



Steven L. Beshear
Governor

Leonard K. Peters
Secretary
Energy and Environment Cabinet

Commonwealth of Kentucky
Public Service Commission
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David L. Armstrong
Chairman

James W. Gardner
Vice Chairman

Linda K. Breathitt
Commissioner

December 12, 2013

Mr. Kyle Risner
Morgan County Water District
1009 Highway 172
West Liberty, Kentucky 41472

Re: Case No. 2013-00406
Morgan County Water District

Dear Mr. Risner:

The enclosed documents have been filed in the record of the above-referenced case. Any objections to this action should be submitted to the Commission within five days of receipt of this letter.

Sincerely,

A handwritten signature in black ink, appearing to read "Jeff Derouen".

Jeff Derouen
Executive Director

gw
Enclosures

1. E-Mail Msg – 10 Dec 2013 (13:20)
2. Oct 2013 Board Meeting Minutes
3. E-Mail Msg – 10 Dec 2013 (13:16)
4. Sep 2013 Board Meeting Minutes

From: [Kyle Risner](#)
To: [Wuetcher, Jerry \(PSC\)](#)
Subject: Re: Case No. 2013-00406: Morgan County Water District
Date: Tuesday, December 10, 2013 1:20:46 PM
Attachments: [Board Min Oct 7 \(1\).pdf](#)
[Board Min Oct 7 \(2\).pdf](#)
[Board Min Oct 7 \(3\).pdf](#)

Here are the signed minutes from Oct meeting.
Thanks
KYLE

On Tue, Dec 10, 2013 at 1:16 PM, Kyle Risner <morganwater@gmail.com> wrote:
Attached are the signed copies of Sept board meeting minutes. I will send the Oct minutes in a separate email. If there is anything else please let me know.
Thank you again,
KYLE

On Mon, Dec 9, 2013 at 9:42 PM, Kyle Risner <morganwater@gmail.com> wrote:
Yes sir I will get you a copy first thing in the morning when I'm back in the office. My apologies...
Thank you
Kyle

Sent from my iPhone

On Dec 9, 2013, at 2:27 PM, "Wuetcher, Jerry (PSC)" <JWuetcher@ky.gov> wrote:

[Do you have a signed copy?](#)

From: Kyle Risner [<mailto:morganwater@gmail.com>]
Sent: Monday, December 09, 2013 1:21 PM
To: Wuetcher, Jerry (PSC)
Subject: Re: Case No. 2013-00406: Morgan County Water District

Mr. Wuetcher,

Please find attached the board minutes for Sept. and Oct. 2013. The discussion of the pass through rate increase has been highlighted in yellow. If you have any further questions or information please feel free to contact me at [\(606\)743-1204](tel:6067431204).

Thank you for your time,

KYLE

On Mon, Dec 9, 2013 at 11:30 AM, Wuetcher, Jerry (PSC)
<JWuetcher@ky.gov> wrote:

Mr. Risner:

Please send your e-mail message requesting an effective date of 12/23/2013 and a copy of the resolution or board minutes in which the Board of Commissioners authorized a PWA to the e-mail address below. I will take all necessary steps to ensure that the documents are placed into the case record.

If you have any questions, please contact me.

Sincerely,

Gerald E. Wuetcher

Executive Advisor/Attorney

Public Service Commission of Kentucky

gerald.wuetcher@ky.gov

Office: [\(502\) 564-3940](tel:(502)564-3940)

Direct: [\(502\) 782-2590](tel:(502)782-2590)

Cell: [\(502\) 229-6500](tel:(502)229-6500)

**Morgan County Water District
Regular Board Meeting
Monday October 7, 2013**

The regular monthly meeting of the MCWD was held on Monday October 7, 2013 beginning at 4:30 p.m. at the office. The following were in attendance: Board Members: Roy Collett, Holli Litteral, Donnie Gunnell, William Holbrook & Steve Keeton; M.C.W.D Staff: Kyle Risner, Steve Pelfrey, & Chernell Holbrook; Engineering Staff: Monty Rhody.

Chairman Roy Collett called the meeting to order and welcomed all present. He called for a motion to approve and accept the minutes of September 10, 2013. After the board reviewed the minutes Holli Litteral made a motion to approve the minutes. William Holbrook seconded motion. Motion carried.

First item on the agenda was Phase 14 AML Water Line Extension. Cann Tech is finishing up final changes to the project. Monty stated the project was progressing forward. The core drill testing is on hold due to the government shut down. He brought a revised site map for the new tank location and property that is to be purchased by the MCWD. Steve and Kyle will be present at the upcoming Morgan County Extension District Board meeting on October 16, 2013.

Second on the agenda was Cave Run Water Commission's revised water rate for MCWD. Morgan County Water District received a letter from Cave Run stating they have delayed the effective date for the increased water rates until December 23, 2013. The rate increase will be reflected on our February billing cycle.

Third on the agenda was Rural Development loans. Kyle and Chernell presented loan information and charts given to them by Mr. Doug Hoff associated with Rural Development. They explained that the next loan payment will be due by January 1, 2014. Currently the water district is one month behind on depositing the monthly payment into the account that the loan will be paid. Kyle is going to contact Mr. Hoff to see if he will be available to attend the next board meeting. He will explain the importance of meeting our obligations for our Rural Development loans. The board requested that Monty seek information about refinancing our loans.

Fourth on the agenda was the discussion of MCWD commercial and residential water loss. Kyle presented his findings of two individuals by the name of Stanley Riggsby and Darrell Patrick that had previously taken water from flushing hydrants to fill float beds during tobacco season. Roy suggested we contact them to find out the amount of water used so that we could bill them accordingly. It was also brought to the boards attention that Hinkle had been using unmetered water to do their blacktop work on the highway 172 road job. Jimmy Stacy and Kyle Risner both spoke with them and expressed the consequences if they continued to take water without paying. Kyle spoke with the foreman onsite by the name of Glenn

Warner. They stated it wouldn't happen again. They were using approximately 12,000 to 14,000 gallons of water per day. Steve Pelfrey suggested we put a warning notice in the Licking Valley Courier stating those who are caught stealing services will be prosecuted to the fullest extent. Roy also recommended we contact Jeff with Cave Run Water Commission about the readings from our master meter not being the same as the readings we have in the office.

Fifth on the agenda was the discussion concerning Vickie Smith's insurance claim. Kyle told the board he had spoken with our insurance company and sent them a copy of the work order that was assigned for her residents. Based upon further investigation they determined the water district was not liable for any damages and decided to deny the claim. If they needed any other information or had any other question they would contact us during normal business hours.

Sixth on the agenda was concerning Jimmy Stacy's health and work status. Kyle informed the board that Jimmy has been off from work due to a back injury. We discussed several options to check into such as; time sharing, family medical leave, and workmen's compensation. Jimmy has already used all of his sick leave and now taking from his annual leave.

Last on the agenda was Robin Pelfrey's work status. Robin wanted to check with Morgan County Judge Executive Tim Conley to see if the county was going to continue her employment through them. If they were not going to keep her as an employee the board wanted to discuss her employment for the Morgan County Water District at the next meeting.

Invoices were presented for the review and approval of the board. Donnie Gunnell made a motion to accept the invoices as presented. Motion was seconded by Holli Litteral. Motion carried.

Handouts which were given to the board for their review included a list of savings accounts, checking accounts, customer cutoff list, new meter setting list, September Profit & Loss Reports and the Monthly Water Loss Reports. Also for the boards review, was a copy of the billing register's totals page which shows a customer count of 2599.

The next meeting will be November 4, 2013.

With there being no further business to come before the board, motion by Holli Litteral and seconded by William Holbrook to adjourn at approximately 6:00 p.m. Motion carried.

IN TESTIMONY WHEREOF WITNESS MY SIGNATURE this 4th day of November, 2013.

Holli Litteral
Holli Litteral, Sec/Treas.

From: [Kyle Risner](#)
To: [Wuetcher, Jerry \(PSC\)](#)
Subject: Re: Case No. 2013-00406: Morgan County Water District
Date: Tuesday, December 10, 2013 1:16:36 PM
Attachments: [Board Min Sept 10 \(1\).pdf](#)
[Board Min Sept 10 \(2\).pdf](#)
[Board Min Sept 10 \(3\).pdf](#)

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Thank you again,
KYLE

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If you have any questions, please contact me.

Sincerely,

Gerald E. Wuetcher

Executive Advisor/Attorney

Public Service Commission of Kentucky

gerald.wuetcher@ky.gov

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**Morgan County Water District
Regular Board Meeting
Monday September 10, 2013**

The regular monthly meeting of the MCWD was held on Tuesday September 10, 2013 beginning at 4:00 p.m. at the office. The following were in attendance: Board Members: Roy Collett, Holli Litteral, Donnie Gunnell, William Holbrook & Steve Keeton; M.C.W.D Staff: Kyle Risner, Steve Pelfrey, Chernel Holbrook, Charles Lewis, James Stacy, Donna Bailey & Robin Pelfrey; Engineering Staff: Larry Cann & Monty Rhody; Visitors: Emmitt Gamble & Belinda Butcher.

Chairman Roy Collett called the meeting to order and welcomed all present. He called for a motion to approve and accept the minutes of August 5, 2013. After the board reviewed the minutes Donnie Gunnell made a motion to approve the minutes. William Holbrook seconded motion. Motion carried.

First item on the agenda was Phase 14 AML Water Line Extension. Cann Tech is finishing up final changes to the project. They are still working with the Corps of Engineers on obtaining easements. The Corps of Engineers has changed the route of the water line to an alternate road. Making this change will allow us to pick up more customers. Monty Rhody is working with surveyors on the tank site layout and core drilling. They estimate that the project will be ready for bids in two months. In attendance were Patoker property owners. They were there to discuss an easement allowing the water line to pass through their property. They also requested that a letter be written stating that the water is coming to their area.

Second on the agenda was Ottis Peyton Road. The residents wanted to see if the road could be added to the Phase 14 AML project. Larry Cann said it could not be added because AML chooses what roads they will fund for the project. Steve discussed with the Board that meters could be set off of Hwy 205 at the beginning of Ottis Peyton Road. In order to set these meters, a Contractor would have to be hired to do the road bore. William Holbrook made a motion to approve the road bore only if all three customers agreed to take a meter. The motion was seconded by Donnie Gunnell. Motion carried.

Third on the agenda was Cave Run Water Commission's rate increase. They have increased their rate from \$2.20 to \$2.45 per one thousand gallons. The rate went into effect as of September 1, 2013. Monty said that we could do a pass through rate increase with the PSC in order to offset our increase in cost. Monty said he would work with Kyle on processing this paperwork. Upon completion of the paperwork an ad stating our rate increase will need to be printed in our local newspaper. The rate change will take at least 30 days to process with the PSC, before taking affect. There also was a discussion to further increase our rates to generate more revenue. Monty has recommended that we raise our rates based on a 15% increase across the

board. With his proposal, Monty would like to see the water district generate an additional \$150,000 annually.

Fourth on the agenda was the discussion concerning new employee's insurance coverage. The Board agreed that insurance coverage should begin immediately as of date of employment. Holli made a motion for the insurance coverage and it was seconded by Donnie Gunnell. Motion carried.

Fifth on the agenda was the discussion to have Kyle added to the bank draft and signature cards for all accounts. Chernel Holbrook and Linda Bradley will be removed from these accounts. The following will be the only signers: Roy Collett, Holli Litteral and Kyle Risner. William Holbrook made a motion to proceed with the new cards. Motion seconded by Steve Keeton. Motion carried.

Sixth on the agenda was concerning a recent letter received by the Water District from Kentucky Farm Bureau Insurance Company. This letter was claiming that damages were caused to Vicki Smith's residence, due to a faulty pressure reducing valve. Kyle has submitted the letter to the Water District's insurance company and they are investigating the allegations. The Board has agreed that a permanent memo be placed on the monthly water bill, recommending that the customer should furnish their own pressure reducing valve at their residence.

There was also a discussion concerning water loss. The monthly reports show a decline in our water loss percentages. They also discussed the importance of the local fire departments water usage reports. Roy recommended that Kyle contact all the fire departments chiefs and explain that we need accurate amounts of water usage turned in on their monthly logs. If this method does not work, they will be requested to attend a monthly meeting with our board members to discuss further actions.

Last on the agenda was the billing of contractor's water usage rates. William Holbrook made a motion that all contractors be billed equally this was seconded by Steve Keeton. Motion carried.

Invoices were presented for the review and approval of the board. Steve Keeton made a motion to accept the invoices as presented. Motion was seconded by William Holbrook. Motion carried.

Handouts which were given to the board for their review included a list of savings accounts, checking accounts, customer cutoff list, new meter setting list, July and August Profit & Loss Reports and the Monthly Water Loss Reports. Also for the boards review, was a copy of the billing register's totals page which shows a customer count of 2599.

The next meeting will be October 7, 2013.

With there being no further business to come before the board, motion by William Holbrook and seconded by Donnie Gunnell to adjourn at approximately 5:45 p.m. Motion carried.

IN TESTIMONY WHEREOF WITNESS MY SIGNATURE this 7th day of October, 2013.


Holli Litteral, Sec/Treas.