

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

DEXTER-ALMO HEIGHTS WATER DISTRICT AND )	
ITS INDIVIDUAL COMMISSIONERS, )	
JOE DAN TAYLOR, CHARLES BOREN, )	
AND PAT PASCHALL )	
_____ )	CASE NO.
ALLEGED FAILURE TO COMPLY )	2017-00468
WITH KRS 278.300 )	

ORDER

Having discovered the need for more information in the record, the Commission, on its own motion, finds that the hearing scheduled for March 21, 2018, at 9:00 a.m. Eastern Daylight Time, in Hearing Room 1 of the Commission's offices at 211 Sower Boulevard, Frankfort, Kentucky, to show cause, if any, why it should not be subject to penalties pursuant to KRS 278.990 for failure to comply with the requirements of KRS 278.300, should be generally continued, to be heard on the merits at a later date.

Three motions were filed separately on March 16, 2018. First, a motion to dismiss was filed by Dexter-Almo Heights Water District ("Dexter-Almo") and Joe Dan Taylor, Charles Boren, and Pat Paschall, Commissioners for Dexter-Almo (collectively "Respondents") requesting for the matter to be dismissed. Second, a motion to postpone the scheduled hearing was filed by the Respondents. Finally, a motion to dismiss Charles Boren as a party to the proceeding was filed by Charles Boren.

Having reviewed the pleadings and being otherwise sufficiently advised, the Commission finds that it should reserve ruling upon the Respondents' motion to dismiss

and Charles Boren's motion to dismiss. The Commission finds the Respondents' motion to postpone void of grounds upon which to base an extension of the scheduled hearing date and therefore denies same.

IT IS THEREFORE ORDERED that:

1. The hearing scheduled for March 21, 2018, at 9:00 a.m. Eastern Daylight Time, in Hearing Room 1 of the Commission's offices at 211 Sower Boulevard in Frankfort, Kentucky, to show cause, if any, why it should not be subject to penalties pursuant to KRS 278.990 for failure to comply with the requirements of KRS 278.300, should be generally continued upon Commission's own motion, to be heard on the merits at a later date.

2. Respondents' Motion for Postponement of Scheduled Hearing is denied.

3. The Commission will reserve ruling upon Respondents' Motion to Dismiss and Charles Boren's Motion for Dismissal of Charles Boren as a Party to the Proceeding.

4. a. Respondents shall file the information requested in the Appendix to this Order within 14 days of the entry of this Order. Responses to requests for information shall be appropriately bound, tabbed, and indexed and shall include the name of the witness responsible for responding to the questions related to the information provided, with copies to all parties of record, and the original and six copies to the Commission.

b. Each response shall be answered under oath or, for representatives of a public or private corporation or a partnership or association or a governmental agency, be accompanied by a signed certification of the preparer or the

person supervising the preparation of the response on behalf of the entity that the response is true and accurate to the best of that person's knowledge, information and belief formed after a reasonable inquiry.

c. A party shall make timely amendment to any prior response if it obtains information which indicates that the response was incorrect when made or, though correct when made, is now incorrect in any material respect.

d. For any request to which a party refuses to furnish all or part of the requested information that party shall provide a written explanation of the specific ground for its failure to completely and precisely respond.

e. When filing a paper containing personal information, a party shall, in accordance with 807 KAR 5:001, Section 4(10), encrypt or redact the paper so that personal information cannot be read.

5. Service of all documents shall be made in accordance with 807 KAR 5:001, Section 4(8).

By the Commission

ENTERED  
MAR 20 2018  
KENTUCKY PUBLIC  
SERVICE COMMISSION

ATTEST:



Executive Director

Case No. 2017-00468

## APPENDIX

### APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2017-00468 DATED **MAR 20 2018**

1. Provide a list of all projects completed or assets purchased with the \$145,988 loan from Murray Bank of Calloway County (“Murray Bank”), dated December 9, 2009 (“December 2009 Loan”). Additionally, provide the asset ledger that is associated with this loan.
2. Provide in its entirety the documentation for the December 2009 Loan including documentation of the interest rate and any collateral that secures the loan.
3. Explain if the December 2009 Loan includes the \$47,613 line of credit with Murray Bank approved in Case No. 2006-00420<sup>1</sup> when the Commission granted Dexter-Almo a Certificate of Public Convenience and Necessity to construct the Coles Campground Road Project and approved the proposed plan of financing.
4. The letter dated November 23, 2005, referenced in the Staff Report issued in Case No. 2017-00191<sup>2</sup> and attached as Exhibit A to this Appendix, states Dexter-Almo’s total line of credit was for \$150,000 and was renewable on a two-year term. Explain if this line of credit refers to the December 2009 Loan.
5. Provide copies of the minutes from Dexter-Almo’s Board of Water District Commissioner meetings in which the December 2009 Loan was authorized and in which the two-year term was renewed.

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<sup>1</sup> Case No. 2006-00420, *Application of Dexter-Almo Heights Water District for (1) Issuance of a Certificate of Public Convenience and necessity Authorizing the Construction of the Flint and Coles Campground Project No. WX21035012; and (2) Approval of Its Proposed Plan of Financing the Project* (Ky. PSC Nov. 21, 2006).

<sup>2</sup> Case No. 2017-00191, *Electronic Application of Dexter-Almo Heights Water District for Alternative Rate Adjustment* (Ky. PSC Nov 21, 2027.)

6. Provide copies of all correspondence, memoranda, and electronic mail messages, between Dexter-Almo and Murray Bank regarding the December 2009 Loan.

7. Provide loan documentation for any and all loans that Dexter-Almo has entered into in the past ten years, stating whether prior Commission approval was obtained, and providing the relevant case number associated with each approval.

EXHIBIT A

EXHIBIT TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE  
COMMISSION IN CASE NO. 2017-00468 DATED **MAR 20 2018**



P. O. Box 1300 ♦ Murray, KY 42071.1300  
270.753.5626 ♦ Fax 270.759.3777

November 23, 2005

Beth O'Donnell  
Executive Director of Public Service Commission

To Whom It May Concern:

This letter is to verify that Dexter-Almo Heights Water District has a line of credit in the amount of \$150,000 here at The Murray Bank that is renewable on a two- year term. If there are any questions or concerns, please feel free to call me at 270-753-5626.

Thank you,

A handwritten signature in cursive script that reads "Bob Hargrove". The signature is written in black ink and extends to the right with a long horizontal stroke.

Bob Hargrove  
Executive Vice President



Pat Paschall  
Commissioner  
Dexter-Almo Heights Water District  
351 Almo Road  
Almo, KY 42020

Joe Dan Taylor  
Commissioner  
Dexter-Almo Heights Water District  
351 Almo Road  
Almo, KY 42020

Charles Boren  
Commissioner  
Dexter-Almo Heights Water District  
351 Almo Road  
Almo, KY 42020

\*Dexter-Almo Heights Water District  
351 Almo Road  
Almo, KY 42020

\*Dexter-Almo Heights Water District  
Dexter-Almo Heights Water District  
351 Almo Road  
Almo, KY 42020

\*Gerald E Wuetcher  
Attorney at Law  
STOLL KEENON OGDEN PLLC  
300 West Vine Street  
Suite 2100  
Lexington, KENTUCKY 40507-1801