COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

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ELECTRONIC MORGAN COUNTY WATER)	CASE NO.
DISTRICT'S UNACCOUNTED-FOR WATER)	2021-00206
LOSS REDUCTION PLAN, SURCHARGE)	
AND MONITORING)	

RESPONSE OF MORGAN COUNTY WATER DISTRICT TO COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION TO MORGAN COUNTY WATER DISTRICT

Morgan County Water District submits its Response to the Commission Staff's First Request for Information of March 1, 2023.

Dated: March 15, 2023

Respectfully submitted

Érica Stacy-Stegman

Campbell Rogers & Stacy, PLLC

Attorneys at Law

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Counsel for Morgan County Water District

CERTIFICATE OF SERVICE

In accordance with 807 KAR 5:001, Section 8, I certify that this document was submitted electronically to the Public Service Commission on March 15, 2023 and that there are currently no parties that the Public Service Commission has excused from participation by electronic means in this proceeding.

Erica Stacy-Stegman

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC MORGAN COUNTY WATER)	CASE NO.
DISTRICT'S UNACCOUNTED-FOR WATER)	2021-00206
LOSS REDUCTION PLAN, SURCHARGE)	
AND MONITORING)	

RESPONSE OF

MORGAN COUNTY WATER DISTRICT

TO

COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION TO MORGAN COUNTY WATER DISTRICT

VERIFICATION

COMMONWEA	LTH OF KENTUCKY)
COUNTY OF _	Morgan) SS:)

The undersigned, Shannon Elam, being duly sworn, deposes and states that he is the General Manager of Morgan County Water District and that he has personal knowledge of the matters set forth in the responses for which he is identified as the witness, and the answers contained therein are true and correct to the best of his information, knowledge and belief.

Shamon Elam

Subscribed and sworn to before me, a Notary Public in and before said County and State, this __16 day of March, 2023.

NOTARY PUBLIC

My commission expires: 2/24/

Notary ID: KYNP42611

MORGAN COUNTY WATER DISTRICT

Response to Commission Staff's First Request For Information To Morgan County Water District Case No. 2021-00206

Question No. 1

Responding Witness: Shannon Elam

- Q-1. Refer to the monthly reports filed for October 2022 to January 2023. Provide an explanation for the differences between the surcharge amounts collected each of the months and the amounts actually deposited in the account during each of the months.
- A-1. Morgan County Water District recognizes the oversight shown in attached *Exhibit A*. This was an accounting oversight that was identified in February 2023. An internal review was immediately conducted and the Board Treasurer was notified. The internal review identified the following:
- · When customer payments are received they are deposited into one of two revenue accounts; one revenue account being for cash and check payments and one being for credit card payments.
- · Surcharge deposits were intended to be reconciled and made from each of the two revenue accounts on a monthly bias.
- · As only one employee was responsible for determining what deposits should be made from the revenue accounts into the surcharge account, not enough oversight was being shared for this task. This resulted in the deposits that should have been made into the surcharge account from one or both of the revenue accounts being overlooked altogether at times and at other times resulted in incorrect calculations as to what should be deposited from each revenue account.
- · There was no process or procedure in place to check on whether deposits were being made or to check on whether the correct amount was being deposited.

Corrective Action

Morgan County Water District identified the following corrective actions that have been put in place in March 2023:

- · Board Oversight: The board will receive the monthly surcharge report that is filed each month with the PSC.
- · Weekly Deposit: The surcharge deposits will be reconciled weekly.

- · Monthly Expense Spreadsheet: A monthly expense sheet, on which the required surcharge deposit is represented as an expenditure, has been created to enable a quick reference to see what has been paid throughout the month; said spreadsheet has been attached as *Exhibit B*.
- · Deposits Corrected: All required surcharge deposits have now been made into the surcharge account. A recent bank transaction report for the surcharge account has been attached as *Exhibit C*.

Morgan County Water District feels these corrective actions will ensure better controls of the surcharge account and will help eliminate future accounting oversights.

See attached Exhibits.

EXHIBIT A:

MONTHLY DEPOSITS INTO SURCHARGE ACCOUNT

Morgan County Water District Attachment B

	Surcharge	Deposit	
October	\$ 16,578.20	\$ -	
November	\$ 17,255.76	\$ 20,686.60	
December	\$ 16,437.55	\$ 17.24	
January	\$ 18,417.58	\$ 9,897.07	
February	\$ 14,604.35	\$ 21,524.04	
March		\$ 31,168.49	0
, ;	\$ 83,293.44	\$ 83,293.44	
			خ

EXHIBIT B:

MONTHLY EXPENSE SPREADSHEET

MONTHLY EXPENITURES MARCH

	\$ 130,000.00			\$ 70,000.00			\$	5,500.00		\$ 205,500.00
10th of the Mor	nth	Actual	25th of the Mon	th	Actual	30th of the M	onth		Actual	
Cave Run	\$ 22,000.00	the state of the s	USDA Bond (Due 25th)	\$ 13,100.00		Raining Day	\$	2,500.00	and the same	*
WL	\$ 35,000.00	\$ 43,286.32	Regent (KRWA) (Due 20th)	\$ 8,000.00	Last Control	Depreciation Reserve	\$	1,000.00	Mark - Carl	V -
Surcharge	\$ 17,500.00	\$ 35,536.86	KIA-Bond		\$	Tank Painting Reserve			\$	
Payroll (3-10)	\$ 13,000.00	\$ 13,360.35	KY Payroll Tax (Due 15th)	\$ 1,500.00	Report Designation				\$ -	
Retirement	\$ 10,000.00	\$ 12,759.19	Gross Utility Tax (Due 20th)	\$ 5,000.00	Taran Tar					
Federal	\$ 4,500.00	\$ -	Sales and Use Tax (Due 20th)	\$ 700.00	The rest					
County Tax (\$300 QRTLY)	\$ 100.00	\$ -	Payroll (3-24)	\$ 13,000.00						
Fleet	\$ 4,500.00	\$ 7,961.41	Federal	\$ 4,500.00	PLEASE, FAM.					
Wex (Fuel)	\$ 3,000.00	\$ 2,559.62	Credit Card	\$ 1,000.00	\$ 1,239.43					
AEP	\$ 1,600.00	\$ 1,576.02	Stamps	\$ 1,300.00						
RECC	\$ 2,000.00	\$ 2,177.02	Retirement-Health Insurance	\$ 750.00	1					
MT Telephone	\$ 600.00	\$ 598.35	Consolidated Pipe	\$ 2,000.00	B1116 25 314					
Appalachian Wireless	\$ 1,250.00	\$ 1,229.03	Utility Solutions	\$ 2,000.00	BART BACK					
Anthem Health	\$ 8,500.00	\$ 9,890.68	Core and Main	\$ 2,000.00	NOTE IN SAL	1				^
Colonial Life	\$ 44.00	\$ 44.00	USA Blue Book	\$ 500.00		1				
United Systems	\$ 207.00	\$ -	Citco Water	\$ 500.00	NOTE OF					
Stamps	\$ 300.00	\$ 240.00	Hutch	\$ 500.00	APPENDING.					
American Bus	\$ 200.00	\$ 154.00	Morgan Tire	\$ 500.00		1				
Waste Management	\$ 150.00	\$ 143.72	Oldfields	\$ 250.00	STREET,	1				
Globe Life	\$ 650.00	\$ 718.50	Quality Quick	\$ 250.00	Wasting From					
Aflac	\$ 140.00	\$ 135.85	Frederick and May	\$ 250.00	Na Anti-Articles					
Uniform First	\$ 400.00	\$ 1,316.54	Car Quest	\$ 250.00	District Control					
KY Deferred Comp	\$ 130.00	\$ 130.00	Training/Travel	\$ 1,000.00	\$ 303.72					
Stationers/Champion	\$ 500.00	\$ 1,117.05	*Other	\$ 4,000.00	\$ 18,341.00	1				REVENUE BUDGET EXPENSE
\$ 151,164.18	\$ 126,271.00	\$ 155,449.61	\$ 14,211.95	\$ 62,850.00	\$ 19,884.15	\$	\$	3,500.00	\$ -	\$ 149,634.96 \$ 192,621.00 \$ 176,333.76
\$ 8,510.40	Revenue	\$ (5,285.43)			\$ (5,672.20)				\$ -	\$ 15,741.17 Net Income \$ (797.63)
\$ 7,230.77	Credit Card								Other Income	\$ 10,160.00
\$ 135,423.01	First 10 Days									\$ 175,536.13
*Other Expenses			Other Income			Surcharge - Weekly Deposit		Mondays		Committee and participates of Production
			Surcharge Account Transfer	\$ 10,160.00		Week 1	\$	4,368.37	6-Mar	
			o professional de la companya de la	7		Week 2		31,168.49	13-Mar	
						Week 3	\$		20-Mar	
Precision Control	\$ 6,100.00					Week 4	\$		27-Mar	
United Systems	\$ 892.29					Week 5	\$	-		
Phillip Coty - Deposit Refund	\$ 47.47						\$	35,536.86		
Bear Traxx (Surcharge Account)	\$ 10,160.00							TO A POST OF THE PARTY OF THE P		
Truck Lights	\$ 1,118.98									
\$ Store	\$ 22.26									
					_					
				\$ 10,160.00	-					

\$ 18,341.00

EXHIBIT C:

BANK TRANSACTION REPORT

Transaction Report for

Bank #: 436

Bank of the Mountains, Inc

User: sreed Susan Reed

Relationship

Primary owner

\$ S

- 1

Customer

MORGAN COUNTY WATER DISTRICT
SURCHARGE FUND
1009 HWY 172
WEST LIBERTY, KY 41472

Post Date Eff Date	Transaction Code	Debits	Credits.	Balance Description	Additional Information
3/13/2023	40 Regular Deposit		\$31,168.49	\$143,218.92	1/0/1909 POD
3/6/2023	40 Regular Deposit		\$4,368.37	\$112,050.43	1/0/1667 POD
3/2/2023	45 DDA Withdrawai 39000	\$10,160.00	Signed and regions of man and man distinct management where the Signed and Articles (Articles Signed and Articles Signed Articles Sign	\$107,682.06	1/0/817 POD
2/28/2023 3/1/2023	99 Rate Change Rate changed to 0.0500%	*Marked Superconduct CNOC 20 WCT 11 Williams	JAMES CHEECH CHE	\$117,842.06	0/0/1931 System
2/24/2023	40 Regular Deposit	Phylographys chart magaint for all gas 200 colors a little and a different and a character growth party and a	\$21,524.04	\$117,842.06	1/0/787 POD
2/15/2023	45 DDA Withdrawal 39000	\$57,445.00	Colored Colored Science (Colored Colored Science Colored Colored Science Colored Color	\$96,318.02	1/0/632 POD
1/31/2023 2/1/2023	99 Rate Change Rate changed to 0.0500%	one cities and it is experience to the experience of the experienc	ACCIDA COLOTA COM TANCHER PROMOMENTAL COLOTA	\$153,763.02	0/0/1964 System
1/31/2023	40 Regular Deposit	Mark 470 h (M. C.) - Nagundar - unit et interetti ett. Ett language (e. ne-tteret	\$9,897.07	\$153,763.02	1/0/826 POD
12/30/2022 1/1/2023	99 Rate Change Rate changed to 0.0500%			\$143,865.95	0/0/3758 System
12/30/2022 12/31/2022	7 Interest Credit		\$17.24	\$143,865.95	0/0/3757 System

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