

January 9, 2025

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PUBLIC SERVICE  
COMMISSION

Ms. Linda C. Bridwell, P.E.  
Executive Director  
Kentucky Public Service Commission  
211 Sower Boulevard  
Frankfort, KY 40602

Re: *Investigation Into the Financial and Operational Capacity of Morgan  
County Water District* – **Case No. 2024-00325**

Dear Ms. Bridwell:

Enclosed, please find a Response to the Commission's December 20, 2024 Order on behalf of Chris Adams in the above-styled.

This is to certify that the electronic filing has been transmitted to the Commission on January 9, 2025 and that there are currently no parties in this proceeding that the Commission has excused from participation by electronic means. Pursuant to the Commission's July 22, 2021 Order in Case No. 2020-00085 no paper copies of this filing will be made.

Please do not hesitate to contact me with any questions or concerns.

Sincerely,

  
L. Allyson Honaker

Enclosure

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

**IN THE MATTER OF:**

<b>INVESTIGATION INTO THE FINANCIAL )</b>	
<b>AND OPERATING CAPACITY OF )</b>	<b>CASE NO.</b>
<b>MORGAN COUNTY WATER DISTRICT )</b>	<b>2024-00325</b>

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VERIFIED RESPONSE OF CHRIS ADAMS, IN HIS INDIVIDUAL AND OFFICIAL  
CAPACITY TO THE COMMISSION’S DECEMBER 20, 2024 ORDER

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Comes now Chris Adams in his official and individual capacities, by counsel, pursuant to the Commission’s December 20, 2024 Order (“Order”) in the above-styled docket, and does hereby tender his verified response to the averments set forth in the Commission’s Order, respectfully stating as follows:

1. Mr. Adams states that he joined the Morgan County Water District’s (“Morgan District”) Board on April 4, 2024. He became the Chairman of Morgan District’s Board on August 8, 2024. Mr. Adams completed the required new Commissioner training with the Commission in 2024. A copy of his certificate for the required training is attached to this response as Exhibit A.

2. Mr. Adams states that the items discussed at the May 2, 2024 hearing, and mentioned in the Commission’s December 20, 2024 Order occurred prior to him joining Morgan District’s Board.

3. Mr. Adams states that Morgan District has been working on its water loss percentage. In 2024, Morgan District took the following steps to help reduce its water loss. Please see Exhibit A to the response of Morgan District and John Coffey for information related to Morgan District’s water loss percentage and projects undertaken for same.

4. Mr. Adams states that Shannon Elam is no longer employed by Morgan District. John Coffey became the interim manager after Mr. Elam's departure. Andy Legg was hired as the general manager on December 23, 2024.

5. Mr. Adams states that Alexis Franklin is no longer employed by Morgan District. Morgan District has entered into a contract with Morgan & Associates, to provide its accounting services.<sup>1</sup> Morgan District took this step to improve its accounting records. Please see Exhibit A for a description of the services provided by Morgan & Associates. After the May 2, 2024 hearing, Morgan District began discussing the issues that were discussed at the hearing and it was determined that transitioning to an outside accounting firm would provide Morgan District with the expertise needed to organize and repair its accounting records.

6. Mr. Adams states that Morgan District has begun the process of pulling and testing the water meters that have been in service for ten years or more that had not been tested. Morgan District has also created and implemented the inspection forms required by the Commission. The meters are being replaced with refurbished meters and Morgan District is only purchasing the meter parts that are needed at that time in order to cut down its costs. Please see Exhibit C to the response of Morgan District and John Coffey for information regarding the meter testing.

7. Mr. Adams states that to the best of his knowledge, the one formal complaint noted in the Commission's December 20, 2024 Order has been resolved and the account has been paid in full and is current. Please see Exhibit D to the Response of Morgan District and John Coffey for information pertinent to the complaint.

8. Mr. Adams further states that Morgan District has been able to reduce the amount of past due bills since the May 2, 2024 hearing and is continuing to pay down those bills as they can. Morgan District has been paying the current bills as they become due. Morgan District has taken steps to reduce its expenses such as reducing its workforce to eliminate positions that were

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<sup>1</sup> Morgan & Associates contract is attached to the response of Morgan District and John Coffey as Exhibit B.

not needed, using an outside accounting firm for its bookkeeping activities and purchasing only the materials needed for the near future.<sup>2</sup>

9. Mr. Adams further states that the Division of Water's ("DOW") issued a report on July 31, 2024<sup>3</sup> which found no wrongdoing on the part of Andy Legg. Mr. Legg was the subject of the letter attached to the Commission's December 20, 2024 Order at Appendix C, authored by Shannon Elam.

10. Mr. Adams states the current board members are working with counsel to correct issues with Morgan District. The current board members are taking actions to fix the issues that plagued Morgan District during the prior management, however the board members acknowledge that it will take some time to get Morgan District completely back on the right track.

11. Mr. Adams further states that Morgan District and each of the named individuals in the Commission's Order would like to resolve this dispute in a manner that is in the best interest of Morgan District and its customers.

12. Mr. Adams reserve the right to file further pleadings as necessary in this proceeding.

WHEREFORE, on the basis of the foregoing, Mr. Adams respectfully requests the Commission to determine that Morgan District and Mr. Adams are not in violation of any Commission Orders, statutes or regulations and that no penalties be assessed.

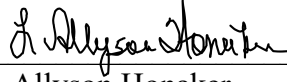
Done this 9<sup>th</sup> day of January, 2025.

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<sup>2</sup> Morgan District's Balance Sheet and Statement of Profit and Loss are attached to the response of Morgan District and John Coffey as Exhibit E.

<sup>3</sup> A copy of DOW's report is attached to the response of Morgan District and John Coffey as Exhibit F.

Respectfully submitted,



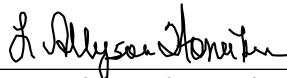
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*Counsel for Chris Adams in his Official and  
Individual Capacity*

**CERTIFICATE OF SERVICE**

This is to certify that foregoing was submitted electronically to the Commission on January 9, 2025 and that there are no parties that have been excused from electronic filing. Pursuant to prior Commission orders, no paper copies of this filing will be submitted.



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*Counsel for Chris Adams in his individual and  
official capacity.*

**AFFIDAVIT**

COMMONWEALTH OF KENTUCKY )  
 )set  
COUNTY OF MORGAN )

Comes now, Chris Adams, individually and in his official capacity as the Chairman of Morgan County Water District's Board, and after first being duly sworn, does hereby swear and affirm that the statements set forth in the Verified Response are true and correct to the best of his knowledge and belief

*Chris Adams*  
Chris Adams

The foregoing Affidavit was sworn to, subscribed and acknowledged before me, the Notary Public, by Chris Adams, individually and in his official capacity as the Chairman of Morgan County Water District's Board, on this the 9<sup>th</sup> day of January, 2025.

Alice M Rudel  
NOTARY PUBLIC

Commission #: KYNP63277

Commission Expires: 12-9-26

# EXHIBIT A

*This Certificate of Attendance  
is Being Presented to*

*Chris Adams*

*Upon Completion of*

*12 Hours*

*of Water Training Instruction at the*

*Kentucky Public Service Commission*

*2024 Water Training Seminar*

*July 23-24, 2024*

*Kentucky Public Service Commission*

*Signed on this 6th day of August, 2024*



A handwritten signature in blue ink, appearing to read "AH", written over a horizontal line.

*Angie Hatton, Vice Chairman  
Kentucky Public Service Commission*