

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF MORGAN	)	Case No.
COUNTY WATER DISTRICT FOR A RATE	)	2020-00386
ADJUSTMENT PURSUANT TO 807 KAR 5:076	)	

NOTICE OF FILING

Notice is given to all parties that the following materials have been filed into the record of this proceeding:

- The digital video recording of the evidentiary hearing conducted on April 21, 2021 in this proceeding;
- Certification of the accuracy and correctness of the digital video recording;
- A written log listing, inter alia, the date and time of where each witness' testimony begins and ends on the digital video recording of the evidentiary hearing conducted on April 21, 2021.

A copy of this Notice, the certification of the digital video record, and hearing log have been served upon all persons listed at the end of this Notice. Parties desiring to view the digital video recording of the hearing may do so at <https://youtu.be/8LWWBGpt2-g>.

Parties wishing an annotated digital video recording may submit a written request by electronic mail to [pscfilings@ky.gov](mailto:pscfilings@ky.gov). A minimal fee will be assessed for a copy of this recording.

Done at Frankfort, Kentucky, this 21<sup>st</sup> day of April 2021.



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Linda C. Bridwell  
Executive Director  
Public Service Commission of Kentucky

COMMONWEALTH OF KENTUCKY  
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ELECTRONIC APPLICATION OF MORGAN )  
COUNTY WATER DISTRICT FOR A RATE )  
ADJUSTMENT PURSUANT TO 807 KAR 5:076 )

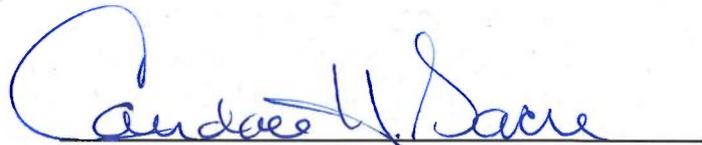
CASE NO.  
2020-00386

CERTIFICATION

I, Candace H. Sacre, hereby certify that:

1. The attached DVD contains a digital recording of the Formal Hearing conducted in the above-styled proceeding on April 21, 2021. The Formal Hearing Log is included with the recording on April 21, 2021;
2. I am responsible for the preparation of the digital recording;
3. The digital recording accurately and correctly depicts the Formal Hearing of April 21, 2021; and
4. The Formal Hearing Log attached to this Certificate accurately and correctly states the events that occurred at the Formal Hearing of April 21, 2021, and the time at which each occurred.

Signed this 21<sup>st</sup> day of April, 2021.



Candace H. Sacre  
Administrative Specialist III



Stephanie Schweighardt  
Notary Public State at Large ID#: 614400  
Commission Expires: January 14, 2023



<b>Date:</b>	<b>Type:</b>	<b>Location:</b>	<b>Department:</b>
4/21/2021	Public Hearing\Public Comments	Hearing Room 1	Hearing Room 1 (HR 1)

Witness: Shannon Elam; Paul Nesbitt; Alan Vilines  
 Judge: Kent Chandler; Talina Mathews; Michael Schmitt  
 Clerk: Candace Sacre

<b>Event Time</b>	<b>Log Event</b>	
9:04:53 AM	Session Started	
9:05:58 AM	Chairman Schmitt Note: Sacre, Candace	Now on record in Case No. 2020-00386, Electronic Application of Morgan County Water District for a Rate Adjustment pursuant to 807 KAR 5:076.
9:06:19 AM	Chairman Schmitt Note: Sacre, Candace	My name is Michael Schmitt, Chairman of the Kentucky Public Service Commission, and will be presiding today, joining are Vice Chairman Kent Chandler and Commission Talina Mathews by videoconference.
9:06:58 AM	Chairman Schmitt Note: Sacre, Candace	COVID and hearing recommendations.
9:08:29 AM	Chairman Schmitt Note: Sacre, Candace	Hearing for purpose of taking evidence involving Morgan District application for a rate adjustment.
9:08:40 AM	Chairman Schmitt Note: Sacre, Candace	Counsel for Morgan District, identify herself, client, and witnesses available?
9:08:55 AM	Atty Stegman Morgan District Note: Sacre, Candace	Erica Stegman, attorney, Shannon Elam, general manager; Board Chairman Brian Wells; Board Member Zachary Engle; and Chernel Holbrook, office manager; in addition Board Member Jarred Fannin, Alan Vilines, KRW; Steve Gunnell, board member; and Paul Nesbitt, engineer.
9:09:38 AM	Chairman Schmitt Note: Sacre, Candace	Commission Staff?
9:09:41 AM	Staff Atty Koenig PSC Note: Sacre, Candace	Brittany Koenig.
9:09:45 AM	Chairman Schmitt Note: Sacre, Candace	Public notice has been given and filed in record.
9:09:56 AM	Chairman Schmitt Note: Sacre, Candace	Public comments. (Click on link for further comments.)
9:11:20 AM	Chairman Schmitt Note: Sacre, Candace	Procedural discussion. (Click on link for further comments.)
9:12:16 AM	Chairman Schmitt Note: Sacre, Candace	First witness?
9:12:22 AM	Staff Atty Koenig PSC Note: Sacre, Candace	Alan Vilines.
9:12:23 AM	Chairman Schmitt Note: Sacre, Candace	Witness is sworn.
9:12:46 AM	Atty Stegman Morgan District - witness Vilines Note: Sacre, Candace	Direct Examination. Where employed?

9:13:04 AM Atty Stegman Morgan District - witness Vilines  
Note: Sacre, Candace Name and business address?

9:13:11 AM Atty Stegman Morgan District - witness Vilines  
Note: Sacre, Candace Kentucky Rural Water?

9:13:15 AM Atty Stegman Morgan District - witness Vilines  
Note: Sacre, Candace How long?

9:13:19 AM Atty Stegman Morgan District - witness Vilines  
Note: Sacre, Candace In position, worked with Morgan District?

9:13:29 AM Atty Stegman Morgan District  
Note: Sacre, Candace No further.

9:13:32 AM Chairman Schmitt  
Note: Sacre, Candace Ms. Koenig?

9:13:37 AM Staff Atty Koenig PSC - witness Vilines  
Note: Sacre, Candace Cross Examination. Helped Morgan District prepare ARF for 2020-00386?

9:13:59 AM Staff Atty Koenig PSC - witness Vilines  
Note: Sacre, Candace Worked with Morgan District previously?

9:14:13 AM Staff Atty Koenig PSC - witness Vilines  
Note: Sacre, Candace Describe services to Morgan District?

9:15:07 AM Staff Atty Koenig PSC - witness Vilines  
Note: Sacre, Candace Does utility provide records?

9:15:36 AM Staff Atty Koenig PSC - witness Vilines  
Note: Sacre, Candace Advise utility on best business practices, financial situation guidance?

9:16:01 AM Staff Atty Koenig PSC - witness Vilines  
Note: Sacre, Candace Go into a little more as how happens?

9:16:35 AM Staff Atty Koenig PSC - witness Vilines  
Note: Sacre, Candace Kind of information missing when gathered records from Morgan District?

9:17:31 AM Staff Atty Koenig PSC - witness Vilines  
Note: Sacre, Candace Opinion as to biggest financial difficulties utility facing now?

9:18:05 AM Staff Atty Koenig PSC - witness Vilines  
Note: Sacre, Candace Review past rates cases?

9:18:18 AM Staff Atty Koenig PSC - witness Vilines  
Note: Sacre, Candace Aware rate case in 2016 not accept full recommendation Commission Staff?

9:18:36 AM Staff Atty Koenig PSC - witness Vilines  
Note: Sacre, Candace Discuss that with Morgan District?

9:18:52 AM Staff Atty Koenig PSC - witness Vilines  
Note: Sacre, Candace Ever discuss frequency of rate cases, how impacts?

9:19:03 AM Staff Atty Koenig PSC - witness Vilines  
Note: Sacre, Candace Discuss with Morgan District?

9:19:23 AM Staff Atty Koenig PSC - witness Vilines  
Note: Sacre, Candace Opinion how rates increased, advise utilities which might need?

9:20:40 AM Staff Atty Koenig PSC - witness Vilines  
Note: Sacre, Candace Aware 2019-00041 investigation case?

9:20:57 AM Staff Atty Koenig PSC - witness Vilines  
Note: Sacre, Candace Aware ordered file alternative rate case/base rate case?

9:21:13 AM Staff Atty Koenig PSC - witness Vilines  
Note: Sacre, Candace Why in alternative rate filing?

9:21:22 AM Staff Atty Koenig PSC - witness Vilines  
Note: Sacre, Candace Look at data responses or hearing for that case?

9:21:34 AM	Staff Atty Koenig PSC - witness Vilines Note: Sacre, Candace	Commission asked utilities assess financial difficulties, describe three biggest obstacles, responses Morgan District lack of funds, lack of employees dedicated to water loss/leak detection, lack of equipment, all three addressed in rate case?
9:22:33 AM	Staff Atty Koenig PSC - witness Vilines Note: Sacre, Candace	Those issues addressed when developing rate filing?
9:22:43 AM	Staff Atty Koenig PSC - witness Vilines Note: Sacre, Candace	Any discussion employees?
9:23:04 AM	Staff Atty Koenig PSC - witness Vilines Note: Sacre, Candace	Discussion about equipment?
9:23:16 AM	Staff Atty Koenig PSC - witness Vilines Note: Sacre, Candace	Morgan District used KRWA for different resources, involved with responses leak detection guidance from KRWA, representatives attend board meetings, communicate as a team from KRWA, or operate independently?
9:24:18 AM	Staff Atty Koenig PSC - witness Vilines Note: Sacre, Candace	Advise Morgan District staff reach out KRWA in this case?
9:24:39 AM	Staff Atty Koenig PSC - witness Vilines Note: Sacre, Candace	Ever communicate with Nesbitt, goals in 2019-00041, ever referenced?
9:25:02 AM	Staff Atty Koenig PSC - witness Vilines Note: Sacre, Candace	Capital improvement plans, work with Morgan District on that?
9:25:20 AM	Chairman Schmitt - witness Vilines Note: Sacre, Candace	Examination. If had such information, other employees leak detection, Nesbitt working on infrastructure plan, would you have taken into consideration in filing rate case?
9:26:25 AM	Chairman Schmitt - witness Vilines Note: Sacre, Candace	Rely upon what District gives you?
9:26:58 AM	Chairman Schmitt - witness Vilines Note: Sacre, Candace	Did Morgan District tell you why you contacted six weeks before deadline?
9:27:21 AM	Chariman Schmitt - witness Vilines Note: Sacre, Candace	Confusion ordered ARF but filed .023 case, not keep district sound?
9:27:35 AM	Staff Atty Koenig PSC - witness Vilines Note: Sacre, Candace	Cross Examination (cont'd). Mentioned district not have records assets and depreciation, how accounted differently in RD loan than what you account?
9:29:03 AM	Staff Atty Koenig PSC - witness Vilines Note: Sacre, Candace	Even more important when utility struggling, infrastructure?
9:29:19 AM	Staff Atty Koenig PSC - witness Vilines Note: Sacre, Candace	ARF application, develop options submit to PSC, specifically two-phase approach, recommend that?
9:30:08 AM	Staff Atty Koenig PSC - witness Vilines Note: Sacre, Candace	Commission Staff Report, help Elam with response?
9:30:35 AM	Staff Atty Koenig PSC - witness Vilines Note: Sacre, Candace	Explain while utility accepted Staff Report not agree how labor expenses accounted for, why recommend accounted for differently?
9:33:22 AM	Staff Atty Koenig PSC - witness Vilines Note: Sacre, Candace	Costs don't go away, just moved to different category?
9:33:39 AM	Staff Atty Koenig PSC - witness Vilines Note: Sacre, Candace	Staff Report recommends surcharge for loss, opinion?
9:34:27 AM	Staff Atty Koenig PSC - witness Vilines Note: Sacre, Candace	Impression of Morgan District financial state?

9:35:11 AM	Staff Atty Koenig PSC - witness Vilines Note: Sacre, Candace	Discuss frequency of rate increase, trying to do over two years, when should assess rates again?
9:36:04 AM	Staff Atty Koenig PSC Note: Sacre, Candace	No further.
9:36:09 AM	Chairman Schmitt Note: Sacre, Candace	Questions?
9:36:17 AM	Chairman Schmitt - witness Vilines Note: Sacre, Candace	Examination. Policy water loss 30 percent and above, each time permit surcharge, whether wants or not, intend add on to rate, think good idea?
9:37:23 AM	Chairman Schmitt - witness Vilines Note: Sacre, Candace	Indicated insufficient records asset, cause of insufficient records would be?
9:38:29 AM	Chairman Schmitt - witness Vilines Note: Sacre, Candace	Concerned District not keeping adequate records now, purchases, no support for depreciation, should keep adequate records?
9:39:47 AM	Chairman Schmitt - witness Vilines Note: Sacre, Candace	Concerned auditor, auditor supposed to do?
9:40:10 AM	Chairman Schmitt - witness Vilines Note: Sacre, Candace	If district small incremental rate increases and uses depreciation replace assets, provide reliable service lower cost, agree?
9:40:45 AM	Chairman Schmitt - witness Vilines Note: Sacre, Candace	Lot in Eastern Kentucky, try to keep rates low, infrastructure deteriorates, end up with higher rates and poorer service, doing customers better service manage district as own business, not enough money to fix system.
9:42:16 AM	Chairman Schmitt - witness Vilines Note: Sacre, Candace	.023 loans, assisted Morgan District in applications?
9:42:31 AM	Chairman Schmitt - witness Vilines Note: Sacre, Candace	Attorney fees included, try to submit something now, might consider that and get districts consider?
9:43:39 AM	Chairman Schmitt Note: Sacre, Candace	No further. Questions?
9:43:48 AM	Atty Stegman Morgan District - witness Vilines Note: Sacre, Candace	Redirect Examination. Water line project?
9:44:07 AM	Atty Stegman Morgan District - witness Vilines Note: Sacre, Candace	Seeking RD loan?
9:44:13 AM	Atty Stegman Morgan District - witness Vilines Note: Sacre, Candace	Debt taken into consideration rate case?
9:44:24 AM	Atty Stegman Morgan District - witness Vilines Note: Sacre, Candace	Has it been at this point?
9:45:08 AM	Atty Stegman Morgan District Note: Sacre, Candace	No further.
9:45:12 AM	Chairman Schmitt Note: Sacre, Candace	Questions?
9:45:16 AM	Staff Atty Koenig PSC Note: Sacre, Candace	No further.
9:45:24 AM	Chairman Schmitt Note: Sacre, Candace	Questions?
9:45:32 AM	Chairman Schmitt Note: Sacre, Candace	Witness excused.
9:45:52 AM	Vice Chairman Chandler - witness Vilines Note: Sacre, Candace	Examination. RD loan discussed, official district loan?

9:46:53 AM	Vice Chairman Chandler - witness Vilines Note: Sacre, Candace	Think District can speak to when going to close or if has closed?
9:47:08 AM	Chairman Schmitt Note: Sacre, Candace	Questions?
9:47:14 AM	Chairman Schmitt Note: Sacre, Candace	Witness excused.
9:47:19 AM	Chairman Schmitt Note: Sacre, Candace	Next witness?
9:47:24 AM	Staff Atty Koenig PSC Note: Sacre, Candace	Paul Nesbitt.
9:47:28 AM	Chairman Schmitt Note: Sacre, Candace	Witness is sworn.
9:47:41 AM	Atty Stegman Morgan District - witness Nesbitt Note: Sacre, Candace	Direct Examination. Name and business address?
9:47:53 AM	Atty Stegman Morgan District - witness Nesbitt Note: Sacre, Candace	Engineer?
9:47:58 AM	Atty Stegman Morgan District - witness Nesbitt Note: Sacre, Candace	Working with Morgan District?
9:48:08 AM	Atty Stegman Morgan District - witness Nesbitt Note: Sacre, Candace	What capacity?
9:48:17 AM	Atty Stegman Morgan District Note: Sacre, Candace	No further.
9:48:18 AM	Chairman Schmitt Note: Sacre, Candace	Questions?
9:48:20 AM	Staff Atty Koenig PSC - witness Nesbitt Note: Sacre, Candace	Cross Examination. 2019 case, explain analysis undertook to help Morgan District?
9:50:09 AM	Staff Atty Koenig PSC - witness Nesbitt Note: Sacre, Candace	First dealings hired consult/advise/assist water loss?
9:50:25 AM	Staff Atty Koenig PSC - witness Nesbitt Note: Sacre, Candace	Projects described water loss?
9:50:37 AM	Staff Atty Koenig PSC - witness Nesbitt Note: Sacre, Candace	Assess financial state, audits, records, knew seek funding?
9:50:58 AM	Staff Atty Koenig PSC - witness Nesbitt Note: Sacre, Candace	Vilines testimony, RD loans, 2019-00041 first assessment look at all sources of funding?
9:51:18 AM	Staff Atty Koenig PSC - witness Nesbitt Note: Sacre, Candace	Grants, RD loans, anything else?
9:51:49 AM	Staff Atty Koenig PSC - witness Nesbitt Note: Sacre, Candace	Looking for funding, how look at rates, how analyze sufficiency?
9:52:31 AM	Staff Atty Koenig PSC - witness Nesbitt Note: Sacre, Candace	Mentioned RD not look at depreciation same as rate case, ever recommend a rate case?
9:53:07 AM	Staff Atty Koenig PSC - witness Nesbitt Note: Sacre, Candace	Looking back at minutes, language used talked about rate increase, pass-through case, rate case, goals you put into water loss program, May 13, 2019, submitted with direct in 2019-00041?
9:53:50 AM	Staff Atty Koenig PSC - witness Nesbitt Note: Sacre, Candace	Talks about goals water loss, describe, differentiate rate increase and how obtained?
9:54:37 AM	Staff Atty Koenig PSC - witness Nesbitt Note: Sacre, Candace	Clarify, seems confusion over rate increase and kind of rate increase needed, lot of testimony in 2019-00041, anticipated rate case within the year?

9:55:15 AM	Staff Atty Koenig PSC - witness Nesbitt Note: Sacre, Candace	.023 case when said rate case in year or rate filing or base rate case?
9:55:38 AM	Staff Atty Koenig PSC - witness Nesbitt Note: Sacre, Candace	Recall discussions not what Commission wanted/ordered in 2019-00041?
9:56:30 AM	Staff Atty Koenig PSC - witness Nesbitt Note: Sacre, Candace	Reason loan not close, not filed in 2019 based on order, or same loan withdraw earlier this year?
10:00:11 AM	Staff Atty Koenig PSC - witness Nesbitt Note: Sacre, Candace	Clarifies why, appreciate explaining process, rate built into process, understand allowing engineers/consultants paid out of surcharge funds?
10:03:48 AM	Staff Atty Koenig PSC - witness Nesbitt Note: Sacre, Candace	Staff report explains guidelines for surcharge, Commission required qualified infrastructure plan and qualified engineer assist, opinion on plan for Morgan District and how different than plans already developed?
10:04:55 AM	Staff Atty Koenig PSC - witness Nesbitt Note: Sacre, Candace	Update where Morgan District now, program goals?
10:08:18 AM	Staff Atty Koenig PSC - witness Nesbitt Note: Sacre, Candace	\$3.2 million project that includes replacement of meters, project still in WRIS system, still funded by KIA?
10:08:49 AM	Staff Atty Koenig PSC - witness Nesbitt Note: Sacre, Candace	After project in 2021-00146, RD .023 for water line extension, start work on meter replacement?
10:09:42 AM	Staff Atty Koenig PSC - witness Nesbitt Note: Sacre, Candace	Medium range goals RD loan, quantify goals water loss reduce by five percent, how judging that five percent reduction month to month or yearly average?
10:10:51 AM	Staff Atty Koenig PSC - witness Nesbitt Note: Sacre, Candace	Feel system improved since July 2019 hearing?
10:11:39 AM	Staff Atty Koenig PSC - witness Nesbitt Note: Sacre, Candace	State of utility, RD projects/projects discussed total solution?
10:12:11 AM	Staff Atty Koenig PSC - witness Nesbitt Note: Sacre, Candace	Items not addressed, depreciation and other financial issues only addressed regular rate case, three obstacles all addressed in regular rate case?
10:12:56 AM	Staff Atty Koenig PSC - witness Nesbitt Note: Sacre, Candace	All addressed in RD projects?
10:13:05 AM	Staff Atty Koenig PSC - witness Nesbitt Note: Sacre, Candace	Capital improvement plan, helped to develop?
10:13:35 AM	Staff Atty Koenig PSC - witness Nesbitt Note: Sacre, Candace	Common water districts not take full recommended rate increase?
10:14:26 AM	Staff Atty Koenig PSC - witness Nesbitt Note: Sacre, Candace	How affect water districts, how long recover?
10:15:04 AM	Staff Atty Koenig PSC Note: Sacre, Candace	No further.
10:15:08 AM	Chairman Schmitt Note: Sacre, Candace	Questions?
10:15:09 AM	Vice Chairman Chandler - witness Nesbitt Note: Sacre, Candace	Examination. Comments on capital improvement plan, walk through conversations had created those, determinations what plan looks like, who conversations included?

10:18:20 AM	Vice Chairman Chandler - witness Nesbitt Note: Sacre, Candace	Capital needs side, but any conversations with bookkeeper/accountant determine revenue impact might be, or just focusing on capital needs?
10:19:58 AM	Vice Chairman Chandler - witness Nesbitt Note: Sacre, Candace	Anybody dealt with as consultant at Morgan District looking at this, three to five years, or come under your purview?
10:20:39 AM	Vice Chairman Chandler - witness Nesbitt Note: Sacre, Candace	Provide response, reality of situation in perfect world, what sort of time horizon should a capital improvement plan have?
10:22:01 AM	Vice Chairman Chandler - witness Nesbitt Note: Sacre, Candace	Experience different utilities, how many utilities able fund medium size projects with utility generated income?
10:23:31 AM	Vice Chairman Chandler - witness Nesbitt Note: Sacre, Candace	Utilities able to do medium size projects and not seek funding, do from depreciation?
10:24:10 AM	Vice Chairman Chandler - witness Nesbitt Note: Sacre, Candace	Does not adequately fund depreciation, then beholding to whatever funding can get, wait as long as it takes for RD to come up with?
10:25:37 AM	Vice Chairman Chandler Note: Sacre, Candace	No further.
10:25:41 AM	Chairman Schmitt Note: Sacre, Candace	Questions?
10:25:42 AM	Commission Mathews - witness Nesbitt Note: Sacre, Candace	Examination. More money available for line extensions than maintenance, not just maintaining, true?
10:27:17 AM	Commission Mathews - witness Nesbitt Note: Sacre, Candace	And meters?
10:27:40 AM	Commission Mathews Note: Sacre, Candace	No further.
10:27:46 AM	Chairman Schmitt - witness Nesbitt Note: Sacre, Candace	Examination. Try help rural water districts always provide safe, reliable water at reasonable price. Like for you to do, develop comprehensive infrastructure plan, allow money back to district, has to spend money on infrastructure, requiring surcharge, allow engineers develop and paid surcharge account, get plan together with your assistance, have some continuity, make sense?
10:33:10 AM	Chairman Schmitt - witness Nesbitt Note: Sacre, Candace	For Elam and commissioner, order permits surcharge, read carefully, separate account, only spent when letter filed with Commission, hire Nesbitt infrastructure plan, bills come to Commission, authorize payment. Lots of meters 1900 beyond ten years, will never catch up, want to help, use good lawyer and good engineer, call PSC and somebody will help, money come from last COVID bill for local water projects, check into it.
10:35:35 AM	Chairman Schmitt Note: Sacre, Candace	No further.
10:36:00 AM	Chairman Schmitt Note: Sacre, Candace	Questions?
10:36:02 AM	Chairman Schmitt Note: Sacre, Candace	Mr. Nesbitt, please remain.
10:36:23 AM	Chairman Schmitt Note: Sacre, Candace	Recess 10:45
10:36:30 AM	Session Paused	
10:49:21 AM	Session Resumed	

10:49:27 AM	Chairman Schmitt Note: Sacre, Candace	Back on the record. Next witness?
10:49:45 AM	Staff Atty Koenig PSC Note: Sacre, Candace	Shannon Elam.
10:49:47 AM	Chairman Schmitt Note: Sacre, Candace	Witness is sworn.
10:49:59 AM	Atty Stegman Morgan District - witness Elam Note: Sacre, Candace	Direct Examination. Name and address?
10:50:12 AM	Atty Stegman Morgan District - witness Elam Note: Sacre, Candace	Position with District?
10:50:18 AM	Atty Stegman Morgan District - witness Elam Note: Sacre, Candace	How long?
10:50:22 AM	Atty Stegman Morgan District - witness Elam Note: Sacre, Candace	Involved before becoming general manager?
10:50:39 AM	Atty Stegman Morgan District - witness Elam Note: Sacre, Candace	Previous background employment/education?
10:50:57 AM	Atty Stegman Morgan District Note: Sacre, Candace	No further.
10:51:00 AM	Staff Atty Koenig PSC - witness Elam Note: Sacre, Candace	Cross Examination. 2019 hearing, agree testified district accepted mistakes made and attempt to correct the trajectory of district?
10:51:41 AM	Staff Atty Koenig PSC - witness Elam Note: Sacre, Candace	Issues discussed at hearing, how addressed?
10:52:09 AM	Staff Atty Koenig PSC - witness Elam Note: Sacre, Candace	Describe instances became general manager from chairman of board?
10:54:41 AM	Staff Atty Koenig PSC - witness Elam Note: Sacre, Candace	Happen before/after order in 2019-00041?
10:55:17 AM	Staff Atty Koenig PSC - witness Elam Note: Sacre, Candace	During hearing, better understanding state of district, decided not take full amount of rate increase recommended?
10:55:37 AM	Staff Atty Koenig PSC - witness Elam Note: Sacre, Candace	2016 hearing, not joined board yet but discussed in detail during hearing?
10:56:27 AM	Staff Atty Koenig PSC - witness Elam Note: Sacre, Candace	Echoes testimony from 2019-00041 hearing, put in place policy wise not happen again?
10:56:46 AM	Staff Atty Koenig PSC - witness Elam Note: Sacre, Candace	Accepting full recommended rate increase, policy decisions?
10:57:21 AM	Staff Atty Koenig PSC - witness Elam Note: Sacre, Candace	Agree policy in writing, adopted by board go long way addressing for future boards?
10:58:03 AM	Chairman Schmitt Note: Sacre, Candace	Exactly correct, no choice in future.
10:58:20 AM	Staff Atty Koenig PSC - witness Elam Note: Sacre, Candace	How much turnover board since 2019 hearing?
10:58:47 AM	Staff Atty Koenig PSC - witness Elam Note: Sacre, Candace	Wells on board at time?
10:58:58 AM	Staff Atty Koenig PSC - witness Elam Note: Sacre, Candace	July hearing, on board at time?
10:59:14 AM	Staff Atty Koenig PSC - witness Elam Note: Sacre, Candace	Discussion not accepting full amount rate increase, business needs to be fueled, discussion about rate case filing end of 2019, anticipated filing rate increase end of year?

10:59:46 AM Staff Atty Koenig PSC - witness Elam  
Note: Sacre, Candace Discussed with Nesbitt, too?

10:59:52 AM Staff Atty Koenig PSC - witness Elam  
Note: Sacre, Candace Confusion with utility over what type rate case to be filed or rate increase?

11:01:05 AM Staff Atty Koenig PSC - witness Elam  
Note: Sacre, Candace Now understand difference, after reading order and order since then and this rate case, understand difference?

11:02:14 AM Staff Atty Koenig PSC - witness Elam  
Note: Sacre, Candace Because board member and now general manager, board minutes filed in 2019-00041 and responses to data requests, who does board minutes?

11:02:51 AM Staff Atty Koenig PSC - witness Elam  
Note: Sacre, Candace Understand difference how process works rate adjustment, rest of board understands that?

11:03:31 AM Staff Atty Koenig PSC - witness Elam  
Note: Sacre, Candace In minutes, talks about where Morgan District not increase rates to full amount recommended, what the PSC offered in rates, negotiating rates with PSC, in text of minutes idea PSC is giving money, has pot of money, understand not situation?

11:04:23 AM Staff Atty Koenig PSC - witness Elam  
Note: Sacre, Candace Maybe influenced whether came in for rate increase previously?

11:05:52 AM Staff Atty Koenig PSC - witness Elam  
Note: Sacre, Candace As general manager, understand money comes from rates?

11:06:11 AM Staff Atty Koenig PSC - witness Elam  
Note: Sacre, Candace Depreciation, more information from Rural Water?

11:06:25 AM Staff Atty Koenig PSC - witness Elam  
Note: Sacre, Candace Understand Staff limited in what assess in this case?

11:07:05 AM Staff Atty Koenig PSC - witness Elam  
Note: Sacre, Candace Explains how keep records currently, difference in records after 2012 after tornado than records since 1940, read Order in report?

11:07:43 AM Staff Atty Koenig PSC - witness Elam  
Note: Sacre, Candace What changes made after November 22 Order, how reacted to order and how addressed?

11:09:32 AM Staff Atty Koenig PSC - witness Elam  
Note: Sacre, Candace Think helped?

11:12:42 AM Staff Atty Koenig PSC - witness Elam  
Note: Sacre, Candace Locating valves, meters, meter settings, in 2019-00041, update inspection, update on where that is?

11:14:42 AM Staff Atty Koenig PSC - witness Elam  
Note: Sacre, Candace Meter test program, Chairman covered, looking at plan, still not caught up, trying to spread out number of meters so not come out of compliance all at one time, you need help with meters, understand issue?

11:17:48 AM Staff Atty Koenig PSC - witness Elam  
Note: Sacre, Candace Tariff, Second Request for Information, Item 1, response Morgan District not keep record of expense to install customer taps?

11:18:21 AM Staff Atty Koenig PSC - witness Elam  
Note: Sacre, Candace Any customer wants to install larger tap shall pay larger meter, how bill customers, process?

11:20:12 AM Staff Atty Koenig PSC - witness Elam  
Note: Sacre, Candace Address leak adjustment policy in 2019-00041 Order, states customers allowed leak adjustment once every 12 months provides documentation leak repaired, bill based on average used or lost billed at wholesale water rate, time period customer historical usage?

11:21:23 AM Staff Atty Koenig PSC - witness Elam  
Note: Sacre, Candace Three months prior to leak?

11:21:50 AM Staff Atty Koenig PSC - witness Elam  
Note: Sacre, Candace Filed materials Response to Information Requests in 2020-00386, minutes, outside test year, records need to be kept differently complete depreciation schedules, mentioned board minutes Jan 13, 2020, making purchase for computer \$3,235 and \$8,499, clarify?

11:24:04 AM Staff Atty Koenig PSC - witness Elam  
Note: Sacre, Candace Anti virus, malware protection?

11:24:17 AM Staff Atty Koenig PSC - witness Elam  
Note: Sacre, Candace Attending training with Kentucky Rural Water, attend management course?

11:24:54 AM Staff Atty Koenig PSC - witness Elam  
Note: Sacre, Candace Approved purchase of computers, yours and upgrades to other, been made?

11:25:18 AM Staff Atty Koenig PSC - witness Elam  
Note: Sacre, Candace Capital purchases, recorded as capitalized?

11:25:38 AM Staff Atty Koenig PSC - witness Elam  
Note: Sacre, Candace Use debit card or bank accounts of general manager?

11:25:57 AM Staff Atty Koenig PSC - witness Elam  
Note: Sacre, Candace What account is debt card tied to?

11:26:12 AM Staff Atty Koenig PSC - witness Elam  
Note: Sacre, Candace How purchases approved?

11:26:35 AM Staff Atty Koenig PSC - witness Elam  
Note: Sacre, Candace Policy written what purchased on debit cards or amount approved prior to purchase?

11:27:31 AM Staff Atty Koenig PSC - witness Elam  
Note: Sacre, Candace Patty Gibson Commercial Bank doing payroll for free?

11:28:29 AM Staff Atty Koenig PSC - witness Elam  
Note: Sacre, Candace In general, think utility in better state than was in July 2019?

11:31:56 AM Staff Atty Koenig PSC - witness Elam

11:34:27 AM Staff Atty Koenig PSC - witness Elam  
Note: Sacre, Candace All of these things identified and maps and records, line sizes, location, issues from 2019-00041, where records kept?

11:34:52 AM Staff Atty Koenig PSC - witness Elam  
Note: Sacre, Candace Any policies from board as far as how reviewed for new employees, COVID interrupted training board members, scheduled yet?

11:35:49 AM Staff Atty Koenig PSC - witness Elam  
Note: Sacre, Candace Agree policy letting employees know where records kept, reading appropriate policies, regulations?

11:36:29 AM Staff Atty Koenig PSC - witness Elam  
Note: Sacre, Candace Tariff issues, clarified in policy when time period customer billed for leak adjustment policy?

11:36:53 AM Staff Atty Koenig PSC - witness Elam  
Note: Sacre, Candace Corrected tap fee, make changes in tariff?

11:37:07 AM Staff Atty Koenig PSC - witness Elam  
Note: Sacre, Candace Water loss, making sure repairs doing targeted at water loss, talked to Nesbitt regarding goals, how measuring success as far as addressing water loss?

11:41:58 AM Staff Atty Koenig PSC - witness Elam  
Note: Sacre, Candace Feel board is behind you on all plans?

11:43:49 AM Staff Atty Koenig PSC  
Note: Sacre, Candace No further.

11:43:56 AM Chairman Schmitt  
Note: Sacre, Candace Questions?

11:44:00 AM Vice Chairman Chandler - witness Elam  
Note: Sacre, Candace Examination. Volunteer fire departments use hydrant system?

11:46:27 AM Vice Chairman Chandler - witness Elam  
Note: Sacre, Candace Compliance rate with different fire departments with monthly reports?

11:46:52 AM Vice Chairman Chandler - witness Elam  
Note: Sacre, Candace Pay the bill?

11:46:59 AM Vice Chairman Chandler  
Note: Sacre, Candace No further.

11:47:01 AM Chairman Schmitt  
Note: Sacre, Candace Questions?

11:47:07 AM Chairman Schmitt - witness Elam  
Note: Sacre, Candace Examination. Surcharge used for infrastructure for design/development by Nesbitt, able to use for meters and other projects, take time to build up, times when could borrow money locally, could be problem, borrow and cannot pay back, actions against water board, have on occasion when infrastructure project needed, asked for permission to use surcharge funds to make payments, come to Commission first.

11:50:16 AM Chairman Schmitt - witness Elam  
Note: Sacre, Candace Glad said that, here to help, situation where not being treated appropriately, contact Executive Director. How long work with ARH?

11:51:01 AM Chairman Schmitt  
Note: Sacre, Candace No further. Ms. Stegman?

11:51:06 AM Atty Stegman Morgan District - witness Elam  
Note: Sacre, Candace Redirect Examination. When initially did rate study, what rate increase reflected?

11:51:51 AM Atty Stegman Morgan District - witness Elam  
Note: Sacre, Candace Commission came back with 23 percent?

11:51:59 AM Atty Stegman Morgan District - witness Elam  
Note: Sacre, Candace And surcharge?

11:52:05 AM Atty Stegman Morgan District - witness Elam  
Note: Sacre, Candace District in agreement 23 percent and surcharge?

11:52:16 AM Atty Stegman Morgan District - witness Elam  
Note: Sacre, Candace Necessary for long-term viability?

11:52:26 AM Atty Stegman Morgan District - witness Elam  
Note: Sacre, Candace Not wait too long to come for rate increase?

11:53:30 AM Atty Stegman Morgan District - witness Elam  
Note: Sacre, Candace Anything else haven't mentioned done to decrease water loss?

11:57:06 AM Atty Stegman Morgan District  
Note: Sacre, Candace No further.

11:57:10 AM Chairman Schmitt  
Note: Sacre, Candace Questions?

11:57:12 AM Chairman Schmitt - witness Elam  
Note: Sacre, Candace Examination. Training at KRW, very worthwhile, aware KRW number of small books how to be good commissioner, how to manage the manager, Larrimore sent and many others, purchased set for Commissioners and lawyers, water board bible, several volumes.

12:00:19 PM	Chairman Schmitt - witness Elam Note: Sacre, Candace	Books referenced basically will help a lot and represent best practices, have seen best practices for small water districts, will find and send to you, let you know how, are well known water districts, but best practices guide or water bible might be of help.
12:01:30 PM	Chairman Schmitt Note: Sacre, Candace	May be done. Ms. Stegman, anything you like to put on?
12:01:50 PM	Atty Stegman Morgan District Note: Sacre, Candace	No, Elam covered.
12:02:00 PM	Chairman Schmitt Note: Sacre, Candace	Questions or follow up ask or say?
12:02:09 PM	Chairman Schmitt Note: Sacre, Candace	Thank you very much. Appreciate attendance.
12:02:54 PM	Chariman Schmitt Note: Sacre, Candace	Enter Order and may have letter of questions, having policy of use and limits on debit cards, et cetera. Order and something like that.
12:03:53 PM	Chairman Schmitt Note: Sacre, Candace	Hearing adjourned.
12:04:08 PM	Session Ended	

\*Alan Vilines  
Kentucky Rural Water Association  
Post Office Box 1424  
1151 Old Porter Pike  
Bowling Green, KENTUCKY 42102-1424

\*Shannon Elam  
General Manager  
Morgan County Water District  
1009 Hwy 172  
West Liberty, KY 41472

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1009 Hwy 172  
West Liberty, KY 41472