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Re: PSC CASE # 2020-121: ELECTRONIC SOUTHERN WATER & SEWER
METER REPLACEMENT SURCHARGE MONITORING

Response to PSC's May 19, 2021 Request for Information

1. Refer to the Commission's March 27, 2020 Order in Case No. 2020-76, which approved Southern District's management contract with Utility Management Group, LLC (UMG) for six months and, among other things, required Southern District to request approval for any future extensions of the UMG management contract.

a. Given that the six month contract expired in September 2020, provide the status of Southern District's management contract with UMG.

ANSWER: Since September 2020, Southern and UMG have continued their relationship based upon the existing agreement between the parties. Southern continued to receive management services from UMG under the exact same terms and conditions as the prior contract between UMG and Southern District that was previously approved by the Commission.

b. State whether Southern District extended the UMG management contract period without first obtaining Commission approval, and, if so, provide the date the contract was executed and the contract term.

ANSWER: Southern has continued their relationship with UMG under the same terms as the agreement that was previously approved by the PSC. Although Southern and UMG have continued their contractual relationship under the same terms as the previous contract between the parties, the parties did not execute a formal extension of the contract memorialized by the signatures of the Parties.

2. Explain whether Southern District intends to enter into a management contract with UMG for a longer period than six months, and, if not, explain why Southern District has not pursued a contract with UMG for a longer term.

ANSWER: Southern has attempted to negotiate a flat monthly fee contract with UMG but said negotiations failed mainly due to hesitancy of UMG to assume the risks associated with said arrangement. The services rendered by UMG to Southern vary considerably from month to month and UMG was not able to fairly adjust their fee schedule to reflect the variety of variables associated with a flat fee schedule.

Southern District is extremely satisfied with the services rendered by UMG. UMG is one of the main reasons that Southern has been able to improve their operations

and finances since the prior board resigned. Southern intends on negotiating a contract with UMG for more than 6 months. It seems as though Southern's Board favors a contract term of one year. Southern will attempt to negotiate said one year contract with UMG within the next two months. Southern will file any agreement reached between Southern and UMG with the PSC for their approval prior to September 2021.

Respectfully Submitted,



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