

January 9, 2025

RECEIVED

JAN 09 2025

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**

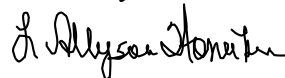
Dear Ms. Bridwell:

Enclosed, please find a Response to the Commission's December 20, 2024 Order on behalf of Morgan County Water District and John Coffey 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:

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

VERIFIED RESPONSE OF MORGAN COUNTY WATER DISTRICT AND
JOHN COFFEY, IN HIS INDIVIDUAL AND OFFICIAL
CAPACITY TO THE COMMISSION’S DECEMBER 20, 2024 ORDER

Come now Morgan County Water District, (“Morgan District”) and its prior acting general manager, John Coffey in his official and individual capacities (collectively, “Respondents”), by counsel, pursuant to the Commission’s December 20, 2024 Order (“Order”) in the above-styled docket, and do hereby tender their collective verified response to the averments set forth in the Commission’s Order, respectfully stating as follows:

1. The Respondents state that John Coffey became the acting general manager of Morgan District after the prior manager, Shannon Elam, who was the manager at the time of the May 2, 2024 hearing, left Morgan District. Mr. Coffey is no longer the acting manager since a new general manager was hired on December 23, 2024.

2. The Respondents state that Mr. Coffey was not the acting general manager when any of the actions testified at the May 2, 2024 hearing occurred. Mr. Coffey has no personal knowledge of any of the items testified to at the May 2, 2024 hearing. Mr. Coffey’s position at the time of the May 2, 2024 hearing was to oversee compliance.

3. Morgan District has been working on its water loss percentage. In 2024, Morgan District took the following steps to help reduce its water loss. December 2024’s water loss percentage was higher than recent months due to leaky meter bottoms, which have since been

replaced. Please see Exhibit A for information regarding Morgan District's projects related to water loss.

4. Alexis Franklin is no longer employed by Morgan District. Morgan District has entered into a contract with Morgan & Associates, to provide its accounting services.¹ Morgan District took this step to improve its accounting records. Please see Exhibit B for a description of the services provided by Morgan & Associates.

5. The Respondents state 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 for information regarding the meter testing.

6. The Respondents state that 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. The Respondents state that the complaint was resolved by making adjustments to the bill. Please see Exhibit D for information regarding the complaint resolution.

7. Respondents further state 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 not needed, using an outside accounting firm for its bookkeeping activities and purchasing only the materials needed for the near future.²

8. Respondents further state that Morgan District is attaching a copy of the Division of Water's ("DOW") July 31, 2024 report to this response as Exhibit F, which found no

¹ Morgan & Associates contract is attached to this response as Exhibit B.

² Morgan District's Balance Sheet and Statement of Profit and Loss are attached to this response as Exhibit E.

wrongdoing regarding the letter sent by Shannon Elam to DOW which was attached to the Commission's December 20, 2024 Order at Appendix C.

9. Respondents state that Mr. Coffey, during his time as acting general manager took the following steps in conjunction with the Board of Directors to remedy prior actions taken by prior management: moved Morgan District's accounting functions to an outside provider, eliminated positions that were not needed and have divided duties for current personnel.

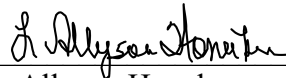
10. Respondents further state that Morgan District and each of the named individuals in the Commission's Order would like to resolve this dispute in a manner that is in the best interest of Morgan District and its customers.

11. Respondents reserve the right to file further pleadings as necessary in this proceeding.

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

Done this 9th day of January, 2025.

Respectfully submitted,

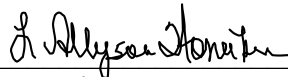


L. Allyson Honaker
Heather S. Temple
HONAKER LAW OFFICE PLLC
1795 Alysheba Way, Suite 1203
Lexington, Kentucky 40509
(859) 368-8803
allyson@hloky.com
heather@hloky.com

Counsel for Morgan County Water District and John Coffey 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.



*Counsel for Morgan Water District and John Coffey
in his individual and official capacity.*

EXHIBIT A



INVOICE

REMITTANCE ADDRESS:

151 WALTON AVENUE
LEXINGTON, KY 40508
(859)252-4737 PHONE (859)254-3747 FAX

INVOICE NO 7270-KY
DATE June 3, 2024
PO#
Req #

BILL TO Morgan County Water District
Attn: Shannon Elam, GM
1009 HWY 172
West Liberty, KY 41472

COMMENTS K240132

Item No.	DESCRIPTION				AMOUNT
KY23P-0671	Morgan County Waterline Extensions Project - ARCH				\$ 24,286.00
	Morgan Co, KY				
	Final report has been submitted				
	Total Amount Billed this Invoice 100%:				\$ 24,286.00
CURRENT	1-30 DAYS PAST DUE	31-60 DAYS PAST DUE	61-90 DAYS PAST DUE	OVER 90 DAYS PAST DUE	AMOUNT DUE
\$24,286.00					\$24,286.00

*A late fee of 1.5% will be applied to unpaid balances after 30 days

REMITTANCE	
Statement #	7270-KY
Date	
Amount Due	\$24,286.00
Amount Enclosed	

**Make all checks payable to CULTURAL RESOURCE ANALYSTS, INC.
THANK YOU FOR YOUR BUSINESS!**

**EXHIBIT B
REQUEST FOR REIMBURSEMENT AND PROJECT STATUS REPORT**

Grantee: Morgan County Water District

WX/SX Number: WX21175053
Draw Number: 2

KIA Grant #: 21CWW292
Date: 12/16/2024

Request Amount: \$24,286.00
Is this the Final Draw? No

Project Costs	Project Budget	Total Prior Expenses	Expenses This Request	Balance After Draw
Administrative	40,000.00	-	-	40,000.00
Legal	8,000.00	-	-	8,000.00
Land/Appraisals/Easements/RofW	17,000.00	-	-	17,000.00
Relocation Expense	-	-	-	-
Planning	29,286.00	5,000.00	24,286.00	-
Engineering Fees - Design	155,000.00	155,000.00	-	-
Engineering Fees - Construction	39,000.00	-	-	39,000.00
Engineering Fees - Inspection	110,000.00	-	-	110,000.00
Engineering Fees - Other	47,500.00	-	-	47,500.00
Construction	2,618,800.00	-	-	2,618,800.00
Equipment	-	-	-	-
Contingency	222,214.00	-	-	222,214.00
Other	-	-	-	-
Totals	3,286,800.00	160,000.00	24,286.00	3,102,514.00

If expenses exceed the project budget, a revised budget must be submitted to & approved by the Authority before funds will be released.

Project Funding	Project Budget	Total Prior Expenses	Expenses This Request	Balance After Draw
21CWW292	3,286,800.00	160,000.00	24,286.00	3,102,514.00
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
Totals	3,286,800.00	160,000.00	24,286.00	3,102,514.00

Morgan County Water District has entered into an Assistance Agreement with the Kentucky Infrastructure Authority (the "Authority") for the acquisition and construction of facilities described in the Assistance Agreement as the "Project."

Pursuant to the Assistance Agreement, Morgan County Water District hereby certifies that the following expenses were incurred in connection with the Project (WX21175053) and that the Authority's share of these expenses is in the amount so denoted in this request. Documentation supporting the expenses incurred and identified per this request are attached.

We certify that the expenses in this draw request were incurred pursuant to local procurement polices which conform to KRS 45A.

Exhibit 11 is included with this draw or has been sent: No

Submitter Name

Submitter Phone #

Authorized Official Signature

Project Administrator's Signature

Date

Date

Morgan County Water District
WX21175053
Draw # 2

21CWW292
12/16/2024

Select the Project Status: On Schedule

PROJECT EXPENSES THIS DRAW REQUEST

(Include Invoices for Expenses Listed Below)

Draw #	Budget Line Items	Invoice #	Vendor	Amount
2	Planning	7270-KY	Cultural Resource Analysts	24,286.00

PROJECT BUDGET

Grantee: Morgan County Water District
 WX/SX Number: WX21175053
 KIA Grant #: 21CWW292

Budget Dates:	3/20/2023	[enter date]	12/16/2024	[enter date]	[enter date]	[enter date]
Costs	Preliminary Budget	As Bid Budget	Revised Budget 1	Revised Budget 2	Revised Budget 3	Revised Budget 4
Administrative	-	-	40,000.00	-	-	-
Legal	-	-	8,000.00	-	-	-
Land/Appraisals/Easements/RofW	-	-	17,000.00	-	-	-
Relocation Expense	-	-	-	-	-	-
Planning	5,000.00	-	29,286.00	-	-	-
Engineering Fees - Design	155,000.00	-	155,000.00	-	-	-
Engineering Fees - Construction	-	-	39,000.00	-	-	-
Engineering Fees - Inspection	-	-	110,000.00	-	-	-
Engineering Fees - Other	-	-	47,500.00	-	-	-
Construction	-	-	2,618,800.00	-	-	-
Equipment	-	-	-	-	-	-
Contingency	-	-	222,214.00	-	-	-
Other	-	-	-	-	-	-
Total	160,000.00	-	3,286,800.00	-	-	-

12/16/2024	Expenses to Date	Balance
Current Budget		
40,000.00	-	40,000.00
8,000.00	-	8,000.00
17,000.00	-	17,000.00
-	-	-
29,286.00	29,286.00	-
155,000.00	155,000.00	-
39,000.00	-	39,000.00
110,000.00	-	110,000.00
47,500.00	-	47,500.00
2,618,800.00	-	2,618,800.00
-	-	-
222,214.00	-	222,214.00
-	-	-
3,286,800.00	184,286.00	3,102,514.00

Funding Sources

21CWW292	2,988,000.00	-	3,286,800.00	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
Total	2,988,000.00	-	3,286,800.00	-	-	-

3,286,800.00	184,286.00	3,102,514.00
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
3,286,800.00	184,286.00	3,102,514.00

ERROR

Use the space below for notes related to change orders and/or budget revisions.

Revised Budget 1	Current budget prior to bid which includes increase received for grant.
Revised Budget 2	
Revised Budget 3	
Revised Budget 4	

EXHIBIT B

Morgan and Associates, LLC

Brenda K. Morgan, CPA

749 Broadway Street
P.O. Box 428
West Liberty, KY 41472

Phone: (606) 743-1884
Fax: (606) 743-1895
www.bkmorgancpa.com

Morgan County Water District
1009 Hwy 172
West Liberty, KY 41472

The following is a partial list of services available from Morgan and Associates, LLC. We hope to better meet your expectations of service from our firm by clearly identifying the particular services to be provided and their frequency. Our services will cover September 1, 2024 through December 31, 2024.

None of the services can be relied on to detect errors, fraud, or illegal acts that may exist. However, we will inform you of any material errors that come to our attention and any fraud or illegal acts that come to our attention, unless they are clearly inconsequential. In addition, we have no responsibility to identify and communicate significant deficiencies or material weaknesses in your internal control as part of this engagement.

We have marked the frequency of the services that we expect to provide. Please review the information below and make any changes necessary.

Bookkeeping Services

	Monthly	Quarterly	Annually
Record Journals	X		
Post general ledger	X		
Prepare reports for the board	X		
Reconcile bank statements	X		
Prepare payroll tax returns	X	X	X
Prepare W-2s			X
Payroll Preparation – Bi-weekly	X		

We estimate that our fees for these services will be \$1,000.00 monthly. The fee estimate is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the work performed. Our invoices for these fees will be rendered each month and are payable on presentation. In accordance with our firm policies, work may be suspended if your account becomes 30 days or more overdue and may not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed upon written notification of termination.

All documentation and files related to this engagement will be kept for a minimum of five years.

We appreciate the opportunity to be of service to you and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign and return it to us as soon as possible.

Sincerely,

Morgan and Associates, LLC

Morgan and Associates, LLC

Accepted by: Donalda Harper

Date: 9-23-24

EXHIBIT C

Meter Test Work Sheet

Jimmy K
 Tester's Signature

11-4-24
 Test Date

Name:	Serial #:	Size:	% fast or slow
	91165 958		
Address:	Model #:	Type of test:	Brand:
Low Flow	Beg. Read 12302.78	End Read 12312.95	Accuracy 101
Medium Flow	Beg. Read 12312.95	End Read 12323.15	Accuracy 100
High Flow	Beg. Read 12323.15	End Read 12423.45	Accuracy 100
Name:	Serial #:	Size:	% fast or slow
Address:	Model #:	Type of test:	Brand:
Low Flow	Beg. Read	End Read	Accuracy
Medium Flow	Beg. Read	End Read	Accuracy
High Flow	Beg. Read	End Read	Accuracy
Name:	Serial #:	Size:	% fast or slow
Address:	Model #:	Type of test:	Brand:
Low Flow	Beg. Read	End Read	Accuracy
Medium Flow	Beg. Read	End Read	Accuracy
High Flow	Beg. Read	End Read	Accuracy
Name:	Serial #:	Size:	% fast or slow
Address:	Model #:	Type of test:	Brand:
Low Flow	Beg. Read	End Read	Accuracy
Medium Flow	Beg. Read	End Read	Accuracy
High Flow	Beg. Read	End Read	Accuracy

Meter Test Work Sheet

Jimmy K

11-25-24

Tester's Signature

Test Date

Name:	Serial #: 91578807	Size:	% fast or slow
Address:	Model #:	Type of test:	Brand:
Low Flow	Beg. Read 9894959.31	End Read 9894969.32	Accuracy 100
Medium Flow	Beg. Read 9894969.32	End Read 9894979.49	Accuracy 100
High Flow	Beg. Read 9894979.49	End Read 9895079.36	Accuracy 99.8
Name:	Serial #:	Size:	% fast or slow
Address:	Model #:	Type of test:	Brand:
Low Flow	Beg. Read	End Read	Accuracy
Medium Flow	Beg. Read	End Read	Accuracy
High Flow	Beg. Read	End Read	Accuracy
Name:	Serial #:	Size:	% fast or slow
Address:	Model #:	Type of test:	Brand:
Low Flow	Beg. Read	End Read	Accuracy
Medium Flow	Beg. Read	End Read	Accuracy
High Flow	Beg. Read	End Read	Accuracy
Name:	Serial #:	Size:	% fast or slow
Address:	Model #:	Type of test:	Brand:
Low Flow	Beg. Read	End Read	Accuracy
Medium Flow	Beg. Read	End Read	Accuracy
High Flow	Beg. Read	End Read	Accuracy

Meter Test Work Sheet

Jimmy K
 Tester's Signature

11-1-24
 Test Date

Name:	Serial #:	Size:	% fast or slow
	69318294	5/8	
	Model #:	Type of test:	Brand:
Low Flow	Beg. Read 11781.94	End Read 11791.71	Accuracy 97
Medium Flow	Beg. Read 11791.71	End Read 11801.84	Accuracy 100
High Flow	Beg. Read 11801.84	End Read 11902.20	Accuracy 100
Name:	Serial #:	Size:	% fast or slow
Address:	Model #:	Type of test:	Brand:
Low Flow	Beg. Read	End Read	Accuracy
Medium Flow	Beg. Read	End Read	Accuracy
High Flow	Beg. Read	End Read	Accuracy
Name:	Serial #:	Size:	% fast or slow
Address:	Model #:	Type of test:	Brand:
Low Flow	Beg. Read	End Read	Accuracy
Medium Flow	Beg. Read	End Read	Accuracy
High Flow	Beg. Read	End Read	Accuracy
Name:	Serial #:	Size:	% fast or slow
Address:	Model #:	Type of test:	Brand:
Low Flow	Beg. Read	End Read	Accuracy
Medium Flow	Beg. Read	End Read	Accuracy
High Flow	Beg. Read	End Read	Accuracy

Meter Test Work Sheet

Jimmy K
 Tester's Signature

10-28-24
 Test Date

Name:	Serial #:	Size:	% fast or slow
[REDACTED]	70703116		
Address:	Model #:	Type of test:	Brand:
Low Flow	Beg. Read 450463.2	End Read 450473.7	Accuracy 100
Medium Flow	Beg. Read 450473.7	End Read 450482.7	Accuracy 100
High Flow	Beg. Read 450482.7	End Read 450583.0	Accuracy 100
Name:	Serial #:	Size:	% fast or slow
Address:	Model #:	Type of test:	Brand:
Low Flow	Beg. Read	End Read	Accuracy
Medium Flow	Beg. Read	End Read	Accuracy
High Flow	Beg. Read	End Read	Accuracy
Name:	Serial #:	Size:	% fast or slow
Address:	Model #:	Type of test:	Brand:
Low Flow	Beg. Read	End Read	Accuracy
Medium Flow	Beg. Read	End Read	Accuracy
High Flow	Beg. Read	End Read	Accuracy
Name:	Serial #:	Size:	% fast or slow
Address:	Model #:	Type of test:	Brand:
Low Flow	Beg. Read	End Read	Accuracy
Medium Flow	Beg. Read	End Read	Accuracy
High Flow	Beg. Read	End Read	Accuracy

Meter Test Work Sheet

Jimmy K
Tester's Signature

10-30-24
Test Date

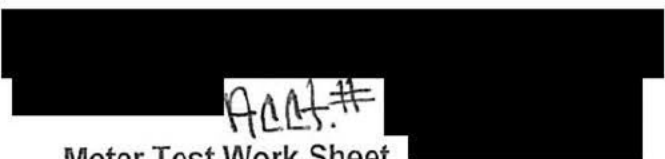
Name:	Serial #:	Size:	% fast or slow
	75370764	5/8	
Address:	Model #:	Type of test:	Brand:
6403 Hwy 7			
Low Flow	Beg. Read 490304.0	End Read 490313.6	Accuracy 96
Medium Flow	Beg. Read 490313.6	End Read 490323.7	Accuracy 101
High Flow	Beg. Read 490323.7	End Read 490424.5	Accuracy 100
Name:	Serial #:	Size:	% fast or slow
Address:	Model #:	Type of test:	Brand:
Low Flow	Beg. Read	End Read	Accuracy
Medium Flow	Beg. Read	End Read	Accuracy
High Flow	Beg. Read	End Read	Accuracy
Name:	Serial #:	Size:	% fast or slow
Address:	Model #:	Type of test:	Brand:
Low Flow	Beg. Read	End Read	Accuracy
Medium Flow	Beg. Read	End Read	Accuracy
High Flow	Beg. Read	End Read	Accuracy
Name:	Serial #:	Size:	% fast or slow
Address:	Model #:	Type of test:	Brand:
Low Flow	Beg. Read	End Read	Accuracy
Medium Flow	Beg. Read	End Read	Accuracy
High Flow	Beg. Read	End Read	Accuracy

Meter Test Work Sheet

Jimmy K
 Tester's Signature

9-4-24
 Test Date

Name:	Serial #:	Size:	% fast or slow
[Redacted]	74678480		
Address:	Model #:	Type of test:	Brand:
Low Flow	Beg. Read 772929.1	End Read 772938.7	Accuracy 96
Medium Flow	Beg. Read 772938.7	End Read 772948.8	Accuracy 101
High Flow	Beg. Read 772948.8	End Read 773049.0	Accuracy 100
Name:	Serial #:	Size:	% fast or slow
[Redacted]	70701981		
Address:	Model #:	Type of test:	Brand:
Low Flow	Beg. Read 1544650.8	End Read 1544660.3	Accuracy 95
Medium Flow	Beg. Read 1544660.3	End Read 1544670.5	Accuracy 100
High Flow	Beg. Read 1544670.5	End Read 1544771.0	Accuracy 100
Name:	Serial #:	Size:	% fast or slow
Address:	Model #:	Type of test:	Brand:
Low Flow	Beg. Read	End Read	Accuracy
Medium Flow	Beg. Read	End Read	Accuracy
High Flow	Beg. Read	End Read	Accuracy
Name:	Serial #:	Size:	% fast or slow
Address:	Model #:	Type of test:	Brand:
Low Flow	Beg. Read	End Read	Accuracy
Medium Flow	Beg. Read	End Read	Accuracy
High Flow	Beg. Read	End Read	Accuracy



Acct. #

Meter Test Work Sheet

Jimmy K
Tester's Signature

9-3-24
Test Date

Name:	Serial #: 86806073	Size: 5/8	% fast or slow
Address:	Model #:	Type of test:	Brand:
Low Flow	Beg. Read 106239.46	End Read 106249.44	Accuracy 99
Medium Flow	Beg. Read 106249.44	End Read 106259.59	Accuracy 101
High Flow	Beg. Read 106259.57	End Read 106359.33	Accuracy 99.7
Name:	Serial #:	Size:	% fast or slow
Address:	Model #:	Type of test:	Brand:
Low Flow	Beg. Read	End Read	Accuracy
Medium Flow	Beg. Read	End Read	Accuracy
High Flow	Beg. Read	End Read	Accuracy
Name:	Serial #:	Size:	% fast or slow
Address:	Model #:	Type of test:	Brand:
Low Flow	Beg. Read	End Read	Accuracy
Medium Flow	Beg. Read	End Read	Accuracy
High Flow	Beg. Read	End Read	Accuracy
Name:	Serial #:	Size:	% fast or slow
Address:	Model #:	Type of test:	Brand:
Low Flow	Beg. Read	End Read	Accuracy
Medium Flow	Beg. Read	End Read	Accuracy
High Flow	Beg. Read	End Read	Accuracy



10:14 Am

Meter Test Work Sheet

Jimmy K.
Tester's Signature

8-8-24
Test Date

Name:	Serial #: 71043790	Size:	% fast or slow
Address:	Model #:	Type of test:	Brand:
Low Flow	Beg. Read 379947.8	End Read 379957.3	Accuracy 95
Medium Flow	Beg. Read 379957.3	End Read 379967.2	Accuracy 99
High Flow	Beg. Read 379967.2	End Read 380069.4	Accuracy 92.2
Name:	Serial #:	Size:	% fast or slow
Address:	Model #:	Type of test:	Brand:
Low Flow	Beg. Read	End Read	Accuracy
Medium Flow	Beg. Read	End Read	Accuracy
High Flow	Beg. Read	End Read	Accuracy
Name:	Serial #:	Size:	% fast or slow
Address:	Model #:	Type of test:	Brand:
Low Flow	Beg. Read	End Read	Accuracy
Medium Flow	Beg. Read	End Read	Accuracy
High Flow	Beg. Read	End Read	Accuracy
Name:	Serial #:	Size:	% fast or slow
Address:	Model #:	Type of test:	Brand:
Low Flow	Beg. Read	End Read	Accuracy
Medium Flow	Beg. Read	End Read	Accuracy
High Flow	Beg. Read	End Read	Accuracy

EXHIBIT D



**Morgan County Water District
Transaction Posting Register**

Batch Range	2 To 2	Order By	Route
Billing Cycle	All Cycles	Print Route/Batch Totals	<input checked="" type="checkbox"/>
Service Type	All Service Types	Print By	Transaction Type
Account Range	All Accounts	AR Code	Not Applicable
Date Range	All Dates	Transaction Type	All Transaction Types
Report Type	Summary	Payment Printing Method	Not Applicable
Print Service Detail	<input type="checkbox"/>	Print AR Totals	<input type="checkbox"/>
Print Beginning Balance Detail	<input type="checkbox"/>	Posted By	Anastasia
Print on wide carriage printer	<input type="checkbox"/>		

Account	Name	# Of Trans	Bat	Cyc	Date	Code	Beginning Balance	Amount	Ending Balance	BD Amt	Chk/ Ref#	Err
	acy, Henry Heston	1	2	1	01/11/24	200	\$267.31	-\$113.23	\$154.08	\$0.00		<input type="checkbox"/>

Totals For Route 0007	Total Adjustments	-\$113.23
	Total Payments	\$0.00
	Total Deposit Receipts	\$0.00
	Total Deposits Applied	\$0.00
	Total Bad Debt Writeoff	\$0.00
	Total Bad Debt Recovery	\$0.00
	Total Immediate Cash Receipts	\$0.00
	Total Unapplied Cash	\$0.00
	Total Rejections	\$0.00

AR Code Summary												
		1	200	Adjustments								-\$113.23

Cycle Summary												
		1	In Cycle	1 - Cycle 1								-\$113.23

Totals For Report	Total Adjustments	-\$113.23
	Total Payments	\$0.00
	Total Deposit Receipts	\$0.00
	Total Deposits Applied	\$0.00
	Total Bad Debt Writeoff	\$0.00
	Total Bad Debt Recovery	\$0.00
	Total Immediate Cash Receipts	\$0.00
	Total Unapplied Cash	\$0.00
	Total Rejections	\$0.00

AR Code Summary												
		1	200	Adjustments								-\$113.23

Cycle Summary												
		1	In Cycle	1 - Cycle 1								-\$113.23

Leak Adjustment

Morgan County Water District
WORK ORDER 16312

Account # [REDACTED]
Name Lacy, Henry Heston
Address [REDACTED]
Telephone [REDACTED] Job # [REDACTED]

Order Date 6/17/2024
Status As soon as possible
Scheduled 06/17/24 03:44 PM
Order Type To Much Pressure

METER# WT 04463963 ERT/INTERNAL ID# 3348733 READING 1011 LOCATOR TAG 65614394 READING IN / OUT

Description
Comment

Requested By _____ Assigned To _____ Completed By _____
Start Date 6/18/24 Time 7:58 Completed Date 6/18/24 Time 2:04

Make _____ Size/Type _____ Multiplier _____
Notes _____

OFF _____ ON _____ LOCKED _____
REGULATOR: TYPE _____ MAKE _____ ORIFICE _____
SET PSIG _____ SPR RANGE _____
PIPE: PLASTIC _____ STEEL _____ LENGTH _____ FT. SIZE _____
TEST PRESSURE 50PSI PSIG. LENGTH OF TEST _____ HR./MIN.
FAILURES _____ CORRECTED _____ RETESTED _____ TESTED BY _____
JOINTING PROCEDURE: () FUSION () SOCKET () WELD () MECHANICAL
CATHODIC PROTECTED: () YES () NO READING _____ (STEEL ONLY)
TAPPING TEE: () FUSION X () WELD X () MECHANICAL
SIZE _____ DEPTH _____ TYPE _____
CONDITION OF ADJOINING PIPE: _____
PIPE INSPECTED PRIOR TO BACKFILLING: () YES () NO
MAIN LOCATED _____ FT. FROM CENTER LINE ON N S E W SIDE OF STREET (circle one)
SNIFF TEST: () NONE () SLIGHT () DISTINCT () VERY DISTINCT
CUSTOMER BILLING: CENTERLINE TO RISER _____ FT. () SERVICE CALL
() METER TIE IN () CONVERSION () SER LINE RELOCATION HRS _____
() OTHER _____

COPY

SIGNATURE NS

Morgan County Water District
WORK ORDER 15708

Account # [REDACTED]
Name Lacy, Henry Heston
Address [REDACTED]
Telephone [REDACTED] Job #

Order Date 3/6/2024
Status As soon as possible
Scheduled 03/06/24 03:35 PM
Order Type Meter Change Out

METER# WT 86806071 ERT/INTERNAL ID# B14375042 READING 32896 LOCATOR TAG 65614394 READING IN / OUT

Description
Comment
Requested By _____ Assigned To _____ Completed By _____

Start Date 4/24/24 Time 3:25 Completed Date 4/24/24 Time 3:30

Make _____ Size/Type Metron Multiplier _____
Notes _____

OFF _____ ON _____ LOCKED _____
REGULATOR: TYPE _____ MAKE _____ ORIFICE _____
SET PSIG _____ SPR RANGE _____
PIPE: PLASTIC _____ STEEL _____ LENGTH _____ FT. SIZE _____
TEST PRESSURE _____ PSIG. LENGTH OF TEST _____ HR./MIN.
FAILURES _____ CORRECTED _____ RETESTED _____ TESTED BY _____
JOINTING PROCEDURE: () FUSION () SOCKET () WELD () MECHANICAL
CATHODIC PROTECTED: () YES () NO READING _____ (STEEL ONLY)
TAPPING TEE: () FUSION X () WELD X () MECHANICAL
SIZE _____ DEPTH _____ TYPE _____
CONDITION OF ADJOINING PIPE: _____
PIPE INSPECTED PRIOR TO BACKFILLING: () YES () NO
MAIN LOCATED _____ FT. FROM CENTER LINE ON N S E W SIDE OF STREET (circle one)
SNIFF TEST: () NONE () SLIGHT () DISTINCT () VERY DISTINCT
CUSTOMER BILLING: CENTERLINE TO RISER _____ FT. () SERVICE CALL
() METER TIE IN () CONVERSION () SER LINE RELOCATION HRS _____
() OTHER _____



new
3348733
old
33757

SIGNATURE JA DW

✓

**Morgan County Water District
Transaction Posting Register**

Batch Range	5 To 5	Order By	Route
Billing Cycle	All Cycles	Print Route/Batch Totals	<input checked="" type="checkbox"/>
Service Type	All Service Types	Print By	Transaction Type
Account Range	All Accounts	AR Code	Not Applicable
Date Range	All Dates	Transaction Type	All Transaction Types
Report Type	Summary	Payment Printing Method	Not Applicable
Print Service Detail	<input type="checkbox"/>	Print AR Totals	<input type="checkbox"/>
Print Beginning Balance Detail	<input type="checkbox"/>	Posted By	Donna
Print on wide carriage printer	<input type="checkbox"/>		

Account	Name	# Of Trans	Bat	Cyc	Date	Code	Beginning Balance	Amount	Ending Balance	BD Amt	Chk/ Ref#	Err
[REDACTED]	Lacy, Henry Heston	1	5	1	02/08/24	200	\$201.95	-\$102.19	\$99.76	\$0.00		<input type="checkbox"/>

Totals For Route 0007	Total Adjustments	-\$102.19
	Total Payments	\$0.00
	Total Deposit Receipts	\$0.00
	Total Deposits Applied	\$0.00
	Total Bad Debt Writeoff	\$0.00
	Total Bad Debt Recovery	\$0.00
	Total Immediate Cash Receipts	\$0.00
	Total Unapplied Cash	\$0.00
	Total Rejections	\$0.00

AR Code Summary							
		1	200	Adjustments			-\$102.19

Cycle Summary							
		1	In Cycle	1 - Cycle 1			-\$102.19

Totals For Report	Total Adjustments	-\$102.19
	Total Payments	\$0.00
	Total Deposit Receipts	\$0.00
	Total Deposits Applied	\$0.00
	Total Bad Debt Writeoff	\$0.00
	Total Bad Debt Recovery	\$0.00
	Total Immediate Cash Receipts	\$0.00
	Total Unapplied Cash	\$0.00
	Total Rejections	\$0.00

AR Code Summary							
		1	200	Adjustments			-\$102.19

Cycle Summary							
		1	In Cycle	1 - Cycle 1			-\$102.19

Leak Adjustment

OK
SMZ
2-8-24



**Morgan County Water District
Transaction Posting Register**

Batch Range	5 To 5	Order By	Route
Billing Cycle	All Cycles	Print Route/Batch Totals	<input checked="" type="checkbox"/>
Service Type	All Service Types	Print By	Transaction Type
Account Range	All Accounts	AR Code	Not Applicable
Date Range	All Dates	Transaction Type	All Transaction Types
Report Type	Summary	Payment Printing Method	Not Applicable
Print Service Detail	<input type="checkbox"/>	Print AR Totals	<input type="checkbox"/>
Print Beginning Balance Detail	<input type="checkbox"/>	Posted By	Donna
Print on wide carriage printer	<input type="checkbox"/>		

Account	Name	# Of Trans	Bat	Cyc	Date	Code	Beginning Balance	Amount	Ending Balance	BD Amt	Chk/ Ref#	Err
	Lacy, Henry Heston	1	5	1	03/04/24	200	\$164.83	-\$93.07	\$71.76	\$0.00		<input type="checkbox"/>

Totals For Route 0007	Total Adjustments	-\$93.07
	Total Payments	\$0.00
	Total Deposit Receipts	\$0.00
	Total Deposits Applied	\$0.00
	Total Bad Debt Writeoff	\$0.00
	Total Bad Debt Recovery	\$0.00
	Total Immediate Cash Receipts	\$0.00
	Total Unapplied Cash	\$0.00
	Total Rejections	\$0.00

AR Code Summary

	1	200	Adjustments	-\$93.07
--	---	-----	-------------	----------

Cycle Summary

	1	In Cycle 1 - Cycle 1	-\$93.07
--	---	----------------------	----------

Totals For Report	Total Adjustments	-\$93.07
	Total Payments	\$0.00
	Total Deposit Receipts	\$0.00
	Total Deposits Applied	\$0.00
	Total Bad Debt Writeoff	\$0.00
	Total Bad Debt Recovery	\$0.00
	Total Immediate Cash Receipts	\$0.00
	Total Unapplied Cash	\$0.00
	Total Rejections	\$0.00

AR Code Summary

	1	200	Adjustments	-\$93.07
--	---	-----	-------------	----------

Cycle Summary

	1	In Cycle 1 - Cycle 1	-\$93.07
--	---	----------------------	----------

*Feb. 2024
PRV Adjustment*

*OK
DAS*

Morgan County Water District
WORK ORDER 15700

Account # [REDACTED]
Name Lacy, Henry Heston
Address [REDACTED]
Telephone [REDACTED] Job #

Order Date 3/4/2024
Status As soon as possible
Scheduled 03/04/24 11:12 AM
Order Type Check for Leak at Meter Base

METER#	ERT/INTERNAL ID#	READING	LOCATOR TAG	READING IN / OUT
WT 86806071	B14375042	32896	65614394	

Description

Comment

Requested By _____ Assigned To _____ Completed By _____
Start Date / / Time : Completed Date 3/4/24 Time 11:30

Make _____ Size/Type _____ Multiplier _____
Notes Call [REDACTED]

Check PRV + check for leak

OFF _____ ON _____ LOCKED _____
REGULATOR: TYPE / MAKE / ORIFICE /
SET PSIG / SPR RANGE /
PIPE: PLASTIC _____ STEEL _____ LENGTH _____ FT. SIZE _____
TEST PRESSURE _____ PSIG. LENGTH OF TEST _____ HR./MIN.
FAILURES _____ CORRECTED _____ RETESTED _____ TESTED BY _____
JOINTING PROCEDURE: () FUSION () SOCKET () WELD () MECHANICAL
CATHODIC PROTECTED: () YES () NO READING _____ (STEEL ONLY)
TAPPING TEE: () FUSION X () WELD X () MECHANICAL
SIZE _____ DEPTH _____ TYPE _____
CONDITION OF ADJOINING PIPE: _____
PIPE INSPECTED PRIOR TO BACKFILLING: () YES () NO
MAIN LOCATED _____ FT. FROM CENTER LINE ON N S E W SIDE OF STREET (circle one)
SNIFF TEST: () NONE () SLIGHT () DISTINCT () VERY DISTINCT
CUSTOMER BILLING: CENTERLINE TO RISER _____ FT. () SERVICE CALL
() METER TIE IN () CONVERSION () SER LINE RELOCATION HRS _____
() OTHER _____

~~Turned off~~
~~leaking on~~
~~customer~~
~~side~~

Changed PRV

SIGNATURE JK

Account



(Henry Heston Lacy)

Service At



Dates

7/19/24 to 8/30/24

Due Date

9/10/24

Payment

\$ 32.85

(CK# 1862)

* NOTE: Payment is being made as a request from the Public Service Commission for a monthly payment for the on-going complaint against the Morgan County Water District. This particular monthly payment is based on actual water usage for the aforementioned date. It appears water usage is getting back to normal after numerous repairs from the blow outs caused by the districts faulty Pressure Regulator Valve.

MORGAN COUNTY WATER DISTRICT
 1009 HWY. 172
 WEST LIBERTY, KY 41472
 PHONE: (606) 743-1231

OFFICE HOURS
 MONDAY - FRIDAY
 8:00 AM - 4:00 PM

ACCOUNT [REDACTED] 07/19/24 TO 08/20/24
 SERVICE AT 2315 Hwy 705

ADDRESS SERVICE REQUESTED

PRESORTED
 FIRST CLASS MAIL
 US POSTAGE PAID
 WEST LIBERTY, KY 41472
 PERMIT NO. 25

TYPE	PRESENT	PREVIOUS	USAGE	CHARGES
BF	Balance Forward			301.51
WT	26790	25080	1710	31.89
LT				0.96

PLEASE PRINT OR TYPE IN TO OFFICE OF MAIL THE SERVICE PAYMENT

32.85

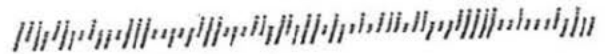
ACCOUNT	DUE DATE	AMOUNT DUE BEFORE DEDUCTION	SAVE THIS	AMOUNT DUE AFTER DEDUCTION
[REDACTED]	09/10/24	334.36	3.29	337.65

Mailed out 8-23-24
 On line payments available at
www.morgankywaterdistrict.com

32.85
 PRESORTED FIRST-CLASS
 HENRY HESTON LACY

CLASS	AMOUNT DUE BEFORE DEDUCTION	DUE DATE	AMOUNT DUE AFTER DEDUCTION
R02	337.65	09/10/24	334.36

Issued 08/22/24



Account [REDACTED]
Service At [REDACTED]

(Henry Heston Lacy)

<u>Dates</u>	<u>Due Date</u>	<u>Payment</u>
2/17/24 to 3/18/24	4/10/24	\$40.00
3/18/24 to 4/17/24	5/10/24	\$40.00
4/17/24 to 5/20/24	6/10/24	\$40.00
5/20/24 to 6/21/24	7/10/24	\$40.00

Total Payment for Prior Service (7/10/24) chk # 1848
\$160.00

* NOTE: Payment is being made as a request from the Public Service Commission for a monthly payment for the on-going complaint against the Morgan County Water District. Monthly payment was agreed on as a fair payment for said property.

Henry Heston Lacy
7/10/24

RECEIVED
JUL 10 2024
Morgan County Water District

EXHIBIT E

Morgan County Water District

Balance Sheet

As of November 30, 2024

	TOTAL
ASSETS	
Current Assets	
Bank Accounts	
3020703 O&M Checking	4,354.02
3030938 Payroll Account	14,563.69
3034704 Credit Card Account	80,092.97
3035980 Hwy 191 Replacement Project	0.00
3038653 Cleaner Water Grant Account	50.00
5134552 Deposit Refund Account	497.99
65201 Depreciation Reserve Account	3,508.35
65212 Sinking Fund Account	39,732.08
82300 Deposit Savings	24,502.64
9490531 Water Revenue Account	41,363.26
9604685 Emergency Savings Account	150.46
9605770 Region Bond Account	50.08
9610111 Surcharge Account	113.99
KIA Coal Grant Acct 3032094	0.00
Total Bank Accounts	\$208,979.53
Accounts Receivable	
A/R	102.11
Total Accounts Receivable	\$102.11
Other Current Assets	
131.2 Cash on Hand	0.00
Construction In Progress-1	0.00
CIP Phase 11 RD	0.00
CIP-Phase 11A	0.00
CIP-PHASE 11b	0.00
Construction In Progress-Coal D	0.00
Phase 11	0.00
Phase 12 Construction Account	0.00
Phase 12A Coal Dev. Grant WX211	0.00
Total Construction In Progress-1	0.00
Payroll Corrections	0.00
Total Other Current Assets	\$0.00
Total Current Assets	\$209,081.64

Morgan County Water District

Balance Sheet

As of November 30, 2024

	TOTAL
Fixed Assets	
A/D - Building	-1,833.30
A/D - Equipment	-339,180.46
A/D - Office Equipment	-11,653.60
A/D - Vehicles	-138,745.62
A/D - Water Lines	-8,009,767.94
A/D Hydrants	-728.00
A/D Meters	-391.25
A/D PRV Pits	-1,519.35
A/D Zone Meters	-2,370.66
Accumulated Amortization	-51,317.24
Capital Lease - Office	423,361.21
Construction In Progress	
CIP - Clean Water Grant	160,000.00
CIP - Hwy 191 Replacement Project	3,030,795.00
Total Construction In Progress	3,190,795.00
Hydrants	20,800.00
Land	203,502.00
Meters	50,535.00
Office Building	16,296.00
Office Equipment	0.00
Computer	24,429.97
Total Office Equipment	24,429.97
PRC Pit	39,069.00
Vehicles and Equipment	
Equipment	463,224.35
Vehicles	258,639.38
Total Vehicles and Equipment	721,863.73
Water Line Expansion	
Phase 11 Waterlines	4,073,607.64
Water Lines	4,630,423.82
Water Lines - Ezel Expansion Pr	993,077.97
Water Lines - Hwy 172 Project	1,709,559.46
Water Lines - White Oak Expansi	1,722,021.20
Water Lines Phase 10	4,228,030.45
Total Water Line Expansion	17,356,720.54

Morgan County Water District

Balance Sheet

As of November 30, 2024

	TOTAL
Water lines	
Water Lines MCWD System Improvments	729,990.84
Water Lines Phase 12	2,632,274.24
Water Lines Phase 12A	1,317,000.00
Water Lines Phase 14	1,623,703.85
Total Water lines	6,302,968.93
Zone Meters	101,600.00
Total Fixed Assets	\$19,894,433.96
Other Assets	
Accounts Receivable Water Colle	166,679.61
Allowance for Doubtful Accounts	-13,595.03
Deferred Outflows OPEB	148,709.51
Deferred Outflows Pension	511,653.91
Prepaid Expenses	7,412.30
UnBilled Receivables	101,820.04
Total Other Assets	\$922,680.34
TOTAL ASSETS	\$21,026,195.94
LIABILITIES AND EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
A/P Construction	0.00
Accounts Payable	526,839.94
2005 Retirement Buyback Payable	27,245.60
2010 Paychecks Payable	3,819.37
Payroll Taxes Payable	0.00
CERS/KY Retirement Payable	0.00
City Taxes Payable	0.00
County Payroll Taxes	0.00
Fed & FICA Payable	0.00
State Withholding Payable	0.00
Total Payroll Taxes Payable	0.00
Sales Tax Payable-1	420.13

Morgan County Water District

Balance Sheet

As of November 30, 2024

	TOTAL
Total Accounts Payable	558,325.04
Qtrly. Return of License Fee	0.00
Refundable Security Deposits	64,819.23
Revenue Sinking Fund	0.00
Total Accounts Payable	\$623,144.27
Other Current Liabilities	
24000 Payroll Liabilities	0.00
Aflac	0.00
Anthem Family Coverage	0.00
Colonial Insurance	0.00
Deferred Comp.	0.00
Dental and eye	0.00
Federal Taxes (941/943/944)	0.00
Federal Unemployment (940)	0.00
Globe Insurance	0.00
KY Income Tax	0.00
KY Local Tax	0.00
KY Unemployment Tax	0.00
Morgan County Withholding	0.00
Retirement 1%	0.00
Retirement Match	0.00
Retirement W/H	0.00
Taxable Benefit Ded.	0.00
Total 24000 Payroll Liabilities	0.00
Accrued Expenses	0.00
Accrued Interest-1	63,362.03
Accrued Salaries	4,780.63
KIA Loan F21-002	3,030,795.01
MCWD Revenue Payable	0.00
MCWD Water Revenue Payable	0.00
N/P - KRWA	0.00
N/P - KRWFC	0.00
Out Of Scope Agency Payable	0.00
Payroll Tax Liability	0.00
S/T Leasing Obligation	21,679.09
Total Other Current Liabilities	\$3,120,616.76
Total Current Liabilities	\$3,743,761.03

Morgan County Water District

Balance Sheet

As of November 30, 2024

	TOTAL
Long-Term Liabilities	
Accrued Compensated Absenses	21,533.45
Bonds Payable	1,171,700.00
Bonds Pay-Series A 1993 91-01	0.00
Bonds Pay-Series B 1993 91-06	0.00
Bonds Payable-Series 1995 91-04	0.00
Bonds Payable-Series 1999 91-09	0.00
Bonds Payable-Series 2001 91-11	185,782.50
Bonds Payable-Series 2006 91-25	713,510.62
Bonds Payable-Series 91-14	0.00
Bonds Payable-Series 91-27	0.00
Bonds Payable-USDA 91-20	0.00
Total Bonds Payable	2,070,993.12
Bonds Payable-Series 2021 CLSS-	293,787.28
Deferred Inflows OPEB	381,431.00
Deferred Inflows Pension	215,873.00
Due to Morgan Co. Fiscal Court	0.00
Gateway ADD Loan	144,071.18
KRWFA Refunding Bond Series 201	1,045,000.00
Leasing Obligation	
Leased - 22 Dodge 1500 VIN 1328	24,147.23
Leased - Dodge 1500 VIN 13285	24,147.23
Leased 23 Ford F150 VIN 3810	23,561.06
Total Leasing Obligation	71,855.52
Loans - Bank of the Mountains	
BOTM Promissory Note - Land	127,426.00
Loan Payable Bank of the Mouna	24,800.63
Truck Loan BOTM	28,072.00
Total Loans - Bank of the Mountains	180,298.63
Net OPEB Liability	-21,501.00
Net Pension Liability	999,243.00
Refunding Bond Premium	35,428.90
Total Long-Term Liabilities	\$5,438,014.08
Total Liabilities	\$9,181,775.11
Equity	
3000 Opening Bal Equity	85,782.36
3900 Retained Earnings	-2,196,418.82
Contributed Capital	5,674,422.35
contributions In Aid of Constr	8,351,749.75
Retained Earnings - Restricted	125,614.00
Retained Earnings - Unrestrict	31,673.00

Morgan County Water District

Balance Sheet

As of November 30, 2024

	TOTAL
Net Income	-228,401.81
Total Equity	\$11,844,420.83
TOTAL LIABILITIES AND EQUITY	\$21,026,195.94

Morgan County Water District

Profit and Loss

January - November, 2024

	TOTAL
Income	
461 Water Revenue	2,551.73
461.1 Residential Meter Sales	1,713,395.89
461.2 Commercial Meter Sales	171,905.85
461.3 Bulk Loading Station	144.75
461.4 Chargeback	-227.74
464 Wholesale	66,328.92
Total 461 Water Revenue	1,954,099.40
475 Surcharge	52.83
General Revenue	229.43
Deposits	1,700.00
Misc Sales	5,600.00
Total General Revenue	7,529.43
Non Water Revenue	123.00
470 Forfeited Discounts	699.35
470.1 Late Fee	31,717.08
470.2 Web Fees	8,586.89
Total 470 Forfeited Discounts	41,003.32
471 Utility Service Revenues	
471.1 Disconnect Fee	10,152.27
471.2 Reconnect Fee	4,355.74
471.3 Return Check Fee	-12.05
471.4 Service Trip Fee	1,345.34
Total 471 Utility Service Revenues	15,841.30
472 Interest Income	23.64
473 Tap-on-Fee	53,855.00
474 Reimbursements/ Grant	
474.1 Reimbursement	4,246.17
Total 474 Reimbursements/ Grant	4,246.17
4999 Uncategorized Income	215.89
Total Non Water Revenue	115,308.32
Non-Budget Items	
Interest Income	2.46
Void Check	0.00
Total Non-Budget Items	2.46
Total Income	\$2,076,992.44
GROSS PROFIT	\$2,076,992.44
Expenses	
101-Utility Plant in Service	
Road Bore	29,846.00
Total 101-Utility Plant in Service	29,846.00

Morgan County Water District

Profit and Loss

January - November, 2024

	TOTAL
5015 Equipment Expense	
5015A Equipment Repair	450.00
Total 5015 Equipment Expense	450.00
601 Payroll Expenses	112,218.73
Company Contributions	
Retirement	82,850.57
Total Company Contributions	82,850.57
Taxes	37,964.19
Wages	365,043.44
Total 601 Payroll Expenses	598,076.93
604 Employee Pensions and Benefit	
604.1 Health & Supplemental Insurance	
604.1.3 Anthem Health Insurance	92,061.39
604.1.4 Globe Life	169.00
604.1.5 Retirement-Health Insurance	4,653.80
604.1.6 Anthem Life	89.75
Total 604.1 Health & Supplemental Insurance	96,973.94
604.4 Uniforms/ Boots	233.19
604.4.1 UniFirst	10,553.69
604.4.2 Clothing Allowances	1,855.20
Total 604.4 Uniforms/ Boots	12,642.08
604.5 Training/ Conference/ Expo	9,876.04
604.6 License/ Certification	618.00
Total 604 Employee Pensions and Benefit	120,110.06
610-Purchased Water	
610.1 Cave Run Water Commission	337,493.30
610.2 West Liberty Waterworks	334,922.28
Water Purchases	
Paintsville Utilities	7.38
Total Water Purchases	7.38
Total 610-Purchased Water	672,422.96
615 Utilities	
615.1 Purchased Power	
615.1.1 Kentucky Power	15,531.44
615.1.2 Licking Valley RECC	19,869.70
Total 615.1 Purchased Power	35,401.14
615.2 Cellular	2,297.03
615.2.1 Appalachian Wireless	11,539.46
Total 615.2 Cellular	13,836.49

Morgan County Water District

Profit and Loss

January - November, 2024

	TOTAL
615.3 Telephone	1,163.49
615.3.1 Mountain Telephone	4,544.56
Total 615.3 Telephone	5,708.05
615.4 Trash Disposal	0.00
615.4.1 Waste Management	1,595.92
Total 615.4 Trash Disposal	1,595.92
Total 615 Utilities	56,541.60
620 Materials and Supplies	22,483.71
620.1 Office Supplies	606.12
620.1.1 American Business Systems	2,525.04
620.1.2 Stationers	890.91
620.1.3 Chapman Printing	1,598.59
620.1.4 Amazon	4,648.66
620.1.5 Quill	113.39
620.1.6 Uline	29.25
620.1.7 Non-Reoccurring Vendors	1,239.49
Total 620.1 Office Supplies	11,651.45
620.2 Postage	
620.2.0 Postage	655.13
620.2.1 Stamps	10,304.65
620.2.2 Bulk Mail	9,370.88
620.2.3 Mailing Expenses	387.18
Total 620.2 Postage	20,717.84
620.3 Water System Supplies	55.60
620.3.1 Consolidated Pipes	32,290.99
620.3.10 Hayes Pipe	1,494.80
620.3.2 Utility Solutions	48,679.56
620.3.3 Core and Main	199.21
620.3.4 CITCO Water	17,557.06
620.3.5 USA Bluebook	1,318.74
620.3.6 Oldfields	488.73
620.3.7 Frederick and May	2,102.36
620.3.8 Non- Reoccurring Vendors	2,600.19
620.3.9 Hawkins	833.54
Total 620.3 Water System Supplies	107,620.78
620.4 Chlorine Chemicals	1,350.00
620.4.2 Hach	528.00
Total 620.4 Chlorine Chemicals	1,878.00
620.5 Safety Supplies	9,081.13
620.5.2 Non-Reoccurring Vendors	7,725.17
Total 620.5 Safety Supplies	16,806.30

Morgan County Water District

Profit and Loss

January - November, 2024

	TOTAL
620.6 Subscriptions	8,510.06
620.6.1 Authnet- Web Billing Services	421.65
620.6.2 Intuit- Payroll Services	2,900.69
620.6.3 SignAPay	719.10
620.6.4 KWRA	3,493.28
620.6.5 Google Suite	1,617.03
620.6.7 AWWA	120.00
Total 620.6 Subscriptions	17,781.81
Total 620 Materials and Supplies	198,939.89
650 Transportation Expense	
650.1 Enterprise	47,080.73
650.2 Auto Service and Repair	336.53
650.2.1 Advanced Auto	378.32
650.2.3 Morgan Tire Center	3,156.72
650.2.4 Quality Quick Lube	2,424.41
650.2.5 Car Quest	1,181.91
650.2.6 Kentucky Emergency Outfitters	2,201.08
Total 650.2 Auto Service and Repair	9,678.97
650.3 Fuel	38,499.28
Total 650 Transportation Expense	95,258.98
675 Non-Budget Expense	11,533.80
675.3 Shipping and Handling	56.09
675.4 Non-Budget Items	3,265.49
675.5 Meals	455.35
Ezel Construction Account	
Legal Fees	5,000.00
Total Ezel Construction Account	5,000.00
Total 675 Non-Budget Expense	20,310.73
680 Taxes	
680.1 941 Federal Payroll Tax	0.00
680.4 Gross Utility Tax	43,623.97
680.5 Sales & Use Tax	12,132.72
Total 680 Taxes	55,756.69
690 Travel Expense	
690.1 Meals	478.76
690.2 Mileage	646.55
690.3 Lodging	2,737.44
690.4 Travel	974.71
Total 690 Travel Expense	4,837.46

Morgan County Water District

Profit and Loss

January - November, 2024

	TOTAL
699 Debt Service (Bonds & Notes)	0.00
699.3 KRWA Bond	98,072.47
699.4 GADD Note	12,020.25
699.5 BOTM Note	15,726.13
699.6 USDA RD	95,206.23
Total 699 Debt Service (Bonds & Notes)	221,025.08
Contractual Services	1,551.29
367 Other	53,510.10
632 Accounting	27,000.00
633 Legal	65,102.42
634 Office	
634.1 United Systems	2,277.00
634.2 American Profit Recovery	2,442.71
Total 634 Office	4,719.71
635 Water Testing Labs	7,422.30
636 Field	1,009.00
Total Contractual Services	160,314.82
Insurance	152.70
657 General Liability	3,839.45
658.1 Workers' Compensation	9,362.00
659 Insurance Other	
659.1 Encroachment Bond	381.75
659.2 KACo Insurance	39,303.46
Total 659 Insurance Other	39,685.21
Total Insurance	53,039.36
Membership Dues	150.00
Miscellaneous Expenses	
660 Advertising	1,067.50
665 Membership Dues	1,655.00
666 Utility Reg- PSC Assessment Fee	3,375.19
671 Bank Charge	9,071.34
Total Miscellaneous Expenses	15,169.03
Reimbursements	390.46
Tax	4.36
UC Tax	
KACO UI Fund	2,621.11
Total UC Tax	2,621.11
Uncategorized Expense	48.83
Total Expenses	\$2,305,314.35
NET OPERATING INCOME	\$-228,321.91

Morgan County Water District

Profit and Loss

January - November, 2024

	TOTAL
Other Expenses	
Surcharge Fees Account	79.90
Total Other Expenses	\$79.90
NET OTHER INCOME	\$ -79.90
NET INCOME	\$ -228,401.81

EXHIBIT F



Andy Beshear
GOVERNOR

ENERGY AND ENVIRONMENT CABINET
DEPARTMENT FOR ENVIRONMENTAL PROTECTION

MOREHEAD REGIONAL OFFICE
525 HECKS PLAZA DRIVE
MOREHEAD, KY, 40351

Rebecca W. Goodman
SECRETARY

Anthony R. Hatton
COMMISSIONER

July 31, 2024

Morgan Co. Water District
Attn: Shannon Elam
1009 Hwy 172
West Liberty, Kentucky 41472

RE: Morgan Co Water District -- 34040
Permit No.: KY0880594
Morgan County, Kentucky
Activity ID: CIN20240001

Dear Mr. Elam:

Attached for your information and records is a copy of the inspection report for the Drinking Water Routine Non-Comprehensive Purchaser Inspection performed at Morgan County Water District on July 11, 2024.

At the time of the inspection, the facility appeared to be properly operated and maintained. No violations were observed. DOW has made some recommendations which should be considered. Carefully read the inspection report to ensure all necessary actions are taken to maintain compliance. Read the attached report for full comments. Additionally, this report documents the DOW's investigation into Andy Legg (AI 137383 certification #62141 class IID) for possible mis conduct/ falsification of records.

If you have any questions or comments concerning this inspection, contact me at the Morehead Regional Office at: (606) 783-8655 or via email at james.bevins@ky.gov.

Sincerely,

James Bevins
Environmental Scientist Advisor
Morehead Regional Office
Division of Water

**ENERGY AND ENVIRONMENT CABINET
KENTUCKY DEPARTMENT FOR ENVIRONMENTAL PROTECTION
DIVISION OF WATER
Routine Distribution Inspection**

Site/Permit ID: KY0880594	Division: Water	Regional Office: Morehead
Site Name: Morgan County Water District	Program: Drinking Water	
Site Address: 1009 HWY 172		
City: West Liberty	State: KY	Zip: 41472
		County: Morgan
Inspection Type: Routine Distribution	Purpose: Noncomprehensive	AI #: 34040
Inspection Date: 7/11/24	Time: Start 9:20 AM End 2:45 PM	
Latitude: 38 12 1.5	Longitude: 83 55 47.0	
Coordinate Collection Method: G40-Handheld receiver		Revision Code: 112108
Drinking Water Data		
Plant Name:	Contact Name: Shannon Elam (General Manager)	
Phone No.: 606-743-1204	Fax No:	Email Address: morganwater@gmail.com

I. Administrative Requirements

Comments:

r. **Compliance Status** - No violations observed

II. Operator Certification/Accreditation Requirements

Operator in Charge and on duty.

Operator Name	Plant Certification #	Distribution Certification #
Dakota Watson		ID
Shannon Elam (AI# 166706)		IID 65746
John Coffee (AI# 170393)		ID 70124
Dean Kennard (AI# 170252)		IID 76849

Comments: Licenses recently renewed. Current until 6-30-2026. Operators will test for the next class license ASAP. Additional uncertified personnel work for MCWD as field employees and will test for class 1 distribution licenses when eligible.

The following documents DOW's investigation into Andy Legg (AI 137383 certification #62141 class D). Mr. Legg was field supervisor for MCWD until his resignation on February 27, 2024. Following his resignation, on March 19, 2024, General Manager (GM) Shannon Elam notified DOW

Bevins of the circumstances leading to his resignation and requested DOW conduct an investigation to Mr. Legg to determine if a referral to KY Division of Enforcement and Operator's Certification Board was warranted. DOW conducted the investigation from March 2024 through July 2024. As requested by DOW, Mr. Elam provided all evidence held by MCWD against Mr. Legg. Mr. Legg is accused of falsifying daily N,E,S,W chlorine readings for the time period of January 2023 through December 2023. An internal audit by MCWD in February 2024 found that vehicle GPS trackers did not show company trucks at the locations Mr. Legg had recorded to pull daily Cl2 samples. The GPS trackers not only showed that Mr. Legg's company vehicle was not at some recorded locations on some days, but no other company vehicles were at the recorded locations either. According to the GPS tracker report submitted to DOW by Mr. Elam, this did not occur every day that Mr. Legg pulled/documented Cl2 readings but did occur sporadically throughout each month in 2023. The evidence supplied by Mr. Elam has been included with this investigation and entered into public record. DOW Bevins contacted Mr. Legg via telephone on 3-19-24 to discuss the allegations. Mr. Legg stated that he did pull chlorine readings at the documented locations on the days that GPS trackers show his vehicle was not at those locations. He stated that he occasionally pulls chlorine readings while driving his personally owned vehicle (POV) across the county to take his sons to ball practice, ball games or traveling to see his terminally ill father. DOW cannot refute this defense. The regulation only requires chlorine be checked at representative sites daily. Operators are free to use whatever mode of transportation they choose. POVs are commonly used by other facilities in similar situations. As there is no further evidence to indicate the allegations against Mr. Legg are true, DOW cannot substantiate the allegations based solely on the GPS tracker evidence provided by MCWD. DOW is ceasing the investigation into Mr. Legg with no enforcement action to be taken.

Compliance Status - No violations observed

III. Record Keeping Requirements

Comments: Records were not reviewed during this inspection.

III. Compliance Status - Not Evaluated

IV. Reporting Requirements

Comments: The facility appears to accurately report required breaks, MORs and BWAs.

IV. Compliance Status - Not Evaluated

V. Operation & Maintenance/Performance Requirements	
Plant Type: <input checked="" type="checkbox"/> C <input type="checkbox"/> N <input type="checkbox"/> P	Service Connections: 3031 Population Served: 8153
Average Purchased MGD: 0.698 Max. Purchased MGD: 0.878 Contract Amount MGD:	
Source: Cave Run, West Liberty	Seller PWSID: multiple Multiple Sellers <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

RATING CODES: S1 = No Violations Observed; S2= No Violations Observed-but impending viol trends obs; U1 = Out of Compliance-No action taken; U2= Out of Compliance-LOW non-recurrent Adm. or O & M; U3= Out of Compliance-NOV Issued; NA = Not Applicable; NE = Not Evaluated. (Add additional comments if U1-U3.)

SELLER	Seller # 1	Name West Liberty Water Co	PWSID# KY0880452 Contract Amount: 12MG/mo
	Seller # 2	Name Cave Run Water Comm	PWSID# KY0831010 Contract Amount: 10MG/mo

INFORMATION	Seller # 3	Name	PWSID#	Contract Amount:
	Seller # 4	Name	PWSID#	Contract Amount:
	Seller # 5	Name	PWSID#	Contract Amount:
STORAGE TANK INFORMATION	RATING	Equipment / Inspection Data		<input type="checkbox"/> Checking block means item is present:
	NI	a) Storage Tank 1 Size:174,000	Screened Vent: <input checked="" type="checkbox"/>	Overflow: <input checked="" type="checkbox"/> Telemetry: <input checked="" type="checkbox"/>
		Name: Caney--191	Last Cleaned:7/20 Coating condition:	
	NI	b) Storage Tank 2 Size:149,000	Screened Vent: <input checked="" type="checkbox"/>	Overflow: <input checked="" type="checkbox"/> Telemetry: <input checked="" type="checkbox"/>
		Name: Ezel	Last Cleaned:7/20 Coating condition:	
	NI	c) Storage Tank 3 Size:157,000	Screened Vent: <input checked="" type="checkbox"/>	Overflow: <input checked="" type="checkbox"/> Telemetry: <input checked="" type="checkbox"/>
		Name: original Cow Branch	Last Cleaned:7/20 Coating condition:	
	NI	d) Storage Tank 4 Size:100,000	Screened Vent: <input checked="" type="checkbox"/>	Overflow: <input checked="" type="checkbox"/> Telemetry: <input checked="" type="checkbox"/>
		Name: Ditney Ridge	Last Cleaned:7/20 Coating condition:	
	NI	e) Storage Tank 5 Size:200,000	Screened Vent: <input checked="" type="checkbox"/>	Overflow: <input checked="" type="checkbox"/> Telemetry: <input checked="" type="checkbox"/>
		Name: Spaws Creek	Last Cleaned:7/20 Coating condition:	
	NI	f) Storage Tank 6 Size:50,000	Screened Vent: <input checked="" type="checkbox"/>	Overflow: <input checked="" type="checkbox"/> Telemetry: <input checked="" type="checkbox"/>
	Name: Smith Creek/ 437	Last Cleaned:7/20 Coating condition:		
NI	g) Storage Tank 7 Size:100,000	Screened Vent: <input checked="" type="checkbox"/>	Overflow: <input checked="" type="checkbox"/> Telemetry: <input checked="" type="checkbox"/>	
	Name: 134	Last Cleaned:7/20 Coating condition:		
	h) Storage Tank 8 Size:	Screened Vent: <input type="checkbox"/>	Overflow: <input type="checkbox"/> Telemetry: <input type="checkbox"/>	
	Name:	Last Cleaned: Coating condition:		
GENERAL INFORMATION	S1	j) Master meter <input checked="" type="checkbox"/>	Last Calibrated: 1/24 Recorder: <input type="checkbox"/>	
	S1	k) Flushing Schedule	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No/ Frequency: 2X year	
	S1	l) Chlorine Test Kit <input checked="" type="checkbox"/>	Type: Hach Last calibrated 7/24	
	S1	m) DPD reagent up-to-date	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
	S1	n) Blow-off / Hydrants on dead	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
	S1	o) Monthly operating reports	<input checked="" type="checkbox"/> Daily Record Sheet <input type="checkbox"/> Agreement: <input type="checkbox"/>	
	S1	p) Bacteriological monitoring	Samples per mo.8 Records: <input checked="" type="checkbox"/>	
BOOSTER PUMPS	S1	q) <input type="checkbox"/> Booster pumps <input type="checkbox"/> Disinfection	Capacity	Disinfection Type:
		r) <input type="checkbox"/> Booster pumps <input type="checkbox"/> Disinfection	Capacity	Disinfection Type:
		s) <input type="checkbox"/> Booster pumps <input type="checkbox"/> Disinfection	Capacity	Disinfection Type:
ON SITE OBSERVATIONS	S1	t) Site Data: 172/706 hyd (E)	Cl. Free:0.49 Total: 0.65 pH:	
	S1	u) Site Data: 946 blowoff (W)	Cl. Free:0.92 Total: 1.14 pH:	
	S1	v) Site Data: Big Staff hyd (S)	Cl. Free:0.54 Total: 0.76 pH:	
	S1	w) Site Data: KY 7 hyd (N)	Cl. Free:0.69 Total: 0.88 pH:	
OTHER INFORMATION	S1	x) Cross connection program	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
	S1	y) Water meter replacement	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
	S1	z) Valve exercise program	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
	S2	aa) Is unaccounted for water	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If Yes what is % loss? 33% (2023)	
	S1	bb) Up to date distribution map	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	

Comments:

- DOW conducted the 4 chlorine readings (N,E,W,S) at the lowest points reported for each direction on the June 2024 MOR. These points are representative of the system. After 5 minutes of flushing, free chlorine was above 0.2 mg/l at all locations.
- The facility must carefully monitor Cl2 levels during warm months to determine if additional Cl2 boosting and/or flushing is needed in some areas. DOW recommends the facility install and properly use auto flush hydrants at strategic locations in order to maintain at least 0.20 mg/L free Cl2 system wide year round. The facility could explore adding additional Cl2 boosting stations in order to maintain adequate Cl2 during warm weather months. This could reduce the volume needed for flushing. Just ensure additional Cl2 boosting does not result in DBP exceedances.

All tanks were professionally inspected July 2020. It was determined that the Ditney tank, 437 Tank & original Cow Branch tank were in need of cleaning. Cleanings were also completed in July 2020.

- The facility continues to find and repair leaks resulting in decreased water loss. Water loss for June 2024 was 28% (well above the DOW recommendation of 15% system wide) but this is down from years past. Recent efforts have reduced unaccounted for water loss. Ensure efforts to locate leaks, replace meters, etc. continue. All necessary actions should be taken to reduce water loss.
- DOW recommends the facility purchase a fluoride meter to assist in determining where leaks exist.
- DOW recommends the facility proceed with plans to install a master meter/ interconnect with Rattlesnake Ridge WD at the KY 172/ KY 706 intersection.
- DOW recommends the facility proceed with plans to install a master meter/ interconnect with Sandy Hook WD on KY 7 near Wrigley Elementary School.
- Currently none of the booster pump stations can be connected to generator power without hardwiring. DOW strongly recommends that all BPSs be equipped with quick connects so portable generators can be easily installed. The manager stated funding is being secured for this project. Additionally, the facility should consider purchasing a portable generator capable of running the stations.
- The facility continues selling water to Campton WD.
- Recent funding has been secured to extend water lines throughout the county.
- KY 191 water line replacement project is complete.
- Facility is exploring installation of a new tank at Woodsbend and associated pump station.

V. Compliance Status - No violations observed

VI. Discharge/Emission Compliance

Comments: Facility does not generate wastewater.

VI. Compliance Status - Not Applicable

VII. Monitoring/Analyses Evaluation

Comments: Eight bacts are required per month at the reported population. Ensure sampling occurs over a minimum of 2 weeks. All 8 shall not be collected at the same time. No exceedances reported over past year.

VII. Compliance Status - No violations observed

VIII. Environmental /Health Impact

Work Site Hazard Assessment:

ATTACHED REVIEWED

Comments:

VIII. Compliance Status - Not Evaluated

IX. Documentation

- Samples taken by DEP
- Samples taken by outside source
- Instrument readings taken by DEP regional office
- Photographs obtained by DEP
- Copies of records obtained by DEP
- Other documentation

Inspector: James A. Bevins

Title: Environmental Inspector III

Date: 07/11/24

Signature:

James A. Bevins

Overall Compliance Status

- No violations observed
- No violations observed, but impending violation trends observed
- Out of Compliance- No action taken
- Out of Compliance- LOW Non-recurrent administrative or O & M
- Out of Compliance - NOV

Comments: Carefully review the report to ensure all necessary actions are taken to achieve/maintain compliance.

Delivery Method: Regular Mail

Cert. Mail #:

**Energy and Environment Cabinet
Kentucky Department for Environmental Protection
Division of Water**

Activity: CIN20240001 Inspection

Lead Investigator: Bevins, James
 Agency Interest/Permit ID: 34040
 Agency Interest Name: Morgan Co Water District
 Agency Interest Address: 408 Prestonsburg St West Liberty, KY, 41472
 Program: Drinking Water
 County: Morgan
 Type of Agency Interest: WATER-Public Water System (2213)
 Agency Interest Contact: Title: Phone:
 Purpose: Inspection
 Inspection Type: DW NonComp-Purchaser

Inspection Date: 7/11/2024 Start Time: 09:20 AM End Time: 02:45 PM
 Latitude: 37.92028400 Longitude: -83.24841100
 Coordinate Collection Method: Decimal Degrees

Incident ID(s):

General Comments:

A Routine Non-Comprehensive inspection of DW purchaser system was performed on 7/11/24. At the time of the inspection, no violations were observed. The Division of Water conducted field readings for total and free chlorine at various locations throughout the distribution system. Chlorine levels were adequate throughout the system. Water loss continues to be above the DOW recommendation of 15% system wide. Ensure efforts to locate leaks, replace meters, etc. continue. All necessary actions should be taken to reduce water loss. Read the attached report and cover letter for full comments.

Person(s) Interviewed:

Name	Organization
John Coffee	MCWD
Shannon Elam	GM- MCWD

Status/Comments:

Requirement	Status	Results or Comments
Additional Limitations: Water systems are subject to the requirements of 401 KAR Chapter 8. [401 KAR 8:020 Section 1(1)]	C	The Division of Water conducted field readings for total and free chlorine at various locations throughout the distribution system. All free chlorine readings were above the regulatory minimum of 0.2 mg/L.

Investigator: Title: Date:

-
- N - N-Not Applicable
 - E - E-Not Evaluated
 - V - V-Out of Compliance-NOV
 - C - C-No Violations observed
 - I - I-No Violations obs-but impending viol trends obs
 - D - D-Out of Compliance-Violations Documented
 - O - O-Out of Comp-LOW non-recurrent Adm. or O&M

Received By:

Title:

Date:

Delivery Method: