COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION OF KENTUCKY

IN THE MATTER OF:

ELECTRONIC APPLICATION OF THE MARTIN COUNTY WATER DISTRICT TO ENTER INTO A LEASE FOR SERVICE TRUCKS

Case No. 2025-00249

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APPLICATION

The Applicant, Martin County Water District ("Martin District"), files this electronic Application pursuant to KRS 278.300, 807 KAR 5:001, and all other applicable laws and regulations, and requests that the Kentucky Public Service Commission (the "Commission") enter an Order retroactively authorizing Martin District to enter into a Lease for service trucks for the use of the District.

The Applicant seeks retroactive approval due to its attorney, the undersigned, failed to remember that it was necessary to do so. It was brought to the undersigned's attention by the Board Chairman, after he attended the mandatory training for new Commissioners. The Affidavit of counsel is attached as **Exhibit A**.

In support of this Application, and in compliance with the rules and regulations of the Commission, Martin District attaches the Affidavit of Todd Adams, Division Manager, as **Exhibit B**, and states as follows:

1. Martin District was established in accordance with the provisions of Chapter 74 of the Kentucky Revised Statutes pursuant to an Order of the County Judge/Executive of Martin County, Kentucky which Order is on file in the County Court Order Books in the office of the Clerk of Martin County, Kentucky. Martin District is now, and has been since its inception, regulated by

the Commission, and all records and proceedings of the Commission with reference to Martin District are incorporated in this Application by reference. Martin District does not have any Articles of Incorporation due to the fact that it is a statutory entity.

2. The governing body of Martin District is its Board of Commissioners which is a public body corporate, with power to make contracts in furtherance of its lawful and proper purpose as provided for in KRS 74.070 and all applicable law and regulations.

3. The mailing address and email address of Martin District is as follows:

Martin County Water District c/o Mr. Todd Adams, Division Manager 387 East Main Street, Suite 140 Inez, Kentucky 41224 Phone: (606) 298-3885 Fax: (606) 298-4913 email address: tadams@alliancewater.com

4. A general description of Martin District's system property, together with a statement of the original cost, is contained in Martin District's Annual Report for 2024 which is on file with the Commission. The Annual Report is incorporated herein by reference.

5. Martin District proposes to enter into a Lease for five (5) service trucks for the use of the District, for a sixty (60) month duration. The monthly payment shall be \$4,690.43, beginning July 20, 2025, and terminating June 30, 2030.

6. Martin District represents that the Lease is in the public interest and is intended to accomplish the purpose of strengthening the ability of Martin District to service its ratepayers and the system. It was approved by the Board of Commissioners at its meeting on May 27, 2025.

7. The detailed Statements of Revenues, Expenses and Changes in Fund Net Position, Statements of Net Position, and Statements of Cash Flows for the twelve month periods ending on December 31, 2023 and 2024 are attached hereto and incorporated herein by reference as **Exhibit** C respectively.

8. Pursuant to 807 KAR 5:001, Section 12 - Financial Exhibit; Martin District hereby responds as follows:

(i) Section 12(1)(b): Martin District states that it had less than \$5,000,000 in gross annual revenue in the immediate past calendar year and that no material changes to Martin District's financial condition have occurred since the end of the twelve (12) month period contained in Martin District's most recent annual report on file with the Commission.

(ii) Section 12(2)(a), (b) and (c) Stock: Martin District does not have any authorized, issued or outstanding stock as of the date hereof.

(iii) Section 12(2)(d) Mortgages: Martin District does not have any outstanding mortgages as of the date hereof.

(iv) Section 12(2)(e), (f) and (g) Indebtedness: The information concerning the outstanding indebtedness of Martin District is contained in the 2024 Annual Report on file with this Commission and the December 31, 2024 and 2023 Audit Report on file with this Commission.

(v) Section 12(2)(h) Dividends: Martin District has no outstanding stock and therefore pays no dividends.

(vi) Section 12(2)(i) Financial Statements: See paragraph #7 above.

9. Pursuant to 807 KAR 5:001, Section 18, Martin District hereby responds as follows:

(i) Section 18(1)(a): Martin District has complied with the requirements of 807 KAR5:001, Section 14.

(ii) Section 18(1)(b): A general description of Martin District's property, its field of operation and a statement of original cost of said property and the cost to Martin District is contained in Martin District's 2024 Annual Report on file with this Commission.

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(iii) Section 18(1)(c): Martin District is not issuing any stock as part of this financing. The information concerning the proposed Lease is contained in this Application and the Exhibits. The Lease will be secured by and payable from the gross revenues of Martin District's water system.

(iv) Section 18(1)(d): The Lease is being used to acquire service vehicles.

(v) Section 18(1)(e): The property being acquired by way of Lease is attached asExhibit D.

(vi) Section 18(1)(f): The details of the proposed Lease are contained in this Application and the Exhibits hereto.

(vii) Section 18(1)(g): Written notification of the proposed Lease is being provided to the State Local Debt Officer (see Exhibit E attached hereto).

(viii) Section 18(2)(a): See paragraph #8 above.

(ix) Section 18(2)(b): Martin District does not have any outstanding trust deeds or mortgages.

(x) Section 18(2)(c): Details of the trucks being acquired by way of Lease is attached as **Exhibit D**.

14. No rate adjustment is being requested in this Application.

WHEREFORE, Martin District respectfully requests that the Commission take the following actions:

1. Retroactively authorize the District to enter into a Lease for acquisition of the service trucks;

2. Process this Application without a formal hearing in order to save time and expense. Martin District will promptly respond to any information requests by the Commission's staff.

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Martin County Water District

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Timothy Thoma, Chairman 387 East Main Street, Suite 140 Inez, Kentucky 41224 Phone: 606-298-3885 Fax: 606-298-4913 Email: tbthoma@hotmail.com

By Brian Cumbo

Counsel for Martin County Water District P.O. Box 1844 Inez, KY 41224 Phone: 606-298-0428 Facsimile: 606-298-0316 Email: cumbolaw@cumbolaw.com

STATE OF KENTUCKY SS COUNTY OF MARTIN

The affiant, Timothy Thoma, being first duly sworn, states: That he is the Chairman of the Martin County Water District, the Applicant in this case; that he has read the foregoing Application and has noted the contents thereof; that the same are true of his own knowledge and belief, except as to matters which are herein stated to be based on information or belief, and that these matters, he believes to be true and correct.

IN TESTIMONY WHEREOF, witness the signature of the undersigned on July 112 2025.

Timothy Thoma, Chairman

SUBSCRIBED, SWORN TO AND ACKNOWLEDGED before me by Timothy Thoma, Chairman of the Martin County Water District on this <u>1124</u> day of July, 2025.

9-18-26

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My Commission expires:

Lesley & Dempsee

LESLEY A. DEMPSEY NOTARY PUBLIC STATE AT LARGE KENTUCKY COMMISSION # 58669 MY COMMISSION EXPIRES SEPTEMBER 18, 2026