

*Exhibit No.:*  
*Issue(s):* CCN Issuance  
*Operations*  
*Witness:* James A. Merciel, Jr., PE  
*Sponsoring Party:* PSC Staff  
*Type of Exhibit:* Rebuttal Testimony  
*Case No.:* WA-2018-0370  
*Date Testimony Prepared:* February 6, 2019

**MISSOURI PUBLIC SERVICE COMMISSION**

**COMMISSION STAFF DIVISION**

**WATER AND SEWER DEPARTMENT**

**REBUTTAL TESTIMONY**

**OF**

**JAMES A. MERCIEL, JR., PE**

**CARL RICHARD MILLS**

**CASE NO. WA-2018-0370**

*Jefferson City, Missouri*  
*February 2019*

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OF  
JAMES A. MERCIEL, JR., PE  
CARL RICHARD MILLS  
CASE NO. WA-2018-0370**

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1 Carl Richard Mills (Mr. Mills), and to the direct testimony of the Applicant Mr. Mills  
2 regarding plant operations. Direct testimony was filed in this case on January 7, 2019. This  
3 rebuttal testimony updates Staff's October 11, 2018 filed recommendation regarding the  
4 matter of issuance of a CCN by the Commission, but with some modifications that are based  
5 on new information.

6 **STAFF RECOMMENDATION**

7 Q. Does Staff support the issuance of a CCN to Mr. Mills by the Commission?

8 A. Yes. Staff stated such support in its *Staff Recommendation*<sup>1</sup> (Staff  
9 Recommendation or Memorandum) filed in this case on October 11, 2018. Since the filing of  
10 the Staff Recommendation, the Intervenors have brought up some service quality issues that  
11 pertain to water flow, pressure, large particles, and iron content. The water quality issues  
12 have caused Staff to add an additional condition to those included in its *Staff*  
13 *Recommendation* regarding issuing a CCN. In addition, Staff has reconsidered some of the  
14 utility's operating expenses.

15 Q. What additional condition does Staff recommend the Commission impose in  
16 granting the CCN?

17 A. Due to the water quality issues recently raised by the Intervenors, Staff  
18 recommends Mr. Mills undertake or continue water testing for bacterial contamination,  
19 substantially consistent with Missouri Department of Natural Resources (DNR) Rules  
20 10 CSR 60-4.010 for Maximum Contaminant Levels and Monitoring Requirements, and  
21 10 CSR 60-4.022 the Revised Total Coliform Rule. Staff further recommends Mr. Mills

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<sup>1</sup> Ref. EFIS Item No. 11 in this case, and also attached to the rebuttal testimony of Amanda C. McMellen.

1 also check chlorine residual and iron content. Staff supports such testing at least twice per  
2 year at approximately six month intervals, with test results reported to the customers  
3 at least annually.<sup>2</sup>

4 Q. Does DNR monitor or test water quality at present?

5 A. No. Because of the small size of this water system, DNR has not “activated”  
6 it to be a public water supply. DNR’s definition of a public water supply is one that  
7 “...has at least fifteen (15) service connections or regularly serves an average of at least  
8 twenty-five (25) individuals daily at least sixty (60) days out of the year.”<sup>3</sup> Mr. Mills has  
9 seven (7) customer connections at present, but Staff nonetheless considers drinking water  
10 safety to be important on an ongoing basis, especially since some of these customers have  
11 raised water quality issues.

12 Q. What expenses has Staff reconsidered?

13 A. The expenses are the cost of grass mowing allocated to water service, and  
14 expenses for water testing. The specific expenses are discussed in the rebuttal testimony of  
15 Staff witness Amanda C. McMellen.

16 **RESPONSE TO INTERVENOR WITNESS DR. MORGAN**

17 Q. To what, specifically, are you responding regarding Dr. Morgan’s  
18 direct testimony?

19 A. Dr. Morgan brings up several issues, beginning with the qualifications of  
20 Mr. Mills. Other issues are somewhat related to the qualifications of Mr. Mills, as follows:

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<sup>2</sup> Results for 2017 and 2018 water testing were provided by Mr. Mills in response to Staff Data Request 0010, and are included with this rebuttal testimony as Schedule JAM-r2.

<sup>3</sup> Ref. 10 CSR 60-2.015(2)(P)8.

Rebuttal Testimony of  
James A. Merciel, Jr., PE

- 1                   • The water quality issues,  
2                   • The identification of the utility entity and utility property owner(s), and  
3                   • Suggesting the Commission should deny the granting of a CCN to  
4                   Mr. Mills based on lack of operations qualifications, insurance and a  
5                   succession plan.

6 Rather than issuing a CCN to Mr. Mills, Dr. Morgan instead suggests that the Commission  
7 order a transfer of the system to a “proper” entity that is controlled by the customers.

8           Q.     What is your response, generally, regarding the qualifications of Mr. Mills?

9           A.     As stated in the *Staff Recommendation*, which was prepared and filed before  
10 the Intervenors raised any water quality issues, Staff views Mr. Mills as capable of running  
11 the utility business and operating the water system.

12          Q.     What is your response regarding the water quality?

13          A.     The water quality issues, as described in the Intervenors’ filed documents, data  
14 request responses, and Dr. Morgan’s testimony appear to be related to the day-to-day  
15 operations of the system. In addition, the water quality primarily involves discoloration from  
16 iron, water flow, and sediments, which are aesthetic characteristics and not health-related, nor  
17 violations of drinking water standards. Further, due to the timing of case events and  
18 discovery, Staff has not had the opportunity to fully investigate the statements from customers  
19 regarding the reported issues, but will do so in the near future and/or as specific issues arise.  
20 However, for the purposes of the operations of Mr. Mills’ water system after the granting of a  
21 CCN, and to improve customer confidence in operations and in customer relations, Staff sees  
22 value in the contract operator/manager concept, as discussed below.

23          Q.     What is your response regarding the identification of the utility entity and  
24 utility property owner(s)?

1           A.     In his direct testimony,<sup>4</sup> Dr. Morgan discussed correct property ownership.  
2     Similar to the concerns of operations and water quality, Staff shares concerns with  
3     Dr. Morgan on this matter, but Staff expressed its concerns, and stated a resolution, in the  
4     *Staff Recommendation* Memorandum on page 2 under the title header **Utility Property**  
5     **Ownership – Compiled upon advice of Staff Counsel**, and the recommendation bullet point  
6     No. 9. In the Memorandum, Staff recommended, generally, that property ownership should  
7     be resolved correctly within 30 days after the effective date of the Commission’s approval  
8     granting Mr. Mills a CCN. Staff’s solution to this issue is to require a fix to the problem,  
9     rather than to deny a CCN.

10           Q.     What is your response regarding denial of a CCN and the Commission  
11     ordering a transfer of the water utility assets to some other entity?

12           A.     The Commission, in its Report and Order issued in WC-2017-0037,<sup>5</sup> which  
13     was a formal complaint filed by the customers who are intervenors in this current case, stated  
14     that it “...has no power to remove the water assets from their current owner...” and “...this  
15     relief the Complainants request cannot be granted.” Also, in Case No. WC-2017-0037 the  
16     Commission found Mr. Mills to be acting as a public water utility and as such ordered  
17     Mr. Mills to apply for a CCN. Mr. Mills has done so. In its *Staff Report and Motion for*  
18     *Mediation*<sup>6</sup> filed in Case No. WC-2017-0037, Staff discussed some options regarding a valid  
19     water utility, but also did not wish to recommend the Commission order a transfer of assets.  
20     Staff maintains, given the circumstances in this pending case, that Mr. Mills is the proper  
21     entity to which the Commission should issue a CCN. Further, regardless of past or present  
22     property ownership, the CCN should be granted to Mr. Mills with the condition that the

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<sup>4</sup> Direct Testimony of Derald Morgan, page 5 lines 15-16 and page 8 line 21 through page 9 line 3.

<sup>5</sup> Ref. EFIS Item No. 91, issued on April 12, 2018.

<sup>6</sup> Ref. Case No. WC-2017-0037 EFIS Item No. 15, filed on October 28, 2016.

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1 relevant water utility property be transferred to Mr. Mills within thirty (30) days of the  
2 effective date of the Commission's order, or within some reasonable amount of time  
3 thereafter.

4 Q. Can you please respond to Dr. Morgan's statement suggesting denial of a CCN  
5 to Mr. Mills because of a lack of an adequate succession plan?

6 A. Yes. Dr. Morgan stated that Mr. Mills' succession plan only consisted of  
7 transferring his assets to a personal trust, which Dr. Morgan believes is inadequate.

8 Q. Do you agree?

9 A. There is no requirement for a small water utility to have a succession plan.  
10 Staff has generally discussed the concept informally in the past, in the context of all water and  
11 sewer utilities. However, in my experience, even if a succession plan exists, there is no  
12 guarantee that it will work as intended when the time comes for it to be exercised; such a  
13 requirement may not ultimately be particularly useful. Instead, one option is to utilize the  
14 receivership procedure<sup>7</sup> if and when the responsible party becomes unable or unwilling to  
15 adequately oversee the provision of water service, whether that be Mr. Mills or a successor  
16 individual, a trust, a trustee, or any other entity.

17 Q. Can you please respond to Dr. Morgan's statement suggesting denial of a CCN  
18 to Mr. Mills because of a lack of insurance?

19 A. Yes. There is no requirement for a small water utility to carry any type of  
20 insurance, although some but not all water utilities have insurance for various purposes. Such  
21 a requirement likely would entail specifying coverage and limits of an insurance policy, and

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<sup>7</sup> Section 393.145 RSMo.

1 Dr. Morgan does not offer any suggestions with regard to coverage and limits that the  
2 Commission could approve for the issuance of this specific CCN.

3 **RESPONSE TO APPLICANT WITNESS MR. MILLS**

4 Q. To what, specifically, are you responding regarding Mr. Mills' direct  
5 testimony?

6 A. At present, Mr. Mills does most or all of the day-to-day operations himself.  
7 However, in his direct testimony,<sup>8</sup> Mr. Mills states a desire to hire a contract operator to  
8 undertake the day-to-day system operations, and perhaps to undertake customer billing along  
9 with taking and handling calls from customers regarding billing and service issues. Mr. Mills  
10 had earlier discussed this possibility with Staff, which Staff briefly discussed on page 6 of the  
11 *Staff Recommendation Memorandum*. Mr. Mills states he has discussed this possibility with a  
12 local operations firm. Staff's position is the concept of a contract operator/manager could  
13 solve many of the issues or perceived issues associated with water quality, and customer  
14 relations, because it would largely remove Mr. Mills from the day-to-day issues, although he  
15 would remain involved as the owner, financier, and executive of the utility. However, Staff  
16 has not seen any draft contract, nor reviewed any proposed cost, and thus is not yet prepared  
17 to comment on the feasibility or rate impact. In consideration of some operations and  
18 customer issues, as discussed herein, Staff would highly encourage Mr. Mills to explore  
19 further a contract operator/manager.

20 **CONCLUSION**

21 Q. Can you please summarize your rebuttal testimony?

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<sup>8</sup> Direct Testimony of Carl Richard Mills, page 5 line 22 through page 6 line 3, and page 11 lines 1-6.

Rebuttal Testimony of  
James A. Merciel, Jr., PE

1           A.     Staff recommends the Commission grant a CCN to Mr. Mills for authority to  
2 provide water service, as Staff stated in the *Staff Recommendation*, but with proposed water  
3 rates adjusted as described by Staff witness Amanda C. McMellen, and with an additional  
4 condition regarding regular testing of the drinking water as outlined herein with annual  
5 reporting of the results to customers. A list of Staff's recommendations and conditions, as  
6 updated from the Staff Recommendation, is included as Schedule JAM-r3. In addition, Staff  
7 recommends Mr. Mills further explore services with a contract operator/manager, and enter  
8 into such a contract if it is reasonable to do so.

9           Q.     Does this conclude your rebuttal testimony?

10          A.     Yes.



## **Qualifications of**

### **James A. Merciel, Jr., P.E.**

My name is James A. Merciel, Jr. I am employed by the Missouri Public Service Commission as a Utility Regulatory Engineering Supervisor, in the Water and Sewer Department. My duties include reviewing and making recommendations with regard to certification of new water and sewer utilities including development of rates and rules, sales of utility systems to other utilities, formal complaint cases, and technical issues associated with water and sewer utility rate cases including quality of service matters, utility plant utilization, costs incurred for providing utility service, and tariff rules. In addition to formal case work, I handle informal customer complaints that are of a technical nature, conduct inspections and evaluations of water and sewer utility systems, and informally assist water and sewer utility companies with respect to day-to-day operations, planning, and customer service issues. In the past, I have supervised engineers and technicians in the water and sewer department working on the above-described type of case work and informal matters. I frequently participate in workshop and rulemaking sessions at the Missouri Department of Natural Resources, I served on the American Water Works Association Small Systems Committee for three years, and have served on the National Association of Regulatory Utility Commissioners Staff Subcommittee on Water since 1994.

I graduated from the University of Missouri at Rolla, now named the Missouri University of Science and Technology, in 1976 with a Bachelor of Science degree in Civil Engineering. I am a Registered Professional Engineer in the State of Missouri. I worked for a construction company in 1976 as an engineer and surveyor, began employment with the Commission in the Water and Sewer Department in 1977, and have held my current position since approximately 1979.

Following is a partial list of cases in which I have provided written and/or live testimony (excludes cases with filed reports or affidavit recommendations):

Algonquin Water Resources  
WR-2006-0425

Aqua Missouri, Inc.  
SC-2007-0044 – Lake Carmel expansion complaint by a land developer

Big Island – Folsom Ridge  
WO-2007-0277 – Developer-owned utility

Bill Gold Investments, Inc.  
WC-93-276 (11/5/93) – Receivership case

Blue Lagoon, LLC  
SO-2008-0358 – Developer-owned utility

Camelot Utility Co.  
WA-89-1 – contested certificate case

Capital City Water Co.  
WR-94-297  
WR-90-118  
WO-89-76 – plant capacity study  
WR-88-215  
WR-83-165

Central Rivers Wastewater Utility, Inc.  
SR-2014-0247

Confluence Rivers Utility Operating Company  
WM-2018-0116 – transfer of assets and new ccns for several systems

Davis Water Company  
WC-87-125 and WC-88-288 - quality of service, lack of needed upgrades  
Along with a proceeding in the Circuit Court in Wayne County approx 1988

The Empire District Electric Company and Liberty Utilities  
EM-2016-0213 – merger/stock acquisition

Environmental Utilities, LLC  
WA-2002-65 (11/2001) Certificate case

Finley Valley Water Company / Public Funding Corporation, City of Ozark  
WM-95-423 – sale case

Gascony Water Company, Inc.  
WA-97-510

House Springs Sewer Co.  
SC-2008-0409 – customer formal complaint

Lake Region Water and Sewer Co.  
SR-2010-0110 and WR-2010-0111  
WR-2014-0461

Lake Saint Louis Sewer Co.

SR-78-142

SA-78-147 - expansion of service area

SC-78-257 - The Nine-Twelve Investment Co., et al Oak Bluff Preserve vs. Lake Saint Louis Sewer co, regarding method of providing service.

SO-81-55 and Circuit Court in St. Charles County - alleged improper discontinuance of service along with injunction, approx 1980 or 1981

Lincoln County Sewer & Water, LLC

SR-2013-0321 and WR-2013-0322

Merriam Woods Water Company

WC-91-18 and WC-91-268 – quality of service

Mill Creek Sewer System, Inc.

Proceeding by MO Attorney General in Circuit court in St. Louis County, Cause No. 611261, 1998 DNR water pollution violations

Receivership proceeding with Commission General Counsel, Circuit Court in Cole County, Case No. 10AC-CC00186, December 2017

Miller County Water Authority

WC-95-252 and Circuit Court in Camden County approx 1995 - Complaint by Staff regarding operating without a certificate

Missouri American Water Company

WU-2017-0296 – Lead Service Line replacements

WR-2017-0285

WR-2015-0301

SA-2012-0066 - Certificate case, Saddlebrooke

WR-2011-0337

WR-2008-0311 and SR-2008-0312

WR-2007-0216

WC-2006-0345 - Dione C. Joyner, Complainant

WR-2003-0500

WR-2000-281

WR-97-237/SR-97-206

WT-97-227 / WA-97-45 / WC-96-441 - Complaint by Water District 2 regarding customers outside of the service area, and service area expansion

WA-97-46 – certificate case for St. Joseph wellfield

WR-95-205

WR-95-174

WR-93-212

WR-91-211

WR-89-265

WR-87-177

WR-85-16

Missouri Cities Water Company

WR-95-172/SR-95-173

WR-92-207

Proceeding in Circuit Court in Audrain County, CV192-40SCC approx 1992, city of Mexico attempted acquire by condemnation of water system

WR-91-172/SR-91-174

WR-90-236

WR-89-178/SR-89-179

James A. Merciel, Jr.  
WA-2018-0370

WC-88-280 – William J. Fox d/b/a Fox Plumbing vs MO Cities, service line/main extension matter  
WR-86-111/SR-86-112  
WC-86-20 – Mexico Doctor's park, main extension  
WR-85-157  
WR-84-51  
WR-83-15/SR-83-14  
North Oak Sewer District, Inc.  
SR-2004-0306  
Osage Water Co.  
WA-99-256 (8/5/99) - Lakeview Beach certificate case  
WC-2003-0134 (10/31/02) - Receivership case  
Raytown Water Company  
WR-92-85 / WR-92-88  
WR-94-211  
Saline Sewer Co.  
SR-79-187  
SR-81-192  
SR-82-206/SR-82-262  
Southwest Village Water Company  
WO-89-187 – quality of service  
WC-89-138 (included testimony in Circuit Court in Greene County 1989)  
St. Louis County Sewer Co.  
SC-83-255 – complaints about stormwater inflow/infiltration  
St. Louis County Water Company  
WR-97-382  
WR-96-263  
WR-95-145  
WR-94-166  
WR-93-204  
WR-91-361  
WR-88-5  
WR-87-2  
WR-85-243  
WC-84-29 – Dewey Eberhardt vs St. Louis County Water Co., fire protection  
WR-83-264  
WR-82-249  
WC-79-251-Natural Bridge Development Corp vs. St. Louis County Water Co., - meter accuracy/testing  
Stoddard County Sewer Co.  
SO-2008-0289 – receivership, transfer, etc.  
Suburban Water and Sewer Co.  
Injunction hearing, Circuit Court in Boone County 07BA-CV02632, June 2007  
WC-2007-0452  
WC-84-19 – service issues  
United Water Missouri  
WR-99-326

James A. Merciel, Jr.  
WA-2018-0370

Villa Park Heights Water Co.  
WA-86-58

Warren County Water and Sewer Co. -

Circuit court case in Warren County CV597-134CC, September 1997 dispute with  
homeowners over a lot proposed to be a tank site

WC-2002-155 / SC-2002-260 - March 2002 Receivership case filed by the Office  
of the Public Counsel

West Elm Place Corporation

Circuit court lawsuit case in Jefferson County, approx 1988 Customer's lawsuit  
for damage from sewage backup

\$20.00

**DNR**  
 Certified Lab # 00840

DATE & TIME TEST BEGAN: 11-21-18 3:00		<b>STONE COUNTY HEALTH DEPARTMENT</b> Environmental Services, 109 E. 4th St., Galena, MO 65656	
DATE & TIME TEST ENDED: 11-21-18 3:00		<b>PRIVATE DRINKING WATER</b> <b>TEST FOR COLIFORM BACTERIA</b>	
THIS SAMPLING KIT IS TO BE USED BY THE PRIVATE CITIZEN FOR PRIVATE DRINKING WATER SUPPLIES.			
DATE SAMPLE COLLECTED 11-20-18	TIME 8:35 <sup>AM</sup> <del>PM</del>	BOTTLE NUMBER BW418	
The sample must be received within 30 hours after collection.			
<b>BELOW IS YOUR RETURN ADDRESS - PLEASE PRINT CLEARLY</b>			
NAME Dick Mills			
ADDRESS (STREET) 209 Falling Leaf Ct.			
CITY, STATE, ZIP Branson West MO 65737			
COUNTY COLLECTED IN Stone		TELEPHONE NUMBER 417-338-8870	
DATE REPORTED 11-21-18		EMAIL ADDRESS	
<b>LABORATORY REPORT</b>			
<input checked="" type="checkbox"/> SATISFACTORY (TOTAL COLIFORM BACTERIA ABSENT)			
<input type="checkbox"/> UNSATISFACTORY (TOTAL COLIFORM BACTERIA FOUND)			
<input checked="" type="checkbox"/> E. COLI ABSENT			
<input type="checkbox"/> E. COLI PRESENT - WATER TREATMENT AND A FOLLOW-UP SAMPLE IS SUGGESTED (SEE ENCLOSED MATERIAL)			
<input type="checkbox"/> RECEIVED IN LAB MORE THAN 48 HRS. AFTER COLLECTION			
<input type="checkbox"/> OVER 30 HOURS (Results may be invalid)			
<input type="checkbox"/> OTHER			
<b>A \$15.00 FEE IS CHARGED FOR EACH SAMPLE TESTED.</b>			

**ALKALINITY** (30-400 PPM) 180PPM A minimum level is desirable because it is a buffer that will prevent a large variation in the pH due to the presence of bicarbonate, carbonate or hydroxide constituents. Concentrations less than 100ppm are desirable for domestic water supplies. High alkalinity above 500ppm is usually associated with hardness and high dissolved solids and has adverse effects on plumbing systems, especially on hot water systems where scale reduces the transfer of heat to the water resulting in greater power consumption. Levels less than 350ppm will tend to inhibit corrosion of metal piping. Water with less than 75ppm is subject to changes in pH.

**pH** (6.5 to 8.5) 7.6 The pH level reflects how acidic the water is. pH is measured on a scale that runs from 0 to 14. Seven is neutral. Water with a low pH can be corrosive and can leach metals from pipes and fixtures, such as copper, lead and zinc. It can damage metal pipes and cause laundry staining or blue-green stains on sinks. With a pH above 8.5 indicates a high level of alkalinity minerals. This does not pose a health risk, but can give the water an alkali taste and make Coffee taste bitter.

**Hardness** (20 to 110ppm) 240PPM The hardness is a measure of the amount of minerals, primarily calcium and magnesium, it contains. Scale will form on the interior of hot water tanks or cooking utensils when the water is classified as moderately hard or greater. Hardness is classified as follows: Soft 0 to 60 ppm, moderately hard 61 to 120 ppm, hard 120 to 180 ppm, very hard over 180 ppm.

**Nitrates/Nitrites** (10ppm/1ppm) NONE DETECTED High nitrate concentration in well water is generally an indication that the well is improperly constructed and that surface water containing excessive nitrates is entering the well. Because privies, cesspools, fertilizers, and barnyards are sources of organic nitrogen, a large amount of nitrate in well water may indicate pollution from these sources. When high nitrates are present in a well supply, the well should be checked for construction defects and bacteriological examination of the water should be made. Infants under the age of six months who are fed water or formula made with water that is high in nitrate can develop a condition called methemoglobinemia. This condition is also called blue baby syndrome. People who have heart or lung disease, certain inherited enzyme defects, or cancer may be more sensitive to the toxic effects of nitrate than others. Some experts believe that long-term ingestion of water high in nitrate may increase the risk of certain types of cancer.

*Run nitrates*

*Please email results*

DATE & TIME TEST BEGAN:  
*1-11-17 3pm*  
DATE & TIME TEST ENDED:  
*1-12-17 4:30*

**STONE COUNTY HEALTH DEPARTMENT**  
Environmental Services, 109 E. 4th St., Galena, MO 65656

**PRIVATE DRINKING WATER  
TEST FOR COLIFORM BACTERIA**

**DNR**  
Certified Lab # 00840

THIS SAMPLING KIT IS TO BE USED BY THE PRIVATE CITIZEN FOR PRIVATE DRINKING WATER SUPPLIES.  
DATE SAMPLE COLLECTED *1-11-17* TIME *10:10* A.M.  
P.M. BOTTLE NUMBER *BW339*

**LABORATORY REPORT**  
 SATISFACTORY (TOTAL COLIFORM BACTERIA ABSENT)  
 UNSATISFACTORY (TOTAL COLIFORM BACTERIA FOUND)  
 E. COLI ABSENT  
 E. COLI PRESENT - WATER TREATMENT AND A FOLLOW-UP SAMPLE IS SUGGESTED (SEE ENCLOSED MATERIAL)  
 RECEIVED IN LAB MORE THAN 48 HRS. AFTER COLLECTION  
 OVER 30 HOURS (Results may be invalid)  
 OTHER  
**A \$15.00 FEE IS CHARGED FOR EACH SAMPLE TESTED.**

The sample must be received within 30 hours after collection.  
**BELOW IS YOUR RETURN ADDRESS - PLEASE PRINT CLEARLY**

NAME *Richard Mills*

ADDRESS (STREET) *209 Falling Leaf Ct.*

CITY, STATE, ZIP *Branson West, MO 65737*

COUNTY COLLECTED IN *Stone*

TELEPHONE NUMBER *417-338-8870*

DATE REPORTED *1-12-17*

EMAIL ADDRESS *car mills 40 @ Yahoo*

**WELL WATER SCREENING**

NAME *Richard Mills* STREET ADDRESS *209 Falling Leaf*  
CITY *Branson West* STATE *mo* ZIP CODE \_\_\_\_\_  
COUNTY *Stone* DATE *1-11-17* BOTTLE # *BW339*

**ITEM ACCEPTABLE RANGE YOUR RESULTS EXPLANATION**

**Nitrate-nitrogen** 10ppm/1ppm *None detected* High nitrate concentration in well water is generally an indication that the well is improperly constructed and that surface water containing excessive nitrates is entering the well. Because privies, cesspools, fertilizers, and barnyards are sources of organic nitrogen, a large amount of nitrate in well water may indicate pollution from these sources. When high nitrates are present in a well supply, the well should be checked from construction defects and bacteriological examination of the water should be made. Infants under the age of six months who are fed water or formula made with water that is high in nitrate can develop a condition called methemoglobinemia. This condition is also called blue baby syndrome. People who have heart or lung disease, certain inherited enzyme defects, or cancer may be more sensitive to the toxic effects of nitrate than others. Some experts believe that long-term ingestion of water high in nitrate may increase the risk of certain types of cancer.

### **Staff's Recommended Bullet Points for the Commission's Consideration**

(Updated and Restated from the Staff Recommendation Memorandum filed on October 11, 2018)

1. Grant Mr. Mills a CCN to provide water service;
2. Approve the water service area depicted by the map and metes and bounds description, included with Staff's Memorandum as Attachments A and B;
3. Approve a quarterly flat rate for water service of \$271.42, updated from \$344.17, as per rebuttal testimony of Amanda McMellen in this case;
4. Require Mr. Mills, as a regulated water utility, to follow all applicable requirements pertaining to regulated water utilities;
5. Require Mr. Mills, as a regulated water utility, to create and keep financial books and records for plant-in-service, revenues, and operating expenses (including invoices) in accordance with the NARUC Uniform System of Accounts;
6. Require Mr. Mills to, going forward, keep and make available for audit and review all invoices and documents pertaining to the capital costs of constructing and installing the water utility assets;
7. Approve depreciation rates for water utility plant accounts as described and shown on Staff's Attachment E: Schedule of Depreciation Rates for Water Plant;
8. Require Mr. Mills to submit a complete tariff for water service, as a thirty (30) day filing, within ten (10) days after the effective date of approval of a CCN by the Commission;
9. Require Mr. Mills, as the regulated water utility, to submit information in this case file indicating he owns pertinent water utility real estate, and has access and control of water-related utility easements throughout the service area, within thirty (30) days after the effective date of approval of a CCN by the Commission;
10. Extend the requirement for Mr. Mills to submit a rate case before the Commission upon issuance of a CCN, as ordered in the Commission's *Report and Order* issued in WC-2017-0037, to submitting a rate case one year after the effective date of the issuance of a CCN in this case;
11. Make no finding that would preclude the Commission from considering the ratemaking treatment to be afforded any matters in any later proceeding;

12. Require Mr. Mills to distribute to all customers an informational brochure detailing the rights and responsibilities of the utility and its customers regarding its water service, consistent with the requirements of Commission Rule 4 CSR 240-13, within thirty (30) days after the effective date of approval of a CCN by the Commission;
13. Require Mr. Mills to provide to the CXD Staff a sample of three (3) bills from the first billing cycle after the effective date of approval of a CCN by the Commission;
14. Require Mr. Mills to file notice in this case once Staff recommendations Nos. 12-13 above have been completed;
15. Require Mr. Mills to take water samples for laboratory analysis at least twice per year at approximately six month intervals for bacterial contamination, chlorine residual and iron content, such sample to begin within thirty (30) days of the effective date of a CCN issued by the Commission; and,
16. Require Mr. Mills to report the twice-annually water testing results to customers at least annually, beginning within 240 days after the effective date of a CCN issued by the Commission.