

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC INVESTIGATION INTO SOUTHERN	)	
WATER AND SEWER DISTRICT MANAGER	)	CASE NO.
DEAN HALL ALLEGED FAILURE TO COMPLY	)	2019-00084
WITH KRS 278.160, KRS 278.710, KRS 278.300	)	
807 KAR 5:066, AND 807 KAR 5:095	)	

DEAN HALL'S RESPONSE TO PUBLIC SERVICE COMMISSION'S  
ORDER ENTERED ON MARCH 11, 2019

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Comes Dean Hall, by counsel, and for his response to the Public Service Commission

states as follows:

1. Dean Hall's position is that he has only been in a supervisory position since 2014 and he has continuously requested new meters. Due to the significant cash flow problems the Southern Water Board failed to allocate funds for the new meters. He further states that he has applied for grants through the Big Sandy Ad Association and it is fully his intention to seek grants to complete the water meter testing. Dean Hall specifically disagrees with any suggestion that there are no plans to replace the meters. In fact he testified to the contrary during the hearing that was held in January of 2019. Dean Hall specifically denies willfully aiding and abetting in the water testing violations and instead states that any deficiencies in water testing are due to circumstances beyond his control.
2. Dean Hall acknowledges that there are significant water losses that are due to circumstances beyond his control. Specifically the topography of Floyd County includes heavily mountainous regions and having to do with aging water lines that once again Southern Water simply does not have the funds to rectify. Dean Hall further asserts that 99% of Floyd Countians have city water (unlike other neighboring counties) and that the water quality in Floyd County allows its citizens to drink water that is safe to drink. Dean Hall states that the circumstances to which the funds are needed to deal with the aging water system are circumstances well beyond his control as he testified during the January 2019 hearing.
3. Dean Hall states that he was unaware of any requirement to assess penalty fees to the local fire districts. Dean Hall states that the first time he learned of this requirement was when a 2019 periodic inspection report was issued. Since assuming the job in 2014 he was unaware of such a requirement until this year.

4. Dean Hall has reviewed the attached correspondence dated January 11, 2019 from Turner E. Campbell, former superintendent, who casts doubt on whether 40 customers were in fact receiving free water. Dean Hall states that he was unaware that there were 40 customers apparently receiving free water. As Dean Hall testified at the hearing in January 2019, they simply do not have the personnel to go out and check approximately 6,000 customers to see if people are improperly receiving free water. Dean Hall specifically denies intentionally allowing anyone to receive free water including any commercial establishments. Dean Hall states that he has approximately 20 employees and simply does not have the number of employees necessary to inspect approximately 6,000 homes to see if they are improperly receiving water. Once again Dean Hall states that Southern Water continues to have significant cash flow problems. Once again the cash flow problems are clearly beyond the control of Dean Hall.

5. Dean Hall states that the allegations as to the loans that Southern Water was taking out, were once again circumstances beyond his control. Dean Hall did present the information to the board and board relied on CPA Jeff Reed. Apparently there was a misunderstanding between the board and Jeff Reed as to whether or not the PSC should have been notified of the loan transactions. Having said this Dean Hall says that the loans were certainly necessary for the operation of the system and there is certainly no intention of anyone involved to mislead anyone about the loans or do anything improper.

Further in response to the Appendix A, number 1, please see the above. In response to numbers 2 and 3, please see attached.

RESPECTFULLY SUBMITTED,

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#### CERTIFICATE OF SERVICE

This is to certify that a true and correct copy of the foregoing was served via US Mail delivery to: Hon. Andy Beshear, 700 Capitol Avenue, Suite 20, Frankfort, Kentucky 40601; Hon. Stephen Bailey, 181 East Court Street, Prestonsburg, Kentucky 41653 and the original via electronic delivery to: Gwen Pinson, Executive Director, Public Service Commission, PO Box 615, Frankfort, Kentucky 40602 on this the 27th day of March, 2019.

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