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Talina R. Mathews
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August 27, 2020

PARTIES OF RECORD

Re: Case No. 2020-00154

Attached is a copy of a memorandum, which is being filed in the record of the above-referenced case. If you have any comments you would like to make regarding the contents of the memorandum, please do so within five days of receipt of this letter.

If you have any questions, please contact Nancy Vinsel, Assistant General Counsel at 502-782-2582.

Sincerely

A handwritten signature in blue ink, appearing to read "KAC", written over the word "Sincerely".

Kent A. Chandler
Acting Executive Director

njv

Attachment

INTRA-AGENCY MEMORANDUM

KENTUCKY PUBLIC SERVICE COMMISSION

TO: Case File No. 2020-00154
FROM: Nancy J. Vinsel, Assistant General Counsel
DATE: August 26, 2020
RE: Informal Conference of August 26, 2020

A video informal conference ("IC") was conducted on August 26, 2020. Attached is a copy of the attendance roster.

The purpose of the IC was to discuss the financial and operational information contained in the August 2020 board packet that was filed into the case record on August 24, 2020. The parties agreed to hold future monthly informal conferences on the fourth Thursday of the month at 1:00 p.m.

Martin County Concerned Citizens and Commission Staff asked for clarification about the following:

- Bank accounts moved from Inez Deposit Bank to Peoples Bank: Inez does not allow for electronic bank statements and must wait for paper statements. Slowly moving accounts to Peoples Bank, which allows for electronic bank statements.
- Confidence in stub period debt amounts (\$288,794.55): will be confirmed with 2018 and 2019 audit, but totals have been stable.
- Billing Summary for June 2020: June 2020 includes usage from 4/20-5/20 billed around June 1, 2020, and 5/20-6/20 usage billed on July 26, 2020. Martin District's books had an unbilled accounts receivable account with estimated usage, caught up accounting cycle in June. May 2020 billing was sent out on May 1, 2020.
- July Accounts Receivable: \$339,130.70 carry over from June reflects difference between customer billing and amounts collected in June.
- Statement of Revenue/Expenses:
 - Bad debt expense: \$4,583 (budget = \$0). When preparing 2020 budget, based on prior budgets which did not include bad debt expense line item. Reflects bad debt occurring in 2020. Will evaluate write offs at end of year.
 - Office expense: \$162 (budget = \$0). \$16/month Zoom payment, Nextbillpay, and boil water advisory notices.
 - Regulatory Assessment fees: \$5,558 (budget = \$417) and YTD expense \$8,203 (budget = \$2,917). Budgeted amount based on prior year budget.

\$2,200 needs to be removed from current year expenses, was part of year end payables for last year.

- Other income/capital contribution: \$10,000. ARC grant received by Martin District.

- Accounts Payable: increase from \$900,691.36 (June 30, 2020) to \$983,829.41 (July 31, 2020). Bulk of increase is Alliance fee for July because funds not released until August.

- Net Income on Cash Basis (Snapshot) report shows operations account expense at \$236,598, but operations expense on Statement of Revenue/Expense is \$183,268. Difference between cash basis as compared to accrual basis.

- What are payments to Public Entities of America? Annual insurance bill.

- Regarding customer service tracking report

- What is tracked under label "questions." - Alliance will follow up
- 16 water main breaks but 0 boil notices. Reconcile and explain when a boil water advisory is issued. Water main repairs were made "hot" without having to reduce pressure, which is why no boil water advisory issued. Verifying with DOW regarding when boil water advisory is issued. Martin District going back to review status of customers. Issue that even if water is at 20 PSI, customers located uphill from line can have pressure below 20 PSI.

- The monthly water loss report shows a 37% increase in sales to residential customers this month (June 10,063 v. July 15,938): 16 meter reading errors and 46 customers with prorated usage numbers reflected. Majority of increase reflects reading to 10 gallons rather than 1,000 gallons.

There being no further discussion, the IC was then adjourned.

cc: Parties of Record

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC MARTIN COUNTY WATER)
DISTRICT MANAGEMENT AND OPERATION) CASE NO.
MONITORING PURSUANT TO KRS 278.250) 2020-00154

August 26, 2020

Please sign in:

NAME	REPRESENTING
Nancy Vinsel	PSC – Legal
Ariel Miller	PSC – FA
Jimmy Kerr	Martin County Water District
John Paul Hensley	Martin County Water District
Tony Sneed	Martin County Water District/Alliance
Ann Perkins	Martin County Water District/Alliance
Keith Onysio	Martin County Water District/Alliance
Mary Cromer	Martin County Concerned Citizens
Nina McCoy	Martin County Concerned Citizens

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