

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION
PSC CASE 2025-00232

**IN RE MATTER OF: ELECTRONIC SOUTHERN WATER AND SEWER
DISTRICT UNACCOUNTED FOR WATER LOSS REDUCTION PLAN,
SURCHARGE & MONITORING**

MOTION TO APPROVE USE OF SURCHARGE FUNDS

Comes Southern Water and Sewer District (“Southern Water”), by and through counsel, and prays the Public Service Commission approves expenditures out of restricted surcharge funds to repair a leaking water tank. This motion is filed in compliance with the PSC order filed on August 15, 2025, in case 2025-00232.

The water tank is located on Neds Fork and serves approximately 2,000 customers. The water tank was leaking 30 gallons per minute or more. The water loss from this one tank is estimated to be 43,200 gallons per day or around 1.3 million gallons per month, based on conservative best estimates.

In order to assess needed repairs, it had to be taken out of service and drained. The tank is leaking from the inside around the fill point. The staff of Southern Water does not believe that patching can be completed on the outside of the tank because the leak is near the middle of the tank and water goes through onto the base and runs along the bottom. In order to reach the point where the leak is located, it required complete draining of the tank. The tank sits on a concrete base from which the water is running.

Several companies have been contacted for estimates. The first estimate to repair the tank was \$141,000. We are waiting on additional estimates to be submitted. Because the tank is out of

service, a temporary tank had to be obtained. Southern Water has incurred a \$3,000 fee for setup, a \$3,000 fee for once is removed. Southern Water is currently paying \$150 per day for each day that the temporary tank is used.

The one quote we have is attached hereto as *Exhibit 1*. This is not the worst tank in the county, but this is the one that is in most need of immediate repair.

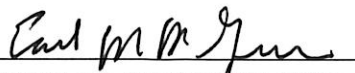
Southern Water is currently retaining surcharge funds pursuant to the PSC order filed on August 15, 2025, in case 2025-00232. The last surcharge bank statement from August 31, 2026, shows an ending balance of \$352,270.51, as reported in the August 2026 Surcharge Activity report, see Exhibit 2.

Southern Water moves the Commission to allow use of these funds for repairs of the tank located at Neds Fork and recovery of cost for the setup, use, and removal of the temporary rental tank.

Attached hereto is the Affidavit of Randy Conley, Project Manager/General Manager of Southern Water & Sewer District, see Exhibit 3.

WHEREFORE, counsel moves the Public Service Commission to allow use of surcharge funds for the repair of the Ned Fork tank and any costs associated with the temporary service.

Respectfully Submitted by:


EARL M. MCGUIRE, ESQ.

Attorney at Law
McGuire Law Office
132 South Lake Drive, Suite 203
P.O. Box 1746

Prestonsburg, KY 41653
(606) 889-2201
Counsel for Southern Water & Sewer District

CERTIFICATION

These responses are true and accurate to the best of preparer's knowledge, information and belief formed after reasonable inquiry. Filed on this 5th day of October 2026.



EARL M. MCGUIRE, ESQ.
*Counsel for Southern Water & Sewer
District*

PITTSBURG TANK & TOWER GROUP



MAINTENANCE DIVISION Since 1919
"100 years and still climbing"

1 Watertank Place
PO Box 1849
Henderson, KY 42419
P: 270-826-9000
F: 270-767-6912
www.pttg.com

Friday, August 21, 2026

Randy Conley
Water Superintendent
Southern Water & Sewer District
PO Box 610
McDowell, KY 41647
606-377-9296
606 794-1116 Cell
rconley@umgllc.net

Randy,

Since 1919, Pittsburg Tank & Tower Group's Maintenance Division has provided comprehensive tank services to customers in more than 60 countries, establishing our reputation as a trusted global company. Our extensive experience includes every aspect of tank maintenance, including painting, repairs, dismantling, and inspections. In addition, we offer tank design, fabrication, erection, and professional engineering services for new construction and modifications to existing tanks, including raising, lowering, and relocation.

Consistently ranked among the Top 600 Specialty Contractors and one of the Top 15 Steel Erectors by Engineering News-Record, we have expanded our capabilities into custom engineering and manufacturing. Our sister company, Allstate Tower Inc., manufactures structural steel components for towers and agricultural material handling systems, providing complete turnkey solutions, including installation.

At Pittsburg Tank & Tower Group, our commitment extends beyond the products and services we provide-it also includes the people who make our success possible. As an ESOP company, we are dedicated to the safety and well-being of our employees. In recognition of that commitment, we have earned SHARP Certification (Safety and Health Achievement Recognition Program) through the Commonwealth of Kentucky Labor Cabinet and are certified as a Drug-Free Workplace in accordance with 803 KAR 25:280.

We appreciate the opportunity to submit this proposal and look forward to working with you. To accept this proposal, please sign and date one (1) copy and return it to our Henderson, Kentucky office by mail, fax, or email.

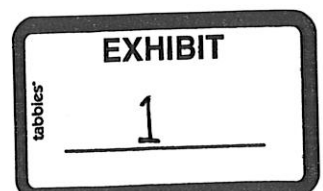
If you have any questions or would like to discuss the proposal in greater detail, please do not hesitate to contact us.

Respectfully,

Pittsburg Tank & Tower Group
Maintenance Division

Michael Gish
Account Executive
270-826-9000 Ext: 4607
(270) 854-1422 Fax
mgish@pttg.com

Paint • Repair • Dismantle • Inspect • Reinsulate • Tanks Raised, Lowered, and Moved
New and Used Tanks



Friday, August 21, 2026

TO : Southern Water & Sewer District
PO Box 610
McDowell, KY 41647
EMAIL : rconley@umgllc.net

ATTN : Randy Conley
Water Superintendent
PHONE : 606-377-9296
CELL : 606 794-1116

RE: Maintenance on tank A located at 1450 Ned Fork Rd McDowell KY 41647.

In accordance with price, terms and conditions quoted below, we propose to furnish all labor, material, equipment and insurance necessary to complete the following: **one (1) 40,000-gallon ground storage tank (14' D X 33' HT).**

**SCOPE OF WORK
BASED ON OPEN SHOP WAGES**

\$141,199.00 Abrasive blast all interior areas to a SSPC-SP10 (near white) then apply an 80-100 mil thick Uniline-19 system 100% solids/zero VOC lining system to the floor, shell of the tank, and any components below the water line. The elastomeric properties allow for expansion and contraction of the substrate caused by thermal shifts and weight. This coating meets the NSF and FDA requirements for food contact. This coating would only be applied to the floor and shell of the tank.

****The UniLine19 coating scope of work includes chloride testing, dust collection if needed, and high voltage holiday testing.****

****UniLine 19 coating system has a (7) year warranty upon completion of the work.**

Depending on the number of items accepted, prices may vary. Please refer to applicable codes.

- **Warning:** Do not attach any additional loading to your tank/tower unless structural integrity is known to be sufficient. For analysis call PTTM.

Paint • Repair • Dismantle • Inspect • Reinsulate • Tanks Raised, Lowered, and Moved
New and Used Tanks

Friday, August 21, 2026

General Terms & Conditions

1. Prior to start of work, Owner will be furnished a certificate of insurance covering Workman's Compensation, Occupational Disease, Employer's Liability, and General Liability.
2. Work to be performed using PTTM's standard wage scale with Open Shop personnel by mechanics skilled in their trade.
3. All workmanship is guaranteed for twelve (12) months after completion.
4. No paint shall be applied during wet, damp, or inclement weather conditions.
5. All paint products will be delivered to the job site in original containers with contents clearly identified.
6. If interior and/or exterior complete tank repainting is not included in the scope of work, all new tank appurtenances furnished and installed by PTTM as part of this project shall be field primed and finish coated to match existing coating system(s), unless specifically excluded from the scope of work. Color match will be as close as commercially practical.
7. This proposal does not include shrouding or containment of blast media and paint unless specifically identified within the scope of work.
8. CUSTOMER understands and agrees that any Federal, State, and Municipal taxes imposed on Contractor with respect to the outlined work are additional expenses not included in this proposal. CUSTOMER shall be responsible for any such costs incurred by Contractor. PTTM does not include costs associated with permits, local licenses, or applicable fees unless specifically stated.
9. Our welders are certified in accordance with ASME section IX code.

Customer Responsibilities & Site Requirements

1. Customer accepts full responsibility for the identification, isolation, verification, and control of all hazardous energy sources associated with tanks and connected systems. Customer shall ensure that all tanks, vessels, piping, and associated equipment are properly isolated, de-energized, blanked, drained, depressurized, and locked/tagged out as necessary prior to work. PTTM employees shall be permitted to independently verify zero-energy state prior to beginning work.
2. If the tank is required to be drained prior to PTTM's arrival, the Customer shall complete the draining activities. If draining becomes necessary after PTTM is on site, the Owner/Customer shall be responsible for draining the tank.
3. Customer shall notify PTTM prior to mobilization if a pressure release valve is required during cleaning or painting operations.
4. Customer shall clear and/or relocate vehicles, equipment, and other property a safe distance from the work area to prevent damage. Customer shall also provide physical barricades or other means necessary to restrict unauthorized access to the work area.
5. Customer shall provide dumpster(s) for trash, paint consumables, blast media, and other waste generated during the project, including disposal of such materials.
6. Customer shall be responsible for identification, handling, removal, and disposal of hazardous or contaminated materials (including, but not limited to, asbestos, lead, chemicals, or heavy metals) requiring special handling, transportation, or disposal methods unless specifically included within PTTM's scope of work.

Legal Terms

1. Customer and Contractor agree that the exclusive venue for any litigation arising out of or relating to this Agreement shall be the Circuit Court of Henderson County, Kentucky. This Agreement and any litigation arising thereunder shall be governed, construed, and interpreted according to Kentucky law. In the event Customer initiates litigation against PTTM in violation of this venue provision, Customer shall be responsible for PTTM's attorney fees and costs incurred to obtain dismissal and transfer of the litigation to the proper venue.
2. Customer and PTTM waive any right they may otherwise have to venue in federal court, including any rights arising under federal question or diversity jurisdiction.

50% with Order; Balance upon Completion OR Mutually Agreed Payment Terms

MasterCard, Visa, and American Express are accepted, with prior authorization

Payments made by credit card will be subject to a processing fee of 3%.

Interest will be applied to payments not received in accordance to payment terms.

The parties approving this contract certify that they are fully authorized to do so, and that all legal requirements have been complied with. You are hereby authorized to furnish all labor, material, equipment, and insurance required to complete the work mentioned in the above proposal, for which the undersigned agrees to pay the amount mentioned in said proposal. CUSTOMER / CONTRACTOR agree that the exclusive venue for any litigation arising out of or relating to this Agreement shall be in the Circuit Court of Henderson County, Kentucky and that this Agreement and any litigation arising thereunder shall be governed, construed, and interpreted according to Kentucky law. In the event CUSTOMER initiates any litigation against PTTM in contravention of this venue provision, CUSTOMER shall pay PTTM's attorney's fees and costs incurred in obtaining a dismissal and transfer of the litigation to the proper venue in the Circuit Court of Henderson County, Kentucky. CUSTOMER and PTTM hereby waive any right they may otherwise have to venue in a federal court including, but not limited to, any right arising under federal question or diversity jurisdiction.

ALL QUOTATIONS SUBJECT TO ACCEPTANCE WITHIN 60 DAYS

Accepted : _____, 2026

Company : Southern Water & Sewer District

By : _____

Title : _____

Respectfully Submitted by:

**Pittsburg Tank & Tower Group
Maintenance Division**

By : _____

Jordan Pyles, Executive Director of Sales

jpyles@pttg.com

270-869-9400 Ext: 4601

**Paint • Repair • Dismantle • Inspect • Reinsulate • Tanks Raised, Lowered, and Moved
New and Used Tanks**

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION
PSC CASE 2025-00232

**IN RE MATTER OF: ELECTRONIC SOUTHERN WATER AND SEWER
DISTRICT UNACCOUNTED FOR WATER LOSS REDUCTION PLAN,
SURCHARGE & MONITORING**

NOTICE OF FILING
ACTIVITY REPORT AUGUST 2026

Comes Southern Water and Sewer District, by and through counsel, and provides the Public Service Commission with a notice of filing the August 2026 Monthly Activity Report. This report is filed in compliance with the order filed on August 15, 2025, in case 2025-00232, page 7, numerical paragraph 10.

The total amount of surcharges billed for August 2026 was \$36,438.05. The total amount of surcharges collected for August 2026 was \$34,766.65.

On July 31, 2026, the bank account designated solely for surcharge management had a beginning balance of \$350,415.21. There was one deposit made in the month of August. The August 6, 2026, deposit was the remainder of the July 2026 surcharge collections in the amount of \$1,332.81, as reflected in *the July 2026 Surcharge Activity Report*. There were no withdrawals or payments for the month of August. In the month of August, the bank account generated \$522.49 in interest. On August 31, 2026, the bank account designated solely for surcharge fund management had an ending balance of \$352,270.51.

The August 2026 surcharge collections were deposited on September 4, 2026, in the amount of \$34,766.65. This amount will be reflected on the September 2026 Bank Statement.

EXHIBIT

2

tabbles

The total amount of August 2026 surcharge funds collected was 34,766.65. The total amount of surcharge funds deposited was 34,766.65. The total amount of surcharge collections is equivalent to the total amount deposited, *see Surcharge Reporting Form*.

See attached: August 2026 Bank Statement and August 2026 Surcharge Reporting Form.

On August 21, 2026, the PSC filed an order approving Southern Water's contract with Bell Engineering and the use of surcharge funds towards the Bell Engineering project to begin the 15–20 year capital plan. PSC ordered that Southern Water provide updates of the work completed by Bell Engineering. In compliance of the August 21, 2026, PSC Order, page 5, numerical paragraph 2, we report that there are no updates to be provided at this time.

CERTIFICATION

These responses are true and accurate to the best of preparer's knowledge, information and belief formed after reasonable inquiry. Filed on this 11th day of September 2026.

Respectfully Submitted by:



Earl M. McGuire

Attorney at Law

McGuire Law Office

132 South Lake Drive, Suite 203

P.O. Box 1746

Prestonsburg, KY 41653

(606) 889-2201

Counsel for Southern Water & Sewer District

Utility Name: Southern Water & Sewer District
Selected Financial Information and Better / Worse (B / (W)) Performance
Year Ended December 31, 2026

A	B	C	D	E	F	G	H
					D - C	E - D	C - B
Month	Record as Sales	Billings	Collections	Deposits	Collections B / (W) Billings	Deposits B / (W) Collections (1)	Billings B / (W) Recorded Sales (1)
January	36,752.23	36,752.23	36,081.48	36,081.48	(670.75)	0.00	0.00
February	36,677.10	36,677.10	35,343.20	35,343.20	(1,333.90)	0.00	0.00
March	36,636.12	36,636.12	35,080.18	35,080.18	(1,555.94)	0.00	0.00
April	36,458.54	36,458.54	34,597.83	34,597.83	(1,860.71)	0.00	0.00
May	36,540.50	36,540.50	35,403.88	33,559.82	(1,136.62)	(1,844.06)	0.00
June	36,499.52	36,499.52	34,906.35	36,750.41	(1,593.17)	1,844.06	0.00
July	36,451.71	36,451.71	35,874.15	35,874.15	(577.56)	0.00	0.00
August	36,438.05	36,438.05	34,766.65	34,766.65	(1,671.40)	0.00	0.00
September					0.00	0.00	0.00
October					0.00	0.00	0.00
November					0.00	0.00	0.00
December					0.00	0.00	0.00
Total	292,453.77	292,453.77	282,053.72	282,053.72	(10,400.05)	0.00	0.00

Specify the general ledger account where the surcharge is recorded 47,403.00

(1) Explain reasons for difference if amount does not equal zero.



SOUTHERN WATER & SEWER DISTRICT
245 KY RT 680
MC DOWELL KY 41647-6012

Last statement: July 31, 2026
This statement: August 31, 2026
Total days in statement period: 31

Page 1
XXXXX
(0)

Direct inquiries to:
1-800-374-8123

Public Funds

Account number XXXXX

DAILY ACTIVITY

Date	Description	Additions	Subtractions	Balance
07-31	Beginning balance			\$350,415.21
08-06	Internet/Vru Trsfr REF 2180737L FUNDS TRANSFER FRM DEP XXX1346 FROM ONLINE FOR JULY COLLECTIO	1,332.81		351,748.02
08-31	Int Credit Generated	522.49		352,270.51
08-31	Ending totals	1,855.30	.00	\$352,270.51

INTEREST INFORMATION

Annual percentage yield earned	1.76%
Interest-bearing days	31
Average balance for APY	\$351,533.05
Interest earned	\$522.49

OVERDRAFT/RETURN ITEM FEES

	Total for this period	Total year-to-date
Total Overdraft Fees	\$0.00	\$0.00
Total Returned Item Fees	\$0.00	\$0.00

Thank you for banking with Peoples Bank

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION
PSC CASE 2025-00232

IN RE MATTER OF: ELECTRONIC SOUTHERN WATER AND SEWER
DISTRICT UNACCOUNTED FOR WATER LOSS REDUCTION PLAN,
SURCHARGE & MONITORING

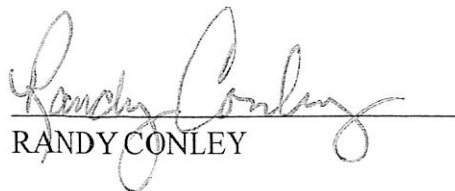
AFFIDAVIT OF RANDY CONLEY

Comes now, Randy Conley, after first being duly sworn, and states as follows:

1. That I am the Project Manager/General Manager of Southern Water & Sewer District.
2. That I have personal as to the water storage tank located at Neds Fork, Floyd County.

The tank is estimated to be fifty (50) to sixty (60) years old. That the tank is substantially leaking and required us to drain the tank for repairs. That the repairs appear to be extensive and can only be done with the tank taken out of service.

3. That the temporary service was established by renting equipment that required \$3,000 to be brought in and will require an additional \$3,000 to be removed. Southern Water is currently paying \$150 per day for the tank until repairs can be made on the Neds Fork tank.
4. That the attached estimate has been received and I am soliciting other companies to provide repair estimates and recommendations on the process for repairs.
5. The estimates contained herein on the amount of water loss of said tank are based on conservative estimates to the best of my knowledge and belief.


RANDY CONLEY

COMMONWEALTH OF KENTUCKY

COUNTY OF Floyd

Subscribed, sworn to and acknowledged before me by Randy Conley this 28 day of September, 2026.

Lucy Hancock KYNP91263
NOTARY PUBLIC

My Commission expires: 8/5/28