

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

IN THE MATTER OF:

THE ELECTRONIC APPLICATION OF SOUTHERN WATER AND SEWER  
DISTRICT FOR APPROVAL OF U.M.G. CONTRACT EXTENSION

CASE NO. 2020- 76

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APPLICATION

The Application of Southern Water and Sewer District (the "District") respectfully shows:

1. The District was established pursuant to the provisions of Chapter 74 of the Kentucky Revised Statutes. The District is now, and has been since its inception, regulated by Commission, and all records and proceedings of the Commission with reference to the District incorporated in this Application by reference. The District does not have any Articles of Incorporation because it is a statutorily created entity.
2. The governing body of the District is its Board of Commissioners, which is a public body corporate, with power to make contracts in furtherance of its lawful and proper purpose as provided for in KRS 74.070 and all applicable law and regulations.
3. The mailing address of Southern is as follows:

Southern Water & Sewer District  
245 Kentucky Route 680  
P.O. Box 610  
McDowell, Kentucky 41647

4. A general description of the District's water system property, together with a statement of the original cost, is contained in the District's Annual Report for 2018 which is on file with the Commission. The Annual Report is incorporated herein by reference.
5. As the PSC is aware, the District entered into a six-month temporary management contract with UMG in early 2019. (See Attached). In September of 2019, the District requested and received approval to extend said contract an additional six-months. The contract with UMG is set to expire in March of 2020.
6. During the District's February 24, 2020 Board Meeting, the Commissioner's of the District voted in favor of renewing the existing UMG contract for another six months. All material terms of the prior UMG Contracts would remain the same.
7. The District represents that the extension of the UMG Contract with the District is in the public's interest and is intended to accomplish the purpose of strengthening the overall condition of the District via sound management. This is a lawful object within the corporate purposes of the District's utility operations. The UMG Contract Extension is necessary, appropriate for, and consistent with the proper performance by the District of its service to the public and will not impair its ability to perform that service.
8. Pursuant to 807 KAR 5:001, Section 12 – Financial Exhibits; the District hereby responds as follows:
  - (i) Section 12(1)(b): The District states that it had less than \$5,000,000 in gross annual revenue in the immediate past calendar year and that no material

changes to the District's financial condition have occurred since the end of the twelve (12) month period contained in the District's most recent annual report on file with the Commission.

- (ii) Section 12(2)(a), (b) and (c) Stock: The District does not have any authorized, issued or outstanding stock as of the date hereof.
- (iii) Section 12(2)(d) Mortgages: The District does not have any outstanding mortgages as of the date hereof.
- (iv) Section 12(2)(e), (f) and (g) Indebtedness: The information concerning the outstanding indebtedness of the District is contained in the 2018 Annual Report on file with this Commission.
- (v) Section 12(2)(h) Dividends: The District has no outstanding stock and therefore pays no dividends.

9. No rate adjustment will be necessary.

**WHEREFORE**, the District respectfully requests that the Commission take the following actions:

1. Formal P.S.C. Approval of the UMG Contract Extension as requested in the Application;;
2. Process this Application without a formal hearing in order to save time and expense. The District will promptly respond to any information requests by the Commission's staff.

Southern Water and Sewer District

*S. P. Bailey*

Steven P Bailey, JD/MBA  
Counsel for Southern Water & Sewer District  
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The undersigned, Jeff Prater, Chairman of the Board of Southern Water and Sewer District, hereby verifies that he has personal knowledge of the matters set forth in the above stated application, that the information set forth therein is true and correct and that he is duly designated by Southern Water and Sewer District to sign this application on its behalf.

*Jeff Prater*  
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Jeff Prater, Chairman of Board of Southern Water & Sewer District

State of Kentucky  
County of *Johnson*

*4<sup>th</sup>* day of *March* 2020. Subscribed and sworn to before me by Jeff Prater, Chairman of Southern's Board, this

My Commission expires: *April 5, 2020*

*Lisa L Arms*  
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Notary Public, State of Kentucky at Large