COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

HIMA-SIBERT WATER DISTRICT, JOE T. GREGORY, MARY GREGORY, AND CARL HIBBARD

ALLEGED VIOLATION OF ADMINISTRATIVE REGULATION 807 KAR 5:066, SECTION 15) CASE NO. 2000-197

<u>order</u>

On May 1, 2000, the Commission directed Hima-Sibert Water District to appear before us and show cause why it should not be penalized pursuant to KRS 278.990(1) for its alleged violation of Administrative Regulation 807 KAR 5:066, Section 15(1). We further directed Joe T. Gregory, Mary Gregory, and Carl Hibbard to show cause they should not be subject individually to the penalties prescribed in KRS 278.990(1) for aiding and abetting Hima-Sibert Water District's alleged violation of Administrative Regulation 807 KAR 5:066, Section 15(1). Following the commencement of this proceeding, the parties and Commission Staff entered into negotiations to resolve all outstanding issues in this proceeding. On June 8, 2000, they executed a Settlement Agreement, appended hereto, and moved for Commission approval of that Agreement.

In reviewing this Settlement Agreement, the Commission has considered, <u>inter</u> <u>alia</u>, the circumstances surrounding the actions that gave rise to this proceeding, the unique nature of water districts, and the need to fashion a constructive solution to the managerial problems presented. The Commission finds that the Settlement Agreement is in accordance with the law, does not violate any regulatory principle, results in a reasonable resolution of this case, and is in the public interest. IT IS THEREFORE ORDERED that:

1. The Settlement Agreement, appended hereto, is incorporated into this Order as if fully set forth herein.

2. The terms and conditions set forth in the Settlement Agreement are adopted and approved.

3. Within 20 days of this Order, Joe Tom Gregory shall pay to the Commonwealth of Kentucky the sum of One Hundred Dollars (\$100.00).

4. Within 20 days of this Order, Hima-Sibert Water District, Mary Gregory, and Carl Hibbard shall each pay to Commonwealth of Kentucky the sum of Twenty-Five Dollars (\$25.00).

5. All payments shall be in the form of a cashier's or certified check made payable to "Treasurer, Commonwealth of Kentucky" and shall be mailed or delivered to: Office of General Counsel, Public Service Commission of Kentucky, 211 Sower Boulevard, Post Office Box 615, Frankfort, Kentucky 40602.

6. The payments of Joe Tom Gregory, Mary Gregory, and Carl Hibbard shall be made from their personal funds and shall not be made from Hima-Sibert Water District's funds. Joe Tom Gregory, Mary Gregory, and Carl Hibbard shall not seek reimbursement from Hima-Sibert Water District for these payments.

7. Hima-Sibert Water District, Joe Tom Gregory, Mary Gregory, and Carl Hibbard shall strictly comply with all provisions of the Settlement Agreement.

8. Any signatory to the Settlement Agreement who fails to comply with its provisions shall pay to the Commonwealth of Kentucky a sum equal to One Thousand Dollars (\$1,000.00) for each day that signatory fails to comply.

Done at Frankfort, Kentucky, this 30th day of June, 2000.

By the Commission

ATTEST:

Mas Hule _____ Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2000-197 DATED JUNE 30, 2000