

**COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION**

**IN THE MATTER OF:**

<b>ELECTRONIC ALLEGED FAILURE OF</b>	)	
<b>SHARPSBURG WATER DISTRICT AND ITS</b>	)	
<b>OFFICERS, ALFRED BAILEY, CECIL DUNCAN,</b>	)	<b>CASE NO. 2023-00125</b>
<b>JUDY HARMON, RANDY WARNER, BILLY</b>	)	
<b>MARTIN AND ITS MANAGER, GAYLE HANEY, TO</b>	)	
<b>COMPLY WITH A COMMISSION ORDER</b>	)	

**RESPONSE OF SHARPSBURG WATER DISTRICT  
TO COMMISSION ORDER OF JUNE 7<sup>TH</sup>, 2023**

Comes now Sharpsburg Water District, General Manager Gayle Haney, and Commissioners, Alfred Bailey, Cecil Duncan, Judy Harmon, Randy Warner, and Billy Martin for their Response to the Commission Order of June 7<sup>th</sup>, 2023 herein submits the individual statements of the General Manager and Commissioners filed herewith and states as follows:

Sharpsburg Water District concedes that the application for rate adjustment was not timely filed in compliance with the Order of the Commission of May 27<sup>th</sup>, 2021 which specifically required the District to file an application for rate adjustment within one year. The failure to timely file the application was an error and mistake on the part of the General Manager. The General Manager also failed to inform the Board of Commissioners of the Commission Order. These mistakes were not intentional or willful. The General Manager forgot the Commission Order to file the application on or before May 27<sup>th</sup>, 2022 until April 11<sup>th</sup>, 2022. As soon as the error was discovered she sought assistance from Kentucky Rural Water Association and discovered that the application could not be filed within the time required. She also sought an extension of time from the Commission.

Despite this mistake, Sharpsburg Water District did file an application for a rate adjustment on October 28<sup>th</sup>, 2022 (2022-00348). The Application was five months late. The application was granted by Final Order of the Commission on May 15<sup>th</sup>, 2023.

WHEREFORE, Sharpsburg Water District, the General Manager and the Commissioners respectfully requests the Commission to accept this response, and close this proceeding.

[earl@campbellrogers.com](mailto:earl@campbellrogers.com)

Dated this 19<sup>th</sup> day of June, 2023.

Respectfully submitted,



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Earl Rogers III  
Campbell Rogers & Stacy PLLC  
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Morehead, KY 40351  
(606) 783-1012  
[earl@campbellrogers.com](mailto:earl@campbellrogers.com)  
Counsel for Respondents

#### CERTIFICATE OF SERVICE AND FILING

The undersigned certifies that the electronic filing has been transmitted to the Commission on June 19<sup>th</sup>, 2023; and that there are currently no parties that the Commission has excused from participation by electronic means in this proceeding.



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Earl Rogers III  
Counsel for Respondents

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<b>COMPLY WITH A COMMISSION ORDER</b>	)	

**STATEMENT OF GAYLE HANEY**

Comes now Gayle Haney an for her response to the Order of the Public Service Commission of June 7<sup>th</sup>, 2023 in the above matter, states as follows:

1. I am the General Manager of Sharpsburg Water District (SWD). I have been employed by SWD since 1984. I have been General Manager for 37 years.
2. I received the Order of the Public Service Commission in the matter of 2021-00189 that was entered May 27<sup>th</sup>, 2021. I read the Order and was aware that SWD was ordered to file an application for a traditional rate adjustment or alternative rate adjustment within one year.
3. I did not share or provide a copy of that Order to the Commissioners. I did inform then that the application for the purchase water adjustment in 2021-00189 was granted. However, I did not inform the Commissioners of the PSC requirement to file an application for a traditional rate adjustment or alternative rate adjustment within one year.
4. During 2021 the Commissioners were not meeting due to Covid concerns and an inability to meet remotely.
5. I also received the Order of the Public Service Commission in the mater of 2022-00273 that was entered September 13<sup>th</sup>, 2022. I read the Order and was aware that SWD was ordered to file an application for a traditional rate adjustment or alternative rate adjustment.
6. Again, I did not share the Order with the Commissioners. I did inform the Commissioners that the application for the purchase water adjustment in 2021-00273 was granted. However, I did not inform the Commissioners of the PSC requirement to file an application for a traditional rate adjustment or alternative rate adjustment.
7. I did not intentionally withhold this information from the Commissioners for any other reason than I fully expected that I would take care of filing the required application for a rate adjustment and would inform them at that time.

8. Although I fully intended to timely file the rate application as ordered, I did not act right away and forgot of the requirement until the week of April 11<sup>th</sup>, 2022. Although I had worked on numerous Purchase Water Adjustments (17), I had not worked on a Traditional Rate Application and my experience with Alternative Rate Applications was limited. Prior Alternative Rate Applications were all handled by either the Kentucky Infrastructure Authority or USDA Rural Development. I did not realize the time required to prepare such a filing.

9. On April 11<sup>th</sup>, 2022 I contacted Jason Pennell with the Kentucky Rural Water Association (KRWA) for assistance filing the rate application. I was informed that KRWA would need approximately six months to prepare the required analysis for the application. As I had contacted KRWA in April of 2022 they recommended using SWD 2021 audit which was not completed at that time.

10. When I realized that the Application could not be completed in time, I contacted the attorney for SWD, Earl Rogers, and asked him to file a request for additional time. I also instructed KRWA to proceed with preparing the Application.

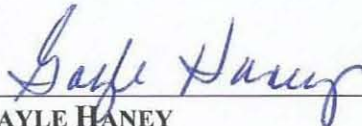
11. I informed the Commissioners of the PSC requirement to file the Application for a Rate Adjustment in October of 2022 when I sought their approval to file the Application for Rate Adjustment.

12. The Application was filed on October 28<sup>th</sup>, 2022 (2022-00348) and was approved by the PSC by Final Order entered May 15<sup>th</sup>, 2023.

13. I should have immediately begun work on the Application when PSC Ordered it to be filed within one year of May 27<sup>th</sup>, 2021 to insure it was timely filed. I also should have kept the Commissioners of SWD informed and provided them copies of the PSC Orders when received and reviewed the Orders with them including the requirement of PSC to file the Rate Adjustment Application.

14. This was my mistake. I have apologized to the Commissioners. I sincerely regret that this occurred and will make sure that it doesn't happen again. I will keep SWD Commissioners better informed by providing them copies of all Orders of the PSC and reviewing those Orders with them.

THIS the 16<sup>th</sup> day of June, 2023.

  
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GAYLE HANEY

STATE OF KENTUCKY  
SS  
COUNTY OF BATH

Subscribed, sworn to, and acknowledged before me this 16<sup>th</sup> day of June, 2023, by  
Gayle Haney.

My commission expires: May 9, 2027

Madison Mitchell  
NOTARY PUBLIC



**COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION**

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OFFICERS, ALFRED BAILEY, CECIL DUNCAN, )  
JUDY HARMON, RANDY WARNER, BILLY )  
MARTIN AND ITS MANAGER, GAYLE HANEY, TO )  
COMPLY WITH A COMMISSION ORDER )**

**CASE NO. 2023-00125**

**STATEMENT OF ALFRED BAILEY**

Comes now Alfred Bailey and for his response to the Order of the Public Service Commission of June 7<sup>th</sup>, 2023 in the above matter, states as follows:

1. I am a Commissioner for the Sharpsburg Water District (SWD) and have been since prior to 2021.
2. I was not provided a copy of the PSC Orders of May 27<sup>th</sup>, 2021 in 2021-00189 or of September 13<sup>th</sup>, 2022 in 2022-00273.
3. The Commissioners were not meeting in 2021 due to Covid.
4. I, as well as the other Commissioners, were first informed of the PSC requirement of SWD to file an Application for a Rate Adjustment by General Manager Gayle Haney at the meeting of the Commissioners in October of 2022 when the Application for the Rate Adjustment was presented to us for our review and approval.
5. Ms. Haney has expressed regret and apologized for her mistake in not informing the Commissioners and not promptly beginning work on an application for rate adjustment.
6. We have now enacted a policy that any and all PSC filings and orders will copied to the Board of Commissioners.
7. Although this is a significant mistake by the General Manager, over the years Ms. Haney has been an excellent General Manager

THIS the 16<sup>th</sup> day of June, 2023.

  
\_\_\_\_\_  
ALFRED BAILEY





**COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION**

**IN THE MATTER OF:**

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JUDY HARMON, RANDY WARNER, BILLY )  
MARTIN AND ITS MANAGER, GAYLE HANEY, TO )  
COMPLY WITH A COMMISSION ORDER )**


**CASE NO. 2023-00125**

**STATEMENT OF CECIL DUNCAN**

Comes now Cecil Duncan and for his response to the Order of the Public Service Commission of June 7<sup>th</sup>, 2023 in the above matter, states as follows:

1. I am a Commissioner for the Sharpsburg Water District (SWD) and have been since prior to 2021.
2. I was not provided a copy of the PSC Orders of May 27<sup>th</sup>, 2021 in 2021-00189 or of September 13<sup>th</sup>, 2022 in 2022-00273.
3. The Commissioners were not meeting in 2021 due to Covid.
4. I, as well as the other Commissioners, were first informed of the PSC requirement of SWD to file an Application for a Rate Adjustment by General Manager Gayle Haney at the meeting of the Commissioners in October of 2022 when the Application for the Rate Adjustment was presented to us for our review and approval.
5. Ms. Haney has expressed regret and apologized for her mistake in not informing the Commissioners and not promptly beginning work on an application for rate adjustment.
6. We have now enacted a policy that any and all PSC filings and orders will copied to the Board of Commissioners.
7. Although this is a significant mistake by the General Manager, over the years Ms. Haney has been an excellent General Manager

THIS the 16<sup>th</sup> day of June, 2023.

  
\_\_\_\_\_  
CECIL DUNCAN



STATE OF KENTUCKY  
SS  
COUNTY OF BATH

Subscribed, sworn to, and acknowledged before me this 16<sup>th</sup> day of June, 2023, by  
Cecil Duncan.

My commission expires: Aug 9, 2027  
Melissa Mitchell  
NOTARY PUBLIC

**COMMONWEALTH OF KENTUCKY  
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SHARPSBURG WATER DISTRICT AND ITS )  
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JUDY HARMON, RANDY WARNER, BILLY )  
MARTIN AND ITS MANAGER, GAYLE HANEY, TO )  
COMPLY WITH A COMMISSION ORDER )**

**CASE NO. 2023-00125**

**STATEMENT OF JUDY HARMON**

Comes now Judy Harmon an for her response to the Order of the Public Service Commission of June 7<sup>th</sup>, 2023 in the above matter, states as follows:

1. I am a Commissioner for the Sharpsburg Water District (SWD) and have been since prior to 2021.
2. I was not provided a copy of the PSC Orders of May 27<sup>th</sup>, 2021 in 2021-00189 or of September 13<sup>th</sup>, 2022 in 2022-00273.
3. The Commissioners were not meeting in 2021 due to Covid.
4. I, as well as the other Commissioners, were first informed of the PSC requirement of SWD to file an Application for a Rate Adjustment by General Manager Gayle Haney at the meeting of the Commissioners in October of 2022 when the Application for the Rate Adjustment was presented to us for our review and approval.
5. Ms. Haney has expressed regret and apologized for her mistake in not informing the Commissioners and not promptly beginning work on an application for rate adjustment.
6. We have now enacted a policy that any and all PSC filings and orders will copied to the Board of Commissioners.
7. Although this is a significant mistake by the General Manager, over the years Ms. Haney has been an excellent General Manager

THIS the 16<sup>th</sup> day of June, 2023.

  
\_\_\_\_\_  
**JUDY HARMON**





**COMMONWEALTH OF KENTUCKY  
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<b>MARTIN AND ITS MANAGER, GAYLE HANEY, TO</b>	)	
<b>COMPLY WITH A COMMISSION ORDER</b>	)	

**STATEMENT OF RANDY WARNER**

Comes now Randy Warner and for his response to the Order of the Public Service Commission of June 7<sup>th</sup>, 2023 in the above matter, states as follows:

1. I am a Commissioner for the Sharpsburg Water District (SWD) and have been since prior to 2021. I am also the Chairman of the Board of Commissioners.
2. I was not provided a copy of the PSC Orders of May 27<sup>th</sup>, 2021 in 2021-00189 or of September 13<sup>th</sup>, 2022 in 2022-00273.
3. The Commissioners were not meeting in 2021 due to Covid.
4. I, as well as the other Commissioners, were first informed of the PSC requirement of SWD to file an Application for a Rate Adjustment by General Manager Gayle Haney at the meeting of the Commissioners in October of 2022 when the Application for the Rate Adjustment was presented to us for our review and approval.
5. Ms. Haney has expressed regret and apologized for her mistake in not informing the Commissioners and not promptly beginning work on an application for rate adjustment.
6. We have now enacted a policy that any and all PSC filings and orders will copied to the Board of Commissioners.
7. Although this is a significant mistake by the General Manager, over the years Ms. Haney has been an excellent General Manager

THIS the 16<sup>th</sup> day of June, 2023.

  
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RANDY WARNER

STATE OF KENTUCKY  
SS  
COUNTY OF BATH

Subscribed, sworn to, and acknowledged before me this 16<sup>th</sup> day of June, 2023, by  
Randy Warner.

My commission expires: May 9, 2027

Melara Mitchell  
NOTARY PUBLIC

**COMMONWEALTH OF KENTUCKY  
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JUDY HARMON, RANDY WARNER, BILLY )  
MARTIN AND ITS MANAGER, GAYLE HANEY, TO )  
COMPLY WITH A COMMISSION ORDER )**

**CASE NO. 2023-00125**

**STATEMENT OF BILLY MARTIN**

Comes now Billy Martin and for his response to the Order of the Public Service Commission of June 7<sup>th</sup>, 2023 in the above matter, states as follows:

1. I am a Commissioner for the Sharpsburg Water District (SWD) and have been since prior to 2021.
2. I was not provided a copy of the PSC Orders of May 27<sup>th</sup>, 2021 in 2021-00189 or of September 13<sup>th</sup>, 2022 in 2022-00273.
3. The Commissioners were not meeting in 2021 due to Covid.
4. I, as well as the other Commissioners, were first informed of the PSC requirement of SWD to file an Application for a Rate Adjustment by General Manager Gayle Haney at the meeting of the Commissioners in October of 2022 when the Application for the Rate Adjustment was presented to us for our review and approval.
5. Ms. Haney has expressed regret and apologized for her mistake in not informing the Commissioners and not promptly beginning work on an application for rate adjustment.
6. We have now enacted a policy that any and all PSC filings and orders will copied to the Board of Commissioners.
7. Although this is a significant mistake by the General Manager, over the years Ms. Haney has been an excellent General Manager

THIS the 16<sup>th</sup> day of June, 2023.

  
\_\_\_\_\_  
**BILLY MARTIN**



STATE OF KENTUCKY

SS

COUNTY OF BATH

Subscribed, sworn to, and acknowledged before me this 16<sup>th</sup> day of June, 2023, by  
Billy Martin.

My commission expires: May 9, 2027

Robina Mitchell  
NOTARY PUBLIC