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August 27, 2026

Justin McNeil
Executive Director
Kentucky Public Service Commission
211 Sower Boulevard
Frankfort, Ky. 40602

RE: Surcharge Report for 07/2026
Original Case No: 2022-00366
Surcharge Reporting Case No: 2023-00351

Dear Mr. McNeil,

Per the Public Service Commission's Order in Case No. 2022-00366 regarding the assessment of a surcharge of \$1.72 on each customer bill over forty-eight (48) months for the purpose of water loss reduction, the Commission required certain information from Mountain Water District to be submitted on a monthly basis in order for the Commission to ensure compliance by the District with the intent and purpose of the surcharge expenditures.

The District began billing the surcharge in mid-January, 2024. Please see the e-filed spreadsheet detailing this information for the month of July, 2026 uploaded to Case No. 2023-00351.

The May, 2026 report submittal to the case included an invoice for labor and benefits for Nicholas Bailey and Brayden Newsome for the months of April and May. That invoice was submitted to the CFO for reimbursement from the surcharge account on July 26, 2026 but was not paid out of the surcharge account until the month of July. That invoice and backup documentation will show paid out with the August report for the month of July bank statement. I apologize for any confusion that may cause.

The District's Water Loss Report has been uploaded to the case as well. With the warmer weather the last couple of months we have been able to find more leaks, sweep larger zones, and bring water loss down from the last several previous months. The July percentage was up a bit over June which was caused by the repair of multiple large leaks and that usage was higher than normal. The water lost and written off for water line leak and break repairs is not allowable as water loss for operations, so it will increase the percentage the more leaks we repair.

Please contact me with any questions or concerns you may have with regard to this filing for the surcharge requirements by phone at (606) 631-6165 or via email at tolson@mtwater.org.

Sincerely,

Tammy Olson
General Manager
Mountain Water District

Equal Opportunity Provider and Employer