

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

AN ELECTRONIC INVESTIGATION INTO	)	
CANNONSBURG WATER DISTRICT AND	)	
ITS INDIVIDUAL COMMISSIONERS (TIM	)	
SMITH, SAM HAMPTON, ROBERT	)	CASE NO.
MCGUIRE, PAM VANHOOSE, MARTIN	)	2024-00396
BAYS), AND GENERAL MANAGER, TIM	)	
WEBB FOR ALLEGED FAILURE TO	)	
COMPLY WITH KRS 278.300	)	

VERIFIED NOTICE OF POTENTIAL VIOLATION

Cannonsburg Water District (“Cannonsburg District” or “the District”) respectfully provides the Commission with information concerning recent actions taken by the District that may impact the Commission’s final decision in this proceeding.

ACTIONS TAKEN

1. Without obtaining the advice of counsel, Cannonsburg District sought and accepted bids for the disassembly of an existing steel structure, its reassembly at a different location, remodeling of the steel structure, and building an addition to the steel structure. The District intends to relocate its utility operations to the relocated and remodeled facility when it is complete.

2. Cannonsburg District awarded the contract. The steel structure has been disassembled, moved to its new location, and construction has begun on the remodeling and addition.

3. As further explained below, Cannonsburg District is financing this project through the proceeds from the sale of its current facility and unrestricted cash reserves. The District is not borrowing any money to move, remodel, and make an addition to the steel building.

4. The District did not seek a Certificate of Public Convenience and Necessity (“CPCN”) before beginning construction of the addition or beginning the remodeling project. The District was unaware that one was required under the circumstances, which are further explained below. However, in the course of discussing other matters with counsel, the District’s new General Manager relayed details of the project and counsel advised the District that it should notify the Commission of its actions.

5. The District will follow the Commission’s direction in this matter.

BACKGROUND

6. For some time, Boyd County government leaders have wanted to co-locate many county agencies, governmental offices, and local utilities in one central location. County leaders felt this was in the best interest of residents and would streamline access to public services.

7. Initially, the county intended to accomplish this through building a single large facility, locating service-providing county agencies in it, and renting office space to Cannonsburg District, Boyd County Sanitation District 4, (“the Sanitation District”) and a number of other service providers. This would have located almost all service-providing agencies under one roof.

8. For a number of years, the county has also been interested in acquiring Cannonsburg District’s current headquarters and adapting it for use as a satellite ambulance center. This is because the District’s headquarters is centrally located on a major roadway close to Interstate 64.

9. The county was not successful in its attempt to house all vital public services under one roof, but it has been successful in locating a number of county agencies in the Paul Coffey Industrial Park (“Industrial Park”).

10. Because the county still wanted to locate as many public service agencies as possible in a common general location, and because the county desired to use Cannonsburg District’s current facility as a satellite ambulance center, the county offered to purchase the District’s current headquarters and to donate a lot in the Industrial Park to the District.

11. Following an appraisal of its current facility, the District negotiated the sale of its facility to the county and accepted the Deed to the lot in the Industrial Park. The lot is located in the vicinity of the county coroner’s office, a Sanitation District facility, and other county offices.

12. The county also owned a steel building located on Bob McCullough Drive that it offered to give to Cannonsburg District, if the District would have it moved to another location. Following the competitive bidding process described above, the District contracted to have the steel building relocated to the lot in the Industrial Park, remodeled and expanded for use as Cannonsburg District's headquarters.

13. Because the District was not constructing an extension to its system or building an additional facility, but replacing the facility it sold to the county, and because it was not borrowing any money to finance the relocation and construction, the District was unaware that it needed prior Commission approval for its relocation plans. The District did not seek an Opinion Letter from counsel before commencing construction, but is following the advice of counsel in filing this Notice of Potential Violation.

Dated: July 23, 2026

Respectfully submitted,

/s/ Tina C. Frederick

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Counsel for Cannonsburg Water District

CERTIFICATE OF SERVICE

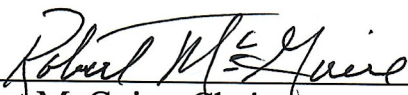
In accordance with 807 KAR 5:001, Section 8, and the Commission's Order of July 22, 2021 in Case No. 2020-00085, I certify that this document was submitted electronically to the Public Service Commission on July 23, 2026, and that there are currently no parties that the Public Service Commission has excused from participation by electronic means in this proceeding.

/s/ Tina C. Frederick
Tina C. Frederick

SWORN VERIFICATION

COMMONWEALTH OF KENTUCKY)
) SS:
COUNTY OF BOYD)

The undersigned, Robert McGuire, being duly sworn, deposes and states that he, as Chairman of the Board of Commissioners for Cannonsburg Water District, has supervised the preparation of Cannonsburg Water District's Notice of Potential Violation filed in Kentucky Public Service Commission Case No. 2024-00396, that he has personal knowledge of the matters set forth in the Notice of Potential Violation, and that the information contained therein is true and correct to the best of his information, knowledge, and belief.



Robert McGuire, Chairman
Cannonsburg Water District

Subscribed, sworn to, and acknowledged before me, a Notary Public in and for said county and state, this 23rd day July of 2026.



Notary Public

My Commission Expires: 1/18/2028

Notary ID: KYNP84416