

FILED²

JUL 8 2019

Missouri Public Service Commission

Exhibit No.:500
Issue: Certificate of Convenience and Necessity
Witness: Carl Richard Mills
Sponsoring Party: Applicant
Type of Exhibit: Surrebuttal Testimony
File No.: WA-2018-0370
Date Prepared: April 9, 2019

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

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)	
In the Matter of Carl R. Mills Trust for a)	File No. WA-2018-0370
Certificate of Convenience and Necessity)	
Authorizing it to Install, Own, Acquire,)	
Construct, Operate, Control, Manage, and)	
Maintain Water Systems in Carriage Oaks)	
Estates)	

SURREBUTTAL TESTIMONY OF CARL RICHARD MILLS ON BEHALF OF APPLICANT

Stone County, Missouri
April 9, 2019

Mills Exhibit No. 3
Date 10/24/19 Reporter JNB
File No. WA-2018-0397

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SURREBUTTAL TO TESTIMONY OF DERALD MORGAN

Q: Did you have the opportunity to review the rebuttal testimony of Derald Morgan?

Yes.

Q: Do you have any comments to Dr. Morgan's testimony?

Dr. Morgan continues to make false and outlandish accusations in a feeble attempt to distract from the issues at hand. At each turn of the testimony, Dr. Morgan raises new claims and issues with the intent of doing nothing more than dragging out this case. Every allegation set forth in Dr. Morgan's testimony is false.

SURREBUTTAL TO THE TESTIMONY OF AMANDA MCMELLEN AND JAMES MERCIEL

Q: Have you had the opportunity to review the rebuttal testimony of Amanda McMellen?

Yes.

Q: Have you had the opportunity to review the rebuttal testimony of James Merciel?

Yes.

Q: Do you have any remarks to Ms. McMellen or Mr. Merciel's testimony?

I fully support and agree with the findings set forth in Ms. McMellen and Mr. Merciel's testimony.

Q: Your previous testimony, as well as Mr. Merciel's rebuttal testimony, contemplates entering into an agreement with a third party for the management and maintenance of the water system. Is it still your desire to enter into such contract?

Yes. After filing my rebuttal testimony, I contacted several companies to discuss the management and maintenance of the water system. The overwhelming majority of companies that I contacted expressed no interest in taking over the management and maintenance duties. However, Ozarks Clean Water confirmed that they would be able and willing to take over such management and maintenance duties. In connection with such discussions, Ozarks Clean Water presented a contract which sets forth their proposed terms, conditions and pricing in providing such management and maintenance services.

Q: Does Exhibit 501 attached hereto correctly represent the contract presented by Ozark Clean Water?

Yes.

Q: Have you distributed Ozark Clean Water's proposed contract for the other parties of this case to review?

Yes, I have distributed this proposed contract to the Intervenors and the Staff of the Public Service Commission for review.

Q: Does the proposed contract impact any of the previous recommendations of the Staff?

The proposed contract only has a slight impact on the Staff's previous suggestion. The updated Attachment D-1 filed by Ms. McMellen in her rebuttal testimony list the Operations and Maintenance Cost at \$2,277. Ozarks Clean Water has proposed a rate of \$4,980 per annum for the management and maintenance of both the water and sewer system. Of such amount for maintenance, approximately one-half (or \$2,490) is attributable to the water system. As such, I would suggest that Attachment D-1 be updated to reflect the new management amount.

BEFORE THE PUBLIC SERVICE COMMISSION OF THE STATE OF MISSOURI

In the Matter of Carl R. Mills Trust for a Certificate of Convenience and Necessity Authorizing it to Install, Own, Acquire, Construct, Operate, Control, Manage, and Maintain Water Systems in Carriage Oaks Estates

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File No. WA-2018-0370

AFFIDAVIT OF CARL RICHARD MILLS

STATE OF MISSOURI)
) ss.
COUNTY OF Stone)

Carl Richard Mills, being first duly sworn on his oath, states as follows:

- 1. My name is Carl Richard Mills. I am a Respondent in the above-reference matter. I am over 18 years of age and competent to give testimony.
2. Attached hereto and made a part of for all purposes is my Surrebuttal Testimony consisting of 4 pages, Exhibit(s) 501, all of which have been prepared in written form for introduction into evidence in the above reference docket.
3. I hereby swear and affirm that my answers contained in the attached testimony to the questions therein propounded are true and correct.

Carl Richard Mills
Carl Richard Mills

Subscribed and sworn to me this 9th day of April, 2019.

Ruth E. Baker
Notary Public

My commission expires:

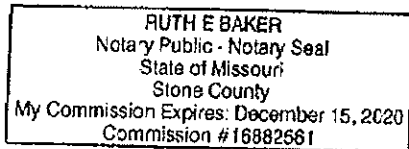


Exhibit 501

See Attached.



11 Oak Dr., P.O. Box 606
Kimberling City, 65686
www.ozarksenvironmentalservices.org

P: 417.739.4100
F: 417.739.9889

February 25, 2019

Carriage Oaks Estates Homeowners:

Ozarks Environmental Services (OES) has been asked to operate and maintain all aspects of your sewer treatment plant and drinking water system. OES is a nonprofit corporation that works closely with Ozarks Water Watch to keep our Ozark streams, rivers and lakes clean and clear. OES has a team of 16 professionally trained and licensed operators that provide 24/7/365 service.

Our operators will visit your system to check operations, take readings of pumps and meters and keep chemicals in stock. In addition, we would test your drinking water quality monthly, test the treated waste water as required, and complete and send all paperwork to the Department of Natural Resources (DNR). We can also maintain and pump your STEP system at your home for an additional fee.

Our sister company, Ozarks Clean Water Company, will send you a monthly sewer and water bill that has a monthly base charge that includes administration and a reserve for repair, and water usage per 1,000 gallons. Your initial rates are:

Monthly flat rate for sewer:	\$94.25
Monthly base rate for water:	\$68.25 (Includes first 3,000 gallons of water)
Cost per 1,000 gallons of water:	\$5.36/1,000 gallons (up to 20,000 gallons/month) \$7.16/1,000 gallons (above 20,001 gallons/month)

This price includes:

1. 2 visits per month to well and wastewater treatment plant
2. Check well and wastewater treatment plant to record readings and perform maintenance
3. Read water meters once a month
4. Take water sample to lab once a month for testing
5. Take wastewater samples quarterly to lab for testing
6. Submit quarterly wastewater reports as required to Department of Natural Resources
7. Submit a monthly report to Owner

This includes monthly billing, past due notices and shutoff notices, if needed. If a shutoff is required for nonpayment, written approval of the shutoff would be needed from the Owner and OES would bill for performing the needed shutoff. The past due homeowner would be billed \$55 for disconnection and \$55 for reconnection.

Sincerely,

David L. Casaletto
President

"Maintaining the environmental quality of our lakes, rivers, streams, and groundwater through professional operation and maintenance of water and wastewater treatment facilities."

Ozarks

**Environmental
 Services**

OPERATING AGREEMENT

1. PARTIES

- 1.01 Carriage Oaks Estates Subdivision "Utility"
 c/o Dick Mills
 209 Falling Leaf Court
 Branson West, MO 65737

- 1.02 Ozarks Environmental Services "Operator"
 Post Office Box 606
 Kimberling City, MO 65686

- 1.02.1 Ozarks Clean Water Company "Utility Billing"
 Post Office Box 973
 Kimberling City, MO 65686

2. SUBJECT MATTER AND RECITALS

- 2.01 The "Utility" is owner of the water and wastewater systems more particularly identified on the attached and incorporated "SYSTEM DESCRIPTION" (hereinafter the "System") and as amended from time to time by further agreement of the parties.

- 2.02 Utility desires that the System be operated by Operator and billed by the Utility Billing subject to the following terms and conditions:

3. TERMS AND CONDITIONS

Fees and Services

- 3.01 During the term of this Agreement, Operator agrees to perform the services more particularly described in the attached and incorporated "Schedule of Services" and as amended from time to time by the parties for the use and benefit of utility.

- 3.02 For and in consideration of the services described in the "Schedule of Services", and as amended from time to time by the parties, utility agrees to pay for the services provided by Operator the fee described more particularly in the attached and incorporated "Fee Schedule" and as amended from time to time by the parties. Invoice frequency shall be monthly.

Term of Agreement

- 3.03 Unless earlier terminated as provided herein, this Agreement shall commence on March 1, 2019 and shall end February 28, 2021 ("Primary Term") and shall automatically renew every thirty (30) days thereafter unless either party gives prior notification.
- 3.04 This Agreement may be terminated by Utility, prior to the expiration of Primary Term upon the occurrence of any of the following events:
- a. Operator willfully breaches or habitually neglects the duties that Operator is required to perform under the terms of this Agreement;
 - b. Operator commits clearly dishonest acts toward the Utility; or
 - c. Operator commits a substantial breach of this Agreement and such breach continues for a period of more than thirty (30) days after Operator receives written notice and opportunity to cure such breach.
- 3.05 This Agreement may be terminated by Operator, prior to the expiration of its Primary Term upon the occurrence of any of the following events:
- a. Utility willfully breaches or habitually neglects the duties that Utility is required to perform under the terms of this Agreement.
 - b. Utility commits clearly dishonest acts towards the Operator; or
 - c. Utility commits a substantial breach of this Agreement and such breach continues for a period of more than thirty (30) days after Utility receives written notice and opportunity to cure such breach.
- 3.06 Utility agrees that after any termination of this Agreement, any amounts owed Operator for services performed or expenses incurred pursuant to this Agreement shall continue to be an obligation of Utility to Operator after termination.

General Terms

- 3.07 If a dispute arises between the parties relating to this Agreement, the parties agree to use the following procedure prior to either party pursuing other available remedies:
- a. A meeting shall be held promptly between the parties, attended by individuals with decision-making authority regarding the dispute, to attempt in good faith to negotiate a resolution of the dispute.
- 3.08 If litigation is resorted to after following the above described process, and any action at law or equity is necessary to enforce or interpret the terms of this Agreement, the prevailing party shall be entitled to reasonable attorneys' fees, costs, and necessary disbursement in addition to any other relief to which he may be entitled.
- 3.09 This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, executors, administrators, legal representatives, successors, and assigns where permitted by this Agreement.
- 3.10 In case any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision thereof, and this

Agreement shall be construed as if such invalid, illegal, or unenforceable provision had never been contained herein.

- 3.11 Operator undertakes the performance of this Agreement as an independent contractor, at its sole risk, and assumes full responsibility for the safety of the work hereunder and all liability for injury or damage to the person or property arising out of the performance of this Agreement, and shall indemnify, save harmless and defend Utility from all claims, actions, demands or expense on account thereof. Operator shall maintain current certificate of insurance demonstrating coverage for Workers Compensation, Vehicle Liability, and General Liability. Operator shall not order materials or equipment as agent of the Utility, which would be billed directly to the Utility. The costs of all materials and other expenses necessary to carry out this Agreement will be that of the Utility.
- 3.12 This Agreement constitutes the sole and only agreement of the parties hereto and supersedes any prior understandings or written or oral agreements between the parties respecting the within subject matter.

OES Schedule of Services

Operator will provide services as needed to represent Utility when business with the Missouri Department of Natural Resources is necessary. Operator will maintain 24/7/365 emergency response capability available by phone at 417 527 6541. The appropriate hourly rate will be charged for all emergency services as described in the Schedule of Rates and Charges.

Operator will provide two (2) monthly operational visit to the wastewater system. Operational visits will include confirmation of proper operation of all electrical and mechanical equipment at the facility and operational testing as needed to optimize chemical feed. Operator will monitor chemical feed tank level and sell additional chemical to Utility when requested. Operator will check settling and recirculation tanks at each visit and inform Utility when tank pump-out is needed. Operator will provide monthly routine wastewater sampling and analytical services on behalf of Utility. Non-routine special sampling, annual sampling, or repeat sample collection and analysis will be charged in accordance with the attached Schedule of Rates and Charges. Any analytical testing from a third-party lab will be billed in accordance with the attached Schedule of Rates and Charges.

Operator will make two (2) operational visits per month to the potable water system. Each operational visit will include confirmation of proper operation of all electrical and mechanical equipment at the facility. Operator will provide one (1) time per month reading of water meters, well meter, and electric meter. Operator will provide one (1) time per month routine bacteriological sample collection and submittal to lab for testing. Utility will be billed in accordance with the attached Schedule of Rates and Charges for third party sample analysis. Special and repeat samples will be collected and submitted as requested by the Missouri Department of Natural Resources or other regulatory agency and will be billed at our standard hourly rates. Unless requested by the Utility, Operator will not chlorinate the potable water system. Operator will sell chlorine to the Utility if requested by the Utility/Owner.

A monthly water and wastewater system report will be prepared for the benefit of the Utility. The water and wastewater system report will include a summary of water pumped, wastewater treated, dates and times system is checked, copies of any analyses conducted, a report of any sludge removal and disposal needed and a summary of any unusual conditions or special repairs performed or needed. A quarterly discharge monitoring report will be electronically submitted to MDNR on behalf of the Utility.

In the event, the Utility would like our staff to perform additional tasks not outlined in the Schedule of Services, those services would be billed at the rates described in the attached fee schedule.

Utility is responsible for any costs associated with parts, chemicals, consumable supplies, outside contractor services, grounds maintenance, outside laboratory services, electricity, propane, or other expense items.

OCWC Utility Billing

Utility Billing Services

Ozarks Clean Water Company (OCWC) will perform monthly billing services on behalf of the Utility/Owner. OCWC will bill homeowners on a monthly basis for sewer and water usage/service at a rate established and directed from the Utility/Owner. This service includes standard monthly billing, past due notices and collections, shut off notices, and service interruptions as warranted for past due accounts. Should an interruption of services occur, the homeowner will be billed \$55.00 for the disconnection of water service, and \$55.00 for reconnection of water service. Should a disconnection of sewer services be warranted, the customer will be billed time and material for the cost associated with the disconnection and reconnection of services.

Utility Billing Fee Schedule

OCWC will bill Utility/Owner \$50.00 per month for Utility Billing Services described above for up to seven (7) homeowner bills per month. The monthly fee for billing services is subject to change as additional billable units are added. OCWC will hold funds in a reserve account for the Utility when collections (homeowner payments) exceed expenses (OCWC billing fee and OES monthly invoice). Utility/Owner will be invoiced when expenses (OCWC billing fee and OES monthly invoice) exceed collections and payment will be due by the 15th of the month following invoicing. The ultimate responsibility for payment of the services to OES and OCWC would rest with the Owner and any amount due above what is available from monthly billing and in the reserve account, is the responsibility of the Owner.

FEE SCHEDULE

Normal and routine O & M as described in the Schedule of Services:

- The Utility will be billed \$ 365.00 per month for work performed by OES at the wastewater treatment plant and potable water supply described in the attached "Schedule of Services". All additional services will be billed as stated below.
- The Utility will be billed \$ 50.00 per month for services described in OCWC Utility Billing.

All additional work not included in the Schedule of Services is billed at time and material in accordance with OES standard rates and charges:

OES Schedule of Rates and Charges

Please note a 2-hour minimum applies to all service emergencies and call outs, but not scheduled work.

	Regular Hourly Rate	After-Hours Hourly Rate*
Labor Rate (Operator)	\$75.00	\$112.50
Labor Rate (Helper)	\$50.00	\$75.00
Labor Rate (E-One Repair)	\$75.00	\$112.50
Labor Rate (Operations Mgr.)	\$120.00	\$180.00
Leak Detection	\$100.00	\$150.00
Backhoe and Operator	\$95.00	\$142.00
Vacuum Unit trouble call -Trip Charge	\$85.00	
Pumping*		
Pump-Out per Load for WWTF	\$175.00	
Pump-Out per Load for Lift Station	\$140.00	
Pump-Out per Load for Holding Tank	\$175.00	
Septic Tank up to 1500 gal	\$150.00	
Septic Tank over 1500 gal	\$175.00	
After Hours Pumping		\$250.00 p/load
Stand-by Pumping	\$85.00 p/hr	\$112.50 p/hr
Digging Fee	\$75.00 p/hr	\$112.50 p/hr
*Over 25 miles from Kimberling City, an additional \$25.00 will be added to the base fee.		

Parts/outside contractors

Cost plus 20%

*Normal Business hours are Monday-Friday 7:00 a.m. to 3:00 p.m., excluding holidays and weekends.

System Description

The recirculating sand filter wastewater treatment system MO-0126098, and the potable water supply serving the Carriage Oaks Estates Subdivision located in Stone County, Missouri.

Acceptance By:

"UTILITY"

Signature: _____

Name: _____

Title: _____

Date: _____

Ozarks Environmental Services "OPERATOR" and Ozarks Clean Water Company "Utility Billing"

Signature: _____

Name: _____

Title: _____

Date: _____