



BRIAN CUMBO

ATTORNEY AT LAW

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

ADMITTED IN KY AND WV

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AUG 03 2018

PUBLIC SERVICE
COMMISSION

July 31, 2018

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

RE: Martin County Water District
PSC Case No. 2016-00142

Dear Ms. Pinson:

As a way of update, I thought it might be appropriate to send you this correspondence, so that you may provide it to the Commissioners and staff if you so choose. I have provided a copy to counsel.

This letter is to update the Commission on the status of negotiations between Martin County Water District and Prestonsburg City's Utilities.

Jimmy Kerr and Jaryd Crum, Commissioners, met with Eddie Campbell, Glenn May, a board member, and Brian Music, the assistant superintendent of PCUC, on Friday, June 8, 2018.

That meeting was cordial and productive and lasted approximately one hour. They discussed leasing the tank at the Honey Branch Industrial site, buying the tank, and the District pumping their share of water to the tank, as well as the billing process.

Thereafter, Mr. Kerr and Mr. Campbell had a phone conversation on or about July 5, 2018. PCUC had no interest in purchasing the tank, or leasing the tank. Their position is, essentially, why should they pay for a tank that they are presently using for free.

Discussions were had relative to the Martin District's ability to pump into the tank and share in the revenue, and there seemed to be some middle ground that would permit Martin District to pump, assuming all other issues with the District permit that. They also discussed various rate

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options, for instance, a rate for water that is utilized by the prison, a rate that Martin County purchases from Prestonsburg for use, and an emergency rate.

They had another phone conversation on July 23, 2018, when it was definitively concluded that there would be no lease, no purchase, and that a pump schedule may still be subject to negotiation.

That is where the conversations have left off.

Mr. Kerr tells me that the parties have agreed to set up another meeting as soon as possible to discuss a pumping schedule, but that has not yet been scheduled.

The District remains available to discuss this matter, should the Commission have any further questions, at our next scheduled hearing either on August 7, 2018 or August 29, 2018, or at the convenience of the Commission.

Very truly yours,

A handwritten signature in black ink, appearing to read "B. Cumbo". The signature is written in a cursive, flowing style.

BRIAN CUMBO

BC/ld

Enclosure

cc: Martin Water District
Hon. Mary Varson Cromer
Hon. M. Todd Osterloh
Hon. James W. Gardner

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

INVESTIGATION OF THE OPERATING)
CAPACITY OF MARTIN COUNTY WATER) CASE NO. 2016-00142
DISTRICT PURSUANT TO KRS 278.280)

AFFIDAVIT OF JIMMY KERR

Comes the Affiant, Jimmy Kerr, after being duly sworn, and states as follows:

1. That I, Jimmy Kerr, am a member of the Board of the Martin County Utilities Board.
2. That I have read the letter prepared by Mr. Cumbo dated July 31, 2018, and that letter accurately summarizes the communications between Martin County Water District and PCUC relative to the Honey Branch Industrial site tank.

Further the Affiant saith naught.

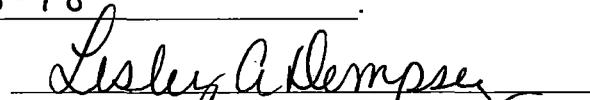


JIMMY KERR

STATE OF KENTUCKY)
COUNTY OF MARTIN)

SUBSCRIBED, ACKNOWLEDGED and SWORN TO before me by Jimmy Kerr this the
31st day of July, 2018.

My Commission Expires: 9-18-18



NOTARY PUBLIC, STATE AT LARGE