BEFORE THE PUBLIC SERVICE COMMISSION OF THE STATE OF MISSOURI

In the Matter of the Joint Application of House Springs Sewer Company, Inc., and Jefferson County Public Sewer District for Approval of House Springs Sewer Company, Inc. to Sell Company Assets to Jefferson County Public Sewer District, in Connection with Other Related Transactions.

Case No. _____

JOINT APPLICATION AND, IF NECESSARY, MOTION FOR WAIVER

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COMES NOW, House Springs Sewer Company, Inc., (HSSC), and Jefferson County Public Sewer District (JCPSD), by and through the undersigned counsel, and, pursuant to Section 393.190 RSMo and 4 CSR 240-3.310, respectfully state the following to the Missouri Public Service Commission (Commission) as their Joint Application and, if necessary, Motion for Waiver:

BACKGROUND INFORMATION

1. HSSC is a Missouri corporation with its principal office and place of business at 6509 NW Office Center, House Springs, MO 63051. HSSC is a Missouri corporation in good standing. A certified copy of HSSC's certificate of good standing is attached hereto as Appendix A. HSSC currently provides sewer service to the public in and around the city of House Springs in Jefferson County, Missouri, and currently has approximately 1,100 customers. HSSC was granted a Certificate of Convenience and Necessity (CCN) by the Commission on December 17, 1985, in Case No. SA-85-134. HSSC is a "sewer corporation" and a "public utility" as those terms are defined in Section 386.020, RSMo, and is subject to the jurisdiction and supervision of the Commission as provided by law. HSSC has no overdue annual reports. HSSC is

current on its fiscal year 2016 assessment payments, however, a balance remains due on the fiscal year 2014 assessment. There is no pending action or final unsatisfied judgment or decision against HSSC from any state or federal agency or court which involves customer service or rates, which action, judgment or decision has occurred within three years of the date of this Joint Application.

2. JCPSD is a public sewer district with its place of business at 4632 Yeager Road, Hillsboro, MO 63050. The JCPSD was enacted by the Jefferson County Commission on June 20, 2000, through Resolution and Order 6-20-2000A. JCPSD generally encompasses and serves the entire unincorporated area of Jefferson County, Missouri, with the exception of municipalities and other public sewer districts. JCPSD currently serves approximately 1,200 customers. JCPSD is not subject to the Commission's jurisdiction, and as such, has no outstanding annual reports or Commission assessments. There is no pending action or final unsatisfied judgment or decision against JCPSD from any state or federal agency or court which involves customer service or rates, which action, judgment or decision has occurred within three years of the date of this Joint Application.

3. Communications in regard to this Joint Application should be addressed to the undersigned counsel and:

House Springs Sewer Company, Inc. 6509 NW Office Center House Springs, Missouri 63051

Attention: Patricia Fribis, President patriciafribis@att.net Phone 636.375.3100

Jefferson County Public Sewer District PO Box 632, 4632 Yeager Road Hillsboro, MO 63050

Attention: Connie Hargis, District Manager <u>manager@jeffcopsd.com</u> Phone 636.797.9900

THE TRANSACTION

4. HSSC and JCPSD have entered into an Asset Purchase Agreement (Agreement), a copy of which is attached hereto as Appendix B. Appendix B has been identified as Highly Confidential in accordance with Commission Rule 4 CSR 240-2.135. Pursuant to the Agreement, JCPSD proposes to purchase substantially all of the assets of HSSC as specifically described in the Agreement under the terms and provisions further described in the Agreement. Such assets include those used by HSSC to provide service to customers in accordance with the CCN granted to it by the Commission in Case No. SA-85-134. HSSC intends to file a decertification case with the Commission following any Commission order approving the sale of assets and upon closing of the sale.

5. Because HSSC is a sewer corporation doing business in the State of Missouri, it is subject to the provisions of Section 393.190.1, RSMo, which states in pertinent part, that "no … sewer corporation shall hereafter sell, assign, lease, transfer, mortgage or otherwise dispose of or encumber the whole or any part of its franchise, works or system, necessary or useful in the performance of its duties to the public … without having first secured from the commission an order authorizing it so to do."

ADDITIONAL INFORMATION

6. HSSC's verification of authority authorizing the purchase of the subject assets and related transactions contemplated by the Agreement is attached hereto as

Appendix C and incorporated herein by reference. JCPSD's verification of authority authorizing the purchase of the subject assets and related transactions contemplated by the Agreement is attached as Appendix D and incorporated herein by reference.

7. JCPSD is not subject to the Commission's jurisdiction. Therefore, a balance sheet and income statement as described in Rule 4 CSR 240-3.310(1)(E) is not required with this Joint Application.

8. The sale of assets in the Agreement should have minimal impact on the tax revenues of Jefferson County. HSSC paid approximately \$25,000 in property taxes for calendar year 2014.

PUBLIC INTEREST

9. For the following reasons, the proposed sale of the specified assets and the related transactions are not detrimental to the public interest of the State of Missouri, but will be consistent with and promote the public interest. JCPSD has considerable expertise and experience in providing sewer utility services to residents of Jefferson County. JCPSD is fully qualified in all respects to own and operate the systems currently being operated by HSSC and to otherwise provide safe, reliable and affordable service.

CONTINGENT REQUEST FOR WAIVER

10. This case is not likely to be a contested case within the meaning of Commission Rule 4 CSR 240-4.020. Previous applications addressing the same issues have generally not become contested proceedings. However, in the event that the Commission concludes that the Application is likely to be a contested case, HSSC and JCPSD request a waiver of the sixty (60) day notice for good cause.

WHEREFORE, House Springs Sewer Company, Inc., and Jefferson County Public Sewer District respectfully request that the Commission issue an order: (1) authorizing House Springs Sewer Company, Inc., to sell and Jefferson County Public Sewer District to purchase the assets identified in the Agreement attached as Appendix B; (2) authorizing House Springs Sewer Company, Inc., and Jefferson County Public Sewer District to enter into, execute and perform in accordance with the terms described in the Agreement attached as Appendix B, and to take any and all other actions which may be reasonably necessary and incidental to the performance of the acquisition; and (3) granting such further relief as may be deemed necessary and appropriate to accomplish the purposes of the Joint Application and the Agreement and the related transactions in accordance with the Agreement.

Respectfully submitted,

HERNANDEZ LAW FIRM, LLC

By: <u>/s/ Jennifer Hernandez</u>

Jennifer Hernandez, MO Bar No. 59814 1802 Sun Valley Drive Jefferson City, Missouri 65109 Phone: 573-616-1486 Fax: 573-342-4962 E-Mail: jennifer@hernandezlegal.com

ATTORNEY FOR HOUSE SPRINGS SEWER COMPANY, INC., AND JEFFERSON COUNTY PUBLIC SERVICE DISTRICT

Certificate of Service

I certify that a true copy of the above and foregoing was served to the Office of the Staff Counsel and the Office of the Public Counsel by electronic mail this 16th day of February 2016.

/s/ Jennifer Hernandez

Jennifer Hernandez

AFFIDAVIT

State of Missouri) ss County of Jefferson St. Louis

I, Patricia Fribis, having been duly sworn upon my oath, state that I am the President of House Springs Sewer Company, Inc. (HSSC), that I am duly authorized to make this affidavit on behalf of HSSC, that the matters and things stated in the foregoing Joint Application and appendices are true and correct to the best of my information, knowledge and belief.

Jatricia Frelies

Subscribed and sworn before me this _____0 day of February, 2016.

Notary Public

JEFFREY A LUEDLOFF, JR. Notary Public-Notary Seal State of Missouri, St Louis County Commission # 13886130 My Commission Expires Oct 22, 2017

AFFIDAVIT

State of Missouri) ss County of Jefferson

I, Connie Hargis, having been duly sworn upon my oath, state that I am the District Manager of the Jefferson County Public Sewer District (JCPSD), that I am duly authorized to make this affidavit on behalf of JCPSD, that the matters and things stated in the foregoing Joint Application and appendices are true and correct to the best of my information, knowledge and belief.

onnie Hargis

Subscribed and sworn before me this <u>10+h</u> day of February, 2016.

LYNDA S. BAKER Notary Public - Notary Seal State of Missouri Commissioned for Jefferson County My Commission Expires: May 1, 2016

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Junde S Bake Notary Public

STATE OF MISSOURI

Jason Kander Secretary of State

CORPORATION DIVISION CERTIFICATE OF GOOD STANDING

I, JASON KANDER, Secretary of State of the State of Missouri, do hereby certify that the records in my office and in my care and custody reveal that

HOUSE SPRINGS SEWER COMPANY, INC. 00268685

was created under the laws of this State on the 28th day of September, 1984, and is in good standing, having fully complied with all requirements of this office.

IN TESTIMONY WHEREOF, I hereunto set my hand and cause to be affixed the GREAT SEAL of the State of Missouri. Done at the City of Jefferson, this 9th day of February, 2016.

Secretary of State

Certification Number: CERT-02092016-0040



APPENDIX B

IS MARKED

HIGHLY CONFIDENTIAL

IN ITS ENTIRETY

VERIFICATION OF AUTHORITY

COMES NOW the undersigned, the President of House Springs Sewer Company, Inc. (HSSC), and does hereby verify that HSSC had and has the requisite authority to enter into the Asset Purchase Agreement dated December 15, 2015, by and between HSSC and the Jefferson County Public Sewer District (the "Agreement") and to carry out all the obligations contained in the Agreement.

IN WITNESS WHEREOF, the undersigned has hereto set his hand the $\frac{j O}{day}$ day of February 2016.

HOUSE SPRINGS SEWER COMPANY, INC.

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Patricia Fribis, President House Springs Sewer Company, Inc.

State of Missouri)	
County of Jefferson-))	SS
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I, Patricia Fribis, having been duly sworn upon my oath, state that I am the President of House Springs Sewer Company, Inc. (HSSC), that I am duly authorized to make this Verification on behalf of HSSC, that the matters and things stated in the foregoing Verification are true and correct to the best of my information, knowledge and belief.

atricia Frilus

Subscribed and sworn before me this __/0___ day of February, 2016.

JEFFREY A LUEDLOFF, JR. Notary Public-Notary Seal State of Missouri, St Louis County Commission # 13886130 My Commission Expires Oct 22, 2017

VERIFICATION OF AUTHORITY

COMES NOW the undersigned, the President of Jefferson County Public Sewer District (JCPSD) and does hereby verify that JCPSD had and has the requisite authority to enter into the Asset Purchase Agreement dated December 15, 2015, by and between House Springs Sewer Company, Inc., and JCPSD (the "Agreement") and to carry out all the obligations contained in the Agreement.

IN WITNESS WHEREOF, the undersigned has hereto set his hand the $/O^{\mathcal{T}_{h}}$ day of February 2016.

JEFFERSON COUNTY PUBLIC SEWER DISTRICT

Clyde Pratt, President Jefferson County Public Sewer District

State of Missouri)
) ss
County of Jefferson)

I, Clyde Pratt, having been duly sworn upon my oath, state that I am the President of the Jefferson County Public Sewer District (JCPSD), that I am duly authorized to make this Verification on behalf of JCPSD, that the matters and things stated in the foregoing Verification are true and correct to the best of my information, knowledge and belief.

Subscribed and sworn before me this 10+h day of February, 2016.

ynde S Notary Public

LYNDA S. BAKER Notary Public - Notary Seal State of Missouri Commissioned for Jefferson County My Commission Expires: May 1, 2016 12547613