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APR 19 2018

PUBLIC SERVICE
COMMISSION

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April 16, 2018

Gwen R. Pinson, Executive Director
Public Service Commission
P.O. Box 615
Frankfort, KY 40602-0615

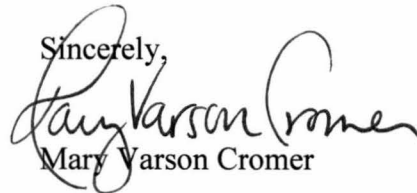
RE: Martin County Concerned Citizens Inc.'s
Second Data Request
PSC Case No. 2016-142

Dear Ms. Pinson,

Please find enclosed and original and six copies of Martin County Concerned Citizens Inc.'s Second Request for Information from Martin County Water District in the above-referenced investigation.

A hard copy is sent this day to counsel of record for the Martin County Water District.

Sincerely,



Mary Varson Cromer

Enclosures

RECEIVED

APR 19 2018

PUBLIC SERVICE
COMMISSION

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

In The Matter Of:
INVESTIGATION OF THE
OPERATING CAPACITY OF
MARTIN COUNTY WATER
DISTRICT PURSUANT TO KRS
278.280

No.: 2016-000162

**MARTIN COUNTY CONCERNED CITIZENS, INC.'S SECOND REQUEST
FOR INFORMATION FROM MARTIN COUNTY WATER DISTRICT**

Martin County Concerned Citizens, Inc. ("MCCC"), by and through counsel, submits these requests for information to the Martin County Water District ("MCWD") pursuant to 807 KAR 5:001 Sec. 4(12) and in conformance with this Commission's order of December 21, 2017.

As the Commission has indicated that it will continue to hold hearings in this investigation approximately every 90 days, these requests are to be considered continuing requests. MCWD shall review these requests every 30 days and make such supplemental filings as are necessary to submit additional responsive information as it becomes available.

MCCC requests that the information sought be provided to the Commission and MCCC within 14 days of the date of this request or at such other time as may be ordered by the Commission. Further, as set forth in the Commission's April 11, 2016 Order initiating this investigation:

1. Responses to requests for information shall be appropriately bound, tabbed, and indexed and shall include the name of the witness responsible for responding to questions related to the

information provided. Copies shall be sent to MCCC and the original and one copy shall be provided to the Commission.

2. Each response shall be answered under oath or, for representatives of a public or private corporation or a partnership or association or a governmental agency, shall be accompanied by a signed certification of the preparer or the person supervising the preparation of the response on behalf of the entity that the response is true and accurate to the best of the person's knowledge, information, and belief formed after reasonable inquiry.
3. MCWD shall make timely amendment to any prior response if it obtains information that indicates that the response was incorrect when made or, though correct when made, is now incorrect in any material respect.
4. For any request that MCWD refuses to furnish all or part of the requested information, MCWD shall provide a written explanation of the specific grounds for its failure to completely and precisely respond.
5. If MCWD's response contains personal information, MCWD shall, in accordance with 807 KAR 5:001 Sec. 4(10), encrypt or redact the response so that personal information cannot be read.

In addition, where the response to the requests consists of information or a statement that is already in the Commission's record or is otherwise publicly available, provide a detailed citation to the document or other resource that contains the

information. Such citation shall include the title of the document and the relevant page number. If the document is publicly available online, provide the URL and a notation of when the URL was last accessed by MCWD.

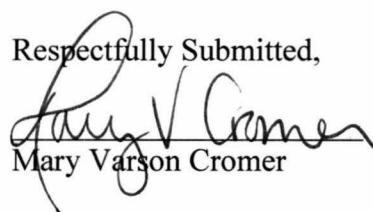
In the event any document sought by MCCC has been destroyed, specify the date and the manner of such destruction, the person directing or authorizing the destruction, and the custodian of the document at the time of its destruction.

DATA REQUESTS

1. With regard to the “Fuel Procedures,” which were provided as Exhibit 6 to Martin County Water District’s Response to PSC’s Post-Hearing Request for Information Dated March 6, 2018—
 - a. Provide a copy of the spreadsheet showing all purchases authorized and completed under new Fuel Procedures.
 - b. The “Fuel Procedures” state that field workers must call the office before making a purchase. Yet, the worker is supposed to give the office the number of gallons purchased and the final total of the purchase at that time. Please explain how the field worker provides the gallons purchased and the final total prior to making the purchase.
 - c. During the hearing on February 28, 2018, Jimmy Don Kerr testified that the District was undertaking efforts to put controls in place regarding employee purchases from ZipZone. If the controls mentioned by Mr. Kerr involve anything more than the “Fuel Procedures” provided, please describe the additional efforts and provide a copy of any new written procedures.
2. Describe any new purchase order procedures instituted by the District since January 1, 2008. Provide a copy of those procedures.
3. State whether the District has modified its procurement procedures originally approved on April 27, 2009. If new procedures have been adopted, provide a copy of those.
4. Explain whether employees of the District who use their own vehicles for work are reimbursed by mileage, whether the District covers their fuel, or whether their reimbursement is a combination of those. If fuel costs are covered, explain the procedures the District uses to ensure that all fuel purchased by the District is used for only MCWD purposes.
5. Explain the District’s policies and/or procedures regarding employee’s use of MCWD vehicles. Provide any written documents that describe the District’s policies or procedures regarding employee’s use of the District’s vehicles.
6. With regard to the water use reports provided as Exhibit 5 of Martin County Water District’s Response to PSC’s Post-Hearing Request for Information Dated March 6, 2018—
 - a. The reports provided contain obvious errors. For examples, all water use reports indicate that for each month either 100% of water was purchased or 100% of water was produced; the data for December 2017 through February 2018 appear to have significant errors based on misplaced decimal points; and many months

- show 0% commercial use. Please provide corrected water use reports for January 2017 to the present.
- b. To what does “other loss” in the “breakdown of water lost” in the Monthly Water Use Reports refer? Describe each type of water loss that may be categorized as “other loss.”
7. Who is responsible for preparing the District’s water loss reports? Describe the process by which that person(s) prepares the reports.
 8. With regard to the negotiations between Prestonsburg City Utilities Commission (“PCUC”) and the District—
 - a. Has a new agreement been reached regarding leasing the Honey Branch tank? If so, provide a copy of the agreement.
 - b. Have new offers been made or a new agreement been reached regarding PCUC’s proposed purchase of the Honey Branch tank? If so, provide a copy of all such offers or correspondence,
 - c. Are water purchases between PCUC and the District still covered under the terms of the 2017 First Amendment to the Joint Operating Agreement between PCUC and the District?
 9. Provide a copy of all invoices for water purchases for 2018.
 10. Describe the process used to determine whether line replacements are accounted for as capital expenses or as operation and maintenance expenses. List all line replacements accounted for as capital expenditures since January 1, 2016.
 11. Describe any efforts the District has made since February 28, 2018 to hire a General Manager.
 12. State whether an engineer of record has been selected for the AML grant. If so, what company will provide this service?
 13. State whether the District believes the AML grant will allow the District to completely redesign Tug Fork River raw water intake and build a new intake in a different location.
 14. Provide a copy of any Memorandum of Agreement related to either the ARC grant or the AML grant.
 15. See attached Exhibit #1 to this Data Request. State what was meant by the statement that the District “lends its full support to Prestonsburg being considered the sole support of said water needs at USP Big Sandy.”
 16. Describe the District’s efforts to get a loan to cover its past due accounts payable since February 28, 2018.
 17. State whether the District is working toward refinancing its KIA loan as was discussed during Greg Heitzman’s testimony on February 28, 2018.
 18. State whether the General Manager is developing or has developed the Corrective Action Plan for the District that was discussed in Greg Heitzman’s testimony on February 28, 2018. Provide a copy of such plan if it has been developed.
 19. With regard to the District’s response to Data Request #4 in Martin County Water District’s Response to PSC’s Post-Hearing Request for Information Dated March 6, 2018, state whether the water demand at the site will change if the new route for the water line that runs along the four-lane is approved and funded.

Respectfully Submitted,


Mary Varson Cromer

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317 Main Street
Whitesburg, Kentucky 41858
Telephone: 606-633-3929
Facsimile: 606-633-3925
mary@appalachianlawcenter.org
Counsel for MCCC

DATED: 4/16/18

CERTIFICATE OF SERVICE

Pursuant to 807 KAR 5:001 Sec. 6, I, Mary Varson Cromer, hereby certify that on April 16, 2018, a true and accurate copy of the foregoing Initial Request for Information was served via electronic mail and postage-paid U.S. mail to the following:

Brian Cumbo
86 W. Main St., STE 100
P.O. Box 1844
Inez, KY 41224
cumbolaw@cumbolaw.com
Counsel for Martin County Water District


Counsel for the MCCC

**EXHIBIT 1: MCCC's
Second Request for
Information from
MCWD.**

MARTIN COUNTY UTILITY BOARD

387 East Main Street, Suite 140

INEZ, KY 41224

606-298-3885 OFFICE

606-298-4913 FAX

September 11, 2017

Bonnie B. Bueter, Contract Specialist
U.S. Armed Forces Reserve Complex
346 Marine Forces Drive
Grand Prairie, TX 75051

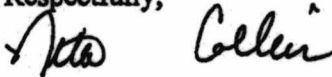
Re: Lease of Honey Branch Water Tank – USP Big Sandy

Dear Ms. Bueter,

At a Special Called Meeting of the Martin County Water and Sewer District held this morning our board voted to accept the basic terms negotiated by the City of Prestonsburg through its Utilities Commission and the board of the Martin County Water and Sewer District for a long term lease of the one million gallon storage tank and infrastructure serving the U.S. Bureau of Prisons Big Sandy Facility in Martin County to Prestonsburg. With this action the governing board of the Martin County Water and Sewer District demonstrates its commitment to the continued uninterrupted supply of potable and fire suppression water to the USP Big Sandy Prison by Prestonsburg. Our District and Prestonsburg City Utilities Commission will now mutually draft a document for the lease which will be formally signed by both entities in a very timely manner. We lend our full support to Prestonsburg being considered the sole source of said water needs of USP Big Sandy. In addition, our two organizations have agreed that as a result of the system interconnection adjacent to the USP Big Sandy facility, Martin County Water and Sewer District will serve as the emergency backup to Prestonsburg for its supply of potable and fire suppression water to USP Big Sandy.

If you have any questions or a need for further information regarding this matter please do not hesitate to contact us.

Respectfully,



Nita Collier, Secretary
Martin County Water and Sewer District