

WILLIAM M. DESKINS
PIKE COUNTY JUDGE/EXECUTIVE
PIKE COUNTY COURTHOUSE
146 Main Street
Pikeville, Kentucky 41501
606/432-6247

RECEIVED

JAN 8 2015

PUBLIC SERVICE
COMMISSION

January 6, 2015

Mr. Jeff Derouen
Public Service Commission
211 Sower Boulevard
P.O. Box 615
Frankfort, KY 40602-0615

Case No 2014-00395

Dear Mr. Derouen:

This is to follow up your letter of October 20, 2014, to Pike County Magistrate Christian R. Harris, now State Representative Harris, and your letter to me of December 22, copies of are enclosed for your convenience.

I understand the law which gives the Public Service Commission exclusive jurisdiction to make appointments to local water boards if vacancies are not filled within ninety days following the vacancies. As you are aware, Pike County now has two such vacancies which have been vacant for more than ninety days, Rhonda James and Lester "John" Collins, whose terms expired upon July 31, 2014.

In accordance with your statement that the Commission would encourage participation by the affected county judge and fiscal court to submit names of potential candidates for the vacancies, I am submitting the names of Michael R. Blackburn and Eddie Hurley. I am confident that the Fiscal Court would unanimously approve both individuals if I had the right to recommend them. Both are highly qualified and would make excellent Water District Commissioners.

Michael R. Blackburn is a fifty-six year old resident of Pike County for the past forty years. He holds a degree in business from Marshall University. Blackburn has been a manager in the coal industry for the past twenty-two years, holding various management positions. He is currently the Director of Land Management for Alpha Natural Resources, CAPP Division, and vice-president of Lauren Land Company, currently managing mineral and land holdings in Kentucky and West Virginia which total over 140,000 acres. Alpha Natural Resources is the third largest coal company in the nation as measured by revenues. At the present time Blackburn also currently serves as Director on the Board of Grey Hawk Insurance Company; is current president and board member of Pike County Golf Management Corporation; is a registered professional land surveyor; and, was just recently elected to public office as the Pike County Surveyor.

Eddie Hurley, a resident of Freeburn, Kentucky, is sixty years of age and a lifelong successful businessman. At present he is the manager of approximately ten corporations and president of nine of them. The business of these companies ranges from coal mining and processing; oil and gas development; and business properties such as mall development and operation.

The education, training, and broad range of business experience and expertise of both Mr. Blackburn and Mr. Hurley would, in my opinion, make both of these individuals as qualified, if not more so, as any other persons in Pike County and I strongly urge you to consider appointing both of them to the Mountain Water Board. This Board desperately needs such individuals if it is to resolve the longstanding myriad of problems currently facing it.

Sincerely yours,



William M. Deskins
Pike County Judge/Executive

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c: Magistrate Jeff Anderson - District One
Magistrate Vernon "Chick" Johnson - District Two
Magistrate Leo Murphy - District Three
Magistrate Kenneth Robinson - District Four
Magistrate Hilman Dotson - District Five
Magistrate Bobby Varney - District Six
Mr. Michael Blackburn
Mr. Eddie Hurley



Steven L. Beshear
Governor

Leonard K. Peters
Secretary
Energy and Environment Cabinet

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David L. Armstrong
Chairman

James W. Gardner
Vice Chairman

Linda Breathitt
Commissioner

October 20, 2014

Honorable Christian R. Harris
Office of Pike County Magistrate
Belfry Courthouse
P.O. Box 548
Belfry, Kentucky 41514

Dear Magistrate Harris,

Thank you for your October 13, 2014 correspondence to the Commissioners of the Public Service Commission concerning appointments to the Board of Commissioners for the Mountain Water District.

Kentucky Revised Statute (KRS) 74.020 (1) and (4) specifically state who controls the appointments of water district commissioners in the Commonwealth of Kentucky. The County Judge, with the consent of the Fiscal Court, has exclusive appointment authority except in specific situations. Those specific situations are spelled out in KRS 74.020(4), which states, "a vacancy resulting from the expiration of a term or the death, resignation, or removal of the incumbent shall be filled by the Public Service Commission if, within ninety (90) days following the vacancy, the vacancy has not been filled by the appropriate county judge / executive with approval of the fiscal court."

The Public Service Commission has no jurisdiction or role in the appointments of commissioners of water districts unless the above quoted criteria is met. If the criteria is met then the Public Service Commission has exclusive jurisdiction to make such appointments.¹

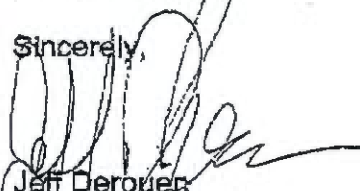
In addition, a water district is required by KRS 74.020 (9)(a) to notify the Public Service Commission within 30 days of the occurrence of a vacancy on the board of

¹ Case No. 2008-00395, *Request to Fill Existing Vacancies on the Board of Commissioners of Letcher County Water and Sewer District* (Ky. PSC Jan. 28, 2009); See also Case No. 2013-00149, *Appointment of Commission to Fill an Unexpired Term on the Board of Commissioners of Sandy Hook Water District* (Ky. PSC Oct. 1, 2013).

Magistrate Harris
October 20, 2014
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commissioners due to the expiration of a term, death, resignation, or removal of an incumbent. The Public Service Commission was notified by Mountain Water District of two vacancies on its Board of Commissioners.² According to the letter received by the Public Service Commission on May 28, 2014, from Mountain Water District Administrator Roy Sawyers, the terms for two board members, Chairperson Rhonda James and Vice Chairperson Lester "John" Collins, expired on July 31, 2014. Accordingly, the Pike County Judge, with the consent of the Fiscal Court, has exclusive appointment authority for 90 days following July 31, 2014. If those two vacancies are not filled within 90 days following July 31, 2014, or by October 29, 2014, the Public Service Commission will then have exclusive jurisdiction to fill those vacancies. In prior instances where the Public Service Commission was responsible for appointing a water district commissioner, we began the process by contacting the affected county judge, fiscal court, and water district's board of commissioners to encourage their respective participation by submitting names of potential candidates for the vacancy. We would anticipate following a similar process here if the Mountain Water District Commissioner vacancies are not filled by the Pike County officials by October 29, 2014.

If we can be of further assistance please do not hesitate to contact me

Sincerely,

Jeff Derouen
Executive Director

² Letter from Roy Sawyers, Mountain Water District Administrator, to Jeff Derouen, Executive Director, Public Service Commission (May 21, 2014).

Steven L. Beshear
Governor

Leonard K. Peters
Secretary
Energy and Environment Cabinet



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David L. Armstrong
Chairman

James W. Gardner
Vice Chairman

Linda Breathitt
Commissioner

December 22, 2014

Honorable Bill Deskins
184 Stonehenge Drive
Pikeville, Kentucky 41501

RE: Case No. 2014-00395, Request to Fill Vacancies on Mountain Water District Board of Commissioners

Dear Mr. Deskins,

We are contacting you as the elected head of Pike County's Fiscal Court to notify you of the expiration of terms for two of Mountain Water District's Commissioners, Chairperson Rhonda James and Vice Chairperson Lester "John" Collins. These terms expired on July 31, 2014.

Kentucky Revised Statute (KRS) 74.020 (1) and (4) specifically indicates who controls the appointments of water district commissioners in the Commonwealth of Kentucky. The County Judge/Executive, with the consent of the Fiscal Court, has exclusive appointment authority except in specific situations. Those specific situations are established in KRS 74.020(4), which states, "a vacancy resulting from the expiration of a term or the death, resignation, or removal of the incumbent shall be filled by the Public Service Commission if, within ninety (90) days following the vacancy, the vacancy has not been filled by the appropriate county judge / executive with approval of the fiscal court".

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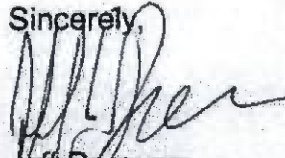
Honorable Bill Deskins
December 22, 2014
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On November 7, 2014, the Commission received a request from a representative of Mountain Water District to fill the two Water District Commissioner vacancies that have existed since July 31, 2014. Due to the passage of at least 90 days since the expiration of these terms, the Commission is initiating a proceeding to consider this request.

We have attached the Order initiating this proceeding for your review. Please submit any recommendations you may have to fill these two vacancies within 20 days of the date of this Order.

Thank you for your assistance in this matter.

Sincerely,

A handwritten signature in black ink, appearing to read "Jeff Derouen", written over a faint, illegible stamp or background.

Jeff Derouen
Executive Director