residual value of the equipment after a specified number of years where the residual value can be objectively ascertained.

### **Vendor/Bidder's List**

#### **General Information**

The Purchasing Office maintains a list of known prospective suppliers who are available to furnish materials, professional and consultant services, and supplies that can meet the District's needs. In the case of written formal bids and informal quotations and for most transactions, the list (or record) of those bidders solicited will be in the solicitation file. In most cases, lists are maintained on a computer that enables identification of those suppliers that provide the item or service in question.

#### **New Suppliers**

From time to time, purchases are made from suppliers whose names are not on existing bid lists and may never be on a list (because of infrequency of purchases, specialty items, etc.). As frequency increases or the demand requires, a new list may be established by the Purchasing Office.

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#### **Requests to be Added to Bid Lists**

Companies may be added to existing or new bid lists based on requests from Departments or by the Purchasing Supervisor. All requests from suppliers may not necessarily result in being added to a bid listing.

#### **Deletions from Bid Lists**

Companies may be deleted from bid lists. Reasons for deletion are: out of business, continual poor service, poor quality of goods furnished; default on previous purchase; failure to respond to three consecutive bid or quote invitations, or a supplier's request to be removed for any reason.

#### **Official Record of Bidders**

The master supplier number list and bid list is the reference resource used to prepare each record of bidders.

#### **Form of Bid**

To receive consideration, bids shall be made on the forms and in the manner set forth in the Invitation for Bids.

- (a) Late bids shall not be accepted.
- (b) Each bid must be signed by an authorized representative of the supplier and include the legal name of the bidder.
- (c) Bidders shall not change the bid form nor make additional stipulations on the bid form which are not consistent with the provisions of the specifications.

#### **Receipt of Bids**

All bids must be received sealed in an envelope prior to the time specified in the Invitation for Bids. Bids must not be left unattended and must be promptly time-stamped and deposited unopened in the respective bid folder. Late bids shall not be opened and shall not be considered under any circumstances. A late bid will be date-stamped and remain unopened in the bid file. A letter from the District will be sent notifying the bidder that the bid was received late and was not considered.

#### **Bid Opening**

The District Purchasing Supervisor or designee shall administer all bid openings and all bids shall be opened publicly in the presence of one or more witnesses at the time and place designated in the Invitation for Bids. The District assumes no responsibility over the confidentiality of bid information unless specifically stated otherwise in the Invitation for Bids.

#### **Correction or Withdrawal of Bids**

In any request or decision involving a bid mistake, correction or withdrawal, Purchasing staff shall consult with District Counsel. Except as otherwise specified in Section 5100 of the Public Contract Code,

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correction or withdrawal of inadvertently erroneous bids before or after bid opening may be permitted only if such correction or withdrawal is not prejudicial to the interest of the District or fair competition.

### **Bid Evaluation**

Bids shall be evaluated based on the requirements set forth in the Invitation for Bids, which may include criteria to determine acceptability such factors as inspection, testing, quality, workmanship, delivery, and suitability for a particular purpose. Criteria affecting price shall be objectively measurable, such as discounts, transportation costs and life cycle or total ownership costs. The Invitation for Bids shall set forth the evaluation criteria to be used.

Examples of evaluation criteria that may be used include:

- (a) Adherence to all conditions and requirements of the bid specifications, including but not limited to current license and registration with the Department of Industrial Relations
- (b) Total bid price, including any trade discounts or prompt pay discount of fifteen days or more.
- (c) Appropriate insurance coverage limits with the District named as additionally insured
- (d) Required performance bond capacity
- (e) Local supplier preference - Local supplier preference would be when a supplier located within a certain distance from the District is given a preference such as 5%. That is, when considering low bidder, the local supplier could be up to 5% higher than the low bidder and still be awarded the contract.
- (f) General reputation and experience of bidders based on references or prior performance
- (g) Hourly rates for specified personnel
- (h) Evaluation of the bidder's ability to service the District
- (i) Financial responsibility of the bidder
- (j) Needs and requirements of the District
- (k) Experience with the products involved
- (l) Nature and extent of company data furnished upon request of the District
- (m) Quality of merchandise offered
- (n) Product appearances, workmanship, finish, taste, feel and result of product testing
- (o) Overall completeness of product line offered
- (p) Bidder's ability to meet delivery and stocking requirements
- (q) Delivery or completion date
- (r) Maintenance costs and warranty provisions
- (s) Repurchase value or residual value of equipment after specified number of years where the residual value can be objectively ascertained
- (t) Availability of product or service required
- (u) Compatibility with District's current equipment/products
- (v) Availability of sales representatives and/or service representatives
- (w) Maintainability and reliability



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The Purchasing Supervisor shall maintain complete and sufficient records of bid evaluations to ensure there is no abuse of the competitive bidding process. All reasons for making the award recommendation shall be made in writing by the Purchasing Supervisor and retained in the bid file.

#### **Reservation of Right to Reject Bids and Re-Bid**

Every bid must be carefully examined to determine whether it contains a material variance. Any bid that contains a material variance must be rejected. A test of material variance is a variance that gives the bidder a substantial benefit or advantage not enjoyed by the other bidders. Prior to any rejection for a material variance, District Counsel shall be consulted. The District may:

- (a) Reject an otherwise low bid when it is determined that another bid is more advantageous to the District.
- (b) Reject a bid not accompanied by any required bid security or by other data required by the bidding documents.
- (c) Reject a bid that is in any way incomplete, irregular, amplified, unqualified or otherwise not in compliance with the bid documents in all material respects.
- (d) Waive any informality, irregularity, immaterial defects or technicalities, in any bids received.
- (e) Cancel an Invitation for Bids or reject all bids because of the following reasons:
  - (1) Inadequate or ambiguous specifications
  - (2) Specifications have been revised
  - (3) Supplies or services are no longer needed
  - (4) Change in District requirements
  - (5) All bids deemed unreasonable
  - (6) Bids were not independently arrived at or were submitted in bad faith
  - (7) A determination is made that all the necessary requirements of the bid process have not been met
  - (8) Insufficient competition
  - (9) For other reasons which indicate the cancellation or rejection of all bids is clearly in the best interest of the District

The Purchasing Supervisor shall maintain complete and sufficient written records of bid rejections and cancellations to ensure that there is no abuse of the bidding process. All reasons for rejecting a bid shall be retained in the bid file.

#### **Contract Award**

If the District decides to award a contract, the District generally must award the contract to the lowest responsible and responsive bidder whose bid best meets the requirements and criteria set forth in the Invitation for Bids. The District may award a contract based on bid evaluation criteria other than lowest

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bid price if the Invitation for Bids states the evaluation criteria that would be applied and such award is in the best interest of the District. In the event the successful bidder fails to perform or such bidder's bid is authorized to be withdrawn, the District may award a contract to the next lowest responsible and responsive bidder that will best meet the needs of the District.

Recommendations for contract award for \$25,000 or more shall be submitted by the Department head of the initiating Department to the Board of Commissioners along with pertinent contract documents.

#### **Cancellation of Contract Award**

Failure on the part of the successful bidder within the time allowed to execute the contract, furnish an acceptable performance bond, or comply with any other requirement precedent to execution of the contract shall be considered just cause for cancellation of the award and forfeiture of the bid security, not as a penalty, but in liquidation of certain damages sustained. Contract award may then be made to the next lowest responsible and responsive bidder, the call for bids re-advertised, or such the other action taken as deemed appropriate by the District.

#### **5.5 COMPETITIVE SEALED PROPOSALS**

The Board of Commissioners must approve professional or consultant services contracts over \$25,000. All projects estimated to meet or exceed \$25,000 must go through the competitive sealed proposal process.

Definition A competitive sealed proposal is an offer from a prospective supplier as a result of the method of procurement that involves, but is not limited to:

- (a) Solicitation of proposals through a request for proposal;
- (b) A private opening of proposals that will avoid disclosure of offerors or contents to competing offers before and during the process of negotiation;
- (c) Submission of cost or pricing data from the offeror where required;
- (d) Discussions with responsible offerors whose proposals have been determined to be reasonably susceptible of being selected for award, unless such discussions are not required by the request for proposals or this manual;
- (e) An award made to the responsible offeror whose proposal is determined in writing to be the most advantageous, considering evaluation factors set forth in the Request for Proposals.

#### **Conditions for Use**

Unless otherwise directed by law, this manual or by direction of the Board of Commissioners, contracts for consultant services estimated to cost \$25,000 or more should be awarded by the use of competitive sealed proposals. Contracts for consultant services estimated to be less than \$25,000 may be awarded upon conclusion of informal interviews by representatives of the initiating Department and others, including Purchasing Services, as may be appropriate.

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### Public Notice

Public notice of the Request for Proposals shall, if applicable, be given in the same manner as provided in section 5.4 Competitive Sealed Bidding, Public Notice. Evaluation Committee For competitive sealed proposals estimated to cost \$25,000 or more, an evaluation committee may be formed consisting of a representative of Purchasing Services and others appointed by the initiating Department head or the General Manager which will review all proposals and document all findings and recommendations. The evaluation committee may include persons who are not District employees but have experience or expertise to contribute. Such non-District employees shall abide by direction set forth by the General Manager.

### Evaluation Factors

Award of a contract in response to a proposal shall be made to the responsible offeror whose proposal is determined to be the most advantageous to the District taking into consideration the evaluation factors set forth in the Request for Proposals.

The Request for Proposals may indicate the relative importance of evaluation factors. Following are representative evaluation criteria that may be considered by the Department head or Purchasing Supervisor when preparing a Request for Proposal:

- (a) Reputation and Experience. Does the consultant have a reputation of being reliable, delivering on schedule, and performing tasks to the satisfaction of its clients? Does the consultant have sufficient experience in the kind of work required?
- (b) Capability and Availability of Staff. Does the designated firm have the qualified and experienced staff needed to perform this job?
- (c) Understanding of the Problem. Does the firm understand the issues and has it developed a relevant and effective approach?
- (d) Proximity of the Firm. Other factors being equal or relatively insignificant, the District shall strive to retain firms based in the local area.
- (e) Cost. Whenever possible and appropriate, a firm fee or hourly rate should be secured as part of the proposal and considered in the evaluation process. In certain cases, the District may wish to hire the best qualified individual or firm if their proposed or negotiated price is within the budgeted amount for the contract.

### Award Process

Recommendations for contract award for professional consultant services for \$25,000 or more shall be submitted by the Department head of the initiating Department to the Board of Commissioners at its regular or special meeting for consideration, along with pertinent contract documents. The recommendation should include the following:

- (a) The services to be provided by a consultant or professional service contract.

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(b) The method of compensating the consultant or the actual cost, if appropriate, and a statement indicating why the cost is reasonable.

(c) A summary of the competitive process used along with the reasons for recommending a particular consultant, particularly if that proposal was more costly than others.

#### **6.0 VENDOR DIVERSITY & SMALL BUSINESS PROGRAM**

Morgan County Water District is committed to the principle of diversity and equal opportunity in all of its endeavors and applies this principle in its procurement activity with the objective of encouraging participation by qualified vendors categorized as: small, disadvantaged, veteran, minority or women-owned enterprises. The District believes that strengthening and expanding its supplier base in these business classifications not only contribute to lowering our operational costs, but also improves the overall health of the business community within which we exist. It is a practice of the District to actively identify and solicit qualified small, disadvantaged, veteran, minority or women-owned businesses and to provide and promote equal opportunities for such vendors within the District in order to promote vendor diversity.

#### **7.0 COMPUTER PURCHASES**

For initial personal computer purchases, the following items will be considered as one unit: System unit including disk-drive(s), emulation board, internal/external modems, memory expansion board, co-processor, expansion chassis, cables, additional chips, keyboard monitor and operating system software.

If the following items are acquired at an individual cost of \$5,000 or more after the initial purchase of a computer, they will be considered ENHANCEMENTS and coded as equipment: • additional disk drives (including replacements if they provide enhancement)

- emulation board
- internal/external modems
- memory expansion board
- co-processor
- expansion chassis
- keyboard
- monitor

Software will be considered Capital Equipment if it is customized for the District and acquired at a cost of \$5,000 or more per unit and has a useful life of more than 3 years.

#### **8.0 LEASE / LEASE PURCHASE / RENTAL ORDERS (Equipment)**

A lease is an agreement conveying the right to use property for a specified time and for a specific amount of money. In a true lease, the property being used remains the sole property of the lessor (vendor), and the lessee (District) builds no equity in the leased property. A lease/purchase agreement

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allows the lessee to build equity and purchase the property from the lessor for a nominal amount at the completion of the lease. The term of a lease is fixed in duration and generally not cancelable. A rental agreement is similar to a lease in that the user does not build ownership in the asset. A rental agreement differs from a lease in the length of the agreement (usually less than one year) and the agreement can usually be cancelled by the renter prior to the end of the agreement without penalty.

### 9.0 REAL PROPERTY

Board approval and authority to execute contractual documents is required for the sale, procurement, trade, exchange, surplus or otherwise acquisition, of any all-real property with a value greater than \$5,000.00. The General Manager is authorized to execute contractual documents, including sale, purchase agreements and escrow instruments, for the authorized sale, procurement, trade, exchange, or otherwise acquisition, of real property with a value less than or equal to \$5,000.00.

### 10.0 DISPOSITION OF OBSOLETE/SURPLUS PROPERTY

For property that is no longer usable or needed, it is District policy to manage the recirculation or disposition of the surplus property per **KRS 45A.425**, For both capital and non-capital property purchased with District funds or funds from any external source, the management and control of such equipment extends to its final disposition. All capital equipment slated for transfer or disposition requires prior review and approval by the Board of Commissioners.

KRS 45A.425 Surplus or excess property.

(1) A local public agency may sell or otherwise dispose of any personal property which is not needed or has become unsuitable for public use, or which would be suitable, consistent with the public interest, for some other use.

(2) A written determination as to need of suitability of any personal property of the local public agency shall be made; and such determination shall fully describe the personal property; its intended use at the time of acquisition; the reasons why it is in the public interest to dispose of the item; and the method of disposition to be used.

(3) Surplus or excess personal property as described in this section may be transferred, with or without compensation, to another governmental agency; or it may be sold at public auction or by sealed bids in accordance with KRS 45A.365.

(4) In the event that a local public agency receives no bids for surplus or excess personal property, either at public auction or by sealed bid, such property may be disposed of, consistent with the public interest, in any manner deemed appropriate by the local public agency. In such instances, a written description of the property, the method of disposal, and the amount of compensation, if any, shall be made. Any compensation resulting from the disposal of surplus or excess personal property shall be transferred to the general fund of the local public agency.

(5) A local board of education may dispose of its surplus technology in accordance with KRS 160.335.

(6) As an alternative procedure to that set out in this section, a county may dispose of personal property pursuant to KRS 67.0802.

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(7) Notwithstanding subsections (1) to (4) of this section, a city, urban-county government, or consolidated local government that has adopted KRS 45A.345 to 45A.460 may dispose of surplus property using the procedures in KRS 82.083.

**Effective:** June 27, 2019

**History:** Amended 2019 Ky. Acts ch. 59, sec. 1, effective June 27, 2019; and ch. 69, sec. 2, effective March 25, 2019. -- Amended 2008 Ky. Acts ch. 14, sec. 2, effective July 15, 2008. -- Amended 1984 Ky. Acts ch. 199, sec. 1, effective July 13, 1984. -- Created 1978 Ky. Acts ch. 110, sec. 86, effective January 1, 1980.

**Legislative Research Commission Note (6/27/2019).** This statute was amended by 2019 Ky. Acts chs. 59 and 69, which do not appear to be in conflict and have been codified together.

### 11.0 FINANCIAL INFORMATION

The Finance Department is responsible for establishing general ledger account numbers, which represent the source of funds (Department or function). Account numbers represent the type of revenue or expense to be transacted to each Department.

Each Department is assigned a general ledger account number(s) in order to detail and control expenditure activity for their area(s) of responsibility. All Purchase Requisitions must carry the complete account number to be charged in order that required approvals may be obtained prior to its receipt and for proper encumbrance and payment once the process is complete.

#### 11.1 PAYMENT TERMS

The District's standard payment terms for purchase orders and demand checks are Net 30 Days from the date of the invoice. The District's payment terms are determined by the General Manager and Chief Financial Officer. Departments do not have authority to change or otherwise accept different payment terms from vendors and contractors. Non-standard payment terms must be reviewed and approved by General Manager prior to entering into any contracts.

#### 11.2 INVOICE APPROVAL

Invoices must be approved by the authorizing individual, or his/her designee, for the items invoiced. The authorization requires validation of the correct general ledger account charged for the payment.

Must issue payment from original invoice, and not a copy or statement. If a copy is all that is provided to accounts payable, it must be stamped "ONLY COPY AVAILABLE" with a reason as to why it is the only copy.

The Accounting Department encumbers all proper purchase orders into the District's Accounts Payable System for matching and payment of invoices. Vendors and contractors are directed to send their invoices either specifically by email or mail to the District's mailing address.

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Invoices are entered into the Accounts Payable system upon approval. If the purchase order and corresponding invoice systematically match within predefined tolerances, the invoice will be scheduled for payment in accordance with the payment terms.

Should there be a problem regarding the item or services received under the purchase order, the Department is to be notified by the Accounting Department to withhold payment until the problem is reconciled.

Since the credit standing of the District is dependent upon its ability to pay its obligations on time, communications between the Department and the Accounting Department must be done in a timely manner.

### **11.3 INVOICES FOR LEGAL EXPENSES**

All payments for legal expenses must be approved by the Board of Commissioners for payment.

### **12.0 Payment Methods**

The purchase of products and services is accomplished through a variety of different procedures. These procedures are designed to address the great differences in complexity, value, risk and transaction volumes associated with District purchases. The list below describes the current purchasing methods:

1. Petty Cash – a fund which supports petty cash disbursements for authorized cash advances and for limited cash reimbursement.
2. District Check – a draft drawn on a District bank account for the procurement of goods and services.
3. Electronic Funds Transfer (EFT) Payments – an electronic payment made directly to a designated vendor account.
4. Contractual Document – Purchase Order (PO) (Requisitions) and agreements used for purchases over \$500.
5. Procurement Cards (i.e.: Visa, Staples, Costco) - for single transactions in accordance with the individual procurement card for the purchase of discretionary transactions with local retailers, internet companies and travel related services.

**Exhibit 8: 2024 Amazon receipts**





Final Details for Order #111-9960704-7350642

Order Placed: January 2, 2024  
Amazon.com order number: 111-9960704-7350642  
Order Total: \$34.97

Shipped on January 3, 2024	
<b>Items Ordered</b>	<b>Price</b>
2 of: RWUJILONG 12V/24V Heavy Duty Cigarette Lighter Extension Cord 12FT 14AWG with LED Light for Car Vehicle Tire Pump Air Compressor Refrigerator Coffee Maker etc. (1*Spare Fuse) Sold by: WEITU-US ( <a href="#">seller profile</a> ) Business Price Condition: New	\$13.99
<b>Shipping Address:</b> Morgan County Water District 1009 HIGHWAY 172 WEST LIBERTY, KY 41472-6035 United States	Item(s) Subtotal: \$27.98 Shipping & Handling: \$6.99 ----- Total before tax: \$34.97 Sales Tax: \$0.00 -----
<b>Shipping Speed:</b> Standard Shipping	<b>Total for This Shipment: \$34.97</b> -----

Payment information	
<b>Payment Method:</b> MasterCard   Last digits: 9978	Item(s) Subtotal: \$27.98 Shipping & Handling: \$6.99 -----
<b>Billing address</b> Morgan County Water District 1009 HIGHWAY 172 WEST LIBERTY, KY 41472-6035 United States	Total before tax: \$34.97 <b>Estimated Tax: \$0.00</b> ----- <b>Grand Total: \$34.97</b>

To view the status of your order, return to [Order Summary](#) .



Final Details for Order #111-7471400-1062658

Order Placed: January 12, 2024  
Amazon.com order number: 111-7471400-1062658  
Order Total: \$69.31

Shipped on January 12, 2024	
<b>Items Ordered</b>	<b>Price</b>
1 Of: <i>The Lean Six Sigma Black Belt Handbook: Tools and Methods for Process Acceleration (Management Handbooks for Results)</i> , Voehl, Frank	\$58.12
Sold by: itemspopularonlineaindemand ( <a href="#">seller profile</a> )	
Business Price	
Condition: New	
<b>Shipping Address:</b> Morgan County Water District 1009 HIGHWAY 172 WEST LIBERTY, KY 41472-6035 United States	Item(s) Subtotal: \$58.12 Shipping & Handling: \$11.19 ----- Total before tax: \$69.31 Sales Tax: \$0.00 -----
<b>Shipping Speed:</b> Two-Day Shipping	<b>Total for This Shipment: \$69.31</b> -----

Payment information	
<b>Payment Method:</b> MasterCard   Last digits: 9978	Item(s) Subtotal: \$58.12 Shipping & Handling: \$11.19 -----
<b>Billing address</b> Morgan County Water District 1009 HIGHWAY 172 WEST LIBERTY, KY 41472-6035 United States	Total before tax: \$69.31 Estimated Tax: \$0.00 ----- <b>Grand Total: \$69.31</b>

To view the status of your order, return to [Order Summary](#) .



Final Details for Order #111-1799644-7341010

Order Placed: January 31, 2024  
Amazon.com order number: 111-1799644-7341010  
Order Total: \$59.80

Shipped on February 1, 2024	
<b>Items Ordered</b>	<b>Price</b>
1 of: <i>Practical Hydraulics and Water Resources Engineering</i> , Kay, Melvyn	\$55.81
Sold by: Goodwill Southern California ( <a href="#">seller profile</a> )	
Condition: Used - Good	
<b>Shipping Address:</b> Morgan County Water District 1009 HIGHWAY 172 WEST LIBERTY, KY 41472-6035 United States	Item(s) Subtotal: \$55.81 Shipping & Handling: \$3.99 ----- Total before tax: \$59.80 Sales Tax: \$0.00 -----
<b>Shipping Speed:</b> Standard Shipping	<b>Total for This Shipment: \$59.80</b> -----

Payment information	
<b>Payment Method:</b> MasterCard   Last digits: 9978	Item(s) Subtotal: \$55.81 Shipping & Handling: \$3.99 -----
<b>Billing address</b> Morgan County Water District 1009 HIGHWAY 172 WEST LIBERTY, KY 41472-6035 United States	Total before tax: \$59.80 <b>Estimated Tax:</b> \$0.00 ----- <b>Grand Total: \$59.80</b>
<b>Credit Card transactions</b>	MasterCard ending in 9978: February 1, 2024: \$59.80

To view the status of your order, return to [Order Summary](#) .



Final Details for Order #111-8379833-3191417

Order Placed: February 7, 2024  
Amazon.com order number: 111-8379833-3191417  
Order Total: \$141.15

Shipped on February 7, 2024	
<b>Items Ordered</b>	<b>Price</b>
15 of: Ergodyne Skullerz 8945F(x) Universal Bump Cap Insert with Extra Venting, Fits into Any Baseball Hat, Charcoal Sold by: BeachAudio ( <a href="#">seller profile</a> ) Business Price Condition: New	\$9.41
<b>Shipping Address:</b> Morgan County Water District 1009 HIGHWAY 172 WEST LIBERTY, KY 41472-6035 United States	Item(s) Subtotal: \$141.15 Shipping & Handling: \$0.00 ----- Total before tax: \$141.15 Sales Tax: \$0.00 -----
<b>Shipping Speed:</b> Expedited Shipping	<b>Total for This Shipment: \$141.15</b> -----

Payment information	
<b>Payment Method:</b> MasterCard   Last digits: 9978	Item(s) Subtotal: \$141.15 Shipping & Handling: \$0.00 -----
<b>Billing address</b> Morgan County Water District 1009 HIGHWAY 172 WEST LIBERTY, KY 41472-6035 United States	Total before tax: \$141.15 Estimated Tax: \$0.00 ----- <b>Grand Total: \$141.15</b>
<b>Credit Card transactions</b>	MasterCard ending in 9978: February 7, 2024: \$141.15

To view the status of your order, return to [Order Summary](#) .



Final Details for Order #112-2809292-8681828

Order Placed: February 20, 2024  
Amazon.com order number: 112-2809292-8681828  
Order Total: \$4.89

Shipped on February 21, 2024	
<b>Items Ordered</b>	<b>Price</b>
1 of: Energizer Lithium Coin Blister Pack Watch/Electronic Batteries, 1 Count (Pack of 2) Sold by: Legends Distribution ( <a href="#">seller profile</a> ) Condition: New	\$4.89
<b>Shipping Address:</b> Shannon Elam 622 CENTERVILLE RD WEST LIBERTY, KY 41472-8999 United States	Item(s) Subtotal: \$4.89 Shipping & Handling: \$0.00 ----- Total before tax: \$4.89 Sales Tax: \$0.00 -----
<b>Shipping Speed:</b> Standard Shipping	<b>Total for This Shipment: \$4.89</b> -----

Payment information	
<b>Payment Method:</b> MasterCard   Last digits: 9978	Item(s) Subtotal: \$4.89 Shipping & Handling: \$0.00 -----
<b>Billing address</b> Morgan County Water District 1009 HIGHWAY 172 WEST LIBERTY, KY 41472-6035 United States	Total before tax: \$4.89 Estimated Tax: \$0.00 ----- <b>Grand Total: \$4.89</b>
<b>Credit Card transactions</b>	MasterCard ending in 9978: February 21, 2024: \$4.89

To view the status of your order, return to [Order Summary](#) .



Final Details for Order #111-4737044-4217061

Order Placed: March 2, 2024  
Amazon.com order number: 111-4737044-4217061  
Order Total: \$104.86

Shipped on March 2, 2024	
<b>Items Ordered</b>	<b>Price</b>
1 of: <i>Customer Experience Management for Water Utilities: Marketing Urban Water Supply , Prevos, Peter</i>	\$98.00
Sold by: The Great British Bookshop (USA) ( <a href="#">seller profile</a> )	
Condition: New	
<b>Shipping Address:</b>	Item(s) Subtotal: \$98.00
Morgan County Water District	Shipping & Handling: \$6.86
1009 HIGHWAY 172	-----
WEST LIBERTY, KY 41472-6035	Total before tax: \$104.86
United States	Sales Tax: \$0.00
	-----
<b>Shipping Speed:</b>	
Standard Shipping	<b>Total for This Shipment: \$104.86</b>
	-----

Payment information	
<b>Payment Method:</b>	Item(s) Subtotal: \$98.00
MasterCard   Last digits: 9978	Shipping & Handling: \$6.86
	-----
<b>Billing address</b>	Total before tax: \$104.86
Morgan County Water District	<b>Estimated Tax: \$0.00</b>
1009 HIGHWAY 172	-----
WEST LIBERTY, KY 41472-6035	
United States	<b>Grand Total: \$104.86</b>
	-----
<b>Credit Card transactions</b>	MasterCard ending in 9978: March 2, 2024: \$104.86

To view the status of your order, return to [Order Summary](#).



Final Details for Order #111-9971013-3482644

Order Placed: March 7, 2024  
Amazon.com order number: 111-9971013-3482644  
Order Total: \$31.98

Shipped on March 9, 2024	
<b>Items Ordered</b>	<b>Price</b>
1 of: <i>Quartet Cork Bulletin Board, Framed Corkboard, 2' x 3', Black Frame, Message Board, Vision Board (MWDB2438-BK)</i>	\$24.99
Sold by: Amazon ( <a href="#">seller profile</a> )	
Business Price	
Condition: New	
<b>Shipping Address:</b> Morgan County Water District 1009 HIGHWAY 172 WEST LIBERTY, KY 41472-6035 United States	Item(s) Subtotal: \$24.99 Shipping & Handling: \$6.99 ----- Total before tax: \$31.98 Sales Tax: \$0.00 -----
<b>Shipping Speed:</b> Standard Shipping	<b>Total for This Shipment: \$31.98</b> -----

Payment information	
<b>Payment Method:</b> MasterCard   Last digits: 9978	Item(s) Subtotal: \$24.99 Shipping & Handling: \$6.99 -----
<b>Billing address</b> Morgan County Water District 1009 HIGHWAY 172 WEST LIBERTY, KY 41472-6035 United States	Total before tax: \$31.98 <b>Estimated Tax: \$0.00</b> ----- <b>Grand Total: \$31.98</b>

To view the status of your order, return to [Order Summary](#) .



Final Details for Order #111-2620229-2414632

Order Placed: March 8, 2024

Amazon.com order number: 111-2620229-2414632

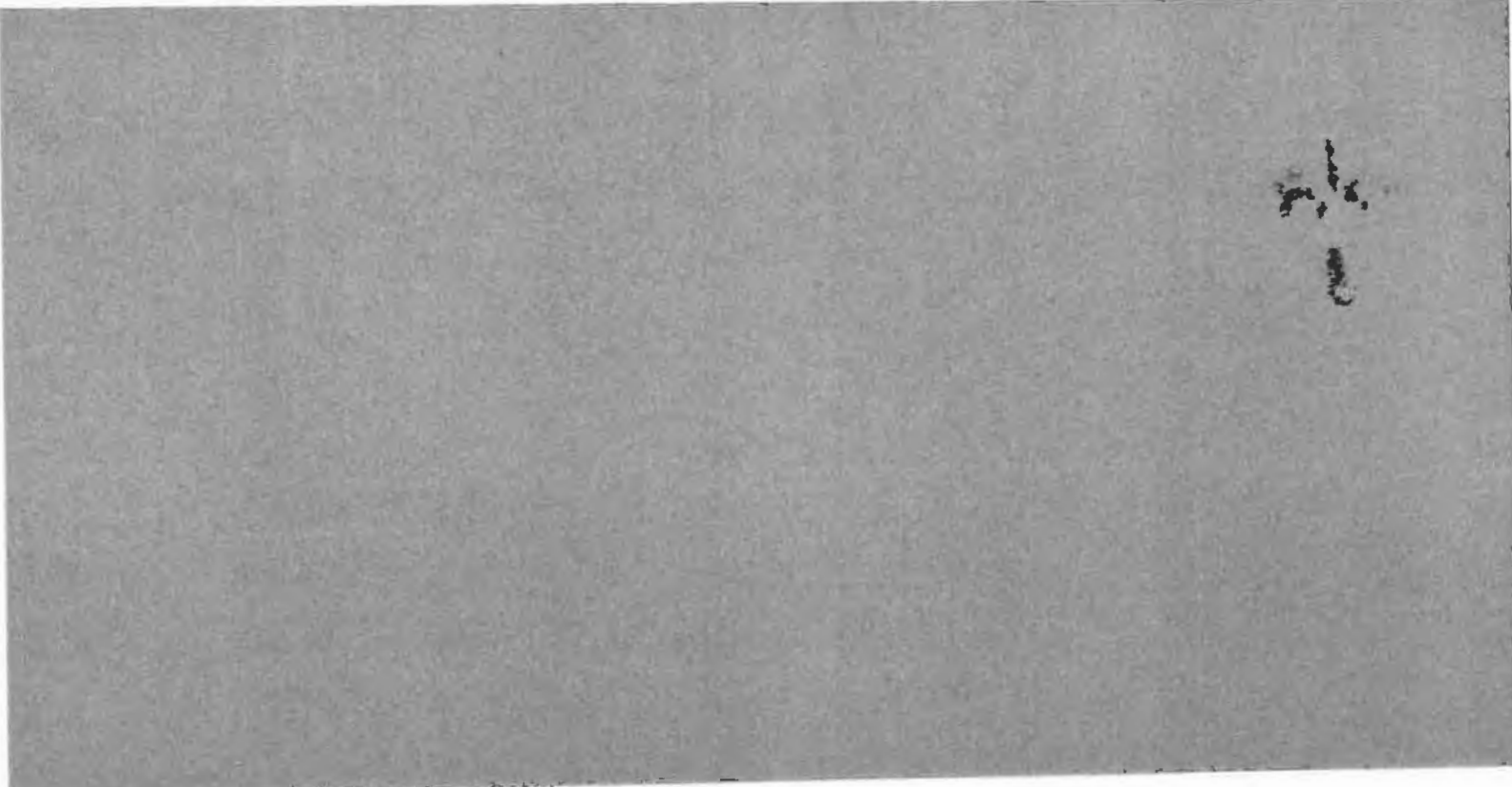
Order Total: \$1,145.00

Shipped on March 8, 2024	
<b>Items Ordered</b>	<b>Price</b>
1 of: Dell OptiPlex 7000 7010 Desktop Computer - Intel Core i7 13th Gen i7-13700 Hexadeca-core (16 Core) 2.10 GHz - 32 GB RAM DDR5 SDRAM - 512 GB M.2 PCI Express NVMe SSD - Black Sold by: VL NORTHSIDE ELECTRONIC ( <a href="#">seller profile</a> ) Business Price Condition: New	\$1,145.00
<b>Shipping Address:</b> Morgan County Water District 1009 HIGHWAY 172 WEST LIBERTY, KY 41472-6035 United States	Item(s) Subtotal: \$1,145.00 Shipping & Handling: \$0.00 ----- Total before tax: \$1,145.00 Sales Tax: \$0.00 -----
<b>Shipping Speed:</b> Standard Shipping	<b>Total for This Shipment: \$1,145.00</b> -----

Payment information	
<b>Payment Method:</b> MasterCard   Last digits: 9978	Item(s) Subtotal: \$1,145.00 Shipping & Handling: \$0.00 -----
<b>Billing address</b> Morgan County Water District 1009 HIGHWAY 172 WEST LIBERTY, KY 41472-6035 United States	Total before tax: \$1,145.00 <b>Estimated Tax:</b> \$0.00 ----- <b>Grand Total: \$1,145.00</b>
<b>Credit Card transactions</b>	MasterCard ending in 9978: March 8, 2024: \$1,145.00

To view the status of your order, return to [Order Summary](#) .





**Subject:** MCWD - Amazon

Order placed

**March 8, 2024**

Total

**\$179.99**

Ship to

Morgan County Water DistrictMorgan County Water District

Placed by

Morgan County Water DistrictMorgan Count...

Morgan County Water DistrictMorgan County...

- Order # 111-6564058-9728251
  - [View order details](#)
  - [Printable Order Summary](#)

## **Refunded**

We are expecting your return. Your refund has been issued.



[Jabra Evolve 65 MS Teams Wireless Headset, Mono – Includes Link 370 USB Adapter – Bluetooth Headset with Industry-Leading Wireless Performance, Advanced Noise-Cancelling Microphone, All Day Battery](#)

[Buy it again](#)

[Problem with order](#) [View return/refund status](#) [Print packing slip](#) [Write a product review](#)

Order placed

**March 8, 2024**

Total

**\$1145**

Ship to

Morgan County Water DistrictMorgan County Water District

Placed by

Morgan County Water DistrictMorgan Count...

Morgan County Water DistrictMorgan County...

- Order # 111-2620229-2414632
  - [View order details](#)
  - [Printable Order Summary](#)

**Delivered March 14**



[Dell OptiPlex 7000 7010 Desktop Computer - Intel Core i7 13th Gen i7-13700 Hexadeca-core \(16 Core\) 2.10 GHz - 32 GB RAM DDR5 SDRAM - 512 GB M.2 PCI Express NVMe SSD - Black](#)

[Buy it again](#)

[Problem with order](#)[Get product support](#)[Print packing slip](#)[Write a product review](#)

Order placed

March 7, 2024

Total

**\$31.98**

Ship to

Morgan County Water DistrictMorgan County Water District

Placed by

Morgan County Water DistrictMorgan Count...

Morgan County Water DistrictMorgan County...

- Order # 111-9971013-3482644
  - [View order details](#)
  - [Printable Order Summary](#)

**Delivered March 11**



[Quartet Cork Bulletin Board, Framed Corkboard, 2' x 3', Black Frame, Message Board, Vision Board \(MWDB2436-BK\)](#)

[Buy it again](#)

[Print packing slip](#) [Write a product review](#)

Order placed

**March 2, 2024**

Total

**\$104.86**

Ship to

Morgan County Water DistrictMorgan County Water District

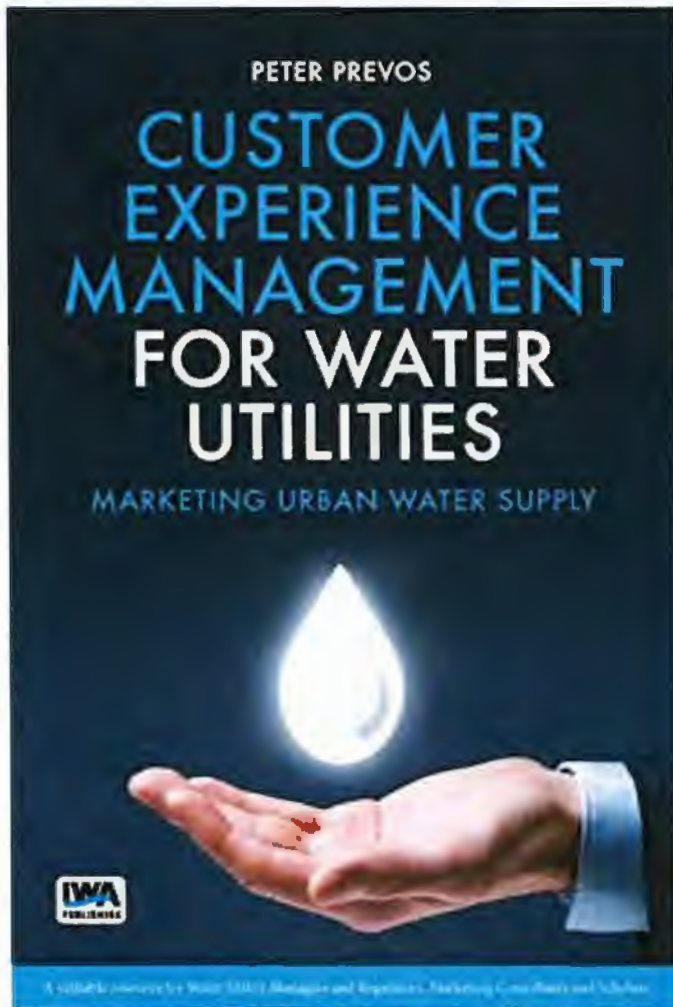
Placed by

Morgan County Water DistrictMorgan Count...

Morgan County Water DistrictMorgan County...

- Order # 111-4737044-4217061
  - [View order details](#)
  - [Printable Order Summary](#)

**Delivered March 18**



[Customer Experience Management for Water Utilities: Marketing Urban Water Supply](#)

[Buy it again](#)

[Problem with order](#) [Track package](#) [Print packing slip](#) [Write a product review](#)

Order placed

February 20, 2024

Total

\$4.89

Ship to

Shannon ElamShannon Elam

Placed by

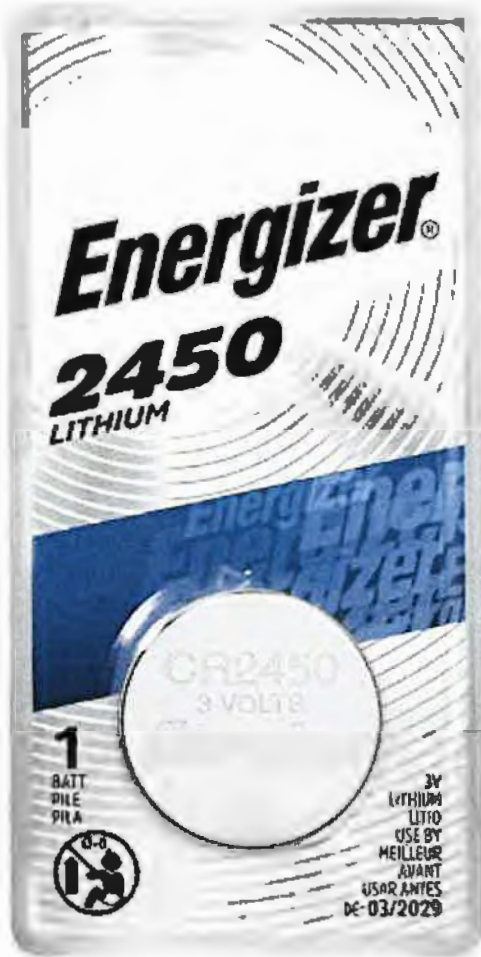
Morgan County Water DistrictMorgan Count...

Morgan County Water DistrictMorgan County...

- Order # 112-2809292-8681828
  - [View order details](#)
  - [Printable Order Summary](#)

**Your package may be lost**

Shipped



[Energizer Lithium Coin Blister Pack Watch/Electronic Batteries, 1 Count \(Pack of 2\)](#)

[Buy it again](#)

[Problem with order](#) [Get product support](#) [Print packing slip](#) [Write a product review](#)

Order placed

February 7, 2024

Total

\$141.15

Ship to

Morgan County Water DistrictMorgan County Water District

Placed by

Morgan County Water DistrictMorgan Count...

Morgan County Water DistrictMorgan County...

- Order # 111-8379833-3191417
  - [View order details](#)
  - [Printable Order Summary](#)

**Delivered February 8**



15

[Ergodyne Skullerz 8945F\(x\) Universal Bump Cap Insert with Extra Venting, Fits Into Any Baseball Hat, Charcoal](#)

[Buy it again](#)

[Problem with order](#)[Get product support](#)[Print packing slip](#)[Write a product review](#)

Order placed

February 6, 2024

Total

**\$399**

Ship to

Morgan County Water DistrictMorgan County Water District

Placed by

Morgan County Water DistrictMorgan Count...

Morgan County Water DistrictMorgan County...

- Order # 111-7012717-0282649
  - [View order details](#)
  - [Printable Order Summary](#)

### **Delivered February 12**

Your package was left near the front door or porch.



[Rubbermaid Commercial Products-2136382 BRUTE Heavy-Duty Round Trash/Garbage Can with Venting Channels - 44 Gallon - Gray \(Pack of 2\)](#)  
[Buy it again](#)





[Rubbermaid Commercial Products BRUTE Heavy-Duty Round Trash/Garbage Can, 44-Gallon, Blue, Wastebasket for Home/Garage/Mall/Office/Stadium/Bathroom, Pack of 4](#)

[Buy it again](#)

[Problem with order](#) [Print packing slip](#) [Write a product review](#)

Order placed

February 6, 2024

Total

\$79.76

Ship to

Morgan County Water DistrictMorgan County Water District

Placed by

Morgan County Water DistrictMorgan Count...

Morgan County Water DistrictMorgan County...

- Order # 111-1391785-5571451
  - [View order details](#)
  - [Printable Order Summary](#)

**Delivered February 8**



[Tasker 40-45 Gallon Trash Bags. \(50 Bags w/Ties\) Large Black Heavy Duty Garbage Bags - which also fit 39 Gallon - 40 Gallon - 42 Gallon - 44 Gallon - 45 Gallon Trash Cans.](#)

[Buy it again](#)



4

PAPERAGE Lined Journal Notebook. (Royal Blue), 160 Pages. Medium 5.7 inches x 8 inches - 100 GSM Thick Paper, Hardcover

[Buy it again](#)

[Get product support](#) [Print packing slip](#) [Write a product review](#)

Order placed

February 1, 2024

Total

**\$262.06**

Ship to

Morgan County Water DistrictMorgan County Water District

Placed by

Morgan County Water DistrictMorgan Count...

Morgan County Water DistrictMorgan County...

- Order # 111-0426814-6761022
  - [View order details](#)
  - [Printable Order Summary](#)

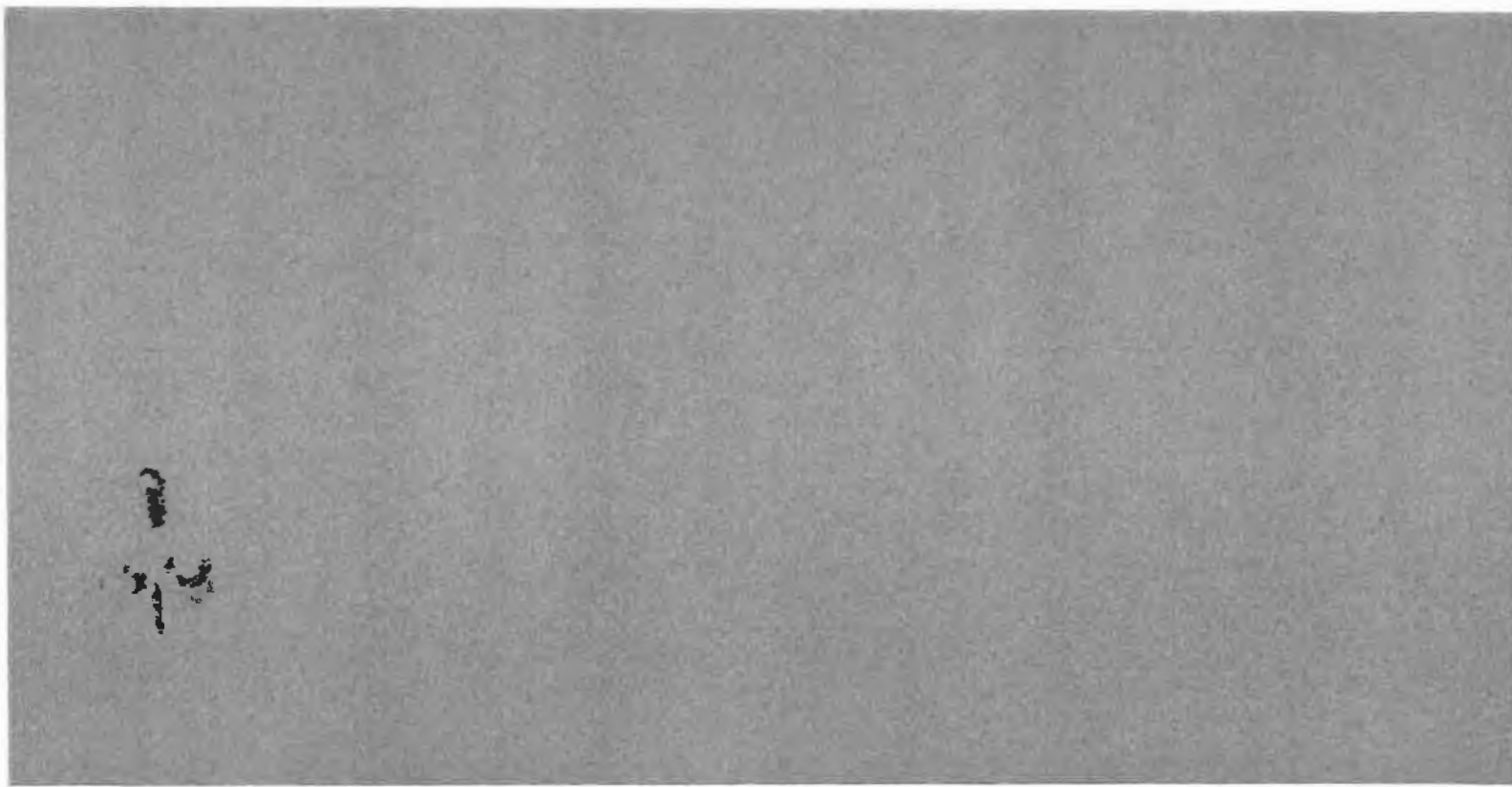
**Delivered February 6**



Rubbermaid Commercial Products Infinity High-Capacity Smokers Station, 4.1 Gallon, Black, Weather Resistant Cigarette Butt Receptacle/Disposable, Outdoor Ashtray For Bars/Restaurants/Offices/Malls

[Buy it again](#)

[Problem with order](#) [Print packing slip](#) [Write a product review](#)



**Exhibit 9: Billing Software information.**

# Ampstun Corporation

PO Box 784  
Richmond, KY 40476-0784  
1-888-252-4784



March 5, 2024

## Ampstun System Proposal: Advanced Data Conversion

Prepared for Morgan Co., KY

### Ampstun System - Utility Billing Module

\$11,125.00

Billing module includes: Customer Care (CIS), Customer Billing, Online Payment Center and Customer Portal, eBilling option for electronic billing, Meter Reading, Work Orders and Administrative.

#### Billing Data Conversion (Advanced Complete)

\$6,100.00

Advanced data conversion programming includes accounts, locations, meters, and beginning balance per account, with 1 year transaction history. The cost is calculated based on the following schedule: \$3,000 plus \$1.00 per converted account.

#### On-Site Training and Support

\$4,750.00

- Ampstun Web-based System Training: Billing (5 Days)  
In person training includes: balancing, data refinement and general training.  
The cost of the support and training services covers the trainers' rental car and/or airfare, travel time and living expenses while on-site.  
See proposal notes for additional details regarding training.

#### Link to General Ledger

Included

The link to General Ledger will create an interface between the Ampstun system and an approved third party accounting system.

### Ampstun System - Accounting Module

\$6,625.00

Accounting module includes: Accounts Payable, Payroll – including direct deposit, General Ledger and Administrative.

#### Accounting Data Conversion

\$2,000.00

Chart of accounts, vendors, and beginning balances will be converted, any other accounting conversion needs may be reviewed for an additional cost.

#### On-Site Training and Support

\$3,375.00

- Ampstun Web-based System Training: Accounting (3 days)

### Multi-Product Discount

-\$2,000.00

**Proposal Total** \$31,975.00  
**25% Down Payment** \$7,993.75

Sign: \_\_\_\_\_

Date: \_\_\_\_\_ PO#: \_\_\_\_\_

Proposal valid until 12/31/2024

### Proposal Notes

This proposal is based on the following number of customers, pricing may be adjusted if the number of converted accounts changes significantly: 3100 Customers

**Payment Terms**

Unless other payment terms are arranged, final payment for the proposal is due at the beginning of the training visit. Ampstun Corporation also requires a twenty-five percent down payment and one of the following with the acceptance of this proposal - a valid purchase order, or a letter of intent stating the proposal has been accepted and payment will be made in full when the system is installed.

**Proposal Acceptance**

The Ampstun Corporation proposal total cost is based on the understanding that the entire proposal and all components are accepted as presented. Both parties agree that this written proposal constitutes the complete and exclusive statement of the agreement between them which supersedes all proposals, oral or written, and all other communication between them relating to the proposal scope and content. Both parties agree that all Ampstun Corporation software is provided subject to the standard Ampstun Corporation Software License Agreement shown below.

Ampstun Corporation, Inc. grants to you a non-exclusive, non-transferable license to use the software programs and related documentation in this package (collectively referred to as the "Software"). Any attempted sublicense, assignment, rental, sale or other transfer of the Software or the rights or obligations of this Software License Agreement, without the prior written consent of Ampstun Corporation, Inc., shall be void. This agreement will be governed by the laws of the Commonwealth of Kentucky.

This Software and documentation are copyrighted. Unauthorized copying, reverse engineering, decompiling, disassembling, and creating derivative works based on the Software are prohibited. Title to the Software is not transferred to you by this license. Ownership and title to the Software and to the actual contents of this package, including the copy of the Software and the media on which it is stored and the associated documentation, are retained by Ampstun Corporation, Inc. This agreement sets forth the entire agreement between parties. The terms herein may not be changed or modified except by an instrument in writing duly signed on behalf of both parties.

Ampstun Corporation, Inc. does not warrant that the Software will be free from error or will meet your specific requirements. You assume complete responsibility for decisions made or actions taken regarding selection of the Software to achieve your intended results. Ampstun Corporation, Inc. shall not be responsible for incidental, special, or consequential damages resulting from the use of this Software.

**Ampstun Corporation Annual Support Fees**

Software updates, unlimited toll-free phone support, and remote modem support are provided to users who remain on support with Ampstun Corporation. For existing Ampstun customers, these fees will be billed using your same schedule. For new Ampstun customers, this fee is due on the installation anniversary each year.

Current pricing for annual support fees:

Billing Module	\$2,700
Accounting Module	\$1,500
Mobile WO	\$750
<b>TOTAL</b>	<b>\$4,950</b>

**On-Site Training and Support**

It is advised to have your computer-networking expert(s) available as needed during the first day of the Ampstun Corporation Representative's initial on-site training; which helps to ensure that any issues related to computers, networking, modem, or printing problems can be resolved quickly and efficiently. If for any reason this cannot be accommodated, it may have a negative impact on the amount of training time that is actually available to your staff during the time allotted for the on site visit.

The on-site training-conversion visit is designed to address three equally important tasks, 1) training, 2) data refinement and, 3) account balancing. In most cases these functions are carried out simultaneously throughout the on-site visit. There will always be the need for both data refinement and account balancing activities during the on-site visit.

A preliminary, tentative, planning only date for the on-site visit will be established at the time that the proposal is prepared. When there is data conversion included in the proposal the final confirmed date for the on-site visit will not be established until after the customer has signed for the acceptance of the first data conversion.

The total number of on-site days for this service is indicated in the On-Site Training and Support Services pricing section of this proposal. If additional days of conversion support and training might be desirable, these additional days can be added to the proposal before acceptance. Additional support days can also be requested during the software conversion visit. These days are charged at a rate of \$875.00 per day plus travel time and travel expenses. Lodging, meals and transportation costs for installation and training services are included in the proposal. The on-site time quoted in this proposal is our best estimate of what will be required and should not be considered a guarantee.

In some cases the travel expense dollars included in the proposal includes an amount for airplane tickets. To get a lower fare, and to save you money, we usually purchase the ticket well in advance of the planned trip. If it becomes necessary to change the dates of travel you agree to pay the additional charges associated with the change of tickets and plans.

# Ampstun Corporation

PO Box 784  
Richmond, KY 40476-0784  
1-888-252-4784



March 5, 2024

## Ampstun System Proposal: Advanced Data Conversion

Prepared for Morgan Co., KY

### Ampstun System - Utility Billing Module

\$11,125.00

Billing module includes: Customer Care (CIS), Customer Billing, Online Payment Center and Customer Portal, eBilling option for electronic billing, Meter Reading, Work Orders and Administrative.

### Billing Data Conversion (Advanced)

\$6,100.00

Advanced data conversion programming includes accounts, locations, meters, and beginning balance per account, with one year of transaction history. The cost is calculated based on the following schedule: \$3,000 plus \$1.00 per converted account.

### On-Site Training and Support

\$4,750.00

- Ampstun Web-based System Training: Billing (5 Days)

In person training includes: balancing, data refinement and general training.

The cost of the support and training services covers the trainers' rental car and/or airfare, travel time and living expenses while on-site.

See proposal notes for additional details regarding training.

<b>Proposal Total</b>	<b>\$21,975.00</b>
<b>25% Down Payment</b>	<b>\$5,493.75</b>

Sign: \_\_\_\_\_

Date: \_\_\_\_\_

PO#: \_\_\_\_\_

*Proposal valid until 12/31/2024*

### Proposal Notes

This proposal is based on the following number of customers, pricing may be adjusted if the number of converted accounts changes significantly: **3100 Customers**



**Payment Terms**

Unless other payment terms are arranged, final payment for the proposal is due at the beginning of the training visit. Ampstun Corporation also requires a twenty-five percent down payment and one of the following with the acceptance of this proposal - a valid purchase order, or a letter of intent stating the proposal has been accepted and payment will be made in full when the system is installed.

**Proposal Acceptance**

The Ampstun Corporation proposal total cost is based on the understanding that the entire proposal and all components are accepted as presented. Both parties agree that this written proposal constitutes the complete and exclusive statement of the agreement between them which supersedes all proposals, oral or written, and all other communication between them relating to the proposal scope and content. Both parties agree that all Ampstun Corporation software is provided subject to the standard Ampstun Corporation Software License Agreement shown below.

Ampstun Corporation, Inc. grants to you a non-exclusive, non-transferable license to use the software programs and related documentation in this package (collectively referred to as the "Software"). Any attempted sublicense, assignment, rental, sale or other transfer of the Software or the rights or obligations of this Software License Agreement, without the prior written consent of Ampstun Corporation, Inc., shall be void. This agreement will be governed by the laws of the Commonwealth of Kentucky.

This Software and documentation are copyrighted. Unauthorized copying, reverse engineering, decompiling, disassembling, and creating derivative works based on the Software are prohibited. Title to the Software is not transferred to you by this license. Ownership and title to the Software and to the actual contents of this package, including the copy of the Software and the media on which it is stored and the associated documentation, are retained by Ampstun Corporation, Inc. This agreement sets forth the entire agreement between parties. The terms herein may not be changed or modified except by an instrument in writing duly signed on behalf of both parties.

Ampstun Corporation, Inc. does not warrant that the Software will be free from error or will meet your specific requirements. You assume complete responsibility for decisions made or actions taken regarding selection of the Software to achieve your intended results. Ampstun Corporation, Inc. shall not be responsible for incidental, special, or consequential damages resulting from the use of this Software.

**Ampstun Corporation Annual Support Fees**

Software updates, unlimited toll-free phone support, and remote modem support are provided to users who remain on support with Ampstun Corporation. For existing Ampstun customers, these fees will be billed using your same schedule. For new Ampstun customers, this fee is due on the installation anniversary each year. Current pricing for annual support fees:

Billing Module	\$2,700
Mobile WO	\$750
<b>TOTAL</b>	<b>\$3,450</b>

**On-Site Training and Support**

It is advised to have your computer-networking expert(s) available as needed during the first day of the Ampstun Corporation Representative's initial on-site training; which helps to ensure that any issues related to computers, networking, modem, or printing problems can be resolved quickly and efficiently. If for any reason this cannot be accommodated, it may have a negative impact on the amount of training time that is actually available to your staff during the time allotted for the on site visit.

The on-site training-conversion visit is designed to address three equally important tasks, 1) training, 2) data refinement and, 3) account balancing. In most cases these functions are carried out simultaneously throughout the on-site visit. There will always be the need for both data refinement and account balancing activities during the on-site visit.

A preliminary, tentative, planning only date for the on-site visit will be established at the time that the proposal is prepared. When there is data conversion included in the proposal the final confirmed date for the on-site visit will not be established until after the customer has signed for the acceptance of the first data conversion.

The total number of on-site days for this service is indicated in the On-Site Training and Support Services pricing section of this proposal. If additional days of conversion support and training might be desirable, these additional days can be added to the proposal before acceptance. Additional support days can also be requested during the software conversion visit. These days are charged at a rate of \$875.00 per day plus travel time and travel expenses. Lodging, meals and transportation costs for installation and training services are included in the proposal. The on-site time quoted in this proposal is our best estimate of what will be required and should not be considered a guarantee.

In some cases the travel expense dollars included in the proposal includes an amount for airplane tickets. To get a lower fare, and to save you money, we usually purchase the ticket well in advance of the planned trip. If it becomes necessary to change the dates of travel you agree to pay the additional charges associated with the change of tickets and plans.

# Ampstun Corporation

PO Box 784  
Richmond, KY 40476-0784  
1-888-252-4784



March 18, 2024

## Ampstun Full Service Proposal Prepared for Morgan Co. Water, KY

### Ampstun Print & Mail Service

Full page 8 1/2 x 11 invoice printed, return envelope, folded and mailed. Price is per piece with postage included.	\$	0.830
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**Monthly Cost: \$2,573.00**

Sign: \_\_\_\_\_

Date: \_\_\_\_\_ PO#: \_\_\_\_\_

*Proposal expires 12/31/24*

### Proposal Notes

This proposal is based on the following number of customers, pricing may be adjusted if the number of monthly bills fluctuate: **3,100 Customers**



Ashlee Mason &lt;ashlee.mason@morgankywater.org&gt;

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## Ampstun Proposal

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**Logan Trent** <ltrent@ampstun.com>

Mon, Mar 18, 2024 at 10:13 AM

To: Ashlee Mason &lt;ashlee.mason@morgankywater.org&gt;

Hey Ashlee,

Sorry about that. I'm not sure if there was an issue with the original PDFs. I've reattached those quotes. The second page of each quote shows the annual support cost for each service and a total.

The annual support fee will be billed on the anniversary of your go live each year after you start. There are no monthly fees for the features of our software.

If you decide you all wanted to use our print and mail service, where you would upload the bills to us and we will print those for you. That will be charged each month and can vary depending on how many bills you print. I have attached a proposal that shows a quote based on ever one of your 3100 customers getting a bill. If not everyone gets a bill, for whatever reason, you can subtract that amount from the quote. The fee schedule for print and mail is .83 cents per page. This includes postage. Any increases to the cost in the future are based off of postage rates. Again I apologize I usually don't send a quote for print and mail until someone has decided they want to move forward and weighed whether this would be a useful item for them. In my original email I just have the price per page. A lot of offices will try to decrease the cost by getting customers to sign up for paperless billing which takes them off the print list. So that's another option when discussing potential workflow changes.

Let me know if you have any other questions or need me to break anything down more. I'm happy to get you the info that you need.

Thanks!

Logan Trent  
Ampstun Sales  
859-779-8303  
[www.ampstun.com](http://www.ampstun.com)



[Quoted text hidden]

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**3 attachments**

 **Morgan KY - Billing & Accounting.pdf**  
90K

 **Morgan KY - Billing.pdf**  
87K

 **Morgan Co KY - Print and Mail.pdf**  
22K

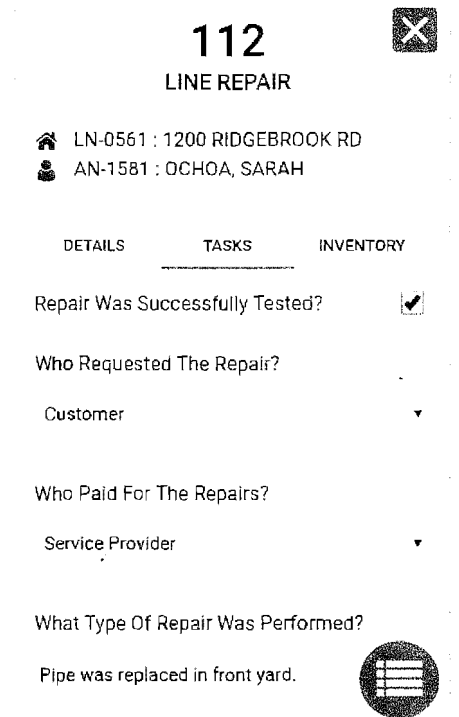
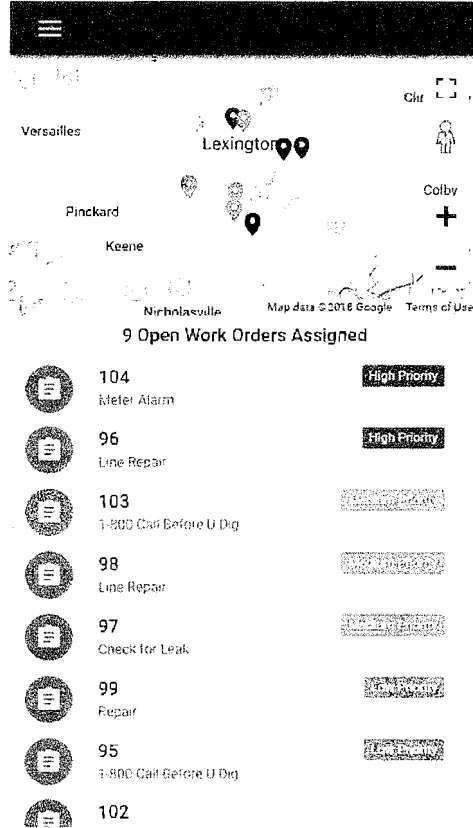
## MOBILE WORK ORDER APP



**ACCESS FROM ANY DEVICE WITH A BROWSER.**



**DIRECT INTEGRATION WITH BILLING.**



### FEATURES INCLUDE

- View orders by location and priority.
- Customizable task list by work order type.
- Apply inventory used directly in the field.
- Record time, type notes and close work orders on the fly.



# UTILITY BILLING SOFTWARE

QUALITY SOFTWARE AND SUPPORT FOR OVER 30 YEARS

## Web-Based Billing

OFFERING:

- CUSTOMER PORTAL
- GIS INTEGRATION
- EMAIL & TEXT ALERTS
- ACCOUNTING & INVENTORY INTEGRATION
- MOBILE WORK ORDER APP
- MULTIPLE BILL PRINTING OPTIONS

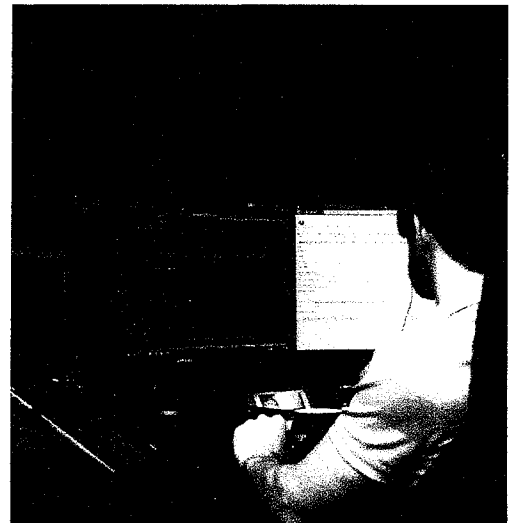
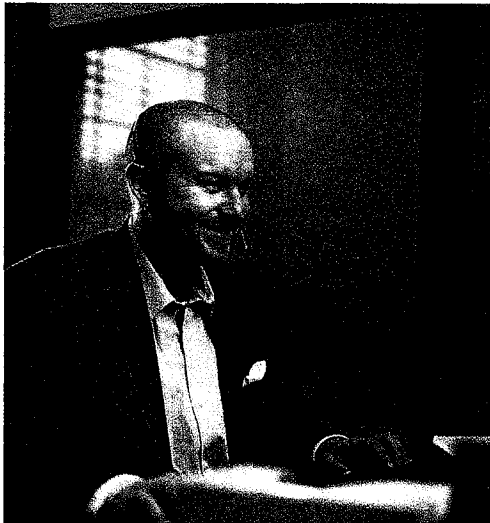
## Customer Support

SAME DAY SUPPORT VIA PHONE OR EMAIL

REMOTE AND IN-PERSON TRAINING AVAILABLE

GET QUICK ANSWERS REGARDING:

- REPORT GENERATION
- PAYMENT & ADJUSTMENT ENTRY
- METER READING INTEGRATION
- CUSTOMER DEMOGRAPHIC CHANGES



**CALL FOR A DEMONSTRATION & QUOTE**  
**888.252.4784**

AMPSTUN.COM

419 W. MAIN STREET, RICHMOND, KY 40475



- Ampstun has served utilities and municipalities for over 30 years.
- In-person training and unlimited customer support.
- Free hosting for small utilities.
- Regular updates at no additional cost.

## Who We Are

Ampstun Corp, formerly Greentree Applied Systems, provides utilities with web based billing, accounting, and inventory management software. Located in Richmond, KY, Ampstun Corp serves customers across the US.

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**Ampstun.com**  
**888-252-4784**

## Software Features

### Cloud Based

No need to worry about local backups, server maintenance or desktop requirements. Access your billing from anywhere from any device.

### Paperless Billing

Integrated paperless billing allows customers to login to their online portal to view bills, update contact information and pay their bill online. Payments post automatically in real time to customers accounts.

### AMI/AMR Integration

Import reads from any brand of drive by or fix based meter system. Designed to support the newest technology from all the top vendors.

### Email & Text Alerts

Text and email your customers with the push of a button. Contact your entire customer base or select groups such as late bills, disconnects, and boil water.

### Work Order Management

Create and manage work orders electronically or print to paper. Field personnel can view, edit or close work orders on any mobile device. Direct integration with the inventory module for advanced cost tracking.



**MORGAN COUNTY WATER DISTRICT**  
**WEST LIBERTY, KY**

DCI (Data Conversion, Implementation & Training):

- One-time cost of \$14,000
  - Billed in (2) equal increments during implementation
- Includes up to 3 years of historical data, training and implementation

Monthly Fee:

- Monthly Fee for 3,035 accounts = \$1,161.00
- Includes unlimited users and unlimited user support as well as ongoing upgrades & enhancements

Notifications Module Pricing:

- Calls .05 per minute (whole minute increments)
- SMS .035 each
- Email \$2 per 1,000 (20 cents per 100, .2 cents each)

Potential Savings:

- **US Postal CASS Savings:**
  - CASS certification should save your Utility 5 cents per mailing piece per mail run
  - $3,000 \times .05 = \$150$  per mail run or \$3,000 per year
  -
- **E-Bill Savings**
  - We estimate 70 cents savings per e-bill customer per mailing run
  - Most of our customers realize a 20% e-bill adoption rate within 12 months
  - $3,035 \times 20\% = 607$  e-bill customers  $\times$  70 cents = \$425 potential savings per mailing run (monthly) or \$5,100 in yearly savings
  - Note: many of our customers get to 40% or higher e-bill adoption rate after several years of using Muni-Link. In your case, a 40% e-bill adoption rate equals a savings of \$10,200 per year

***\*Pricing valid for 30 days***

***\*This does not include the tremendous amount of time savings with Muni-Link. Our customers tell us they save 35% or more of their time after switching to Muni-Link.***

Pete Jones, Senior Municipal Software Specialist, Muni-Link. [pjones@muni-link.com](mailto:pjones@muni-link.com). 412-758-1347



THIS AGREEMENT, effective as of the date the last party executes this Agreement as set forth next to their signature below, is made between LINK COMPUTER CORPORATION, 140 Stadium Drive, PO Box 250, Bellwood, PA, 16617 (hereinafter "Link"), and MORGAN COUNTY WATER DISTRICT, 1009 New Highway 172, West Liberty, KY 41472 (hereinafter "Customer").

## **1. LICENSE GRANT**

Link hereby grants to Customer a non-exclusive, non-transferable, non-sublicenseable right to use the Services identified in Schedule A attached hereto or additional Schedules to be attached hereto in the future (Schedule A and/or future Schedules referred to hereinafter as "the Schedules") (hereinafter "Services") solely for Customer's own internal business purposes. All rights not expressly granted to Customer are reserved by and to Link. No ownership in the Services is transferred hereunder. Customer grants to Link an irrevocable license to use or incorporate into the Services any suggestions, ideas, enhancement requests, feedback, recommendations or other information provided by Customer or Customer's users.

## **2. LINK SERVICE SUPPORT TO CUSTOMER**

Link maintains a full-time, dedicated, and professional support staff to provide assistance to Customers. The support staff will answer process and "how-to" questions, resolve user problems, configure software changes requested by Customer, and review and explain new features when they are released. This support is available by telephone and email. Additionally, Link provides video tutorials, "Help Cards", periodic webinars and other support resources. This support is included as part of the standard monthly fee referenced on the Schedules attached hereto with respect to those particular services.

## **3. LINK RESPONSIBILITIES**

3.1 Link shall use commercially reasonable efforts to make the Services generally available 99.5% of each calendar month, except for: (a) planned downtime, with at least 48 hours of advance notice to the Customer, which will be scheduled during hours other than Monday through Friday, 8:00 AM to 5:00 PM, whenever reasonably possible; and (b) downtime caused by circumstances beyond Link's reasonable control, including but not limited to, acts of nature, acts of government, flood, fire, civil unrest, threat of terrorism, strike or other labor problem not involving Link's employees, telecommunications or computer failures or delays, and unauthorized and/or illegal network intrusions or cyber-attacks that result in damage to the Services or operate to prevent use of the Services by Link and/or the Customer.

3.2 Link shall use commercially reasonable efforts to maintain the confidentiality of Customer Data, the security and integrity of the Services, and to promptly respond to and attempt to fix problems that interfere with the smooth and effective operation of the Services and/or Customer's use thereof.

3.3 Link shall use commercially reasonable efforts to monitor its Services and take commercially reasonable actions to make Link's Services secure from unauthorized access, network intrusions, cyber-attack, or subject to viruses or malware.

## **4. CUSTOMER RESPONSIBILITIES**

4.1 Customer may use the Services only for Customer's internal business purposes. Customer and its authorized users shall not: (a) send or store material with any virus, worm, or other harmful computer code; (b) interfere with or disrupt the integrity or performance of the Services in whole or in part; or (c) attempt to gain unauthorized access to the Services or any related system or network. Customer shall take reasonable measures to protect Customer's information technology system from unauthorized access and to prevent anyone from engaging in the foregoing prohibited actions. If Customer or its authorized users engage in the foregoing prohibited actions or if Customer fails to take reasonable steps to protect Customer's information technology system from unauthorized access that results in an unauthorized user engaging in the foregoing prohibited actions, Link may immediately suspend Customer

from accessing the Services until Customer corrects the violation, or Link may also terminate Customer's license and this Agreement for such breach.

4.2 Customer shall not: (a) license, sublicense, sell, resell, transfer, assign, distribute, or otherwise commercially exploit or make available to any third party any Services or the Content in any way; (b) modify, copy, or make derivative works based upon the Services or the Content; (c) create Internet "links" to or from the Services or "frame" or "mirror" any Content, other than on Customer's own intranets or otherwise for Customer's own internal business purposes; or (d) disassemble, reverse engineer, or decompile the Services in order to: (i) build a competitive product or service, (ii) build a product using similar ideas, features, functions, designs or graphics of the Services, or (iii) copy any idea, feature, function, design, or graphic of the Services. The Services licensed hereunder cannot be shared with anyone else or used by anyone other than Customer and its authorized users. "Content" means visual information, documents, software, products and services contained or made available to Customer as part of the Services.

4.3 Customer shall: (a) use reasonable efforts to prevent unauthorized access to or use of the Services or any Content in whole or in part; (b) notify Link promptly of any actual or suspected unauthorized access/use; (c) abide by all applicable local, state, and national laws and regulations, including those related to data privacy, communications, and the transmission of technical or personal data; (d) be responsible to ensure the accuracy, quality, integrity, legality, reliability, and appropriateness of all Customer Data; and (e) comply with Link's policies to obtain support and other services under this Agreement.

## **5. CUSTOMER DATA**

5.1 All Customer Data (any data or information Customer provides or submits within the parameters of the Services including the initial conversion of data during implementation and set up) shall be and always remain Customer's and shall be considered Customer's Confidential Information. Link will retain Customer Data up to ten (10) years. Customer shall grant Link access to the Customer Data so that Link can respond to, assess, or resolve service or technical problems; in doing so, Link will maintain the confidentiality of the Customer Data.

5.2 Upon termination of this Agreement, Customer Data shall be provided to Customer in a standardized electronic format capable of being converted and/or uploaded into most databases upon payment of all outstanding invoices to Link. Link shall have no obligation to retain a copy of Customer Data longer than 30 days after delivery to Customer of the Customer Data.

5.3 Link can provide Customer Data in a standardized electronic format capable of being converted and/or uploaded into most databases to Customer during the term of this Agreement upon request of the Customer. Customer will be responsible to pay Link's standard processing fee in effect at the time of the request.

## **6. CHANGES TO SERVICES**

Link reserves the right to: (a) upgrade, modify, replace, or reconfigure the Services at any time, and (b) change the terms of this Agreement, including Link's fee schedule, support and service terms and standards. Link will give Customer at least 30 days' advance notice of any change that significantly affects the use or cost of any Service by either an email to Customer's representative or by a posting on the Service to which the change applies. For 30 days after the foregoing notice, Customer shall have the right to terminate the Service; in which case, at Customer's request, Link will continue to provide the Service for up to 90 days so long as the monthly fee is paid current during this transition period. Otherwise, the change will be deemed effective 30 days after the notice if Customer uses the Service to which the change applies thereafter.

## **7. FEES AND PAYMENT**

7.1 Link will invoice Customer in accordance with the terms specified in the Schedules attached hereto. Customer shall pay all amounts due when they are due.

7.2 Past due invoices will be subject to a late charge equal to 1.5% of the outstanding balance per month from the due date until paid. Customer shall also be responsible for any applicable expenses incurred with collection efforts, including but not limited to pre-litigation collection efforts, by an attorney or collection agency and court costs and attorneys' fees.

7.3 If Customer's account has a past due balance, Link reserves the right to suspend the Services until such amounts are paid in full, including all accrued liabilities and obligations. Customer will continue to be charged during any period of suspension. Link reserves the right to impose a reconnection fee if Customer access to the Service is suspended for non-payment, and Customer thereafter requests access to the Services.

## **8. TERM AND TERMINATION**

8.1 The term of this Agreement shall be for one (1) year from the date the last party executes this Agreement as set forth next to their signature below. Upon signing this Agreement, the Customer is obligated to pay the fees as specified in the attached Schedule A, including the Implementation, Training and Data Conversion Fee in full, and Muni-Link Software Fees for one year. This Agreement shall renew automatically for additional one-year terms unless either party provides written notice of the party's intent to not renew the Agreement to the other party at least 90 days prior to the expiration of the then existing term. Upon termination and payment to Link of all outstanding invoices, Link shall provide Customer with the Customer Data in a standardized electronic format as provided for in Section 5.2.

8.2 If Customer breaches this Agreement for any reason including nonpayment of invoices for Services, except for breach of Customer's duties in Section 4.1 in which Link may terminate the Agreement immediately, Link may terminate this Agreement after 30 days' written notice to Customer, and Customer fails to cure the breach during such 30-day period. If Link terminates the Agreement, Customer shall remain responsible to pay any balance remaining due and upon payment of the same, Link shall provide Customer Data in a standardized electronic format as provided for in Section 5.2.

8.3 Upon termination of this Agreement and prior to the release of the Customer Data to Customer, Customer shall submit to Link a written and signed letter affirming that Customer has (a) not given, sold, rented, or lent any copy or any part of the Confidential Information (defined in Section 9) in any shape or form to any third party, including any user login credentials; and (b) releasing Link from any and all claims related to this Agreement and the Services.

## **9. PROPRIETARY RIGHTS AND CONFIDENTIALITY**

9.1 Link owns all right, title and interest in and to the Services and the Content, including but not limited to copyrights, patents, trade secrets, trademarks, and intellectual property not subject to copyright or patent but are proprietary and valuable to Link (collectively, "Proprietary Rights"). The "MUNI-LINK" name and logo are registered trademarks of Link, and the product names associated with the Services are trademarks of Link. Customer shall have no right or license to use the trademarks without Link's written permission. Customer shall not challenge any ownership or other right of Link with respect to the trademarks or Proprietary Rights while a customer or after termination of this Agreement.

9.2 Proprietary Rights shall constitute "Confidential Information" under this Agreement. Without Link's prior written consent, Customer shall not use any Confidential Information except on a "need to know" basis to use the Services, nor shall Customer disclose any Confidential Information except as required by the laws of the state in which the Customer is located with respect to the public's "right-to-know" or "freedom of information" (hereinafter "RTK/FOIA laws"). Customer shall give Link 5 days' notice before releasing Confidential Information under RTK/FOIA laws in order to allow Link to assert any rights it may have to keep the Confidential Information confidential and not subject to disclosure. In the unlikely event that Customer is subpoenaed to produce Confidential Information, Customer shall immediately notify Link so Link can assert any and all rights to prevent the disclosure or limit the disclosure of Confidential Information. Customer shall utilize all reasonable security measures to protect the confidentiality of the Confidential Information. Customer acknowledges the importance of the Confidential Information and that, because other remedies are inadequate, if Customer discloses or uses (or threatens to disclose or

use) any Confidential Information in breach of this Section 9.2, Link shall have the right to seek injunctive relief, and Customer waives any obligation that a bond be posted by Link in connection with such relief. If requested by Link, Customer shall return all of the Confidential Information or provide proof of destruction of the same.

9.3 This Section 9 shall survive the termination of this Agreement.

## **10. REPRESENTATIONS; WARRANTIES; AND LIMITATIONS**

10.1 Customer represents and warrants that the undersigned has the legal authority to enter into this Agreement, and all necessary legal action, including adoption at a public meeting, if required by Customer's state's laws, has occurred. Upon execution by the undersigned, this Agreement shall be a legally binding contract between Customer and Link.

10.2 The Services may be subject to limitations, delays, and other problems inherent in the use of the Internet and electronic communications beyond both Customer's and/or Link's control. Link is not responsible for any delays, delivery failures, or other damage resulting from the foregoing.

10.3 Link warrants and represents that the Services will conform to Link's specifications that are in effect for the Services at that time, that the Services will perform substantially in accordance with what was presented and demonstrated to Customer, and that Services will operate in a manner consistent with general industry standards, which means the Services will be reasonably free from program coding errors. Link does not warrant that the Services will be free from all errors or that all possible program defects can be corrected. Customer shall give notice to Link immediately of any perceived error, and Link shall make every attempt to resolve any error in the Services at no cost to Customer to the extent the error is related to Link's Services and not a third party. Link will provide updates to the Services as are commercially reasonable in light of changes in third party software such as computer operating systems and internet web browsers or advise Customer of any third party product or upgrade of a product that Link becomes aware cannot operate in conjunction with Link's Services. Link is not responsible for changes in Customer's intellectual technology system, including hardware or software, in the absence of Customer's prior consultation with Link, that causes the Services not to operate or operate as the Services previously operated. **THE FOREGOING WARRANTY IS IN LIEU OF ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO, ANY IMPLIED WARRANTY OF MERCHANTABILITY AND/OR FITNESS FOR A PARTICULAR PURPOSE, WHICH ARE HEREBY DISCLAIMED TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW.**

10.4 Neither party shall be liable to the other for special, incidental, punitive, exemplary, or consequential damages (including loss of data, revenue, profits, use, or other economic advantage) arising from the Services and/or this Agreement even if one party has advised the other party of the possibility of such damages and regardless of the basis of any claim, i.e., contract, warranty, tort, or strict liability. In no event shall Link's aggregate liability to Customer exceed the amounts actually paid by the Customer in the 12-month period immediately preceding the event giving rise to Customer's first claim, regardless of the number of claims arising out of or related to this Agreement. Both parties acknowledge this Section 10.4 is reasonable in light of the cost of the Services and the length of the term of the Agreement.

10.5 Customer shall indemnify, defend, save and hold harmless Link, its affiliates, officers, directors, and employees from and against any and all claims brought against Link by a third party (person or entity not a party to this Agreement) relative to Customer's use of the Services hereunder and the Customer Data. Link shall provide written notice of a potential or actual claim to Customer within 7 business days of becoming aware of such potential or actual claim.

## **11. GENERAL**

11.1 Customer may not assign any rights or obligations hereunder, whether by operation of law or otherwise, without Link's prior express written consent, which consent shall not be unreasonably withheld. The Agreement shall bind and inure to the benefit of the parties, their respective successors and permitted assigns.

11.2 No joint venture, partnership, employment, or agency relationship exists between Link and Customer. Customer agrees that Link can reference Customer's name and/or logo for the sole purpose of simply acknowledging Customer as one of Link's customers until Customer gives notice of its intent to terminate this Agreement or this Agreement otherwise terminates as provided for herein.

11.3 Link may notify Customer by means of a general notice on the Services, by email, or by written mailed communication, as per Customer's contact information in the Schedules attached hereto with respect to the Services in such Schedules. Notice shall be deemed to have been given within three (3) business days after mailing or 12 hours after sending an email or posting a change on the Services. Customer may notify Link (and such notice shall be deemed given when received) at any time by email, fax, or written mailed communication as per Link's contact information in the Schedules attached hereto.

11.4 The failure of either party to insist on strict performance by the other party to any provision of this Agreement shall not be construed as a waiver, release, or relinquishment thereof. Any waiver must be in writing signed by the waiving party in order to be effective, and such waiver shall only be effective to the breach being waived at that point in time and not to future breaches unless later waived in writing as provided for herein. No failure or delay by either party in exercising any right shall constitute a waiver of that right. Except as expressly provided herein, all of the parties' rights and remedies shall be cumulative, and none of them shall be in limitation of any other right or remedy in law or equity.

11.5 If any provision of this Agreement is held invalid or unenforceable to any extent, the remainder of the provision or this Agreement shall not be affected thereby and that provision or this Agreement shall be enforced to the greatest extent permitted by law.

11.6 THE PARTIES EXPRESSLY WAIVE THEIR RIGHTS TO A TRIAL BY JURY, AND AGREE AND CONSENT TO A TRIAL BY COURT. The parties irrevocably agree that jurisdiction and venue with respect to any action arising from this Agreement shall be solely in the Court of Common Pleas of Blair County, Pennsylvania, and each party waives all objections to personal jurisdiction and venue. The parties agree that the provisions of this Agreement shall be interpreted in accordance with the laws of the Commonwealth of Pennsylvania without regard to its choice of law provisions.

11.7 This Agreement contains the entire understanding of the parties relating to the subject matter hereof. No amendment or modification of this Agreement shall be valid or binding upon the parties unless it is in writing and signed by the duly authorized officers of the parties. No other agreements or understandings, either written or oral, shall apply. This Agreement shall control over any purchase order with any contrary or additional terms issued by the Customer.

IN WITNESS WHEREOF, each of the parties has caused this Agreement to be executed by a duly authorized representative.

LINK COMPUTER CORPORATION

By: \_\_\_\_\_  
Tim Link, President

Date: \_\_\_\_\_

MORGAN COUNTY WATER DISTRICT

By: \_\_\_\_\_

Date: \_\_\_\_\_

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_

**MUNI-LINK BILLING****CUSTOMER INFORMATION**

Name: Morgan County Water District

**BILLING** Address: 1009 New Highway 172  
West Liberty, KY 41472

Phone: (606) 743-1204

Website: [www.morgankywaterdistrict.com](http://www.morgankywaterdistrict.com)

Management Contact: Shannon Elam  
Title: General Manager  
Phone: (606) 743-1204  
Email Address: [mcwdshannon@gmail.com](mailto:mcwdshannon@gmail.com)

Primary Muni-Link Contact: Ashlee Ferguson  
Title: Compliance / HR Officer  
Phone: (606) 743-1204  
Email Address: [ashlee.mason@morgankywater.org](mailto:ashlee.mason@morgankywater.org)

Accounts Payable Contact: Same  
Title:  
Phone:  
Email Address:

Tax Exemption ID: \_\_\_\_\_ (certificate attached)

Service Types Billed for: Water

Services Billing Cycle: Monthly

How many Total Accounts: 3,035 – as of the effective date of this agreement

**MUNI-LINK SERVICE**

Muni-Link Billing is a comprehensive cloud based software solution that incorporates Customer Information System, Utility Billing, and Collections Management in an integrated environment.

Anticipated Go Live Date: 120 to 150 days from receipt of data for conversion

Implementation, Training and Data Conversion Fee: \$14,000 – for a full remote implementation. Travel and expenses can be quoted for on-site training and implementation days. This fee is for our standard best practice data conversion and implementation process including customer readiness and acceptance prior to go live, and includes 3 years of history being imported directly into our system from one database of documented data, as provided by the Customer. Half of this fee will be invoiced 30 days from date of contract signature. The other half will be invoiced 60 days from date of contract signature.

Muni-Link Software Fee: \$1,161 per month – for 3,035 accounts – and includes the Software License, Updates and Enhancements, Hosting and Unlimited Support. Billing for our Software Fee will begin 30 days before the agreed upon original Go Live Target Date established during the Implementation Project Kick-off Call (or the actual Go Live Date if sooner).

\* Note – pricing is valid for 90 days.

Timely Payments: Payments for the Implementation/Data Conversion and initial recurring Software Fee invoices are due on time regardless of project delays not specifically caused by Muni-Link.

Muni-Link Invoicing Cycle: Monthly – 30 days in advance

Automatic Price Adjustment: The Software Fee will increase on a prorated basis, each time the total number of accounts (excluding inactive accounts) increases by 25 or more.

Annual Price Adjustment: For Cost of Living increases and ongoing Software Enhancements, the Software Fee is subject to an annual increase of 4%, or the annualized Cost of Living increase as per the Bureau of Labor Statistics Northeast Region CPI Index, if higher, starting one year after the first Software Fee invoice.

<b>LINK COMPUTER CORPORATION CONTACT INFORMATION</b>
--

Corporate Name and Address: Link Computer Corporation  
140 Stadium Drive  
PO Box 250  
Bellwood, PA 16617

Phone: (814) 742-7700

Fax: (814) 742-7900

Websites: [www.muni-link.com](http://www.muni-link.com); [www.linkcorp.com](http://www.linkcorp.com)

Sales Contacts:

Pete Jones Sr Municipal Software Specialist 814) 742-7700, ext. 330 <a href="mailto:pjones@muni-link.com">pjones@muni-link.com</a>	Ryan Shaulis VP of Sales and Marketing 814) 742-7700, ext. 446 <a href="mailto:rshaulis@Muni-Link.com">rshaulis@Muni-Link.com</a>
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Other Contacts:

Tim J Link  
Manager of Implementations  
(814) 742-7700, ext. 323  
[tjlink@muni-link.com](mailto:tjlink@muni-link.com)

Mariah Papi  
Customer Support Manager  
(814) 742-7700, ext. 350  
[mpapi@linkcorp.com](mailto:mpapi@linkcorp.com)



IN WITNESS WHEREOF, each of the parties has caused this Agreement to be executed by a duly authorized representative.

**LINK COMPUTER CORPORATION**

By: \_\_\_\_\_  
Tim Link, President

Date: \_\_\_\_\_

**MORGAN COUNTY WATER DISTRICT**

By: \_\_\_\_\_

Date: \_\_\_\_\_

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_