

Martin County Water and Sanitation Districts

Interim Joint Committee on
Veterans, Military Affairs,
and Public Protection

Table of contents

- 01** Objectives
- 02** Current Status
- 03** 2025 Strategic Plan
- 04** Legislative Recommendations
- 05** Safer Water Recommendations
- 06** Summary





01

Objectives

Objectives



Our Endeavor

Our endeavor is to provide quality water and wastewater treatment to our residents through professional services made possible by having quality infrastructure and treatment systems that meet federal and state requirements.



The Goal

The goal is to inform our legislative professionals on the current status of our infrastructure with the intent of obtaining legislative actions that will enable us to reach our endeavor.



02

Current Status

Current Status



Human resources

MCW and MCS Districts are operated by Alliance Water Resources since 2020 under PSC consent order. The District lacks the funding to provide the necessary tools, equipment, expendables, and maintenance to provide quality water at an affordable price.



Financial resources

The District does not generate enough revenue to operate and maintain our infrastructure. Funding to provide infrastructure repair, equipment and truck replacement, and maintenance cost recovery are not easily obtained or offered.



Physical resources

The Districts infrastructure is in very poor condition and requires significant investment to address the many capital improvement projects on the Districts capital improvement lists. Lack of investment will force the District into bankruptcy.

Water District Data

Customers

- Approximately 3450 customers
- Generate approximately \$2.9M per annum
- Customer rates are second highest in the State for one of the poorest counties in the State

Infrastructure

- 230 miles of distribution piping in the county
- 19 booster stations throughout the county
- 2.2M gallon per day treatment facility averages 1.2M gallons per day produced with 45% leak rate in the system

Financial

- District borrowed from KIA to pay off debt in February 2024. By July 2025, the District is \$364k in the red mainly due to line leak repairs, storm damage, and RWI temporary pump rental and diesel fuel expense

Water Treatment System Condition

Raw Water Intake



Treatment Plant



Water Treatment System Major Issues

Piping Systems Leak Rate

- Leak rate currently around 45% compared to State average of around 15% and Eastern Kentucky average of 20%. Major capital improvement projects necessary to perform line replacements.

Booster Stations Issues

- Many booster stations do not have redundancy backup systems and District does not have emergency generator power at all our booster stations to supply water during power outages.

Treatment Plant Issues

- Treatment plant needs many subsystems updated and old systems removed from the building. Too many old systems abandoned in place to save money.

Sanitation District Data

Customers

- Approximately 850 customers
- Generate approximately \$950k per annum
- Customer rates are second highest in the State for one of the poorest counties in the State

Infrastructure

- 80 miles of collection piping in the county
- 12 lift stations throughout the county
- Inez WWTP designed for .26M gallons per day and operates at .13M gallons per day and Tug Valley WWTP design for .26M gallons per day and operates at .1M gallons per day

Financial

- District has been carrying aged accounts for many years and currently \$394k in the red
- The District according to KIA scoring does not qualify for grants
- District can not qualify for or afford to borrow the money to payoff aged accounts

Wastewater Treatment System Condition

Oxidation Channel



Outfall



Wastewater Treatment System Major Issues

Inez WWTP

- Inez WWTP has not met the State discharge standards in years.
- The WWTP systems do not operate and even after Phase I plant improvements are completed, the plant will still have issues.

Lift Stations

- All the lift stations in the county are in poor condition. Numerous safety hazards due to gas corrosion and no redundancy due to lack of money to perform repairs.

Trucks and Equipment

- District does not have the revenue to supply equipment and trucks.
- The trucks and equipment we have are so old and in such bad shape our vehicle and equipment budget overspent by 200% in 2024.



03

Strategic Plan

MCW MCS Districts Strategic Plan

Financial

- Reduce leak rate and cost to produce water
- Increase revenue through wholesale of water
- Changed out of all water meters increased revenue by 10%
- Recover RWI losses through settlement with BSADD
- Focus on grant applications and 2026 capital project funding

Legal

- File motion for PSC to lift order that requires Water District to be operated and managed by AWR
- Settle BSADD RWI dispute
- Work with Fahe to complete all funding applications and use Fahe to administer funding, which allows the District to directly contract with contractors

Capital Projects

- Complete Water District Master Plan
- Complete Sanitation District Master Plan
- Complete Inez WWTP Phase I project and meet discharge standards
- Finish RWI project and WTP upgrades
- Receive FEMA and insurance money and address infrastructure losses



04

Legislative Recommendations

MCW and MCS Districts Recommendations

Legislative

- The District requests monetary set asides for financially suppressed Districts with severe infrastructure issues
- The District requests grants be made available that cover systems maintenance, new equipment and truck purchases, and aging account relief

Financial

- Pass legislation that specifically provides direct support to the poorest Districts with the fewest customers that have the highest rates
- Pass legislation that allows maintenance, equipment, trucks, and other contract services to be funded with Commonwealth funds

Execution

- Pass legislation that requires the Area Development Districts to be accountable to their counties of service
- Pass legislation that requires the Area Development Districts to have professional engineers and capital project professionals leading their organizations



05

Safe Water Recommendations

MCW and MCS Safe Water Requests

Legislative Requests

- Eliminate the requirement for fluoride in drinking water and leave the decision to District rate payers
- Change the leak rate of 15% which is achievable in western Kentucky to higher rate for eastern Kentucky since high pressure system leak rates are much different in the State

Financial Requests

- Provide funding for PSC required maintenance such as leak repairs, tank inspections, flushing programs, etc.
- Provide funding for in home sampling and analysis of drinking water
- Provide funding for system chemicals, treatment media, and other expendable expenditures

Execution Requests

- When a District is not meeting State mandated requirements, provide the resources to not only evaluate the issue, but the resources to solve the issue
- Visit the distressed Districts and look at the infrastructure and talk to the operators



06

Summary

Summary

Legislative

- Pass legislation that provides the resources that enables distressed Districts to do the right thing
- Pass legislation that provides oversight of the ADDs and requires them to be accountable to their Districts served
- Pass legislation that requires ADDs to employ the proper professionals that can administer and oversee capital projects

Financial

- Without Federal and State dollars, distressed Districts will fail
- MCW and MCS Districts are in bad shape from years of mismanagement, lack of capital improvements, and proper maintenance
- No monthly fee from rate payers will fix the problem
- District Capital Projects List is currently at \$97M in projects needed to fix our failing infrastructure

Questions?

Tim Thoma
MCWD and MCSD Chairman
tbthoma@hotmail.com
513.289.5817