

STATE OF MISSOURI  
PUBLIC SERVICE COMMISSION

Jefferson City  
February 27, 1981

CASE NO. SA-80-208

Dan Hagan  
P. O. Box 1221  
Columbia, Missouri 65201

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Columbia, Missouri 65201

Boone Water & Waste Treatment  
Co.  
P. O. Box 636  
Columbia, Missouri 65201

Gentlemen:

Enclosed find certified copy of ORDER in the above-  
numbered case.

Sincerely,



D. Michael Hearst  
Secretary

uncertified copy:

**BEFORE THE PUBLIC SERVICE COMMISSION**

**OF THE STATE OF MISSOURI**

**CASE NO. SA-80-208**

In the matter of the application of **WATER'S EDGE SEWER COMPANY** for permission and approval and for a certificate of convenience and necessity authorizing it to construct, install, own, operate, control, manage and maintain a sewer system for the public located in an unincorporated area in Boone County, Missouri.

The Commission shall grant a certificate of convenience and necessity authorizing the construction and operation of a sewer system for the public where it finds that the same is necessary or convenient for the public service.

**APPEARANCES:** **RAYMOND C. LEWIS, JR.,** Attorney at Law, 901 East Broadway, Columbia, Missouri 65201, for applicant, Water's Edge Sewer Company.

**THOMAS M. SCHNEIDER,** Attorney at Law, Post Office Box N, Columbia, Missouri 65205, for intervenor, City of Columbia, Missouri.

**STEPHEN C. SCOTT,** Attorney at Law, 11 North Seventh Street, Columbia, Missouri 65201, for intervenor, Boone Water & Waste Treatment Co., Inc.

**WILLIAM C. HARRELSON,** Assistant General Counsel, Missouri Public Service Commission, Post Office Box 360, Jefferson City, Missouri 65102, for the Staff of the Missouri Public Service Commission.

**REPORT AND ORDER**

On February 21, 1980, Water's Edge Sewer Company (Water's Edge) filed its application for a certificate of convenience and necessity authorizing it to construct, install, own, operate, control, manage and maintain a sewer system for the public located in an unincorporated area in Boone County, Missouri. An Order and Notice of Hearing set the application for hearing on May 30, 1980.

Two parties intervened in the present case, Boone Water & Waste Treatment Co., Inc. (BW&W), and the City of Columbia. Both parties appeared at the hearing and presented evidence in opposition to the application.

At the conclusion of the hearing the parties waived the reading of the transcript. Applicant, Staff and intervenor BW&W expressed a desire to file briefs and a briefing schedule was set.

On October 23, 1980, Staff filed a Motion For Extension of Time in Which to File Staff's Brief. Such motion was based upon changing factual circumstances in the case and was followed by a Petition to Set Aside the Submission and Reopen

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the Proceedings For the Taking of Additional Evidence. No objections to the petition were received and the petition was granted upon the information contained in the petition. A hearing was set for February 5, 1981, by order of the Commission.

The hearing was continued and the Applicant, BW&W and Staff presented a Stipulation and Agreement to be made part of the record. The City of Columbia withdrew from the case.

This Report and Order is based upon the stipulation presented and the affidavit presented in support thereof.

#### Findings of Fact

Applicant is a Missouri corporation duly organized and existing under the laws of the State of Missouri with its principal office and place of business at 701 Lake of the Woods Road, Post Office Box 1221, Columbia, Missouri 65205. Said corporation is a public utility proposing to render sewer service to the public under the jurisdiction of this Commission. Applicant is operated by its majority stockholder, Dan Hagan. Mr. Hagan is also the developer of one of the three subdivisions sought to be served by the Applicant.

The area sought to be certified is an unincorporated area in Boone County, Missouri, near Columbia, Missouri. Three subdivisions are within that area, Water's Edge Subdivision, being developed by Dan Hagan; Lakeland Acres, owned by E.D.W. Inc.; and Lakewood Estates, being developed by Kenneth Flood.

Mr. Hagan originally intended only to develop a sewer system for the subdivision that he was developing, but at the urging of the Department of Natural Resources of Missouri he submitted the present application, which includes the above-mentioned subdivisions.

Lakewood Estates is presently being served by intervenor BW&W, which at the time of the hearing was owned by the developer of Lakewood Estates, Kenneth Flood. The representative of the Department of Natural Resources who testified at the hearing explained that BW&W was currently overloaded and operating beyond capacity, and that BW&W was not meeting and had never consistently met the Department's discharge parameters set for the BW&W facility.

Lakeland Acres is presently served by a single cell waste stabilization lagoon that has reached capacity at this time. There is no valid discharge permit for that facility.

Due to the above-described circumstances the Department of Natural Resources requested the Applicant to apply for a certificate that would allow for



construction of a system that would serve not only Water's Edge Subdivision, but would take care of the Lakewood problem and provide for the future increased capacity of the Lakeland development.

BW&W opposed the application at the hearing, claiming it could build a new facility at a lower cost than Water's Edge could serve them. At the time of the hearing, BW&W's operating engineer, Vernon Stump, testified that having all three subdivisions in question served by a single system would be advantageous from an engineering standpoint, but had no personal opinion on the cost advantages or disadvantages of such.

E.D.W Inc. has at all times supported this application as it relates to serving Lakeland Acres. Since the hearing, the City of Columbia has withdrawn, and BW&W has been sold by Kenneth Flood to Vernon Stump and Gregory Mattli. Due to this change in circumstances, the parties were able to form a stipulation and agreement for the development of a combined system to treat sewage for the three subdivisions.

That stipulation is attached hereto as Appendix A. By the stipulation Applicant withdraws that portion of its application that includes the presently certified area of BW&W. It also provides for the connection of the BW&W system to the system to be constructed by Water's Edge. This will alleviate the overloading of the BW&W system. The stipulation also sets forth the terms by which this will be accomplished.

Staff is in concurrence with this Stipulation and Agreement and respectfully requests its adoption by the Commission.

#### Conclusions

The Applicant is a sewer corporation as defined by Section 386.020, R.S.Mo. 1978. Pursuant to the terms of Section 393.170, R.S.Mo. 1978, the Commission shall grant a certificate of convenience and necessity authorizing the construction and operation of a sewer system for the public where it finds that the same is necessary or convenient for the public service.

The Commission by this Report and Order hereby accepts into the record Joint Exhibit No. 1, attached hereto as Appendix A, and Staff's Exhibit 2. With the acceptance of those two exhibits the record is hereby considered closed by this Report and Order.

Since it is the conclusion of the Commission that the Applicant is capable of providing the proposed service and that the need for the proposed

service has been demonstrated, the authority herein sought should be granted in accordance with the Stipulation and Agreement in Case No. SA-80-208.

It is, therefore,

ORDERED: 1. That the Stipulation and Agreement received in this matter as Joint Exhibit No. 1 and attached hereto as Appendix A be, and hereby is, adopted in disposition of all matters in this case.

ORDERED: 2. That Water's Edge Sewer Company be, and it is, hereby granted a certificate of public convenience and necessity authorizing it to construct, install, own, operate, control, manage and maintain a sewer system for the public located in an unincorporated area in Boone County, Missouri, described as Water's Edge Subdivision, Lakeland Acres Subdivision and Lakewood Estates Subdivision, in accordance with the above-described Stipulation and Agreement.

ORDERED: 3. That Water's Edge Sewer Company and Boone Water & Waste Treatment Co., Inc., comply and carry out all sections of the Stipulation and Agreement in the time required therein.

ORDERED: 4. That within thirty (30) days of the effective date of this Report and Order, Water's Edge Sewer Company shall file, subject to the approval of this Commission, tariff sheets containing a map of the company's total authorized service area.

ORDERED: 5. That within thirty (30) days of the effective date of this Report and Order, Water's Edge Sewer Company shall furnish evidence to the Commission that it has filed applications for all necessary permits from the Missouri Department of Natural Resources.

ORDERED: 6. That this Report and Order shall become effective on the 10th day of March, 1981.

BY THE COMMISSION

*D. Michael Hearst*  
D. Michael Hearst  
Secretary

(S E A L)

Fraas, Chm., McCartney and Bryant, CC.,  
Concur.  
Dority and Shapleigh, CC., Not  
Participating.

Dated at Jefferson City, Missouri,  
on this 27th day of February, 1981.

*Joint* Exhibit No. 1  
Date \_\_\_\_\_ Case No. \_\_\_\_\_  
Reporter \_\_\_\_\_

BEFORE THE PUBLIC SERVICE COMMISSION  
OF THE STATE OF MISSOURI

In the matter of the application  
of WATER'S EDGE SEWER COMPANY for  
permission and approval and for a  
certificate of convenience and  
necessity authorizing it to construct,  
install, own, operate, control, manage  
and maintain a sewer system for the  
public located in an unincorporated  
area in Boone County, Missouri.

Case No. SA-80-208

STIPULATION AND AGREEMENT

On February 21, 1980 Water's Edge Sewer Company (Company) filed with the Missouri Public Service Commission (Commission) the application for a certificate of convenience and necessity sought in this matter. By order dated March 3, 1980 the Commission set this matter for hearing on the 30th day of May, 1980. On May 20, 1980, and May 21, 1980 the City of Columbia, Missouri (City), a municipal corporation and Boone Water and Waste Treatment Co., Inc. (BW&W) filed their respective applications to intervene which were granted by order of the Commission dated May 23, 1980.

A hearing was duly held on May 30, 1980 in which all parties, by their respective counsel, participated.

On October 29, 1980 the Staff of the Missouri Public Service Commission (Staff) filed its petition to set aside the submission and reopen the proceedings for the taking of additional evidence. The petition recited material changes of fact having occurred since the submission and recited the belief that an agreement as to all disputed matters was imminent and, therefore, requested a reopening of the record to consider such an agreement. By its order dated November 19, 1980 the Commission granted said petition and set the reopening of the proceedings to be held at 10:00 a.m., February 5, 1981.



As a result of the continuing negotiations of the parties, the undersigned stipulate and agree as follows:

1. That on January 2, 1981 Kenneth Flood and spouse sold all their right, title and interest in BW&W to Vernon L. Stump and Gregory P. Mattii.
2. That Company hereby withdraws that portion of its application for a certificate of convenience and necessity relating to the already existing service area of BW&W.
3. That the evidence adduced at the hearing held on May 30, 1980 establishes that the granting of the application for a certificate of convenience and necessity filed by the Company as modified herein will serve the public need and necessity and that the Company's facilities are adequate to provide reasonable service to customers within the proposed service area.
4. That BW&W's service and facilities under the terms of this Stipulation and Agreement will be safe and adequate to serve customers in the BW&W service area and that BW&W waste treatment will be adequate to meet the effluent standards of the Missouri Department of Natural Resources.
5. That BW&W agrees to take sewage treatment service from Company under the following terms and conditions:
  - a) BW&W will pay to the Company for sewage treatment of BW&W waste pursuant to a wholesale tariff filed by the Company the amount of \$15.36 per BW&W customer per quarter;
  - b) BW&W will contribute in aid of the construction of the Company's treatment facility and the trunk sewer from BW&W to the Company's treatment facility the amount of \$26,500.00 over a period of seven years at 16 percent interest with payments made quarterly in advance in the amount of \$14.31 per quarter per customer, with said payments to be adjusted annually to allow full recovery of principal and interest as above set forth due to changes in the number of BW&W customers.

c) That Company agrees to provide sewage treatment to BW&W and shall file, within 30 days of the issuance of a Report and Order approving this Stipulation and Agreement, a tariff establishing a charge for the wholesale sewage treatment service to BW&W in the amount of \$15.36 per quarter per each BW&W customer.

6. That BW&W shall file a surcharge tariff within 30 days of the issuance of a Report and Order approving this Stipulation and Agreement establishing a charge to its customers of \$14.31 per quarter per customer. The surcharge tariff will provide that the quarterly charge shall be adjusted annually to reflect the effect of <sup>change in number of</sup> ~~maximum~~ customers in the BW&W service area and that the surcharge tariff will cancel automatically at the expiration of seven years from the effective date of the original tariff.

7. That within 30 days of the issuance of a Report and Order approving this Stipulation and Agreement BW&W shall file revised tariffs establishing a quarterly charge to its customers for sewer service, exclusive of any surcharge, in the amount of \$25.20 per quarter per customer.

8. That the revised BW&W tariffs provided for herein shall not become effective until BW&W sewers are connected to the Company's sewer system.

9. That within 30 days of the issuance of a Report and Order approving this Stipulation and Agreement the Company shall file tariffs establishing a quarterly charge to its customers for sewer service in the amount of \$23.13 per quarter per customer.

10. That Company shall file rules and regulations within 30 days of the issuance of a Report and Order approving this Stipulation and Agreement.

11. That Company's rules and regulations shall provide that any collecting sewer extensions are to be paid for by the party requesting such extension.

12. That Company's rules and regulations shall provide for a connection inspection fee in the amount of \$25.00 per inspection.


13. That Company agrees to revise the tariff for sewer service to its customers and the wholesale tariff applicable to the sewage treatment service provided to BW&W if and when it

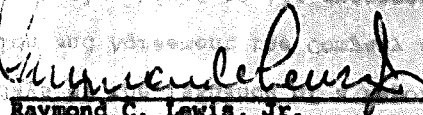


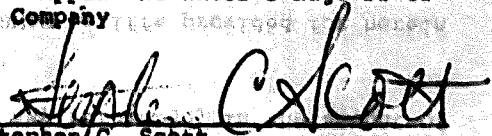
provides service to potential customers in its service area within the Lakeland Acres Subdivision to reflect the effect of serving these additional customers.

14. That the rates herein proposed for the Company are interim rates to be in effect for a period of 18 months after which the Staff of the Commission shall inspect the Company's operating history and make further recommendation as to a permanent rate, except as otherwise provided herein.

15. See Below\*

  
William C. Harrelson  
Assistant General Counsel  
Missouri Public Service Commission  
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Jefferson City, MO 65102  
For the Staff of the Commission

  
Raymond C. Lewis, Jr.  
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901 East Broadway  
Columbia, MO 65201  
For Applicant Water's Edge Sewer  
Company

  
Stephen C. Scott  
Attorney at Law  
11 North Seventh Street  
Columbia, MO 65201  
For Intervenor Boone Water and Waste  
Treatment Co., Inc.

\*15. None of the foregoing agreements and stipulations shall be deemed to bind any of the parties hereto or to prejudice any of the parties in respect to future rates and in particular, it is understood that the parties shall have the right to seek rate modifications before the Public Service Commission as authorized by law.

STATE OF MISSOURI

OFFICE OF THE PUBLIC SERVICE COMMISSION

I have compared the preceding copy with the original on file in this office and I do hereby certify the same to be a true copy therefrom and the whole thereof.

WITNESS my hand and seal of the Public Service Commission,  
at Jefferson City, this 27th day of February 1981

D. Michael Hearst  
D. Michael Hearst  
Secretary