Martin County Sanitation District

387 E. Main St.

Phone (606) 298-3885   Inez, Kentucky 41224

Special Meeting, Wednesday, 5 August 2026 – Immediately Following Martin County Water District's Meeting

Martin County Government Center (2nd Floor)

1) Call the meeting to order

2) Review and Consideration to Approve Minutes

3) Review and Consideration of Financial Reports

4) Review and Consideration to Approve Bills
   A. Prime AE Invoice 22514-07 Inez & Tug Valley WWTP 2022 Improvements

5) Legal
   A. Board Attorney Update Board

6) Operations
   A. Alliance Operations Report
   B. DMR

7) Capital Projects Report
   A. Current Project Updates
   B. 10 Year CIP List Updates

8) Other Old Business
   A. AWR Update Board on the Flood Damage Infrastructure Repair Status, Insurance Claims, and Funding
   B. AWR Update Board on Inez WWTP Waste Characterization Services for Disposal

Notice is hereby given that, subject to a motion duly made and adopted, the Board of Directors may hold an Executive Session subject to the laws of Kentucky.

9) Other New Business

A. Consider a Motion to Elect New Officers – Chairman, Secretary, and Treasurer
B. Consider a Motion to Approve Martin County Sanitation Draft 2025 Audit
C. Consider a Motion to Approve Inez Wastewater Treatment Plant Change Order's
D. Consider a Motion to Select an Administrator for 2027 FYE KWWaters Applications
E. Consider a Motion to Select an Administrator for the Funded 2026 FYE KYWWaters Awarded Projects

10) Consider Motion to Convene into Closed Executive Session

11) Consider Motion to Close Executive Session

12) Guest Speakers – 5 Minute Maximum

13) Motion to Adjourn

Notice is hereby given that, subject to a motion duly made and adopted, the Board of Directors may hold an Executive Session subject to the laws of Kentucky.

Martin County Sanitation District
Special Meeting of the Board of Directors
June 30, 2026, Meeting Minutes

Presiding: John Hensley
Present: Directors: Colby Kirk, Norma McCormick, Randall Frazier, Dustin Haley (Attorney)
Staff: Colby May (ROM), Erica Bogenpohl, Helen Proctor

The Special Meeting of the Martin County Sanitation District was held on June 30, 2026, at the Martin County Government Center, at 42 East Main St (2nd Floor), Inez, Kentucky 41224. Mr. Hensley called the meeting to order at 5:27 p.m.

Review and Consideration of the May 26, 2026, Board Meeting minutes

- Mrs. McCormick made a motion to accept the minutes
- Mr. Kirk seconded
- All ayes
- Motion carried

Review and Consideration of the Financial Reports

- Mr. Kirk recommended to review adjust budget accordingly

- Mr. Kirk made the motion to approve the Financial Reports
- Mrs. McCormick seconded
- All ayes
- Motion carried

Review and Consideration to Approve Bills

- Mr. Kirk motioned to approve the List of Bills
- Mrs. McCormick seconded
- All ayes
- Motion carried

Legal Issues to Discuss

- Cain Building Connection Project – nothing to report
- Davella Road Project- no update, still being handled by Attorney Brian Cumbo

Operations Report

- Mr. May presented the Operations Report
- Mr. May presented the DMR Report

Capital Projects Report

- Project Updates
    - Inez WWTP Phase I Rehab- a Jetter is coming to clear lines, valves to be installed, electrical work and aerators will be installed
    - Sanitation Extension Davella Rd to KY HWY 3- Brian Cumbo is working on easement agreements to be able to move forward
    - Sanitation Master Plan-
- KY WWaters Updates- no updates at this time

Other Old Business to Discuss

- AWR Update the Board on the Flood Damage Infrastructure Repair Status, Insurance Claims, and Funding – received pumps from IGA, Locust Crt and Dempsey, US Bearing will be installing the control panels for those stations
- AWR Update Board on Cain Building Connection Project – Prime AE did the engineering work and gave alternate options, the Board selected Option A, Mr. May is working with contractors to get estimates to compare prices for work

Other New Business to Discuss

- Consider a Motion to Elect New Officers
- Tabled

- Discuss KY WWaters 2027 Application- Mr. May will reach out to FAHE; proposed 8/31/26 deadline

Motion to Adjourn

- Mrs. McCormick motioned to adjourn the meeting at 8:33p.m.
- Mr. Kirk seconded
- All ayes
- Motion Carried

Minutes approved this ____________________day of __________________, 2026.

____________________________	______________________________
John Paul Hensley, Interim Chairman	Helen Proctor, District Clerk

Martin County Sanitation District
Balance Sheets
June 30, 2026

	6/30/26	6/30/25
ASSETS		
CURRENT ASSETS		
Checking Account - Operations	$ (16,790.58)	$ 26,444.12
Security Deposits	12,690.00	12,420.00
Debt Service Surcharge Fund	1,144.28	1,000.00
Total Cash	**(2,956.30)**	**39,864.12**
Accounts Receivable	183,542.24	141,446.48
Allowance for Doubtful Accounts	(9,874.92)	(7,187.47)
Unbilled Accounts Receivable	57,862.00	26,567.00
Prepaid Expenses	249.98	9,436.71
Total Current Assets	**228,823.00**	**210,126.84**
PROPERTY, PLANT, & EQUIPMENT		
Land	93,080.85	93,080.85
Sewer & Collection System	16,640,831.76	16,377,377.75
Buildings	363,275.00	363,275.00
Equipment & Furniture	430,154.93	430,154.93
Vehicles	50,452.07	50,452.07
Construction Work in Progress	356,323.33	38,900.00
Less: Accumulated Depreciation	(9,720,952.01)	(9,250,520.52)
Net Property, Plant, & Equipment	**8,213,165.93**	**8,102,720.08**
RESTRICTED CASH		
Sinking Fund - RD	48,753.53	46,060.05
Depreciation Fund	490.00	490.00
Disaster Relief Fund	417,948.48	-
Total Restricted Cash	**467,192.01**	**46,550.05**
Total Assets	**$ 8,909,180.94**	**$ 8,359,396.97**

Martin County Sanitation District
Balance Sheets
June 30, 2026

	6/30/26	6/30/25
LIABILITIES AND DISTRICT'S EQUITY		
CURRENT LIABILITIES		
Accounts Payable	$ 610,553.49	$ 417,186.60
Long Term Debt-Current	44,000.00	43,000.00
Accrued Interest Payable	19,864.85	15,959.96
Customer Deposits	11,610.00	11,025.00
Total Current Liabilities	**686,028.34**	**487,171.56**
LONG-TERM DEBT		
Bonds Payable - 2011	349,254.46	364,980.00
Bonds Payable - 2014	1,312,000.00	1,343,369.91
Less Current Portion of L-Term Debt	(44,000.00)	(43,000.00)
Total Long-Term Debt	**1,617,254.46**	**1,665,349.91**
Total Liabilities	**2,303,282.80**	**2,152,521.47**
DISTRICT'S EQUITY		
Contributed Capital - Government Grants	8,387,874.20	8,387,874.20
Contributed Capital	4,425,526.15	4,425,526.15
Retained Earnings (Deficit)	(6,025,714.75)	(6,440,478.09)
YTD Net Income	(181,787.46)	(166,046.76)
Total District's Equity	**6,605,898.14**	**6,206,875.50**
Total Liabilities and District's Equity	**$ 8,909,180.94**	**$ 8,359,396.97**

Martin County Sanitation District

Statements of Revenues and Expenses
Fiscal Year Jan 01 to Dec 31
For the Month(s) Ending
Actual vs Budget vs Prior Year

June, 2026 Actual	June, 2026 Budget	June, 2026 P/Yr		YTD Actual	YTD Budget	YTD P/Yr	Annual Budget
			Operating Revenues				
$ 44,752	$ 37,570	$ 39,628	Sewer Charges - Residential	$ 220,600	$ 225,420	$ 222,334	$ 450,840
37,957	37,569	40,329	Sewer Charges - Commercial	198,179	225,418	206,050	450,832
-	-	-	Connection Fees - Tap	4,932	-	-	-
1,583	2,583	2,248	Late Charge Fees	12,709	15,502	15,100	31,000
2,410	2,416	2,579	Reconnect/Meter Sets/Other Fees	14,620	14,504	14,609	29,000
4,230	4,333	4,301	Debt Service Surcharge	25,421	26,002	25,710	52,000
-	-	-	Miscellaneous Income	30,076	-	-	-
90,931	**84,471**	**89,085**	**Total Operating Revenues**	**506,538**	**506,846**	**483,802**	**1,013,672**
			Operating Expenses				
54,305	54,305	52,512	Management & Operations Contract	325,830	325,830	315,072	651,660
862	-	(1,567)	Repair Cap Overage	(215)	-	(8,300)	-
(2,146)	-	(2,083)	Chemical Cap Overage	3,885	-	(4,753)	-
9,993	6,666	5,652	Utilities	48,478	40,004	40,076	80,000
(36)	3,333	3,082	Insurance	17,847	20,002	18,354	40,000
-	6,250	5,124	Repairs & Maintenance	25,387	37,500	21,850	75,000
-	167	-	Outside Services	800	1,002	-	2,000
15	208	420	Legal Expenses	2,936	1,248	1,330	2,500
-	10,000	5,675	Accounting/Audit	-	10,000	5,675	10,000
167	167	167	Bad Debts	1,000	1,002	1,000	2,000
42	25	42	Dues	250	150	250	300
-	-	-	Office Expense	-	-	141	-
1,500	250	1,388	Miscellaneous Expenses	9,000	1,500	1,388	3,000
37	41	37	Customer Deposit Interest Expense	168	254	207	500
64,738	**81,412**	**70,449**	**Total Operating Expenses**	**435,366**	**438,492**	**392,289**	**866,960**
26,193	**3,059**	**18,636**	**Net Income B/4 Other Income (Expenses)**	**71,172**	**68,354**	**91,513**	**146,712**
			Other Income (Expenses)				
-	316,052	-	Capital Contributions	2,763	1,896,313	-	3,792,625
18	-	1	Interest Income	128	-	6	-
(3,308)	(3,500)	(3,344)	Interest Expense	(19,850)	(21,000)	(20,066)	(42,000)
(39,333)	(20,185)	(39,583)	Depreciation	(236,000)	(121,113)	(237,500)	(242,223)
(42,623)	**292,367**	**(42,926)**	**Total Other Income (Expenses)**	**(252,959)**	**1,754,200**	**(257,560)**	**3,508,402**
$ (16,430)	**$ 295,426**	**$ (24,290)**	**Net Income (Loss)**	**$ (181,787)**	**$ 1,822,554**	**$ (166,047)**	**$ 3,655,114**

Martin County Sanitation District
Inez, KY

Treasury Report

Billing Charges For the Month of:	**Jun-26**		
Sewer Revenue - Residential		$	44,751.59
Sewer Revenue - Commercial			37,957.01
Sewer Revenue-Debt Service Surcharge			4,229.69
Late Charges			1,582.86
Returned Check			-
Connection Fees			-
Other Miscellaneous Fees			2,410.00
Deposits Applied			(270.00)
Refund Checks Paid			-
Interest on Customer Deposits			(36.82)
Total Billing Charges		**$**	**90,624.33**
Gallons Billed			**5,077,681**
Customers Billed			**851**

Accounts Receivable	**Jun-26**		
Beginning Balance		$	86,203.72
Billing Charges			90,624.33
Bad Debt (Write Offs) Recoveries			-
Accounts Receivable Collections			(75,660.54)
End of Month Accounts Receivable		**$**	**101,167.51**

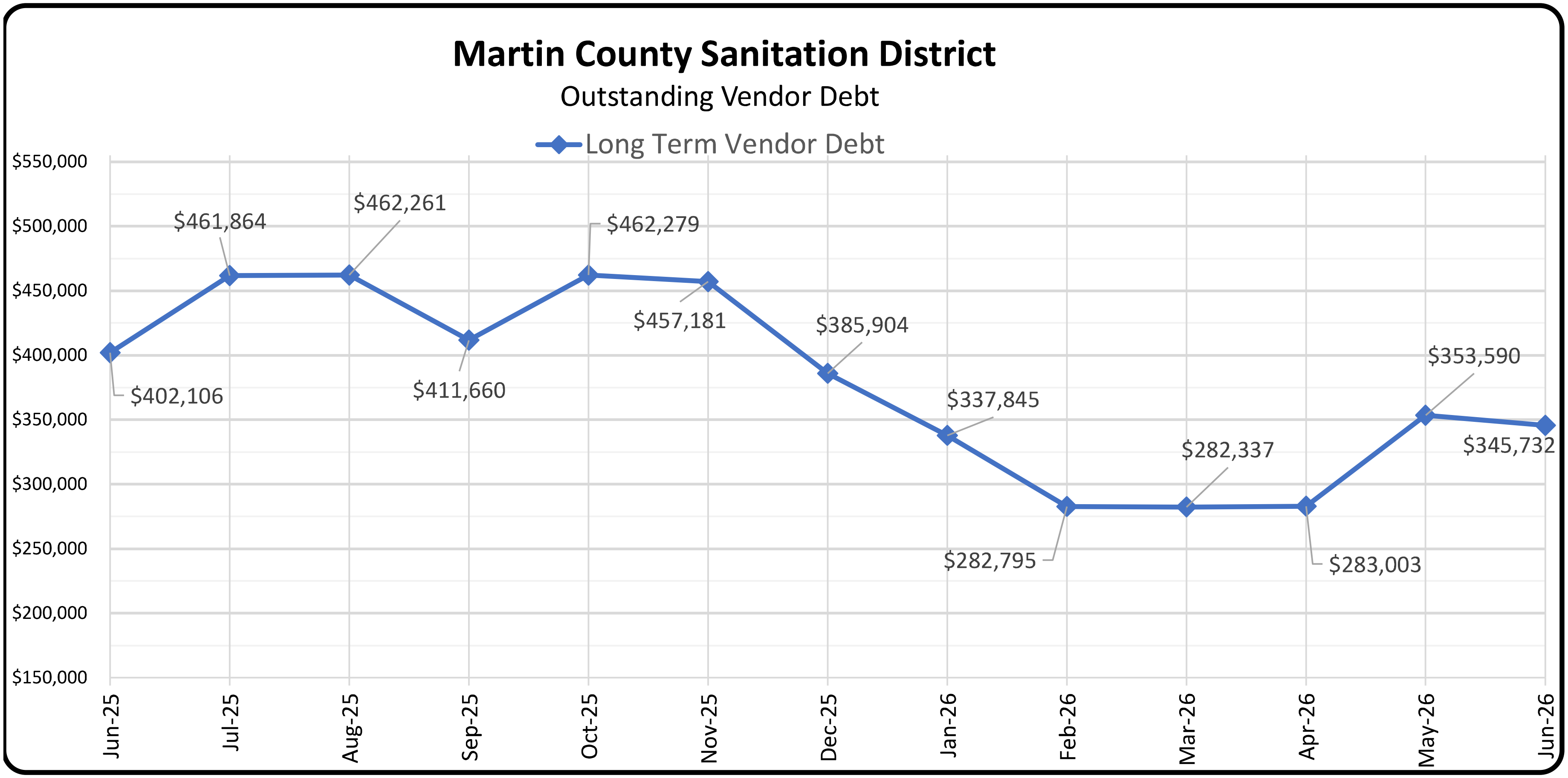
Operations Account			
Beginning Balance		$	92,384.04
Deposits			
Accounts Receivable Collections			75,660.54
Accounts Receivable Collections - Due from MCW			(31,801.26)
Disaster Relief Deposit			26,104.50
Interest			4.84
Total Deposits		$	69,968.62
Disbursements:			
Checks Written			(135,485.88)
Transfers to Other District Accounts			(35,400.57)
Utilities			(8,256.79)
End of Month Balance		**$**	**(16,790.58)**
Cash Receipts Collected To Date in:	**Jul-26**		295,545.36
Bills Submitted for Payment in:	**Jul-26**		(194,186.86)
Available Balance		**$**	**84,567.92**

Martin County Sanitation District, Inez KY
Treasury Report
Summary of Cash & Investments
June 30, 2026

Bank Account	Beginning Balance	Deposits	Interest Earned, Net of Fees	Payments	Ending Balance
Operations Account	$ 92,384.04	$ 69,963.78	$ 4.84	$ (179,143.24)	$ (16,790.58)
Debt Service Surcharge	4,832.16	2,312.12	-	(6,000.00)	1,144.28
Security Deposits	12,465.00	225.00	-	-	12,690.00
Cash on Hand	-	-	-	-	-
Total Unrestricted Cash	109,681.20	72,500.90	4.84	(185,143.24)	**(2,956.30)**
Restricted Cash					
Sinking Fund	45,585.81	7,150.00	-	(3,982.28)	48,753.53
Depreciation Reserve	490.00	-	-	-	490.00
Disaster Relief	418,325.92	25,713.45	13.61	(26,104.50)	417,948.48
Total Restricted Cash	464,401.73	32,863.45	13.61	(30,086.78)	**467,192.01**
Total Cash & Investments	**$ 574,082.93**	**105,364.35**	**18.45**	**(215,230.02)**	**$ 464,235.71**

Martin County Sanitation District
Billing Summary

Date	Revenue	YTD Total	Gallons (000'S)	No of Customers	Payments Received
Jun-26	82,709	439,562	5,078	851	75,661
May-26	66,669	356,853	3,915	854	87,916
Apr-26	79,570	290,184	4,875	856	82,135
Mar-26	70,670	210,614	4,183	861	58,727
Feb-26	67,026	139,944	3,941	860	80,521
Jan-26	72,918	72,918	4,383	858	81,283
Dec-25	69,020	908,362	4,091	864	75,735
Nov-25	73,105	839,342	4,373	869	78,326
Oct-25	76,431	766,237	4,579	863	80,406
Sep-25	78,149	689,806	4,745	860	98,508
Aug-25	75,082	611,657	4,490	867	75,917
Jul-25	81,964	536,575	4,999	874	74,806
Jun-25	81,999	454,611	5,016	876	85,193


Martin County Sanitation District
Outstanding Vendor Debt
Long Term Vendor Debt
$550,000
$500,000
$450,000
$400,000
$350,000
$300,000
$250,000
$200,000
$150,000
$402,106
$461,864
$462,261
$411,660
$462,279
$457,181
$385,904
$337,845
$282,795
$282,337
$283,003
$353,590
$345,732
Jun-25
Jul-25
Aug-25
Sep-25
Oct-25
Nov-25
Dec-25
Jan-26
Feb-26
Mar-26
Apr-26
May-26
Jun-26

Martin County Sanitation District
Accounts Payable
6/30/2026

Current List of Bills	$	8,256.79
Balance per Aging report		598,626.70
2026 AWR Repair Cap Overage (Refund)		3,670.00
Total Accounts Payable	**$**	**610,553.49**

List of Accruals

Vendor	Total Invoice Amt	G/L Number	Amt per G/L Code
AEP	6,948.73	6020	6,948.73
Big Sandy RECC	1,308.06	6020	1,308.06
			8,256.79

Inez/Tug Valley WWTP Project
FEMA

Aged Accounts Payable

Martin County Sanitation District

(Detail, aged as of June 30, 2026)
Aged by document date.

No. / Doc Date	Name / Description	Document Type	Document Number	Balance Due	Current	31 - 60 Days	61 - 90 Days	Over 90 Days	Doc. Curr.
V00001	MCWD 08-0118-00		Phone:	(606) 298-3885	Contact:				
12/31/2019	Invoice 107036	Invoice	108035	2,056.29	0.00	0.00	0.00	2,056.29	
V00001	Total Amount Due			2,056.29	0.00	0.00	0.00	2,056.29	
					0.00%	0.00%	0.00%	100.00%	
V00003	MCWD 10-0689-00		Phone:	606-298-3885	Contact:				
1/15/2020	Invoice 107033	Invoice	108033	2,435.21	0.00	0.00	0.00	2,435.21	
V00003	Total Amount Due			2,435.21	0.00	0.00	0.00	2,435.21	
					0.00%	0.00%	0.00%	100.00%	
V00005	ALLIANCE WATER RESOURCES INC		Phone:		Contact:				
4/1/2026	Invoice 107535	Invoice	108520	58,780.35	0.00	0.00	58,780.35	0.00	
5/1/2026	Invoice 107545	Invoice	108530	74,784.35	0.00	74,784.35	0.00	0.00	
6/1/2026	Invoice 107579	Invoice	108564	57,780.35	57,780.35	0.00	0.00	0.00	
V00005	Total Amount Due			191,345.05	57,780.35	74,784.35	58,780.35	0.00	
					30.20%	39.08%	30.72%	0.00%	
V00006	EVANS HARDWARE		Phone:		Contact:				
1/1/2020	Invoice 107012	Invoice	108012	15,453.61	0.00	0.00	0.00	15,453.61	
2/29/2020	Invoice 107013	Invoice	108013	165.83	0.00	0.00	0.00	165.83	
3/31/2020	Invoice 107014	Invoice	108014	165.83	0.00	0.00	0.00	165.83	
4/30/2020	Invoice 107015	Invoice	108015	137.19	0.00	0.00	0.00	137.19	
5/30/2020	Invoice 107016	Invoice	108016	137.19	0.00	0.00	0.00	137.19	
6/30/2020	Invoice 107017	Invoice	108017	137.19	0.00	0.00	0.00	137.19	
7/31/2020	Invoice 107018	Invoice	108018	137.19	0.00	0.00	0.00	137.19	
9/30/2020	Invoice 107019	Invoice	108019	197.62	0.00	0.00	0.00	197.62	
10/31/2020	Invoice 107020	Invoice	108020	60.43	0.00	0.00	0.00	60.43	
11/30/2020	Invoice 107021	Invoice	108021	60.43	0.00	0.00	0.00	60.43	
12/31/2020	Invoice 107022	Invoice	108022	60.43	0.00	0.00	0.00	60.43	
1/31/2021	Invoice 107023	Invoice	108023	60.43	0.00	0.00	0.00	60.43	
2/28/2021	Invoice 107024	Invoice	108024	60.43	0.00	0.00	0.00	60.43	
3/31/2021	Invoice 107025	Invoice	108025	60.43	0.00	0.00	0.00	60.43	
4/30/2021	Invoice 107026	Invoice	108026	60.43	0.00	0.00	0.00	60.43	
5/31/2021	Invoice 107027	Invoice	108027	60.43	0.00	0.00	0.00	60.43	
6/30/2021	Invoice 107028	Invoice	108028	60.43	0.00	0.00	0.00	60.43	
7/31/2021	Invoice 107029	Invoice	108029	60.43	0.00	0.00	0.00	60.43	
9/1/2021	Invoice 107056	Invoice	108054	60.43	0.00	0.00	0.00	60.43	
10/14/2021	Invoice 107065	Invoice	108063	60.43	0.00	0.00	0.00	60.43	
10/31/2021	Invoice 107071	Invoice	108068	60.43	0.00	0.00	0.00	60.43	
11/30/2021	Invoice 107077	Invoice	108074	60.43	0.00	0.00	0.00	60.43	
12/31/2021	Invoice 107084	Invoice	108080	60.43	0.00	0.00	0.00	60.43	
1/31/2022	Invoice 107088	Invoice	108084	60.43	0.00	0.00	0.00	60.43	

(Detail, aged as of June 30, 2026)

No.	Name	Document			Aged Vendor Balances				
Doc Date	Description	Type	Number	Balance Due	Current	31 - 60 Days	61 - 90 Days	Over 90 Days	Doc. Curr.
2/28/2022	Invoice 107095	Invoice	108091	60.43	0.00	0.00	0.00	60.43	
3/31/2022	Invoice 107104	Invoice	108099	60.43	0.00	0.00	0.00	60.43	
4/30/2022	Invoice 107113	Invoice	108108	60.43	0.00	0.00	0.00	60.43	
5/31/2022	Invoice 107115	Invoice	108110	60.43	0.00	0.00	0.00	60.43	
6/30/2022	Invoice 107123	Invoice	108118	60.43	0.00	0.00	0.00	60.43	
7/31/2022	Invoice 107133	Invoice	108131	60.43	0.00	0.00	0.00	60.43	
8/31/2022	Invoice 107145	Invoice	108140	60.43	0.00	0.00	0.00	60.43	
9/30/2022	Invoice 107152	Invoice	108147	60.43	0.00	0.00	0.00	60.43	
10/31/2022	Invoice 107158	Invoice	108153	60.43	0.00	0.00	0.00	60.43	
11/30/2022	Invoice 107167	Invoice	108162	60.43	0.00	0.00	0.00	60.43	
12/31/2022	Invoice 107179	Invoice	108174	60.43	0.00	0.00	0.00	60.43	
1/31/2023	Invoice 107186	Invoice	108181	60.43	0.00	0.00	0.00	60.43	
2/28/2023	Invoice 107198	Invoice	108193	60.43	0.00	0.00	0.00	60.43	
3/31/2023	Invoice 107209	Invoice	108203	60.43	0.00	0.00	0.00	60.43	
4/29/2023	Invoice 107213	Invoice	108208	60.43	0.00	0.00	0.00	60.43	
5/31/2023	Invoice 107221	Invoice	108216	60.43	0.00	0.00	0.00	60.43	
6/30/2023	Invoice 107225	Invoice	108220	60.43	0.00	0.00	0.00	60.43	
7/31/2023	Invoice 107239	Invoice	108234	60.43	0.00	0.00	0.00	60.43	
8/31/2023	Invoice 107243	Invoice	108238	60.43	0.00	0.00	0.00	60.43	
9/30/2023	Invoice 107258	Invoice	108253	60.43	0.00	0.00	0.00	60.43	
10/31/2023	Invoice 107268	Invoice	108263	60.43	0.00	0.00	0.00	60.43	
11/30/2023	Invoice 107277	Invoice	108268	60.43	0.00	0.00	0.00	60.43	
12/31/2023	Invoice 107291	Invoice	108286	60.43	0.00	0.00	0.00	60.43	
1/31/2024	Invoice 107298	Invoice	108293	60.43	0.00	0.00	0.00	60.43	
2/29/2024	Invoice 107302	Invoice	108297	60.43	0.00	0.00	0.00	60.43	
3/30/2024	Invoice 107309	Invoice	108304	60.43	0.00	0.00	0.00	60.43	
4/30/2024	Invoice 107317	Invoice	108312	60.43	0.00	0.00	0.00	60.43	
5/31/2024	Invoice 107329	Invoice	108324	60.43	0.00	0.00	0.00	60.43	
6/29/2024	Invoice 107340	Invoice	108334	60.43	0.00	0.00	0.00	60.43	
7/31/2024	Invoice 107347	Invoice	108341	60.43	0.00	0.00	0.00	60.43	
8/31/2024	Invoice 107359	Invoice	108353	60.43	0.00	0.00	0.00	60.43	
9/30/2024	Invoice 107362	Invoice	108356	60.43	0.00	0.00	0.00	60.43	
11/1/2024	Invoice 107371	Invoice	108365	60.43	0.00	0.00	0.00	60.43	
11/30/2024	Invoice 107378	Invoice	108372	60.43	0.00	0.00	0.00	60.43	
V00006	Total Amount Due			19,553.15	0.00	0.00	0.00	19,553.15	
					0.00%	0.00%	0.00%	100.00%	
V00007	HOWELL'S RECYCLING &		Phone:	6062987810	Contact:				
12/31/2019	Invoice 107030	Invoice	108030	6,050.00	0.00	0.00	0.00	6,050.00	
V00007	Total Amount Due			6,050.00	0.00	0.00	0.00	6,050.00	
					0.00%	0.00%	0.00%	100.00%	
V00008	LINDA SUMPTER, CPA		Phone:		Contact:				
1/30/2020	Invoice 107031	Invoice	108031	29,826.65	0.00	0.00	0.00	29,826.65	

(Detail, aged as of June 30, 2026)

No. / Doc Date	Name / Description	Document Type	Document Number	Balance Due	Current	31 - 60 Days	61 - 90 Days	Over 90 Days	Doc. Curr.
5/27/2020	Invoice 107032	Invoice	108032	578.75	0.00	0.00	0.00	578.75	
V00008	Total Amount Due			30,405.40	0.00	0.00	0.00	30,405.40	
					0.00%	0.00%	0.00%	100.00%	
V00009	UNITED RENTALS		Phone:		Contact:				
10/9/2025	Invoice 107524	Invoice	108509	2,547.00	0.00	0.00	0.00	2,547.00	
11/2/2025	Invoice 107523	Invoice	108508	2,547.00	0.00	0.00	0.00	2,547.00	
11/30/2025	Invoice 107522	Invoice	108507	2,547.00	0.00	0.00	0.00	2,547.00	
12/28/2025	Invoice 107502	Invoice	108485	731.00	0.00	0.00	0.00	731.00	
1/14/2026	Invoice 107521	Invoice	108506	300.00	0.00	0.00	0.00	300.00	
4/30/2026	Credit Memo 1042	Credit	109039	-8,672.68	0.00	0.00	-8,672.68	0.00	
V00009	Total Amount Due			-0.68	0.00	0.00	-8,672.68	8,672.00	
					0.00%	0.00%	**********	**********	
V00010	ZIP ZONE EXPRESS		Phone:		Contact:				
1/1/2020	Invoice 107043	Invoice	108041	50,760.47	0.00	0.00	0.00	50,760.47	
V00010	Total Amount Due			50,760.47	0.00	0.00	0.00	50,760.47	
					0.00%	0.00%	0.00%	100.00%	
V00026	CORE & MAIN LP		Phone:		Contact:				
5/1/2026	Invoice 107561	Invoice	108546	4,781.10	0.00	4,781.10	0.00	0.00	
5/27/2026	Invoice 107562	Invoice	108547	2,706.39	0.00	2,706.39	0.00	0.00	
V00026	Total Amount Due			7,487.49	0.00	7,487.49	0.00	0.00	
					0.00%	100.00%	0.00%	0.00%	
V00030	BUCHANAN PUMP SERVICE &		Phone:	276-796-5473	Contact:				
6/29/2026	Invoice 107573	Invoice	108557	29,214.27	29,214.27	0.00	0.00	0.00	
6/29/2026	Invoice 107574	Invoice	108558	29,214.27	29,214.27	0.00	0.00	0.00	
V00030	Total Amount Due			58,428.54	58,428.54	0.00	0.00	0.00	
					100.00%	0.00%	0.00%	0.00%	
V00039	FEDERATION OF APPALACHIAN		Phone:	859-228-2191	Contact:				
5/29/2026	Invoice 107571	Invoice	108556	1,500.00	0.00	1,500.00	0.00	0.00	

(Detail, aged as of June 30, 2026)

No. / Doc Date	Name / Description	Document Type	Document Number	Balance Due	Current	31 - 60 Days	61 - 90 Days	Over 90 Days	Doc. Curr.
6/29/2026	Invoice 107572	Invoice	108561	1,500.00	1,500.00	0.00	0.00	0.00	
V00039	Total Amount Due			3,000.00	1,500.00	1,500.00	0.00	0.00	
					50.00%	50.00%	0.00%	0.00%	
V00041	KINKEAD & STILZ		Phone:	8592962300	Contact:				
4/1/2026	Invoice 107546	Invoice	108531	747.90	0.00	0.00	747.90	0.00	
5/26/2026	Credit Memo 1043	Credit	109040	-747.90	0.00	-747.90	0.00	0.00	
5/31/2026	Invoice 107570	Invoice	108555	440.78	440.78	0.00	0.00	0.00	
V00041	Total Amount Due			440.78	440.78	-747.90	747.90	0.00	
					100.00%	**********	169.68%	0.00%	
V00045	NAC HEAVY HWY		Phone:		Contact:				
5/14/2026	Invoice 107553	Invoice	108538	91,920.00	0.00	91,920.00	0.00	0.00	
6/9/2026	Invoice 107563	Invoice	108548	134,730.00	134,730.00	0.00	0.00	0.00	
V00045	Total Amount Due			226,650.00	134,730.00	91,920.00	0.00	0.00	
					59.44%	40.56%	0.00%	0.00%	
V00051	STITES & HARBISON		Phone:		Contact:				
6/17/2026	Invoice 107576	Invoice	108560	15.00	15.00	0.00	0.00	0.00	
V00051	Total Amount Due			15.00	15.00	0.00	0.00	0.00	
					100.00%	0.00%	0.00%	0.00%	
	Report Total Amount Due (USD)			598,626.70	252,894.67	174,943.94	50,855.57	119,932.52	
					42.25%	29.22%	8.50%	20.03%	

Martin County Sanitation District
BANK RECONCILIATION
Operations

Period Ended: **30-Jun-26** **G/L #**

BANK BALANCE:	$118,695.30
ADD: DEPOSITS IN TRANSIT	
LESS: OUTSTANDING CHECKS	($135,485.88)
BALANCE:	($16,790.58)

OUTSTANDING CHECKS DETAIL:			
CHK DATE	CHK#	CHK DETAIL	AMNT
6/25/2026	14292	MCWD	267.13
6/25/2026	14293	MCWD	368.48
6/25/2026	14294	AWR	48,305.00
6/25/2026	14295	Kinkead & Stilz	511.65
6/25/2026	14296	Buchanan Pump Service	23,197.70
6/25/2026	14297	Buchanan Pump Service	2,406.80
6/25/2026	14298	US Bearing & Power Transm	2,706.39
6/25/2026	14299	Mike Conley	500.00
6/25/2026	14230	Prime AE	2,762.50
6/25/2025	14301	AWR	54,460.23
TOTAL:			$135,485.88

BOOK BALANCE BEGINNING OF MONTH:		$92,384.04
Receipts:		
Deposits	$43,859.28	
Transfers from EFT		
Transfers from Rev		
Transfer from SF		
Transfer from Disaster Relief	$ 26,104.50	
American Banksers Insurance Refund		
KIA Inez/Tug Valley WWTP	$ -	
Interest on account	$4.84	
		$69,968.62
DISBURSEMENTS:		
Accounts Payable	135,485.88	
Transfer to RD (Sinking Fund)	$7,150.00	
Transfer to DSS	$2,312.12	
Debit AEP	$6,948.73	
Debit Big Sandy RECC	$1,308.06	
Transfer to Security Deposits	$225.00	
Transfer to MCW Ops AEP reimbursement		
Transfer to Sanitation Disaster Relief Fund- IWWTP	$ 25,713.45	
DLG SPGE Annual Registration		
		$179,143.24
BOOK BALANCE END OF MONTH:		($16,790.58)
	VARIANCE $	**(0.00)**

Martin County Sanitation District, Inez KY
List of Bills for Consideration
31-Jul-26

	Vendor	Description	Amount
Operations Account			
1	AEP	Electric (10 bills) Estimated	6,948.73
2	Big Sandy RECC	Electric (1 bill) Estimated	1,308.06
3	Debt Service Surcharge	Estimated (actual collected will be paid)	2,312.12
4	MCWD 8	Water 5/15/26 to 6/17/26	1,074.95
5	MCWD 10	Water 5/15/26 to 6/17/26	267.13
6	Alliance Water Resources	July 2026 O&M services	54,305.00
	Alliance Water Resources	Insurance Portion of Invoice June Installment 5/8	4,475.35
	Alliance Water Resources	Superior Flood 5/7/26 to 5/7/27 Flood Policy Premium	1,476.63
7	Kinkead & Stilz	Legal Fees 5-1-26 TO 5-31-26	440.78
8	FAHE	MCSD TA Consulting & Technical Services 5/29/26	1,500.00
9	FAHE	MCSD TA Consulting & Technical Services 6/29/26	1,500.00
10	Buchanan Pump Service	InvVA004420 *Fema IGA LS 6/29/26	29,214.27
11	Buchanan Pump Service	InvVA004421 *Fema Locust Crt LS 6/29/26	29,214.27
12	NAC Heavy Equipment	Inv20518-04 *Inez/TV WWTP Project 7/8/2026	52,984.57
13	Stites & Harbison	Legal Fees 5-1-26 TO 5-31-26	15.00
			187,036.86
TOTAL OPERATIONS ACCOUNT			
Revenue Account			**Transfer Amount**
1	USDA MCS Sinking Fund	Monthly funding for RD loan payments (bi-annually 1-1 & 7-1)	7,150.00
Subtotal Revenue Account			**7,150.00**
TOTAL REVENUE ACCOUNT			**194,186.86**
Past Due Accounts not in DSS			
1	Howell's Recycling		6,050.00
Total Past Due Accounts			**6,050.00**
DSS Account (Current Payment Plan)			
1	Zip Zone	Fuel	50,760.47
2	Evans Hardware	Parts and supplies	19,553.15
3	Alliance Water Resources	Management thru	192,345.05
			262,658.67
Subtotal DSS Account			
DSS Account - To be paid after current payment plan is paid off			
1	MCWD 8	Water service	2,056.29
2	MCWD 10	Water service	2,435.21
3	Linda Sumpter CPA	Accounting fees	30,405.40
Subtotal DSS Account			**34,896.90**
TOTAL DSS ACCOUNT			**303,605.57**

Professional Water and Wastewater Operations

Martin County Sanitation District

July 2026

Administrative

Attended meeting with Prime AE and NAC to discuss Inez WWTP Rehab change order for faulty valve

Wastewater Treatment

Inez WWTP Rehab: RAS/WAS lines have been successfully jetted, RAS/WAS valves have been successfully installed, contractors are receiving disc aerator parts in preparation to build, and electricians have been on site to schedule electrical work

Replaced Lead/Lag float in Plant Drain at TVWWTP

Staff created a valve exercising program for both treatment plants and exercised all valves

Collections

The collection system currently has 0 grinder pumps out of service

Fema: Ordered control panels for IGA and Locust Ct.

Routine maintenance was completed on all Lift Stations in the Inez and Tug Valley collection zones

OUR MISSION

We partner with communities to deliver the finest water and wastewater services available at a competitive price. We are committed to keeping water safe and clean while serving people and taking care of communities with improved technical operations, careful management and financial oversight, and ensured regulatory compliance.

Alliance Water Resources, Inc.

**206 S. Keene St.
Columbia, MO
65201**

(573) 874-8080

Alliance WATER RESOURCES®
Professional Water and Wastewater Operations

Martin County Sanitation District

Tug Valley Wastewater Plant Operation
May 2026

Parameter	Plant Effluent	NPDES Limit
Oxygen, Dissolved (DO)	8.33	2.0 MIN
BOD (mg/l)	18.0	45.0 (Max Weekly Avg)
Total Suspended Solids (mg/l)	6.0	45.0 (Max Weekly Avg)
pH	6.81	6.0-9.0 (Daily Max)
Nitrogen, Total (As N)	26.6	N/A (Daily Max)
Nitrogen, Ammonia Total (As N)	0.136	20.0 (Month Avg)
Phosphorus (total as P)	11.6	N/A (Daily Max)
Monthly Avg Flow (MGD)	0.036	.260MGD
Maximum Daily Flow (MGD)	0.041	.260MGD
E. Coli	Pass	240

Inez Wastewater Plant Operation
May 2026

Parameter	Plant Effluent	NPDES Limit
Oxygen, Dissolved (DO)	0.12	7.0 MIN
BOD (mg/l)	128.0	15.0 (Max Weekly Avg)
Total Suspended Solids (mg/l)	68.0	45.0 (Max Weekly Avg)
pH	7.04	6.0-9.0 (Daily Max)
Nitrogen, Total (As N)	49.8	N/A (Daily Maximum)
Nitrogen, Ammonia Total (As N)	33.6	2.0 (Monthly Avg)
Monthly Avg Flow (MGD)	0.124	.260MGD
Maximum Daily Flow (MGD)	0.152	.260MGD
E. Coli	5 Pass / 3 Fail	240

WATER RESOURCES®
Alliance
Professional Water and Wastewater Operations

Martin County Sanitation District

Work Orders/Service Calls Summary

Maintenance Work Orders	62
Blockages	0
Complaints/Investigates	7
Grease Trap Inspections	0
Sanitary Sewer Overflows (SSO)	1
Grinder Pump Failures	2
Grinder Pump Replacements	8

WATER RESOURCES® Alliance
Professional Water and Wastewater Operations

Martin County Sanitation District

Repair Expenses Ending May 2026

Expended	Actual YTD	Annual Budget	% Budget / Line Item
Bldg. & Grounds Maintenance	$784	$2,000	39 %
Vehicle Maintenance	$5,650	$10,000	56 %
Wastewater Plant Maintenance	$4,578	$8,700	53 %
Collection System Maintenance	$9,365	$20,000	47 %
Lift Station Maintenance	$3,034	$16,000	19 %
Totals	**$23,411**	**$56,700**	**41 %**

Chemical Expenses Ending May 2026

Expended	Actual YTD	Annual Budget	% Budget / Line Item
Chemicals Other - Wastewater	$14,614	$25,750	57 %
Totals	**$14,614**	**$25,750**	**57 %**

Alliance WATER RESOURCES®
Professional Water and Wastewater Operations

Martin County Sanitation District

Monthly Transaction Notes:

1) **Building & Grounds Maintenance**
   a. Evans Hardware: $26.49 – Gas can
   b. Evans Hardware: $21.19 – Stihl trimmer head

Total Activities: $47.68

2) **Vehicle Maintenance**
   a. Evans Hardware: $33.90 – Antifreeze
   b. Capital Tire: $640.23 – Tires Ram 5500
   c. Capital Tire: $959.27 – Tires Ram 3500
   d. Childers Auto: $2,972.43 – New front brake pads, calipers, rotors, hoses, materials, labor, and tow

Total Activities: $4,605.83

3) **Wastewater Plant Maintenance**
   a. Evans Hardware: $5.89 – Hardware
   b. Evans Hardware: $12.71 – Electrical outlet

Total Activities: $18.60

4) **Collection System Maintenance**
   a. Evans Hardware: $23.29 – Electrical materials for repair
   b. Evans Hardware: $34.95 – Electrical materials for repair

Total Activities: $58.24

5) **Lift Station Maintenance**
   a. Evans Hardware: $34.65 – Poly pipe and couplings
   b. R&J Supply: $5.29 – Cement mix for repair
   c. Dollar General: $20.78 – Batteries for line locator
   d. Evans Hardware: $95.34 – PVC pipe and couplings
   e. Evans Hardware: $21.18 – Electrical materials for repair
   f. USA Bluebook: $651.16 – Float switches
   g. Evans Hardware: $15.89 – Skimmer net for cleaning debris
   h. Evans Hardware: $12.71 – Fitting for repair

Total Activities: $857.00

Martin County Sanitation District

6) **Chemicals Other- Wastewater**
   a. $0.00

DMR Copy of Record

Form Approved OMB No. 2040-0004 expires on 07/31/2026

EPA may make all the information submitted through this form (including all attachments) available to the public without further notice to you. Do not use this online form to submit personal information (e.g., non-business cell phone number or non-business email address), confidential business information (CBI), or if you intend to assert a CBI claim on any of the submitted information. Pursuant to 40 CFR 2.203(a), EPA is providing you with notice that all CBI claims must be asserted at the time of submission. EPA cannot accommodate a late CBI claim to cover previously submitted information because efforts to protect the information are not administratively practicable since it may already be disclosed to the public. Although we do not foresee a need for persons to assert a claim of CBI based on the types of information requested in this form, if persons wish to assert a CBI claim we direct submitters to contact the NPDES eReporting Help Desk for further guidance. Please note that EPA may contact you after you submit this report for more information.

This collection of information is approved by OMB under the Paperwork Reduction Act, 44 U.S.C. 3501 et seq. (OMB Control No. 2040-0004). Responses to this collection of information are mandatory in accordance with this permit and EPA NPDES regulations 40 CFR 122.41(l)(4)(i). An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a currently valid OMB control number. The public reporting and recordkeeping burden for this collection of information are estimated to average 2 hours per outfall. Send comments on the Agency's need for this information, the accuracy of the provided burden estimates and any suggested methods for minimizing respondent burden to the Regulatory Support Division Director, U.S. Environmental Protection Agency (2821T), 1200 Pennsylvania Ave., NW, Washington, D.C. 20460. Include the OMB control number in any correspondence. Do not send the completed form to this address.

Permit					
Permit #:	**KY0079316**	**Permittee:**	Inez STP	**Facility:**	INEZ STP
Major:	No	**Permittee Address:**	387 E Main St Inez, KY 41224	**Facility Location:**	KY 40 INEZ, KY 41224
Permitted Feature:	001 External Outfall	**Discharge:**	**001-1** Municipal Wastewater from a POTW		
Report Dates & Status					
Monitoring Period:	**From 05/01/26 to 05/31/26**	**DMR Due Date:**	**06/28/26**	**Status:**	**NetDMR Validated**
Considerations for Form Completion					
TOTAL NITROGEN IS THE SUMMATION OF THE ANALYTICAL RESULTS FOR TOTAL NITRATES, TOTAL NITRITES, AND TOTAL KJELDAHL NITROGEN					
Principal Executive Officer					
First Name:		**Title:**		**Telephone:**	
Last Name:					
No Data Indicator (NODI)					
Form NODI:	--				

Parameter		Monitoring Location	Season #	Param. NODI		Quantity or Loading					Quality or Concentration							# of Ex.	Frequency of Analysis	Sample Type
Code	Name					Qualifier 1	Value 1	Qualifier 2	Value 2	Units	Qualifier 1	Value 1	Qualifier 2	Value 2	Qualifier 3	Value 3	Units			
X 00300	Oxygen, dissolved [DO]	1 - Effluent Gross	0	--	Sample						=	0.12					19 - mg/L	4	01/07 - Weekly	GR - Grab
					Permit Req.						>=	7.0 INST MIN					19 - mg/L		01/07 - Weekly	GR - Grab
					Value NODI															
00400	pH	1 - Effluent Gross	0	--	Sample						=	6.39			=	7.04	12 - SU		01/07 - Weekly	GR - Grab
					Permit Req.						>=	6.0 MINIMUM			<=	9.0 DAILY MX	12 - SU		01/07 - Weekly	GR - Grab
					Value NODI															
X 00530	Solids, total suspended	1 - Effluent Gross	0	--	Sample	=	35.419	=	70.32	26 - lb/d			=	34.25	=	68.0	19 - mg/L	1	01/07 - Weekly	24 - 24 Hour Composite
					Permit Req.	<=	65.1 MO AVG	<=	97.6 DAILY MX	26 - lb/d			<=	30.0 MO AVG	<=	45.0 MX WK AV	19 - mg/L		01/07 - Weekly	24 - 24 Hour Composite
					Value NODI															
00530	Solids, total suspended	G - Raw Sewage Influent	0	--	Sample								=	105.25	=	204.0	19 - mg/L		01/07 - Weekly	24 - 24 Hour Composite
					Permit Req.									Req Mon MO AVG		Req Mon MX WK AV	19 - mg/L		01/07 - Weekly	24 - 24 Hour Composite
					Value NODI															
00600	Nitrogen, total [as N]	1 - Effluent Gross	0	--	Sample								=	43.6	=	49.8	19 - mg/L		01/07 - Weekly	24 - 24 Hour Composite
					Permit Req.									Req Mon MO AVG		Req Mon DAILY MX	19 - mg/L		01/07 - Weekly	24 - 24 Hour Composite
					Value NODI															
00600	Nitrogen, total [as N]	G - Raw Sewage Influent	0	--	Sample								=	48.4	=	66.6	19 - mg/L		01/07 - Weekly	24 - 24 Hour Composite
					Permit Req.									Req Mon MO AVG		Req Mon DAILY MX	19 - mg/L		01/07 - Weekly	24 - 24 Hour Composite
					Value NODI															
X 00610	Nitrogen, ammonia total [as N]	1 - Effluent Gross	1	--	Sample	=	34.747	=	38.987	26 - lb/d			=	33.6	=	37.7	19 - mg/L	4	01/07 - Weekly	24 - 24 Hour Composite
					Permit Req.	<=	4.3 MO AVG	<=	6.1 DAILY MX	26 - lb/d			<=	2.0 MO AVG	<=	3.0 DAILY MX	19 - mg/L		01/07 - Weekly	24 - 24 Hour Composite
					Value NODI															
00665	Phosphorus, total [as P]	1 - Effluent Gross	0	--	Sample								=	4.95	=	6.36	19 - mg/L		01/07 - Weekly	24 - 24 Hour Composite
					Permit Req.									Req Mon MO AVG		Req Mon DAILY MX	19 - mg/L		01/07 - Weekly	24 - 24 Hour Composite
					Value NODI															
00665	Phosphorus, total [as P]	G - Raw Sewage Influent	0	--	Sample								=	5.33	=	7.38	19 - mg/L		01/07 - Weekly	24 - 24 Hour Composite
					Permit Req.									Req Mon MO AVG		Req Mon DAILY MX	19 - mg/L		01/07 - Weekly	24 - 24 Hour Composite
					Value NODI															
50050	Flow, in conduit or thru treatment plant	1 - Effluent Gross	0	--	Sample	=	0.124	=	0.152	03 - MGD									99/99 - Continuous	RC - Recorder (auto)
					Permit Req.		Req Mon MO AVG		Req Mon DAILY MX	03 - MGD									99/99 - Continuous	RC - Recorder (auto)

					Value NODI															
50050	**Flow, in conduit or thru treatment plant**	G - Raw Sewage Influent	0	--	**Sample**	=	0.124	=	0.152	03 - MGD									99/99 - Continuous	RC - Recorder (auto)
					Permit Req.		Req Mon MO AVG		Req Mon DAILY MX	03 - MGD									99/99 - Continuous	RC - Recorder (auto)
					Value NODI															
X 51040	**E. coli**	1 - Effluent Gross	0	--	**Sample**								=	345.0	=	2420.0	13 - #/100mL		01/07 - Weekly	GR - Grab
					Permit Req.								<=	130.0 30DA GEO	<=	240.0 7 DA GEO	13 - #/100mL	3	01/07 - Weekly	GR - Grab
					Value NODI															
X 80082	**BOD, carbonaceous [5 day, 20 C]**	1 - Effluent Gross	0	--	**Sample**	=	81.18	=	132.37	26 - lb/d			=	78.5	=	128.0	19 - mg/L		01/07 - Weekly	24 - 24 Hour Composite
					Permit Req.	<=	21.7 MO AVG	<=	32.5 DAILY MX	26 - lb/d			<=	10.0 MO AVG	<=	15.0 MX WK AV	19 - mg/L	4	01/07 - Weekly	24 - 24 Hour Composite
					Value NODI															
80082	**BOD, carbonaceous [5 day, 20 C]**	G - Raw Sewage Influent	0	--	**Sample**								=	89.25	=	131.0	19 - mg/L		01/07 - Weekly	24 - 24 Hour Composite
					Permit Req.									Req Mon MO AVG		Req Mon MX WK AV	19 - mg/L		01/07 - Weekly	24 - 24 Hour Composite
					Value NODI															
X 81010	**BOD, 5-day, percent removal**	1 - Effluent Gross	0	--	**Sample**						=	12.0					23 - %		01/30 - Monthly	CA - Calculated
					Permit Req.						>=	85.0 MO AV MN					23 - %		01/30 - Monthly	CA - Calculated
					Value NODI															
X 81011	**Solids, suspended percent removal**	K - Percent Removal	0	--	**Sample**						=	67.0					23 - %		01/30 - Monthly	CA - Calculated
					Permit Req.						>=	85.0 MO AV MN					23 - %		01/30 - Monthly	CA - Calculated
					Value NODI															

Submission Note

If a parameter row does not contain any values for the Sample nor Effluent Trading, then none of the following fields will be submitted for that row: Units, Number of Excursions, Frequency of Analysis, and Sample Type.

Edit Check Errors

Parameter		Monitoring Location	Field	Type	Description	Acknowledge
Code	Name					
00300	Oxygen, dissolved [DO]	1 - Effluent Gross	Quality or Concentration Sample Value 1	Soft	The provided sample value is outside the permit limit. Please verify that the value you have provided is correct.	Yes
00530	Solids, total suspended	1 - Effluent Gross	Quality or Concentration Sample Value 2	Soft	The provided sample value is outside the permit limit. Please verify that the value you have provided is correct.	Yes
00530	Solids, total suspended	1 - Effluent Gross	Quality or Concentration Sample Value 3	Soft	The provided sample value is outside the permit limit. Please verify that the value you have provided is correct.	Yes
00610	Nitrogen, ammonia total [as N]	1 - Effluent Gross	Quantity or Loading Sample Value 1	Soft	The provided sample value is outside the permit limit. Please verify that the value you have provided is correct.	Yes
00610	Nitrogen, ammonia total [as N]	1 - Effluent Gross	Quantity or Loading Sample Value 2	Soft	The provided sample value is outside the permit limit. Please verify that the value you have provided is correct.	Yes
00610	Nitrogen, ammonia total [as N]	1 - Effluent Gross	Quality or Concentration Sample Value 2	Soft	The provided sample value is outside the permit limit. Please verify that the value you have provided is correct.	Yes
00610	Nitrogen, ammonia total [as N]	1 - Effluent Gross	Quality or Concentration Sample Value 3	Soft	The provided sample value is outside the permit limit. Please verify that the value you have provided is correct.	Yes
51040	E. coli	1 - Effluent Gross	Quality or Concentration Sample Value 2	Soft	The provided sample value is outside the permit limit. Please verify that the value you have provided is correct.	Yes
51040	E. coli	1 - Effluent Gross	Quality or Concentration Sample Value 3	Soft	The provided sample value is outside the permit limit. Please verify that the value you have provided is correct.	Yes
80082	BOD, carbonaceous [5 day, 20 C]	1 - Effluent Gross	Quantity or Loading Sample Value 1	Soft	The provided sample value is outside the permit limit. Please verify that the value you have provided is correct.	Yes
80082	BOD, carbonaceous [5 day, 20 C]	1 - Effluent Gross	Quantity or Loading Sample Value 2	Soft	The provided sample value is outside the permit limit. Please verify that the value you have provided is correct.	Yes
80082	BOD, carbonaceous [5 day, 20 C]	1 - Effluent Gross	Quality or Concentration Sample Value 2	Soft	The provided sample value is outside the permit limit. Please verify that the value you have provided is correct.	Yes
80082	BOD, carbonaceous [5 day, 20 C]	1 - Effluent Gross	Quality or Concentration Sample Value 3	Soft	The provided sample value is outside the permit limit. Please verify that the value you have provided is correct.	Yes
81010	BOD, 5-day, percent removal	1 - Effluent Gross	Quality or Concentration Sample Value 1	Soft	The provided sample value is outside the permit limit. Please verify that the value you have provided is correct.	Yes
81011	Solids, suspended percent removal	K - Percent Removal	Quality or Concentration Sample Value 1	Soft	The provided sample value is outside the permit limit. Please verify that the value you have provided is correct.	Yes

Comments

Attachments

No attachments.

Report Last Saved By

Inez STP

User:	travis@mccoylabs.com
Name:	Travis Miller
E-Mail:	travis.miller@pacelabs.com
Date/Time:	2026-06-12 16:40 (Time Zone: -04:00)

Report Last Signed By

User:	MOILER@ALLIANCE
Name:	MIchael Oiler
E-Mail:	moiler@alliancewater.com
Date/Time:	2026-06-22 13:09 (Time Zone: -04:00)

DMR Copy of Record

Form Approved OMB No. 2040-0004 expires on 07/31/2026

Permit

Permit #:	**KY0107905**	**Permittee:**	Tug Valley Sewer Auth WWTP	**Facility:**	TUG VALLEY SEWER AUTH WWTP
Major:	No	**Permittee Address:**	385 E Main St Ste 140 Inez, KY 41224	**Facility Location:**	KY 292 WARFIELD, KY 41267
Permitted Feature:	001 External Outfall	**Discharge:**	**001-1** Domestic Wastewater from a Publicly Owned Treatment Works		

Report Dates & Status

Monitoring Period:	**From 05/01/26 to 05/31/26**	**DMR Due Date:**	**06/28/26**	**Status:**	**NetDMR Validated**

Considerations for Form Completion

Principal Executive Officer

First Name:	**Title:**		**Telephone:**
Last Name:			

No Data Indicator (NODI)

Form NODI: --

Parameter		Monitoring Location	Season #	Param. NODI		Quantity or Loading					Quality or Concentration							# of Ex.	Frequency of Analysis	Sample Type
Code	Name					Qualifier 1	Value 1	Qualifier 2	Value 2	Units	Qualifier 1	Value 1	Qualifier 2	Value 2	Qualifier 3	Value 3	Units			
00300	**Oxygen, dissolved [DO]**	1 - Effluent Gross	0	--	Sample						=	8.33					19 - mg/L		01/07 - Weekly	GR - Grab
					Permit Req.						>=	2.0 INST MIN					19 - mg/L		01/07 - Weekly	GR - Grab
					Value NODI															
00310	**BOD, 5-day, 20 deg. C**	1 - Effluent Gross	0	--	Sample	=	3.9	=	5.4	26 - lb/d			=	13.0	=	18.0	19 - mg/L		01/07 - Weekly	24 - 24 Hour Composite
					Permit Req.	<=	50.04 MO AVG	<=	75.06 DAILY MX	26 - lb/d			<=	30.0 MO AVG	<=	45.0 MX WK AV	19 - mg/L		01/07 - Weekly	24 - 24 Hour Composite
					Value NODI															
00310	**BOD, 5-day, 20 deg. C**	G - Raw Sewage Influent	0	--	Sample								=	290.0	=	321.0	19 - mg/L		01/07 - Weekly	24 - 24 Hour Composite
					Permit Req.									Req Mon MO AVG		Req Mon MX WK AV	19 - mg/L		01/07 - Weekly	24 - 24 Hour Composite
					Value NODI															
00400	**pH**	1 - Effluent Gross	0	--	Sample						=	6.04			=	6.81	12 - SU		01/07 - Weekly	GR - Grab
					Permit Req.						>=	6.0 MINIMUM			<=	9.0 DAILY MX	12 - SU		01/07 - Weekly	GR - Grab
					Value NODI															
00530	**Solids, total suspended**	1 - Effluent Gross	0	--	Sample	=	1.2	=	1.8	26 - lb/d			=	4.0	=	6.0	19 - mg/L		01/07 - Weekly	24 - 24 Hour Composite
					Permit Req.	<=	50.04 MO AVG	<=	75.06 MX WK AV	26 - lb/d			<=	30.0 MO AVG	<=	45.0 MX WK AV	19 - mg/L		01/07 - Weekly	24 - 24 Hour Composite
					Value NODI															
00530	**Solids, total suspended**	G - Raw Sewage Influent	0	--	Sample								=	180.0	=	280.0	19 - mg/L		01/07 - Weekly	24 - 24 Hour Composite
					Permit Req.									Req Mon MO AVG		Req Mon MX WK AV	19 - mg/L		01/07 - Weekly	24 - 24 Hour Composite
					Value NODI															
00600	**Nitrogen, total [as N]**	1 - Effluent Gross	0	--	Sample								=	21.2	=	26.6	19 - mg/L		01/07 - Weekly	24 - 24 Hour Composite
					Permit Req.									Req Mon MO AVG		Req Mon DAILY MX	19 - mg/L		01/07 - Weekly	24 - 24 Hour Composite
					Value NODI															
00600	**Nitrogen, total [as N]**	G - Raw Sewage Influent	0	--	Sample								=	67.525	=	76.2	19 - mg/L		01/07 - Weekly	24 - 24 Hour Composite
					Permit Req.									Req Mon MO AVG		Req Mon DAILY MX	19 - mg/L		01/07 - Weekly	24 - 24 Hour Composite
					Value NODI															
00610	**Nitrogen, ammonia total [as N]**	1 - Effluent Gross	0	--	Sample	=	0.136	=	0.396	26 - lb/d			=	0.455	=	1.32	19 - mg/L		01/07 - Weekly	24 - 24 Hour Composite
					Permit Req.	<=	33.36 MO AVG	<=	50.04 DAILY MX	26 - lb/d			<=	20.0 MO AVG	<=	30.0 DAILY MX	19 - mg/L		01/07 - Weekly	24 - 24 Hour Composite
					Value NODI															
00665	**Phosphorus, total [as P]**	1 - Effluent Gross	0	--	Sample								=	8.14	=	11.6	19 - mg/L		01/07 - Weekly	24 - 24 Hour Composite
					Permit Req.									Req Mon MO AVG		Req Mon DAILY MX	19 - mg/L		01/07 - Weekly	24 - 24 Hour Composite

					Value NODI															
00665	**Phosphorus, total [as P]**	G - Raw Sewage Influent	0	--	**Sample**								=	9.585	=	11.0	19 - mg/L		01/07 - Weekly	24 - 24 Hour Composite
					Permit Req.									Req Mon MO AVG		Req Mon DAILY MX	19 - mg/L		01/07 - Weekly	24 - 24 Hour Composite
					Value NODI															
50050	**Flow, in conduit or thru treatment plant**	1 - Effluent Gross	0	--	**Sample**	=	0.036	=	0.041	03 - MGD									99/99 - Continuous	RC - Recorder (auto)
					Permit Req.		Req Mon MO AVG		Req Mon DAILY MX	03 - MGD									99/99 - Continuous	RC - Recorder (auto)
					Value NODI															
50050	**Flow, in conduit or thru treatment plant**	G - Raw Sewage Influent	0	--	**Sample**	=	0.04	=	0.056	03 - MGD									99/99 - Continuous	RC - Recorder (auto)
					Permit Req.		Req Mon MO AVG		Req Mon DAILY MX	03 - MGD									99/99 - Continuous	RC - Recorder (auto)
					Value NODI															
51040	**E. coli**	1 - Effluent Gross	0	--	**Sample**								=	1.0	=	1.0	13 - #/100mL		01/07 - Weekly	GR - Grab
					Permit Req.								<=	130.0 30DA GEO	<=	240.0 7 DA GEO	13 - #/100mL		01/07 - Weekly	GR - Grab
					Value NODI															
81010	**BOD, 5-day, percent removal**	1 - Effluent Gross	0	--	**Sample**						=	96.0					23 - %		01/30 - Monthly	CA - Calculated
					Permit Req.						>=	85.0 MO AV MN					23 - %		01/30 - Monthly	CA - Calculated
					Value NODI															
81011	**Solids, suspended percent removal**	K - Percent Removal	0	--	**Sample**						=	98.0					23 - %		01/30 - Monthly	CA - Calculated
					Permit Req.						>=	85.0 MO AV MN					23 - %		01/30 - Monthly	CA - Calculated
					Value NODI															

Submission Note

If a parameter row does not contain any values for the Sample nor Effluent Trading, then none of the following fields will be submitted for that row: Units, Number of Excursions, Frequency of Analysis, and Sample Type.

Edit Check Errors

No errors.

Comments

Attachments

No attachments.

Report Last Saved By

Tug Valley Sewer Auth WWTP

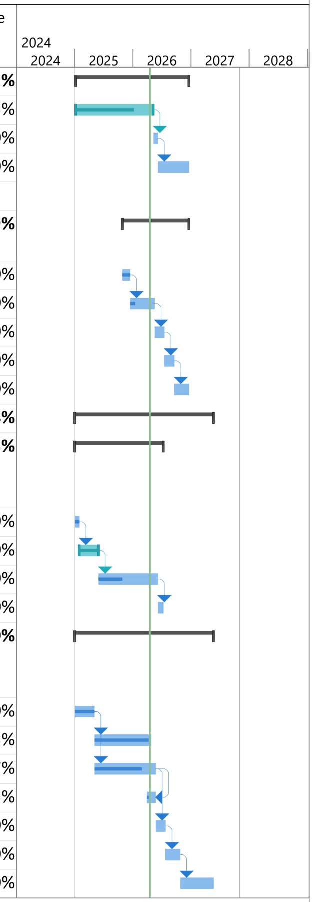
User:	travis@mccoylabs.com
Name:	Travis Miller
E-Mail:	travis.miller@pacelabs.com
Date/Time:	2026-06-12 16:45 (Time Zone: -04:00)

Report Last Signed By

User:	MOILER@ALLIANCE
Name:	MIchael Oiler
E-Mail:	moiler@alliancewater.com
Date/Time:	2026-06-22 13:12 (Time Zone: -04:00)

Martin County Water and Sanitation Projects Schedule

ID	Task Name	Duration	Start	Finish	Grantor	Grantee	Engineer of Record	Administrator	Period of Performance End Date	Cost	% Complete
49	**Master Plan**	**509 days**	**Mon 1/6/25**	**Fri 12/18/26**	**DLG**	**MCWD**	**TBD**	**Fahe, Inc.**	**TBD**	**$250,000.00**	**51%**
50	Secure Funding	349 days	Mon 1/6/25	Fri 5/8/26						$0.00	75%
51	Complete PSA	20 days	Mon 5/11/26	Fri 6/5/26						$0.00	0%
52	Generate MCWD Master Plan	140 days	Mon 6/8/26	Fri 12/18/26						$250,000.00	0%
53											
54	**KYTC Beauty Water Line Relocation**	**300 days**	**Mon 10/27/25**	**Fri 12/18/26**	**KYTC**	**MCWD**	**Prime AE**	**Fahe, Inc.**	**N/A**	**$0.00**	**19%**
55	Hire Engineer of Record	35 days	Mon 10/27/25	Fri 12/12/25						$0.00	100%
56	Design	110 days	Mon 12/15/25	Fri 5/15/26						$0.00	20%
57	Permitting	44 days	Mon 5/18/26	Thu 7/16/26						$0.00	0%
58	Procurement	44 days	Fri 7/17/26	Wed 9/16/26						$0.00	0%
59	Construction	67 days	Thu 9/17/26	Fri 12/18/26						$0.00	0%
60	**MCSD Projects**	**622 days**	**Wed 1/1/25**	**Fri 5/21/27**						**$3,792,625.00**	**58%**
61	**Inez WWTP Phase I Rehabilitation**	**397 days**	**Wed 1/1/25**	**Fri 7/10/26**	**KIA**	**MCSD**	**Prime AE**	**BSADD**	**12/31/2026**	**$685,625.00**	**53%**
62	Complete Design	20 days	Wed 1/1/25	Tue 1/28/25						$0.00	100%
63	Permitting	86 days	Wed 1/29/25	Thu 5/29/25						$0.00	100%
64	Procurement	266 days	Fri 5/30/25	Fri 6/5/26						$0.00	40%
65	Rehab Inez WWTP	25 days	Mon 6/8/26	Fri 7/10/26						$685,625.00	0%
66	**Sanitation Extension Davella Road to KY HWY 3**	**622 days**	**Wed 1/1/25**	**Fri 5/21/27**	**HUD**	**MCFC**	**Prime AE**	**BSADD**	**N/A**	**$3,107,000.00**	**60%**
67	Finalize HUD Funding	88 days	Wed 1/1/25	Fri 5/2/25						$0.00	100%
68	Complete Sanitation Master Plan	254 days	Mon 5/5/25	Fri 4/24/26						$200,000.00	95%
69	Complete Design	274 days	Mon 5/5/25	Fri 5/22/26						$0.00	77%
70	Complete Easements and Access Agreements	39 days	Mon 3/30/26	Fri 5/22/26						$0.00	23%
71	Permitting	44 days	Mon 5/25/26	Thu 7/23/26						$0.00	0%
72	Procurement	66 days	Fri 7/24/26	Fri 10/23/26						$0.00	0%
73	Construct Extension and Lift Station	150 days	Mon 10/26/26	Fri 5/21/27						$2,907,000.00	0%



Project: MCWD and MCSD 2026 Projects Schedule_04_18_2026
Date: Sat 4/18/26

Task	Inactive Task	Manual Summary Rollup	External Milestone
Split	Inactive Milestone	Manual Summary	Deadline
Milestone	Inactive Summary	Start-only	Progress
Summary	Manual Task	Finish-only	Manual Progress
Project Summary	Duration-only	External Tasks	

MCSD Ranking	Project Name	PNum	Funded Project Cost	Application	Project Description
1	Trucks/Equipment (Sewer)	SX21159022	$ 535,000	No Funding App	This would allow the district to purchase a new pump trailer/jetter combo unit and a new camera system to perform line inspections. It also includes the replacement of a few pickup trucks which are past their service life.
2	Coldwater Sewer Rehabilitation	SX21159027	$ 1,369,000	No Funding App	The project will replace the existing undersized 6-inch sanitary sewer that provides service to the Sheldon Clark High School, Inez, KY. The project includes approximately 3,200 liner feet of 8-inch gravity sewer PVC SDR-35 pipe, 8 manholes, and 300-feet of 16-inch steel casing pipe to be bore and jack under KY 545 and KY40.
3	Downtown Sewer Line Replacement	SX21159031	$ 7,102,000	No Funding App	The project will replace a portion of the existing community centralized septic tank system and convert the system to a conventional gravity sewer system. The proposed project will extend from the Inez WWTP to near the intersection of West Main Street and Cardinal Lane. Approximately 140 customers along Main Street, Board Walk, Holy Street, Court Street and Wickerfield Road will be impacted. The project is envisioned to include 12,000-feet of 8-inch to 12-inch SDR 35 gravity sewers, approximately 50 manholes, 450-feet of casing pipe, and customer lateral connections. The project is envisioned in conjunction with WX21159027 - Inez Waterline Replacement to minimize the costs associated with pavement repairs.
4	County Wide Lift Station Replacements - Phase 2	SX21159029	$ 4,096,000	No Funding App	This project will include increasing the security and reliability at the existing 13 lift stations in Martin County that flow to the Inez WWTP and the Tug Valley WWTP. The security and reliability projects include odor control, SCADA, fences, transfer switches, and connections to portable generators at the lift stations in the MCSD system listed below. Lift Stations for Inez WWTP: 1. County Garage Lift Station; 2. Save-A-Lot Lift Station; 3. Saltwell Lift Station; 4. Davis Branch Lift; 5. Quall Hollow Lift Station; 6. Harden Bottom Lift Station; 7. Black Log Lift Station Lift Station for Tug Valley WWTP: 8. Riverside Lift Station; 9. Dempsey List Station; 10. IGA Lift Station; 11. Middle School Lift Station; 12. Riverside Duplex Lift Station; 13. Locust Court Lift Station
5	Coldwater Sewer Extension and Lift Stations	SX21159026	$ 9,742,000	No Funding App	This project will include the installation of approximately 12,000 feet of gravity sewer along Coldwater Road, two (2) new lift stations with 200 GPM submersible pumps, and approximately 6,000 feet of force main discharging to the existing upsized Coldwater gravity sewer. This project would serve the proposed Coldwater Development as well as 80 existing homes along Coldwater Road. Collectively, this project could add between 80,000 and 105,000 gpd to the Inez WWTP influent flow.
6	Rockcastle Sewer Extension and Lift Station	SX21159032	$ 5,425,000	No Funding App	This project includes the installation of approximately 6,000 feet of new 8" gravity sewer and an intermediate lift station with 5,500 feet of 6" forcemain to provide sanitary sewer service to the proposed Crooked Run Development. Sewer would be installed along Rockcastle Road to ultimately convey wastewater to the Inez WWTP influent pump station. This development could generate an estimated 40,000 to 60,000 gpd of domestic wastewater.
7	Davella Road Sewer Extension - Phase 2	SX21159030	$ 10,771,000	No Funding App	The project will extend sanitary sewer service from Debord to Beech Branch and along Davella Road. This project provides sanitary sewer service to 99 residential customers and 2 commercial customers. In addition to the customers along Davella Road, the project will provide sanitary sewer service to 16 residential customers and 2 commercial customers along KY-3 that did not receive service from the Phase 1 project. The project includes 115 residential grinder lift stations, 4 commercial grinder lift stations, 5,000' of 1 ½ forcemain, 11,000' of 2" forcemain, and 11,000' of 4" forcemain. The proposed forcemain will discharge to the lift station from Phase 1 of the project that eliminated the R & J Development packaged WWTP. This project could generate an estimated 30,000 to 40,000 gpd of domestic wastewater.
8	Tug Valley and Inez WWTP SCADA Monitoring and Control Upgrades	SX21159033	$ 4,522,000	No Funding App	The project includes providing new SCADA equipment at the 13 lift stations in the Martin County sanitary sewer collection system. The SCADA system will include field instruments (sensors/actuators), RTUs/PLCs for data collection, a communications network, a Master Terminal Unit (MTU)/central server, human-machine interface (HMI), and a data historian to store data. The system will allow the MCSD to monitor, control, and optimize its wastewater collection system from the Tug Valley and Inez WWTP's.
9	Tug Valley Treatment Plant Upgrade Phase I	SX21159014	$ 5,128,000	No Funding App	This scope of work would be used to upgrade the Tug Valley treatment plant including adding additional valving and piping to allow a septic receiving station to be added. It would also include the demo of the old package plant in the Dempsey project and address collection system lift station upgrades. (Project Profile needs updated to include chemical feed and Scada interaction)

10	Tug Valley WWTP Improvements - Phase 2	SX21159025	$ 6,032,000	No Funding App	The Scope of Work for the Tug Valley WWTP Improvements – Phase 2 includes the addition of an equalization basin, sludge digester, belt filter press, odor control system, digester covers, and maintenance building. These items were not constructed when the WWTP was built in 2012 due to budget constraints. The project would also include replacing failing components at the WWTP. The failing components consist of sludge digester pumps, basin pumps, and post eq basin pumps and controls.
11	County Wide Grinder Pump Replacement	SX21159028	$ 607,000	No Funding App	The Martin County Sanitation District (MCSD) currently provides service to 860 residential and commercial customers. The Inez and Tug Valley wastewater collection systems include approximately 750 grinder pump stations. These grinder pump stations were installed between 2004 and 2017 and are beyond their useful life resulting in higher maintenance and operational cost. This Phase 1 project will replace 30 of the existing grinder pump stations.
Funded	Debt Service	SX21159021	$ 2,169,799	KIA	To pay off existing debt and mitigate the need to raise rates on an already high rate for one of the poorest counties in the Commonwealth.
Funded	County Wide Lift Station Replacement	SX21159020	$ 6,596,750	KIA	Project will address all lift stations in the Inez area of the County. Saltwell lift station added to this project and removed from WRIS.
Funded	Inez Wastewater System Improvement Project	SX21159024	$ 3,864,100	KIA	Phase II Inez treatment plant was constructed in 1989 with a upgrade in 2011. Currently the plant is unable to meet permit due to it being beyond its useful life. The upgrade would covert the plant from gray water treatment to municipal waste water treatment plant.
Funded	Inez Wastewater System Improvement Project	SX21159013	$ 4,800,000	Federal Earmark	Phase II Inez treatment plant was constructed in 1989 with a upgrade in 2011. Currently the plant is unable to meet permit due to it being beyond its useful life. The upgrade would covert the plant from gray water treatment to municipal waste water treatment plant.
Funded	Black Log Gravity Line Replacements	SX21159023	$ 1,687,380	KIA	Roughly 6000 feet of gravity main that doesn't flow correctly - camera shows dips in main
Funded	Martin County Wastewater System Master Plan	SX21159018	$ 260,000	HUD	This would be a compressive look at the entire wastewater infrastructure and provide existing condition evaluation and provide ten year capital projects plan for the future.
Funded	Sanitary Extension Davella Road to KY HWY 3	SX21159018	$ 2,847,000	HUD	Extend sanitation line and install lift station at
Funded	Inez Wastewater Rehab	SX21159017	$ 685,625	EEC/KIA	This work will be phase 1 to get plant in compliance in preparation for phase II listed above.

Total Capital Needed	$ 78,239,654
Total Already Funded	$ 22,910,654
Funds Needed	$ 55,329,000

DR4860												
Project Number	**Title**	**Project Type**	**Status**	**Actual Spent**	**Still Needed**	**Total**	**Best Available Cost**	**FEMA Cost Share (75%)**	**KYEMA Cost Share (12%)**	**Insurance**	**FEMA+KYEMA+Insurance**	**Δ**
825903	Tug Valley WWTP	Estimated Costs (Equip +Equip Needed)	Payments Received	$15,421.27	$18,533.33	$33,974.60	$34,367.40	$25,775.55	$4,124.09	$32,801.56	$62,701.20	$28,726.60
825904	Inez WWTP	Estimated Costs (Equip +Equip Needed)	Payments Received	$6,094.00	$6,094.00	$12,188.00	$25,344.87	$19,008.66	$3,041.38	$12,188.00	$34,238.04	$22,050.04
825906	IGA Lift Station	Estimated Costs (Equip +Equip Needed)	Payments Received	$17,635.01	$67,835.00	$85,470.01	$42,000.00	$31,500.00	$5,040.00	$61,402.50	$97,942.50	$12,472.49
825908	Locus Court Lift Station	Estimated Costs (Equip +Equip Needed)	Payments Received	$0.00	$38,917.50	$38,917.50	$45,775.93	$34,331.95	$5,493.11	$35,701.25	$75,526.31	$36,608.81
825910	Riverside Lift Station	Estimated Costs (Equip +Equip Needed)	Payments Received	$7,720.11	$8,163.65	$15,883.76	$45,775.93	$34,331.95	$5,493.11	$15,440.22	$55,265.28	$39,381.52
825911	Dempsey Lift Station	Estimated Costs (Equip +Equip Needed)	Payments Received	$16,968.61	$17,545.61	$34,514.22	$73,032.99	$54,774.74	$8,763.96	$23,850.00	$87,388.70	$52,874.48
925914	Riverside Duplex Lift Station	Estimated Costs (Equip +Equip Needed)	Payment Received	$0.00	$13,009.39	$13,000.39	$15,711.82	$11,783.87	$1,885.39	Information Submitted	$13,669.26	$668.87
949598	Grinder Pumps County Wide	Estimated Costs (Equip +Equip Needed)	Payment Received	$14,287.13	$157,500.00	$171,787.13	$320,800.00	$240,600.00	$38,496.00	Information Submitted	$279,096.00	$107,308.87
959338	Cat B Emergency Protective Measures	Actual Costs (Labor, Equip, Material)	Project Withdrawn	$30,076.45	$0.00	$30,076.45				$30,076.45	$30,076.45	$0.00
1066944	Cat Z Management Costs	Management Costs	Obligated				$45,450.14	$45,450.14	$5,454.01		$50,904.15	$50,904.15
				$108,202.58	$327,598.48	$435,812.06	$648,259.08	$452,106.71	$77,791.05	$211,459.98	$735,903.73	$300,091.67

Legend
Estimated
Expected

Tug Valley WWTP - #825903

Date / Approval Date	Debit/Credit Activities	Notes	Reference #
11/25/2025		Approval to make repairs within allotted budget	November 25 Board Meeting
11/26/2025	$ 29,899.64	Money deposited into Account Sanitation Fema Disaster Account (FEMA)	
11/26/2025	$ 32,801.56	Money deposited into Account Sanitation Fema Disaster Account (CINCINATTI INSURANCE)	
12/15/2025	$ (15,421.27)	Transfer into Sanitation OPS account for invoices	Buchanan INV #VA003153 ; Buchanan INV #VA003135
4/27/2026	$ (9,734.58)	Purchase (1) 5 HP Plant Drain Pump + Cable 50 Ft + Flange (Ordered) P.O. 825903	Buchanan Quote #VAQ01855 ; INV #VA004146
4/27/2026	$ (6,394.87)	Purchase (1) 7.5 HP Post EQ Pump (Ordered) P.O. 825903	Buchanan Quote #VAQ01858 ; INV #VA004147
4/27/2026	$ (40.00)	Freight Charge - Flange	INV#VA004397
Transferred 5-21-26	$ (500.00)	Crane Truck Service to Install Post EQ Pump	INV#0002
	Obtaining Quote	Purchase (1) Electrical Control Box	
	$ (29,899.64)	Fund Transfer back to FEMA from CINCINATTI INSURANCE Funds	
Remaining Funds	**$ 710.84**		

Equipment Purchasing & Installation Schedule			
Equipment	Lead Time	Work to be completed by AWR or outside services	Estimated Completion
(1) 7.5 HP Pump	8-10 Weeks	AWR - Installed	Friday, May 29, 2026
(1) 5 HP Pump	6-8 Weeks	AWR - Installed	Friday, May 29, 2026
(1) Cables 50 ft	6-8 Weeks	AWR - Installed	Friday, May 29, 2026
(1) Flange	6-8 Weeks	AWR - Installed	Friday, May 29, 2026
(1) Control Box	Obtaining Quote	AWR	Friday, August 28, 2026

Inez WWTP - #825904

Date / Approval Date	Debit/Credit Activities	Notes	Reference #
11/25/2025		Approval to make repairs within allotted budget	November 25 Board Meeting
11/26/2025	$ 22,050.04	Money deposited into Account Sanitation Fema Disaster Account (FEMA)	
11/26/2025	$ 12,188.00	Money deposited into Account Sanitation Fema Disaster Account (CINCINATTI INSURANCE)	
12/15/2025	$ (6,094.00)	Transfer into Sanitation OPS account for invoices	Buchanan pump invoice # VA003151
Transferred 5-21-26	$ (6,204.62)	Purchase (1) 7.5 HP Influent LS Pump (Ordered) P.O. 825904	Buchanan pump Quote #VAQ01856
Transferred 5-21-26	$ (1,712.19)	Purchase (1) Chemical Pump	USA Bluebook INV#01023442
Transferred 5-21-26	$ (6,568.07)	Purchase (1) 11.3 HP Influent LS Pump (Ordered) P.O. 825904	Buchanan pump Quote #VAQ01856
Transferred 5-21-26	$ (330.00)	Freight for 7.5 HP & 11.3 HP Pump	
	$ (12,188.00)	Fund Transfer back to FEMA from CINCINATTI INSURANCE Funds	
Remaining Funds	**$ 1,141.16**		

Equipment Purchasing & Installation Schedule			
Equipment	Lead Time		Estimated Completion
(1) 7.5 HP Pump	4-6 Weeks	AWR - Installed	Friday, May 29, 2026
(1) Chemical Pump	2 Weeks	AWR - Installed	Friday, May 29, 2026
(1) 11.3 HP Pump	4-6 Weeks	AWR - Installed	Friday, May 29, 2026

IGA Lift Station - #825906

Date / Approval Date	Debit/Credit Activities	Notes	Reference #
11/25/2025		Approval to make repairs within allotted budget	November 25 Board Meeting
11/26/2025	$ 36,540.00	Money deposited into Account Sanitation Fema Disaster Account (FEMA)	
11/26/2025	$ 61,402.50	Money deposited into Account Sanitation Fema Disaster Account (CINCINATTI INSURANCE)	
12/15/2025	$ (23,035.01)	Transfer into Sanitation OPS account for invoices	USBPT #2016337-00A
	$ (29,214.27)	Purchase (1) 40 HP Chopper Pump + Custom Rail Assembly	INV#VA004420
	$ (12,310.00)	Purchase (1) Control Panel + Labor	USBPT Quote #2017203-00
	$ (35,540.00)	Fund Transfer back to FEMA from CINCINATTI INSURANCE Funds	

Remaining Funds	**$ (2,156.78)**

Equipment Purchasing & Installation Schedule			
Equipment	Lead Time	Work to be completed by AWR or outside services	Estimated Completion
(1) 40 HP Pump	6-8 Weeks	AWR - Received	Friday, August 28, 2026
(1) Control Panel	2-4 Weeks	USBPT - Ordered	Friday, August 28, 2026
Installation CP	2-4 Weeks	USBPT - Ordered	Friday, August 28, 2026

Locust Court - #825908

Date / Approval Date	Debit/Credit Activities	Notes	Reference #
11/25/2025		Approval to make repairs within allotted budget	November 25 Board Meeting
11/26/2025	$ 39,825.06	Money deposited into Account Sanitation Fema Disaster Account (FEMA)	
11/26/2025	$ 35,701.25	Money deposited into Account Sanitation Fema Disaster Account (CINCINATTI INSURANCE)	
2/20/2026	$ (800.00)	Transfer from San Disaster into Sanitation OPS account for invoices	Invoice #MCW020626-MCS
2/25/2026		Check Mailed for Invoice #MCW020626-MCS	
	$ (29,214.27)	Purchase (1) 40 HP Chopper Pump + Custom Rail Assembly	INV#VA004421
	$ (12,740.00)	Purchase (1) Control Panel + Labor	USBPT #2017201-00
	$ (35,701.25)	Fund Transfer back to FEMA from CINCINATTI INSURANCE Funds	
Remaining Funds	**$ (2,929.21)**		

Equipment Purchasing & Installation Schedule			
Equipment	Lead Time		Estimated Completion
(1) 40 HP Pump	6-8 Weeks	AWR - Received	Friday, August 28, 2026
(1) Control Panel	2-4 Weeks	USBPT - Ordered	Friday, August 28, 2026
Installation CP	2-4 Weeks	USBPT - Ordered	Friday, August 28, 2026

Riverside LS - #825910

Date / Approval Date	Debit/Credit Activities	Notes	Reference #
11/25/2025		Approval to make repairs within allotted budget	November 25 Board Meeting
11/26/2025	$ 39,825.06	Money deposited into Account Sanitation Fema Disaster Account (FEMA)	
11/26/2025	$ 15,440.22	Money deposited into Account Sanitation Fema Disaster Account (CINCINATTI INSURANCE)	
12/15/2025	$ (7,720.11)	Transfer into Sanitation OPS account for invoices	Wascon Invoice #80218
3/23/2026	$ (8,003.33)	Purchase (1) 15 HP Pump (Ordered)	Wascon Quote #24-2647 ; INV #84768
6/30/2026	$ (500.00)	Crane truck to install pump	INV#003
	$ (8,019.26)	Purchase (1) Hightide Scada Unit	Wascon Quote #26-0212
6/30/2026	$ (2,406.80)	Puchase (1) Check Valve Ordered 4/1/26	INV#VA004344
	$ (15,440.22)	Fund Transfer back to FEMA from CINCINATTI INSURANCE Funds	
	$ (1,037.74)	Main disconnect Ordered	Quote #2017433-00

Remaining Funds	**$ 12,137.82**

Equipment Purchasing & Installation Schedule			
Equipment	Lead Time	Work to be completed by AWR or outside services	Estimated Completion
(1) 15 HP Pump	2 Weeks	AWR - Installed	Friday, May 29, 2026
(1) Check Valve	4-6 Weeks	AWR - Installed	Friday, May 29, 2026
(1) Hightide Scada	6 Weeks	Wascon	Friday, August 28, 2026

Dempsey LS - #825911

Date / Approval Date	Debit/Credit Activities	Notes		Reference #
11/25/2025		Approval to make repairs within allotted budget		November 25 Board Meeting
11/26/2025	$ 63,538.71	Money deposited into Account Sanitation Fema Disaster Account (FEMA)		
11/26/2025	$ 23,850.00	Money deposited into Account Sanitation Fema Disaster Account (CINCINATTI INSURANCE)		
12/15/2025	$ (16,968.61)	Transfer into Sanitation OPS account for invoices		Buchanan INV #VA003339 ; Buchanan INV #VA003337
6/30/2026	$ (23,197.70)	Purchase (2) 7.5 HP Chopper Pump	Ordered 4/1/26	INV#VA004343-1
	$ (1,219.46)	Purchase (2) Pump Flange	Ordered 4/1/26	
	$ (11,960.00)	Purchase (1) Control Panel + Labor	Ordered 6/16/26	USBPT Quote #2017204-00
	$ (1,037.74)	Main Electrical Disconnect	Ordered 6/16/26	USBPT Quote #2017433-00
	$ (8,019.26)	Purchase (1) Hightide Scada Unit		
	Obtaining Quote	Purchase & Installation trash catch basket		
	$ (23,850.00)	Fund Transfer back to FEMA from CINCINATTI INSURANCE Funds		

Remaining Funds	**$ 1,135.94**

Equipment Purchasing & Installation Schedule			
Equipment	Lead Time	Work to be completed by AWR or outside services	Estimated Completion
(2) 7.5 HP Pump	6-8 Weeks	AWR - Delivered	Friday, August 28, 2026
(2) Pump Flange	6-8 Weeks	AWR - Delivered	Friday, August 28, 2026
(2) Cables - 50 Ft	6-8 Weeks	AWR - Delivered	Friday, August 28, 2026
(1) Hightide Scada	6 Weeks	Wascon	Friday, August 28, 2026
(1) Contol Panel	2-4 Weeks	USBPT - Ordered	Friday, August 28, 2026
(1) CP Install	2-4 Weeks	USBPT - Ordered	Friday, August 28, 2026
Trash Catch Basin	Obtaining Quote	Outside Service - Awaiting quotes	Friday, August 28, 2026

Riverside Duplex LS - #925914

Date / Approval Date	Debit/Credit Activities	Notes	Reference #
11/25/2025		Approval to make repairs within allotted budget	November 25 Board Meeting
11/26/2025	$ 13,669.11	Money deposited into Account Sanitation Fema Disaster Account (FEMA)	
4/27/2026	$ (9,774.02)	Purchase Duplex Station - Order placed 12/1/2025	Wascon Quote # MC112625-1 ; INV # 85230
	$ (1,037.74)	Main disconnect	Quote #2017433-00
Remaining Funds	**$ 2,857.35**		

Equipment Purchasing & Installation Schedule			
Equipment	Lead Time		Estimated Completion
Eone Duplex Station	2-3 Weeks	AWR - Installed	Thursday, April 30, 2026

Grinder Pumps County Wide - #949598

Date / Approval Date	Debit/Credit Activities	Notes	Reference #
11/25/2025		Approval to make repairs within allotted budget	November 25 Board Meeting
11/26/2025	**$ 279,096.00**	Money deposited into Account Sanation Fema Disaster Account (FEMA)	
12/15/2025	$ (14,871.13)	Transfer into Sanitation OPS account for invoices	
		Purchase (75) Grinder Pump Retro Kits (Pump, Cable, & Control Panel) Order Placed 12/1/25	Wascon Quote #MC112625
2/20/2026		Transfer from San Dis Relief to San Opts for Invoice (40 Grinder Pumps Delivered)	Wascon Invoice #084482
2/24/2026		Recommend Purchase of (20) 30x60 Complete Eone Station = $85,398.60	Wascon Quote #21026 - $4,269.93 per station
2/25/2026		Recommend Purchase of (12) Grinder Pump Retro Kits = $24,500.40	Wascon Quote #MC112625
2/25/2026	$ (81,668.00)	Mailed check for Invoice #084482	
4/27/2026	$ (71,809.50)	Mailed check for Invoice #084482	

Remaining Funds	**$ 110,747.37**

Equipment Purchasing & Installation Schedule			
Equipment	Estimated Delivery	Work to be completed by AWR or outside services	Estimated Completion
(40) Eone Grinders	Delivered 1/16/2026	AWR- Installed	Thursday, April 30, 2026
(35) Eone Grinders	Friday, February 20, 2026	AWR - Delivered	Thursday, July 30, 2026

Cat B Emergency Protective IGA - #959338

Date / Approval Date	Debit/Credit Activities	Notes	Reference #
2/9/2026	$ 30,076.45	Deposit from Cincinatti Insurance for Invoices related to diesel pump rental at IGA LS	
2/20/2026	$ (1,816.00)	United Rental - to pay remaining invoices relating to IGA LS	
2/20/2026	$ (2,547.00)	United Rental - to pay remaining invoices relating to IGA LS	
	$ (10,500.00)	Recommend to use $10,500.00 to fix TVWWTP Troy Valves - Conley (Approved by Board 3/24/26)	
Remaining Funds	**$ 15,213.45**		

PIONEER ENVIRONMENTAL & ENGINEERING, LLC

6108 Sable Mill Ct Jeffersonville, IN 47130 Office: 812-206-8682 Fax: 812-945-2833

March 23, 2026

Mr. Tim Thoma
MCW and MCS Districts
387 E. Main St., Suite 140
Inez, KY 41224

via electronic mail: tbthoma@hotmail.com

Proposal for Waste Characterization Services for Disposal or Beneficial Reuse

Dear Mr. Thoma:

Pioneer Environmental & Engineering, LLC (Pioneer) is pleased to provide this proposal for waste characterization for solid waste disposal or for beneficial reuse of both aged wastewater sludge some of which have been mixed with water treatment sludge, and water treatment filter beds. As we understand, the Inez, KY WWTP and water treatment facility (WTP) shared drying beds. Historically, drying beds three and four have not been used in many years and contain approximately 1,700 to 1,800 tons, whereas drying beds one and two contain more recent sludges totaling 1 to 2 tons of still mostly liquid in nature. In addition, there is two WTP sand filters that need to be removed and disposed of, with estimated weights ranging between 7,000 to 8,000 tons. The District has already provided some preliminary analytical data for these waste streams as a preliminary indication of the waste characterization.

We are providing this proposal outlining our scope of work and services budget.

Scope of Services

The proposed scope of services is to provide services in a logical fashion to minimize costs, while providing information and data to provide options to minimize disposal or removal costs to the Districts. Pioneer plans to complete the following services in the order presented:

Pioneer will conduct a facility visit to collect the necessary samples from each of the various drying beds and sand filters at frequencies dictated by the potential disposal facilities or beneficial reuse project permits. Pioneer has already contacted Rumpke, WM and Republic Services, all have solid waste landfills within reasonable hauling distance from Inez, Kentucky. These companies are confirming sampling frequency, sample types and analytical testing types.

During this facility visit, a two-person crew will auger the waste materials from drying beds three and four at separate locations in each bed and two separate locations within each sand filter to generate samples required to complete the necessary analytical tests to satisfy the disposal locations that the wastes have been representatively characterized. In addition, one sample will be gathered from drying bed two and tested for the same constituents as the other samples and paint filter test. The Districts will provide a mini-excavator and operator to assist Pioneer representatives with collecting samples and further assessing the actual depths of each drying bed and sand filter below 5 to 6 feet.

Concurrently, samples will be procured to address any additional potential testing requirements for potential beneficial reuse. Pioneer has been initiated researching the local area around Inez to identify these opportunities so that we can understand the regulatory considerations for specific project requirements. Samples will be sent to Pace Laboratories for analytical testing with normal turn-around time (2 to 3 weeks) to complete the testing.

Following receipt of the analytical data, Pioneer will conduct a preliminary review of the data to determine if separate profiles are required for the various drying beds and sand filters. The necessary waste profiles will be prepared (including analytical data and other related information) and submitted to the solid waste landfills under consideration for disposal. Following the waste company's review and final acceptance of the profile(s), Pioneer will then finalize negotiations with the landfills for final pricing and any special handling conditions

Pioneer will communicate with the Districts throughout the process for input and discussions of options.

Pioneer has not included a budget for beneficial re-use of the aged sludge and/or sand filters at this juncture. If an opportunity presents itself during the characterization process, then we will discuss it with the District and decisions can be made at that time, whether to pursue additional services for this.

Budget

The work provided by Pioneer under this scope of work and as described above, each District will be invoiced on a time and materials not-to-exceed basis, as shown below in the subototals below:

Task	Estimated Total Cost
Information and Data Collection & Compilation	$1,400
Site Visit & Sample Collection - WTP Sand Filters	$2,500
Site Visit & Sample Collection -WWTP Sludge	$2,500
Laboratory Analytical Testing – WTP Sand	$4,560
Laboratory Analytical Testing - WWTP Sludge	$6,840

Profile Preparations & Disposal Negotiations for both Wastes	$2,200
Additional Services upon request at time & materials	TBD
GRAND TOTAL BOTH WASTES	$19,900
WTP SUBTOTAL	$8,860
WWTP SUBTOTAL	$11,040

If we complete our services below budgeted estimates, these savings will be passed along to the Districts. We will only invoice for actual labor and expenses incurred providing the services.

Any additional work beyond that which is outlined in the above Scope of Work can be performed on a Time and Materials basis. We will make every attempt to perform the work as described; however, unforeseen situations could cause the scope and/or price to fluctuate. We will not exceed the projected budget without authorization from the Districts.

The estimated cost and proposed scope of work are based on information available to Pioneer at this time. If conditions change, unforeseen circumstances are encountered, or work efforts are redirected, the cost estimate may require modification.

Schedule

Following your favorable response to this proposal, we will proceed with these services. We anticipate the site visit can be conducted within a week to two weeks following authorization to proceed and analytical laboratory testing results being available within 3 weeks following the site visit. Following finalizing waste profiles and negotiations with waste companies to be completed in a week or so following receipt of analytical test results

Assumptions

To prepare this scope of work and project budget, Pioneer has made the following assumptions:

1. Work will be performed in accordance with Pioneer's General Terms and Conditions (attached).
2. Pioneer's project budget is based on the scope of work outlined in this proposal. We reserve the right to revise our pricing if significant deletions or additions are made to the work scope.

3. Pioneer costs are predicated on Pace Laboratory testing quotation and an estimated 12 samples being tested as described in this proposal.

Terms and Conditions/Approval

The costs in this proposal represent services to be completed during the second quarter 2026. Attached is Pioneer's General Terms and Conditions for these proposed services.

Please indicate your approval of the proposal by signing below. Please fax, e-mail, or mail a signed copy of the proposal to us. Any modifications to the previously agreed to Terms and Conditions language must be accepted by both parties. If you have any questions regarding this proposal, please do not hesitate to contact the undersigned at 513-720-1369.

Sincerely,
PIONEER ENVIRONMENTAL & ENGINEERING, LLC

Bruce O. Schmucker, P.E.
Principal

Attachments

Pioneer General Terms & Conditions and 2025 Rate Schedule.

This proposal is hereby agreed to and approved. The attached Terms and Conditions are accepted and become a binding part of this agreement.

By Timothy Thom Date 28 MARCH 2026

Name TIMOTHY THOMA Title CHAIRMAN
lease print)

Wade Stables P.C.
CERTIFIED PUBLIC ACCOUNTANTS

100 North Sixth Street ♦ P.O. Box 796 ♦ Hannibal, Missouri 63401-0796 ♦ Phone (573) 221-5998 ♦ Fax (573) 221-2044

June 15, 2026

To the Board of Directors
Martin County Sanitation District

We have audited the financial statements of the business-type activities of Martin County Sanitation District, for the year ended December 31, 2025. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated March 2, 2026. Professional standards also require that we communicate to you the following information related to our audit.

<u>Significant Audit Matters</u>

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Martin County Sanitation District are described in Note 1 to the financial statements. No new accounting policies were adopted, and the application of existing policies was not changed during 2025. We noted no transactions entered into by Martin County Sanitation District, during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate affecting the financial statements was:

> Management's estimate of the depreciable life of capital assets is based on estimated remaining useful life of the asset. We evaluated the methods, assumptions, and data used to develop the depreciable life of capital assets in determining that it is reasonable in relation to the financial statements taken as a whole.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated June 15, 2026.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a “second opinion” on certain situations. If a consultation involves application of an accounting principle to Martin County Sanitation District’s financial statements or a determination of the type of auditor’s opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as Martin County Sanitation District’s auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

<u>Other Matters</u>

We applied certain limited procedures to management’s discussion and analysis, which is required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were not engaged to report on the calculations of accounts payable turnover ratios, debt service coverage ratios, and current days’ sales in accounts receivable ratios, which accompany the financial statements but are not RSI. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

<u>Restriction on Use</u>

This information is intended solely for the information and use of the Board of Directors and management of Martin County Sanitation District, and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

Wade Stables P.C.

Wade Stables P.C.
Certified Public Accountants

Martin County Sanitation District

Inez, Kentucky

June 15, 2026

Wade Stables P.C.
100 North 6th Street
Hannibal, MO 63401

This representation letter is provided in connection with your audits of the financial statements of Martin County Sanitation District, which comprise the respective financial position of the business-type activities as of December 31, 2025 and 2024, and the respective changes in financial position and cash flows for the years then ended, and the disclosures (collectively, the "financial statements"), for the purpose of expressing opinions as to whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, as of June 15, 2026, the following representations made to you during your audit.

Financial Statements

1) We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated March 2, 2026, including our responsibility for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP and for preparation of the supplementary information in accordance with the applicable criteria.

2) The financial statements referred to above are fairly presented in conformity with U.S. GAAP and include all properly classified funds and other financial information of the primary government and all component units required by generally accepted accounting principles to be included in the financial reporting entity.

3) We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

4) We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.

5) The methods, significant assumptions, and data used in making accounting estimates and their related disclosure are appropriate to achieve recognition, measurement, or disclosure that is reasonable in accordance with U.S. GAAP.

6) Related party relationships and transactions, including revenues, expenditures/expenses, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties have been appropriately accounted for and disclosed in accordance with U.S. GAAP.

7) Adjustments or disclosures have been made for all events, including instances of noncompliance, subsequent to the date of the financial statements that would require adjustment to or disclosure in the financial statements or in the schedule of findings and responses.

8) The effects of uncorrected misstatements are immaterial, both individually and in the aggregate, to the financial statements as a whole for each opinion unit.

9) The effects of all known actual or possible litigation, claims, and assessments have been accounted for and disclosed in accordance with U.S. GAAP.

10) Guarantees, whether written or oral, under which the District is contingently liable, if any, have been properly recorded or disclosed.

Information Provided

11) We have provided you with:

   a) Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as records (including information obtained from outside of the general and subsidiary ledgers), documentation, and other matters.

   b) Additional information that you have requested from us for the purpose of the audit.

   c) Unrestricted access to persons within the District from whom you determined it necessary to obtain audit evidence.

   d) Minutes of the meetings of Board of Directors or summaries of actions of recent meetings for which minutes have not yet been prepared.

12) All material transactions have been recorded in the accounting records and are reflected in the financial statements.

13) We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.

14) We have no knowledge of any fraud or suspected fraud that affects the District and involves—

   - Management,
   - Employees who have significant roles in internal control, or
   - Others where the fraud could have a material effect on the financial statements.

15) We have no knowledge of any allegations of fraud or suspected fraud affecting the District's financial statements communicated by employees, former employees, regulators, or others.

16) We have no knowledge of instances of noncompliance or suspected noncompliance with provisions of laws, regulations, contracts, or grant agreements, or waste or abuse, whose effects should be considered when preparing financial statements, except as made known to you.

17) We have disclosed to you all known actual or possible litigation, claims, and assessments whose effects should be considered when preparing the financial statements.

18) We have disclosed to you the names of the District's related parties and all the related party relationships and transactions, including any side agreements.

Government-specific

19) There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.

20) We have taken timely and appropriate steps to remedy identified and suspected fraud or noncompliance with provisions of laws, regulations, contracts, and grant agreements that you have reported to us.

21) We have a process to track the status of audit findings and recommendations.

22) We have identified to you any previous audits, attestation engagements, and other studies related to the objectives of the audit and whether related recommendations have been implemented.

23) We have identified to you any investigations or legal proceedings that have been initiated with respect to the period under audit.

24) We have provided our views on reported findings, conclusions, recommendations, as well as our planned corrective actions, for the report.

25) The District has no plans or intentions that may materially affect the carrying value or classification of assets, deferred outflows of resources, liabilities, deferred inflows of resources, and fund balance or net position.

26) We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us, including tax or debt limits and debt contracts, and legal and contractual provisions for reporting specific activities in separate funds.

27) We have identified and disclosed to you all instances of identified and suspected fraud and noncompliance with provisions of laws, regulations, contracts, and grant agreements that we believe have a material effect on the financial statements.

28) There are no violations or possible violations of budget ordinances, laws and regulations (including those pertaining to adopting, approving, and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements, or as a basis for recording a loss contingency, or for reporting on noncompliance.

29) As part of your audit, you assisted with preparation of the financial statements and disclosures. We acknowledge our responsibility as it relates to those nonaudit services, including that we assume all management responsibilities; oversee the services by designating an individual, preferably within senior management, who possesses suitable skill, knowledge, or experience; evaluate the adequacy and results of the services performed; and accept responsibility for the results of the services. We have reviewed, approved, and accepted responsibility for those financial statements and disclosures.

30) The District has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.

31) The District has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.

32) The financial statements include all component units, appropriately present majority equity interests in legally separate organizations and joint ventures with an equity interest, and properly disclose all other joint ventures and other related organizations.

33) The financial statements include all fiduciary activities required by GASBS No. 84 , as amended.

34) The financial statements properly classify all funds and activities in accordance with GASBS No. 34 , as amended.

35) All funds that meet the quantitative criteria in GASBS Nos. 34 and 37 for presentation as major are identified and presented as such and all other funds that are presented as major are particularly important to financial statement users.

36) Components of net position (net investment in capital assets; restricted; and unrestricted) and classifications of fund balance (nonspendable, restricted, committed, assigned, and unassigned) are properly classified and, if applicable, approved.

37) Investments, derivative instruments, and land and other real estate held by endowments are properly valued.

38) Provisions for uncollectible receivables have been properly identified and recorded.

39) Expenses have been appropriately classified in or allocated to functions and programs in the statement of activities, and allocations have been made on a reasonable basis.

40) Revenues are appropriately classified in the statement of activities within program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.

41) Deposits and investment securities and derivative instruments are properly classified as to risk and are properly disclosed.

42) Capital assets, including infrastructure and intangible assets, are properly capitalized, reported, and, if applicable, depreciated or amortized.

43) We have appropriately disclosed the District's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available and have determined that net position is properly recognized under the policy.

44) We are following our established accounting policy regarding which resources (that is, restricted, committed, assigned, or unassigned) are considered to be spent first for expenditures for which more than one resource classification is available. That policy determines the fund balance classifications for financial reporting purposes.

45) We acknowledge our responsibility for the required supplementary information (RSI). The RSI is measured and presented within prescribed guidelines and the methods of measurement and presentation have not changed from those used in the prior period. We have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the RSI.

46) With respect to the calculations of accounts payable turnover ratios, debt service coverage ratios, and current days' sales in accounts receivable ratios (other information):

a) We acknowledge that we have informed you of all documents that may comprise other information we expect to issue. The financial statements and other information you obtained prior to the auditor's report date are consistent with one another, and the other information does not contain any material misstatements.

b) With regard to the other information that will be included in the annual report that was not obtained by you prior to the auditor's report date, we prepared and issued the other information and provided you with the final version of the documents.

Signature: John P. Henley

Title: Director / Chairman

Martin County Sanitation District

Inez, Kentucky

Annual Financial Report

Years Ended December 31, 2025 and 2024

Martin County Sanitation District
Table of Contents
December 31, 2025 and 2024

Financial Section

Wade Stables P.C.
CERTIFIED PUBLIC ACCOUNTANTS

100 North Sixth Street • P.O. Box 796 • Hannibal, Missouri 63401-0796 • Phone (573) 221-5998 • Fax (573) 221-2044

Independent Auditors' Report

The Board of Directors
Martin County Sanitation District
Inez, Kentucky

Opinion

We have audited the accompanying financial statements of the business-type activities of Martin County Sanitation District, as of and for the years ended December 31, 2025 and 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of Martin County Sanitation District, as of December 31, 2025 and 2024, and the respective changes in financial position and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Martin County Sanitation District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

As discussed in Note 12 to the financial statements, the District has suffered recurring operating losses and its debt service coverage ratio has been unfavorable for the previous and current year. Management's evaluation of the events and conditions and management's plans to mitigate those matters are also described in Note 12. Our opinion is not modified with respect to that matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Martin County Sanitation District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Martin County Sanitation District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Martin County Sanitation District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the calculations of accounts payable turnover ratios, debt service coverage ratios, and current days' sales in accounts receivable ratios but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

Independent Auditors' Report (Concluded)

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 15, 2026, on our consideration of Martin County Sanitation District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Martin County Sanitation District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Martin County Sanitation District's internal control over financial reporting and compliance.

Wade Stables P.C.

Wade Stables P.C.
Certified Public Accountants

June 15, 2026
Hannibal, Missouri

MARTIN COUNTY SANITATION DISTRICT OF INEZ, KENTUCKY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMEBER 31, 2025

As management of the Martin County Sanitation District of Inez, Kentucky (the District), we offer readers of the District's audited financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended December 31, 2025.

OVERVIEW OF THE AUDITED FINANCIAL STATEMENTS

The financial statements presented in this report consist of statements *of net position,* the *statements of revenues, expenses, and changes in net position,* and the *statements of cash flows.* The statement of net position provides information about the nature and amounts of investments in resources (assets) and the obligations to creditors (liabilities). It also provides the basis for assessing the liquidity and financial flexibility of the District. The current year's revenues and expenses are accounted for in the statements of revenues, expenses, and changes in net position. This statement reports the revenues and expenses during the period indicated and can be used to determine whether the District has successfully recovered all its costs through user fees and other charges. The primary purpose of the statements of cash flows is to provide information about the District's cash receipts and cash payments. This statement reports cash receipts, cash payments, and net changes in cash resulting from activities related to operations, capital and related financing, noncapital financing, and investing activities.

STATEMENT OF NET POSITION

The District's total net position in 2025 increased by $404,308 and ended the year at $6,777,230.

Net position is comprised of total assets and total liabilities.

Total assets increased $432,339 or 5.1% primarily due to increases in current assets of $81,169 and restricted assets of $703,467. The increase in current assets is primarily due to the increase in cash and/or cash equivalents of $48,497 and the increase in unbilled receivables of $23,662. The increase in restricted assets is primarily due to an increase in the sinking fund of $81,694 and disaster relief fund of $621,773. Restricted cash is discussed in detail in the restricted assets section.

Total liabilities increased by $28,031 or 1.3% primarily due to an increase in current liabilities of $71,031. Current liabilities increased primarily due to an increase in accrued interest of $36,026, current portion of long-term debt of $43,000, and customer deposits of $630.

A summary of financial position follows:

	For The Years Ended December 31			2025	
	2025	2024	2023	Change	Percent Change
Assets:					
Current assets	$ 297,591	$ 216,422	$ 225,330	81,169	37.5%
Restricted assets	711,223	7,756	538	703,467	9070.0
Capital assets	7,929,277	8,281,574	8,709,471	(352,297)	-4.3
Total assets	8,938,091	8,505,752	8,935,339	432,339	5.1
Liabilities:					
Current liabilities	495,511	424,480	527,986	71,031	16.7
Long term debt, net	1,665,350	1,708,350	1,750,370	(43,000)	-2.5
Total liabilities	2,160,861	2,132,830	2,278,356	28,031	1.3
Net Position:					
Net investment in capital assets	6,263,927	6,573,224	6,959,101	(309,297)	-4.7
Restricted for debt service	93,053	11,220	5,699	81,833	729.3
Unrestricted	420,250	(211,522)	(307,817)	631,772	-298.7
Total net position	$ 6,777,230	$ 6,372,922	$ 6,656,983	404,308	6.3%

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

Total operating revenues increased by $10,910 or 1.1% and totaled $992,657 for the year. Charges for services increased $10,896 or 1.3% from the prior year. Penalties and fees increased by $109 or 0.2%. Additionally, there was a decrease of $100 in miscellaneous income.

Total operating expenses increased by $63,819 or 5.1%. This increase consists of an increase in non-depreciation operating expenses of $60,447 or 7.7% and a $3,372 or 0.7% increase in depreciation expense.

Non-operating income (expense) in 2025 consists of $40,556 of interest expense and $64 of interest income.

A summary statement of revenues, expenses and changes in net position follows:

	For The Years Ended December 31			2025	
	2025	2024	2023	Change	Percent Change
Operating Revenues:					
Charges for services	$ 881,509	$ 870,613	$ 797,986	10,896	1.3%
Penalties and fees	59,696	59,587	67,152	109	0.2
Debt service surcharge	51,452	51,447	51,147	5	0.0
Miscellaneous income	-	100	250	(100)	-100.0
Total Operating Revenues	992,657	981,747	916,535	10,910	1.1
Operating Expenses:					
Operating expenses	840,809	780,362	737,608	60,447	7.7
Depreciation	474,753	471,381	485,592	3,372	0.7
Total operating expenses	1,315,562	1,251,743	1,223,200	63,819	5.1
Net Operating Income	(322,905)	(269,996)	(306,665)	(52,909)	19.6
Non-operating Income (Expense)					
Interest expense	(40,556)	(41,577)	(42,292)	(1,021)	2.5
Gain (loss) on disposal of assets	-	-	1,750	-	0.0
Interest and dividend income	64	12	8	52	433.3
Total Non-operating income (expenses)	(40,492)	(41,565)	(40,534)	(1,073)	-2.6
Change in net position before contributions	(363,397)	(311,561)	(347,199)	(51,836)	16.6
Capital grants and contributions	767,705	27,500	-	740,205	100.0
Change in net position	404,308	(284,061)	(347,199)	688,369	-242.3
Net Positon - Beginning	6,372,922	6,656,983	7,004,182	(284,061)	-4.3
Net Position - Ending	$ 6,777,230	$ 6,372,922	$ 6,656,983	404,308	6.3%

STATEMENT OF CASH FLOWS

The District's rate structure is designed to collect sufficient revenues to pay debt service and recover operating and maintenance expenses.

RESTRICTED ASSETS

Restricted assets were $711,223 in 2025 compared to $7,756 in 2024. The District's debt covenants specify the manner that monies on deposit in the various restricted funds must be used. Restricted assets consist of various accounts for debt service and capital projects.

CAPITAL ASSETS

Capital assets, net of accumulated depreciation was $7,929,277 on December 31, 2025, as compared to $8,281,574 on December 31, 2024, and represents a decrease of $352,297 or 4.3%. Capital asset additions in 2025 were $47,246 and primarily consist of grinder pumps and a meter project. Additions were offset by the depreciation expense of $474,753.

LONG-TERM DEBT

The District's made no principal payments during the fiscal year. As of December 31, 2025, the District had a total long-term debt outstanding of $1,708,350 of which $43,000 is due in the next year.

OVERALL ANALYSIS OF FINANCIAL POSITION AND RESULTS OF OPERATIONS

The District's overall financial position in 2025 improved as shown by the net position increase of $404,308 or 6.3%.

REQUEST FOR INFORMATION

This report is designed to provide our customers, debt holders, and other interested parties with a general overview of the financial position of the District and to indicate accountability for the revenues received. Direct questions about this report or requests for additional information to the District Clerk (606-298-3885) at the District's office, 387 East Main Street, Inez, KY 41224.

Basic Financial Statements

Martin County Sanitation District

Statements of Net Position

Years Ended December 31, 2025 and 2024

	2025	2024
Assets		
Current Assets		
Cash and cash equivalents	$ 96,541	$ 48,044
Accounts receivable (net)	136,532	129,651
Prepaid assets	14,289	12,160
Unbilled receivables	50,229	26,567
Total Current Assets	$ 297,591	$ 216,422
Restricted Assets		
Cash - depreciation reserve	$ 490	$ 490
Cash - sinking fund	88,960	7,266
Cash - disaster relief fund	621,773	-
Total Restricted Assets	$ 711,223	$ 7,756
Capital Assets		
Sewer systems	$ 16,377,377	$ 16,330,131
Buildings	363,275	363,275
Furniture and equipment	430,155	430,155
Vehicles	50,452	50,452
Construction in progress	102,710	27,500
Land	93,081	93,081
Less: Accumulated depreciation	(9,487,773)	(9,013,020)
Total Capital Assets	$ 7,929,277	$ 8,281,574
Total Assets	$ 8,938,091	$ 8,505,752
Liabilities		
Current Liabilities		
Accounts payable	$ 405,370	$ 413,995
Accrued interest	36,026	-
Customer deposits	11,115	10,485
Current portion of long-term debt	43,000	-
Total Current Liabilities	$ 495,511	$ 424,480
Long-Term Liabilities		
Long-term portion of debt	1,665,350	1,708,350
Total Liabilities	$ 2,160,861	$ 2,132,830
Net Position		
Net investment in capital assets	$ 6,263,927	$ 6,573,224
Restricted for debt retirement	93,053	11,220
Unrestricted	420,250	(211,522)
Total Net Position	$ 6,777,230	$ 6,372,922

The accompanying notes to financial statements are an integral part of these statements.

Martin County Sanitation District

Statements of Revenues and Expenses and Changes in Net Position
Years Ended December 31, 2025 and 2024

	2025	2024
Operating Revenues		
Charges for services	$ 881,509	$ 870,613
Penalties and fees	59,696	59,587
Debt service surcharge	51,452	51,447
Miscellaneous income	-	100
Total Operating Revenues	$ 992,657	$ 981,747
Operating Expenses		
Management & operations contract	$ 625,824	$ 626,206
Legal	11,204	1,345
Accounting	5,675	5,500
Bad debt	9,947	5,268
Dues & subscriptions	500	500
Office expense	162	-
Utilities	82,013	71,837
Outside services	-	350
Insurance	36,849	35,224
Repairs & maintenance	56,832	33,467
Depreciation	474,753	471,381
Miscellaneous	11,803	665
Total Operating Expenses	$ 1,315,562	$ 1,251,743
Operating Income (Loss)	$ (322,905)	$ (269,996)
Non-operating Income (Expenses)		
Interest expense	$ (40,556)	$ (41,577)
Interest and dividend income	64	12
Total Non-operating Income (Expenses)	$ (40,492)	$ (41,565)
Change in Net Position Before Contributions	$ (363,397)	$ (311,561)
Capital grants and contributions	767,705	27,500
Change in Net Position	$ 404,308	$ (284,061)
Net Position - Beginning of Year	6,372,922	6,656,983
Net Position - End of Year	$ 6,777,230	$ 6,372,922

The accompanying notes to financial statements are an integral part of these statements.

Martin County Sanitation District

Statements of Cash Flows

Years Ended December 31, 2025 and 2024

	2025	2024
Cash Flows from Operating Activities		
Cash received from customers	$ 986,406	$ 1,033,745
Cash payments for goods and services	(875,225)	(904,255)
Net Cash Provided by Operating Activities	$ 111,181	$ 129,490
Cash Flows from Capital and Related Financing Activities		
Payments for capital assets	$ 645,249	$ (15,984)
Principal repayments	-	(42,020)
Interest and other charges paid	(4,530)	(41,577)
Net Cash Provided (Used) by Capital and Related Financing Activities	$ 640,719	$ (99,581)
Cash Flows from Investing Activities		
Interest received	$ 64	$ 12
Net Cash Provided by Investing Activities	$ 64	$ 12
Net Increase (Decrease) in Cash and Cash Equivalents	$ 751,964	$ 29,921
Cash and Cash Equivalents - Beginning of Year	55,800	25,879
Cash and Cash Equivalents - End of Year	$ 807,764	$ 55,800
Supplemental Disclosure of Cash Flow Information		
Cash paid for interest	$ 4,530	$ 41,577
Reconciliation of Cash and Cash Equivalents		
Cash and cash equivalents	$ 96,541	$ 48,044
Restricted cash and cash equivalents:		
Cash - depreciation reserve	490	490
Cash - sinking fund	88,960	7,266
Cash - disaster relief fund	621,773	-
Total Cash and Cash Equivalents	$ 807,764	$ 55,800
Reconciliation of Operating Income to Net Cash Provided by Operating Activities		
Operating income (loss)	$ (322,905)	$ (269,996)
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation expense	474,753	471,381
Change in assets and liabilities:		
Accounts receivable	(6,881)	50,693
Other accrued assets	(23,662)	(17,276)
Prepaid expenses	(2,129)	(1,806)
Accounts payable	(8,625)	(104,811)
Customer deposits	630	1,305
Net Cash Provided by Operating Activities	$ 111,181	$ 129,490

The accompanying notes to financial statements are an integral part of these statements.

Notes to
Financial Statements

1) Summary of Significant Accounting Policies

The Martin County Sanitation District (the District) was authorized by action of the Martin County Fiscal Court on January 10, 2008. The District is a Special Purpose Government Entity (SPGE) recognized by the Kentucky Department of Local Government. The District is governed by the Martin County Utility Board, which is comprised of commissioners appointed by the Martin County Fiscal Court. The District provides sanitation services to residential and commercial customers in the Martin County area.

A reporting entity is comprised of the primary government, component units, and other organizations that are included to ensure that the financial statements of the District are not misleading. The primary government consists of all funds, departments, boards and agencies that are not legally separate from the District.

Component units are legally separate organizations for which the District is financially accountable. The District is financially accountable for an organization if the District appoints a voting majority of the organization's governing board and (1) the District is able to significantly influence the programs or services performed or provided by the organization; or (2) the District is legally entitled to or can otherwise access the organization's resources; the District is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the District is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the District in that the District approves the budget, the issuance of debt, or the levying of taxes. The District has no component units.

The District's annual financial report includes all accounts of the Martin County Sanitation District. The accounting policies of the District conform to generally accepted accounting principles. The following is a summary of such significant policies:

A) Fund Accounting

The accounts of the District are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of the District constitute the equivalent of enterprise funds, and therefore, only these funds are presented. These funds consist of a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenses.

B) Capital Assets and Long-Term Liabilities

All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated capital assets are valued at their estimated fair value on the date donated.

All proprietary funds are accounted for on a cost of services or "capital maintenance" measurement focus. This means that all assets and all liabilities (whether current or noncurrent) associated with the District's activity are included on the Statement of Net Position. Reported fund equity (net position) is segregated into contributed capital and retained earnings components. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in total net position.

Depreciation of all exhaustible capital assets used by proprietary funds is charged as an expense against operations. Accumulated depreciation is reported on the Statement of Net Position. Depreciation has been provided over the estimated useful lives using the straight-line method. The estimated useful lives are as follows:

Cost of water/sewer system	5 - 40 years
Buildings	5 - 40 years
Office furniture and equipment	5 - 10 years
Vehicles	5 - 10 years

1) Summary of Significant Accounting Policies (Concluded)

C) Basis of Accounting

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported on the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

All proprietary funds are accounted for using the accrual basis of accounting. Their revenues are recognized when earned, and expenses are recognized when incurred.

D) Budgets and Budgetary Accounting

The District's Board of Commissioners receives and approves an annual budget from management each calendar year fulfilling the requirement to prepare an annual budget as required by all SPGE's for the Kentucky Department of Local Government.

E) Restricted Net Position

Net position is reported as restricted when limitations on use changes the normal understanding of the availability of the related asset. Such constraints are either imposed by creditors, contributors, grantors, or laws of other governments or imposed by enabling legislation. It is the District's policy to expend restricted resources first if the restrictions are met. All other net position that does not meet the definition of "restricted" is reported as unrestricted net position.

F) Inventory

Expenditures for inventory are recognized by the purchase method and are expensed as required. The inventory of supplies and parts on hand is not significant.

G) Cash and Cash Equivalents

The District considers all cash and cash equivalents to include all demand deposits as well as short-term investments with an initial maturity of less than three months from the date acquired by the District.

H) Operating and Non-Operating Income

Operating revenues and expenses result from providing services and producing and delivering goods in connection with the fund's principal ongoing operations. All income and expenses not meeting this definition are reported as non-operating income and expenses.

2) Use of Estimates in the Preparation of Financial Statements

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

3) Cash and Investments

The carrying amount of the District's deposits was $807,764 at December 31, 2025, and the bank balances totaled $807,764. The carrying amount of the District's deposits was $55,800 at December 31, 2024, and the bank balances totaled $56,340. At December 31, 2025, $250,000 was covered by federal depository insurance, $557,764 was deposited in institutional liquidity funds. At December 31, 2024, all of the District's deposits were covered by federal depository insurance.

4) Restricted Assets and Net Position

Restricted Assets consist of cash accounts required to be held in separate accounts in accordance with the District's debt covenants. Balances in the restricted cash accounts totaled $711,223 and $7,756 at December 31, 2025 and 2024, respectively.

As of December 31, 2025 and 2024, the District's Restricted Net Position consisted of net investments in capital assets and restrictions for debt retirement.

	2025	2024
Total Capital Assets	$ 7,929,277	$ 8,281,574
Less:		
Long-term portion of debt (net)	1,665,350	1,708,350
Current portion of long-term debt	-	-
Total Net Investment in Capital Assets	$ 6,263,927	$ 6,573,224

The District's bond issues contain covenants relative to the maintenance of specific funds and the making of monthly payments to certain funds. Additionally, the District's Board of Directors imposed a debt service surcharge for funding the District's payments to vendors. The status of the various accounts was as follows at December 31:

	2025	2024
Sinking funds	$ 88,960	$ 7,266
Debt surcharge	3,603	3,464
Depreciation fund	490	490
Restricted cash and investments -		
Debt retirement	$ 93,053	$ 11,220
Less: Payable from restricted assets		
Accrued interest	-	-
Restricted for debt retirement	$ 93,053	$ 11,220

5) Accounts Receivable

The receivables from customers are reported on the accompanying Statements of Net Position, net of an allowance for doubtful accounts, which amounted to $8,875 and $6,000 as of December 31, 2025 and 2024, respectively. Estimated unbilled revenues are recognized at the end of each year on a pro rata basis. The estimated amount is based on billings during the month following the close of the fiscal year.

6) Long-Term Debt

Series 2011

The District obtained a loan in the amount of $485,000 from the United States Department of Agriculture (USDA) for the purpose of financing the costs of construction and improvements of the sanitation systems of the District. Principal payments are due annually beginning on January 1, 2013, with a maturity date of January 1, 2050, plus interest at a rate of 2.250%. The collateral for the loan is service revenue.

Series 2014

The District obtained a loan in the amount of $1,600,000 from the USDA for the purpose of financing the costs of the construction and improvements of the sanitation systems of the District. Principal payments are due annually beginning on January 1, 2017, with a maturity date of January 1, 2054, plus interest at a rate of 2.375%. The collateral for the loan is service revenue.

The following is a summary of outstanding debt as of December 31, 2025 and 2024:

	2025	2024
Series 2011 $485,000 USDA loan due in annual installments ranging from $8,000 to $19,500, plus interest at a rate of 2.250% from January 1, 2013 through January 1, 2050.	$ 364,980	$ 364,980
Series 2014 $1,600,000 USDA loan due in annual installments ranging from $25,500 to $64,000, plus interest at a rate of 2.375% from January 1, 2017 through January 1, 2054.	1,343,370	1,343,370
Total Debt Payable	$ 1,708,350	$ 1,708,350
Less: Current Portion	(43,000)	-
Long-Term Portion of Debt Payable	$ 1,665,350	$ 1,708,350

The following is a summary of bond principal requirements as of December 31:

Year	Principal	Interest	Total
2026	$ 43,000	$ 39,629	$ 82,629
2027	44,000	38,610	82,610
2028	45,500	37,560	83,060
2028	46,000	36,488	82,488
2029	47,500	35,393	82,893
2030-2034	255,000	159,520	414,520
2035-2039	287,500	127,805	415,305
2040-2044	325,500	91,909	417,409
2045-2049	368,000	51,319	419,319
2050-2054	246,350	11,911	258,261
Totals	$ 1,708,350	$ 630,144	$ 2,338,494

6) Long-Term Debt (Concluded)

The changes in long-term debt for the year ended December 31, 2025 and 2024, are as follows:

	2025	2024
Balance, Beginning	$ 1,708,350	$ 1,708,350
Additions	-	-
Retirements	-	-
Balance, Ending	$ 1,708,350	$ 1,708,350

7) Litigation

At December 31, 2025, there were no claims or lawsuits pending against the District.

8) Concentration of Credit Risk

The District provides virtually all of its services to the residents of Martin County Sanitation District and derives the majority of its revenues from sanitation services to those residents. Further, the District is subject to regulations by state statutes and the Environmental Protection Agency.

9) Capital Assets

Capital assets during the year ended December 31, 2025, consisted of the following:

	Balance at January 1	Additions	Deductions	Balance at December 31
Sewer systems	$ 16,330,131	$ 47,246	$ -	$ 16,377,377
Buildings	363,275	-	-	363,275
Furniture and equipment	430,155	-	-	430,155
Vehicles	50,452	-	-	50,452
	$ 17,174,013	$ 47,246	$ -	$ 17,221,259
Accumulated Depreciation	(9,013,020)	(474,753)	-	(9,487,773)
Construction in Progress	27,500	75,210	-	102,710
Land	93,081	-	-	93,081
Total Capital Assets	$ 8,281,574	$ (352,297)	$ -	$ 7,929,277

Depreciation expense for the year ended December 31, 2025, amounted to $474,753.

9) Capital Assets (Concluded)

Capital assets during the year ended December 31, 2024, consisted of the following:

	Balance at January 1	Additions	Deductions	Balance at December 31
Sewer systems	$ 16,317,587	$ 12,544	$ -	$ 16,330,131
Buildings	363,275	-	-	363,275
Furniture and equipment	426,715	3,440	-	430,155
Vehicles	50,452	-	-	50,452
	$ 17,158,029	$ 15,984	$ -	$ 17,174,013
Accumulated Depreciation	(8,541,639)	(471,381)	-	(9,013,020)
Construction in Progress	-	27,500	-	27,500
Land	93,081	-	-	93,081
Total Capital Assets	$ 8,709,471	$ (427,897)	$ -	$ 8,281,574

Depreciation expense for the year ended December 31, 2024, amounted to $471,381.

10) Related Party Transactions

There were no related party transactions during the year ended December 31, 2025.

11) Commitments

The District has a full service operating agreement with Alliance Water Resources, Inc., through December 31, 2029, which provides for the operation of the sanitation system. The amount to be paid under the basic agreement for operating the sanitation system is $651,660 for the year ending December 31, 2026, with the compensation for the balance of the contract to be negotiated on an annual basis.

12) Management Plans

Due to continued operating losses experienced by the District for the last several years, and due to the unfavorable debt service coverage ratio for the prior year and current year, the District has evaluated the significance of these conditions and the District's ability to meet its long-term obligations. Management and the Board have had discussions to formulate a plan to address these concerns. The following illustrates the plan that management has implemented or will implement to mitigate these conditions:

- Martin County Water District is in the process of a system-wide meter replacement project. As a result of the new meters, management has seen a 5% increase in revenue for the Sanitation District for the budget year 2026.
- The District applied for grant funding in 2025 for several projects, to be used to improve operations of the system. The District was awarded $17,208,230 for various projects including County Wide Lift Station Replacement, Inez Wastewater System Improvements, Black Log Gravity Line Replacement, and Martin County Wastewater System Master Plan.
- The District applied for debt relief funding from the Kentucky Water and Wastewater Assistance for Troubled or Economically Restrained Systems Program. The District was awarded $2,169,799 to pay off existing debt in the budget year 2026.
- The District will continue to make monthly transfers to a sinking fund to ensure debt payments are made timely, and will continue to make use of the debt service surcharge collected from customers to assist with payments of outstanding balances.

13) Subsequent Events

Subsequent events have been considered through June 15, 2026, the date the financial statements were available to be issued.

Other Information

Martin County Sanitation District

Calculation of Accounts Payable Turnover Ratios (Unaudited)

December 31, 2025

	Net Credit Purchases	Accounts Payable	Average Accounts Payable	Accounts Payable Turnover Ratio
January 1, 2025		$ 413,995		
January 31, 2025	$ 56,981	$ 374,958	$ 394,477	0.1444
February 28, 2025	$ 69,600	$ 407,979	$ 391,469	0.1778
March 31, 2025	$ 74,693	$ 403,655	$ 405,817	0.1841
April 30, 2025	$ 70,581	$ 406,734	$ 405,195	0.1742
May 31, 2025	$ 62,671	$ 399,526	$ 403,130	0.1555
June 30, 2025	$ 83,723	$ 425,122	$ 412,324	0.2031
July 31, 2025	$ 85,806	$ 509,673	$ 467,398	0.1836
August 31, 2025	$ 66,161	$ 438,627	$ 474,150	0.1395
September 30, 2025	$ 76,197	$ 455,977	$ 447,302	0.1703
October 31, 2025	$ 59,507	$ 435,213	$ 445,595	0.1335
November 30, 2025	$ 60,690	$ 404,669	$ 419,941	0.1445
December 31, 2025	$ 105,976	$ 388,666	$ 396,668	0.2672

Martin County Sanitation District

Calculation of Debt Service Coverage Ratios (Unaudited)

December 31, 2025

	Annual Net Operating Income	Annual Debt Payments	Debt Service Coverage Ratio	
December 31, 2025	$ (322,905)	$ 40,132	-8.0461	**
December 31, 2024	$ (269,996)	$ 83,122	-3.2482	**
December 31, 2023	$ (306,665)	$ 83,063	-3.6920	**
December 31, 2022	$ (505,465)	$ 83,000	-6.0899	**
December 31, 2021	$ (508,443)	$ 82,914	-6.1322	**

** Result is less than 1.1 in any 3 of the previous 5 years

Martin County Sanitation District
Calculation of Current Days' Sales in Accounts Receivable Ratios (Unaudited)
December 31, 2025

	Monthly Accounts Receivable	Monthly Credit Sales Value	Number of Days in Month	Current Days' Sales in Accounts Receivable Ratio	
January 31, 2025	$ 126,999	$ 86,716	31	45	
February 28, 2025	$ 147,671	$ 82,208	28	50	***
March 31, 2025	$ 138,132	$ 65,215	31	66	***
April 30, 2025	$ 121,871	$ 85,763	30	43	
May 31, 2025	$ 132,770	$ 74,815	31	55	***
June 30, 2025	$ 141,446	$ 89,085	30	48	***
July 31, 2025	$ 150,576	$ 89,619	31	52	***
August 31, 2025	$ 150,809	$ 74,785	31	63	***
September 30, 2025	$ 166,278	$ 85,321	30	58	***
October 31, 2025	$ 148,508	$ 80,561	31	57	***
November 30, 2025	$ 150,650	$ 77,292	30	58	***
December 31, 2025	$ 145,407	$ 108,911	31	41	

*** Result is greater than 45 days

Compliance Section

Wade Stables P.C.
CERTIFIED PUBLIC ACCOUNTANTS

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Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

To the Board of Directors
Martin County Sanitation District
Inez, Kentucky

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities of Martin County Sanitation District, as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated June 15, 2026.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Martin County Sanitation District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Martin County Sanitation District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Martin County Sanitation District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and responses as items 2025-001 and 2025-002.

Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* (Concluded)

Martin County Sanitation District's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on Martin County Sanitation District's response to the findings identified in our audit and described in the accompanying schedule of findings and responses. Martin County Sanitation District's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the responses.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Wade Stables P.C.

Wade Stables P.C.
Certified Public Accountants

June 15, 2026
Hannibal, Missouri

Findings – Financial Statement Audit

Compliance Findings

2025-001 - Payments Remitted in Accordance with State Statutes

Criteria:
Per KRS Statute 65.140, purchases must be paid within 30 days of receipt of an invoice for cities, counties and special purpose government entities.

Condition:
The District is not paying bills in accordance with KRS 65.140. At December 31, 2025, the District's total accounts payable balance was $405,370. Of this balance, invoices totaling $327,928 (80.90%) were 31 days or more outstanding at year end. $258,320 of these invoices were over 60 days outstanding, which includes several invoices (totaling $108,420) dating back to 2019 and 2020.

Cause:
The District did not have the funds available to meet their financial obligations.

Effect:
The District's ability to do business with vendors including those who provide parts and services for maintenance and repairs on the system has been affected and could greatly impact the public who depend on the District's ability to provide sanitation services.

Recommendation:
Procedures should be implemented to ensure financial obligations are timely fulfilled.

Views of Responsible Officials:
Management will work with vendors to make payment plans where necessary and work toward making payments within 30 days as required.

2025-002 – Debt Service Requirements

Criteria:
Per bond covenants, the District has agreed to maintain a Debt Reserve Fund and to make monthly deposits of a specified amount into this fund until the debt reserve requirement has been met.

Condition:
The District is not in compliance with bond covenants.

Cause:
The District did not deposit the required amounts into a Debt Reserve Fund during 2025.

Effect:
The District could be deemed in default due to failure of compliance.

Recommendation:
Procedures should be put in place to immediately begin making the required monthly deposits in order to fully fund the Debt Reserve Fund.

Views of Responsible Officials:
Management intends to begin making the required monthly deposits and fully fund the Debt Reserve account per bond covenants.