

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC INVESTIGATION OF EAST CASEY)	
COUNTY WATER DISTRICT AND ITS OFFICERS,)	
KEVIN ATWOOD, LILY SANDUSKY, RICKY)	
CARMAN, TRACY GOSSAGE, JOHN MCQUERY,)	CASE NO.
AND ITS MANAGER, ANDY GREYNOLDS, TO)	2022-00228
COMPLY WITH A COMMISSION ORDER, KRS)	
278.990)	

ORDER

The Commission, on its own motion, establishes this proceeding to investigate East Casey County Water District (East Casey District), East Casey District’s Board of Commissioners (the Board), and its individual officers, Kevin Atwood, Lily Sandusky, Ricky Carman, Tracy Gossage, John McQuery, and its manager, Andy Greynolds¹ for allegedly failing to comply with the Commission’s Final Order in Case No. 2021-00371.² The willful failure to comply presents prima facie evidence of incompetency, neglect of duty, gross immorality, or nonfeasance, misfeasance, or malfeasance in office sufficient to make East Casey District’s officers and managers subject to the penalties of KRS 278.990 or removal pursuant to KRS 74.025.

LEGAL STANDARD

¹ *Annual Report of East Casey County Water District to the Public Service Commission for the Year Ending December 31, 2021* (2021 Annual Report) at 14 and 15. According to East Casey District’s 2021 Annual Report these individuals are the commissioners and manager of the utility.

² Case No. 2021-00371, *Electronic Purchased Water Adjustment Filing of East Casey County Water District* (Ky. PSC Oct. 15, 2021) at 7, ordering paragraph 6.

Under KRS 278.250 and KRS 278.260, the Commission is authorized to investigate and examine the condition of any utility subject to its jurisdiction, including any practice or act relating to the utility service. Under KRS 278.280, if the Commission finds that any practice or act is unjust, unreasonable, unsafe, improper, inadequate, or insufficient, then the Commission has the authority to determine the just, reasonable, safe, proper, adequate, or sufficient practice or method to be observed. Upon a finding that East Casey District, its commissioners, or manager violated any provision of KRS Chapter 278, Commission regulations, or a Commission Order, KRS 278.990 authorizes the Commission to assess civil penalties not to exceed \$2,500 for each offense against a utility and against any officer, agent, or employee of a utility who willfully violates any provisions of KRS 278, Commission regulations, or Orders. KRS 74.025 authorizes the Commission to utilize certain removal procedures to remove any water commissioner of a water district from office for good cause, including incompetency, neglect of duty, gross immorality, or nonfeasance, misfeasance, or malfeasance.

DISCUSSION

East Casey District is a water district organized in 1986, pursuant to KRS Chapter 74³ East Casey District provides water service for Casey and Lincoln counties, Kentucky.⁴

³ 2021 Annual Report at 11.

⁴ 2021 Annual Report at 12.

Currently, serving as commissioners are: Kevin Atwood, Lily Sandusky, Tracy Gossage⁵, John McQuery,⁶ and Chairman, Ricky Carman.⁷ The manager is Andy Greynolds.⁸

On September 15, 2021, East Casey District filed a purchased water adjustment filing due to an increase in price paid for water produced by and purchased from the City of Campbellsville.⁹ As part of the final Order, issued on October 15, 2021, East Casey District was ordered to file for an adjustment in base rates within six months of the date of the Order's issuance.¹⁰ East Casey District has not filed any applications of any sort with the Commission since the closure of Case No. 2021-00371 on October 15, 2021. The Commission's records indicate that East Casey District has never been before the Commission for a general adjustment of rates.

The Commission finds that a prima facie case exists that East Casey District violated the Commission's October 15, 2021 Order in Case No. 2021-00371, by failing to file an application for an adjustment in its base rates by April 15, 2022. Pursuant to KRS 74.020(1), a water district shall be administered by a board of commissioners which shall control and manage the affairs of the district. The Commission finds that a prima facie case exists in that East Casey District officers: Kevin Atwood, Lily

⁵ According to the 2021 Annual Report as of July 14, 2022, Tracy Gossage's term expired in June 2022. There have been no notifications of appointments.

⁶ According to the 2021 Annual Report as of July 14, 2022, John McQuery's term expired in June 2022. There have been no notifications of appointments.

⁷ 2021 Annual Report at 15.

⁸ 2021 Annual Report at 14.

⁹ Case No. 2021-00371, (filed Sept 15. 2021), Application.

¹⁰ Case No. 2021-00371, (Ky. PSC Oct. 15, 2021), final Order at 7, ordering paragraph 6.

Sandusky, Tracy Gossage, John McQuery, and Chairman, Ricky Carman, acting in their respective official and individual capacities as officers of East Casey District's Board; and Andy Greynolds, in his capacity as manager of East Casey District, an employee of the utility, willfully aided and abetted in the above violations and may be subject to penalties pursuant to KRS 278.990 or removal pursuant to KRS 74.025 for incompetency, neglect of duty, gross immorality, or nonfeasance, misfeasance, or malfeasance.

IT IS THEREFORE ORDERED that:

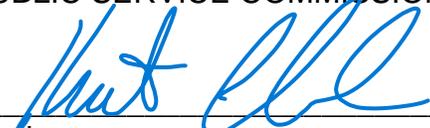
1. East Casey District; Andy Greynolds, in his capacity as manager; and Kevin Atwood, Lily Sandusky, Tracy Gossage, John McQuery, and Chairman, Ricky Carman, acting in their respective official and individual capacities as officers of East Casey District's Board, shall submit individual written responses to the allegations contained in this Order within 20 days of the date of service of this Order, including but not limited to any, and all written testimony or documentation that would dispute the allegations.
2. Counsel for the parties shall enter an appearance or appearances within 20 days of the date of service of this Order.
3. The Commission directs East Casey District and the individual parties to the Commission's July 22, 2021 Order in Case No. 2020-00085¹¹ regarding filings with the Commission. Electronic documents shall be in portable document format (PDF), shall be searchable, and shall be appropriately bookmarked.

¹¹ Case No. 2020-00085, *Electronic Emergency Docket Related to the Novel Coronavirus COVID-19* (Ky. PSC July 22, 2021), Order (in which the Commission ordered that for case filings made on and after March 16, 2020, filers are NOT required to file the original physical copies of the filings required by 807 KAR 5:001, Section 8).

4. Each response shall the name of the witness responsible for responding to the questions related to the information provided. 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.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

PUBLIC SERVICE COMMISSION


Chairman

Vice Chairman


Commissioner



ATTEST:


Executive Director

Tracy Gossage
P. O. Box 56
Liberty, KENTUCKY 42539

*Kevin Atwood
East Casey County Water District
P. O. Box 56
Liberty, KY 42539

John McQuery
P. O. Box 56
Liberty, KENTUCKY 42539

*Jim Adams
Lincoln County Judge Executive
102 East Main Street
Stanford, KENTUCKY 40484

*Andy Greynolds
General Manager
East Casey County Water District
P. O. Box 56
Liberty, KY 42539

*Randy Dial
Casey County Judge Executive
P.O. Box 306
625 Campbellsville Street
Liberty, KENTUCKY 42539

*East Casey County Water District
690 S Wallace Wilkinson Blvd
P. O. Box 56
Liberty, KY 42539

*East Casey County Water District
East Casey County Water District
690 S Wallace Wilkinson Blvd
P. O. Box 56
Liberty, KY 42539

*Lily Sandusky
East Casey County Water District
P. O. Box 56
Liberty, KY 42539

*Ricky Carman
Chairman
East Casey County Water District
P. O. Box 56
Liberty, KY 42539