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MAY 13 2021

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COMMISSION

May 11, 2021

From: Nina McCoy
P.O. Box 922
Inez, KY 41224

To: Kentucky Public Service Commission
P.O. Box 615, 211 Sower Boulevard, Frankfort, Kentucky 40602-0615
211 Sower Blvd.
Frankfort, KY 40602

Re: Case # 2021-00154 Martin County Water District Rate Case

I am writing to express my personal concerns regarding the new rate increase proposal. When the PSC required the new management company I was "cautiously optimistic" that Martin County Water District could make a turn toward a better future. I realize this could never be a sudden or magical solution to all our problems but with the high price of the management contract I was hoping Alliance would bring in a small army of experts to survey the major problems and give big ideas for a way forward.

What we seemed to have gotten were 2 hard working guys (which has since been diminished to one) and a small army of financial experts. While the need for financial overhaul was also obvious I am hoping that as the commission considers the possibility of a rate increase they will take into account the extraordinary circumstances of this particular "test" year.

Most obviously the pandemic changed everything in ways no one could have ever predicted and it will take a while to even determine what it meant in hindsight. Everything from people being suddenly without work to the moratorium on shutoffs had effects that cannot currently be gauged.

Additionally, four years of financial audits have been completed at the district expense and, while that will go a long way toward stability, I don't think that should be considered typical for the financial burden of the ratepayers in the future.

At the first public meeting that Tim Geraghty held with the water district he was asked how he expected to fix the system and he said that he would make everyone pay. Since that time the number of customers has varied but steadily climbed from a minimum of 3,384 to the most current total of 3,589. I'm hoping that means they are holding some accountable since I haven't heard of a major influx of new residents. In June of 2020 Alliance asked the board to wipe the rolls of \$59,013.62 in bad debt write offs for 294 customers and in December another \$16,163.22 for water and \$27,609.16 for sewer. While, I'm assuming this is all part of the financial transition, I'm hoping it will stabilize and that would make the test year atypical. And our water rate loss is still running at about 70 percent.

Additionally, in a study of the tariffs for several water districts, locally as well as statewide with the rate increase, Martin County Water District will be the highest rate payers for the minimum (2000 gallons) as well as for the average (4000 gallons) in the state. This is also greatly compounded for the 25 percent of the customer base that is also paying sewer since the

rates have more than doubled on the sewer in the past year and a debt service surcharge of \$5.00 was added.

While the sewer district is not under the purview of this decision, Alliance Water Resources is also managing the sewer under another contract and the rates are real for the water district rate payers many of whom are living at or below the poverty level and if both are not paid the penalty is still loss of running water or added debt with a late fee. The minimum rates for water and sewer will be \$78.87 with all taxes included and the average for 4000 gallons will be \$125.61.

In an area where so many poor people live this has to weigh heavily on the minds of anyone who is considering a rate increase and I would think all possible extenuating circumstances would be considered before making this decision when the minimum is so high.

While it is often noted that this district has been poorly maintained for several years and that the mountainous terrain makes it difficult to get water to remote areas, I want to point out that there are several other poor districts with even more mountainous terrain, but Martin County will be the most expensive.

Thank you for your consideration of your fellow Kentuckians.

Sincerely,

A handwritten signature in cursive script that reads "Nina McCoy". The signature is written in black ink and is positioned above the printed name.

Nina McCoy

Water District	Current Minimum Bill	Current Bill (2000 gallons)	Current price for 4000 gallons
Southern Water and Sewer System Flat rate before meter installation	*\$54.71 Flat rate before Meter installation *\$15.70 *Includes installation fee	*\$38.10 With new meter installed	*\$55.32
Western Mason County Water District	\$44.60 (2000 gallons)	\$44.60	\$57.56
Martin County Water District	***\$40.67 (2000 gallons ***Includes MIS and DSS (\$7.35)	***\$40.67	***\$57.53
Judy Water District Bourbon County Line	\$30.05 (1000 gallons)	\$38.96	\$56.78
West Carroll Water District	\$30.33 (2000 gallons)	\$30.33 2000 gallons	\$51.47
Parksville Water District	\$29.75 (1000 gallons)	\$36.05 2000 gallons	\$48.65
Breathitt County Water District	\$29.65 (2000 gallons)	\$29.65	\$59.31
Sandy Hook Water District	\$28.57 (2000 gallons)	\$28.57	\$50.95
Peaks Mill Water	\$28.32 (2000 gallons)	\$28.32	\$48.02
Letcher County Water District	\$28.08 2000 gallons	\$28.08	\$43.66
Ashland Water Outside the city	\$27.50 (2000 gallons)	\$27.50	\$36.94
East Clark County Water District	\$26.30 (1000 gallons)	\$37.20	\$59.00
Bracken County Water District	\$25.89 (2000 gallons)	\$25.89	\$45.67
Caldwell County Water Dept.	\$25.44 (1000 gallons)	\$38.75	\$65.37
Cannonsburg Water District	\$25.33 (2000 gallons)	\$25.33	\$44.41
Mountain Water District	\$23.93 (2000 gallons)	\$23.93	\$40.87
Prestonsburg Not in city	\$21.15 (1000 gallons)	\$31.67	\$52.71
Big Sandy Water District (Lawrence Co.)	\$18.25 (1000 gallons)	\$27.65	46.45



Nina McCoy
PO Box 922
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40602-061515



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