



Steven L. Beshear
Governor

Leonard K. Peters
Secretary
Energy and Environment Cabinet

Commonwealth of Kentucky
Public Service Commission
211 Sower Blvd.
P.O. Box 615
Frankfort, Kentucky 40602-0615
Telephone: (502) 564-3940
Fax: (502) 564-3460
psc.ky.gov

David L. Armstrong
Chairman

James W. Gardner
Vice Chairman

January 26, 2015

PARTIES OF RECORD

Re: Case No. 2014-00400
Western Fleming County Water District and its Individual Commissioners, Vernon Barton, James Huston; Larry Ingram; Billy McIntyre, Anthony Overby, and Fred Rose Alleged Failure to Comply with KRS 278.020(1) and KRS 278.300(1)

Attached is a copy of the memorandum which is being filed in the record of the above-referenced case. If you have any comments you would like to make regarding the contents of the informal conference memorandum, please do so within five days of receipt of this letter. If you have any questions, please contact Staff Attorney Aaron Ann Cole at 502-782-2591.

Sincerely,



Jeff Derouen
Executive Director

AAC/ph

Attachment

INTRA-AGENCY MEMORANDUM

KENTUCKY PUBLIC SERVICE COMMISSION

TO: Case File No. 2014-00400

FROM: Aaron Ann Cole, Staff Attorney

DATE: January 26, 2015

RE: Western Fleming County Water District and its Individual Commissioners, Vernon Barton, James Huston; Larry Ingram; Billy McIntyre, Anthony Overby, and Fred Rose Alleged Failure to Comply with KRS 278.020(1) and KRS 278.300(1)

Pursuant to the Commission's January 20, 2015 Order, a telephonic Informal Conference ("IC") was held on January 26, 2015. A list of the attendees is attached hereto.

Commission Staff began by stating that the purpose of the conference was to discuss the show cause proceeding and noted that a summary of the meeting would be prepared after the conclusion of the IC and sent to Western Fleming. Commission Staff also stated that the IC would not be recorded and, instead, the IC would be memorialized through the summary by Commission Staff.

Commission Staff stated that Responses from each Commissioner had been received and reviewed, and that Commission Staff was concerned that the majority of the Commissioners stated in their individual responses that "I relied upon our engineers to get all certificates and approvals needed." Commission Staff emphasized that it is the responsibility of Western Fleming's Board of Commissioners, not the hired engineers or architects, to ensure that appropriate certificates, permits and other approvals are obtained for a particular project.

Commission Staff noted that it appeared that Western Fleming's Commissioners regularly attended Commission-sponsored Water District Commissioner training from 2012 through 2014. Commission records indicated that none of Western Fleming's Commissioners attended Commissioner training in 2011. Western Fleming requested time to confirm that its Commissioners did not attend this training in 2011.

Commission Staff and Western Fleming then discussed the pending show cause action. Western Fleming stated that it wanted to settle this matter and did not wish to proceed to hearing. Commission Staff proposed, as a penalty for Western Fleming's

failure to comply with KRS 278.020(1) and 278.300(1), a suspended \$250 fine for each Commissioner, with the suspension of the fine contingent on each Commissioner individually completing a Commission-sponsored Water District Commissioner training each year for the remainder of the individual Western Fleming Commissioner's current term. Western Fleming stated that two of the named parties, Fred Rose and James Huston, are not currently on Western Fleming's Board of Commissioners. Commission Staff proposed that Mr. Huston and Mr. Rose should each be assessed a suspended \$250 fine, contingent on Mr. Huston and Mr. Rose each agreeing that if he is reappointed during the twelve months after issuance of a final order in this case, he will attend Commission-sponsored Water District New Commissioner training within twelve months of his reappointment.

Patrick Price, Western Fleming's legal counsel, verbally agreed on behalf of the named men to the above stated penalty. Commission Staff stated that we would reduce this agreement to a written stipulation and send it to Mr. Price for his review. Thereafter, we would send an approved stipulation to Mr. Price, on behalf of the named Commissioners, and separately to Mr. Overby, who is currently in Florida.

Commission Staff and Mr. Price both asked if there were final comments or questions about the agreed penalties. There being no further discussions, the IC was adjourned.

Attachment

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

WESTERN FLEMING COUNTY WATER DISTRICT)
AND ITS INDIVIDUAL COMMISSIONERS,)
VERNON BARTON, JAMES HUSTON; LARRY) CASE NO.
INGRAM; BILLY MCINTYRE, ANTHONY OVERBY,) 2014-00400
AND FRED ROSE ALLEGED FAILURE TO)
COMPLY WITH KRS 278.020(1) AND KRS 278.300)

Please sign in:

NAME

REPRESENTING

Ann Ramser

PSC - Legal

Jann Ann Cole

PSC - Legal

Mark Frost

PSC - Financial Analysts

Eddie Beavers

PSC - FA

~~Vernon~~ Vernon Barton

Western Fleming Co WD Board of Comms

James Huston

" "

Larry Ingram

" "

Billy McIntyre

" "

Fred Rose

" "

Patrick Price

Legal Counsel - Western Fleming Co WD

Anthony Overby

Western Fleming Co WD Board of Comms

via
telephone