

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF SOUTHERN	)	CASE NO.
WATER & SEWER DISTRICT FOR APPROVAL OF	)	2020-00076
UMG CONTRACT EXTENSION	)	

ORDER

On March 12, 2020, Southern Water and Sewer District (Southern District) filed an application requesting approval to extend Southern District's management contract with Utility Management Group, LLC (UMG) for six months. Southern District and UMG originally entered into the contract on March 25, 2019. That contract was set to terminate on September 25, 2019. On October 2, 2019, the Commission approved a six-month extension.<sup>1</sup> The current contract expired March 25, 2020. At the February 24, 2020 board meeting, Southern District's commissioners voted in favor of renewing UMG's contract for another six months. Southern District states that the contract extension is in the public's interest and is intended to accomplish the purpose of strengthening the overall condition of the district via sound management. Southern District responded to one round of discovery, but was unable, in the current state of emergency in the Commonwealth due to the novel coronavirus COVID-19, to supply all of the information requested. No party has sought intervention in this matter. Southern District has requested this application be processed without a hearing to save time and expense. The record for this case is complete, and the matter stands ready for decision.

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<sup>1</sup> Case No. 2019-000131, *Application of Southern Water and Sewer District for an Alternative Rate Adjustment* (Ky. PSC October 2, 2019), Order at 2.

Having reviewed the application to extend Southern District's management contract with UMG and being otherwise sufficiently advised, the Commission finds that Southern District established good cause to extend the contract, and therefore, Southern District's application for an extension should be approved.

The Commission further finds that Southern District should file with the Commission within 30 days of the lifting of the current state of emergency copies of all minutes of board meetings at which payments to UMG were approved by Southern District's board of commissioners from August 1, 2019, through March 25, 2020. In addition, Southern District should file all invoices or receipts for the \$5,138.37 that Southern District paid UMG for tools, supplies, or materials as reflected in the invoices from UMG supplied by Southern District in response to Commission Staff's request for information.

The Commission lastly finds that any future request for an extension of Southern District's management contract with UMG should be accompanied by the following information to assist the Commission in its evaluation of the proposed extension: all board minutes in which Southern District approved payments to UMG; a list and explanation for consultant fees charged to Southern District by UMG; a detailed account of mileage accrued in the operation of Southern District with totals by month separated for 4x4 and 4x2 vehicles; a list of and explanation for any special materials purchased by UMG for Southern District's operation and charged to Southern District; and a list of hours worked by month for each of UMG's employees participating in the operation of Southern District, broken down by employee and job classification.

IT IS THEREFORE ORDERED that:

1. Southern District's application to extend the management contract with UMG is approved.

2. Within ten days of the date of this Order Southern District shall electronically file with the Commission a signed copy of the management contract extension with UMG, and shall file a paper copy of that document with the Commission within 30 days of the lifting of the current state of emergency.<sup>2</sup>

3. Within 30 days of the lifting of the current state of emergency Southern District shall file copies of all minutes of board meeting at which payments to UMG were approved by Southern District's board of commissioners from August 1, 2019, through March 25, 2020.

4. Within 30 days of the lifting of the current state of emergency Southern District shall file invoices or receipts for the \$5,138.37 Southern District paid UMG for tools, supplies, or materials, as reflected in the invoices from UMG, supplied by Southern District in response to Commission Staff's request for information.

5. Any future application for approval of an extension of this contract filed by Southern District shall include the information detailed in this Order.

6. This case is closed and removed from the Commission's docket.

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<sup>2</sup> See Case No. 2020-00085, *Electronic Emergency Docket Related to the Novel Coronavirus Covid-19* (Ky. PSC Mar. 16, 2020).

By the Commission

ENTERED  
MAR 27 2020 TCS  
KENTUCKY PUBLIC  
SERVICE COMMISSION

ATTEST:



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Executive Director

Case No. 2020-00076

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