

STATE OF MISSOURI
PUBLIC SERVICE COMMISSION

Jefferson City

October 2, 1980

CASE NO. SA-80-192

Vernon L. Stump, President
Trails West Sewer Company
506 Nichols
Columbia, Missouri 65201

Stephen C. Scott
Attorney at Law
11 North Seventh Street
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-80-192

In the matter of the application of Trails West Sewer Co. for permission, approval, and 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: STEPHEN C. SCOTT, Attorney at Law, 11 North Seventh Street, Columbia, Missouri 65201, for Trails West Sewer Co.
RORY ELLINGER, Assistant General Counsel, Missouri Public Service Commission, Post Office Box 350, Jefferson City, Missouri 65102, for the Staff of the Missouri Public Service Commission.

REPORT AND ORDER

By an application filed January 28, 1980, Applicant, Trails West Sewer Co., seeks authority to construct, install, own, operate, control, manage and maintain a sewer system for rendering service to the public in an unincorporated area in Boone County, Missouri.

The matter was set for hearing and heard in the Commission's hearing room in Jefferson City, Missouri, on June 6, 1980.

Findings of Fact

The Applicant is a Missouri corporation formed solely for the purpose of assumption of operation of an existing sewer system, herein involved. Stock in the applicant corporation will be issued only upon receipt of the authority herein requested. The president of the Applicant and the only proposed stockholder is Vernon Stump, who is the president of an engineering firm engaged in the management of nine other sewer systems. The office of the Applicant will be maintained at the address of Mid-Missouri Engineers, Inc., at 506 Nichols Street, Columbia, Missouri. The engineering firm will perform all services required for the management and operation of the sewage disposal system.

The service area is Trails West Subdivision, located approximately two miles west of Columbia, Missouri, in Boone County. There are 67 existing dwellings in the proposed service area and five additional unimproved lots. The houses are

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served by an existing sewer system which was constructed several years ago by the contractor who developed the area. It was the intention of the developer to convey the sewer system to a homeowners association, but at the time the conveyance was attempted the Missouri Department of Natural Resources reported several defects that needed upgrading. Since the homeowners association did not desire to accept the system until it was upgraded and the developer did not wish to make the additional investment, the conveyance was not effected and for several years the system was not maintained or properly operated.

The Applicant's president has been requested by the homeowners association and the developer to assume operation and maintenance of the system. The system is presently owned by the homeowners association, which intends to convey the system to the Applicant if the instant authority is granted.

Funds for the improvements to the system have been placed in an account in the First National Bank in Columbia, Missouri. Six thousand dollars (\$6,000) was donated by the subdivision developer and an additional amount of \$6,000 was acquired by an assessment of \$95 per household by the homeowners association. Mid-Missouri Engineers, Inc., has commenced renovation of the system and has presented a plan for completion of the work to the Commission Staff. It is proposed that any money remaining in the fund at the completion of the needed work will be returned to the homeowners association.

The sewer system includes a two-cell lagoon which is operating at or near its capacity. It is not expected that there will be more than 70 connections on the system, and that vacancies will result in approximately 65 active customers at any one time. The Commission Staff has inspected the improvements, thus far, by the engineering firm and agrees with the president that the system can probably handle the sewage load if the proposed renovation is completed.

The Commission Staff supports the Applicant's proposal to assume operation of the system. The only disagreement by the Staff is with the proposed monthly service charge in the amount of \$7.00. The Staff has reviewed the schedule of projected expenses and has proposed adjustments which would result in a monthly service charge of \$6.84, to which the Applicant has agreed. The rates proposed by the Staff include a management fee of 10 percent of the expenses rather than a higher flat fee proposed by the Applicant. The management fee for the first year will be \$470, and for the second year, \$513.

In the Commission's opinion public convenience and necessity will be promoted by the granting of the authority requested, since granting of the certificate sought will provide for operation of the system by a firm experienced in waste water handling and treatment.

The evidence indicates that there is no other alternative sewage disposal service available in the proposed area and that the Boone County Regional Sewer District does not provide any sewer service but confines its present operations to evaluation of new plans for subdivisions. The Boone County administrative court does not issue any franchises for sewer service and has indicated that no permission is necessary from that body.

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. 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.

It is, therefore,

ORDERED: 1. That Trails West Sewer Co., 506 Nichols Street, Columbia, Missouri 65201, be, and it is, hereby granted a certificate of public convenience and necessity to install, own, acquire, construct, operate, control, manage and maintain a sanitary sewer system in an unincorporated area in Boone County, Missouri, more fully described in Appendix A attached hereto and made a part hereof.

ORDERED: 2. That within thirty (30) days of the effective date of this Report and Order, Trails West Sewer Co. shall file, subject to the approval of the Commission, tariff sheets containing a map of the company's total authorized service area and prescribing a monthly service charge for sewage disposal service in the amount of \$6.84.

ORDERED: 3. That within thirty (30) days of the effective date of this Report and Order, Trails West Sewer Co. shall furnish evidence to the Commission that it has filed applications for all necessary permits to implement all of the rules and regulations of the Missouri Department of Natural Resources.

ORDERED: 4. That the Trails West Sewer Co. shall maintain records in accordance with the uniform system of accounts for sewer companies of its size.

ORDERED: 5. That within thirty (30) days of the effective date of this Report and Order, Trails West Sewer Co. shall file with the Commission an executed copy of the document conveying the involved sewer system to it from the homeowners association at Trails West Subdivision.

ORDERED: 6. That nothing contained herein shall be construed as a finding by the Commission of the value for ratemaking purposes of the properties herein involved, nor as an acquiescence in the value placed upon said properties by the Applicant.

ORDERED: 7. That this Report and Order shall become effective on the 14th day of October, 1980.

BY THE COMMISSION

D. Michael Hearst

Dr. Michael Hearst
Secretary

(S E A L)

Slavin, Chm., McCartney, Pres.,
Dority and Bryant, CC., Concur.

Dated at Jefferson City, Missouri,
on this 2nd day of October, 1980.

APPENDIX A

Trails West Sewer Co.
Service Area Description

Plat 1

A tract of land in the Southeast Quarter (SE 1/4) of Section 2, Township 48 North, Range 14 West of Boone County, Missouri, and more particularly described as follows: starting at the NE corner of the SE 1/4 of Section 2, Township 48 North, Range 14 West; thence S 90°00' W along the north line of the said SE 1/4, 710.97 feet to the point of beginning; thence S 0°00' W, 175.0 feet; thence S 32°37' W, 148.41 feet; thence S 90°00' W, 800.0 feet; thence S 0°00' W, 155.0 feet; thence S 60°00' W, 290.0 feet; thence N 50°42' W, 473.7 feet; thence N 81°27' E, 125.0 feet; thence N 11°06' W, 108.45 feet; thence N 0°00' W, 50.0 feet; thence N 90°00' E, 45.0 feet; thence N 0°00' W, 125.0 feet to the north line of the SE 1/4 of Section 2; thence N 90°00' E along the said north line of the SE 1/4, 1350.0 feet to the point of beginning and containing 11.936 acre,

which said real estate has been subdivided into lots and known as Trails West - Plat No. 1 and a plat of said subdivision is recorded in Book 10, page 101 of the Records of the Recorder of Deeds, Boone County, Missouri.

Plat 2

A tract of land in the Southeast Quarter (SE 1/4) of Section 2, Township 48 North, Range 14 West of Boone County, Missouri, and more particularly described as follows:

Starting at the NE corner of the SE 1/4 of Section 2, T 48 N, R 14 W; thence S 90°00' W, 710.97 feet to a point on the east boundary of Trail West, Plat No. 1; thence with said boundary S 0°00' E, 175.00 feet to the point of beginning; thence S 55°28' E, 50.01 feet; thence S 37°37' W, 300.00 feet; thence S 1°30' E, 374.00 feet; thence S 61°03' W, 232.31 feet; thence N 54°16' W, 520.07 feet; thence S 35°44' W, 180.00 feet; thence N 54°16' W, 22.54 feet; thence S 35°44' W, 91.23 feet; thence N 54°16' W, 161.14 feet; N 30°00' W, 175.00 feet to a point on the south boundary of Trails West Plat No. 1; thence with said boundary, N 60°00' E, 290.00 feet; thence N 0°00' E, 155.00 feet; thence N 90°00' E, 800.00 feet; thence N 32°37' E, 148.41 feet to the point of beginning and containing 10.50 acres,

which said real estate has been subdivided into lots and known as Trails West - Plat No. 2 and a plat of said subdivision is recorded in Book 11, Page 10 of the Records of the Recorder of Deeds, Boone County, Missouri.

Plat 3

A tract of land located in the SE 1/4 of Section 2, T 48 N, R 14 W, of Boone County, Missouri, and being more particularly described as follows:

Beginning at the NE corner of Lot #63 of Trails West Plat #1 as recorded in Plat Book 11, page 10, of the Boone County records; thence S 54°16' E 330.0 feet; thence S 35°44' W 190.0 feet; thence S 75°29' W 268.1 feet; thence N 19°41' W 220.0 feet; thence N 35°44' E 91.23 feet; thence S 54°16' E 22.54 feet;

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 2nd day of October 1980

D. Michael Hearst
D. Michael Hearst
Secretary