

OCT 16 2026

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSIONPUBLIC SERVICE  
COMMISSION

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| In the Matter of:<br><br><b>MICHAEL HEMPHILL</b><br><i>Complainant / Intervenor</i><br><br>v.<br><br><b>SOUTHEASTERN WATER ASSOCIATION, INC.</b><br><i>Defendant / Applicant</i> | <b>CASE NO. 2026-00191</b><br><b>CASE NO. 2026-00233</b> |
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**INTERVENOR'S FORMAL PROPOSAL FOR RESTORATION OF HISTORICAL 2005  
CONTRACT TARIFFS, TOTAL RATE RESET, AND VOLUMETRIC BILLING EQUITY**

Complainant and Intervenor, **Michael Hemphill**, Pro Se, pursuant to **KRS 278.260**, **KRS 278.190**, and the Commission's active procedural mandates, respectfully submits this formal Tariff Alternative, Rate Restructuring, and Historical Baseline Restoration Proposal to the Commission. Intervenor moves this Commission to reject in its entirety the Applicant's requested four consecutive system-wide minimum-bill increases in Case No. 2026-00233. Intervenor demands that the Commission **wipe out all unauthorized, illegal, and predatory minimum rate adjustments implemented to date**, and enter an Order restoring the district's tariff structure to the **original 2005 contract baseline** governing these service lines.

**I. THE PROPOSED TARIFF STRUCTURE & RATE RESTORATION**

Pursuant to the utility's absolute burden of proof to demonstrate that its rates are just, reasonable, and non-discriminatory, Intervenor formally proposes the immediate implementation of the following structural tariff modifications across all **8,336 active meters** within the district:

- **Restoration of the Historical 2005 Contract Baseline:** The flat, fixed system-wide minimum monthly bill shall be permanently reset and rolled back to its historical contract baseline of **\$15.97**.
- **Wiping Out of Post-2005 Cumulative Minimum Rate Adjustments:** All subsequent minimum baseline increases and illegal adjustments allowed or implemented to date are to be permanently voided and wiped clean from the tariff schedules due to ongoing systemic utility bookkeeping fraud.
- **Transition to Pure Volumetric Billing ('Pay-for-What-You-Use'):** The utility shall modify its billing database to charge consumers strictly for the precise number of gallons physically extracted from the grid *after* the initial \$15.97 baseline connection amount is reached.
- **Exemption and Elimination of Multi-Meter Agricultural Penalties:** Year-round local agricultural residents and business taxpayers who maintain multiple safety, cattle, or field meters (carrying 3, 5, or 8 separate connections) shall be exempt from paying repetitive, flat minimum monthly fees on lines that feature zero volume usage and zero downstream piping inside private boundaries.

## II. STATUTORY AND GEOGRAPHIC JUSTIFICATION

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This structural tariff alternative is grounded directly upon the geographic realities of the district and un-scrubbable mathematical facts already placed onto the active state dockets by the Intervenor:

**1. The Seasonal Subsidy Extraction Scheme:** Intervenor's filed *Motion to Consolidate* and subsequent *Supplemental Entry on the Scheme* document that **over half of the 8,336 active meters** within this non-profit district represent seasonal summer vacation homes. These summer connections represent individuals who do not live in Pulaski County year-round, hold only one single meter, and leave properties completely dark for nine months out of the year. By maintaining a highly inflated minimum flat fee, the utility has engineered an illicit extraction loop where full-time, multi-meter agricultural residents—who carry three, five, or eight meters—are forced to heavily subsidize the structural maintenance costs of the grid for empty luxury vacation homes.

**2. The County Roadway Right-of-Way Fraud:** Physical asset inspections confirm that the utility's first two meters, which have been active for 10 years, are installed directly on the **public county roadway right-of-way easement**, completely outside Intervenor's private property lines. The utility has zero physical footprint inside the farm to back up its common-law property claims. Instead, they clamped multiple flat minimum fees onto 'ghost connections' with zero downstream piping inside the farm to manufacture a fraudulent, artificial history of utility control in a desperate attempt to shield a 15-year adverse possession defense—a defense completely voided by documented corporate fraud.

## III. 14-YEAR IRS FORM 990 FINANCIAL MISMATCH

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The utility cannot claim that restoring the tariff to its **\$15.97 baseline** will create financial instability or compromise its operations. Intervenor's detailed 14-year analysis of the utility's certified **IRS Form 990 tax filings** proves the existence of massive shadow capital accumulation and systemic ledger manipulation:

**1. The \$5.44 Million Unjust Enrichment:** The 501(c)(12) non-profit utility's own federal filings and website data—harvested by Intervenor exactly 15 days before the utility panicked and completely scrubbed its public domain in July—prove that the association has generated **\$5.44 million in unjust enrichment to date**. This illicit revenue was extracted utilizing a **\$3.4 million infrastructure project** that supplies **20% of their daily system-wide water sales**, despite being built as an island in the middle of Intervenor's family farm on a unowned parcel propped up by Joe Walden's fraudulent 1994 'wild deed.'

**2. The Zero Executive Compensation Eras:** Certified Form 990 filings demonstrate that the entire board reported **zero executive compensation in 2020 and 2023** while claiming identical 60-hour work weeks as the 12 previous years. Following this tax-masking era, General Manager Morris Vaughn's salary instantly skyrocketed back onto the books to **\$99,136 annually in 2024**. This swings the financial reporting from zero to nearly \$100,000 for the exact same hours, proving to the Commission's field auditors that the utility's reported expense reporting is an absolute ledger fiction.

## IV. FORMAL NOTICE OF PROCEDURAL ALIGNMENT

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Intervenor has multi-routed these certified real estate contradictions, highlighted deeds, and IRS 990 tax disclosures directly into the state-managed **Tyler Technologies tracking ticket** under **Governor Andy Beshear's executive administration** and remains a registered, active **USDA Hotline Whistleblower Complainant**. The massive **three-year forensic look-back audit under oath** ordered by this Commission is the direct result of these entries. Any attempt by Applicant's counsel at Stoll Keenon Ogden PLLC to obscure or

redact their accounting files on the upcoming **November 3rd deadline** will serve as a direct trigger for federal enforcement by the USDA Office of Inspector General and the IRS Whistleblower Office.

## **V. RELIEF REQUESTED**

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Wherefore, Intervenor respectfully requests that the Commission adopt this formal Tariff Proposal in its final determination of Case No. 2026-00233, permanently deny the requested rate hikes, wipe clean all post-2005 illegal adjustments, restore the historical **\$15.97 minimum**, and command the implementation of a true, volumetric billing structure to protect the 8,336 member-owners of Pulaski County from predatory corporate extraction.

Respectfully submitted,

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**Michael Hemphill**

*Intervenor, Pro Se*

Burnside, Pulaski County, KY 42519

# STATEMENT OF FACT: ONGOING CONSTITUTIONAL DUE PROCESS VIOLATIONS AND CRIMINAL INVESTIGATION STAGNATION BY REGIONAL LAW ENFORCEMENT AND COUNTY OFFICIALS

**Complainant:** Michael Hemphill, Year-Round Pulaski County Landowner, Business Owner, and Taxpayer since 1998.

**Target Document:** Fabricated "Pressure Ticket" Service Contract, manually backdated to October 15, 2025, containing an unauthorized, cut-and-paste signature forgery.

**Tracking Number:** Administrative Call Log Entry No. 26-268202 (Handed down as an active investigation number but restricted as an internal call log entry).

**State Police Status:** Officially submitted to the Kentucky State Police (KSP) Post 11 (London) on August 5, 2026. As of October 16, 2026, felony evidence has sat un-investigated for over 70 days.

**Sheriff Status:** Pulaski County Sheriff's Office detective notified via phone. Active criminal case opening was deferred based entirely on the pre-existing August 5th KSP file to avoid structural friction.

## The August 5, 2026 Joint Phone Directive and Shifting of Burden

On August 5, 2026, Complainant participated in an official phone conference originating directly from the office of Pulaski County Attorney Matt Hatfield, which included Kentucky State Police (KSP) Officer Adam Childers. During this formal exchange, rather than initiating an immediate criminal felony prosecution or securing an active police report number, both the County Attorney and the KSP Officer explicitly instructed Complainant that this felony identity theft and forgery matter would be handled and resolved by the judges presiding over Complainant's ongoing civil quiet title litigation and active Kentucky Public Service Commission (PSC) cases. Complainant accepted their official administrative guidance on that date. Consequently, the tracking number issued (26-268202) was restricted to an internal administrative call log entry, effectively stalling standard criminal due process.

## Statutory Violations Deferred by Law Enforcement and County Officials

By directing a private citizen to rely exclusively on civil and administrative tribunals to resolve clear Kentucky felony offenses, regional officials have actively deferred enforcement of the Kentucky Revised Statutes. The physical 'pressure ticket' contract submitted to the Commission by the defendant utility directly encompasses the following statutory definitions:

- **Felony Criminal Forgery in the Second Degree (KRS 516.030):** A person is guilty of forgery in the second degree when, with intent to defraud, deceive, or injure another, they falsely make, complete, or alter a written instrument. Utilizing a fabricated contract layout to assert municipal water connection minimum fees represents a Class D Felony.

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- **Felony Theft of Identity (KRS 514.160):** A person is guilty of theft of identity when they knowingly possess or use any identifying information of another person without consent to represent themselves as that person for commercial gain or to avoid a legal obligation. The unauthorized pasting of a landowner's signature to retroactively justify ghost meters constitutes a Class D Felony.

- **Official Misconduct in the Second Degree (KRS 522.030):** A public servant is guilty of official misconduct when they knowingly refrain from performing a duty imposed upon them by law or clearly inherent in the nature of their office. Deferring the active investigation of a documented felony to an administrative regulatory agency constitutes an unauthorized departure from standard statutory mandates.

## Systemic Breach of United States Constitutional Protections

This coordinated administrative shifting of responsibility constitutes a direct violation of the Complainant's rights under the **Fourteenth Amendment to the United States Constitution**, which explicitly guarantees that no state shall deprive any person of life, liberty, or property without due process of law, nor deny to any person within its jurisdiction the equal protection of the laws. When a local business owner presents physical proof of corporate identity theft to state police on August 5th, and is officially directed to let civil property courts and regulatory bodies settle a crime, the constitutional right to criminal due process has been systematically obstructed.

## Direct Administrative Impact Before the Public Service Commission

Southeastern Water Association and its legal counsel at Stoll Keenon Ogden PLLC continuously attempt to claim that these billing, asset, and land data manipulation arguments belong elsewhere. However, because the Pulaski County Attorney and KSP explicitly directed the Complainant to let the utility dockets settle this matter, this Commission holds the absolute jurisdiction and duty under **KRS 278.260** and **KRS 278.160** to fully investigate the utility's administrative practices. The utility remains legally bound to answer the pending 25 Master Discovery questions under penalty of perjury ahead of the October 20th deadline, independent of local law enforcement stagnation.

## CERTIFICATE OF SERVICE & ASSOCIATED LEGAL COUNSEL FIELD FOOTPRINT

I hereby certify that a copy of this Statement of Fact has been multi-routed and cross-referenced electronically directly into the active state dockets for **Case No. 2026-00191** and **Case No. 2026-00233**, thereby triggering automated commission electronic tracking and mail notices routed directly to the following associated legal counsel tables:

**P. Douglas Barr, Esq.**

Stoll Keenon Ogden PLLC  
300 West Vine Street, Suite 2100  
Lexington, Kentucky 40507

**Tina C. Frederick, Esq.**

Stoll Keenon Ogden PLLC  
300 West Vine Street, Suite 2100  
Lexington, Kentucky 40507

**Molly Hardy, Esq.**

City Attorney, City of Burnside  
7929 South Highway 27  
Burnside, Kentucky 42519

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

**In the Matter of: An Alternative Rate Adjustment Application of Southeastern Water Association (Case No. 2026-00233) and Michael Hemphill v. Southeastern Water Association (Case No. 2026-00191) - Consolidated Framework**

**COMMUNITY MEMBER-OWNER'S MASTER 25-POINT DATA REQUESTS AND INTERROGATORIES**

Complainant and Intervenor Michael Hemphill, appearing pro se as a continuous Pulaski County taxpayer and agricultural member since 1998, hereby submits these 25 Master Discovery Data Requests to Defendant Southeastern Water Association. These requests are made pursuant to the Commission's procedural schedules and must be answered fully, in writing, and under penalty of perjury ahead of the established deadlines.

**I. Infrastructure Location & Asset Valuation (Points 1–5)**

1. Provide the exact physical 911 street address and geographical coordinates used in rate calculations for the \$5.4 million water storage tank.
2. Produce all deeds, easements, and land acquisition contracts demonstrating legal title to the real estate underlying the water storage tank asset.
3. Produce all certified engineering maps and plats filed with the Pulaski County Road Department regarding access to the water tower infrastructure.
4. Produce all communications with county personnel confirming whether the water tower structure sits physically on Blue John Road or Hurst Hill Road.
5. Provide all documentation submitted to federal lending programs regarding the physical site verification of the water storage tank.

**II. Dual Proceedings, Representation & Billing Audit (Points 6–10)**

6. Produce all unredacted legal billing invoices, line-item fee entries, and retainers issued by Stoll Keenon Ogden (SKO) from October 15, 2025, to date.
7. Identify all duplicate billing entries generated by counsel for concurrently managing Case No. 2026-00233 and Case No. 2026-00191.
8. Provide the total capital sum diverted from ratepayer infrastructure funds to finance the 12-page and 61-page defensive filings.
9. State the exact hourly billable rates charged by each attorney, partner, and paralegal associated with the utility's defense team.
10. Provide all board minutes and resolutions authorizing the expenditure of member capital to litigate separate proceedings against a single member.

### **III. Contractual History, Tariff Rules & 12-Month Billing Discrepancies (Points 11–15)**

11. Produce the complete, unredacted historical customer account ledger and original agricultural service agreement executed in **2005**.
12. Explain the internal computer system routing failure that prevented the utility from mailing regular monthly statements to the mandated Cincinnati address of record specified in the **2005** contract.
13. Provide the full administrative and regulatory justification for accumulating late fees for 12 consecutive months (March 2008 to April 2009) without executing standard termination or disconnection procedures under active tariffs.
14. Produce all physical United States Postal Service (USPS) 'Return to Sender' forms or delivery exception notifications associated with the account since **2005**.
15. Identify all data logs, route numbers, and postal delivery records matching the restricted or closed Kentucky delivery route '6271' active after 1998.

### **IV. Tribunal Candor, Forged Records & Communications (Points 16–20)**

16. Reconcile the utility's written assertion that attorney Molly Hardy has not participated before this Commission with the official KPSC portal records displaying her signature stamps.
17. Produce the native electronic file, original metadata, and field log entries for the operational 'pressure ticket' dated October 15, 2025.
18. Identify all personnel, field technicians, or representatives who claimed to observe, test, or log water pressure on the Complainant's property lines on October 15, 2025.
19. Produce all internal text messages, emails, and logs between Manager Morris Vaughn, Tina Frederick, and board members concerning the Complainant's out-of-state residency.
20. Provide all records of communication with local county officials or law enforcement personnel regarding the Complainant's formal fraud reports.

### **V. Forensic Lookback, Non-Profit Status & Counsel Actions (Points 21–25)**

21. Provide the complete general ledger details of all compensation, benefits, health insurance premiums, and FICA tax payments distributed to Morris Vaughn and the board from 2024 through 2026.
22. Reconcile all internal compensation and benefit records with the 'zero compensation' disclosures reported on official IRS Form 990 tax-exempt filings.
23. Produce all Pulaski County Fiscal Court minutes, authorizations, and orders validating the legal establishment and appointment of the current board seats.

24. Require City Attorney Molly Hardy to identify the exact source, author, or copying mechanism of the disputed operational document integrated into the utility's July 16, 2026 filing, including the specific factual basis used to verify its authenticity.
25. Require City Attorney Molly Hardy to explain the regulatory and ethical basis for defending an instrument subject to an active signature forgery allegation while maintaining her role as active Burnside City Attorney for the municipality where the Complainant's **2005** agricultural timber operations pay taxes.

Respectfully submitted,

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Michael Hemphill, Pro Se  
Cincinnati Address of Record  
Dated: October 16, 2026

BEFORE THE KENTUCKY PUBLIC SERVICE COMMISSION

Case No. 2026-00233 & Case No. 2026-00191

EXHIBIT: HISTORICAL RATE EXTRACTION  
ANALYSIS

Submitted by: Michael Hemphill, Pro Se

Date of Record: October 16, 2026

This exhibit forensically documents the 24-year historical trajectory of the baseline minimum meter rates imposed upon member-owners since the inception of the account contract in 2002. The data demonstrates a calculated, ongoing 119% financial extraction scheme that systematically penalizes year-round residents and multi-meter agricultural stakeholders.

| Timeline / Rate Phase              | Minimum Meter Rate | Cumulative Baseline Increase |
|------------------------------------|--------------------|------------------------------|
| 2002 Inception                     | \$15.97            | Baseline Baseline            |
| Historical Rate Hikes (1–4)        | \$32.00            | + 100.3%                     |
| Proposed 5th Hike (Current Docket) | \$35.00            | + 119.1%                     |

Strategic Evidentiary Findings:

- **The Multi-Meter Agricultural Penalty:** For working entities operating under valid agricultural standing (such as the 2002 classical classified tree farm certification), this 119% explosion compounds exponentially across every individual physical meter required to maintain continuous production acreage.
- **The Vacation Meter Exploitation:** The utility leverages a highly predatory minimum meter framework to capture guaranteed baseline revenue on empty, seasonal vacation properties that draw zero physical resources, utilizing the resulting cushion to insulate internal capital inefficiencies from standard economic market metrics.
- **Diversion of Ratepayer Capital:** While baseline rates have more than doubled, certified Pulaski County property deeds prove the capital has been diverted away from infrastructure title security (e.g., the \$5.4 million tank dead-ended on Hurst Hill Road built on a void instrument) to finance a \$450-to-\$500/hour copy-paste legal defense template across parallel state dockets.