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David L. Armstrong
Chairman

James W. Gardner
Vice Chairman

Daniel E. Logsdon Jr.
Commissioner

May 11, 2015

PARTIES OF RECORD

Re: Case No. 2014-00342
Minutes of the Information Session and Public Meeting
Pikeville High School
Pikeville, Kentucky
April 16, 2015

Attached is a copy of the memorandum summarizing the public meeting held April 16, 2015 in Pikeville, Kentucky, which is being filed in the record of the above-referenced case. If you have any questions, please contact Ann Ramser, Staff Attorney, at 502-782-2585.

Sincerely,

A handwritten signature in blue ink, appearing to read "Jeff Derouen".

Jeff Derouen
Executive Director

Attachment

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF MOUNTAIN WATER)
DISTRICT FOR AN ADJUSTMENT OF) CASE NO. 2014-00342
WATER AND SEWER RATES)

MINUTES OF THE INFORMATION SESSION AND PUBLIC MEETING
PIKEVILLE HIGH SCHOOL, PIKEVILLE, KENTUCKY
APRIL 16, 2015 5:00 P.M.

A public information session and public meeting was held at Pikeville High School in Pikeville, Pike County, Kentucky on April 16, 2015. Andrew Melnykovich, Director of Communications for the Public Service Commission, conducted the information session introducing the Commission and Commission Staff, and explained the procedure and protocol for the information session and the public hearing. Mr. Melnykovich then presented an overview of the legal basis, criteria, and review process for the Commission's consideration of applications for proposed rate increases. The presentation included a general overview of the instant application,¹ explained which aspects of this case are within the Commission's jurisdiction, and concluded with a question-and-answer period with Commission Staff.

¹ The information session and public meeting also covered Case No. 2014-00396, Application of Kentucky Power Company for (1) A General Adjustment of its Rates for Electric Service; (2) An Order Approving its 2014 Environmental Compliance Plan; (3) An Order Approving its Tariffs and Riders; and (4) An Order Granting All Other Required Approvals and Relief.

At the conclusion of the information session and after a short intermission, Vice Chair James Gardner, initiated the public hearing portion of the meeting, providing a brief overview of the case at bar, the parties involved, and setting forth the procedure and protocol for the taking of comments. Vice-Chair Gardner then invited the public to make comments to the Commission regarding Mountain Water District's application for an adjustment in water rates to increase adjusted annual revenue by \$2,046,979 and sewer rates to increase adjusted annual revenue by \$1,573,322. The following individuals spoke at the public meeting:

1. Jeff Anderson – Magistrate Anderson is the Magistrate of District One of Pike County. He indicated that so many questions exist regarding Mountain Water District which has been plagued by problems. Several years ago, Crit Luallen issued an audit that raised red flags. Prior to the audit, Fiscal Court had asked Mountain Water District about spending, bond reserve, and money disappearing, but the Fiscal Court was met with resistance from Mountain Water District. Mountain Water District said everything was fine but the audit indicated everything was not fine. Magistrate Anderson stated that the Utility Management Group (“UMG”) initially claimed they were not subjected to the open records act, but the attorney general opined UMG was subjected to the open records act. Then the law changed and a court ruling in favor of UMG is currently being appealed by fiscal court. Magistrate Anderson wants the Commission to have access to UMG's records and answers to questions before a

decision is made. Magistrate Anderson indicated Mountain Water District had no problems until UMG started operating Mountain Water District.

2. Hilman Dotson– Magistrate Dotson is the Magistrate of District Five of Pike County. Magistrate Dotson stated that enough is enough. People went to the Mountain Water District Board, but do not know if the requested increase is needed because UMG will not open its books. Fiscal Court is responsible to the residents and appoint board members for the Mountain Water District Board of Commissioners. Customers receive letters indicating the water is harmful and ask if an outside firm can test the water. People are on a fixed income and may start using outhouses because of increased costs. The citizens do not know where to turn. If UMG shows the increase is necessary, he wants to see where the money goes. Magistrate Dotson believes the increase is so high because the grinder system is wearing out due to what people put in sewage. Paying for better grinders may cost more now but be more cost efficient.
3. Bobby Varney – Magistrate Varney is the Magistrate of District Six of Pike County. Pike County was traditionally a coal county. Coal is almost gone. Children are moving away. The oldest generation remains in Pike County but live on a fixed income. Magistrate Varney requests that the Commission take into consideration that raising rates will harm some citizens who will have to decide how to spend money. He recognizes that Mountain Water District needs an increase.

4. Holly Mullins - Ms. Mullins thanked the previous speakers for speaking but that it does not solve the problems. She and her husband are both disabled. She is on SSI and cannot receive disability. She is going back to school at age 50. Her water was shut off when the pipes froze. Ms. Mullins asked if Mountain Water District is being bought out. Are they going to be forced to use the city sewage system? Ms. Mullins indicated that when she calls Mountain Water District regarding lack of water, she is told to call UMG.
5. Nancy C. Taylor – Ms. Taylor believes the people are trying to work together, but UMG will not let anyone look at its books. She believes that Mountain Water District's two employees are fighting, but that the current situation needs to be rebalanced.

No other member of the public present wished to make a comment. The public hearing was then adjourned. All persons in attendance were asked to sign in and provide their home address for the record. The sign-in sheet is attached hereto as Appendix A.

APPENDIX A



PUBLIC MEETING - SIGN-IN SHEET

Case No. 2014-00342 – Mountain Water District rate adjustment
Pikeville, April 16, 2015

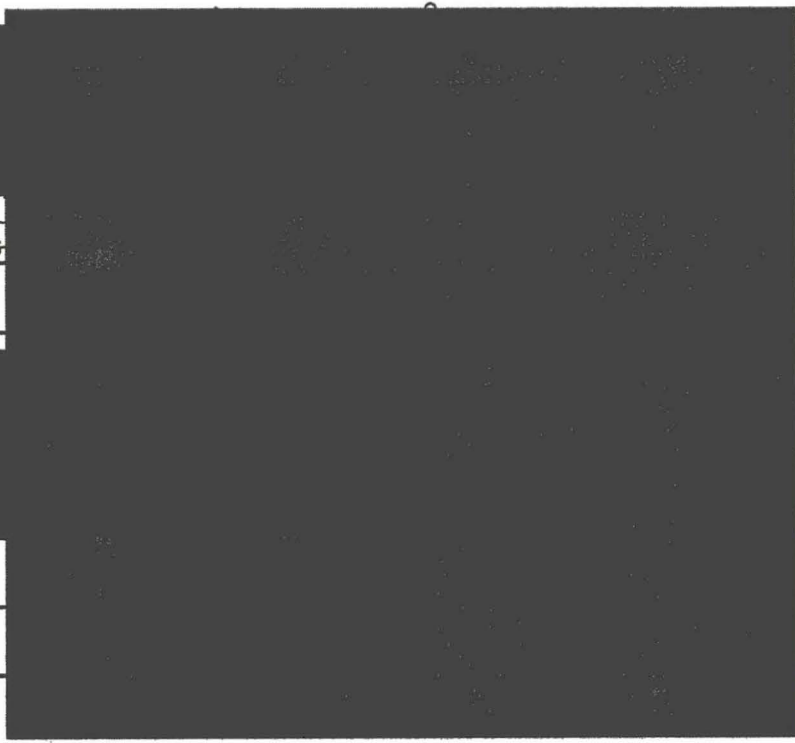
PLEASE PRINT LEGIBLY

Name

Address

DO YOU WISH
TO SPEAK?

1 Russ Cassidy



YES NO

2 BOBBY D. VARNEY

YES NO ✓

3 Holly Mullins

YES NO ✓

4 Philman Watson

YES NO ✓

5 Jerry Jayne

YES NO

6 Angela Gomo

YES NO

* 7 Jess Anderson

YES NO ✓

8 Jan Bevin

YES NO

9 Nancy Mullins

YES NO


10 Rick Mullins

YES NO

PUBLIC MEETING - SIGN-IN SHEET

Case No. 2014-00342 – Mountain Water District rate adjustment
Pikeville, April 16, 2015

PLEASE PRINT LEGIBLY

Name	Address	DO YOU WISH TO SPEAK?	
1 <u>Kate Land Mullins</u>		<input checked="" type="radio"/> YES	<input type="radio"/> NO
2 <u>don belt</u>		<input checked="" type="radio"/> YES	<input type="radio"/> NO
3 <u>Charles Seedy</u>		<input checked="" type="radio"/> YES	<input type="radio"/> NO
4 <u>Eric McKinny</u>		<input type="radio"/> YES	<input checked="" type="radio"/> NO
5 <u>Nancy C Jaylor</u>		<input checked="" type="radio"/> YES	<input type="radio"/> NO
6 <u>ROY SAWYERS</u>		<input type="radio"/> YES	<input checked="" type="radio"/> NO
7 <u>Dan Strickon</u>		<input type="radio"/> YES	<input checked="" type="radio"/> NO
8 <u>↑</u>		<input type="radio"/> YES	<input type="radio"/> NO
9		<input type="radio"/> YES	<input type="radio"/> NO
10		<input type="radio"/> YES	<input type="radio"/> NO

PUBLIC MEETING - SIGN-IN SHEET

Case No. 2014-00342 – Mountain Water District rate adjustment
Pikeville, April 16, 2015

PLEASE PRINT LEGIBLY

Name	Address	DO YOU WISH TO SPEAK?	
1	<i>Jonathan Williamson</i>	YES	NO
2		YES	NO
3		YES	NO
4		YES	NO
5		YES	NO
6		YES	NO
7		YES	NO
8		YES	NO
9		YES	NO
10		YES	NO

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